



# Conference Report for HB 5005 – the FY 2020-FY 2022 Budget

October 15, 2020

Prepared by House Appropriations Committee Staff

# CONFERENCE COMMITTEE REPORT HIGHLIGHTS

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# General Guidance

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- Recognizing that this is a Special Session the scope of discussion was limited to the following:
  - Criminal Justice and Police reform
  - Budget bill changes to address the revenue reductions resulting from COVID-19
- Considered budget amendments directly related to the topics above, primarily the following:
  - K-12 and childcare
  - Higher Education
  - Health care (including mental health)
  - Housing/evictions/utility disconnects/broadband access and affordability
  - Costs associated with CJR and Police Reform legislation adopted by the House



# Major Decision Points Required to Resolve Differences

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- Acceptable level of unappropriated balance
  - Typically, you are “spending to zero” and unless there are major differences in revenue or savings assumptions, spending levels mirror one another in the two budgets
  - Because of caution necessitated by the pandemic, both bodies attempted to leave a cushion at the Governor’s behest, and Conferees agreed to a minimum unappropriated balance of \$300 million
- Contingent Spending
  - House and Senate budgets included differing levels of contingent spending as well as different contingency triggers
  - With the exception of one item, Conferees agreed to eliminate all contingent spending and fund what they could within the agreed upon unappropriated balance
    - The only exception was employee compensation



# Major Decision Points Required to Resolve Differences

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- Agreement Needed on Major Resources and Savings
  - Each body had resources and savings not contained in the other's budgets
  - One of first actions was identifying those items and agreeing on a bottom line
- Allocation of CRF funding
  - Conferees agreed to have staff work with the Administration and direct funds to all priorities identified by the three groups
- Spending Priorities
  - Once these items had been settled it was not difficult to come to agreement on spending items
  - All elements of Conference Report either reflect legislation passed during the Special Session, or items both bodies had agreed to in March
    - Vast majority of spending reflects restoration of key priorities from the 2020 Regular Session



# Savings and Revenue Adjustments

Agency	Description	Amount
DMAS	Medicaid/CHIP/FAMIS managed care rate changes	\$138,983,720
Central Accts	Unspent Portion of State COVID Authorization	38,500,000
Admin	HI Premium Holiday – (savings listed are GF only)	46,111,165
Admin	Reduce Health Insurance Premium Increase (\$535 m. balance)	20,650,000
ABC	Unrecognized FY 2020 Profits	11,100,475
ABC	Reforecast FY 2021 and FY 2022 based on FY 2020 actuals	7,300,000
VEDIP	Rolls Royce Incentives (direct and training funds)	7,203,000
HCF	Revenues from Tax on Heated Tobacco & “Wayfair” impact on OTP	5,740,000
VEDIP	Grant Programs – Non-performance	3,213,600
Transfers	VASAP balances	275,000
Balances	WWII Commission balances	500,000
<b>TOTAL</b>		<b>\$279,576,960</b>



# Coronavirus Relief Fund (CRF)

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- In addition to the GF adjustments, the Commonwealth has \$3.1 billion in federal CRF funds that can be utilized to address some of the outstanding funding issues
- CRF funding can ONLY be used for items directly related to COVID-19 response, cannot be used to backfill revenue shortfalls, and must be spent by December 30, 2020
- The Conference Report, like the House Budget, contains tables outlining the allocations of the remaining CRF amounts
  - Worked with Administration to ensure all proposed uses are eligible items and can be expended in time remaining
  - Also reflects all announcements the Governor has made regarding intended allocations of the funds



