











Overview of Conference Report on SB 1100 / HB 1700

Amendments to Chapter 2
(2018-20 Biennial Budget)

February 23, 2019

Presentation Outline

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

Overview/Resources

Budget Highlights

- Conference amendments result in a structurally balanced and fiscally constrained budget that makes prudent investments in key Virginia priorities.
- Addresses mandatory spending pressures in human resources and public safety, including:
 - \$462.5 million is provided to cover growth in the Medicaid forecast;
 - \$18.9 million in inmate health and medical care; and
- Prioritizes compensation actions and provides funding for a 5 percent salary increase for teachers and eligible state employees; 3 percent for higher education faculty and state-supported local employees.
- Includes substantial new investments in education, including:
 - \$35 million for literary fund school construction; \$34.7 million Lottery per pupil amount; \$24.9 million At-Risk Add-On; and \$12 million school counselors.
 - \$52.5 million for tuition moderation for in-state undergraduates; \$5.0 million in operating support for VCCS; \$16.6 million for expanding computer science degrees; and \$15.5 million in undergraduate student financial aid.
- Provides the largest biennial investment to improve water quality in Virginia history, including:
 - \$127.4 million for water quality;
 - \$25.0 million for Alexandria CSO; and
 - \$10.0 million for the Stormwater Local Assistance Fund.
- Includes responsible investments in Virginia's future economic growth, including:
 - \$15 million increase for broadband;
 - \$7 million annual commitment to the Housing Trust Fund.

General Fund Resources

- Assumes \$1.56 billion in additional GF revenue collections over Chapter 2, including policy changes.
- Policy adjustments and tax relief actions reduce revenues by \$654.2 million over the biennium relative to the introduced budget.
- Removes proposal to make the Earned Income Tax Credit refundable, adding \$216.3 million in GF revenues.
- Includes the impact of internet sales tax legislation, which adds \$82.5 million in GF revenues in FY 2020.
- Reflects the impact of SB 1372 which provides additional personal income tax refunds, increases the standard deduction, and provides other tax reductions to individual and corporate taxpayers.
- Includes a partial roll-back of the Accelerated Sales Tax (AST) requirement, reducing revenues \$27.2 million in FY 2020.
- Adjustments to transfers add \$22.5 million in GF resources.
 - Includes additional \$14.0 million recognizing the receipt of Wells Fargo and Uber settlements.
 - Reflects additional \$5.5 million in ABC profits.
 - Other transfers total \$3.0 million over the biennium.

General Fund Revenues

(\$ in millions)	FY 2019	FY 2020	Biennium
GF Revenue Estimate, As Introduced	\$21,050.6	\$21,689.0	\$42,739.6
Conference Amendments:			
Remove Refundability of Earned Income Tax Credit	\$10.3	\$206.0	\$216.3
TCJA Revenue Adjustments	(532.1)	(336.4)	(868.5)
HB 2540: Reduced Tax on Personal Hygiene Products	-	(1.6)	(1.6)
SB 2065: Sunset Telework Tax Credit	-	0.1	0.1
SB 1652: Transferability of Port Tax Credits	-	(0.5)	(0.5)
Subtotal Conference Amendments	<u>(\$521.8)</u>	<u>(\$132.4)</u>	<u>(\$654.2)</u>
General Fund Estimate, As Amended	\$20,528.8	\$21,556.6	\$42,085.4

Available General Fund Resources

(\$ in millions)	Introduced	Conference Amend.	SB 1100 + Conf. Amend.
Unreserved Balance	\$1,229.9		\$1,229.9
Changes to Balances	(418.8)	28.1	(390.7)
General Fund Revenue Estimate	42,739.6	(654.2)	42,085.4
Transfers	<u>1,252.4</u>	<u>22.5</u>	<u>1,274.9</u>
GF Resources Available for Appropriation	\$44,803.1	(\$603.6)	\$44,199.5
Total GF Spending	<u>\$44,778.3</u>	<u>(\$586.4)</u>	<u>\$44,191.9</u>
Unappropriated Balance	\$24.8	(\$17.2)	\$7.6

Revenue Reserves

- Maintains mandatory FY20 deposit to the Rainy Day Fund of \$262.9 million.
- Provides deposits to the Revenue Cash Reserve totaling \$564.7 million (\$341.9 million the first year and \$222.8 million the second year). Deposits include:
 - \$91.0 million base funding;
 - \$234.4 million required deposit from FY 2018 surplus; and
 - \$239.3 million in supplemental deposits.
- Appropriates \$97.5 million for anticipated mandatory deposit to the Rainy Day Fund in FY 2022.
- Brings the combined balances of the Rainy Day Fund and Revenue Cash Reserve to over \$1.3 billion by the end of FY 2020.

