



Conference Report for HB 1800 – the FY 2020-2022 Budget

February 26, 2021

House Appropriations Committee

OVERVIEW OF CONFERENCE REPORT AND REVENUE ADJUSTMENTS



Committee's General Guidance

- Committee's objectives were developed based on input from individual and collective meetings of the Subcommittee Chairs
- Chairman identified six overarching priorities:
 - Target funding to address unique needs arising from the COVID-19 pandemic
 - Enhance our reserves so we can respond to next biennial budget without the federal support we currently are depending on,
 - Fund our public education system so students can return to learn with adequate supports
 - Provide meaningful employee compensation increases for all groups of employees,
 - Continue to make strategic investments in higher education, health and human resources and equity in employment, and
 - Make progress in meeting our 2025 water quality improvement requirements and other environmental concerns



Available General Fund Resources

(\$ in millions)	Introduced	Conference Amend.	Intro. + Conf. Amend
Beginning Balance	\$2,874.1	-	\$2,874.1
Balance Adjustments	(1,254.6)	5.9	(1,248.7)
GF Revenue Estimate	44,738.0	482.0	45,220.0
Transfers	<u>1,280.8</u>	<u>93.8</u>	<u>1,374.6</u>
GF Resources Available for Appropriation	<u>\$47,638.2</u>	<u>\$581.7</u>	<u>\$48,219.9</u>
Total GF Spending	\$47,587.1	\$621.7	\$48,208.8
Unappropriated Balance	\$51.1	(\$40.0)	\$11.1



Changes to General Fund Resources

GF Actions for 2020-22 Biennium (\$ in millions)	House Amendments	Conference Amendments
Changes to Balances		
Legislative Carryforward Balances	\$5.9	\$5.9
Changes to Revenues		
Mid-Session Revenue Adjustment	-	674.3
Federal Tax Conformity	(78.7)	(78.7)
Deductibility of PPP Loans, Rebuild VA Grants	(37.6)	(100.6)
PPE Sales and Use Tax Exemption (HB 2185)	(14.0)	(11.0)
Housing Opportunity Tax Credit (SB 1197)	(7.5)	(15.0)
Enhanced Agriculture Equipment Credit (SB 1162 / HB 1763)	(2.0)	(1.0)
Sales Tax on Accommodation Fees (SB 1398)	0.0	2.1
Additional Tax Revenue – OCA Threshold	0.7	0.7
Sales Tax Subtraction Disabled Veterans (HB 2337)	(3.2)	0.0
Sports Betting	11.7	11.7
Charitable Gaming Reform	-	(0.5)



Changes to General Fund Resources

GF Actions for 2020-22 Biennium (\$ in millions)	House Amendments	Conference Amendments
Changes to Transfers		
Mid-Session Revenue Adjustment (K-12 sales tax)	-	55.9
ABC Net Profits	20.0	17.5
ABC Property Transfer to VCU	16.0	14.7
OAG: Consumer Affairs Revolving Fund	<u>5.7</u>	<u>5.7</u>
Total Changes to Resources	(\$73.6)	\$581.7



COMPENSATION



Compensation

- Conference Committee report provides almost a half billion dollars for employee compensation actions
 - Pay raises are effective at beginning of FY 2022

FY 2022 Compensation Actions (in millions)	GF
5% Inc. for State employees & State Supported Local Employees	\$236.2
State Share of 5% Salary Increase for SOQ Positions	234.5
State Police - Additional 3% & \$100 per year of service to address compression	7.7
\$1,000 Bonus for Correctional Officers at DOC & DJJ	7.5
Registrars – Increase salaries to equal Treasurers	3.5
Local DSS - Increase the lowest level salaries for social workers and eligibility determination specialists	2.2
Capitol Police - Increase Compensation for Sworn Officers (Funding also provides 2 new FTEs)	0.8
Total	\$492.4



Benefits

- Includes \$100 million in FY 2021 for a one-time payment to the Virginia Retirement System to reduce unfunded liabilities
 - \$61.3 million for the final phase of the repayment of deferred contributions to the public school teacher's retirement plan, covering both the State and school divisions' shares
 - \$38.7 million for the state employee health insurance credit program
- Retains \$19.7 million GF in funding for the 3.35% increase in state employee health insurance premiums increase in FY 2022
- Includes \$2.1 million to fund the impact of legislation adopted during the 2022 session impacting the Workers' Compensation and Line of Duty benefits programs
 - HB 2207 and SB 1375 establish a presumption that COVID-19 is a work related disease for first responders under the WCA
 - HB 1818 and SB 1275 give localities the option of adding EMS workers to the workers' compensation presumption clause pursuant to hypertension or heart disease



