











Overview of SB 1100

Senate Finance Committee Amendments to
SB 1100 (2018-20 Biennial Budget)

February 6, 2019

Presentation Outline

 <p>Overview/ Resources/ Econ. Dev.</p>	<p>Higher Education</p> 	 <p>K-12 & Other Ed.</p>	<p>Independent Agencies</p> 	 <p>Health & Human Res.</p>
 <p>Public Safety & Veterans</p>	<p>Natural Resources/ Ag. & Forestry</p> 	 <p>Transportation</p>	<p>General Gov't</p> 	 <p>Capital Outlay</p>

Overview/Resources


SFC Budget Highlights

- SFC Amendments to the introduced budget reflect significant reductions to resources of \$242.2 million and reductions in spending of \$219.3 million.
- When combined with the FY 2018 surplus, economic growth and tax policy actions, assumed additional resources available for appropriation total \$1.9 billion.
- Creates the Tax Reform Fund that appropriates \$500 million of tax relief actions. (Other tax policy actions reduce revenue collections by more than \$470 million.)
 - Reflects tax policy decisions as they were adopted in the Senate with the Tax Reform Fund setting aside almost \$420 million for a refund in October 2019 and over \$80 million appropriated for future tax actions.
- Additional spending of \$462.5 million to cover growth in the Medicaid forecast was included in the introduced budget and SFC amendments provide a one-time offset of \$38.9 million.
- Funding to reach the state's share of a 5 percent teacher raise is included for FY 2020.

Tax Conformity and Internet Sales Tax Actions

- Includes \$82.5 million in general fund revenues from additional internet sales tax collections.
 - The Senate passed separate “*Wayfair*” legislation requiring internet sellers to collect the tax.
 - Removes related language that was included in the introduced budget.
- Removes language that proposed to make the Virginia Earned Income Tax Credit refundable.
- Includes language conforming Virginia tax code to federal law as of December 31, 2018, including provisions of the federal Tax Cuts and Jobs Act (TCJA).
- Returns over \$970 million to taxpayers through a combination of refunds and tax policy adjustments (100 percent of additional revenues resulting from the individual provisions of the TCJA).

Tax Reform Actions

Individual Provisions (\$ in millions)	FY 19	FY 20	Biennium
Conform to TCJA Individual Provisions	\$532	\$444	\$976
Tax Relief:			
	Refunded to taxpayers 		
2018/19: Refund up to \$110/\$220 based on 2018 returns (Oct 2019)*	(\$420)		(\$420)
2018: Deconform from GILTI	(\$7)	(\$5)	(\$13)
2018: Subtraction for 1/5th of disallowed net interest expense deduction	(\$25)	(\$18)	(\$43)
2019: Deconform from state and local tax deduction limitation (SALT)		(\$56)	(\$56)
2019: Increase the standard deduction to \$4,500/\$9,000		(\$360)	(\$360)
Subtotal Tax Relief	<u>(\$452)</u>	<u>(\$439)</u>	<u>(\$891)</u>
Net GF Revenue Impact	\$80**	\$5	\$85

*Amount appropriated to Tax Reform Fund in FY 2019 and refunds issued in FY 2020 (Oct 2019) based on TY 2018 returns filed by July 1, 2019.

**Amount deposited to a Tax Reform Fund for additional current/future tax relief.

General Fund Revenues

(\$ in millions)	FY 2019	FY 2020	Biennium
GF Revenue Estimate, As Introduced	\$21,050.6	\$21,689.0	\$42,739.6
Senate Amendments:			
Remove Refundability of Earned Income Tax Credit	10.3	206.0	216.3
Raise standard deduction; Deconform from SALT limitation	-	(\$415.3)	(\$415.3)
Deconform from GILTI provision	(7.1)	(5.4)	(12.5)
Subtraction for 1/5th of disallowed net interest deduction	(24.6)	(18.0)	(42.6)
Transferability of Port Volume Increase Tax Credits (SB 1652)	—	(0.5)	(0.5)
Subtotal Senate Amendments	<u>(\$21.4)</u>	<u>(\$223.2)</u>	<u>(\$254.6)</u>
General Fund Estimate, As Amended	\$21,019.2	\$21,455.8	\$42,485.0

Available General Fund Resources

(\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Unreserved Balance	\$1,229.9	-	\$1,229.9
Changes to Balances	(418.8)	4.6	(414.2)
General Fund Revenue Estimate	42,739.6	(254.6)	42,485.0
Transfers	<u>1,252.4</u>	<u>7.8</u>	<u>1,260.2</u>
GF Resources Available for Appropriation	\$44,803.1	(\$242.2)	\$44,560.9
Total GF Spending	<u>\$44,778.3</u>	<u>(\$219.3)</u>	<u>\$44,559.0</u>
Unappropriated Balance	\$24.8	(\$22.9)	\$1.9

Revenue Reserve Fund

- Includes \$595.5 million in new deposits and reappropriations to the Revenue Reserve.
 - \$235.2 million mandatory deposit;
 - \$199.7 million toward future mandatory Revenue Stabilization Fund deposits; and
 - Maintains \$91.0 million base and provides \$69.6 million supplemental deposit.
- Combined balances in Rainy Day Fund and Revenue Cash Reserve Fund will total \$1.3 billion at the close of FY 2020.
- Removes language that would authorize the Governor to appropriate funds from the Revenue Reserve Fund for:
 - Deferrals, disallowances, and repayments required by the federal government;
 - Unbudgeted obligations including costs resulting from settlements and litigation;
 - Emergencies and natural disasters;
 - Economic development incentives authorized by the General Assembly and the Governor; and
 - Any required deposits to the Revenue Stabilization Fund that are not otherwise supported by the Appropriation Act.