# CRF Commitments Prior to Special Session

Agency	Description	Amount
VDEM	Testing	\$ 42,338,400
VDEM	PPE	97,000,000
VDEM	Other	33,722,001
VDH	Replace deficit authorization	3,291,300
VDH	Contract tracing/UVA Equipment	59,157,614
DGS	Consolidated Labs	6,052,673
DHCD	Emergency Housing for Homeless	8,828,998
DHCD	Mortgage and Rental Assistance	50,000,000
DSBSD	Small business assistance grants	70,000,000
DMAS	Long-term care facilities	55,640,872
DMAS	PPE for personal care attendants	9,256,178
VDACS	Food security - Agriculture surplus & emergency food*	1,211,953
DSS	Food security - Expand emergency food supply package*	650,000
VDEM	Food security - 1 million MREs*	2,000,000
Statewide	FY20 Agency-based requests	80,480,698
Statewide	Allocations to Localities	1,289,146,766
	<b>Subtotal of Amounts Committed to date</b>	<b>\$1,808,777,453</b>
	<b>Remaining Uncommitted CRF funds</b>	<b>1,300,725,383</b>
	<b>Total Coronavirus Relief Funds</b>	<b>\$ 3,109,502,836</b>



# Allocation of Remaining Coronavirus Relief Funds

Agency	Description	Amount
<b>K-12</b>	Costs for Re-Opening Schools	\$220,798,208
<b>VEC</b>	Unemployment Assistance	210,000,000
<b>Higher Ed</b>	PPE, Virtual Education, Cleaning, Telework, Other COVID-19 Costs	120,000,000
<b>SCC</b>	Establish fund to provide direct utility assistance to customers	100,000,000
<b>HHR</b>	Hazard pay for personal care attendants (assumes \$1,500 each)	72,000,000
<b>Statewide</b>	Testing and Contact Tracing	71,829,059
<b>K-12</b>	Childcare Provider Stabilization Funds	60,000,000
<b>HHR</b>	Additional hospital reimbursements for eligible costs	60,000,000
<b>Statewide</b>	State agencies telework, PPE/sanitizing, DOLI regulation compliance, etc.	60,000,000
<b>Statewide</b>	PPE Plan	42,112,285
<b>VDEM</b>	Technical assistance, public education and preparedness	37,000,000
<b>DHCD</b>	Broadband accessibility	30,000,000
<b>HHR</b>	Retainer payments for Medicaid Day Support providers in DD Waiver	25,000,000
<b>Higher Ed</b>	VCU Hospital, UVA Med. Ctr – capital, PPE, testing, education	20,000,000
<b>K-12/HHRsuz</b>	Child care partnerships for school-age children	16,600,000
<b>VDH</b>	Point of Care Antigen Testing	16,010,500



# Allocation of Remaining Coronavirus Relief Funds

Agency	Description	Amount
DHCD	Virginia Rent and Mortgage Relief Program supplement	\$12,000,000
ELECT	Voter safety - cleaning, PPE, drop boxes, additional pay for election workers	10,000,000
DOC	PPE, medical observation units, overtime	7,700,000
DSS	VA Federation of Food Banks - \$1.0 million per region	7,000,000
DSBSD	Small business assistance supplement for Rebuild Virginia program	5,000,000
HHR	Carilion serology, DBHDS COVID patients, VDH EO costs	4,664,347
Other Ed	State Museums and Higher Education Centers	4,500,000
DHCD	Emergency housing for homeless - (\$8.8 m. covered March - current)	3,000,000
	Balance Remaining	85,510,984
<b>Total</b>		<b>\$1,215,214,399</b>



# Language Included to Ensure all CRF Amounts are Spent by December 30

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- Conference Report includes language to ensure all CRF amounts are utilized, and nothing will be returned to the federal government
  - Language states that if, by December 1, it appears funds cannot be fully spent on a specific activity, amounts could be moved to one of the other specified purposes
  - If, as of December 18, additional unspent amounts remain, all remaining funds will be transferred to the Unemployment Insurance Trust Fund
  - If Congress extends the timeframe for usage of the CRF allocations, these deadlines would be extended
- If additional federal relief legislation is adopted, the Governor is directed to appropriate those amounts in the budget bill as well