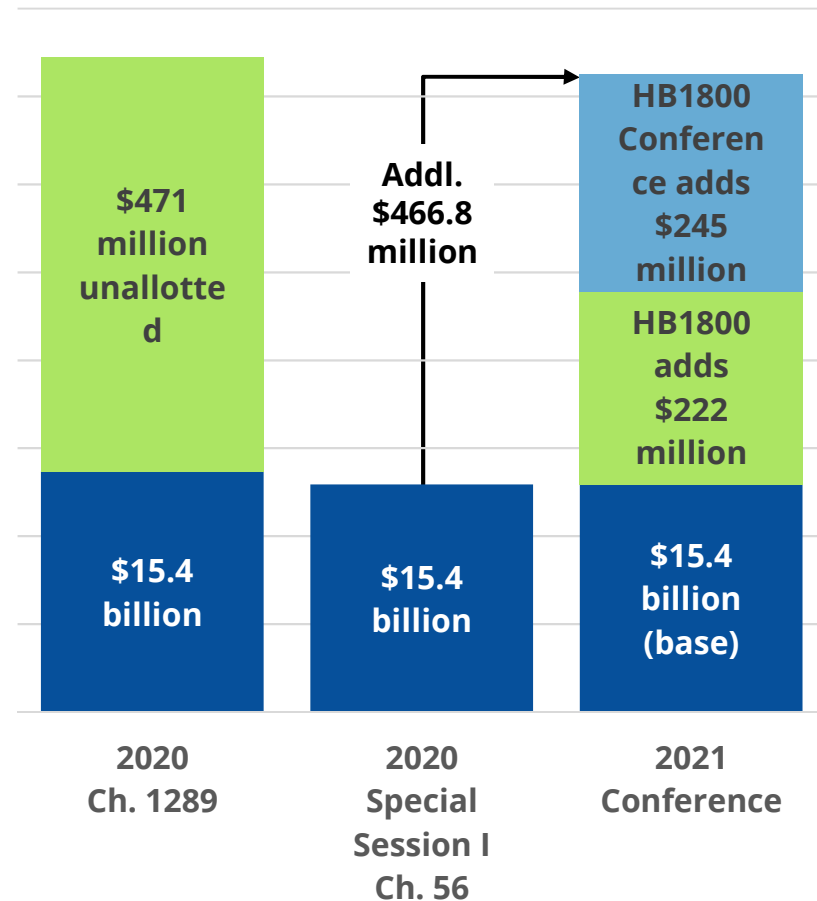
ELEMENTARY & SECONDARY EDUCATION



Public Education: Direct Aid

- Adds \$466.8 million over the biennium from Ch. 56, SS I levels
 - Restores over 95% of funding removed since April 2020
 - Technical updates save \$378.6 million, mostly due to 3.5% ADM decrease
 - New policy spending adds \$845.4 million
 - \$217.5 million over the \$627.9 million proposed in HB 1800
- Net new spending includes
 - Sales tax reforecasts
 - \$200.9 million - December
 - \$193.6 million - Mid-session
 - \$76.0 million Gray Machine Revenue
 - \$75.1 million Lottery Proceeds

2020-22 K-12 Direct Aid



Midsession Sales Tax Reforecast

- In a typical year, net impact of this reforecast would have been \$85.7 million
- This year, impact is only \$5.0 million because additional state aid offsets COVID-19 Local Relief Payments and HB1800's proposed No Loss Payments

(\$ in millions GF)	FY 2021	FY 2022	Biennium
HB1800 Sales Tax Estimate	\$1,422.1	\$1,459.8	\$2,881.9
Midsession reforecast change	90.4	103.2	193.6
Midsession Sales Tax Estimate	\$1,512.5	\$1,563.0	\$3,075.5
Basic Aid Offset Adjustment	(50.4)	(57.5)	(107.9)
Net Impact of Sales Tax Changes	\$40.0	\$45.7	\$85.7
Other Adjustments due to Midsession Sales Tax Reforecast			
HB1800 COVID-19 Local Relief Payments	\$52.9	\$0.0	\$52.9
Adjust based on Net Impact of Sales Tax Changes	(40.0)	0.0	(40.0)
Remaining COVID-19 Local Relief Payments	\$12.9	\$0.0	\$12.9
HB1800 No Loss Payments	\$299.4	\$214.2	\$513.6
Adjust based on Net Impact of Sales Tax Changes	0.0	(40.7)	(40.7)
Remaining No Loss Payments	\$299.4	\$173.5	\$472.9
Net GF Impact after Adjustments	\$0.0	\$5.0	\$5.0



Direct Aid Technical Updates

Technical updates decrease GF spending by \$412.0 million, primarily due to 3.5% decrease in ADM projections

\$ in millions GF	FY 2021	FY 2022	TOTAL
Technical Updates included in HB 1800			
<ul style="list-style-type: none"> • ADM reforecast & program participation updates • Net impact sales tax update • Additional Lottery Proceeds 	(\$218.7)	(\$197.5)	(\$416.2)
Additional Technical Updates in Conference Report			
• Additional \$23.2 million Lottery Proceeds in FY 21- GF Savings	(23.2)	0	(23.2)
• Update Program Participation (VPI, Gov. School, Meal Program)	(18.3)	0	(18.3)
• Net Impact Mid-Session Sales Tax Reforecast & Offsets	0.0	45.7	45.7
Total Additional Technical Updates	(41.5)	45.7	4.2
TOTAL TECHNICAL UPDATES	(\$260.2)	(\$151.8)	(\$412.0)



COVID-19 Response

Fully funds \$443.0 million in No Loss Payments

- Protects school divisions from 3.5% decline in ADM forecast by ensuring no division loses state aid from amounts provided in Chapter 56, Special Session budget
- Funded in-part with \$76.0 million in gray machine revenues
- Cost to provide No Loss is \$70.6 million less than in Introduced budget, because Conference report provides an additional:
 - \$45.7 million from net impact of sales tax reforecast
 - \$30.0 million in additional Infrastructure & Operations Lottery Per Pupil payments
 - \$2.7 million for Governor's School & VPI participation rate adjustments



COVID-19 Response

Learning Loss Supplemental Payments

- Provides \$40.0 million GF in FY 2021 to support local efforts to address COVID-19 learning loss
 - May be used for extended school year, summer school, tutoring, remediation and recovery, counseling and student supports, certain facility modifications
 - Payments distributed based on state share of \$156.54 per free lunch eligible student
 - Permits school divisions to carryover funds from FY 2021 to FY 2022
 - No local match required

Remediation and Recovery Grants

- Includes \$30 million NGF in FY 2022 from federal ESSER II state set-aside to support competitive grants to support innovative COVID-19 learning loss programs aligned with best practices

Extended Special Education Eligibility

- Includes \$6.5 million NGF in FY 2022 from ESSER II funds to permit certain special education students to attend high school for an additional year to aid with post-secondary transition impacted by school closures



COVID-19 Response

Additional School Counselors

- Provides \$26.6 million GF in FY 2022 to provide one counselor per 325 students as provided in 2020 legislation

