

Central Appropriations

Governor's Proposed Amendments				
(in millions)				
	FY 2021 Proposed		FY 2022 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2020-22 Current Budget	(\$578.4)	\$72.9	(\$840.8)	\$72.9
(Ch. 56, 2020 Special Session 1)				
Proposed Increases	575.9	0.0	1,049.1	0.0
Proposed Decreases	<u>(0.4)</u>	<u>(0.0)</u>	<u>(1.8)</u>	<u>(0.0)</u>
Net Change	575.5	0.0	1,047.3	0.0
HB 1800/SB 1100, as Introduced	(\$2.9)	\$72.9	\$206.5	\$72.9
% Change	(99.5%)	0.0%	(124.6%)	0.0%
FTEs	0.00	0.00	0.00	0.00
# Change	0.00	0.00	0.00	0.00

- **Compensation Supplements**

- *Provide Funding for Employee Bonuses.* Recommends \$97.8 million GF the second year to provide one-time bonus payments to state employees and state-supported local employees, effective September 1, 2021. The appropriation would provide a \$1,500 one-time bonus payment to state employees, a one-time \$750 bonus payment to adjunct faculty at institutions of higher education, and a one-time bonus payment to state-supported local employees equal to 1.5 percent of their base salaries. A separate amendment under Direct Aid to Public Education proposes \$80.1 million GF for the state's share of a 2 percent one-time bonus payment for SOQ funded instructional and support positions.

Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005), included language directing the Governor to include in his introduced budget for the 2021 Session, 97.8 million for the bonuses contingent upon FY 2021 year-end revenues meeting or exceeding the forecast. Language also provided that the Governor include a salary incentive in his introduced budget for the 2021 Session for SOQ funded instructional and support positions if there is no downward revision in the

revenue estimate for FY 2022, and there is sufficient revenue to also provide the bonuses for state and state-supported local employees.

- **Adjustments to Employee Benefits**

- *Adjust Funding for Health Insurance Premium Costs.* Proposes reducing by \$955,401 GF the second year the projected increase for the state’s share of employee health plan premiums, based on adjustments to contractually determined rates for the two fully insured health plans, Optima Health and Kaiser Permanente. While the most recent actuarial report projected health insurance costs would increase 6.4 percent, current balances in the health insurance fund and lower member utilization is expected to absorb half of the projected increase. Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005), reduced health plan premium funding by \$20.6 million the second year, equivalent to a 3.35 percent increase, due to lower healthcare utilization and sufficient health insurance fund balances.

- **Distributed Agency Support**

- *Adjust Funding for Workers’ Compensation Premiums.* Recommends a reduction of 453,376 GF the second year to reflect the adjustment in workers’ compensation premiums, based on the most recent actuarial report.
- *Adjust Funding for Line of Duty Act (LODA) Premiums.* Proposes a reduction of 413,986 GF each year to reflect a change in the Line of Duty Act (LODA) premiums charged to state agencies based on the most recent enrollment data.

- **Funding Information Technology Applications**

- *Adjust Funding for Agency Information Technology Costs.* Recommends \$6.1 million GF the first year and \$20.7 million GF the second year to reflect the adjustment in the general fund share of information technology costs for agencies based on the latest utilization estimates provided by the Virginia Information Technologies Agency (VITA) and proposed rates for FY 2022.
- *Repay Line of Credit for Agency Virtualization and Cloud-Readiness.* Proposes \$2.2 million GF the first year for additional funding to repay the Virginia Information Technologies Agency (VITA) line of credit for agencies’ expected virtualization and cloud-readiness activities. Chapter 1289 of the 2020 Acts of Assembly (HB 30), provided \$2.5 million GF the first year for this purpose. This proposal would bring the total appropriation to \$4.8 million GF. Chapter 854 of the 2019 Acts of Assembly (HB 1700) authorized agencies to draw from VITA’s line of credit to pay the costs of certain agencies for cloud migration activities, as recommended by the Chief Information Officer, and subject to approval by the Secretaries of Finance and Administration.

- *Adjust Funding for Cardinal Financials Agency Charge.* Recommends \$340,252 GF the first year and \$328,305 GF the second year to make a correction in the agency allocation of costs for the general fund share of internal service fund charges for the Cardinal Financials System.

