



Recommended Amendments to the
2020-2022 Budget (HB 29)
and to the
2022-2024 Budget (HB 30)

February 22, 2022

Prepared by Staff of the House Appropriations Committee

OVERVIEW OF COMMITTEE ACTIONS AND RESOURCES



Committee's General Guidance

- Committee's objectives were developed based on input from individual and collective meetings of the Subcommittee Chairs
- Chairman identified six core priorities:
 - Enhancing our reserves and protecting the structural integrity of the budget,
 - Providing tax relief to all Virginia citizens,
 - Assisting localities to address the needs for base K-12 requirements as well as school improvements,
 - Supporting strategic investments to address health and human resource requirements for our most vulnerable citizens,
 - Continuing the House tradition of working to make college more affordable, and
 - Providing meaningful employee compensation increases for all groups of employees



Major Spending Items

Structural Integrity and Revenue Reserves

- Adds \$498.7 million into the Rainy Day Fund to meet the estimated mandatory deposit in FY 2024
 - Brings our combined reserve balances to a historically high \$4.4 billion
- Dedicates \$202.8 million to eliminate all Accelerated Sales Tax in June of this year
- Provides an unparalleled lump sum \$500.0 million deposit to the VRS to help address unfunded liabilities
 - Also includes \$80.4 million to improve the funded status of the retiree health insurance credits
- Deposits \$150.0 million to the Taxpayer Relief Fund for future tax relief

Tax Relief

- Recognizes the revenue reduction associated with the package of tax relief legislation totaling \$5.3 billion over the FY 2022-2024 period



Major Spending Items

K-12

- Increases total funding for K-12 by \$2.3 billion over the biennium
 - Represents an almost 15% increase above Chapter 552
 - Largest education budget ever
- Includes a school construction package that funds \$2.0 billion in zero interest and subsidized loans
 - Allows for the construction of 80 elementary schools
- Adopts three long overdue updates to SOQ Standards – providing a principal for every school, increasing the number of assistant principals and funding reading specialists

Capital Outlay

- Funds \$2.1 billion GF for previously authorized and priority projects
- Includes no new tax supported debt
- Provides \$405 million in cash over the biennium for maintenance reserve to address the maintenance backlog



Major Spending Items

Higher Education

- Increases support for higher education by \$425.5 million over the biennium
 - Provides total of \$240.3 million to increase access and affordability at public colleges and universities
 - Allows institutions to limit in-state undergraduate tuition increases in FY 23 to no more than three percent
 - includes \$61.8 million in financial aid for in-state undergraduates

Compensation

- Provides in excess of \$1.7 billion for compensation actions
 - Includes 4% pay raises and 1% bonuses in each year for all employee groups
 - Provides targeted adjustments for law enforcement and mental health direct care staff to address staffing shortages and compression



Major Spending Items

Health and Human Resources

- Includes funding to ensure access to quality community-based care
 - Maintains the 1,200 additional Medicaid Developmental Disability Waiver slots
 - Provides more than \$760 million in rate increases to maintain and build community capacity to ensure these slots are utilized
- Provides more than \$50 million over the biennium to continue the implementation of STEP-VA services and more than \$90 million for community mental health providers in 2023
- Includes more than \$101 million in increased funding for nursing homes to ensure quality care for residents
- \$251 million over the biennium to enhance provider rates in the Medicaid program to improve access to care

Commerce and Natural Resources

- Utilizes ARPA funds to restore balances to the Unemployment Insurance Trust Fund and eliminate the fund builder tax
- Fully meets the AG BMP needs assessment for the biennium



Tax Policy Initiatives

Policy (\$ in millions)	House			Notes
	FY 2022	FY 2023	FY 2024	
HB 29: Eliminate AST	\$202.8	\$0.0	\$0.0	
HB 935: Taxpayer Relief Checks		1,251.4		\$300 individual/\$600 married filing jointly
HB 90: Eliminate Grocery Tax		238.5 236.1	267.8 265.1	1 cent local option 1 cent K-12
HB 472: Double Standard Deduction		1,243.3	852.3	FY 2024 figure represents ongoing costs
HB 1128: Military Pension Subtraction		287.0	228.0	Assumes 3-year phase in, includes surviving spouses
HB 971: Tax Conformity	7.0	158.6	35.6	
HB 103: Tax Deduction for Educators		3.5	3.5	\$500 per educator
HB 1006: Business Interest Deduction		15.3	10.9	Increases from 20% to 30%
TOTAL	\$209.8	\$3,443.7	\$1,663.2	