Additional Specialized Student Support Positions

- Provides \$49.5 million GF in FY 2022 to fund three positions per 1,000 students as required by SB 1257
 - Positions include school nurses, school social workers, school psychologists, and behavioral analysts

Expanded Child Care Subsidy Eligibility

- \$62.1 million NGF from federal CCDF funds to implement HB 2206, temporarily expanding family eligibility for child care subsidy program

Student Growth Assessments

- Includes \$8.8 million NGF in FY 2022 from federal ESSER II funds to begin implementing a growth assessment system in fall 2021 as directed by HB 2027
 - Replaces grade 3-8 End-of-Year Standards of Learning assessments



Compensation

5.0% Pay Increase, effective July 1, 2021

- Provides \$234.5 million GF in FY 2022 to provide state share of pay increase for SOQ-recognized instructional and support staff
 - To access funds, school divisions must provide at least a 2.0% salary increase over the biennium, and
 - Funding is prorated for school divisions providing increases between 2.0% and 5.0%

Cost of Competing Adjustment (COCA)

- Provides \$14.6 million GF in FY 2022 to increase COCA rate for support positions in Northern Va. from 10.6% to 18.0%
 - Partial COCA for outlying No. Va. localities would increase from 2.65% to 4.5%

Eastern Shore Recruitment & Retention

- Provides a one-time payment of \$2.0 million GF in FY 2022 to Accomack and Northampton Counties to assist with teacher recruitment and retention challenges
 - To access these funds, the divisions must provide the 5.0% compensation adjustment



Early Childhood

Fully Restores 2020 Session Early Childhood Initiatives

- Provides \$11.1 million GF in the second year to increase Va. Preschool Initiative per pupil amount from \$6,326 in FY 2021 to \$7,655 in FY 2022
- Provides \$5.0 million GF in the second year to restore Early Childhood Educator Recruitment/Retention Incentives

Other Items

- \$300,000 GF to expand Va. Kindergarten Readiness Assessment to Pre-K
- \$205,000 GF to support consolidation of early childhood oversight at DOE
- Language:
 - Expanded flexibility to maximize utilization of VPI funds
 - Special Education inclusion targets in VPI classrooms
 - Early Childhood Mental Health implementation report



Other Direct Aid Actions

Infrastructure & Operations Per Pupil Payments

- Includes \$30.0 million GF to increase these payments to meet the House's goal to distribute 40% of lottery proceeds through these funds

Covington/Allegany County Consolidation Incentive

- Provides \$1.2 million GF to support the merger of these school divisions, three smaller \$600,000 payments to follow in FY23-FY25

Supplemental Grants

Supplemental Grant Actions	\$ in GF
Jobs for Virginia Graduates (restoration)	\$1,670,000
Power Scholars Academy – YMCA Bell (restoration)	450,000
Blue Ridge PBS (restoration)	350,000
Literacy Lab (restoration)	300,000
Active Learning Grants (restoration)	250,000
Dual Enrollment Passport Pilot Grants	250,000
Purchase Albuterol for Public Schools – HB 2019	120,000
TOTAL	\$3,390,000



JLARC Recommendations

In 2020, JLARC issued reports on Children Services Act funding, Special Education, and DOE operations. Proposed budget addresses JLARC's recommendations through:

- \$740,991 GF to support:
 - Training modules for IEP team members
 - Training modules for teachers on Special Education matters
 - Teacher recruitment and retention efforts
 - Monitoring school division compliance with key state standards
- Several language amendments:
 - Standardized reporting of private day school information
 - Restraint and seclusion regulations in private day schools
 - DOE's oversight of special education complaints
 - Applied studies diploma standards
 - Enhancing Virginia's school improvement program



Other Actions

- \$7.0 million in federal ESSER II funds to support continued expansion of Virtual Virginia
- \$365,300 GF to provide statewide cultural proficiency supports
- Directing DOE to initiate reviews of:
 - The Literary Fund program and regulations
 - Family Life Education in Virginia
 - Efficiency of State-Operated Program funding in Juvenile Detention Facilities
 - School nurse credentials
- Providing better transparency and accountability in school quality information for full-time virtual school programs
- Requiring Governor's Schools to publish diversity goal plan information online



HIGHER EDUCATION



Funding Recommendations for Colleges & Universities: \$260.3 million GF & \$56.5 million Federal

- \$149.5 million to Maintain Affordable Access including
 - \$25.1 million for GMU
 - \$19.3 million for ODU
 - \$14.9 million for VCU
 - \$12.2 million for JMU
 - \$14.2 million for Radford which includes support for Carilion merger
 - \$25.1 million for the VCCS
- \$34.5 million federal funding for COVID testing
- \$30.3 million in financial aid for in-state undergraduates
 - In addition, provides \$22.0 million of federal GEER funding to address one-time need
- \$34.5 million to implement the G3 Community College initiative
 - \$1.5 million is included in the VCCS operating for outreach efforts
- \$19.1 million at NSU & VSU
 - Supports student access, affordability and retention efforts
 - Also funding to allow for IT upgrades at both institutions
 - Also includes \$4.5 million at NSU for the Connected Campus initiative to acquire additional IT for telework and student success



Funding Recommendations for Colleges & Universities: \$260.3 million GF & \$56.5 million Federal

- \$5.0 million for NSU / ODU Joint School of Public Health
- \$10.0 million for cancer research
 - \$7.5 million for VCU Massey Cancer Center
 - \$2.5 million for UVA Cancer Center
- \$10.5 million for institution-specific items including
 - CNU O & M - \$1.0 million
 - CWM Minority Faculty Pipeline - \$700,000
 - UVA-Wise Nursing - \$810,912
 - Longwood Teacher Pipeline - \$137,410
 - Mary Washington Workforce Pipeline - \$568,000
 - RBC Bland Audit Compliance & Remote Learning - \$802,000
 - VCCS Advisors - \$2.5 million
 - VCCS Health Pipeline - \$1.0 million
 - VCCS Innovation Hub - \$1.0 million
 - VCCS Va Western Carilion Merger - \$413,689
 - VCCS Southside Va Solar - \$296,314