- **Special and Unanticipated Expenditures**

- *Provide Funding for Expungement Legislation.* Recommends \$5.0 million GF the first year and \$20.0 million GF the second year to support legislation related to the expungement of criminal records, including but not limited to the automatic expungement of misdemeanor marijuana records.
- *Provide Additional Funding for the Cost of Proposed Legislation.* Recommends \$5.0 million GF the second year to cover the cost of potential legislation enacted by the General Assembly not otherwise provided. Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005), provided \$3.0 million GF each year in contingency funding for costs associated with criminal justice reform legislation approved in the Special Session I not otherwise included in the Appropriation Act.
- *Add Funding for Slavery and Freedom Heritage Site.* Proposes \$9.0 million GF the second year for funding to be made available to the City of Richmond (City) for the planning and development of the Slavery and Freedom Heritage Site and improvements to the slave trail. Chapter 3 of the 2014 Acts of Assembly, Special Session I (HB 5010) contained \$2.0 million GF for the City for this purpose, contingent upon the dedication of contiguous land and \$5.0 million in local matching funds. Chapters 1 and 2 of the 2018 Acts of Assembly, Special Session I (HB 5001/HB 5002) provided a total of \$2.0 million in anticipated project expenditures, and language directing the re-appropriation of unexpended general fund balances as of June 30, 2019. Language also required the City Council pass a resolution and commitment to the project and local matching funds of at least \$5.0 million prior to the receipt of state funds, and that the City is eligible for up to \$9.0 million, or 25 percent of the total project costs, when improvement construction has been completed. The funding largely represents a reappropriation of funds that previously required the City to satisfy the local matching requirement.
- *Provide Funding for Inauguration and Transition Offices.* Proposes \$2.7 million GF the second year to fund transition offices and inauguration costs for statewide elected offices associated with the 2021 elections for Governor, Lieutenant Governor and Attorney General.
- *Add Funding for Virginia Emancipation and Freedom Monument.* Recommends \$100,000 GF the first year to cover the cost of soil sampling associated with the construction of the Virginia Emancipation and Freedom Monument.

- *Adjustments for the Distribution of CARES Act Funds.* Proposes adjustments for the total allocation of Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) funds for state agencies and localities. Recommendations include language providing the Governor authority to shift and reclassify unspent funds to other qualifying expenses, if federal guidelines allow, for unspent funds after December 30, 2020, but prior to the required return of such funds. If after such shift and reclassification of funds, any unspent funds shall be transferred to the Unemployment Compensation Fund, and the final disposition of such unspent funds shall be reported to the Chairs of House Appropriations and Senate Finance & Appropriations Committees within 30 days of the completion of the transactions.

• **Distributions in Item 479.10 (HB 1800/SB 1100) are as follows:**

<u>As of July 1, 2020</u>	<u>Chapter 56 (2020 SSI)</u>	<u>HB 1800/ SB 1100 as Introduced</u>	<u>Difference Ch. 56 (2020 SSI) to HB 1800/SB 1100</u>
Allocations to Localities	\$1,289,146,766	\$644,573,383	(\$644,573,383)
FY20 Agency-based Requests	80,480,698	80,480,698	0
DGS - Consolidated Labs	6,052,673	6,052,673	0
DHCD - Emergency Housing for Homeless	8,828,998	5,528,998	(3,300,000)
DHCD - Mortgage and Rental Assistance	50,000,000	10,000,000	(40,000,000)
DMAS - Long-term care facilities	55,640,872	0	(55,640,872)
DMAS - PPE for Personal Care Attendants	9,256,178	0	(9,256,178)
DSS - Food security - Expand emergency food supply package	650,000	0	(650,000)
VDACS - Food security - Agriculture surplus & emergency food	1,211,953	0	(1,211,953)
VDEM - Food security - 1 million MREs	2,000,000	0	(2,000,000)
VDEM – PPE	97,000,000	97,000,000	0
VDEM – Testing	42,338,400	42,338,400	0
VDEM – Other	33,722,001	33,722,001	0
VDH - Contract tracing/UVA Equipment	59,157,614	59,157,614	0
VDH - Replace deficit authorization	<u>3,291,300</u>	<u>3,291,300</u>	<u>0</u>
Total (as of July 1 2020)	\$1,808,777,453	\$982,145,067	(\$826,632,386)
Allocations in the First Year			
Allocations to Localities	\$0	\$644,573,383	\$644,573,383
SCC - Direct Utility Assistance to Customers	100,000,000	100,000,000	0
DHCD - Emergency Housing for Homeless	3,000,000	3,270,000	270,000
DOC - PPE, medical observation units, Overtime	7,700,000	6,642,352	(1,057,648)
Elections - Voter safety for November election - cleaning, personal protective equipment, additional pay for election day workers, drop boxes	10,000,000	0	(10,000,000)
DMAS - Additional hospital reimbursements for eligible COVID-19 costs	60,000,000	60,000,000	0
DMAS - Hazard pay for home health workers	72,000,000	73,056,734	1,056,734
DMAS - Retainer payments for Medicaid DD Waiver Day Support providers	25,000,000	25,000,000	0
DMAS - Long-term care facilities	0	55,640,872	55,640,872
DMAS - PPE for Personal Care Attendants	0	9,256,178	9,256,178

