

House Bill 30

Amendment No. 1 Reflect Changes in Beginning Balance (Item 0)

General Assembly Action: All amendments to HB 30 were incorporated into the front page actions of the budget bill. The unreserved balance was \$691.7 million.

Governor's Action: Reflects the changes to the beginning balance resulting from various Governor's actions taken since March 12th and proposed in response to the COVID-19 pandemic. The unreserved balance would increase from \$691.7 million to almost \$1.2 billion from the Governor's proposed amendments to HB 29.

Amendment Numbers:

2, 3, 4, 6, 9, 10, 12, 13, 14, 17, 18, 19, 20, 21, 23, 27, 29, 31, 32, 33, 34, 35, 36, 37, 38, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 70, 71, 73, 75, 81, 83, 84, 85, 86, 87, 88, 93, 94, 95, 96, 98, 99, 102, 103, 104, 105, 106, 108, 109, 119, 121, 124, and 125

Various Agencies and Item Numbers Unallot New Spending in Response to Potential Revenue Shortfall (Various Items)

General Assembly Action: No action.

Governor's Action: Through 80 separate amendments the Governor proposes to unallot \$853.6 million GF of new spending in FY 2021 and \$1.4 billion GF of new spending in FY 2022 within the operating budget for state agencies that was approved by the General Assembly in House Bill 30 during the 2020 Session. Unalloting an appropriation

is an executive function that prevents an agency from expending such appropriation. It does not change the appropriation.

Each amendment includes a list of the new spending items that would be unallotted. In addition, budget language that was included to authorize any particular spending items will no longer apply until such time as the General Assembly re-enacts such appropriation after acceptance of a revenue forecast that supports the underlying appropriation (details by agency are included in the unallotment spreadsheet attachment).

Amendment No. 5
Office of the Governor
Reverse Transfer of Executive Mansion Staff to DGS
(Item 53)

General Assembly Action: Transferred \$329,651 GF and 4.0 FTE positions each year associated with Executive Mansion staff and corresponding funding from the Office of the Governor to the Department of General Services (DGS). A companion amendment to HB 29 transfers \$33,706 GF and 4.0 FTE positions each year from the Office of the Governor to DGS.

Governor's Action: Provided \$329,651 GF and 4.0 FTE positions each year to reflect the reversal of the transfer, moving the funding and positions back to the Office of the Governor. A companion amendment to Item 82 removes the funding and positions from DGS.

Notes:

- This is a net-zero transfer between DGS and the Office of the Governor.
- In 2016, Executive Mansion staff and funding was transferred from DGS to the Office of the Governor.

Amendment No. 7
Department of General Services
Implement Property Transfer Required by Prior Legislation
(Item 77)

General Assembly Action: Passed SB 1515 (Ch. 678), 2019 Acts of Assembly, that authorized the Commonwealth to transfer a portion of the property previously used as the Southwestern Virginia Mental Health Institute to the Mount Rogers Community Services Board and a portion of such property previously leased by Smyth County to the County.

Governor's Action: Includes a technical correction, adding correct Tax Map Parcel 211-130-1 to implement the property transfer established by Ch. 678, 2019 Acts of Assembly.

Amendment No. 8
Department of General Services
Reverse Transfer of Executive Mansion Staff to DGS
(Item 82)

General Assembly Action: Transferred \$329,651 GF and 4.0 FTE positions each year associated with Executive Mansion staff and corresponding funding from the Office of the Governor to the Department of General Services (DGS). A companion amendment to HB 29 transferred \$33,706 GF and 4.00 FTE positions each year from the Office of the Governor to DGS.

Governor's Action: Removes \$329,651 GF and 4.0 FTE positions each year to reflect the reversal of the transfer, moving the funding and positions from DGS back to the Office of the Governor. A companion amendment to Item 53 provides the funding and positions in the Office of the Governor.

Notes:

- This is a net-zero transfer between DGS and the Office of the Governor.
- In 2016, Executive Mansion staff and funding was transferred from DGS to the Office of the Governor.

Amendment No. 11
Department of Agriculture and Consumer Services
Industrial Hemp Pilot Program
(Item 99)

General Assembly Action: No action.

Governor's Action: Provides language giving legislative authorization for an agricultural hemp research pilot program consistent with the federal farm bill.

Notes:

- Virginia has had an agricultural hemp program since 2015 and the amendment is required in order to remain compliant with conditions of the federal Farm Bill.
- Requires a report to the General Assembly on the growth, cultivation, and marketing of industrial hemp in Virginia by December 1, 2020.

Amendment No. 15
Department of Housing and Community Development
Waive Match Requirement for Homelessness Services
(Item 113)

General Assembly Action: No action.

Governor's Action: Allows the Department of Housing and Community Development (DHCD) to waive or eliminate the match requirement for support services for persons at risk of experiencing homelessness.

Notes:

- Current law requires a minimum match of 25 percent from local or private sources.
- Applies to current annual appropriation of approximately \$3.5 million GF.

Amendment No. 16
Department of Housing and Community Development
Housing Trust Fund Flexibility
(Item 113)

General Assembly Action: Increased deposits to the Housing Trust Fund by \$46.0 million GF over the biennium, bringing the total appropriation to \$30.0 million GF each year.

Governor's Action: Provides flexibility for the Department of Housing and Community Development (DHCD) in its allocation of Housing Trust Fund awards to address both homelessness assistance and other housing issues resulting from the COVID-19 pandemic.

Notes:

- Under current law, at least 80 percent of moneys in the Housing Trust Fund must be used to provide flexible financing for low-interest loans through eligible organizations, and the remainder may be used for grants through eligible organizations for targeted efforts to reduce homelessness.

Senate Finance & Appropriations Committee Working Papers

- The Governor's proposed language "to address housing issues resulting from the COVID-19 pandemic" may be written in an unnecessarily broad manner.

Amendment No. 22 Virginia Employment Commission Unemployment Insurance Flexibility (Item 131)

General Assembly Action: No action.

Governor's Action: Gives the Governor authority to override the provisions of The Virginia Unemployment Compensation Act in response to the COVID-19 pandemic.

Notes:

- Allows the Governor to waive the work search requirement for benefit recipients in order to lessen the spread of the virus.
- According to the Virginia Employment Commission, the intent is not to permit substantive changes to existing law. However, as written, the proposed language may be unnecessarily broad.