Other Higher Education

- \$8.5 million for TAG Grants
 - Increases average award to \$4,000 in FY 2022
 - Provides a \$2,000 grant for online students previously exempted
- \$1.5 million at VSU Extension for research state matching funds
- \$2.1 million for the five higher education centers
- \$660,000 at VIMS for research
- \$1.0 million GF & \$4.0 million HEETF at VT Extension
- SCHEV - \$2.7 million for:
 - \$200,000 implement HB 2123
 - \$300,000 cost study pilot
 - \$220,375 Earth Science Scholars
 - \$1.3 million to continue internship program
 - \$450,000 for VMSDEP
 - \$250,000 for student success initiatives



State Library & Museums

- Library of Virginia
 - \$1.0 million Local Library Aid
 - \$400,000 gubernatorial records
- JYF
 - \$254,311 American Revolution 250 Commission
 - \$471,820 Educational Programming
 - \$412,484 Digital Marketing
- VMFA
 - \$1.0 million for planning Monument Avenue
 - Language requires development of plan and work with stakeholders
 - \$400,000 for storage and IT
- Science Museum - \$210,000 for security upgrades
- Frontier Culture Museum - \$62,563 for IT network



HEALTH AND HUMAN RESOURCES



Health and Human Resources

- Amendments provide \$173.0 million GF in new spending over the introduced budget
- Employs new and existing federal dollars to address critical needs such as, COVID-19 vaccinations, testing, and disease surveillance and investigation
- Focuses on a few areas of continued concern:
 - Long-term care
 - Maternal and child health
 - Behavioral health and developmental services



COVID-19

- Provides \$89.3 million NGF over the biennium for mass vaccination efforts, maximizing new federal dollars
 - \$30.2 million NGF the first year
 - \$59.1 million NGF the second year
- Provides \$6.1 million GF and \$40.9 million in new federal funds for state agencies to support disease surveillance and investigation, testing, and contact tracing
 - Funding supports 47 epidemiologists and communicable disease nurses across the 35 local health districts and 3.5 program managers in the central office
- Includes \$1.0 million GF and \$1.0 million NGF to cover COVID-19 vaccinations for adults in the base Medicaid program



Long-Term Care

Medicaid Personal Care

- Adds \$129.9 million in state and federal funds to increase personal care rates

Personal Care Rate Increase	Current Hourly Rate	May 1, 2021 6.4%	Jan. 1, 2022 12.5%
Northern Virginia	\$12.78	\$13.60	\$15.30
Rest of State	\$9.87	\$10.50	\$11.81

- Provides \$6.9 million in state and federal funds in FY 2022 for up to 40 hours paid sick leave for personal care attendants (HB 2137)
- Adds \$156,608 for person care attendant orientation training

Nursing Home / Assisted Living Auxiliary Grant Payments

- Provides \$93.4 million in state and federal funds in FY 2022 to provide a \$15/day add-on payment for Medicaid nursing home patients
 - Adds language to focus future state funding on improving care to patients
- Restores \$626,858 GF and \$626,858 NGF to for specific nursing facilities with unique patient/capital needs in Medicaid
- Includes \$4.4 million GF in FY 2022 to increase the Auxiliary Grant rate by 10 percent to support individuals in assisted living facilities



Developmental Disability (DD) Services

- Provides \$14.2 million in state and federal funds to add 435 Developmental Disability waiver slots in FY 2022
 - Brings the total to 985 slots in FY 2022
- Adds \$300,000 GF in FY 2022 for HB 2230, supportive decision-making agreements for individuals with DD

Language

- Workgroup to review specific issues with Medicaid Developmental Disability waiver rates and to develop a plan for the eliminating the waiver wait list
- Dept. of Medical Assistance Services to request federal approval to permanently continue telehealth and virtual and/or distance learning as service options for waiver recipients
- Directs any additional federal funding for COVID-19 economic impacts to be allocated to DD waiver providers
 - Priority on those that have experienced a significant disruption in operations and revenue during the public health emergency



Maternal and Child Health

- Provides \$11.1 million GF and \$20.7 million NGF in FY 2022 to expand FAMIS prenatal care services for expectant mothers, regardless of immigration status, who otherwise meet eligibility
- Includes inpatient substance use disorder treatment as a benefit in the FAMIS MOMS program
- Includes \$2.5 million in state and federal funds to add Doula services as a new Medicaid benefit for pregnant women
 - Adds \$67,600 GF for Doula training to navigate Medicaid administrative requirements
- Adds \$202,326 GF to fund the Task Force on Maternal Health Data and Quality Measures (HB 2111), planning for the creation of a Fetal and Infant Mortality Review Team (HB 1950)
- Adds \$250,000 GF for an analysis of Medicaid/FAMIS requirements on maternal and child health outcomes
 - Requires report to the HB 2111 Task Force on Maternal Health Data and Quality Measures



Other Health Care Spending

Hospitals

- Adds \$5.4 million NGF for Medicaid supplemental payments for Lake Taylor Transitional Care Hospital
- Provides \$4.5 million in state and federal funds to Children's Hospital of the King's Daughters in Medicaid indirect medical education payments
- Restores \$709,532 in state and federal funds for Medicaid supplemental payments for Children's National Medical Center
- Adds \$1.3 million GF and \$3.8 million NGF for the Emergency Dept. Care Coordination Program

Other

- Adds \$2.7 million GF to implement Medicaid remote patient monitoring (HB 1987 / SB 1338)
- Provides \$1.0 million GF and \$1.5 million NGF to authorize the development of a single Medicaid managed care program
- Restores \$1.6 million GF in FY 2022 for the Behavioral Health Loan Repayment Program
- Restores \$500,000 GF in FY 2022 for the Nurse Preceptor Incentive Program
- Adds \$500,000 GF in FY 2022 for adult sickle cell services