Reserves

RDF and Revenue Reserve:

- Based on the Mid-Session reforecast, includes a 2022 set-aside of \$498.7 million to meet the estimated mandatory deposit to the Rainy Day Fund in FY 2024 based on FY 2022 collections
- When added to the amounts already scheduled to be deposited to the Rainy Day Fund and the Revenue Reserve Fund, by FY 2024 the state will have \$4.4 billion in combined reserves
 - More than 400% larger than reserve level in FY 2020 when combined balance was \$1.1 billion
 - Equivalent to 16.8% of assumed revenues in FY 2024

Taxpayer Relief Fund:

- Includes transfer of \$150 million in FY 2022 to the Taxpayer Relief Fund established in Chapter 854, 2019 General Assembly to provide future relief to Virginia's citizens



Committee Resource and Spending Adjustments

Resource and Revenue Changes	FY 2022	FY 2023	FY 2024	Biennial
Unappropriated Balance - as Introduced	4,166,900,940	269,131,169	(119,695,506)	149,435,663
Changes to Resources	1,286,554,334	(1,897,100,000)	(1,199,600,000)	(3,096,700,000)
Changes to Balance Forward		(420,524,492)		(420,524,492)
Net Spending	866,029,842	(1,434,267,135)	(1,097,008,677)	(2,531,275,812)
Ending Balance/Unappropriated Balance	4,587,425,432	226,822,793	(222,286,829)	4,535,964
BALANCES/REVENUES/TRANSFERS				
Additions to Balances				
Free Up GF Set Aside Pending ARPA Final Rule	221,604,375	0	0	0
Legislative Agency Carryforward Balances	5,459,063	0	0	0
House Carryforward Balances	3,000,000	0	0	0
Auxilliary Grant Balances	2,000,000	0	0	0
Elect Postage Stamp Balances	1,100,000			
Subtotal-Balances	233,163,438	0	0	0
Changes to Transfers				
ABC Profits Forecast Correction	(14,700,000)	0	0	0
VASAP Balances	275,000	0	0	0
GO VA Balances	27,515,896	0	0	0
Taxpayer Relief Fund Deposit		(150,000,000)		(150,000,000)
Subtotal-Transfers	13,090,896	(150,000,000)	0	(150,000,000)



Committee Resource and Spending Adjustments

Resource and Revenue Changes	FY 2022	FY 2023	FY 2024	Biennial
Changes to Revenues				
HB 935: Taxpayer Relief Checks (Net of HB 30)		(202,800,000)		(202,800,000)
Move AST to FY 2022	(202,800,000)	202,800,000		202,800,000
HB 90: Eliminate Local 1% Sales Tax and Backfill (McNamara)		(238,500,000)	(267,800,000)	(506,300,000)
HB 90: Eliminate Remaining 6 Months SAP Sales Tax		(129,800,000)	(2,800,000)	(132,600,000)
HB 472: Double the Standard Deduction		(1,243,300,000)	(852,300,000)	(2,095,600,000)
HB 1128: 3-Yr Phase-In 40k Sub. Military Pensions		(287,000,000)	(228,000,000)	(515,000,000)
Eliminate EITC Proposal		160,000,000	156,000,000	316,000,000
Eliminate Worker Misclassification Revenues		(200,000)	(500,000)	(700,000)
HB 971: Conformity for FY tax filers for TY 2020	(7,000,000)			0
HB 551 - Eliminate Tax of Prescription Pet Meds		(2,800,000)	(3,100,000)	(5,900,000)
HB 763 - Charitable Gaming		13,300,000	13,300,000	26,600,000
Mid-Session Reforecast	1,250,100,000			0
HB 103 - Teacher Deduction		(3,500,000)	(3,500,000)	(7,000,000)
HB 1006 - 163j deduction increase 20% to 30%		(15,300,000)	(10,900,000)	(26,200,000)
Subtotal-Revenues	1,040,300,000	(1,747,100,000)	(1,199,600,000)	(2,946,700,000)
<u>Committee Resource Adjustments</u>	1,286,554,334	(1,747,100,000)	(1,199,600,000)	(2,946,700,000)



REPORT OF THE ELEMENTARY AND SECONDARY EDUCATION SUBCOMMITTEE



HB 29 - Public Education

\$ in millions (GF)	FY 2022
FY 22 - Chapter 552 Base	\$7,395.4
Technical Updates	(197.4)
Committee Policy Actions	<u>95.8</u>
Net Change	(101.6)
HB 30 as recommended by Committee	\$7,293.8
% Change from Base	(1.4%)

