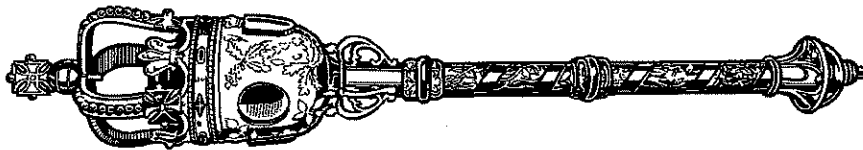


*Report of the
House Appropriations
Subcommittee*

on

Compensation & Retirement



*House Bill 29
&
House Bill 30*

February 20, 2022

REPORT OF THE SUBCOMMITTEE
on
COMPENSATION AND RETIREMENT

Mr. Chairman and Members of the Committee:

On behalf of the Compensation and Retirement Subcommittee, I am very pleased to present to you our budget recommendations. First, I would like to thank the Chairman for his support and guidance during my first session chairing the subcommittee.

There is an old expression, "may you live in interesting times", well there is no question that after the last few years, we do all live in interesting times. The last few years have placed a significant strain on all of us and on our employees. We, as a state, have always had challenges with staffing and retention issues with our workforce and the experiences of the last few years has significantly exacerbated these issues, especially for our workers on the front line, our public safety personnel, health care workers, and our teachers. I think we can all agree we must take actions now to address our staffing and retention issues.

For that reason, I am thrilled to announce that our subcommittee recommendations, along with those of the K-12 subcommittee, includes more than \$1.7 billion in employee compensation actions in the 2022-24 biennium. This includes more than \$1.3 billion to provide a 4% raise and 1% bonus to all employee groups in each year of the biennium.

In addition to the across the board raises, the subcommittee is recommending \$379.5 million over the 2 years in targeted raises. This includes \$196.8 million for our state police officers, correctional officers, deputy sheriffs and regional jail officers. The recommendations also include more than \$163 million for our direct care staff at facilities with the Department of Behavioral Health and Developmental and our Community Service Boards.

While I am very pleased with our significant recommendations regarding cash compensation, I am equally pleased with our recommendations related to funding our benefit programs.

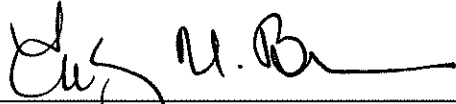
The subcommittee is recommending an additional \$500 million deposit into the Virginia Retirement System in the current fiscal year. This funding, on top of the regular contribution rates we pay to the VRS, will further strengthen the funded status of our system and save us money in the long run. In 2013, after the Great Recession, the funded status of our 2 largest pension plans, for state employees and teachers, were at 65% and 62% respectively. As of this past June the funded status for both these funds were at 77%, a significant improvement. This \$500 million deposit will help build on the progress we have made.

While we have made significant improvement in the funded status for our pension programs, the funded status for our retiree health care program is currently below 20% due to the fact that the program used to be funded on a pay-as-you-go basis. Improving the funded status of this program is a priority of the subcommittee and to that end we are recommending an additional lump sum payment in FY 2023 of \$80.4 million to increase the funded status of the state employee health credit plan up to 30%.

Finally, Mr. Chairman, I would like to take this opportunity to thank the members of this Subcommittee for their hard work this Session.

Mr. Chairman and fellow Committee members, I will ask staff to take you through our detailed recommendations, and then I hope it will be your pleasure to adopt our Subcommittee report.

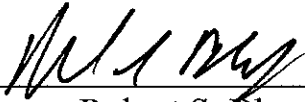
Respectfully Submitted by the House Appropriations Subcommittee on
Compensation & Retirement:



Emily M. Brewer, Chair



Glenn R. Davis, Jr.



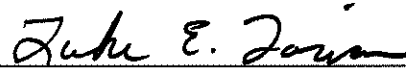
Robert S. Bloxom, Jr.