SFC Amendments for 2018-20 Biennium

- Excluding deposits to the Tax Reform Fund which is dedicated for refunds or other tax relief, amendments to SB 1100 reduce GF spending by \$219.3 million compared to the introduced budget.
- Spending items include:
 - \$595.5 million in deposits and reappropriations to the Revenue Reserve Fund;
 - \$462.5 million to cover growth in the Medicaid forecast;
 - \$87.6 million for an additional 2% teacher salary increase on July 1, 2019 (already at 3%); and
 - \$50.0 million for the Semiconductor Mfg. Grant Fund.
- Offset by savings actions:
 - \$55.2 million from lower K-12 enrollment;
 - \$38.9 million for a one-time Medicaid forecast adjustment;
 - \$55.1 million in debt service savings; and
 - \$51.3 million in slower growth in employee health insurance premiums.

Major GF Spending Proposals

GF Actions for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Revenue Reserve Fund Deposit	\$789.3	(\$284.8)	\$504.5
Tax Reform Fund	\$0	\$499.8	\$499.8
Revenue Stabilization Fund Deposit	\$262.9	\$0	\$262.9
Medicaid Utilization & Inflation	\$462.5	(\$38.9)	\$423.6
K-12: Additional 2% Salary Increase for SOQ positions	\$87.6	\$0	\$87.6
K-12: Literary Fund School Construction Int. Rate Subsidy & Loans	\$80.0	(\$10.0)	\$70.0
K-12: School Counselors	\$36.0	(\$26.0)	\$10.0
Virginia Transportation Infrastructure Bank	\$75.0	(\$75.0)	\$0
Water Quality Improvement Fund	\$108.8	(\$35.0)	\$73.8
Stormwater Local Assistance Fund	\$50.0	(\$50.0)	\$0
Virginia Telecommunications Initiative	\$46.0	(\$31.0)	\$15.0
Business Ready Sites	\$20.0	(\$18.0)	\$2.0
Additional 1% Bonus for State Employees	\$40.2	(\$40.2)	\$0
Accelerated Sales Tax	\$27.2	\$0	\$27.2
Capital Outlay	\$33.5	(\$12.4)	\$21.1

Commerce and Trade – Economic Development

Commerce and Trade

Major SFC Actions:

- Reduces proposed GF spending increases in the Commerce and Trade secretariat by \$29.0 million; provides \$69.0 million (15 percent) increase over Chapter 2.
- Appropriates \$50.0 million Semiconductor Manufacturing Grant payment to fulfill the Commonwealth's commitment to Micron.
- Increases funding for the Virginia Telecommunication Initiative by \$15.0 million GF to accelerate broadband investment in rural and unserved areas of the Commonwealth; and provides additional funding of \$0.3 GF for administrative support.
- Invests an additional \$2.0 million GF in developing business-ready sites and buildings to attract more high-paying jobs and capital investment to the Commonwealth.
- Increases the annual commitment to the Housing Trust Fund to \$6.0 million GF to support efforts to reduce homelessness and to create and preserve affordable housing in the Commonwealth.
- Invests \$1.0 million GF to encourage the deployment of solar equipment in economic revitalization areas.

Commerce and Trade: Summary of SFC Committee Amendments

GF Actions for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Semiconductor Manufacturing Incentive Grant	\$0	\$50.0	\$50.0
Virginia Telecommunications Initiative	\$46.0	(\$31.0)	\$15.0
Virginia Economic Development Partnership: Business Ready Sites	\$20.0	(\$18.0)	\$2.0
Increase Deposits to the Housing Trust Fund	\$19.0	(\$18.0)	\$1.0
New Renewable Energy Incentive Fund	\$10.0	(\$9.0)	\$1.0
Virginia Jobs Investment Program		<i>Language</i>	
Commonwealth Center for Advanced Manufacturing	\$0	\$0.9	\$0.9
Virginia Employment Commission Strategic Workforce Dashboard	\$2.0	(\$2.0)	\$0
Virginia Occupational Safety and Health Program	\$1.4	(\$1.4)	\$0
Fort Monroe Authority	\$0.8	\$0	\$0.8
Other Renewable Energy Programs	\$0.4	(\$0.3)	\$0.1
Spearhead Trails Initiative	\$0.3	<i>Language</i>	\$0.3
Coalfield Regional Tourism Authority	\$0.3	(\$0.2)	\$0.1
Other Adjustments	(\$2.4)	(\$0.1)	(\$2.5)
Commerce and Trade Total	\$98.0	(\$29.0)	\$69.0

Higher Education

Overview of Higher Education

- Chapter 2 (2018 Special Session I) included an increase of **\$120.6 million GF** over Chapter 836 (2017 Session) (not including Central Accounts mostly technical actions of \$139.8 million).
- **SB 1100:**
 - **SFC: Additional net increase of approximately \$22.7 million GF over the biennium (plus other additional funding in Central Accounts), including:**
 - \$15.5 million GF to support undergraduate need-based financial aid.
 - \$8.0 million GF under Central Accounts to increase computer science degrees (tech talent pipeline).
 - \$4.0 million GF under the New Economy Workforce Credential Grant.