Virginia Dept. of Health

- Includes \$2.8 million GF to phase-in the update the funding formula used to distribute funds to the local health depts.
- Provides \$276,897 GF in FY 2022 for the state share of rent increases in local health departments
- Restores \$750,000 GF for the Virginia Sexual & Domestic Violence Prevention Fund
- Adds \$1.8 million in state and federal funding in FY 2022 for legislation & other items
 - HB 1989 Communicable disease info system for EMS (\$956,377 NGF)
 - HB 2007 Prescription price transparency (\$393,801 GF)
 - Lead water testing program (\$250,000 GF)
 - Support for health workforce programs (\$123,914 GF)
 - HB 1995 Rare Disease Advisory Council (\$42,716 GF)
- Language for pilot program to study elevated septic systems
- Language regarding fund disbursement to Va. Assoc. of Volunteer Rescue Squads



Dept. of Behavioral Health & Developmental Disabilities (DBHDS)

- Restores \$3.8 million GF in FY 2022 to fully fund pilot projects to address census pressures on state psychiatric hospitals
 - Brings total to \$7.5 million GF in FY 2022
- Includes \$3.5 million GF in FY 2022 for discharge and diversion pilots for people with dementia
 - Will help to address census pressure on state psychiatric hospitals
- Restores \$2.1 million to expand forensic discharge planning in jails
- Restores \$765,428 for additional clinical staffing at the Commonwealth Center for Children & Adolescents

Language

- DBHDS to develop a MOU with Chesapeake Hospital for dedicating a portion of new psychiatric beds to assist in reducing census at state psychiatric hospitals
- DBHDS to develop strategies for the Virginia Treatment Center for Children to help with state hospital census issues
- Workgroup to evaluate sharing of behavioral health patient records
- Report on early psychosis intervention and coordinated specialty care for children, adolescents & young adults



Other Actions

- Provides \$1.2 million GF in FY 2022 for brain injury service contracts
- Restores \$425,000 GF in FY 2022 for Centers for Independent Living
- Restores \$150,000 GF in FY 2022 for dementia case management program
- Adds \$2.0 million GF for Northampton Community Center in FY 2022
- Provides \$5.0 million GF for CASA community welcome center in Prince William County in FY 2022



FY 2022 TANF Spending

Recommended Spending	GF	NGF
Increase TANF payments by 10%	\$670,476	\$7,658,812
TANF Individual Development Accounts		2,120,420
Northern Virginia Family Services		500,000
United Community		500,000
Good Shepherd Housing & Family Services		200,000
FACETS		250,000
Lorton Community Action Center		200,000
BritePaths		200,000
Koinonia		200,000
Visions of Truth STRIVE Program		75,000
Total	\$670,476	\$11,904,232

Leaves a TANF balance of \$35.9 million in FY 2022.



GF Supplants

Recommended GF Supplants & Savings	FY 2021	FY 2022
Medicaid - 4 th Quarter eFMAP	(\$114,851,105)	(\$191,551,022)
FAMIS - 4 th Quarter Enhanced FMAP (eFMAP)	(1,834,183)	(5,378,570)
MCHIP – 4 th Quarter eFMAP	(2,505,085)	(5,678,233)
DSS Title IV-E Programs – 4 th Quarter eFMAP	(2,923,178)	(5,846,356)
Adjust Va Health Care Fund for Additional Revenue from Nonparticipating Tobacco Mfg.	(39,388,787)	0
CRF funds - child care for school age children	(16,600,000)	0
Federal grant & CRF Act for vaccinations	(30,184,899)	(59,123,029)
CRF Act – COVID-19 Communications	(7,100,000)	(12,500,000)
Federal epi and lab capacity grant for testing, surveillance & investigation, contact tracing	(2,865,073)	(5,730,146)
Total	(\$218,252,310)	(\$285,807,356)



Other Language

- Workgroup to examine a new organizational placement for Aging Services
- Improve oversight of the Children's Services Act
- Deferral of Medicaid nursing facility rebasing for one year
- Use of new CPT codes for Medicaid Applied Behavioral Analysis to bring covered services up-to-date
- Review of Medicaid eligibility for federal Supplemental Security Income recipients
- Review of Medicaid non-emergency transportation services
- Workgroup on Medicaid home visiting benefit
- Medicaid managed care reporting of provider terminations



COMMERCE, AGRICULTURE AND NATURAL RESOURCES



Natural Resources: Water Quality

- Jumpstarts the next phase of improvements for wastewater treatment plants by providing \$50.0 million GF and \$50.0 million in bonds for nutrient removal grants
 - Remainder of \$300 million state share will be authorized in subsequent biennium
- Includes a total deposit of \$69.4 million GF in FY 2022 to the Water Quality Improvement Fund
 - \$30.4 million GF statutorily required deposit from unexpended FY 2020 agency balances (“Part B” deposit) and \$39.0 million GF supplemental deposit
 - Of this total, \$65.0 million GF in FY 2022 is directed to the NRCF for agricultural best management practices
 - Deposit also includes \$4.55 million GF for base technical assistance to the Soil and Water Conservation Districts
- Provides a \$25.0 million GF deposit to the Stormwater Local Assistance Fund in FY 2022
- Increases appropriation for VCAP program by \$500,000, and restores \$170,000 for environmental literacy programs



Department of Conservation and Recreation

- Supports \$4.0 million for Project Harmony
 - Would establish the Harmony Living Shoreline memorial, and assist in activities related to repatriation of materials of the former Columbian Harmony Cemetery to New Harmony Cemetery
- Provides \$3.5 million from VLCF for the identification and evaluation of a project focused on preservation of tribal lands for the Chickahominy tribe
- Restores \$556,000 for additional state park operating support, and \$400,000 for the Dam Safety Program
- Other items supported:
 - \$2.0 million to assist in acquisition of George Washington's River Farm
 - \$1.5 million to connect Mason Neck State Park to local municipal water system
 - \$1.4 million to modernize and repair lodge units and restaurant at Breaks Interstate Park
 - Restoration of \$740,000 for construction of Riverfront Park in Danville
 - \$400,000 each year for Lyngbya remediation at Lake Gaston
 - \$350,000 for the Mendota Trail Conservancy