Commerce and Trade – Economic Development

Commerce and Trade: Major Actions

- 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.
- Increases the annual commitment to the Housing Trust Fund from \$5.5 million to \$7.0 million GF to support efforts to reduce homelessness and to create and preserve affordable housing in the Commonwealth.
- 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.
- Provides an additional \$1.0 million GF for the Enterprise Zone grant program to encourage the deployment of solar equipment in economic revitalization areas.
- Invests an additional \$1.0 million GF in the Derelict Structures Fund to incentivize the renovation and modernization of port-related buildings and facilities.

Commerce and Trade

GF Actions for the 2018-20 Biennium (\$ in millions)	Introduced	Senate	Conference Amend.	SB 1100 + Conf. Amend.
Economic Development:				
Semiconductor Manufacturing Incentive Grant (Micron)	\$0	\$50.0	\$50.0	\$50.0
Virginia Economic Development Partnership: Business Ready Sites	\$20.0	(\$18.0)	(\$18.0)	\$2.0
GO Virginia: Business Ready Sites			<i>Language</i>	
Virginia Jobs Investment Program Grants		<i>Language</i>	<i>Language</i>	
Commonwealth Center for Advanced Manufacturing	\$0	\$0.9	\$2.7	\$2.7
Adjustments to Economic Development Grants	(\$2.3)	\$0	\$0	(\$2.3)
Housing and Community Development:				
Virginia Telecommunications Initiative (Broadband)	\$46.0	(\$31.0)	(\$31.0)	\$15.0
Administrative Support for Broadband	\$0	\$0.3	\$0.3	\$0.3
Increase Housing Trust Fund	\$19.0	(\$16.0)	(\$16.0)	\$3.0
Enterprise Zone Grant Program: Expand Eligibility for Solar	\$0	\$0	\$1.0	\$1.0
Derelict Structures Fund: Port Cities	\$0	\$0	\$1.0	\$1.0

Commerce and Trade

GF Actions for the 2018-20 Biennium (\$ in millions)	Introduced	Senate	Conference Amend.	SB 1100 + Conf. Amend.
Tourism:				
Spearhead Trails Initiative	\$0.3	<i>Language</i>	<i>Language</i>	\$0.3
Coalfield Regional Tourism Authority	\$0.5	(\$0.2)	(\$0.2)	\$0.3
Disability Travel Guide			<i>Language</i>	
Other Commerce & Trade:				
New Renewable Energy Incentive Fund	\$10.0	(\$9.0)	(\$10.0)	\$0.0
Virginia Employment Commission Strategic Workforce Dashboard	\$2.0	(\$2.0)	(\$2.0)	\$0
Virginia Occupational Safety and Health Program	\$1.4	(\$1.4)	(\$1.4)	\$0
Department of Professional and Occupational Regulation			<i>Language</i>	
Fort Monroe Authority: Oper. Support; First Landing Monument	\$0.8	\$0	(\$0.2)	\$0.7
Other Renewable Energy Programs	\$0.4	(\$0.3)	(\$0.3)	\$0.1
Virginia's Heritage Music Trail: The Crooked Road	<u>\$0</u>	<u>\$0</u>	<u>\$0.1</u>	<u>\$0.1</u>
Commerce and Trade Total	\$98.0	(\$29.0)	(\$24.1)	\$73.9

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).
- **Conference Report:**
 - **Additional net increase of about \$94.7 million GF over the biennium above Chapter 2, including:**
 - **\$52.5 million GF** in FY 20 for in-state undergraduate tuition moderation (at FY 19 levels), plus \$5.0 million operating support for the Virginia Community College System.
 - **\$15.5 million GF** to support undergraduate need-based aid.
 - **\$16.6 million GF** under Central Accounts to increase computer science degrees (tech talent pipeline).
 - **\$4.0 million GF** for the New Economy Workforce Credential Grant program.