Summary of Higher Education

Actions for the 2018-20 Biennium (GF \$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Undergraduate Need-Based Aid	\$15.5	-	\$15.5
New Economy Workforce Credential Grant Program	4.0	Language	4.0
Tuition Assistance Grant (Increase awards by \$50 to \$3,400; SFC: removes double count of Jefferson College)	5.2	(1.7)	3.5
VCCS – Advising & Online Apprenticeship Curriculum	5.6	(3.2)	2.4
UVA-Wise – Enhance Academic Programs & Program Planning	2.6	(1.3)	1.3
Radford University – Jefferson College Acquisition	1.7	-	1.7
SCHEV: Innovative Internship Program, Legislative Policy Meeting, & Graduate Survey	-	1.3	1.3
Jefferson Lab	0.5	(0.5)	0.0
VCCS Transfer CodeVA to K-12	-	(1.1)	(1.1)
Phase Commonwealth Cyber Initiative (+\$20 million in Ch. 2)	-	(10.0)	(10.0)
Other Actions Related to Institutions: (UVA, VIMS, VT (Ext.), VSU, CWM, VMI, VCU, GMU, ODU) (Breakout on next slide)	<u>2.6</u>	<u>1.5</u>	<u>4.1</u>
Subtotal	\$37.7	(\$14.9)	\$22.7
Tech Talent Pipeline Computer Science Degrees (in Central Accounts); SFC: \$300,000 for internships to SCHEV	8.3	(0.3)	8.0
Restoration of Restructuring Benefits (CC Rebate & Interest Earnings)	1.4	-	1.4
UVA Health Insurance Premium	1.6	(0.8)	0.8

Higher Education (continued)

Actions for the 2018-20 Biennium GF	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
VA Institute of Marine Science – Chesapeake Bay Monitoring	\$386,668	-	\$386,668
VA Institute of Marine Science – Chincoteague Inlet Study	-	300,000	300,000
VA Cooperative Extension and Agriculture Experiment Station—Fund Split	678,481	-	678,481
VMI Math Strategy & Operations	-	610,548	610,548
CWM Data Science Program Expansion	-	570,000	570,000
VSU Commonwealth Graduate Engineering Program	299,286	-	299,286
VSU Agriculture Faculty		234,000	234,000
ODU Institute for Spaceflight and Autonomy	-	370,000	370,000
GMU Advance Program	-	300,000	300,000
VCU Wilder School of Public Policy	-	160,000	160,000
UVA Focused Ultrasound Center	1,000,000	(1,000,000)	0
UVA Foundation for Humanities	200,000	-	200,000

Other Higher Education Actions

- **Nongeneral Fund Revenue University of Mary Washington.** Allows Mary Washington to exceed the three percent cap on mandatory fees in auxiliary programs, for a limited period of time.
- **JMU Level III Authority.** Recommends approval for James Madison University to pursue Level III designation.
- **Virginia College Affordability Network Initiative.** Requires NSU, UVA-Wise, and VSU to develop recommendations to enhance access for students with high financial needs.
- **SCHEV Data Exchange.** Allows SCHEV to exchange data with U.S. Census to obtain wage outcomes of Virginia graduates working outside of Virginia.
- **Finance Plan.** Directs SCHEV to work with Lumina Foundation to develop a statewide higher education finance plan that incorporates priorities of the Joint Subcommittee on the Future Competitiveness of Higher Education.
- **Six-Year Financial Plan Language.** Allows institutions to submit alternative tuition and fee structures for in-state undergraduate students; and an innovative performance pilot.
- **ORPHE Surcharge Adjustment.** Adjusts the surcharge for positions previously enrolled in the Defined Benefit (DB) or Hybrid that are converted to Defined Contribution (DC), to avoid stranding the existing retirement system funded liability.
- **Employment Waiting Period Requirement for Board of Visitors.** Prohibits institutions from employing an individual appointed to the Board of Visitors for a period of 2 years, with the exception of employment to serve as President.

K-12 & Other Education

Overview of Public Education

- Chapter 2 (2018 Special Session I) included an increase of **\$664.4 million GF** over Chapter 836 (2017 Session), including:
 - **\$481.1 million GF for rebenchmarking updates, \$131.5 million GF for the state's share of a 3% compensation supplement, and \$73.9 million GF to increase the Supplemental Lottery Per Pupil Amount.**
- **SB 1100:**
 - **SFC: Additional net increase of \$65.5 million GF over the biennium for Direct Aid to Public Education above Chapter 2, plus \$70.3 million NGF in additional Lottery Proceeds.**
 - *\$55.2 million savings due to revised enrollment projections, and other technical amendments totaling net savings of \$145.1 million*
 - \$87.6 million for (full-year funding) for up to 5% teacher salary increase
 - \$70.0 million for Literary Fund school construction interest rate subsidy and revolving loans
 - \$21.4 million to increase At-Risk Add-On
 - \$10.0 million for additional school counselors

Public Education: Summary of Proposed Policy Changes

GF Actions for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
State's Share of +2% Salary Increase (total = 5.0%) (+\$131.5M in Ch. 2)	\$87.6	Language	\$87.6
Literary Fund, SFC: \$37.5M school construction interest rate subsidy; \$32.5 million loans	80.0	(10.0)	70.0
School Counselors, SFC: 1:460 students (elem), 1:375 (middle), 1:330 (high school)	36.0	(26.0)	10.0
At-Risk Add-On (+\$7.1 million in Ch. 2), SFC: 14.5% in FY19, 15.5% in FY20	35.6	(14.2)	21.4
Lottery Supplemental Allocation (+\$73.9 million in Ch. 2), SFC: 37% in FY19, 38% in FY20	34.7	(34.7)	0.0
Sales Tax (Internet Sales)	13.5	-	13.5
Continue Federal VPI-Plus Slots, SFC: With 25% local share in FY 2020	9.7	(2.4)	7.3
Early Childhood – Curriculum and CLASS Observations (+\$1.8 million in Ch. 2)	1.7	(1.7)	0.0
Educational Services in State Operated Health Programs	-	0.5	0.5
Supplemental Programs (Robots for autism services, active learning grants, GRASP; Garden of Tomorrow, arts festival, Grow Your Own teachers; teacher residency, transfer CodeVA to K12, high school apprenticeship pilot)	3.3	(0.9)	2.4
Composite Index Adjusted for Land Use (2020-22 Biennium); DOE Virtual Virginia course fee schedule for school divisions (SB 1690)	-	Language	Language