Department of Environmental Quality

- Supports restoration of \$12.0 million GF in FY 2022 for the Department's monitoring, compliance, permitting, and policy activities in its Water, Air, and Land Protection programs
- Provides a \$1.1 million GF second year deposit to the Stormwater Management Fund
 - Language directs the State Water Control Board to adopt a schedule that ensures fees cover at least 60% of the cost of DEQ's stormwater management programs
- Includes \$230,000 GF for erosion and sediment control activities pursuant to SB 1258
- Provides \$175,000 GF for a field test of the effectiveness of certain plantings in removing road salt from impervious surface stormwater runoff



Other Natural Resources Actions

Department of Wildlife Resources

- Language amendment delays implementation of boat ramp access fees until July 1, 2022, and directs the Department to study and provide recommendations for how best to maintain or improve existing boat ramps, and add new boat ramps
- Language directs DWR and DCR to assess the feasibility of establishing a state park in the Rapidan Wildlife Management Area

Department of Historic Resources

- Includes \$570,000 GF for the Carver Price Legacy Museum
- Provides \$255,000 GF for historic programming at the Loudoun Freedom Center
- Restores \$159,000 GF for the Department to establish and underwater archaeology program
- Restores \$740,000 for the Danville Riverfront Park
- Provides \$500,000 for the JXN Ward commemoration project
- Provides \$3.0 million to City of Chesapeake for the Dismal Swamp Maroon Village/Underground Railroad project



Ag & Forestry

Department of Agriculture and Consumer Services

- Increases appropriation for Office of Farmland Preservation by \$750,000 GF in FY 2022
- Provides an additional \$2.0 million for the Food Access Investment Fund in FY 2021
- Includes \$1.0 million the first year to capitalize the Dairy Producer Margin Coverage Premium Assistance Program pursuant to House Bill 1750 and Senate Bill 1193
- Includes \$600,000 to establish the Virginia Agriculture Food Assistance Program pursuant to House Bill 2203
- Provides \$250,000 and one position for VDACS to coordinate with VEDP in the implementation of Virginia's international trade plan
- Restores \$250,000 GF for infrastructure repair at Holiday Lake 4-H Center



Ag & Forestry

Department of Forestry

- Restores \$522,000 for the development of a hardwood forest habitat program, and provides \$290,000 to increase the tree seedling nursery's hardwood capacity
- Restores \$479,000 for Department activities related to Phase III of the Watershed Improvement Plan
- Language directs department to convene a work group to review best practices to increase tree canopy coverage in developed areas, or to prevent tree canopy loss



Department of Housing and Community Development

Proposed Spending for Select Programs (\$ in millions)	FY 2021	FY 2022
Additional funding for the VATI program in Year 2 (excludes administrative funding for the program)	\$49.7	\$49.7
Additional deposits to the Virginia Housing Trust Fund	70.7	55.0
Capitalizes a new Community Development Financial Institutions Fund		10.0
Continues Eviction Prevention and Diversion Program	3.3	3.3
Southeast Rural Community Assistance Project (water access)	1.0	1.6
Additional funding for the Virginia Main Street Program to support small business recovery	0.5	2.0
Restore increase for Industrial Revitalization fund		0.5
Grants for telehealth and education access in Southwest Virginia		0.5
Supports development of broadband availability maps		0.4
Restores increase for Planning District Commissions		0.3
Restores increase for Enterprise Zone program		0.3
TOTAL GF	\$125.2	\$123.6



Virginia Employment Commission

- Contains \$18.9 million GF the second year in one-time funding for the Commission forgive no-fault overpayments of UI benefits
 - Funding covers any forgiven amounts with general funds as opposed to increasing employer UI taxes
- Includes \$10.0 million GF the second year to maintain current customer service levels for the unemployment insurance (UI) program through the end of biennium
- Proposes \$5.0 million GF the second year for one-time costs to incorporate programs authorized by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act into the agency's new unemployment insurance system
- Provides \$750,000 GF the second year for estimated interest payments on federal cash advances to pay UI benefits
 - Reduces funding included in the introduced budget due to the recent extension of the interest free period on federal loans and additional deposits into the state UI trust fund
- Supports an actuarial study with \$300,000 GF in FY 2022 to better understand the costs with establishing a Paid Family and Medical Leave Program in Virginia



Economic Development

Proposed New Spending (\$ in millions)	Total
Economic Development Incentive Payments	
Infrastructure Upgrades for Pharmaceutical Cluster Development	\$10.0
Initial Payment for CMA CGM (tied to legislation)	6.3
Initial Payment for Microsoft (tied to legislation)	5.6
Final Payment to Amazon Web Services	2.3
Virginia Jobs Investment Program	2.0
Governor's Motion Picture Opportunity Fund	1.0



Economic Development

Proposed New Spending (\$ in millions)	Total
Virginia Economic Development Partnership	
Business Ready Sites Program	5.0
Talent Solutions Program	2.4
International Trade Plan	1.1
Office of Labor Market and Education Alignment	0.5
Virginia Tourism Authority	
Tourism Promotion Grants (per SB 1398)	2.1
Virginia Innovation Partnership Authority	
CCAM Federal Research Funds	1.4
Nuclear Energy R&D Facility Planning Grant	0.1
TOTAL GF	\$39.8



Commerce and Trade

Labor Law and State Capital Construction Process Workgroup

- Updates the language for a current workgroup authorized in Chapter 56 (2020 Special Session I) looking at remedies to labor brokering and other labor-related violations on state capital construction contracts
 - Extends workgroup deadline to October 1, 2021 to put together a legislative and budget package for consideration by 2022 General Assembly
 - Enables an infrastructure for the state to respond when alleged instances of worker misclassification and wage theft occur on state public works contracts
 - Initiates a training program for procurement officers on current labor laws
 - Creates an interagency taskforce to share data on substantiated findings of worker misclassification and wage theft beyond just those instances occurring on public construction projects
 - A separate amendment in the Department of Labor and Industry provides \$300,000 GF in one-time funding to support this initiative