HB 29 policy amendments:

- Increase Infrastructure & Operations Per Pupil Payments by \$61.0 million; ensures 40% of Lottery Proceeds are returned to school divisions
- Midsession sales tax reforecast – \$34.9 million increase to state aid



HB 30 - Public Education

\$ in millions (GF)	FY 2023	FY 2024	2022-24 Total
FY 22 - Chapter 552 Base	\$7,395.4	\$7,395.4	\$14,790.9
Rebenchmarking and Technical Updates	(16.3)	45.7	29.4
Committee Policy Actions	<u>1,217.7</u>	<u>915.6</u>	<u>2,133.3</u>
Net Change	1,201.4	961.3	2,162.7
HB 30 as recommended by Committee	\$8,596.8	\$8,356.7	\$16,953.5
% Change from Base	16.2%	13.0%	14.6%



Salary Increases & Bonus Payments

- Provides \$696.6 million GF for the state share of salary increases and bonuses for SOQ-recognized positions

\$ in millions (GF)	FY 2023	FY 2024
Two 4% salary increases <ul style="list-style-type: none"> • Effective July 1, 2022 and July 1, 2023 • School divisions must provide at least 2.5% increases to access funds 	\$200.0	\$410.0
Two 1% bonus payments <ul style="list-style-type: none"> • Effective July 1, 2023 and July 1, 2024 • School divisions may use bonus funds toward salary increases 	43.1	43.5
TOTAL	\$243.1	\$453.5



School Construction Loan Rebates

- Provides \$541.7 million in loan rebates to incentivize \$2.0 billion in school construction
 - Competitive grants – scored based on local funding commitment, local ability to pay, and building condition
 - Tier One recipients – 30% rebate of principal and interest for \$1.0 billion in loan activity
 - Tier Two recipients – 100% interest subsidy for \$1.0 billion in loan activity (based on most recent VPSA bond issuance interest rate)
 - Eligible projects would be financed either through Virginia Public School Authority pooled bonds or via Public-Private Education Facilities and Infrastructure Act of 2002
 - Fund source – \$291.7 million GF and \$250.0 million in Literary Funds; in ongoing years, program funded with casino revenues



SOQ Staffing Standards

- Provides \$170.1 million in local funding relief by more closely reflecting actual staffing in SOQ standards

\$ in millions GF	FY 2023	FY 2024
Principals <ul style="list-style-type: none"> • Currently, elementary schools with fewer than 300 students are only funded a half-time position • Funds a full-time principal for every elementary school 	10.0	10.2
Assistant Principals <ul style="list-style-type: none"> • Currently, state funds are provided for about 32% of assistant principals – remaining are 100% locally-funded • Revises staffing ratio to 1 assistant principal per 400 students, provides state funding for an additional 635 positions 	40.9	42.5
Reading Specialists <ul style="list-style-type: none"> • Establishes a staffing standard of one specialist per 550 K-3 students • Provides flexibility during 2022-24 biennium for school divisions that do not yet meet this standard • Assists with implementation of HB 319 (Virginia Literacy Act), requiring specialists trained in literacy instruction by FY 2025 	30.8	31.6



Public Education

\$ in millions GF	FY 2023	FY 2024
2022-24 Rebenchmarking <ul style="list-style-type: none"> Fully-funds rebenchmarking costs Atypically low: COVID-19 impacts in FY 20 data 	(16.5)	45.6
2022-24 Rebenchmarking Hold Harmless <ul style="list-style-type: none"> Adjusts funding based on FY 18 data, adjusted for inflation, for COVID-19 impacted cost categories Applicable to special education, transportation, and non-personal support cost 	177.1	177.4
College Partnership Laboratory School Fund <ul style="list-style-type: none"> Deposits \$150 million into nonreverting Lab School Fund Funds startup grants for new innovative programs 	150.0	0
Hold VRS Contribution Rates at Current Levels <ul style="list-style-type: none"> Maintain FY 22 rate, providing longer term savings 	70.9	74.8
Increase At-Risk Add-On <ul style="list-style-type: none"> Increase maximum rate from current 26% to 31% 	28.8	29.5