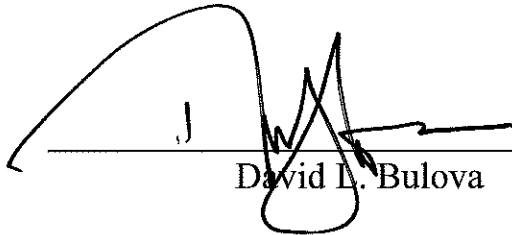
M. Keith Hodges



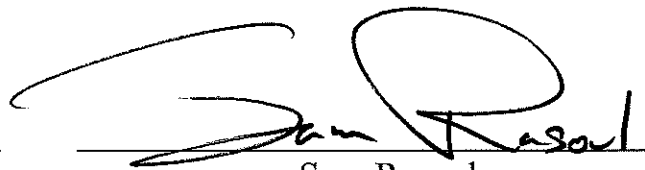
Scott A. Wyatt



Luke E. Torian



David L. Bulova



Sam Rasoul

Budget Amendment Recommendations

<u>Amendment</u>	<u>House Bill 29 FY 2022</u>	2022-24 BIENNIAL TOTAL	
		<u>General Fund</u>	<u>Nongeneral Fund</u>
<u>Net Major Spending Recommendations</u>			
4% Raise and 1% Bonus Both Years (State Employees & State Supported Local Employees)		\$647,319,357	
Targeted Salary Increases		\$379,345,578	
Lump Payments to VRS for Pensions	\$500,000,000		
Provide Funding for Retiree Health Care Credit		\$80,435,018	
<u>Amendments to Introduced Budgets</u>			
<u>Office of Finance</u>			
Department of Accounts Transfer Payments			
Move Lump Sum Payments to VRS to FY 2022		(\$923,998,000)	
Appropriate Lump Sum VRS Pmts in FY 2022	\$500,000,000		
<u>Office of Health and Human Resources</u>			
Department of Behavioral Health and Developmental Services			
Provide Targeted Salary Increase to CSB Staff		\$25,472,549	
Adjust Salary Increase for Mental Health Treatment Centers		(\$23,469,410)	
Adjust Salary Increase for Intellectual Disabilities Training Centers		(\$101,801)	
Adjust Salary Increase For Virginia Center for Behavioral Rehabilitation		(\$1,901,338)	
<u>Office of Natural Resources</u>			
Department of Conservation and Recreation			
Remove Proposed Officer Bonus		(\$276,000)	
Marine Resources Commission			
Remove One-Time Bonus		(\$225,000)	
<u>Office of Public Safety</u>			
Department of Corrections			
Provide \$2,000 Salary Increase for Probation and Parole Officers		\$4,853,892	
Adjust Correctional Officer Salary Increase to Equal Deputy Sheriffs		(\$26,219,940)	
<u>Office of Veterans Affairs</u>			
Department of Military Affairs			
Remove Unnecessary Funding for Health Insurance Premium Payments		(\$500,000)	
<u>Central Appropriations</u>			
Adjust Language in HB 29 Authorizing Pay Increases in FY 2023	Language	(\$12,751,533)	
Eliminate State Employee Health Premium Increase in FY 2023		(\$159,475,076)	
Adjust Funding & Language for Employee Compensation Increases		\$80,435,018	
Provide Funding for Retiree Health Care Credit		(\$12,752,107)	
HB 320 Savings from Freezing the Minimum Wage		Language	
Redirect ARPS From DBHDS to CSBs for Compensation Actions			
<u>Independent Agencies</u>			
Virginia Retirement System			
Fund Impact of HB 473 on VRS			\$1,214,000

Committee Approved Amendments to House Bill 29, as Introduced

Item 277 #1h

Finance	FY20-21	FY21-22	
Department of Accounts Transfer Payments	\$0	\$500,000,000	GF

Language:

Page 101, line 23, strike "\$31,359,934" and insert "\$531,359,934".

Page 101, line 23, strike "Not set out." and insert:

"Authority: Title 2.2, Chapter 8, Code of Virginia.