Amendment No. 24 Virginia Innovation Partnership Authority CCAM Grants for COVID-19 Research (Item 135)

General Assembly Action: Included \$3.6 million GF the first year and \$2.6 million GF the second year for the Commonwealth Center for Advanced Manufacturing (CCAM). Out of these amounts \$1.1 million is provided for private sector incentive grants to CCAM industry members.

Governor's Action: Authorizes CCAM to provide grants dedicated to matching funds for the purpose of attracting federal funds for research projects related to the COVID-19 pandemic to be conducted at the CCAM facility. Grants must be matched on a one-to-one basis

Notes:

- Currently, CCAM industry member grants are used to incentivize private sector companies to join CCAM, and to subsidize their costs of conducting research at CCAM.
- This amendment would expand eligibility for those grants to include research related to the COVID-19 pandemic conducted at the CCAM facility.

**Amendment No. 25
Virginia Innovation Partnership Authority
Reduce GF Support and Expand Uses of NGF Appropriation
(Item 135)**

General Assembly Action: Provided \$25.7 million GF the first year and \$39.7 million GF the second year to create the Virginia Innovation Partnership Authority, and provided nongeneral fund support estimated to be at least \$40.0 million resulting from the sale of the CIT building.

Of the NGF amounts, \$10.0 million NGF the first year is allocated to the Commonwealth Commercialization Fund and \$10.0 million NGF the first year is allocated to the Commonwealth Cyber Initiative (CCI). The remaining proceeds, estimated to total at least \$20.0 million NGF, is allocated to the Division of Investment and may be used to invest in one or more syndicated private investment funds; to make additional investments in partnership with Virginia accelerators and university technology commercialization programs; and, to establish a program

to enhance discovery of, and early investment in, technologies aligned with the Virginia Innovation Index.

Governor's Action: Reduces first year appropriations by \$6.1 million GF, including \$3.1 million GF for the Growth Accelerator Program; \$2.0 million GF for Entrepreneurial Ecosystems and the Regional Innovation Fund; and \$1.0 million GF for Tech Industry Development Services. Removes language that directs the use of NGF from the sale of the CIT building and instead allows the VIPA board to decide how to allocate NGF funding. Authorizes grants, loans, investment, or other resources for young companies that have been negatively impacted by the COVID-19 pandemic.

Notes:

- The proposed language authorizing "grants, loans, investment, or other resources for young companies that have been negatively impacted by the COVID-19 pandemic" is broad and may allow a departure from the purpose of the VIPA which is to accelerate research commercialization and support innovation.
- The proposed language also reverses decisions made by the General Assembly regarding the allocation of NGF funds resulting from the sale of the CIT building.

Amendment No. 26
Department of Education
Temporary Flexibility and Waivers in Response to COVID-19
(Item 143)

General Assembly Action: No action.

Governor's Action: Provides authority for the Superintendent of Public Instruction to grant temporary flexibility or issue waivers of certain deadlines or requirements in the Appropriation Act or in § 22.1,

Code of Virginia that cannot be met due to the state of emergency or school closures resulting from COVID-19.

- Flexibility or waivers may include, but are not limited to, accreditation, testing and assessments, graduation, licensure, including temporary licensure, school calendars, and program application and reports due to the Department of Education or Board of Education.
- Superintendent's authority applies only to deadlines and requirements in FY 2020 and FY 2021.
- Prior to granting any flexibility or waiver, the Superintendent is required to report and substantiate to the Secretary of Education how COVID-19 impacted each deadline or requirement, the proposed alternative, and the affected fiscal and school years. The Superintendent is also required to report to the Board of Education on waivers or flexibility extended.

Notes:

- Governor recommends an identical amendment to House Bill 29.

**Amendment No. 28
Direct Aid to Public Education
School Counselor Ratios
(Item 145)**

General Assembly Action: Provided \$21.2 million the first year and \$24.9 million the second year to increase state support for additional school counselors in elementary, middle, and high schools, pursuant to passage of SB 880 and HB 1508.

- In FY 2021, this provides the state's share of costs to lower the school counselors ratios as follows: from 1:455 to 1:375 in

elementary school, from 1:370 to 1:325 in middle school, and from 1:325 to 1:300 in high school.

- In FY 2022, this provides the state's share of costs to lower the ratio of school counselors to 1:325 in all public elementary, middle, and high schools.

Notes: SB 880 (Locke) and HB 1508 (McQuinn), as enrolled, reflect the same counselor ratios funded in the Conference Report. However, SB 880 has a funding contingency clause. The Governor signed both bills on April 9, 2020 (Chapter 952 and 953, respectively).

Governor's Action: Adds "notwithstanding" language to maintain the staffing ratio for counselors at the level funded in Chapter 854 for FY 2020, reducing spending by \$21.7 million the first year and \$28.4 million the second year.

- In both fiscal years, this funds the state's share of school counselors at the following ratios: 1:455 in elementary school, 1:370 in middle school, and 1:325 in high school.

Notes: Since SB 880 has a funding contingency clause, the adoption of this amendment would remove the funding necessary to enact SB 880. The "notwithstanding" language of this amendment clarifies the intent that the required ratios of counselors to be hired by school divisions to match those funded by the Appropriation Act, thus superseding the lower counselor staffing ratios in HB 1508.

Amendment No. 30
State Council of Higher Education
Tuition Assistance Grant Requirements
(Item 150)

General Assembly Action: Eliminated the proposed restriction on eligibility to existing students (at private non-profit higher education

institutions) taking online or distance education programs, however the award for online students is limited to \$3,400. New students in online or distance education programs, however, are not eligible for the Tuition Assistance Grant (TAG) awards.

(Also provided additional \$4.1 million GF the first year and \$7.9 million GF the second year to increase the TAG award to \$3,750 the first year and \$4,000 the second year. This funding is addressed in Amendment No. 31 which unallots new discretionary funding under SCHEV.)

Governor's Action: Adds language to allow for possible COVID-19 student displacement in fall 2020, as well as clarifies phase-out and eligibility requirements for TAG awards to Virginia residents attending Virginia based, private, not-for-profit institutions of higher education.

**Amendment No. 39
Norfolk State University
Utilization of Office of Civil Rights Balance
(Item 183)**

General Assembly Action: No action.