Summary of Higher Education

Actions for the 2018-20 Biennium (GF \$ in millions)	Intro.	Senate	Conf.	Intro. + Conf.
In-State Undergraduate Tuition Moderation at FY 2019 Levels (Item 253.50)	-	-	\$52.5	\$52.5
VCCS – Operating Support			5.0	5.0
Undergraduate Need-Based Financial Aid	15.5	-	-	15.5
New Economy Workforce Credential Grant Program	4.0	Language	Language	4.0
Tuition Assistance Grant (Increase awards by \$50 to \$3,400; SFC: removes double count of Jefferson College)	5.2	(1.7)	(1.7)	3.5
EVMS Operating Support	-	-	2.5	2.5
UVA-Wise – Enhance Academic Programs & Program Planning	2.6	(1.3)	(0.6)	2.0
Radford University – Jefferson College Acquisition	1.7	-	-	1.7
SCHEV: Innovative Internship Program, Legislative Policy Meeting, Grow Your Own Teacher & Graduate Survey	-	1.3	1.6	1.6
Jefferson Lab	0.5	(0.5)	-	0.5
VCCS – Advising & Online Apprenticeship Curriculum	5.6	(3.2)	(5.5)	0.1
VCCS Transfer CodeVA to K-12	-	(1.1)	(1.1)	(1.1)
Other Actions Related to Institutions: (UVA, VIMS, VT, VSU, CWM, VMI, VCU, GMU, ODU, NSU, RBC) (Breakout on next slide)	<u>2.6</u>	<u>1.5</u>	<u>4.5</u>	<u>7.1</u>
Subtotal	\$37.7	(\$14.9)	\$57.2	\$94.9
Tech Talent Pipeline Computer Science Degrees (in Central Accounts); S: \$300,000 for internships to SCHEV	8.3	(0.3)	8.6	16.6
Hampton Roads Biomedical Research Consortium	-	-	4.0	4.0

Higher Education (continued)

Actions for the 2018-20 Biennium GF	Introduced	Senate	Conference/ Total
CWM Data Science Program Expansion	-	\$570,000	\$570,000
GMU Advance Program, Neuroscience Initiative, Veterans Art Initiative	-	300,000	725,000
NSU Center for African American Policy	-	-	298,000
ODU Institute for Spaceflight and Autonomy, Marine Rescue Program	-	370,000	395,000
RBC Operations and Maintenance New Building, VITA Charges	-	-	512,000
UVA Focused Ultrasound Center	1,000,000	-	500,000
UVA Foundation for Humanities	200,000	200,000	200,000
VA Cooperative Extension and Agriculture Experiment Station—Fund Split, Agents	678,481	678,481	1,303,481
VCCS Philpott Center	-	-	158,650
VCU Substance Abuse Fellowship, Wilder School of Public Policy	-	160,000	235,000
VIMS Bay Monitoring, Chincoteague Inlet Study, Coastal Research Fellows	386,668	686,668	886,668
VMI Math Strategy & Operations	-	610,548	610,548
VSU Agriculture Faculty, Commonwealth Graduate Engineering Program	299,286	533,286	533,286
VT Unique Military	-	-	173,000

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.
- **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.
- **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.
- **Financial Aid Review.** Directs SCHEV to lead a review of financial aid funding models and awarding practices, with a report by November 1, 2019.
- **Procurement Thresholds.** Makes technical changes to align small procurement thresholds.

K-12 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 percent compensation supplement, and \$73.9 million GF to increase the Supplemental Lottery Per Pupil Amount.
- **Conference Report:**
 - **Additional net increase of \$49.8 million GF over the biennium for Public Education above Chapter 2, or in other words, an increase of \$194.9 million GF excluding net savings of \$145.1 million, including revised lower enrollment projections and other technical savings.**
 - \$72.8 million for up to 5 percent teacher salary increase (September 1, 2019)
 - \$35.0 million for Literary Fund school construction loans and interest rate subsidy
 - \$34.7 million Lottery Per Pupil Amount (same as introduced budget)
 - \$24.9 million to increase At-Risk Add-On
 - \$12.0 million for additional school counselors

Public Education: Summary of Proposed Policy Changes

GF Actions for the 2018-20 Biennium (\$ in millions)	Intro.	Senate Amend.	Intro. + Conf. Amend.
State's Share of +2% Salary Increase (total = 5.0%) (+\$131.5M in Ch. 2)	\$87.6	Language	\$72.8
Literary Fund, Conf: \$5.0M school construction interest rate subsidy; \$30.0 million loans	80.0	(10.0)	35.0
School Counselors, Conf: 1:455 students (elem), 1:370 (middle), 1:325 (high school)	36.0	(26.0)	12.0
At-Risk Add-On (+\$7.1 million in Ch. 2), Conf: 16.0% in FY20	35.6	(14.2)	24.9
Lottery Supplemental Allocation (+\$73.9 million in Ch. 2), Conf: 40% in FY19, 40% in FY20	34.7	(34.7)	0.0
Sales Tax (Internet Sales)	13.5		13.5
Continue Federal VPI-Plus Slots, Conf: LCI with 40% max. local share in FY 2020	9.7	(2.4)	6.1
Early Childhood – Curriculum and CLASS Observations (+\$1.8 million in Ch. 2)	1.7	(1.7)	0.0
School Security Equipment Grants – Additional \$6 million bonds			Bonds
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)	(1.6)
Conference: Hampton Academies, Allegheny-Covington consolidation, dual enrollment teacher scholarships, Virginia Virginia		1.3	1.3
Composite Index Adjusted for Land Use (2020-22 Biennium)		Language	No Language