# Summary of Conference Actions

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- In total, the Conference Report includes \$240.3 million in net new spending above HB 5005 as introduced
- Limits contingent spending to only the employee bonus
  - Triggered if FY 2021 revenue forecast is met
- Package leaves an unappropriated balance of \$844.3 million at close of FY 2021 and \$303.2 million at the end of biennium
- First year includes flexible reserve deposit of \$89.7 million in lieu of proposed deposit to RDF to enhance our ability to respond to any further economic downturns
  - Total reserve funding will stand at about \$1.2 billion by FY 2022



# COMMERCE AND GENERAL GOVERNMENT

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# Savings and Revenue Adjustments

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- Captures planned economic development incentives for Rolls Royce, due to the recent announcement of the company's closure of its Virginia facility
  - Totals \$7.2 million in technical savings and revenue adjustments over the biennium
- Updates planned payments for economic development incentive projects based on revised company performance data
  - Totals \$3.2 million in technical savings over the biennium



# Spending

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- Invests \$50 Million GF in FY 2021 in the Virginia Telecommunication Initiative to expand broadband infrastructure in response to COVID-19
- Provides \$55 Million GF in FY 2021 in the Virginia Housing Trust Fund to expand access to affordable housing, provide rental assistance, and support homeless populations in response to COVID-19
- Invests \$5 Million NGF in FY 2021 to the Virginia Biosciences Health Research Corporation (Catalyst) to accelerate the development of COVID-19 drug therapies in early stage clinical trials



# Utility Disconnect Moratorium

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- Staff worked with stakeholders on language to improve the original submission
- Updated Language
  - Extends the utility disconnection moratorium until 60 days after the end of declared state of emergency or until economic or public health conditions improve
  - Creates a repayment plan for customers with accounts in arrears during the moratorium
  - Provides an “off-ramp” from the moratorium for utilities should accounts receivable arrearages exceed 1% - 2% of the utility’s operating revenues in Virginia
- Language bolstered by an appropriation of \$100 million of CRF funding to pay down customer accounts in arrears



# Evictions Moratorium

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- Staff worked with stakeholders on language to improve the original submission
- Updated Language
  - Establishes a universal moratorium on evictions for residential properties to the end of the year
    - Only allows for an eviction during the universal moratorium if a tenant refuses to apply and cooperate with the landlord's application to the Rent and Mortgage Relief Program
  - Outlines Virginia's policy towards evictions starting January 1, 2021, which relies on the creation of payment plans and application to the Rent and Mortgage Relief Program prior to any evictions related action taking place
- Expands the usage of additional Housing Trust Fund dollars to extend Rent and Mortgage Relief program after the expiration of CRF



# Additional Language/Policy Issues

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- Housing Trust Fund flexibility
  - Addresses shortcomings in the program to expand utilization
- Rebuild Virginia Program
  - Addresses shortcomings in the program to expand utilization to deploy the \$75 million of federal CRF dollars invested in the program
- Broadband flexibility
  - Directs the Broadband Advisory Council to provide feedback on whether or not to allow public broadband authorities to apply directly for Virginia Telecommunications Initiative funds on or before the start of the 2021 Regular Session
- Unemployment Insurance
  - Appropriates \$210 million from the CRF dollars to support the UI program through supplementing benefits for unemployed workers or increasing the solvency of the trust fund
  - Directs any unexpended CRF dollars as of December 18, 2020 or 12 days prior to any new expiration date for the CRF dollars set by Congress to the UI Trust Fund to improve solvency



# Additional Language/Policy Issues

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- Services provided by occupations regulated by the Board of Barbers and Cosmetology during COVID-19
  - Requires a review of current safety guidelines that will allow for the removal of face coverings by customers for the duration of a service that requires the removal of a mask
- Constituent Services for the Virginia Employment Commission
  - Directs the VEC to task one full-time staff member with supporting constituent services questions related to UI claims
- Elections support
  - Strikes all language included in Senate Bill 5120 from House Bill 5005
  - Includes supplemental appropriation of \$10.0 million from the CRF dollars to address additional concerns expressed by general registrars
    - Flexible funding with local option on deployment
    - Can be used for drop boxes, increased payments to elections workers, PPE and any other extraordinary costs of the November election to support voter safety