Governor's Action: Adds language allowing Norfolk State University to utilize any year-end balances from the state funds provided to meet the requirements of Virginia's settlement with the federal Office of Civil Rights for the purpose of addressing any educational and general or auxiliary funding issues.

**Amendment No. 51
Virginia State University
Utilization of Office of Civil Rights Balance
(Item 237)**

General Assembly Action: No action.

Governor's Action: Adds language allowing Virginia State University to utilize any year-end balances from the state funds provided to meet the requirements of Virginia's settlement with the federal Office of Civil Rights for the purpose of addressing any educational and general or auxiliary funding issues.

**Amendment No. 68
Secretary of Finance
Delay the Report on the Study of Collective Bargaining
(Item 264)**

General Assembly Action: Directed the Secretaries of Finance and Administration to convene a workgroup to study collective bargaining for state public sector employees, with a report on its findings due to the Governor, and the Chairs of the Senate Finance & Appropriations and House Appropriations, and the Chairs of the House Committee of Labor and Commerce, and the Senate Commerce and Labor Committee, by November 1, 2020.

Governor's Action: Delays the issuance of a report on the study of collective bargaining for state employees by one year, until November 1, 2021.

Notes:

- SB 939/HB 582 of the 2020 General Assembly, allows counties, cities, towns, and local school boards the option to adopt local

ordinances to permit collective bargaining by employees of those governing bodies, effective July 1, 2020.

- A proposed amendment by the Governor moves the effective date of the legislation to May 1, 2021.

Amendment No. 69
Department of Accounts Transfer Payments
Technical Adjustment to Recordation Tax Language
(Item 273)

General Assembly Action: No action.

Governor's Action: Includes a technical amendment stating that, notwithstanding the provisions of § 58.1-816, *Code of Virginia*, the \$20 million GF appropriation each year for recordation tax revenues are not subject to the sum sufficient provisions of the Item.

Notes:

- § 58.1-816 specifies that the state recordation taxes collected and deposited into the state treasury shall be distributed among the counties and cities of the Commonwealth.
- SB 1038/HB 1726, of the 2020 General Assembly, directs recordation tax revenues to the Hampton Roads Regional Transit Fund. The enrolled bill provides \$20 million GF each year, and includes language directing such funds to be deposited to the Hampton Roads Regional Transit Fund.

Amendment No. 72
Children's Services Act
Require Interim Report on Special Education Private Day Rate
Study
(Item 293)

General Assembly Action: No action.

Governor's Action: Proposes language to require the Office of Children's Services (OCS) to submit preliminary findings related to the continued rate study for private day special education services to the Joint Legislative Audit and Review Commission (JLARC) by no later than September, 1, 2020. This will allow JLARC to incorporate the findings in their study of the Children's Services Act. The language further requires OCS to send a final report on the rate study's findings to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by June 1, 2021.

Amendment No. 74
Expand Long Acting Reversible Contraception Program
(Item 302)

General Assembly Action: No action.

Governor's Action: Proposes to modify the language for the Long Acting Reversible Contraception (LARC) program to allow funding for non-hormonal LARCs, which have been excluded from the program since it began several years ago. This action would allow the copper intrauterine device to be eligible for reimbursement in the program.

Amendment No. 76
Department of Medical Assistance Services
Fund Medicaid Costs of Initial COVID-19 Response
(Item 313)

General Assembly Action: No action.

Governor's Action: Provides \$1.0 million GF and \$2.7 million NGF in FY 2021 to fund emergency actions taken by the Department of Medical Assistance Services for the costs of policy changes implemented to respond to COVID-19. These actions include:

- Elimination of copays for medical services;
- No pre-approvals needed and automatic approval extensions for many critical medical services;
- Outreach to higher risk and older members to review critical needs;
- 90-day supply of many routine prescriptions;
- Ensuring members do not inadvertently lose coverage due to lapses in paperwork or a change in circumstances; and
- Encouraging use of telehealth.

Amendment No. 77
Department of Medical Assistance Services
Increase Nursing Facility Rates in Response to COVID-19
(Item 313)

General Assembly Action: No action.

Governor's Action: Continues the increase in the daily per diem rates for nursing homes by \$20 for the COVID-19 response to reflect higher nursing costs related to staffing issues, purchase of personal protection equipment, and additional cleaning. No appropriation is provided with the expectation that the state share would be funded from a Treasury Loan.

Notes:

- This action is also proposed in FY 2020. The fee-for-service Medicaid costs are estimated at \$1.9 million GF per quarter and for managed care are estimated at \$11.5 million GF per quarter. The language directs the state costs to be paid from a Treasury Loan.
- In a separate amendment, the Governor delays the nursing home increases the General Assembly funded beginning this July 1, 2020.

**Amendment No. 78
Department of Medical Assistance Services
Authority for Changes to Medicaid in Response to COVID-19
(Item 317)**

General Assembly Action: No action.

Governor's Action: Provides broad authority for the Department of Medical Assistance Services (DMAS) to make emergency changes to the Medicaid program to address the COVID-19 pandemic. It suspends the normal review requirement for changes to Medicaid and requires the Governor to provide written approval of such actions. DMAS is required to notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 15 days of any actions taken. All such emergency actions shall expire with the end of the Governor's emergency declaration.

Notes:

- It is unclear what other actions need to take place and why specific authority was not sent down if the administration is contemplating other actions.

- It is unclear as to how any actions with costs would be funded under such authority.

Amendment No. 79
Department of Medical Assistance Services
Flexibility to Adjust Payment Dates
(Item 317)

General Assembly Action: No action.

Governor's Action: Adds language allowing the Department of Medical Assistance Services to adjust the date of any agency payments if doing so allows the agency to maximize federal reimbursement if such a change in the payments is allowable under state and federal rules.

Notes:

- The federal Families First Coronavirus Response Act (enacted in March) provided an increase in the Medicaid federal match rate from 50 to 56.2 percent for each quarter the Coronavirus public health emergency exists. In the last quarter of the enhanced match rate, this language would allow the Commonwealth to shift payments from one quarter to another to take advantage of the increased match rate for one-time savings.

Amendment No. 80
Department of Medical Assistance Services
Unallot State Savings from Enhanced Federal Match Rate for
Medicaid
(Item 317)

General Assembly Action: No action.

