

Key Features - Senate Bill 1100 As Amended by Senate Finance (February 3, 2019)

Resources

- General fund resources total \$22.1 billion in FY 2019 and \$22.4 billion in FY 2020.
 - Assumes a revenue reduction of \$415.3 million in the second year to reflect provisions of Senate Bill 1372 that increase the standard deduction to \$4,500/\$9,000 and deconform from the \$10,000 state and local tax deduction limitation.
 - Assumes a revenue reduction of \$31.7 million the first year and \$23.4 million the second year to reflect provisions of Senate Bill 1372 related to income tax subtractions for Global Intangible Low-Taxed Income (GILTI) and for 20% of disallowed net interest expense deductions under the TCJA.
 - Includes \$82.5 million GF which reflects the anticipated additional revenues from taxing internet sales pursuant to Senate Bill 1083.

Revenue Reserves

- Includes mandatory deposit to the Rainy Day Fund of \$262.9 million.
- Provides a deposit to the Tax Reform Fund in the amount of \$499.8 million GF the first year.
 - Out of this amount \$419.4 million GF the first year is provided for the purpose of providing tax relief in the form of a tax refund payable to individual and married taxpayers.

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- \$80.4 million GF the first year is provided for additional future temporary or permanent tax reform.
- Provides deposits to the Revenue Cash Reserve totaling \$595.5 million (\$500.0 million the first year and \$95.5 million the second year). Deposits include:
 - \$91.0 million base funding;
 - \$235.2 million mandatory deposit from FY 2018 surplus;
 - \$199.7 million to reflect the estimated amount required to be deposited to the Rainy Day Fund in FY 2021, and
 - An additional \$69.6 million.
- Brings the combined balances of the Rainy Day Fund and Revenue Cash Reserve to \$1.3 billion by the end of FY 2020.

Public Education

- Provides \$87.6 million GF (full fiscal year funding) for the state's share of funding for a 5.0 percent teacher salary increase, with some local flexibility.
- Provides \$70.0 million GF for Literary Fund school construction support, utilizing interest rate subsidy to reach more school divisions.
- Provides \$10.1 million GF for additional school counselors.

Higher Education

- Maintains \$15.5 million GF support for undergraduate need-based financial aid, and \$3.5 million for Tuition Assistance Grants.

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- Includes \$8.0 million GF related to computer science and related degrees.
- Includes \$4.0 million GF for additional Workforce Credential Grants.
- Innovative performance pilot approach related to goals of access, affordability, and economic development.

Health and Human Resources

Medicaid

- Fully funds the \$463 million GF Medicaid Forecast.
 - Captures savings of \$39 million GF in Medicaid due to the one-year suspension of the Affordable Care Act tax on insurance companies.
- Raises Medicaid reimbursement rates for physicians up to 70 percent of Medicare (\$4.2 million GF).
 - Adult primary care and anesthesiologists are the primary groups that will receive an increase.
- Provides \$2.6 million GF to increase rates for licensed mental health professionals (psychiatrists, psychologists and licensed clinical social workers).
- Includes language creating a Medicaid forecast oversight workgroup.

Behavioral Health

- Includes \$25.2 million GF in additional behavioral health spending.
 - \$12.5 million to address census pressures at state mental health hospitals by funding direct care staff and discharge assistance to move patients back into the community.
- Provides \$12.7 million GF for community behavioral health services.

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- \$5.0 million GF, bringing the total amount in the FY 2020 budget to \$20 million to fund STEP-VA outpatient services.
- \$3.1 million GF for Permanent Supportive Housing for individuals with serious mental illness, bringing the total funding in the budget to \$15 million each year.
- \$3.0 million for children's crisis services.
- \$1.6 million for the purchase of Naloxone kits for overdose reversal.

Other Health and Human Resources

- Provides \$1.8 million GF to implement the JLARC recommendations for improving the foster care system.
- Provides \$1.2 million GF for state support to make the All Payer Claims Database mandatory for health plans.

Agriculture, Forestry and Natural Resources

- Maintains Virginia's commitment to improving water quality in the Chesapeake Bay and southern rivers by depositing \$73.8 million to the Water Quality Improvement Fund.
- Addresses critical dam safety issues by providing a matching grant of \$5.0 million to the City of Lynchburg for flood control improvements.
- Dedicates \$25.0 million in bond proceeds to address combined sewer overflow improvements in partnership with the City of Alexandria.
- Includes funding to support the operations of the Daniel Boone Wilderness Interpretive Center and the limited opening of Clinch River State Park.

Economic Development

- Increases funding for the Virginia Telecommunication Initiative by \$15.0 million GF to accelerate broadband investment in rural and unserved areas of 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.
- 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.

Public Safety

- Continues priority support for inmate healthcare:
 - Adds \$12.9 million and 123 positions on top of existing funding of \$21.8 million GF for provision of healthcare at Fluvanna Correctional Facility.
 - Supports proposals for an additional \$6.0 million GF in funding for the remaining facilities, and \$6.6 million for electronic health records for female facilities.
- Adds \$3.3 million for school safety.
 - Includes \$2.6 million GF at the Center for School and Campus Safety at the Department of Criminal Justice services for school resource officer training, technical assistance, threat assessment case management, active shooter training, and a school climate survey.
- Adds \$3.3 million to support opioid testing at Department of Forensic Science.

Transportation

- Strengthens public-private partnerships with Virginia's commercial aerospace and unmanned systems industries.
 - Provides \$8.5 million for improvements to existing facilities and for the development of new test facilities for sea-based unmanned systems.
 - Dedicates \$2.5 million for the completion of the small-load launch pad in partnership with Rocket Lab.
- Requires the prioritization of state transit operating expenditures include quantifiable congestion reduction metrics.
- Directs the evaluation of improved mobility options along the Route 1 corridor, including bus rapid transit and the extension of Metro's Blue Line.

General Government

- Provides \$3.8 million to increase the retiree health insurance credit for state law enforcement officers and local sheriffs and their deputies.
- Provides \$200,000 for the Joint Legislative Audit and Review commission to evaluate the impact of gaming expansion in the state, so that any such expansion is done appropriately and in the best interest of the Commonwealth.

Capital Outlay

- Reduces taxable debt as compared to the introduced budget by \$86.7 million and redirects \$12.4 million GF by primarily reducing the number of new planning projects.
 - The reduction in taxable debt is mainly due to phasing the STARS Radio system over four years versus a one year authorization.