# ELEMENTARY & SECONDARY EDUCATION

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# Relief to School Divisions

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- Provides \$95.2 million from gray machine revenues for COVID-19 relief payments; eliminates impact of the FY 2021 sales tax reforecast on K-12 allocations
- Provides \$220.8 million from CRF for per-pupil payments as announced by Governor last week
- Redirects \$8.9 million in CARES Act GEER funding to support short-term technology needs
- Delays any reduction in state aid due to enrollment declines until end of school year
- Permits textbook funds to be used for COVID-19 related costs and removes local match in FY21



# Relief to School Divisions

Description	Amount
<b>Conference Report Items</b>	
COVID-19 Relief Payments	\$95,243,835
Coronavirus Relief Fund Per Pupil Payments	220,798,208
Redirect federal GEER funds for short-term technology needs	8,900,000
<b>Other Relief Provided</b>	
ESSER Pass-Thru Funds	214,524,046
VDOE-Administered GEER/ESSER Competitive Grants	35,633,461
<b>Total School Division Relief Funding</b>	<b>\$575,099,550</b>



# K-12 Funding Restorations

Description	FY 2021	FY 2022
Expand Early Childhood Education	\$0	\$37,313,648
Expand At-Risk Add-On	0	35,173,962
School Meals Initiative	2,500,000	4,100,000
Early Childhood Educator Retention Incentives	3,000,000	0
Jobs for Virginia's Future	1,670,000	0
American Civil War Museum	1,000,000	0
Black History Museum & Cultural Center	1,300,000	0
Blue Ridge PBS	350,000	0
Shihadeh Innovation Center	250,000	0
<b>Total</b>	<b>\$10,070,000</b>	<b>\$76,587,610</b>

Language directs Governor to include FY22 salary increases for school staff in the introduced budget for 2021 Session, provided revenue projections are sufficient



# Child Care Support

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- Provides \$76.6 million from federal Coronavirus Relief Funds to support child care, including:
  - \$60.0 million for child care stabilization payments
  - \$16.6 million to expand emergency child care programs for school-age children
    - Governor proposed \$16.6 million in general funds
    - Conference report doubles funding for a total of \$33.2 million, preserves general funds for use after CRF expires
    - Language encourages local cooperation and establishment of programs through a variety of settings and providers
- These funds supplement the \$70.8 million in CARES Act funding already dedicated to child care stabilization and other emergency child care



# HIGHER EDUCATION

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# Higher Education Conference Recommendations

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- Reflect House budget recommendations
- \$94.0 million GF in additional support for colleges and universities
- \$15.4 million GF restoration of first year funding at NSU and VSU
- \$5.4 million GF for workforce, Online Virginia, local library aid and restoration of Virtual Library funding
- \$120.0 million NGF from federal CRF funds to public institutions based on recent OP6 survey of estimated COVID-related expenses
- \$4.5 million NGF from federal CRF funds for state library and museums



# Maintain Affordable Access

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- \$80.0 million GF in FY 2021 allocated based on in-state undergraduates and addressing estimated revenue shortfalls
  - Each institution will receive sufficient funds to reflect either a minimum of 5% of in-state undergrad revenues or 40% of the average in-state revenue shortfall
  - GMU & ODU amounts reflect restorations of the \$10.0 million operating support, which exceeds both of the above parameters
  - Radford funding also includes \$2.0 million for Carilion merger
  - Every institution receives at least \$1.0 million
- \$7.0 million GF each in FY 2022 for GMU & ODU
  - Note GMU & ODU funding is contained in Central Accounts



# Restoration of HBCU Funding

Norfolk State University	FY 2021
Ensure continuation of Spartan Pathways	\$150,000
Implement academic advising model	300,000
Implement UTeach program	250,000
Increase storage and expand information technology services	3,000,000
Launch Virginia College Affordability Network initiative	3,459,590
Center for African American Policy	250,000
Support First-Day Success program	75,000
<b>NSU - Total Restorations</b>	<b>\$7,484,590</b>