Governor's Action: Includes language directing the Department of Medical Assistance Services (DMAS) to develop an estimate of the state savings from the enhanced federal match rate provided through the federal Families First Coronavirus Response Act (enacted in March). This act increases the federal match rate for Medicaid from 50 to 56.2 percent during for each quarter the Coronavirus public health emergency exists. DMAS is required to report the estimated savings to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. In addition, the Department of Planning and Budget (DPB) is authorized to unallot the state savings. For any quarters the enhanced match does not apply, DPB is authorized to allot the funding for those quarters.

Notes:

- Staff estimates that for the last two quarters of FY 2020, the general fund savings is \$314.7 million. If the emergency continues for the first two quarters of FY 2021, then the state would realize at least an additional \$330 million in savings.

Amendment No. 82

**Department of Behavioral Health and Developmental Services
Temporary Adjustment to Licensing Requirements
(Item 318)**

General Assembly Action: No actions.

Governor's Action: Proposes to provide discretion for the Department of Behavioral Health and Developmental Services (DBHDS) to conduct less than one annual unannounced inspection of providers licensed by the agency for calendar year 2020. Also provides authority for DBHDS to extend conditional licenses for up to one year.

While under a state of emergency, proposes to allow DBHDS to issue licensing status letters to children's residential providers due to the

lack of on-site inspections and extend the renewal periods of such providers.

Amendment No. 89
Department of Social Services
Unallot State Savings from Enhanced Federal Match Rate for
Federal Foster Care Program
(Item 354)

General Assembly Action: No action.

Governor's Action: Includes language directing the Department of Social Services (DSS) to develop an estimate of the state savings from the enhanced federal match rate provided through the federal Families First Coronavirus Response Act (enacted in March). This act increases the federal match rate for Medicaid from 50 to 56.2 percent during each quarter the nation is under a public health emergency. The Medicaid match rate is also used in the Title IV-E federal foster care program. DSS is required to report the estimated savings the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. In addition, the Department of Planning and Budget (DPB) is authorized to unallot the state savings. For any quarters the enhanced match does not apply, DPB is authorized to allot the funding for those quarters.

Amendment No. 90
Department of Social Services
Authority for Licensure Exemption and Background Check
Portability for Child Day Programs
(Item 357)

General Assembly Action: No action.

Governor's Action: Adds language providing an exemption from licensure for a child day program operating for children of essential personnel during the COVID-19 Pandemic.

- Programs must file an exemption with the Department of Social Services (DSS), and abide by basic safety requirements and guidance from the Centers for Disease Control and the Virginia Department of Health. DSS has authority to inspect these programs upon reception of a complaint.
- Modifies the background check requirements for child day programs, operating in response to the COVID-19 Pandemic, to allow personnel who have completed a background check in the past two years. In addition, DSS is required to establish a process regarding background check portability.
- Allows any public or private school to operate emergency child care for preschool or school-aged children for essential personnel during the pandemic. These programs are exempt from licensure but required to follow all safety and supervisory standards, including background checks.

**Amendment No. 91
Department of Social Services
Authority for Emergency Program Changes
(Item 359)**

General Assembly Action: No action.

Governor's Action: Proposes to provide authority for the Department to Social Services (DSS) to make changes to its programs, with appropriate approvals from federal agencies if required, that includes eligibility criteria for benefits and services, and payment levels for applicable programs in response to the Coronavirus Pandemic. DSS must receive written approval from the Governor of

any such change and notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. Any such changes are only in effect for the duration of the Governor's emergency declaration.

**Amendment No. 92
Department of Social Services
Modify Child Care Transfer Language to Match Language under
the Department of Education
(Item 359)**

General Assembly Action: Adopted language under the Department of Education (DOE) directing the Superintendent of Public Instruction to convene a work group to develop and establish a plan to transfer the Child Care Development Fund (CCDF) grant from the Department of Social Services (DSS) to the Department of Education (DOE) no later than July 1, 2021.

Governor's Action: Replaces a paragraph in DSS, included in the Governor's introduced budget for HB 30 and adopted by the General Assembly, directing the development of a plan by DSS and DOE to transfer the CCDF grant from DSS to DOE by no later than July 1, 2021. The replacement paragraph matches the one the General Assembly adopted under the Department of Education. This action aligns the work related to developing a plan for transferring the CCDF into one workgroup.

**Amendment No. 97
Department of Game and Inland Fisheries
Migratory Shorebird Permitting Authority
(Item 383)**

General Assembly Action: No action.

Governor's Action: Adds language authorizing the Department of Game and Inland Fisheries the authority to issue the Department of Transportation an interim permit to relocate the nest and eggs of any state listed threatened bird species from the South Island of the Hampton Roads Bridge Tunnel in order to facilitate operations of the tunnel boring machine used in the current expansion project.

Notes:

- Authorizes the Board of Game and Inland Fisheries to establish a permanent regulation for taking of migratory birds and threatened species and requires the VDOT to apply for such permit.
- Authorizes DGIF to require compensatory mitigation from VDOT to address the adverse impact of the take on fish and wildlife habitats, including additional environmental restoration projects, purchase of mitigation bank credits, or in-lieu payments to existing state wildlife funds.
- A companion amendment in HB 29 authorizes the expenditure of up to \$12 million NGF in VDOT Access Road funding to facilitate the relocation of the nests and eggs and provide for appropriate compensatory mitigation of the taking.
- An identical amendment is proposed for HB 29.

Amendment No. 100
Department of Corrections
Adjust Funding for Legislation Projected to Increase
the Need for Prison Beds
(Item 402)

General Assembly Action: HB 30, as enrolled, appropriated a total of \$100,000 for Woodrum impacts related to HB 123 and SB 838 due to an increased need for additional prison beds.

Governor's Action: Removes \$50,000 GF the first year since the bills create an identical felony impact; therefore, making the required Woodrum deposits duplicative.

Amendment No. 101
Department of Corrections
Authorizes Director to Reassign/Discharge Certain Prisoners
(Item 402)

General Assembly Action: No action.

Governor's Action: Allows the Department of Corrections (DOC) Director to (i) discharge from incarceration or (ii) place into a lower level of supervision, including probation, home electronic incarceration, or community corrections, any prisoner - except those convicted of a Class 1 felony or sexually violent offense - with less than one year remaining on their sentence, if it is determined that such action will assist in maintaining the health, safety, and welfare of any prisoner, and is compatible with the interests of society and public safety.

