



COMMONWEALTH OF VIRGINIA  
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**The Honorable Luke E. Torian, Chairman**  
**Comments on the Committee Recommendations to House Bill 5005**  
**September 25, 2020**

Good morning. Today we meet to consider amendments to House Bill 5005, which amends the 2020-2022 biennial budget we adopted just 5 months ago.

This has been a year of unprecedented unknowns as we respond to the steepest economic decline since the Great Depression and the greatest health crisis in 100 years. These forces necessitate budget reductions none of us want to make. However, as fiscal stewards of the Commonwealth, we are required to adopt a balanced budget.

When the Governor called us into Special Session almost two months ago, we knew we would face difficult choices in an attempt to close a revenue shortfall of \$2.8 billion over the course of the biennium. That requires deferring many of the initiatives we proudly adopted in March. But let me say from the start, this is a Special Session, and it is not our last opportunity. It is my hope that when we return in January the economic environment will have stabilized and we can make further strides toward addressing our priorities.

In spite of the current constraints, I am pleased to report that the Committee Package contains substantial funding to contend with many of the challenges COVID-19 has imposed. In particular you will hear of record investments in broadband access as we help citizens work from home, and students learn from home. This budget restores K-12 funding reduced as a result of the sales tax reforecast, directs federal CARES Act (CRF) dollars to safe re-opening and virtual learning, and provides flexibility to local school divisions as they respond to new ways of providing instruction.

The Appropriations Committee amendment package also supports our institutions of higher education as they face historic revenue declines and increasing costs. Again, we have tried to provide them as much flexibility as possible, because each has unique needs. In total, the package includes \$80 million in supplemental GF support to the institutions, as well as a substantial investment of federal CRFs to help offset their costs.

Unfortunately, this pandemic has hit our most vulnerable citizens the hardest, exacerbating the divide between the haves and have nots. It is our responsibility to help this population and through our budget amendments we have focused our limited resources on stemming evictions and utility shut-offs by providing both funding and programmatic support to pay down consumer utility bills and provide additional rent and mortgage assistance. In the same vein, our amendments provide funding to support additional unemployment benefits and prop up the Unemployment Trust Fund.

The amendments include funding for hazard duty pay supplements for the workers providing support for our vulnerable citizens on DD waivers, and restore rate increases to support an adequate array of service providers who assist these individuals to reach their full potential. The amendments restore funding to alleviate census pressures on our state mental health facilities and provide some additional support for children's mental health services through the Virginia Mental Health Access Program.

We will make these significant investments while sustaining fiscal responsibility. Recognizing the uncertain nature of the pandemic, and the potential for further road bumps, the package directs an additional \$150 million to the flexible Revenue Reserve Fund. Unlike the Rainy Day Fund which is difficult to access, the secondary reserve fund provides us the flexibility to remove the funding if needed to address a further forecast adjustment.

I'd like to thank each and every one of the Committee members for their work on preparing this package. Your input has been critical. While it has been a learning experience for us all, we have proven able to complete our work in today's virtual environment.

At this time staff will provide an overview of the Committee amendment package, and then I hope it will be your pleasure to adopt this interim revised budget.