Virginia State University	FY 2021
Expand Supplemental Instructional program	\$320,000
Implement Summer Bridge program	319,900
Implement UTeach program	250,000
Launch Virginia College Affordability Network	3,773,490
Provide funding for data center modernization	1,644,000
Support Intrusive Advising Early Warning System	150,000
VSU Cooperative Extension - Increase funding for state match	1,461,956
<b>VSU - Total Restorations</b>	<b>\$7,919,346</b>



# Other GF Recommendations

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- Includes \$2.0 million in first year for workforce credential programs at VCCS and Richard Bland that leverage private funds to train unemployed Virginians in high demand fields
- Provides \$1.0 million restoration of the Online Virginia Network expansion in both FY 2021 and FY 2022
- \$1.0 million in FY 2021 for local library assistance targeted to provide broadband access to citizens and students in order to aid job search and virtual learning
- \$400,000 in FY 2021 to restore support for the Virtual Library (VIVA) at SCHEV



# CRF Allocations for Higher Education

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- Allocates \$120.0 million from federal CRF funds to institutions based on recent OP6 survey of estimated COVID-related expenses
  - Amounts reflect expense data for E & G and auxiliary shortfalls only, and not lost revenues (which are not eligible)
  - Amounts mainly address costs for cleaning / disinfecting, PPE, and online education delivery
- Includes \$4.5 million from federal CRF funds for state library and museums



# Institutional Financial Flexibility

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- Part 3 language builds on recent flexibility with regard to indirect cost recoveries
  - Allows institutions to make use of fund balances from other fund sources to support auxiliary operations
  - Limit on the use of E & G balances directly supporting athletics programs
- SCHEV language to review financial sustainability



# HEALTH AND HUMAN RESOURCES

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# HHR Recommendations

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- Conference Report provides \$11.2 million GF and a like amount of federal matching Medicaid funds (FMAP) in FY 2021 to provide an additional quarter of nursing facility relief of \$20 per day through June 30, 2021
  - The Medicaid forecast will reflect 3<sup>rd</sup> quarter funding for nursing facility relief from the additional FMAP Virginia is expected to receive during that timeframe
- Conference Report restores \$33.6 million GF in FY 2021 and \$174.5 million GF in FY 2022 that had been unallotted in April and subsequently eliminated in the introduced budget
  - \$94.7 million GF over the biennium for critical behavioral health services
    - Funding provided in DMAS and DBHDS
  - \$46.9 million GF over the biennium to support Developmental Disability Waiver services



# HHR Restorations

Restored Item (GF \$ in millions)	FY 2010	FY 2022
<b>Children's Services Act</b>		
Finalize Rate Study for Private Day Programs	\$0.3	\$0
<b>Department of Medical Assistance Services</b>		
Medicaid DD Waiver Provider Rate Increase	10.7	25.8
Medicaid Adult Dental Benefit		17.5
Overtime for Medicaid Personal Care Attendants	3.2	9.6
Medicaid Behavioral Health Services Redesign		10.3
Medicaid Psychiatric Residential Treatment Facility Rate Increase		7.6
Medicaid Rate Increase for Skilled & Private Duty Nursing		6.2
Restore 250 DD Waiver Slots in FY 2022		4.1
Medicaid Graduate Medical Education Residency Slots	1.4	2.6
Eliminate 40 Qtr. Medicaid Rule for Legal Immigrants	0.3	3.3



# HHR Restorations

Restored Item (GF \$ in millions)	FY 2010	FY 2022
<b>Department of Medical Assistance Services (continued)</b>		
Extend FAMIS MOMS' Postpartum Eligibility to 12 months	\$0.3	\$2.1
Medicaid Reimbursement for Durable Medical Equipment		0.3
Medicaid Rate Increase for Anesthesiologists		0.3
Medicaid Rate Setting Analysis of Minimum Wage Impact	0.3	0
<b>Dept. of Behavioral Health &amp; Developmental Services</b>		
STEP-VA Services (Emergency & Other Services)		\$30.2
Permanent Supportive Housing		20.0
Statewide Discharge Assistance Plans		17.5
Census Reduction Pilot Programs for State Psychiatric Hospitals		7.5
Virginia Mental Health Access Program		6.3
Grants to Recovery Residences for Substance Use Disorder		0.5