- The authority is limited to when a Governor's declared state of emergency, in response to a communicable disease of public health threat, is in effect.

Senate Finance & Appropriations Committee Working Papers

- Requires DOC Director to develop procedures for implementation, which comply with statutory requirements for providing notice of a prisoner's discharge, to the extent practicable; however, provides failure to comply with such notification provisions does not affect authority to discharge a prisoner.
- Provides that the authority expires on July 1, 2021.

Notes:

- Under current law, parole is only available to a) eligible prisoners who were sentenced prior to 1995, and for b) conditional geriatric release for offenders sixty-five or older who have served at least five years, or sixty or older who have served at least ten years.
- The proposed amendment does not involve the Parole Board, which is the entity that currently makes early release decisions, based on parole eligibility authorized in statute.
- The Secretary indicates that just under 2,000 prisoners are eligible based on remaining sentence length.
- The state of emergency for COVID-19 in the Commonwealth is in effect until June 10, 2020, but can be extended or rescinded by the Governor as needed.

Amendment No. 107
Department of State Police
Study on Information Sharing
(Item 425)

General Assembly Action: No action.

Governor's Action: Proposes language requiring the Virginia State Police (VSP) to provide information from the Central Criminal Records Exchange (CCRE), based on statutes identified in the language that require juvenile records information to be recorded into the CCRE, to Department of Juvenile Justice (DJJ) upon request, who will de-identify the data, for the purpose of supporting an ongoing research project involving Duke University and University of Virginia evaluating the impact of the provisions on public health and safety.

Notes:

- This is an amendment to allow VSP to share data with DJJ in order to support an ongoing study. It is unclear why this amendment was not proposed during session.
- The language is added to a paragraph of existing similar language, added in the 2016 Session, that requires VSP to share information from the CCRE with DBHDS, for DBHDS to de-identify it and link it with other relevant data for the purpose of evaluating the impact of the provisions on gun violence and mental health, in support of a grant from the National Science Foundation to Duke University and a subcontract with the University of Virginia.

**Amendment No. 110
Secretary of Transportation
Six-Year Improvement Program
(Item 430)**

General Assembly Action: No action.

Governor's Action: Allows the existing transportation Six-Year Improvement Program, adopted in June 2019, to remain in effect through June 30, 2021, or until a new program can be adopted based on an official reforecast of revenues to the Commonwealth Transportation Fund, including allocations to public transit operations and the Washington Metropolitan Transit Authority.

Notes:

- Current Code language requires the Commonwealth Transportation Board establish a Six-Year Improvement Program (SYIP) not later than June 30. However, given the unknown economic impact of the COVID-19 pandemic on currently forecast transportation revenues, adopting a SYIP prior to an official revenue reforecast would be unrealistic.

**Amendment No. 111
Secretary of Transportation
CTB Discretionary Adjustments
(Item 430)**

General Assembly Action: No action.

Governor's Action: Provides the Commonwealth Transportation Board the discretion to adjust the amounts appropriated, allocated and distributed to the various transportation agencies and programs to ensure sufficient funding to maintain core operations and services.

Notes:

- Requires any actions to reallocate funding be reported to the chairs of the House Appropriations, House Finance, and Senate Finance and Appropriations Committees within 30 days.

**Amendment No. 112
Department of Aviation
Technical Update: Embedded Code Citation
(Item 432)**

General Assembly Action: No action.

Governor's Action: This technical amendment alters language to update an obsolete Code of Virginia citation to the current relevant code section.

**Amendment No. 113
Department of Motor Vehicles
REAL ID Surcharge
(Item 436)**

General Assembly Action: No action.

Governor's Action: This technical amendment reinserts existing language authorizing the Department of Motor Vehicles to impose a \$10 surcharge on all first issuances of REAL ID compliant credentials.

Notes:

- The authorization of the \$10 surcharge is currently included in the existing appropriation act (Chapter 854, 2019) and was inadvertently removed during budget development.

- Given federal delays to the REAL ID implementation timeline in response to the COVID-19 pandemic, language authorizing the current \$10 surcharge will need to be continued throughout the next biennium.

Amendment No. 114
Virginia Department of Transportation
I-64 Toll Revenues
(Item 450)

General Assembly Action: No action.

Governor's Action: Adds language authorizing the Hampton Roads Transportation Accountability Commission (HRTAC) to dedicate I-64 toll revenues to support other related projects if mutually agreed upon by HRTAC and the Commonwealth Transportation Board.

Notes:

- This language is recommended to ensure that HRTAC has the flexibility to pledge regional toll revenues in support of other potential projects in Hampton Roads.
- Currently, HRTAC use of toll revenues is restricted to supporting expansion of capacity of I-64 through the Hampton Roads Bridge Tunnel.

Amendment No. 115
Department of Transportation
Technical Update: Oak Grove Connector Project
(Item 452)

General Assembly Action: No action.

Governor's Action: This technical amendment corrects embedded language related to the payment of debt on the Oak Grove Connector project in the City of Chesapeake consistent with changes adopted in the omnibus transportation legislation, HB 1414 and SB 890.

Notes:

- Changes the funding source from recordation taxes to state transportation revenues.

Amendment No. 116
Department of Transportation
Technical Update: Indirect Cost from the Commonwealth
Transportation Fund
(Item 453)

General Assembly Action: No action.

Governor's Action: This technical amendment alters language to provide for the indirect costs from the Commonwealth Transportation Fund (CTF) to reflect changes included in the omnibus transportation bill, HB 1414 and SB890.

Amendment No. 117
Secretary of Veterans and Defense Affairs
Camp Pendleton Lease Agreement
(Item 462)

General Assembly Action: Amended existing language authorizing the long-term lease of a portion of the Camp Pendleton property to the City of Virginia Beach to include \$5 million in up-front payment and an ongoing lease amount of not more than \$50,000 annually.

Governor's Action: Proposes to modify the language to: (i) remove the explicit authorization for a 50-year extension; (ii) remove the \$50,000 cap on annual lease payments; and (iii) provide flexibility in the timing of the initial \$5.0 million payments to coincide with successful execution of a lease between the Commonwealth and the City.

Notes:

- This amendment provides additional flexibility to the Commonwealth in the negotiation of long-term lease with the City and preserves the negotiating powers of both parties.