DOE Central Office Actions

GF Actions for the 2018-20 Biennium	Intro.	Senate Amend.	Intro. + Conf. Amend.
New grants management system to replace the OMEGA system	\$600,000	(\$150,000)	\$0
Statewide computer science education and training (UVA)	\$553,000		0
Automate the teacher license application system	\$552,500	(97,500)	348,000
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	0
H.S. student survey (civics education comm.); teacher microcredentialling			30,000
Neighborhood assistance act program			Language
Standards of Learning assessments		Language	No Language

Other Education Agencies

GF Actions for the 2018-20 Biennium	Intro.	Senate Amend.	Intro. + Conf. 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)	377,403
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
Jamestown-Yorktown – Commemoration and Partnership Program			75,000
Commission for the Arts – New executive director	15,856		15,856
Frontier Culture Museum – Defibrillators	15,000		15,000

Health and Human Resources

Overview of HHR in the Conference Report

- Introduced budget included \$477.9 million GF over the 2018-20 biennium above Chapter 2.
 - Mainly driven by increase in Medicaid forecast of \$463 million GF.
- **Conference Report** reduces GF spending in HHR by \$62.9 million GF.
 - Adjustment to Medicaid forecast of \$39 million GF is the largest GF decrease, and is a result of federal action.

HHR Mandatory Spending

(\$ in millions)	Intro.	Senate	Conf.	Intro. + Conf.
Medicaid Utilization and Inflation Forecast <ul style="list-style-type: none"> <i>Savings is from suspension of insurance tax</i> 	\$462.5	(\$38.9)	(\$38.9)	\$423.6
Replacement of Funds at Piedmont Geriatric & Catawba Hospitals	46.3	-	-	46.3
Children's Health Insurance Programs	14.5	-	-	14.5
Medicaid 1115 Waiver Demonstration (DMAS & DSS)	13.0	(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	\$541.8	(\$51.9)	(\$51.9)	\$489.9

Department of Medical Assistance Services

- **Conference Report Includes:**
 - **\$4.2 million GF** to increase Medicaid physician rates (70% Medicare).
 - **\$2.6 million GF** to increase Medicaid rates for mental health professionals.
 - **\$1.6 million GF** to increase Medicaid rates for critical access hospitals.
 - **\$125,000 GF** for study of pharmacy benefit delivery models.
 - **\$87,500 GF** for Medicaid support of the All Payer Claims Database.
 - **\$23,215 GF** to increase Medicaid telehealth site facility fee.
- **Budget Language Recommendations:**
 - Medicaid fiscal oversight provisions, notification requirements, and data reporting to reduce enrollment turnover in managed care.
 - Modifies Disproportionate Share Hospital payments to incentivize private hospitals to take more Temporary Detention Orders.

Behavioral Health

(\$ in millions)	Intro.	Senate	Conf.	Intro. + Conf.
Community Based Behavioral Health Services <ul style="list-style-type: none"> • \$7.8 million for STEP-VA Crisis Services • \$5.0 million for Permanent Supportive Housing • \$200,000 for Fairfax-Falls Church PACT Team 	\$11.0	\$2.0	\$2.0	\$13.0
Direct Care Staffing at State Mental Health Hospitals (254 Positions)	7.9	(1.5)	(0.8)	7.1
Discharge Assistance / Transition Support at State Hospitals	6.1	-	-	6.1
Purchase Additional Naloxone Kits	3.2	(1.6)	(1.6)	1.6
Virginia Mental Health Access Program	1.2	-	-	1.2
Psychiatric Emergency Pilot Program	-	0.5	-	-
TOTAL Behavioral Health	29.4	(0.6)	(0.4)	\$29.0

Behavioral Health Budget Language

- Conference Report Includes:
 - Workgroup on state mental health hospital census pressure and plan for “Right Sizing” state mental health hospital system to include proposal for Central State Hospital.
 - Review of Public-Private partnerships for Central Virginia Training Center and developmental disability crisis system.
 - Directs \$750,000 from Behavioral Health Trust Fund for critical needs, with priority in Northern Virginia, related to developmental disabilities.
 - Reporting and data requirements to address Community Services Boards revenue impacts.
 - Regional service coordination workgroup in Northern Virginia and future priority for Falls Church residents in the Miller House group home.
 - Plan for realignment of Medicaid behavioral health services.