# HHR Restorations

Restored Item (GF \$ in millions)	FY 2010	FY 2022
<b>Department of Social Services</b>		
Family First Prevention Services through Local DSS Offices		\$8.7
Increase in TANF Cash Assistance for 2-Parent Families		1.7
<b>Total Restorations</b>	<b>\$33.6</b>	<b>\$174.5</b>



# HHR Language

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## **Children's Services Act**

- Requires continued payment for services of private day schools provided to students with disabilities if the services are still required by the student's individualized education plans and the private school provides remote learning or telehealth services during the 2020-21 school year
  - Allows for rate adjustments commensurate with the level of services being provided

## **Department of Health (VDH)**

- Requires VDH to implement a plan for equitable distribution of COVID-19 vaccine and other medications
- Requires VDH to report actual deaths not an extrapolated projection of deaths for COVID-19 and other infectious diseases
- Requires VDH to ensure that residents and employees of nursing homes or assisted living facilities receive priority for COVID-19 testing
- Requires medical facilities licensed by VDH to allow designated persons to accompany and visit disabled patients

## **Department of Health Professions**

- Extends waivers for nurse practitioners to practice without a written or electronic practice agreement until the termination of the COVID-19 emergency declaration



# HHR Language

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## **Department of Medical Assistance Services**

- Exempts live-in caretakers from Medicaid electronic visit verification requirements
  - Directs the transfer of DMAS administrative budget funding to managed care organizations for any costs related to systems changes
- Allows for telehealth and virtual learning for certain Developmental Disability Waiver services
- Provides for telephonic supervisory visits by a licensed nurse for agency-directed personal care services

## **Department of Behavioral Health & Developmental Services**

- Restores language eliminated in HB 5005 that removes the requirement that CSBs increase STEP-VA services beyond those funded in Chapter 854, 2019 Appropriations Act unless an appropriation is made and funding allocated
  - Language is included in case of unforeseen future revenue and spending adjustments



# CRF Allocations

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- Provides \$60.0 million for additional hospital payments for CRF related costs
  - To be used for remaining auditable COVID-19 costs after all other federal relief act payments have been used
- Allocates \$72.0 million for hazard pay for Medicaid personal care, respite and companion care providers
  - Provides \$1,500 per personal care attendant
    - 22,000 consumer directed personal care attendants
    - 15,400 agency directed personal care attendants
- Provides \$25.0 million for retainer payments for Medicaid day support providers from August to December
- Provides \$7.0 million for Virginia Federation of Food Banks



# NATURAL RESOURCES

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# Natural Resources Language

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- Conference agreement includes \$1.7 million in restorations over the biennium for Natural Resources Agencies at DCR and DHR
- Language directs DCR to study the feasibility of establishing a linear park in the vicinity of Seven Bends State Park
- Amends language proposed during Veto Session and included in Chapter 1289 that authorized Natural Resources agencies to establish compensatory mitigation policies
  - Authority limited to the Hampton Roads Bridge Tunnel project
- Removes language proposed in HB 5005 to study the establishment of a statewide solid waste disposal fee



# PUBLIC SAFETY

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# Public Safety Restorations

- Includes \$27.9 million GF in restorations over the biennium for Public Safety and Judicial priorities

Agency	Item	Biennium (\$ in millions)
DOC	Electronic Health Records	\$6.0
DOC	Board of Local & Regional Jails	0.4
DCJS	Local Pretrial and Probation Grants	3.5
DCJS	Pre-Release and Post-Incarceration Services (PAPIS)	1.5
DCJS	Post Critical Incident LEO Grants	0.4
Judiciary	Restore District Court Clerk Positions	9.0
Judiciary	Restore Public Defender Positions	6.6
Judiciary	Restore Judgeship in 19th District	0.5