A.1. On or before June 30, 2021, the State Comptroller shall deposit \$100,000,000 from the general fund into the Virginia Retirement System trust fund.

2. From these funds, the Virginia Retirement System shall allocate an amount estimated at \$61,300,000 to the public school teacher plan, representing the expedited repayment to the Retirement System for the contributions that were deferred during the 2010-2012 biennium.

3. Any remaining balance, estimated at \$38,700,000, shall be allocated to the health insurance credit plan for state employees to address the unfunded liability associated with that plan.

B. On or before June 30, 2022, the State Comptroller shall deposit \$500,000 from the general fund into the Virginia Retirement System trust fund. The Virginia Retirement System shall allocate these funds in the following manner in an effort to address the unfunded liabilities associated with each plan:

1. An amount estimated at \$146,104,212 to the state employee plan.

2. An amount estimated at \$294,914,058 to the public school teacher plan.

3. An amount estimated at \$7,305,211 to the State Police Officers' Retirement System.

4. An amount estimated at \$13,257,211 to the Virginia Law Officers' Retirement System.

5. An amount estimated at \$4,166,676 to the Judicial Retirement System.

6. An amount estimated at \$5,681,830 to the health insurance credit plan for state employees.

7. An amount estimated at \$8,008,675 to the health insurance credit plan for public school teachers.

8. An amount estimated at \$20,292,252 to the group life insurance plan.

9. An amount estimated at \$183,983 to the health insurance credit plan for Constitutional Officers and their employees.

10. An amount estimated at \$81,169 to the health insurance credit plan for local social

Committee Approved Amendments to House Bill 29, as Introduced

services employees.

11. An amount estimated at \$4,329 to health insurance credit plan for Registrars and their employees."

Explanation:

(This amendment provides \$500.0 million from the general fund in fiscal year 2022 for a lump sum payment to the VRS to address the unfunded liability of the VRS run programs.)

Item 477 #1h

Central Appropriations

Central Appropriations

Language

Language:

Page 250, strike line 21 through 47, and insert;

"SS. The provisions of paragraphs TT., UU., and VV. shall only be effective if funding is provided to implement the provisions of such paragraphs in the 2022 Appropriation Act for the 2022-2024 biennium.

TT.1. Contingent on paragraph SS., the base salary of the following employees, with the exception of those employees who will be receiving a targeted salary increase at or above 7.5% in fiscal year 2023 based on funding authorized in the 2022 Appropriation Act for the 2022-2024 biennium, shall be increased by four percent on June 10, 2022:

- a. Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;
- b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;
- c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;
- d. Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office;
- e. Heads of agencies in the Legislative Department;
- f. Full-time employees in the Legislative Department, other than officials elected by popular vote;
- g. Legislative Assistants as provided for in Item 1 of this act;
- h. Judges and Justices in the Judicial Department;

Committee Approved Amendments to House Bill 29, as Introduced

- i. Heads of agencies in the Judicial Department;
- j. Full-time employees in the Judicial Department;
- k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officer of the Virginia College Savings Plan, and the Directors of the Virginia Lottery, and the Virginia Retirement System; and
- l. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia Retirement System.
 - 2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.
 - b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. However, notwithstanding anything herein to the contrary, the governing authorities of those state institutions of higher education with employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.
- 3. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by four percent on June 10, 2022. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances when employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.
- 4. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans:
 - a. The heads of agencies in the Legislative and Judicial Departments;
 - b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;
 - c. The Attorney General;
 - d. The Director of the Virginia Retirement System;
 - e. The Director of the Virginia Lottery;

Committee Approved Amendments to House Bill 29, as Introduced

- f. The Director of the University of Virginia Medical Center;
 - g. The Chief Executive Officer of the Virginia College Savings Plan; and
 - h. The Executive Director of the Virginia Port Authority.
5. The base rates of pay, and related employee benefits, for wage employees may be increased by up to four percent no earlier than June 10, 2022. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.
6. The governing authorities of those state institutions of higher education with university staff employees may provide a salary adjustment based on performance and other employment-related factors, as long as the increases do not exceed the four percent increase on average.
- UU. Contingent on paragraph SS., the base pay for adjunct faculty at Virginia two-year and four-year public colleges and higher education institutions shall be increased by four percent effective June 10, 2022.
- VV. Contingent on paragraph SS., the base pay for graduate teaching assistants at Virginia two-year and four-year public colleges and higher education institutions shall be increased by four percent on June 10, 2022."