Department of Health

(\$ in millions)	Intro.	Senate	Conf.	Intro. + Conf.
Hampton University Proton Beam Therapy Institute	\$5.0	(\$4.5)	(\$5.0)	-
Childhood Immunizations at Local Health Departments	1.5	(1.5)	(1.5)	-
Riverside Shore Memorial Hospital Obstetrics Program	1.2	(0.6)	(0.6)	0.6
Pediatric Wing at Eastville Community Health Center	0.8	(0.8)	(0.8)	-
Establish a State Overdose Fatality Review Team	0.3	(0.3)	(0.3)	-
OAG Legal Fees, for Office of Attorney General	0.2	(0.2)	(0.2)	-
Certificate of Public Need Staffing (Two Positions)	0.2	(0.2)	(0.2)	-
Neonatal Perinatal Collaborative	0.1	(0.1)	0.3	0.4
All Payer Claims Database	-	1.2	1.0	1.0
Traumatic Brain Injury Demonstration	-	0.5	-	-
Newborn Screening for Congenital Cytomegalovirus	-	-	0.2	0.2
Modify ER Care Coordination to Track TDOs	-	0.1	0.1	0.1

Other HHR Spending

(\$ in millions)	Intro.	Senate	Conf.	Intro. + Conf.
DSS: Purchase Supplies for State Disaster Shelters	\$4.3	(\$4.3)	(\$4.3)	-
DMAS: Expand Adult Preventative Services in Medicaid	3.5	(3.5)	(3.5)	-
DSS: Mobile Device Licenses to Assist Applicants	2.4	-	-	2.4
DMAS: Call Center, Enrollment Broker, Federal Compliance	2.4	(2.0)	(1.5)	0.9
DBVI: Deafblind Program, Employee Travel, Vocational Rehab.	1.0	(0.6)	(0.6)	0.4
DMAS: Training for Consumer-Directed Attendants	1.0	(1.0)	(1.0)	-
DMAS: Simplify Hospice for Nursing Home Residents	0.5	-	-	0.5
DSS: Positions for 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	-	(0.1)	0.1

Department of Social Services

- **Conference Report Includes:**
 - **\$1.6 million GF** for improvements to the foster care system.
 - Language to review appropriate placement of children in congregate care.
 - **\$851,000 GF** for development of evidence-based programs to implement the Family First Prevention Services Act.
 - **\$296,000 GF** for fiscal impact of legislation related to VIEW transitional child care, sex trafficking assessments, and credit freezes for foster kids.
 - **\$300,000 GF** to increase TANF benefits by 5 percent on July 1, 2019.
 - **TANF: \$3.0 million** for Food Banks; **\$1.1 million** for Two Generation Pilot; **\$500,000** for Northern Virginia Family Service; **\$500,000** for Boys and Girls Clubs; and **\$22,000** for Russell County Child Advocacy Center.
 - Language directing the Commissioner to review the TANF program and develop a comprehensive plan.

Other Budget Language Items in HHR

- **Conference Report Includes:**
 - **Electronic Health Records workgroup to continue looking at the costs and benefits of the statewide contract for the Department of Health.**
 - **Delay for Children's Services Act report on the study of special education private day school by 3 months.**
 - **Directing the Board of Pharmacy to report on increasing awareness of drug disposal programs.**
 - **Language in Department of Health to change the Long-Acting Reversible Contraception program from a reimbursement model to a distribution model to provide LARCs to health care providers.**
 - **Monthly reporting on the number of abortions approved due to fetal abnormalities.**
 - **Limit on expenditures in the budget for abortion services required under federal law.**

HHR Savings

(\$ in millions)	Intro.	Senate	Conf.	Intro. + Conf.
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

Department of Corrections

(GF \$ in millions)	Introduced	Senate	Conference	Total
Inmate Healthcare, <i>JLARC Recommendations</i>	\$6.0	Language	Language	\$6.0
In-House Medical Care at Fluvanna Correctional Center	12.9	0	0	12.9
Electronic Healthcare Records <i>(Also adds \$3.1 mil. NGF – total new funding = \$9.6 mil.)</i>	3.5	3.0*	3.0*	6.5
Military Medics and Corpsmen Program	0.5	(0.5)	(0.5)	0
Salary Actions/Employee Retention	1.1	(1.1)	(0.5)	0.5
Community Corrections Alternative Program	1.2	(0.6)	(0.6)	0.6
DMV Connect	0	0.7	0.2	0.2
SORT Program	0	0.07	0.07	0.07
25% state share of Martinsville Jail Security System Upgrade	0.1	0	0	0.1
Sentencing Legislation	0.3	(0.25)	0.05	0.4
Total	\$25.6	\$1.4	\$1.6	\$27.3

* Added to Central Appropriations.