Amendment No. 118 & No. 120
Department of Veterans Services
Reverse Transfer of Staffing to Veterans Services Foundation
(Item 466 & Item 468)

General Assembly Action: Two separate actions transferred the administration of \$160,000 GF in Veterans Services Grant funds and a corresponding budget support position from the Department of Veterans Services to the Veterans Services Foundation.

Governor's Action: Proposes to maintain the transfer of the same amount of Veterans Services Grant funding to the Foundation, but reverses the transfer of the budget support position.

Notes:

- The Veterans Services Foundation currently has 1.0 authorized FTE for administration of the Foundation and its grant program and has been supported by this budget position.

**Amendment No. 122
Central Appropriations
Amend Redistricting Funding Language
(Item 479)**

General Assembly Action: Adopted funding of \$1.1 million GF each year for the Virginia Redistricting Commission.

Governor's Action: This amendment makes a technical adjustment to language regarding funding of \$1.1 million GF each year to be distributed by the Department and Planning and Budget to state agencies for redistricting activities, including supporting the Virginia Redistricting Commission, if approved.

Notes:

- The funding of \$1.1 million GF each year and language in the enrolled bill restricted the distribution of such funds to agencies to support the Virginia Redistricting Commission, exclusively.
- The Governor's action provides flexibility for the distribution of funding for redistricting related activities that will occur prior to November 3, 2020, and in the event that the referendum is not approved.
- SJ 18 and SB 236, of the 2020 General Assembly establish the constitutional amendment creating The Virginia Redistricting Commission, and providing for its approval via voter referendum at the November 3, 2020 election.

Amendment No. 123
Central Appropriations
COVID-19 Response Authority
(Item 479.10)

General Assembly Action: No action.

Governor's Action: Authorizes the Governor to appropriate funds to state agencies, institutions of higher education, and other permissible entities the federal relief funds provided from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and other legislation in response to the COVID-19 pandemic.

- Requires state agency/entity records management and reporting, consistent with federal and state requirements, including a quarterly report on the distribution of such appropriation to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees.

Authorizes the Governor to appropriate within Item 479.10, or any other item(s) in the Appropriation Act any revenues deposited to the COVID-19 Relief Fund (Relief Fund), created pursuant to the proposed substitutes to SB 971/HB 881, of the 2020 General Assembly (which prohibited skill games) to establish the Relief Fund and dedicate 84 percent of the monthly revenues generated through the taxation of skill games from July 1, 2020 through July 1, 2021, to the Relief Fund.

- Authorizes that funds from the Relief Fund be used for, but not limited to, (i) relief to small businesses, (ii) assistance for housing and homelessness, (iii) assistance for long term care facilities, and (iv) any other purpose designated by the Governor to address the impact of the COVID-19 pandemic. Requires quarterly reporting by the Governor to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on any appropriation action from the COVID-19 Relief Fund.

Notes:

- A companion amendment in HB 29 (Amendment 23, Item 476.10) provides \$50 million GF the second year in anticipated state matching funds for COVID-19 related federal relief funds, and the same language authorizing the appropriation of federal relief funds and revenues deposited to the COVID-19 Relief Fund.
- This amendment does not create a legislative advisory committee to provide advice to the Governor on allocations of certain discretionary federal funds.
- This amendment references the COVID-19 Relief Fund proposed to be created via the Governor's substitutes for House Bill 881 and Senate Bill 971, which delays the prohibition on games of skill.
- Approximately \$3.3 billion in federal funding is anticipated to be provided to Virginia for COVID-19 pandemic response and preparedness, included within legislation approved by Congress, including the Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123), the Families First Coronavirus Response Act (P.L. 116-127), the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116- 136).

Amendment No. 126
Capital Outlay
Delay Implementation of Capital Projects
(Item 2-0)

General Assembly Action: No action.

Governor's Action: Adds language allowing the Governor or his designee to delay the initiation or continuation of capital projects supported with state revenues in order to address cash flow and debt capacity concerns resulting from the COVID-19 emergency, until the General Assembly reauthorizes the capital budget when it accepts the revenue forecast that confirms the revenues estimated within the Act.

Notes:

- There is a companion amendment proposed for House Bill 29 (Amendment #24).
- The reference to delaying the “continuation of capital projects” would possibly give broad authority to freeze existing capital projects.

Amendment No. 127
Capital Outlay
Enhance Nottoway Wastewater Treatment Plant Capacity
(Item C-55.10)

General Assembly Action: Provided \$15 million in each year from bond proceeds for the Department of Corrections (DOC) Capital Infrastructure Fund for the repair, renovation, or improvement of existing correctional facilities including mechanical and security systems.

Governor's Action: Proposes an additional \$6.8 million from bond proceeds in the first year to expand capacity at the Nottoway Wastewater Treatment Plant to address wastewater increases resulting from increased utilization of the plant due to state and local development.

Notes:

- The Nottoway wastewater project is needed due to the Virginia Center for Behavioral Rehabilitation (VCBR) expansion project. DOC historically has provided wastewater treatment for VCBR at its Nottoway wastewater treatment plant. Because VCBR is expanding, the capacity of the wastewater treatment plant also needs to expand to meet the increased utilization.
- The wastewater treatment project was not included in the projects planned for the DOC Capital Infrastructure Fund; and, therefore, would be an additional need in the first year.
- According to DOC, this proposal was not raised during the regular 2020 Session due to its expectation that the Department of Behavioral Health and Developmental Services would be provided funding to expand the wastewater treatment capacity, and that DOC did not become aware of the additional need until after the Session had ended.

**Amendment No. 128
Capital Outlay
Unallot Accomack Airport Hanger
(Item C-61.50)**

General Assembly Action: Provided \$1.0 million GF and \$1.0 million NGF to construct a new hanger at the Accomack Regional Airport.

Governor's Action: Unallots the general fund appropriation included for the construction of a new Accomack Regional Airport hangar pending the assessment of the impact of a potential general fund revenue shortfall.

**Amendment No. 129
Capital Outlay
Matching Funds for Pandemic Response Renovations at
Veterans Care Centers
(Item C-61.60)**

General Assembly Action: No action.

Governor's Action: Authorizes the Virginia Public Building Authority to issue up to \$1.0 million in bond funds, plus issuance costs, to provide the state match for the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) grant for coronavirus related construction and renovation projects at Sitter & Barfoot Veterans Care Center (Richmond) and Virginia Veterans Care Center (Roanoke) to deal with the COVID-19 pandemic response.