Page 251, strike lines 1 through 46.

Explanation:

(This amendment adjusts language included in the introduced budget authorizing the compensation adjustments that would take effect on the first pay day of the fiscal year 2023 (July 1, 2022). The new language is consistent with the funding amendments included in House Bill 30).

Committee Approved Amendments to House Bill 30, as Introduced

Item 269 #1h

Finance	FY22-23	FY23-24
Department of Accounts Transfer Payments	(\$923,998,000)	\$0 GF

Language:

Page 269, line 20, strike "\$955,357,934" and insert "\$31,359,934".

Page 269, strike lines 27 through 54.

Page 270, strike lines 1 through 2.

Explanation:

(This amendment redirects funding included in the introduced budget for lump sum payments for the VRS retirement system. A companion amendment in House Bill 29 provides a \$500.0 million payment to the VRS in fiscal year 2022. Making the payment a year earlier than originally proposed will allow the funds to be invested a year earlier and realize an additional year of investment returns prior to the next valuation.)

Item 313 #6h

Health and Human Resources	FY22-23	FY23-24
Grants to Localities	\$0	\$25,472,549 GF

Language:

Page 357, line 20, strike "\$652,586,687" and insert "\$678,059,236".

Page 363, after line 6, insert:

"TT. Out of the appropriation for this item \$25,472,549 from the general fund the second year is provided for salary increases for direct care staff at the community service boards. In addition to the funds included in this Item, \$25,881,250 the first year is provided for these purposes in Item 486 out of revenues received from the federal distributions of the American Rescue Plan Act of 2021."

Explanation:

(This amendment \$25.5 million from the general fund the second year for targeted salary increases for direct care staff working for Community Services Boards (CSBs) and a Behavioral Health Authority. A companion amendment in Item 486 includes the first year amount for this purpose using funding provided through the federal American Rescue Act Plan.)

Item 318 #1h

Health and Human Resources	FY22-23	FY23-24
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Committee Approved Amendments to House Bill 30, as Introduced

Virginia Center for Behavioral Rehabilitation	\$0	(\$1,901,338)	GF
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Language:

Page 366, line 29, strike "\$21,389,552" and insert "\$19,488,214".
 Page 366, line 33, strike "\$7,540,684" and insert "\$5,639,346".
 Page 366, line 34, strike "\$7,181,604" and insert "\$5,370,806".

Explanation:

(This amendment adjusts the salary increase contained in House Bill 30 for direct care staff at the Virginia Center for Behavioral Rehabilitation. It reduces funding by \$1.9 million from the general fund the second year to adjust the salary increases from the 75th percentile of market to the 50th percentile of market, leaving more than \$5.6 million in total funding for this purpose. Salary increases for direct care staff at the Virginia Center for Behavioral Rehabilitation will average approximately 28%. A companion amendment in Item 486 provides funding in the first year from the federal American Rescue Act Plan.)

Item 375 #9h

Natural and Historic Resources	FY22-23	FY23-24	
Department of Conservation and Recreation	(\$276,000)	\$0	GF

Language:

Page 406, line 37, strike "\$103,481,510" and insert "\$103,205,510".

Explanation:

(This amendment removes \$276,000 from the general fund provided the first year to provide a one-time bonus to law enforcement officers employed by the Department of Conservation and Recreation.)

Item 388 #2h

Natural and Historic Resources	FY22-23	FY23-24	
Marine Resources Commission	(\$225,000)	\$0	GF

Language:

Page 419, line 16, strike "\$23,948,122" and insert "\$23,723,122".