Dept. of Criminal Justice Services, State Police

(GF \$ in millions)		Introduced	Senate	Conference	Total
DCJS	School Safety	\$3.3	\$(0.7)	\$2.4	\$5.7
	Mental Health in Jail Program, <i>Language</i>	2.5	0	0	2.5
	Law Enforcement Records Servers, Community Policing	0.2	(0.2)	(0.2)	0
	DARE Program	0	0.02	0.02	0.02
	Sex Trafficking Prevention (SB 1669)	0	0.1	0.1	0.1
	Virginia Beach Jail Re-Entry Program	0	0.9*	0.9	0.9
	Subtotal DCJS	\$6.0	\$(0.7)	\$3.3	\$9.3
VSP	STARS and COMLINC Operating, Garage Technicians, Med-Flight	1.6	0	0	1.6
	Funding Related to Failed Legislation	0.9	(0.9)	(0.9)	0
	CCRE "Hold File" Positions	0	0.4	0.4	0.4
	School Safety App (SB 1608)	0	0.7	0	0
	Subtotal VSP	\$2.5	\$0.5	(\$0.5)	2.0

* Senate Budget included this under Compensation Board.

Other Public Safety

- **DFS** – Adds \$3.8 million for **opioid response** and **toxicology and biology supplies**.
- **ABC** – Adds \$3.6 million NGF to **open 9 additional stores**.
- **Dept. of Emergency Management** – Provides \$150,000 for debt service repayment.
 - **Language directing a review of disaster expenditures.**
- **Secretary of Public Safety & Homeland Security** – Provides \$50,000 for Secretary to **plan school safety mobile app**.
 - **Also directs Secretary to review sex offender registry and workloads associated with body worn cameras.**

Veterans

Overview of Veterans

- Conference amendments recommend no changes to FY 19 and an additional \$274,000 GF in FY 20.
- Extends the authorization for encroachment zone mitigation grants at Naval Auxiliary Landing Field Fentress and Langley Air Force Base.
- Authorizes the long-term lease of property at the Camp Pendleton State Military Reservation to the City of Virginia Beach for \$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	Senate Amend.	Conf. Amend.	SB 1100 + Conf. Amend.
Virginia Veteran and Family Support Program	\$0.6	(\$0.6)	(\$0.6)	\$0.0
Veteran's Workforce Transition Initiative	\$0.5	(\$0.5)	(\$0.5)	\$0.0
Deputy Director	\$0.1	(\$0.1)	(\$0.1)	\$0.0
Veterans Benefits Program	\$0.5	\$0	(\$0.25)	\$0.25
Support Grants: Angel Wings for Veterans Program	\$0	\$0	<\$0.1	<\$0.1
Veteran's Total	\$1.7	(\$1.2)	(\$1.4)	\$0.3

Agriculture and Forestry

Overview of Agriculture & Forestry

- Conference amendments recommend no changes to FY19 and an additional \$350,000 GF in FY20.
- **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	Senate Amend.	Conf. Amend.	SB 1100 + Conf. Amend.
VDACS: New Emergency Response Coordinator Position	\$0.1	(\$0.1)	(\$0.1)	\$0
VDACS: Animal Health & Dairy Laboratory Equipment	\$0.2	\$0	\$0	\$0.2
DOF: Apprenticeship Program	>\$0.1	>(\$0.1)	>(\$0.1)	\$0
DOF: Field Office Broadband	\$0.2	\$0	\$0	\$0.2
DOF: New Land Conservation Easement Coordinator Position	\$0.1	(\$0.1)	(\$0.1)	\$0
DOF: New Water Quality Program Coordinator Position	\$0.2	(\$0.2)	(\$0.2)	\$0
DOF: New Hardwood Forest Management Coordinator Position	\$0.2	(\$0.2)	(\$0.2)	\$0
Agriculture & Forestry Total	\$1.0	(\$0.7)	(\$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 FY18 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.
 - Adds an additional \$5.9 million GF in the first year to eliminate the backlog of Agricultural BMPs prior year commitments.
 - **Total biennial commitment to non-point source water quality programs of \$127.4 million is largest ever made.**
- **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.
- **Stormwater Local Assistance Fund** – Authorizes \$10.0 million in VPBA bond proceeds for the SLAF local reimbursement program.