Public Education

\$ in millions GF	FY 2023	FY 2024
<p>Recognize elimination of sales tax on grocery & personal hygiene products (HB 90)</p> <ul style="list-style-type: none"> Removes K-12 sales tax revenues of \$232.8 million in FY 23 and \$257.2 million in FY 24 Increases state aid required for basic aid by \$128.9 million in FY 23 and \$143.4 million in FY 24 	(103.9)	(113.8)
<p>Hold school divisions harmless from HB 90 sales tax action</p> <ul style="list-style-type: none"> Provides payment adjustments in FY 23 and FY 24 	103.9	113.8
<p>Increase Infrastructure & Operations Per Pupil Payments</p> <ul style="list-style-type: none"> Ensures 40% of Lottery Proceeds returned to school divisions Adjusts amount per pupil from \$406/pupil in FY 22 to \$451/pupil in FY 23 and to \$449/pupil in FY 24 Increases minimum amount that must be expended on non-recurring (i.e. capital) costs from 40% to 50% 	29.5	29.5



Public Education - Early Childhood

\$ in millions GF	FY 2023	FY 2024
Implement Virginia Preschool Initiative Rebenchmarking <ul style="list-style-type: none"> Increases per pupil amount from \$7,655 to \$8,359 	12.1	12.1
Increase VPI Mixed Delivery Add-On Grants <ul style="list-style-type: none"> In FY 24, transitions to a cost-based model for these grants 	0	3.4
Expand Early Childhood Educator Incentive Grants <ul style="list-style-type: none"> Supports additional recruitment and retention incentives for early childhood educators 	5.0	5.0
Expand Virginia Kindergarten Readiness Assessment Program <ul style="list-style-type: none"> Expands assessment to all four-year olds in publicly-funded programs Initiates a pilot assessment for three-year olds 	1.0	1.0
Expand Observations in Early Childhood Classrooms <ul style="list-style-type: none"> Observations used to inform Quality Rating System 	0.5	0.7



Public Education -DOE & VSDB

\$ in GF	FY 2023	FY 2024
Department of Education, Central Office		
Virginia Literacy Act (HB 319) Implementation – 1 FTE	6,890,000	6,640,000
Expand School Turnaround Support – 25 FTEs	1,625,860	3,252,285
Develop PALS Plus Grade 1-3 Assessments	650,000	875,000
Additional Restraint and Seclusion Training Support	440,000	440,000
Education Savings Accounts (HB 1024) – 3 FTEs	417,502	367,502
School Survey of Climate and Working Conditions – 2 FTEs	235,742	235,742
Language Development Resources – LEAD-K (HB 649)	170,000	70,000
Governor’s School Needs Assessment	200,000	0
Marijuana Education Resources	150,000	0
Virginia School for the Deaf and Blind		
Replace School Computer Network	545,000	100,000



Public Education - Supplemental Grants

\$ in millions GF	FY 2023	FY 2024	\$ in millions GF	FY 2023	FY 2024
New Supplemental Grant Programs			New Supplemental Grant Programs (continued)		
Community Schools Startup Fund	10.0	0	RISE Foundation of Waynesboro	0.3	0
Attendance Recovery Program	3.5	0	Denbigh Aviation Academy	0.3	0
Public School Trades Incentive Fund (HB 1064)	3.0	3.0	Increased funding for existing programs		
American Civil War Museum	1.0	0	K-12 Tech Talent Initiative (increase to \$2.7 million/year)	1.4	1.4
AP Computer Science Enrollment	0.5	0.5	Communities In Schools (increase to \$2.0 million/year)	0.8	0.8
Va. Air & Space Center – STEM Education	0.5	0.5	eMediaVA – WHRO (increase to \$2.0 m. in FY 23, \$1.0 m. in FY 24)	1.0	0
An Achievable Dream – Va. Beach	0.5	0.5	Blue Ridge PBS (increase to \$1.35 m. in FY 23, \$350k in FY 24)	1.0	0
Special Olympics – Unified Champion Schools	0.2	0.2	Project Discovery (increase to \$987,500/year)	0.3	0.3
Chesterfield Recovery High School	0.9	0.9	Wolf Trap STEM Program (increase to \$1.0 m. in FY 23, \$1.3m. in FY 24)	0.3	0.6
Center in the Square Roanoke – Get Schooled	0.2	0.2			
Dolly Parton’s Imagination Library	0.5	1.2			
VPM Media Corporation	1.0	0			



REPORT OF THE COMPENSATION AND RETIREMENT SUBCOMMITTEE



Across the Board Pay Raises

- Compensation recommendations provides 4% raise and 1% bonus each year for state employees, state supported local employees and SOQ funded positions
 - Language excludes employees from the first year pay raise and bonus if they are receiving a targeted salary increase in excess of 7.5% pay raise in FY 2023