DOE Central Office Actions

GF Actions for the 2018-20 Biennium	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
New grants management system to replace the OMEGA system	\$600,000	(\$150,000)	\$450,000
Statewide computer science education and training (UVA)	\$553,000	-	553,000
Automate the teacher license application system	\$552,500	(97,500)	455,000
Positions to address APA issues in finance, risk management, and IT security	\$549,573	-	549,573
Update certain social studies Standards of Learning tests	\$500,000	-	500,000
Use of Seclusion and Restraint regulations training	\$492,755	-	492,755
Early Childhood Education position - PD and local curriculum/class obs.	\$300,320	(137,733)	162,587
New career cluster	-	80,000	80,000
IEP transition pilot	-	20,000	20,000
Standards of Learning assessments	-	Language	Language

Other Education Agencies

GF Actions for the 2018-20 Biennium	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
LOV – State Aid to Public Libraries – Summer reading and STEAM materials	-	\$500,000	\$500,000
Commission for the Arts – Grants to arts organizations	250,000	(125,000)	125,000
Museum of Fine Arts – Evans 360 education program	377,403	(188,700)	188,703
Frontier Culture - Security services and equipment	-	250,000	250,000
Frontier Culture - Employee retention	-	125,000	125,000
Jamestown-Yorktown – Workforce stabilization	-	243,626	243,626
Jamestown-Yorktown – Site security improvements	-	280,832	280,832
Commission for the Arts – New executive director	15,856	-	15,856
Frontier Culture Museum – Defibrillators	15,000	-	15,000

Independent Agencies

Independent Agencies

- **Virginia Retirement System.** \$3.7 million NGF related to completion of the Modernization Project; additional \$1.4 million NGF the second year for performance-based bonuses to investment staff, consistent with existing policy; \$919,005 NGF for continued access to market-driven investment data.
 - **SFC:** Adds \$282,627 NGF in FY 2019 to implement programming associated with SB 1032 (plus \$1.4 million GF in Central Appropriations), related to return-to-work provisions for retired law enforcement officers employed as school security officers; adds \$45,408 NGF in FY 2019 to implement SB 1384, related to the Judicial Retirement System.
 - **SFC:** Removes proposed language to add 3 ex-officio (non-voting) members to the Board of Trustees.
 - **SFC:** In Central Appropriations, adds \$650,000 GF associated with costs of SB 1030, having to do with workers compensation; and provides \$3.8 million GF related to increasing the Health Insurance Credit for public safety employees.
- **College Savings Plan.** \$1.6 million NGF for cyber security and software upgrades; \$830,000 NGF to fill Investment Director position; and \$180,253 NGF to reflect a new lease agreement and one-time costs to ensure federal ADA requirements.
- **Virginia Lottery.** \$3.6 million NGF the first year for a one-time vending equipment purchase.
- **State Corporation Commission.** \$65,100 NGF and 1.0 FTE for oversight of qualified education loan servicers.

Health and Human Resources

Overview of HHR

(\$ in millions)	FY 2019 GF	FY 2020 GF
Chapter 2	\$6,647.7	\$6,821.5
Proposed Increases	228.6	304.0
Proposed Decreases	(65.5)	(54.8)
Net Change	163.1	249.2
SB 1100, as Amended	\$6,810.8	\$7,070.7
Percent Change over Chapter 2	2.5%	3.7%

- SFC Amendments reduce GF spending in HHR by \$65.5 million GF as compared to the introduced budget.

SFC HHR Mandatory Spending Recommendations

Major GF Changes for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Medicaid Utilization and Inflation Forecast <ul style="list-style-type: none"> <i>Savings is from suspension of insurance tax</i> 	\$462.5	(\$38.9)	\$423.6
Replacement of Funds at Piedmont Geriatric and Catawba Hospitals	46.3	-	46.3
Children's Health Insurance Programs	12.8	-	12.8
Medicaid 1115 Waiver Demonstration (DMAS & DSS)	13.0	(13.0)	-
Foster Care and Adoption Payments	2.0	-	2.0
Health Care Fund Revenue Offset	1.7	-	1.7
Early Intervention Services – Part C Caseload	1.2	-	1.2
Other (Rent Increases, Sterilization Payments, Waiver Assessments)	0.6	-	0.6
TOTAL Mandatory Spending	\$540.1	(\$51.9)	\$488.2

SFC Recommendations for Dept. of Medical Assistance Services

- **Funding Recommendations:**

- **\$4.2 million GF** to increase Medicaid physician rates (70% Medicare).
- **\$2.6 million GF** to increase Medicaid rates for mental health professionals.
- **\$375,000 GF** to add 10 developmental disability waiver reserve slots.
- **\$23,215 GF** to increase Medicaid telehealth site facility fee.

