

Summary of Proposed SFC Amendment Package

(Special Session I: HB 5001/HB 5002)

May 29, 2018

Starting Point: SB 29 and SB 30

- **Starting point is the Committee's amendments to SB 29 and SB 30 during the regular session.**
- **Changes from the original budgets:**
 - **Additional revenue and resources.**
 - **100% of FY 2018 surplus to Cash Reserve (overriding WQIF in FY 2018).**
 - **Additional funding for compensation.**
 - **Other adjustments to spending and language amendments.**
 - Fully funds claims bills as passed, other passed legislation.
 - Also includes certain other legislation (SB 934, SB 844, SB 964).
 - **Other technical adjustments.**
 - Including amendments to transfer CIT to Commerce and Trade, previously agreed to in concept.

Additional revenue/resources

- \$60.0 million in FY 2019 and \$60.0 million in FY 2020 in additional revenue (withholding).
- \$10.8 million savings from tax compliance initiative.
- \$10.0 million GF savings (FY 2018) due to Lottery Proceeds.
- \$6.4 million additional from a Health Care Fund forecast adjustment.
- \$5.0 million GF savings due to federal funding for opioid issue.
- \$3.4 million energy rebate.

HB 5002: Resources (Proposed SFC Amendment Package)

2018-20 Biennium	FY 2019	FY 2020	Biennium
Balance Forward			
Unappropriated Balance, as Introduced	\$54,558,586	\$(42,445,544)	\$12,113,042
Change to Balance Forward (HB 5001)	16,310,808	0	16,310,808
Changes to Revenues			
Limitation on Historic Rehabilitation Tax Credit	\$0	\$13,000,000	\$13,000,000
Limitation on Land Preservation Tax Credit	6,600,000	6,600,000	13,200,000
Reverse Expansion of Sales and Use Tax Exemption for R&D	150,000	150,000	300,000
ATV Sales Tax Increase (SB 249)	225,000	225,000	450,000
Utility Rate Credit (SB 966)	3,400,000	0	3,400,000
Increase Tax Compliance Revenues	6,847,739	3,952,371	10,800,110
DNA Testing Fee Revenue (HB 1249)	104,388	104,388	208,776
Revenue Reforecast	60,000,000	60,000,000	120,000,000

HB 5002: Resources (Proposed SFC Amendment Package)

2018-20 Biennium	FY 2019	FY 2020	Biennium
Changes to Transfers			
OAG – Revolving Trust Fund	\$500,000	\$500,000	\$1,000,000
OAG – Debt Collection Fund	200,000	200,000	400,000
Transfer Savings from Decrease in Telephone Relay Service	2,000,000	2,000,000	4,000,000
ABC Positions - New Stores Only	590,999	1,181,998	1,772,997
ABC Point of Sale	764,550	2,874,868	3,639,418
ABC Positions - PT/FT Stores	0	507,027	507,027
Un-refunded Marine Fuels	<u>2,583,531</u>	<u>2,583,531</u>	<u>5,167,062</u>
Changes to Resources	\$83,966,207	\$93,879,183	\$177,845,390
Net Spending	<u>75,906,953</u>	<u>118,465,181</u>	<u>194,372,134</u>
Unappropriated Balance	\$78,928,648	\$(67,031,542)	\$11,897,106

Compensation

- **Teachers:**
 - Appropriated funds for 2.0% full year (second year) teacher salary increase.
 - Additional 1.0% contingent on additional revenue.
- **Compensation for State Employees and State-Supported Locals:**
 - Appropriated funds for 1.0% full year salary increase.
 - Additional 1.0% salary increase, 2.0% merit increase for state employees, and targeted actions (DBHDS direct care, correctional officers, and marine police) contingent on additional revenues.
 - Deputy sheriffs appropriated funds – entry level for sworn = \$32,500
- **All amounts are contingent on revenues.**

Other Spending Changes

- \$16.3 million for GO Virginia
- \$2.0 million for ODU shipbuilding initiative
- \$1.5 million in additional funding for VEDP marketing and site development
- \$1.0 million for JLARC HHR Unit
- \$375,000 for UMW career and professional development
- \$50,000 for First Landing bike facilities

Other Changes

- Criminal Fund Waivers
- LARC – limited to purchase of device
- Modernization of eligibility system
- Waiver slot reallocation
- Project Labor Agreements to P3 Projects
- Technical correction to acreage for leasing purposes at Eastern State Hospital
- JYF agency head language

Capital Outlay Changes

- Additional Maintenance Reserve at Ft. Monroe
- New College Institute building purchase
- IALR planning project match rate
- State Police Tactical Center (Wytheville)