**Amendment No. 130
Central Capital Outlay
Supplant GF Maintenance Reserve Funding
with Bond Proceeds
(Item C-64)**

General Assembly Action: The General Assembly funded \$65 million of the capital outlay maintenance reserve funding in FY 2021 to agencies with general fund cash.

Governor's Action: Supplants the \$65 million general fund support provided in maintenance reserve instead with state bond proceeds.

**Amendment No. 131
Central Capital Outlay
Southwest Virginia Higher Education Center Equipment
(Item C-65)**

General Assembly Action: No action.

Governor's Action: Provides \$65,000 in equipment funding for Southwest Virginia Higher Education Center (SWVHEC).

The center is nearing completion of a capital project to expand its facility and requires funding to cover the furniture, furnishings and equipment (FF&E) costs associated with this expansion.

**Amendment No. 132
Central Capital Outlay
Unallot General Fund Support for Planning
(Item C-66)**

General Assembly Action: Provided \$10.0 million GF over the biennium in Central Capital for planning.

Governor's Action: Unallots general fund amounts for capital outlay planning pending the assessment of the impact of a potential general fund revenue shortfall.

**Amendment No. 133
Central Capital Outlay
Unallot Funding for Virginia Beach project
(Item C-72.10)**

General Assembly Action: Provided \$10.0 million GF to support improvements related to the Nimmo Parkway Phase VII-B project in order to provide an adequate hurricane evacuation route for the Sandbridge residents.

Governor's Action: Unallots funding for Nimmo Parkway Phase VII-B project pending the assessment of the impact of a potential general fund revenue shortfall.

Amendment No. 134
Part 3: Interfund Transfers
Require Transfer of COVID-19 FEMA Reimbursements to the
General Fund
(Item 3-1.01)

General Assembly Action: No action.

Governor's Action: Proposes language to include new fund detail, created to account for disaster sum sufficient funding expended for COVID-19 response, in the existing paragraph of language that requires the State Comptroller to transfer the balance of the FEMA reimbursements for disaster sum sufficient to the general fund, by June 30th of each year.

Notes:

- This is a technical amendment that clarifies that reimbursements from FEMA for sum sufficient expenditures related to COVID-19 are transferred to the general fund.
- The Disaster Recovery Fund (fund detail 02460) is the fund that has been used for to account for sum sufficient expenditures for previous disasters. In the past, there has not been a new fund detail created for each new event, as the agencies have been able to track events by project codes in the state accounting systems.

Amendment No. 135
Part 3: Auxiliary Enterprises in Higher Education
Allow Higher Education Institutions Flexibility with Auxiliary
Indirect Cost Recoveries
(Item 3-4.01)

General Assembly Action: No action.

Governor's Action: Adds language allowing institutions of higher education flexibility from recovering 100 percent of calculated indirect cost recoveries to educational and general academic activities.

According to the amendment explanation, this is intended to “help the institutions reduce the hit against their auxiliary cash balances. With higher education institutions closing dormitory, parking and dining operations due to COVID-19, students and parents are expecting refunds for the balance of the semester. Some higher education institutions’ auxiliary cash balances could be challenged to address these refunds.”

Notes:

- There is a companion amendment proposed for House Bill 29.

Amendment No. 136
Part 3: Adjustments and Modifications to Tax Collections
Administrative Tax Relief – Abatement of Interest
(Item 3-5.22)

General Assembly Action: No action.

Governor's Action: Requires the Virginia Department of Taxation (TAX) to waive interest for (i) any final, estimated, or extension individual, corporate, or fiduciary income tax payments originally due during the period from April 1, 2020 through June 1, 2020, provided that full payment is made by June 1, 2020 and (ii) any sales tax payment

originally due March 20, 2020 for which a waiver of penalty was granted by TAX, provided that such payment is submitted by April 20, 2020.

Notes:

- In response to the COVID-19 pandemic, TAX extended the deadline for certain sales tax remittances and extended the deadline for Virginia taxpayers to pay their income taxes.
- This amendment authorizes TAX to waive interest on those payments as well.

**Amendment 137
Part 4: Operating Polices
Allow Policy-Making Boards to Meet Virtually
During Emergency Declarations
(Item 4-0.01)**

General Assembly Action: No action.

Governor's Action: Provides authority for public bodies, including agencies, boards, and common interest communities to conduct electronic meetings during a declared state of emergency when it is impracticable or unsafe to assemble a quorum in a single location.

Notes:

- There is a companion amendment proposed for House Bill 29 (Amendment #28).

Amendment No. 138
Part 4: Withholding of Spending Authority
Authority for Governor to Withhold More than 15 Percent of an
Agency's Appropriation
(Item 4-1.02)

General Assembly Action: No action.

Governor's Action: Proposes to override the 15 percent limit on the Governor's authority to withhold or unallot an agency's appropriation in response to the revenue shortfall resulting from the COVID-19 pandemic.

Notes:

- The Appropriation Act provides authority for the Governor to withhold spending authority in a budget shortfall. After a re-estimate of general fund revenues the Governor is required to develop a written plan of allotments to be withheld and notify the Chairs of the money committees. As part of this plan, the Governor cannot withhold more than 15 percent of an agency's appropriation or non-state agency grant. Furthermore, the Governor is limited from reducing other specific appropriations such as debt service payments, retirement contributions, no more than two percent of employee salaries, and other items designated by the General Assembly.
- The limitation of 15 percent on withholding or unalloting an agency's appropriation, in response to a budget shortfall, is intended to allow the General Assembly to make the determination if an agency's budget and programs should be curtailed to such a degree.
- This amendment eliminates the 15 percent limitation and provides the Governor with the authority to withhold and unallot any amounts appropriated within the Appropriations

Act. Essentially, it would provide the Governor with the ability to handle a budget shortfall without any legislative input.

Amendment No. 139
Part 4: Reversion of Appropriations and Reappropriations
Increase Higher Education Institutional Reserve Amount
(Item 4-1.05)

General Assembly Action: No action.

Governor's Action: Increases the percentage, from three to six, of educational and general unexpended balances that institutions are authorized to carry forward as a reserve, to be available during times of revenue challenges.