- **Budget Language Recommendations:**

- Medicaid forecast workgroup, managed care rate setting oversight, notification requirements, other fiscal oversight provisions.
- Modifies Disproportionate Share Hospital payments to incentivize private hospitals to take more Temporary Detention Orders.

SFC Behavioral Health Recommendations

Major GF Changes for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Crisis Services <ul style="list-style-type: none"> SFC provides \$5.0 million for STEP-VA Outpatient Services SFC provides \$3.0 million for children's crisis service 	\$9.0	(\$1.0)	\$8.0
Direct Care Staffing at State Mental Health Hospitals (254 Positions)	7.9	(1.5)	6.4
Discharge Assistance / Transition Support at State Hospitals	6.1	-	6.1
Purchase Additional Naloxone Kits	3.2	(1.6)	1.6
Permanent Supportive Housing	2.1	1.0	3.1
Virginia Mental Health Access Program	1.2	-	1.2
Psychiatric Emergency Pilot Program	-	0.5	0.5
TOTAL Behavioral Health	29.5	(2.6)	\$26.9

Other Behavioral Health Budget Language

- **SFC Recommendations:**
 - **Plan for “Right Sizing” state mental health hospital system.**
 - **Review of Public-Private partnerships for Central Virginia Training Center and developmental disability crisis system.**
 - **Designates \$750,000 from Behavioral Health Trust Fund for critical needs in Northern Virginia related to developmental disabilities.**
 - **Reporting and data requirements address Community Services Boards revenue impacts.**
 - **Plan for realignment of Medicaid behavioral health services.**

Department of Health Spending

GF Increases for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Hampton University Proton Therapy Foundation	\$5.0	(\$4.5)	\$0.5
TANF for Federation of Virginia Food Banks	3.0 NGF	-	3.0 NGF
Childhood Immunizations at Local Health Departments - Meningococcal, Hepatitis A, and Human Papillomavirus vaccines	1.5	(1.5)	-
Riverside Shore Memorial Hospital Obstetrics Program	1.2	(0.6)	0.6
Pediatrics Wing at Eastville Community Health Center	0.8	(0.8)	-
Establish a State Overdose Fatality Review Team	0.3	(0.3)	-
OAG Legal Fees, for Office of Attorney General	0.2	(0.2)	-
Certificate of Public Need Staffing (Two Positions)	0.2	(0.2)	-
Funds for Neonatal Perinatal Collaborative	0.1	(0.1)	-
TOTAL Department of Health	\$9.3	(\$8.2)	\$1.1

Other SFC Recommendations for Dept. of Health

- **SFC Recommends:**
 - **\$1.2 million GF** for the All Payer Claims Database;
 - **\$450,000 GF** for a Traumatic Brain Injury Pilot to Improve Clinical Treatment in Emergency Departments;
 - **\$50,000 GF** to modify the ER Care Coordination System to track Temporary Detention Orders;
 - **\$50,000 GF** to Track Lead Testing in Child Care Centers; and
 - Language modifying the Long-Acting Reversible Contraception Program to only purchase the devices and distribute to health care providers.

Other HHR Spending

GF Increases for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
DSS: Purchase Supplies for State Disaster Shelters	\$4.3	(\$4.3)	-
DMAS: Expand Adult Preventative Services in Medicaid	3.5	(3.5)	-
DSS: Mobile Device Licenses to Assist Applicants	2.4	-	2.4
DMAS: Call Center, Enrollment Broker, and Federal Compliance	2.4	(2.0)	0.4
DBVI: Deafblind Program, Employee Travel, Vocational Rehab.	1.0	(0.6)	0.4
DMAS: Training for Consumer-Directed Attendants	1.0	(0.5)	0.5
DMAS: Simplify Hospice for Nursing Home Residents	0.5	-	0.5
DSS: Positions for the federal Family First Prevention Services Act	0.3	-	0.3
DSS: Position to Improve Foster Care Parent Outreach	0.1	-	0.1
DBHDS: Passthrough Grant / Juvenile Competency Restoration	0.2	-	0.2

Other SFC Recommendations for Social Services

- **SFC Recommends:**
 - **\$1.8 million GF** for improvements to the foster care system.
 - Language to review children in congregate care and development of a foster care recruitment strategic plan.
 - **\$611,000 GF** for development of evidence-based programs to implement the Family First Prevention Services Act.
 - **\$438,000 GF** for fiscal impact of Senate Bills 1145, 1253, 1257, and 1661.
 - **\$300,000 GF** to increase TANF benefits by 5% on July 1, 2019.
 - **\$2.3 million** from TANF for Two Generation Pilot and **\$500,000** from TANF for Northern Virginia Family Service.
 - Language directing the Commissioner to review the TANF program and develop a comprehensive plan.

Other SFC Recommendations in HHR

- Secretary of HHR
 - Workgroup to study the impact of uninsured use of emergency rooms for dental issues.
 - Electronic Health Records workgroup to continue looking at the costs and benefits of a statewide system.
- Children's Services Act
 - Implementation workgroup for outcome measures for special education private day schools.
 - Delays report on the study of special education private day school by 3 months.
- Dept. of Health Professions
 - Directed to increase awareness of drug disposal programs.