Explanation:

(This amendment removes \$225,000 from the general fund the first year included in the

Committee Approved Amendments to House Bill 30, as Introduced

introduced budget to provide one-time bonuses to marine resource officers.)

Item 399 #1h

Public Safety and Homeland Security	FY22-23	FY23-24	
Department of Corrections	\$2,426,946	\$2,426,946	GF

Language:

Page 425, line 2, strike "\$115,439,477" and insert "\$117,866,423".

Page 425, line 2, strike "\$116,585,956" and insert "\$119,012,902".

Page 425, after line 37, insert;

"E. Included in the appropriation for this item, \$2,426,946 the first year and \$2,426,946 the second year from the general fund is provided for a \$2,000 per year salary increase for probation and parole officers, including senior officers, and supervisors effective the first paycheck in fiscal year 2023."

Explanation:

(This amendment provides \$2.4 million from the general fund each year to provide a \$2,000 salary increase for probation and parole officers.)

Item 402 #1h

Public Safety and Homeland Security	FY22-23	FY23-24	
Department of Corrections	(\$13,109,970)	(\$13,109,970)	GF

Language:

Page 427, line 41, strike "\$881,880,159" and insert "\$868,770,189".

Page 427, line 41, strike "\$884,462,162" and insert "\$871,352,192".

Page 429, line 44, strike "\$41,552,847" and insert "\$28,442,877".

Page 429, line 45, strike "\$43,630,489" and insert "\$30,520,519".

Explanation:

(This amendment adjust funding in the introduced budget providing a targeted salary increase to DOC correctional officers. The introduced budget provided funding to increase the starting salary for DOC correctional officers up to \$44,000, and increase the starting salary for deputy sheriffs and regional jail officers to \$42,000. This amendment adjust the funding to set the new starting pay at \$42,000 equal to the level for deputy sheriffs and regional jails. This is consistent with § 15.2-1609.2 of the Code which states deputy sheriff pay shall be no less than that of correctional officers. The \$42,000 salary increase still results in a 19.8% increase in starting pay.)

Committee Approved Amendments to House Bill 30, as Introduced

Item 479 #1h

Veterans and Defense Affairs	FY22-23	FY23-24
Department of Military Affairs	(\$500,000)	\$0 GF

Language:

Page 491, line 19, strike "\$10,731,113" and insert "\$10,231,113".

Page 491, strike lines 33 through 53.

Page 492, strike lines 1 through 6.

Explanation:

(This amendment removes \$500,000 from the general fund the first year and associated language providing for the payment of the employer portion of health insurance premiums for members of the Virginia National Guard on state active duty events under a declaration of a state emergency lasting more than 14 days. Such payments shall instead be provided for on a sum sufficient basis consistent with House Bill 642.)

Item 483 #1h

Central Appropriations	FY22-23	FY23-24
Central Appropriations	(\$12,751,533)	\$0 GF

Language:

Page 495, line 12, strike "\$293,357,683" and insert "\$280,606,150".

Page 496, line 32, strike "\$12,751,533 the first year".

Page 496. line 33, strike "and".

Explanation:

(This amendment eliminates funding included in fiscal year 2023 for a premium increase for the state employee health plan. There a significant balances in the health insurance fund which make the premium increase in the first year unnecessary. Funding of \$28.0 million would remain in the budget in fiscal year 2024 to support a premium increase in the second year of needed.)

Item 483 #2h

Central Appropriations	FY22-23	FY23-24
Central Appropriations	(\$56,427,535)	(\$103,047,541) GF

Language:

Committee Approved Amendments to House Bill 30, as Introduced

Page 495, line 12, strike "\$293,357,683" and insert "\$236,930,148".

Page 495, line 12, strike "\$591,271,634" and insert "\$488,224,093".

Page 502, line 3, strike "\$195,373,907" and insert "\$134,049,567".