Notes:

- There is a companion amendment proposed for House Bill 29.

Amendment 140
Part 4: Nongeneral Fund Revenues
Provide Authority for Agencies to Solicit and Accept Donations,
Gifts, Grants, and Contracts that Support the Response to the
COVID-19 Pandemic
(Item 4-2.01)

General Assembly Action: No action.

Governor's Action: Provides authority for agencies to solicit and/or accept donations, gifts, grants, and contracts needed to respond to the direct and indirect impacts of the COVID-19 pandemic.

Notes:

- A companion amendment in HB 29 (Amendment #30) would provide this same authority.
- Pre-existing Part 4 language prohibits these actions without the written approval of the Governor.

Amendment No. 141

**Part 4: Special Conditions and Restrictions on Expenditures
Authority to Change Cost Factors to Respond to COVID-19
(Item 4-5.03)**

General Assembly Action: No action.

Governor's Action: Proposes to allow state agencies to alter cost factors for services that are implemented or altered in response to COVID-19 if the funding is provided from a nongeneral fund source or from any other source when specifically approved by the Governor in response to the COVID-19 pandemic.

Notes:

- Changes to cost factors (qualification level that controls the number of eligible recipients or the unit cost of benefit payments) are limited to appropriation specifically provided by the General Assembly for such changes. This limitation protects the General Assembly's constitutional authority to appropriate public funds by preventing executive changes to program costs that would otherwise obligate the General Assembly to funding future costs.
- The Governor has authority under disaster declarations to respond to emergencies until such time as the General Assembly can address the underlying fiscal costs.

- It is not clear why this provision would need to be overridden due to COVID-19, especially since other amendments provide authority to make changes to certain programs.

Amendment No. 142

**Part 4: Special Conditions and Restrictions on Expenditures
Authority to Establish New Services to Respond to COVID-19
(Item 4-5.03)**

General Assembly Action: No action.

Governor's Action: Proposes to allow state agencies to establish new services in response to COVID-19 if the funding is provided from a nongeneral fund source or from any other source when specifically approved by the Governor in response to the COVID-19 pandemic.

Notes:

- Establishing new services that call for future operating costs expenses are prohibited unless first authorized by the by the General Assembly. This limitation protects the General Assembly's constitutional authority to appropriate public funds by preventing executive changes that would otherwise obligate the General Assembly to funding future costs.
- The Governor has authority under disaster declarations to respond to emergencies until such time as the General Assembly can address the underlying fiscal costs.
- It is not clear why this provision would need to be overridden due to COVID-19, especially since other amendments provide authority to make changes to certain programs, and a special session of the General Assembly is likely prior to the end of this year.

Amendment No. 143
Part 4: Reporting Requirements
Provide flexibility on reporting deadlines during declared
disasters
(Item 4-8.01)

General Assembly Action: No action.

Governor's Action: Provides authority for the Governor to temporarily delay or defer the submission of reports or studies required by Code or the Appropriation Act if impractical due to the impacts of the COVID-19 pandemic on the reporting entity. Requests for delay must be submitted in writing at least 30 days prior to the reporting deadline. Reports must be submitted as soon as the work can be completed and no later than 12 months from the original reporting requirement.

Amendment No. 144
Part 4: Effective Date
Authorize Temporary Borrowing
(Item 4-14)

General Assembly Action: No action.

Governor's Action: Includes language authorizing the Treasury Board, with the consent of the Governor, to issue revenue anticipation notes, to address cash flow and liquidity, for both the state and localities for FY 2021 and FY 2022.

- Funds are to be used to manage the cash flow impact of actual or potential reductions in tax or other revenues or increases in expenses related to, or resulting from the COVID-19 pandemic, and operating expenses incurred in anticipation of the collection of taxes and revenues.

Senate Finance & Appropriations Committee Working Papers

- Authorizes the sale and issuance of 9(a)(2) notes, with the full faith and credit of the Commonwealth, for the Commonwealth. The 9(a)(2) notes mature within 12 months from the date of issuance.
- Authorizes the sale and issuance of 9(d) notes for the Commonwealth or its counties, cities, and towns and mature within two years from the date of issuance. These notes do not constitute a debt of the Commonwealth of Virginia, or a pledge of the full faith and credit of the Commonwealth, but are payable subject to appropriation by the General Assembly, and amounts paid by counties, cities, and towns that issue bonds, notes, and obligations.
- Authorizes an aggregate principal of up to \$500 million in notes for the Commonwealth and up to another \$250 million for local governments.
- Authorizes the Governor to select the counties, cities, and towns to participate in the undertakings, and direct the distribution of 9(d) bond proceeds to the particular localities, and directs the Governor to develop a guidance document governing eligibility and priority criteria.
- Authorizes the Virginia Resources Authority (VRA) to purchase and acquire through proceeds of 9(d) notes bonds, notes or obligations or counties, cities, and towns for the purposes specified in the language, and establish interest rates and repayment terms.

Notes:

- There is a companion amendment in HB 29 providing the same funding amounts and specifications for FY 2020 and is duplicative (Amendment #37).

Senate Finance & Appropriations Committee Working Papers

- In addition to the Coronavirus Relief Fund authorized under the CARES Act, the Federal Reserve has authorized up to \$500 billion in lending to states and municipalities to manage (i) reductions in cash flow caused by an extension of an income tax filing deadline, (ii) potential reductions in tax and other revenues or increased expenses related to, or resulting from, the COVID-19 pandemic, and (iii) required payments of principal and interest on obligations of the relevant unit of government.
 - The U.S. Treasury has indicated that it will only work with one entity (per state), and the Virginia Treasury Board is the appropriate entity.
 - The VRA will perform credit analyses of local governments for consideration of bond issuance.
- An eligible state or local government (“Issuer”) may also use the proceeds of Federal Reserve lending to purchase similar notes issued by, or otherwise to assist, political subdivisions and instrumentalities of the relevant state, city or county for the authorized purposes. Because the Commonwealth is the only authorized Issuer, the amendment allows the Commonwealth to issue debt to purchase local government bonds that would, in turn, be purchased by the Federal Reserve in order to ensure the continued operations of local government entities.
- The language does allow the issuance of short-term debt for operating expenses. The Commonwealth and local governments that utilize such debt will likely need to ensure compliance with rating agencies criteria to ensure there is no impact on credit ratings.