# Criminal Justice and Police Reform

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- Includes \$12.3 million for estimated cost of criminal justice reform legislation in public safety area
  - Major amounts included for "Marcus Alert" (additional funding included in HHR), earned sentence credit reforms, and the establishment of a statewide uniform curriculum for law enforcement officers
- Includes a conditional appropriation of \$3.0 million each year in Central Accounts that would be used for any CJR legislation adopted subsequent to the Conference Report for HB 5005
- Conference report includes \$6.6 million GF over the biennium for DCJS to administer a one-time grant program to assist law enforcement agencies in purchasing body-worn camera systems
  - Requires a dollar-for-dollar local match
- Includes a supplement of \$7.5 million for HB 599 funding in the first year to help recruit and retain local law enforcement officers



# TRANSPORTATION

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# Transportation Amendments

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- Conference report includes 4 language amendments under the Transportation Secretariat
  - Language requires the Secretary to report to the General Assembly prior to the effectuation of the transfers authorized in language included in the introduced budget
  - Conference report also includes 3 language amendments under DMV
    - Two of the language amendments pertain to the provision of services online or through the mail
    - One language amendment gives the courts the authority to provide a restricted driver's license to individuals whose license was revoked pursuant to 2 sections of the Code that were repealed in Chapters 740 and 741 of the 2020 Acts of Assembly that were related to drug offenses (§ 18.2-259.1 or 46.2-390.1)



# COMPENSATION RECOMMENDATIONS

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# State Employee Health Insurance Program

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- Conference Committee report authorizes a one month health insurance premium holiday in FY 2021 which would save \$122.0 million all funds (including GF, NGF, employees and early retiree) based on the balances in the fund
  - \$46.0 million GF and \$46.0 million NGF savings
- Additionally, report reduces funding for FY 2022 premium increase from \$41.2 million GF to \$20.6 million GF
  - Would still support a premium increase of 3.35%
- Language amendment requires the DHRM to work with JLARC and JLARC's actuaries to perform a peer review of the actuarial processes used to calculate the premiums for the state employee health insurance program



# State and State Supported Local Bonus

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- Conference report includes language authorizing appropriations of \$97.7 million for employee bonuses in FY 2022 if FY 2021 revenues meet or exceed the revenues assumed in the budget
  - Amendment would provide a \$1,500 per employee bonus for all state employees at a cost of \$82.2 million GF and provides a 1.5% bonus to state supported local employees at a cost of \$15.5 million GF
  - The amounts provided to adjunct faculty (included in the total above) would be \$750 each, based on the part-time nature of the positions
- Contingent bonus would be available August 2021, if FY 2021 forecast is met
- Language in amendment also instructs the Governor to include funding in the budget introduced for the 2021 Session for SOQ salary action if revenues are sufficient to fund both a state and state-supported local and a teacher compensation package



# Bonus for Law Enforcement Personnel

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- Conference report includes \$10.9 million GF in FY 2021 for a one-time bonus of \$500 for law enforcement personnel on December 1, 2020
  - Bonus is provided to State Police, Capitol Police, DOC and DJJ Correctional Officers and all other state employees who are sworn law enforcement personnel as well as sworn personnel of the local sheriffs offices and regional jails that are funded through the Compensation Board



# CAPITAL OUTLAY

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# Capital Outlay

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- Conference amendments restore funding for two projects (Nimmo Parkway and Accomack Hangar) previously funded with cash through use of VPBA bonds
  - Recently updated debt capacity based on lower forecast – it is still strong and is estimated at \$560 million per year for next ten years with an additional three years of excess capacity reserved
  - This incorporates the entire debt package approved in the 2020 regular session, the revised revenue figures, and any adjustments in interest rates
- \$500,000 in VPBA bonds for capital maintenance at state parks
- Includes 3 language amendments to facilitate Capitol Square projects