Small Business and Supplier Diversity

- Adds \$25 million from skilled games revenue to the Rebuild Virginia program, bringing total support for the small business assistance fund to \$145 million
- Requires the Department of Small Business and Supplier Diversity to develop an improvement plan for the Business One Stop at the recommendation of the Joint Legislative Audit and Review Commission



Mines, Minerals, and Energy

- Includes \$250,000 GF in FY 2022 to study the health and environmental impacts of mining gold (HB 2213)
- Directs the Department to establish a work group to assess the feasibility of creating a Virginia Residential Property-Assessed Clean Energy (R-PACE) Program



GENERAL GOVERNMENT



General Government

Office of the Attorney General

- Adds \$3.7 GF in FY 2022 in additional resources for the Office of the Attorney General (OAG) support the implementation of HB 2004 and SB1261
 - The majority of the new funding for OAG relates the expansion of appeal rights in Virginia, which will increase appeal caseloads at OAG by 1,150 to 1,200 cases per year

Department of General Services

- Provides \$400,000 GF in FY 2022 to create an annual procurement workgroup to review any proposed changes to the Virginia Public Procurement Act to better understand cost and process considerations involved with legislative proposals, before and after session
 - This group is intended to be a resource for the Chairs of the Rules, Appropriations, and General Laws committees in both bodies



General Government

Department of Elections

- Includes an additional \$16.7 million GF in FY 2022 to replace the state's voter registration system (VERIS). With the \$12.2 million already appropriated for the project, it will be fully funded
- Authorizes ELECT to use about \$1.0 million in remaining funds appropriated during Special Session I, 2020 General Assembly for the reimbursement of postage on absentee ballots
- Adds language to extend absentee voting related policies, such as drop boxes and prepaid postage for the return of absentee ballots until new laws codifying these changes take effect on July 1, 2021 (HB 1889 / SB 1097)
- Includes language to create uniformity in collecting petition signatures for state and local offices during the COVID-19 pandemic
- Includes about \$300,000 in FY 2022 for ELECT to educate voters on changes made to election law in the 2020 and 2021 General Assembly Sessions



General Government

Department of Accounts Transfer Payments

- Provides an additional \$250 million GF in FY 2021 to deposit in the Revenue Reserve Fund, bringing total additional deposits to \$900 million GF over the biennium
 - Brings combined balances in the Rainy Day Fund and the revenue reserve to over \$2.16 billion by the end of the biennium, or about 9% of GF revenues

Workers' Compensation

- Restores \$775,000 GF to increase the reimbursement rate for forensic examinations for sexual assault victims, bringing total funding to \$2.7 million in FY 2022



General Government

Oversight of New Federal Funding

- Includes language requiring General Assembly appropriation of any new federal money received to assist with recovery from the COVID-19 pandemic

Claim for Wrongful Incarceration

- Includes a Part V amendment approving a claim for wrongful incarceration for Ms. Esther Thorne and appropriates \$321,587 to fund her claim

Utility Debt Forgiveness

- Forgives an additional \$90 million of debt for Dominion customers with accounts over 30 days in arrears as of December 31, 2020, bringing total debt forgiveness directed by the General Assembly to \$217 million



TRANSPORTATION & PUBLIC SAFETY



Transportation

- Conference Report allocates a pool of \$323.4 million for specified high priority projects (listed on next page)
- Language stipulates that this one-time to help address revenue shortfalls resulting from the pandemic and does not impact any of the transportation resources that flow through the formulas or would otherwise be subject to the SmartScale process
- Sources of funding are as follows:
 - \$233.4 million in federal transportation funding from the Coronavirus Response and Relief Supplemental Appropriations Act
 - \$35.0 million from prior year unallocated TPOF and Revenue Sharing funds
 - \$55.0 million GF
 - Language specifies that if the state receives additional federal transportation funds similar in nature to the COVID response relief funds the \$55 million will be unallotted



Transportation Allocation

- The allocations provided in the language are:
 - \$83.5 million to expand intercity passenger rail services from DC to the New River Valley;
 - \$83.5 million to improve commuter rail service on the Virginia Railway Express Manassas Line;
 - \$93.0 million for improvements to the Interstate 64 Corridor in the Hampton Roads to Richmond corridor
 - \$10.0 million to both expand and enhance the safety and connectivity of our existing statewide network of multi-use trail facilities;
 - \$32.4 million to support payments to WMATA
 - \$10.9 million for a transit equity pilot program
 - \$10.0 million, to support a partnership with the Virginia Tech Transportation Institute, in support of a 5G connected community redevelopment pilot project at the Virginia Tech campus in Falls Church



VDEM

- Provides a total of \$58.6 million over the biennium for the purchase, storage, and distribution of PPE
 - This includes an unanticipated \$47.0 million reimbursement received from FEMA which supplants a portion of proposed GF
- Supports \$8.1 million GF in FY 2021 and \$6.7 million GF in FY 2022 for the Emergency Operations Center
- Includes \$2.2 million GF each year for third-party support for a Health Equity Workgroup
- Provides \$2.5 million GF in FY 2022 in additional funding for the Emergency Shelter Upgrade Assistance Fund
- Provides \$96,000 for a community outreach coordinator to improve equity and inclusion in disaster response



Department of Corrections

- Includes \$14.3 million GF over the biennium in increased support for inmate medical costs
- Provides a \$577,376 GF deposit in the Corrections Special Reserve Fund to reflect the bedspace impact of House and Senate Bills affecting criminal sentencing
- Includes \$471,420 and five positions to increase sex offender treatment in state correctional facilities
- Provides \$250,000 GF the second year to support prison video visitation