SFC Recommendations for HHR Savings

Major GF Savings for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Health Care Fund (Mainly Cash Balance from FY 2018)	(\$38.9)	-	(\$38.9)
Modify Medicaid Administrative Funds (DMAS and DSS)	(38.1)	-	(38.1)
Eliminate Medicaid for Piedmont Geriatric and Catawba Hospitals	(14.5)	-	(14.5)
Children's Services Act Caseloads	(11.8)	-	(11.8)
Elimination of Fiscal Agent Contract for Consumer-Directed Services	(20.8)	-	(20.8)
Medicaid Spending Adjustment to Reflect Long-Term Care Savings	(3.9)	-	(3.9)
Child Welfare Forecast and Revised Impact of Child Support Fees	(0.4)	-	(0.4)
TOTAL HHR Savings	(\$128.4)	-	(\$128.4)

Public Safety and Homeland Security

Recommendations for Dept. of Corrections

(GF \$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Inmate Healthcare, SFC: JLARC Recommendations Language	\$6.0	Language	\$6.0
In-House Medical Care at Fluvanna Correctional Center	12.9	0	12.9
Electronic Healthcare Records <i>(SB 1100 also adds \$3.1 mil. NGF – total new funding = \$9.6 mil.)</i>	3.5	3.0*	6.5
Military Medics and Corpsmen Program	0.5	(0.5)	0
Salary Actions/Employee Retention	1.1	(1.1)	0
Community Corrections Alternative Program	1.2	(0.6)	0.6
DMV Connect	0	0.7	0.7
SORT Treatment Program	0	0.07	0.07
25% state share of Martinsville Jail Security System Upgrade	0.1	0	0.1
Sentencing Legislation	0.3	(0.25)	0.05
Total	\$25.6	\$1.4	\$27.0

* Added to Central Appropriations.

Recommendations for DCJS, VSP Support School Safety, Mental Health, STARS

(GF \$ in millions)		SB 1100	SFC Amend.	SB 1100 + SFC Amend.
DCJS	School Safety	\$3.3	\$(0.7)	\$2.6
	Mental Health in Jail Program	2.5	0	2.5
	Law Enforcement Records Servers, Community Policing	0.2	(0.2)	0
	DARE Program	0	0.02	0.02
	Sex Trafficking Prevention (SB 1669)	0	0.1	0.1
	Subtotal DCJS	\$6.0	(0.7)	\$5.3
VSP	School Safety App (SB 1608)	0	0.7	0.7
	STARS and COMLINC Operating, Garage Technicians, Med-Flight	1.6	0	1.6
	Funding Related to Failed Legislation	0.9	(0.9)	0
	CCRE "Hold File"	0	0.4	0.4
	Decriminalization Expungements	0	0.2	0.2
	Subtotal VSP	\$2.5	\$0.5	\$3.0

Other Public Safety Recommendations

- **DFS** – Support proposed funding of \$3.8 million for **opioid response** and **toxicology and biology supplies**.
- **ABC** – Support proposal for \$3.6 million NGF over biennium to **open 9 additional stores**.
 - (Ch. 2 funded 8 new stores – total proposed is 17 new stores for the biennium.)
- **VDEM** – Maintain \$400,000 of proposed \$1.5 million GF increase.
 - **SFC amendments fund Special Operations and repayment of debt to Department of Treasury; and include language related to disaster spending.**

Veterans and Defense Affairs

Overview of Veterans

- Committee amendments recommend no changes to FY 19 and an additional \$500,000 GF in FY 20.
- Authorizes the long-term lease of property at the Camp Pendleton State Military Reservation to the City of Virginia Beach for a total of \$5 million NGF.
 - **Allows for construction of a new parking garage for the Virginia Aquarium & Marine Science Museum.**

GF Actions for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Virginia Veteran and Family Support Program	\$0.6	(\$0.6)	\$0.0
Veteran's Workforce Transition Initiative	\$0.5	(\$0.5)	\$0.0
Deputy Director	\$0.1	(\$0.1)	\$0.0
Veterans Benefits Program	\$0.5	\$0	\$0.5
Veteran's Total	\$1.7	(\$1.2)	\$0.5

Agriculture and Forestry

Overview of Agriculture & Forestry

- Committee amendments recommend no changes to FY 19 and an additional \$350,000 GF in FY 20.
- **Forestry Vehicle Service Center** – Includes \$4.3 million NGF in Capital Outlay for construction of a new vehicle service center in partnership with the University of Virginia.

GF Actions for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
VDACS: New Emergency Response Coordinator Position	\$0.1	(\$0.1)	\$0
VDACS: Animal Health & Dairy Laboratory Equipment	\$0.2	\$0	\$0.2
DOF: Apprenticeship Program	<\$0.1	<(\$0.1)	\$0
DOF: Field Office Broadband	\$0.2	\$0	\$0.2
DOF: New Land Conservation Easement Coordinator Position	\$0.1	(\$0.1)	\$0
DOF: New Water Quality Program Coordinator Position	\$0.2	(\$0.2)	\$0
DOF: New Hardwood Forest Management Coordinator Position	\$0.2	(\$0.2)	\$0
Agriculture & Forestry Total	\$1.0	(\$0.7)	\$0.4

Natural Resources

Major Natural Resources Proposals

- **Water Quality Improvement Fund** – Includes a total of \$73.8 million GF in FY20 for the statutorily required deposit based on the FY 18 revenue surplus and unexpended balances.
 - Funding is distributed to the WQIF Reserve Fund, the Natural Resources Commitment Fund, and the Soil & Water Conservation Districts for the continued implementation of agricultural best management practices, technical assistance, and the Conservation Reserve Enhancement Program.
- **Emergency Dam Repairs** – Provides \$5.0 million GF for critical emergency repairs to the College Lake Dam in the City of Lynchburg.
 - Requires local matching funds of at least \$5.0 million.
- **Alexandria CSO** – Includes \$25.0 million in bond proceeds for the City of Alexandria Combined Sewer Overflow upgrade project.