Page 502, line 6, strike "\$7,190,550" and insert "\$5,752,447".

Page 502, line 9, strike "\$2,587,572" and insert "\$2,070,060".

Page 502, line 11, strike "\$400,498,598" and insert "\$296,576,977".

Page 502, line 12, after "provided" strike the remainder of the line and insert:

"to reflect the impact of the compensation actions authorized in Item 477 paragraph TT. of the 2022 Amendments to the 2021 Appropriation Act, and to increase the base salary of the following employees by four percent on June 10, 2023."

Page 503, line 4, strike "five" and insert "four".

Page 503, line 22, strike "five" and insert "four".

Page 503, line 29, after "employees" strike the remainder of line and insert:

"by four percent, with the exception of those employees who will be receiving a targeted salary increase at or above 7.5% in fiscal year 2023 based on funding authorized in this act, and by an additional four percent on".

Page 503, line 42, strike "\$59,376,607" and "\$121,722,040" and insert:
"\$28,381,857" and "\$77,786,511".

Page 503, line 44, strike "\$14,740,641" and insert "\$11,734,986".

Page 503, line 45, strike "five" and insert "four".

Page 504, line 1, strike "\$5,304,518" and insert "\$4,222,920".

Page 504, after line 4, insert;

"X. 1. Included in the appropriation for this item, \$28,580,478 from the general fund the first year is available appropriated to provide all classified employees of the Executive Branch and other full-time employees of the Commonwealth, except elected officials or those employees who will be receiving a targeted salary increase at or above 7.5% in fiscal year 2023 based on funding authorized in this act, who were employed on July 1, 2022, and remain employed until at least November 24, 2022, a one-time bonus payment equal to one percent on December 1, 2022.

2. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the bonus payment authorized in this paragraph only if they have attained an equivalent rating of at least "Contributor" on their performance evaluation and have no active written notices under the Standards of Conduct within the preceding twelve-month period.

3. The governing authorities of the state institutions of higher education may provide the bonus for faculty and university staff based on performance and other employment-related factors, as long as the bonuses do not exceed what the average would have been based on the general methodology authorized in this paragraph.

Y. \$2,255,537 the first year first year from the general fund is provided for a one-time bonus equal to one percent on December 1, 2022 for adjunct faculty and graduate assistants at Virginia two-year and four-year public colleges and higher education institutions.

Committee Approved Amendments to House Bill 30, as Introduced

Z. \$7,011,155 from the general fund the first year is provided for a one-time bonus, equal to one percent of their base salary on September 1, 2021 provided that the governing authority of such employees use such funds to support the provision of a bonus for the following listed employees, except elected officials or those employees who will be receiving a targeted salary increase at or above 7.5% in fiscal year 2023 based on funding authorized in this act:

1. Locally-elected constitutional officers;
2. General Registrars and members of local electoral boards;
3. Full-time employees of locally-elected constitutional officers; and,
4. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services boards, local pretrial services act and comprehensive community corrections.

AA.1. Included in the appropriation for this item, \$34,364,824 from the general fund the second year is available appropriated to provide all classified employees of the Executive Branch and other full-time employees of the Commonwealth who were employed on July 1, 2023, and remain employed until at least November 24, 2023, a one-time bonus payment equal to one percent on December 1, 2023.

2. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the bonus payment authorized in this paragraph only if they have attained an equivalent rating of at least "Contributor" on their performance evaluation and have no active written notices under the Standards of Conduct within the preceding twelve-month period.

3. The governing authorities of the state institutions of higher education may provide the bonus for faculty and university staff based on performance and other employment-related factors, as long as the bonuses do not exceed what the average would have been based on the general methodology authorized in this paragraph.

BB. \$2,345,761 the second year from the general fund is provided for a one-time bonus equal to one percent on December 1, 2023 for adjunct faculty and graduate assistants at Virginia two-year and four-year public colleges and higher education institutions.