State Police

- Appropriates \$13.0 million GF in FY 2022 for the costs of IT system upgrades required to implement an automatic expungement process pursuant to HB 2113
- Provides \$7.2 million GF in FY 2022 to increase the base appropriation for replacement of trooper vehicles
- Includes \$301,000 GF and three positions to support cold case investigations
- Provides \$145,000 GF for additional FOIA support technicians pursuant to HB 2004
- Includes one-time appropriation of \$100,000 to implement VCIN improvements pursuant to HB 2163



Other Public Safety Actions

Legalization of Cannabis

- Includes \$3.5 million GF in Central Appropriations to establish the Virginia Cannabis Control Authority

Alcoholic Beverage Control Authority

- Part 3 amendment increases the transfer of estimated net profits to the general fund by \$20.0 million the first year

Department of Juvenile Justice

- Backfills lost child support revenue with \$435,000 GF the second year pursuant to House Bill 1912

Secretary of Veterans and Defense Affairs

- Provides \$5.0 million GF for the National Museum of the United States Army
- Includes \$147,500 to establish Military Spouse Liaison pursuant to Senate Bill 1150



Judicial Department

- Includes \$8.9 million GF to establish appeal by right and expand the Court of Appeals from 11 to 17 judgeships pursuant to SB 1261
 - Companion amendments provide \$4.2 million GF at the Office of the Attorney General and \$824,277 at the Indigent Defense Commission to reflect anticipated workload increases resulting from the bill
- Provides \$1.5 million GF for system improvements required to implement an automatic records sealing process pursuant to HB 2113 and SB 1339
 - First of four years of costs of implementing changes
- For the Indigent Defense Commission:
 - Savings of \$3.9 million GF pursuant to HB 2263, which eliminates the death penalty
 - Includes \$3.2 million GF to establish a new public defender office in Chesterfield County
 - Provides \$1.8 million GF for additional attorneys, mitigation specialists, and administrative support
 - Provides \$1.1 million GF for the costs of leased office space and to fully staff the newly established Prince William County Public Defender Office



CAPITAL OUTLAY



General Fund - \$242.7 million

- \$50.0 million for nutrient removal related to the Chesapeake Bay
 - Also \$50.0 million in VPBA bonds
- \$137.0 million for maintenance reserve
 - Reduces use of bonds
- \$14.7 million for VCU acquisition of ABC property
 - Funds return to the Commonwealth in form of ABC profits
 - This will offset state share of educational space that is part of the project
- \$33.5 million for project planning including the replacement of the Supreme Court Building
- \$1.0 million for DCR Newton Neck land acquisition
- \$1.2 million for NSU renovation of pre-school academy
- \$4.0 million to Treasury Board to defease bonds related to Central Virginia Training Center



VCBA / VPBA Bonds

- \$192.0 million for three projects from 2016 Program
 - CWM – Integrated Science Center, Phase IV
 - VT – Undergraduate Lab Building
 - VCCS – Renovate Health Sciences Building, Germanna
- \$30.0 million GMU Life Science / Bull Run Hall – add additional floor
- \$28.3 million supplement Chesapeake Hall project
- \$50.0 million for nutrient removal
- \$4.6 million JMU Steam Plant
 - Additional \$2.0 million from NGF



Acquire Advance Manufacturing Building (CCAM)

- Rescinds authority for the VCU Advanced Logistics project (CCALS)
 - Repurpose \$19.0 million in bonds
- \$12.1 million to acquire the CCAM building
 - No change in mission
 - DGS will assume control and provide O & M
 - Provides fiscal relief for CCAM
- \$6.9 million to create the Commonwealth Center for Cloud Computing (C4) – located in Henrico
 - High performance computing / Big Data – new capability in Virginia
 - Partnership between CCAM, CCALS, UVA, VCU, VT, ODU, VSU & Longwood
 - Managed by VCU but governed by the partners
 - Institutions provide staffing & support
 - Leverages Cyber initiative (CCI)
 - Students gain access to advanced digital tools & knowledge
 - Other parts of country have used this to attract tech companies



Other Capital

- \$750,000 GF for Maintenance Reserve
 - \$500,000 DGS
 - \$250,000 DBHDS
- \$7.5 million NGF for SMV Urban Green Space
- Middle River Jail Expansion language
- DSP Project Title Change (Technical)



Items Not Included in Either Budgets

- **Item 1#4c:** Convenes a workgroup to review the process by which non-elected judges, including retired judges, are utilized by Circuit Courts
- **Item 32#1c:** Directs the circuit court clerks and/or the Office of the Executive Secretary of the Supreme Court, to provide certain data from a circuit court's own case management system, or the statewide Circuit Case Management System to JLARC
- **Item 86#1c:** Adds language to extend absentee voting related policies, such as drop boxes and prepaid postage for the return of absentee ballots until new laws codifying these changes take effect on July 1, 2021 (HB 1888/ SB 1097)
- **Item 86#2c:** Includes language to create uniformity in collecting petition signatures for state and local offices during the COVID-19 pandemic. This was at the request of OAG
- **Item 152 #1c:** Restoration of \$1.3 million to SCHEV for internships
- **Item 220 #1c:** Restoration of \$1.0 million in FY 2021 for the innovation hub (HIVE) at Lord Fairfax Community College
- **Item 320 #8c:** Language requiring DBHDS to report on early psychosis intervention and coordinated specialty care for children, adolescents and young adults
- **Item 359 #2c:** Language for DSS to design a program for consideration by the 2022 General Assembly to increase broadband access to low-income Virginians
- **Item 385 #6c:** Provides \$500,000 for the JXN Ward commemoration project
- **Item 385 #7c:** Provides \$3.0 million to City of Chesapeake for the Dismal Swamp Maroon Village/Underground Railroad project
- **Item 497#1c:** Technical addition of treasury loan authorization included in HB 2174, Virginia Saves plan