Natural Resources Actions

GF Actions for the 2018-20 Biennium (\$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
DCR:WQIF	\$108.8	(\$35.0)	\$73.8
DCR:Virginia Land Conservation Foundation	\$11.0	(\$11.0)	\$0
DCR: Emergency Dam Repair – City of Lynchburg	\$0	\$5.0	\$5.0
DCR: Dam Safety Program	\$0.3	\$0	\$0.3
DCR: Clinch River State Park	\$0.5	\$0	\$0.5
DCR: Lewis & Clark Trail	\$0.1	(\$0.1)	\$0
DCR: First Landing Bike Trails	\$0	\$0.05	\$0.05
DEQ: Public Outreach	\$0.1	\$0	\$0.1
DEQ: Online Presence	\$0.9	\$0	\$0.9
DEQ: Stormwater Local Assistance	\$50.0	(\$50.0)	\$0
DEQ: Regulatory & Permitting Positions	\$1.6	(\$1.6)	\$0
DHR: Historical African American Cemeteries	\$0	<\$0.1	<\$0.1
VMRC: Oyster Restoration	\$1.0	(\$1.0)	\$0
Natural Resources Total	\$174.3	(\$93.7)	\$80.6

Transportation

Major Transportation Proposals

- **Commercial Spaceflight & Unmanned Systems** – Two actions would transfer \$11.0 million from the Transportation Trust Fund to the Commercial Spaceflight Fund.
 - **Proposes \$8.5 million NGF for improvements to existing waterfront facilities for multimodal unmanned vehicle test operations , including sea-based systems.**
 - **Provides \$2.5 million NGF to complete construction of the small payload launch facility.**
- **Virginia Transportation Infrastructure Bank**– Reverses a proposed deposit of \$75.0 million GF to the VTIB.
- **Route 1 Transit Options** - Directs a review of multimodal public transportation options along the Route 1 corridor, including bus rapid transit and the extension of the Metro Blue Line.

General Government

Compensation and Benefits

Actions for 2018-20 Biennium (GF \$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Additional 2% salary adjustment for teachers	\$ 87.6	Language	\$ 87.6
One percent bonus for state and state-supported local employees (Dec. 1, 2019)	40.2	(40.2)	0.0
Increase retiree healthcare credit for public safety employees	8.1	(4.3)	3.8
Adjustment for FY 2020 state share of employee healthcare premiums	(51.3)	0.0	(51.3)

- Provides \$87.6 million for up to an additional two percent salary adjustment for teachers, for five percent, (funding is based on July 1, 2019 effective date), plus language.
- Maintains the two percent base adjustment for state and state-supported locals, and two percent merit-based adjustment for state employees that was included in Chapter 2 (2018, Special Session I)
 - **Redirects one percent bonus for state and state-supported local employees, effective Dec. 1, 2019.**
- Provides \$3.8 million for enhanced retiree healthcare credit for state public safety employees and local sheriffs and their deputies – current and prospective retirees, on or after January 1, 2020.
 - **Increases the monthly benefit for retirees under State Police Officers' Retirement System (SPORS) and Virginia Law Officers' Retirement System (VaLORS) from \$4 to \$5 per year of service.**
 - **Increases the monthly benefit for sheriffs and deputies who retire under their VRS plan from \$1.50 to \$3.00 per year of service.**

Finance (Revenue Reserve and Rainy Day Fund)

Actions for 2018-20 Biennium (GF \$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
DOA – Mandatory Revenue Stabilization Fund deposit	\$ 262.9	\$ 0.0	\$ 262.9
DOA – Mandatory balances to the Revenue Reserve Fund	235.2	0.0	235.2
DOA – Estimated deposit to the Revenue Stabilization Fund in FY 2021	199.7	0.0	199.7
DOA – Supplemental funding to Revenue Reserve Fund (and language)	354.4	(284.8)	69.6

- **Revenue Stabilization Fund (Rainy Day Fund)**
 - Maintains mandatory deposit of \$262.9 million
- **Revenue Reserve Fund**
 - Includes \$235.2 in mandatory balances.
 - Provides \$199.7 million for estimated deposit to the Rainy Day Fund for FY 2021.
 - Adds \$69.6 million in supplemental funding.
 - In total, **provides \$595.5 million over the biennium**, including base funding of \$91.0 million included in Ch. 2.

Finance (cont'd)

Actions for 2018-20 Biennium (GF \$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Sec. of Finance – Study of gaming governance and expansion	\$ 0.2	\$ (0.2)	\$ 0.0
TAX – Additional tobacco auditor staff (2.0 FTEs = GF resources of \$617,000)	0.2	0.0	0.2
TAX – Software patch analyst, security standards (1.0 FTE)	0.1	0.0	0.1
Treasury Board – Debt service savings	(55.1)	0.0	(55.1)

- Reverses and redirects study on gaming governance and expansion to the Joint Legislative Audit and Review Commission.
 - Provides \$200,000 GF in the first year to coordinate, contract for study.