CC. \$12,186,277 from the general fund the second year is provided for a one-time bonus, equal to one percent of their base salary on December 1, 2023 provided that the governing authority of such employees use such funds to support the provision of a bonus for the following listed employee:

1. Locally-elected constitutional officers;
2. General Registrars and members of local electoral boards;
3. Full-time employees of locally-elected constitutional officers; and,
4. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and

Committee Approved Amendments to House Bill 30, as Introduced

local court service units, local social services boards, local pretrial services act and comprehensive community corrections."

Explanation:

(This amendment adjusted funding included in the introduced budget for employee compensation to provide a 4% salary increase and 1% bonus in each year of the biennium for state employees, university faculty including adjunct faculty and graduate assistants, and state support local employees. The total cost of the across the board salary adjustments is \$208.1 million from the general fund in fiscal year 2023 and \$439.2 million from the general fund in fiscal year 2024.)

Item 483 #3h

Central Appropriations	FY22-23	FY23-24
Central Appropriations	\$80,435,018	\$0 GF

Language:

Page 495, line 12, strike "\$293,357,683" and insert "\$373,792,701".

Page 504, after line 4, insert:

"X. On or before June 30, 2023, the State Comptroller shall deposit \$80,435,018 from the general fund into the Virginia Retirement System trust fund to address the unfunded liabilities for the retiree health care plans. The Virginia Retirement System shall allocate these funds in the following manner in an effort to address the unfunded liabilities associated with the plans:

1. An amount estimated at \$77,118,170 to the health insurance credit plan for state employees.
2. An amount estimated at \$1,576,017 to the health insurance credit plan for Constitutional Officers and their employees.
3. An amount estimated at \$1,740,831 to the health insurance credit plan for local social services employees."

Explanation:

(This amendment provides \$80.4 million from the general fund in fiscal year 2023 to VRS to increase the funded status for the retiree health credit plans for state employees, employees of the constitutional offices and local social service departments up to 30%.)

Item 483 #4h

Central Appropriations	FY22-23	FY23-24
Central Appropriations	(\$4,283,857)	(\$8,468,250) GF

Language:

Committee Approved Amendments to House Bill 30, as Introduced

Page 495, line 12, strike "\$293,357,683" and insert "\$289,073,826".
Page 495, line 12, strike "\$591,271,634" and insert "\$582,803,384".
Page 501, strike lines 45 through 48.

Explanation:

(This amendment redirects funding included introduced budget pursuant to the scheduled increases in the minimum wage. House Bill 320 as it passed the House eliminates further increases in the state minimum wage eliminating the need for the additional funding.)

Item 486 #4h

Central Appropriations

Central Appropriations

Language

Language:

Page 508, line 50, strike "\$68,071,230" and insert "\$45,719,411".
Page 509, line 3, strike "\$8,414,272" and insert "\$6,695,369".
Page 509, line 6, strike "\$7,181,604" and insert "\$5,370,806".
Page 509, after line 25, insert:
"9) \$25,881,520 in the first year to Grants to Localities (790) for salary adjustments for direct care staff at the Community Service Boards."

Explanation:

(This amendment redirects a portion of the funding provided to DBHDS facilities for salary actions for direct care staff to fund salary actions for community service boards.)

Item 498 #1h

Independent Agencies

FY22-23

FY23-24

Virginia Retirement System

\$700,000

\$514,000 NGF

Language:

Page 518, line 38, strike "\$19,038,287" and insert "\$19,738,287".
Page 518, line 38, strike "\$19,131,202" and insert "\$19,645,202".

Explanation:

(This amendment provides \$1.2 million from the nongeneral fund over the biennium for the VRS to fund the impact of House Bill 473 which instructs the VRS to calculate two separate rates for employers participating in the hybrid plan, a rate for the defined benefit component and a separate rate for the defined contribution component. A companion amendment in DOA

Committee Approved Amendments to House Bill 30, as Introduced

provides \$190,000 to support changes to the state's payroll system pursuant to House Bill 473.)