Natural Resources Actions

GF Actions for the 2018-20 Biennium (\$ in millions)	SB 1100	Senate Amend.	Conf. Amend.	SB 1100 + Conf. Amend.
DCR:WQIF	\$108.8	(\$29.1)	(\$29.1)	\$79.7
DCR:Virginia Land Conservation Foundation	\$11.0	(\$11.0)	(\$11.0)	\$0
DCR: Emergency Dam Repair – City of Lynchburg	\$0	\$5.0	\$5.0	\$5.0
DCR: Dam Safety Program	\$0.3	\$0	\$0.8	\$1.1
DCR: Clinch River State Park	\$0.5	\$0	\$0	\$0.5
DCR: Lewis & Clark Trail	\$0.1	(\$0.1)	(\$0.1)	\$0
DCR: First Landing Bike Trail & Mendota Trail	\$0	\$0.05	\$0.1	\$0.1
DEQ: Stormwater Local Assistance Fund	\$50.0	(\$40.0)	(\$50.0)	\$0*
DEQ: Public Outreach	\$0.1	\$0	(\$0.1)	\$0
DEQ: Online Presence	\$0.9	\$0	\$0	\$0.9
DEQ: Regulatory & Permitting Positions	\$1.6	(\$1.6)	(\$1.6)	\$0
DHR: Historic African American Cemeteries / Historic Properties	\$0	>\$0.1	\$0.3	\$0.3
VMRC: Oyster Restoration	\$1.0	(\$1.0)	\$0	\$1.0
Natural Resources Total	\$174.3	(\$77.8)	(\$86.1)	\$88.2

Transportation

Major Transportation Actions

- **Commercial Spaceflight & Unmanned Systems** – Two actions transfer \$7.5 million from the Transportation Trust Fund to the Commercial Spaceflight Fund.
 - **Includes \$5.0 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.**
- **Safety Service Patrol** – Dedicates \$5.0 million in HMOF revenues to enhance the operations of the Safety Service Patrol across Virginia interstates.
 - **Specific focus on I-81 operations and incident response.**
- **Virginia Transportation Infrastructure Bank**– Reverses a proposed deposit of \$75.0 million GF to the VTIB.

General Government

Compensation and Benefits

Actions for 2018-20 Biennium (GF \$ in millions)	Intro.	Senate	Conference	Intro + Conf.
Additional 2% salary adjustment for teachers	\$ 87.6	\$ 0.0	\$ (14.4)	\$ 73.2
Salary adjustments for state and state-supported local employees	40.2	(40.2)	1.7	41.9
Increase retiree healthcare credit for public safety employees	8.1	(4.3)	(8.1)	0.0
Additional 3% salary adjustment for general registrars	0.0	0.1	0.1	0.1
Capture savings from health insurance premium holiday	0.0	0.0	(46.1)	(46.1)

- Provides \$73.2 million for a full 5.0 percent teacher salary increase, effective September 1, 2019.
- Increases funding for salary adjustments for state and state-supported local employees, effective July 1, 2019, to provide:
 - 2.75 percent increase for state employees.
 - 2.25 percent merit-based increase for eligible state employees.
 - Results in a 5.0 percent increase for most state employees.
 - 3.0 percent increase for higher-ed faculty and state supported local employees.
- Provides \$139,611 for an additional three percent salary adjustment to the base salaries of general registrars.
- Recognizes \$46.1 million GF in savings from providing a two pay period holiday for state health plan premiums, including active employees, retirees, and COBRA beneficiaries. Funding for the premiums will be covered by the Health Insurance Fund, which has an expected year-end balance of \$446 million from lower than projected claims expense.

Judicial, Executive, and Administration

Actions for 2018-20 Biennium (GF \$ in millions)	Intro.	Senate	Conference	Intro + Conf.
Supreme Court – Service costs for judicial data center operations	\$ 0.3	\$ 0.0	\$ 0.3	\$ 0.3
Supreme Court – Establish judicial wellness fund	Language	0.0	Language	Language
IDC – Paralegal positions to address workload increases	0.6	0.0	0.0	0.6
VSB – Additional staff funding for legal aid programs	2.6	(1.9)	(1.3)	1.3
Sec. of Commonwealth – Additional funding for 2020 Census outreach	1.5	(1.5)	(1.5)	0.0
OAG – Clarify policy concerning legal services staff	0.0	0.0	Language	Language
Sec. of Administration – Conduct statewide data inventory	1.4	(0.6)	(0.6)	0.8
Comp Board – Foreclosure listing pilot program	0.0	0.1	0.1	0.1
Comp Board – Commonwealth’s Attorney and staff positions	0.7	0.0	0.7	1.4
Comp Board – Body-worn camera language amendment	0.0	Language	Language	Language