<u>As of July 1, 2020</u>	<u>Chapter 56</u> <u>(2020 SSI)</u>	<u>HB 1800/</u> <u>SB 1100</u> <u>as Introduced</u>	<u>Difference</u> <u>Ch. 56 (2020 SSI)</u> <u>to HB 1800/SB 1100</u>
Higher Education - PPE, Virtual Education, Cleaning , Telework, Other COVID Costs	\$120,000,000	\$116,261,410	(\$3,738,590)
State Museums and Higher Education Centers - PPE, Virtual Education, Cleaning , Telework, Other COVID Costs	4,500,000	834,013	(3,665,987)
K-12 - Costs for Re-Opening Schools	220,798,208	220,798,208	0
DSS food security - Expand emergency food supply package	0	650,000	650,000
DSS - Childcare Provider Stabilization Funds	60,000,000	58,341,000	(1,659,000)
VDACS - Food security - Agriculture surplus & emergency food	0	1,211,953	1,211,953
VDEM - Food security	0	2,000,000	2,000,000
DSS - Increase local capacity to provide care for school-age children	16,600,000	16,600,000	0
DSS - Virginia Federation of Food Banks - 1.0 million per region	7,000,000	7,000,000	0
Statewide - PPE Plan	42,112,285	42,112,285	0
Statewide - Testing and Contact Tracing	71,829,059	71,829,059	0
Statewide - state agencies telework, PPE/sanitizing, DOLI regulation compliance and other eligible operational cost increases	60,000,000	10,062,441	(49,937,559)
VDH - Point of Care Antigen Testing	16,010,500	16,010,500	0
DSBSD - Small business assistance grants s supplement	5,000,000	0	(5,000,000)
DSBSD - Small business assistance grants	70,000,000	70,000,000	0
VDEM - Technical assistance, public education and preparedness for COVID-19 pandemic response	37,000,000	41,769,113	4,769,113
DHCD - Mortgage and Rental Assistance supplement	12,000,000	12,000,000	0
DHCD - Mortgage and Rental Assistance	0	40,000,000	40,000,000
DHCD - broadband accessibility	30,000,000	30,000,000	0
VEC - Unemployment Assistance	210,000,000	210,000,000	0
UVA Medical Center – capital, PPE, testing, education	10,000,000	3,442,283	(6,557,717)
VCU Hospital – capital, PPE, testing, education	10,000,000	11,333,374	1,333,374

<u>As of July 1, 2020</u>	<u>Chapter 56 (2020 SSI)</u>	<u>HB 1800/ SB 1100 as Introduced</u>	<u>Difference Ch. 56 (2020 SSI) to HB 1800/SB 1100</u>
VDH - Executive Order enforcement	\$1,298,038	\$1,298,038	\$0
DBHDS - hospital census support	2,800,000	2,853,215	53,215
Carilion serology study	566,309	566,309	0
VDH - Vaccination Program	0	22,052,445	22,052,445
DBHDS - Hazard Pay	0	669,312	669,312
VDH - Additional testing needs - One Lab	0	9,929,838	9,929,838
VDH - Agreement with Unite Us	0	10,000,000	10,000,000
VDH - DocuSign subscription	0	192,250	192,250
VDH - COVID-19 communications strategy	0	3,450,000	3,450,000
VDH - Sample testing costs, staffing, overtime	0	6,632,255	6,632,255
VDH - Virginia Association of Free and Charitable Clinics	0	3,000,000	3,000,000
VDH - Community mitigation efforts	0	41,019	41,019
VCCS - Training vouchers for unemployed	0	30,000,000	30,000,000
DSBSD - Small business assistance grants – additional funds for Rebuild Virginia	0	30,000,000	30,000,000
DVS - COVID-19 expenses for PPE, sanitization, medical overtime	0	59,719	59,719
SCHEV - Payment to private institutions of higher education	0	22,000,000	22,000,000
VDH - Reimburse salaries for "public health employees"	0	7,948,800	7,948,800
DBHDS - Support for state facilities, central office, and CSBs	0	936,292	936,292
DMAS - Expand definition of long-term care facilities to include Medicaid Developmental Waiver (DDW) residential providers and increase funding	0	15,000,000	15,000,000
ABC - PPE, sanitization, safe operations	<u>0</u>	<u>1,033,119</u>	<u>1,033,119</u>
Total (in the first year)	\$1,215,214,399	\$2,127,357,769	\$912,143,370
Grand Total	\$3,023,991,852	\$3,109,502,836	\$85,510,984

- **Miscellaneous Reversion Clearing Account**

- *Move Reductions to Agency Budgets.* Proposes 562.1 million GF the first year and 893.7 million GF the second year, which reflects the increase in appropriation resulting from moving approved reductions to agency budgets, net of proposed restorations.