Judicial, Executive, and Administration

Actions for 2018-20 Biennium (GF \$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Supreme Court – Service costs for judicial data center operations	\$ 0.3	\$ 0.0	\$ 0.3
Supreme Court – Establish judicial wellness fund	Language	0.0	Language
IDC – Paralegal positions to address body-worn camera workload	0.6	0.0	0.6
VSB – Additional staff funding	2.6	(1.9)	0.8
Sec. of Commonwealth – Additional funding for 2020 Census outreach	1.5	(1.5)	0.0
Sec. of Administration – Conduct statewide data inventory	1.4	(0.6)	0.8
Comp Board – Foreclosure listing pilot program	0.0	0.1	0.1
Comp Board – Jail and Re-entry Service Coordination Pathway	0.0	0.9	0.9
Comp Board – Commonwealth’s Attorney positions to address body-worn camera workload	0.7	0.0	0.7
Comp Board – Body-worn camera language amendment	0.0	Language	Language
Comp Board – Staffing standards for sheriffs’ offices working group study	0.0	Language	Language
Comp Board – VCBR/Nottoway County	Language	0.0	Language

Judicial, Executive, and Administration (cont'd)

Actions for 2018-20 Biennium (GF \$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
DCLS – Reportable disease testing	\$ 0.5	\$ 0.0	\$ 0.5
DGS – Additional funding for “On-the-Square”	0.1	(0.1)	0.0
DHRM – Director of Equity, Diversity, and Inclusion	0.1	0.0	0.1
DHRM – Time, Attendance, and Leave System continuation	0.9	0.0	0.9
ELECT – Voter list maintenance positions (2.0 FTEs) – JLARC recommendation	0.3	0.0	0.3
ELECT – Fiscal administrative position (1.0 FTE) – JLARC recommendation	0.1	0.0	0.1
ELECT – Local election official training program, positions (3.0 FTEs)	0.6	(0.2)	0.4
ELECT – Voter referendum advertisement	0.2	(0.2)	0.0
ELECT – Review of general registrar salaries, other constitutional officers	0.0	Language	Language
ELECT – New Help America Vote Act (HAVA) security grant award (\$3.0 M NGF)	0.0	0.0	0.0
VITA – Language amendments (911 Services Board, CESC migration)	0.0	Language	Language

Central Appropriations

Actions for 2018-20 Biennium (GF \$ in millions)	SB 1100	SFC Amend.	SB 1100 + SFC Amend.
Remove funding due to Cardinal Payroll implementation delay	\$ (11.1)	\$ 0.0	\$ (11.1)
Adjust funding for Cardinal Financials charges	1.9	0.0	1.9
Cover UVA state employee healthcare premium increases	1.6	(0.8)	0.8
Education funding for workforce development initiatives	11.0	0.0	11.0
Statewide paid parental leave study	0.3	(0.3)	0.0
3% salary increase for general registrars	0.0	0.1	0.1
Workforce case management system	8.0	(4.0)	4.0
Higher education's share of interest earnings and rebates	1.4	0.0	1.4
2020 presidential primary expense reimbursement	5.9	(5.9)	0.0
Board of Corrections study of alternative confinement facilities	0.0	Language	Language
SB 1023 (SSO/return-to-work), SB 1030 (Adds presumptions)	0.0	2.0	2.0
SB 1742 (State retirees, healthcare plan) NGF implementation costs	0.0	0.0	0.0

Capital Outlay

Capital Outlay – SB 1100 Proposed Amendments

Fund Type (\$ in millions)	SB 1100	SFC Amend.	SB 1100+ SFC. Amend.
General Fund Cash	\$33.5	(\$12.4)	\$21.1
VPBA/VCBA Tax-Supported Bonds	568.4	(86.7)	481.8
9(c) Revenue Bonds	17.9	0	17.9
9(d) Revenue Bonds	33.0	6.5	39.5
Nongeneral Fund Cash	<u>153.6</u>	<u>10.1</u>	<u>163.7</u>
Total	\$806.3	(\$82.4)	\$723.9

- \$92.4 million in VCBA/VPBA bonds to support 13 new projects and \$80.0 million in VCBA bonds for a pool of workforce development projects to support new degrees in computer science and related fields.
- \$219.9 million in VPBA/VCBA bonds over the biennium for six stand-alone agency projects (STARS, COMLINC, VT Innovation).
- \$46.0 million the second year in VPBA/VCBA bonds for furnishings and equipment for capital projects nearing completion.
- \$25.0 million for the Combined Sewer Overflow Matching Fund for the City of Alexandria.
- \$18.5 million the second year in VCBA/VPBA bonds to supplement existing capital outlay pools/projects.
- \$19.2 million GF the first year for the planning of four additional projects.

2019 Session Capital Construction Pool

Agency	Project Title
Department of General Services	Renovate Parking Deck, Main Street Centre Improve Capitol Campus Utilities
Virginia Military Institute	Construct Corps Physical Training Facility, Phase 3
Longwood University	Replace Major HVAC System Components
Old Dominion University	Address Maint. Needs in Kaufman & Mills Godwin Bldg.
Virginia Museum of Fine Arts	Replace Life & Safety Systems and Upgrade Repair the Museum Building Envelope
Virginia Institute of Marine Science	Replace Oyster Hatchery
Gunston Hall	Upgrade Fire Suppression System
Dept. of Beh. Health & Develop. Services	Renovate Kitchen Facilities, Eastern State Hospital
Department of Juvenile Justice	Repair Life Safety Syst. & Ren. Elect. Syst., Bon Air
Department of Corrections	Wastewater Treatment Plants Construct James River Wastewater Pump Station
Total Bonds – \$92.4 million (also \$10.5 million NGF & \$17.1 million of transferred bond proceeds)	

New Planning Projects – Central Capital

Agency	Project Title
Science Museum of Virginia	Construct Regional Science Center - NOVA
Department of State Police	Replace Training Academy – Central Headquarters
Dept. of Behavioral Health & Develop. Services	Replace Central State Hospital
Frontier Culture Museum of Virginia	Construct Crossing Gallery
Total (GF) \$19.2 million GF (there is an existing \$5.0 M)	