Judicial, Executive, and Administration (cont'd)

Actions for 2018-20 Biennium (GF \$ in millions)	Intro.	Senate	Conference	Intro + Conf.
DGS – Additional funding for “On-the-Square” employee engagement	0.1	(0.1)	0.0	0.1
DGS – Review of contract statute of limitations	0.0	0.0	Language	Language
DHRM – Director of Equity, Diversity, and Inclusion	0.1	(0.1)	0.0	0.1
DHRM – HB 2055 – Language and funding (salary, workforce data)	0.0	0.0	0.3	0.3
ELECT – Explore VERIS rebuild	0.0	0.0	Language	Language
ELECT – Voter list maintenance positions (2.0 FTEs); Fiscal administrative position (1.0 FTE) – JLARC recommendations	0.4	0.0	0.0	0.4
ELECT – Local election official training program, positions (2.0 FTEs)	0.6	(0.2)	(0.2)	0.4
ELECT – Review of general registrar salaries and responsibilities	0.0	Language	Language	Language
ELECT – New Help America Vote Act (HAVA) security grant award	0.0	0.0	0.0	\$3.0m NGF
ELECT – Funding for costs associated with 2020 presidential primary	0.1	(0.1)	0.0	0.1
ELECT – GIS maps for local election redistricting (SB 1018/HB 2760)	0.0	0.0	0.3	0.3
VITA – Language amendments (911 Services Board, CESC migration)	0.0	Language	Language	Language
VITA – Establish data storage charge-back structure	0.0	0.0	Language	Language

Finance

Actions for 2018-20 Biennium (GF \$ in millions)	Intro.	Senate	Conference	Intro + Conf.
Sec. of Finance – Study of gaming governance and expansion	\$ 0.2	\$ (0.2)	\$ (0.2)	\$ 0.0
TAX – Additional tobacco auditor staff (2.0 FTEs = GF resources of \$617,000)	0.2	0.0	0.0	0.2
TAX – Software patch analyst, security standards (1.0 FTE)	0.1	0.0	0.0	0.1
TAX – Administrative costs to implement tax bill	0.0	0.0	1.3	1.3
Treasury – Costs to facilitate tax refund	0.0	0.0	1.6	1.6
Treasury – Gary Bush claims bill (SB 1477)	0.0	0.5	0.5	0.5

- 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.
- Provides \$2.9 million GF for TAX and Treasury to administer provisions of the tax bill and facilitate tax refunds.

Central Appropriations and Independent Agencies

Actions for 2018-20 Biennium (GF \$ in millions)	Intro.	Senate	Conference	Intro + Conf.
Cover UVA state employee healthcare premium increases	\$ 1.6	\$ (0.8)	\$ (0.8)	\$ 0.8
Higher education's share of interest earnings and rebates	1.4	0.0	0.0	1.4
2020 presidential primary expense reimbursement	5.9	(5.9)	(5.9)	0.0
Statewide paid parental leave study workgroup	0.3	(0.3)	(0.3)	0.0
HB 1668 – VITA agency charges for “high risk” contract review	0.0	0.0	0.4	0.4
SCC – Workgroup to develop proposal for out-of-network healthcare providers (“balance billing”)	0.0	0.0	Language	Language

Capital Outlay

Capital Outlay – Conference

Fund Type (\$ in millions)	Introduced	Senate	Conference	SB 1100+ Conf. Amend.
General Fund Cash	\$33.5	(\$12.4)	(\$28.9)	\$4.6
VPBA/VCBA Tax-Supported Bonds	568.4	(86.7)	204.6	773.0
9(c) Revenue Bonds	17.9	0	(0.4)	17.5
9(d) Revenue Bonds	33.0	6.5	9.1	42.1
Nongeneral Fund Cash	<u>153.6</u>	<u>10.1</u>	<u>44.2</u>	<u>197.8</u>
Total	\$806.3	(\$82.4)	228.7	\$1,035.0

- Construction/Renovation Pool includes \$285.8 million in VCBA/VPBA bonds to support 21 new projects.
- 2 projects at VT related to the Tech Talent Pipeline, NGF demolition funding at GMU, and \$11.0 million for smaller institutional projects.
- \$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.
- \$10.0 million for SLAF.
- \$18.5 million the second year in VCBA/VPBA bonds to supplement existing capital outlay pools/projects.