GF \$ in Millions	FY 2023	FY 2024
State Employees/including university faculty	\$162.6	\$330.9
Adjunct Faculty/Grad Teaching Assistants	10.1	18.3
State-Supported Local Employees	35.4	90.0
SOQ funded positions	<u>243.1</u>	<u>453.5</u>
Total	\$451.2	\$892.7



Targeted Salary Actions

\$ in Millions	FY 2023	FY 2024
State Police	\$23.6	\$24.8
DOC Correctional Officers	28.4	30.5
Deputy Sheriffs & Regional Jail Officers	42.8	46.7
Probation and Parole Officers	2.4	2.4
DBHDS Direct Care Staff to 50 th Percentile & CSBs	83.7	80.1
Department of Veteran Services Staff	0.6	0.7
Veterinary Staff at VDACS	0.3	0.3
DGS Division of Cons. Laboratory Services Staff	1.8	1.9
DGS State Mail Services Staff	0.1	0.1
Magistrates	<u>3.9</u>	<u>4.1</u>
Total	\$187.6	\$191.6

* Salary increase for DBHDS staff are supported with ARPA funds in FY 2023 in lieu of state GF (\$83.7 million). FY 2024 funding is GF



Recommendations for Public Safety

- Recommendations increase starting pay for sworn officers of the State Police up to \$51,500 (7.7% increase)
 - For veteran troopers recommendations implements a new pay scale which sets salary based on rank and years of service
- Increase the starting pay for DOC correctional officers, deputy sheriffs and regional jail officers up to \$42,000, an increase of around 20%
 - Recommendations provide compression adjustments for veteran staff



VRS Benefit Contributions

- Committee recommendations includes \$500.0 million for a lump sum payment to the Virginia Retirement System to reduce the systems' unfunded liabilities in current fiscal year (HB 29)
 - Committee moves funding up one year to maximize impact of investment gains
- Recommendations for HB 30 includes an additional lump sum payment of \$80.4 million GF for the retiree health credit plans for state employees
 - Retiree Health Credit benefit use to be funded on a pay-as-you-go basis and therefore the funded status is significantly lower
 - Small portion of payment goes to the RHCs for employees of local constitutional officers and local DSS offices
 - Funding intended to increase funded status to 30%
- Provides an additional \$13.2 million GF in FY 2023 and \$13.8 million GF in FY 2024 to fund changes to contribution rates for the JRS, SPORS & VaLORS
 - The rates for the state employee and teacher retirement plans are being maintained at current 2020-2022 biennial levels, which is higher than the new rates certified by the VRS Board



Allocation of VRS Lump Sum Payment in FY 2022

Plan	Funded Status	Allocation
State Plan	77.13%	\$146,104,212
Teacher Plan	77.21%	\$294,914,058
SPORS	70.65%	\$7,305,211
VaLORS	69.33%	\$13,257,604
JRS	81.90%	\$4,166,676
OPEBS		
Group Life	60.90%	\$20,292,252
State Emp. HIC	18.40%	\$5,681,830
Teacher HIC	12.10%	\$8,008,675
Constitutional Offices HIC	20.06%	\$183,983
Local DSS HIC	15.81%	\$81,169
Registrars HIC	28.64%	\$4,329
Total		\$500,000,000



Other Compensation Actions

GF Funding	FY 2023	FY 2024
State Employee Health Insurance	\$0	\$27,979,699
Compensation Board Additional Funding for Career Development Programs	\$785,974	\$857,426
Line of Duty Act Funding Change	(\$441,519)	(\$441,519)
Workers Compensation Premium Change	(\$951,700)	(\$807,776)
DHRM Review of Executive Pay	\$75,000	\$0

- Amendment within DGS provides \$636,887 in NGF each year to support salary increase for staff within the Division of State Architectural and Engineering Review Oversight



REPORT OF THE HEALTH AND HUMAN RESOURCES SUBCOMMITTEE



HB 30: Major Funding Initiatives

- HB 30 includes a net increase of \$1.5 billion GF over the biennium
 - Represents an increase of almost 11% over the current biennium
- 47% of new funding driven by mandated programs
 - Medicaid expenditure forecast
 - FAMIS and MCHIP state children's health insurance expenditure forecasts
 - Foster care and adoption assistance expenditure forecast
 - Implementation of behavioral health services pursuant to STEP-VA
- Other significant new general fund spending includes:
 - Medicaid provider rate increases for developmental disability waiver services and other medical care providers
 - Additional developmental disability waiver slots
 - Behavioral health services to relieve pressure on state facilities and provide additional community services
 - Compensation of direct care staff in state psychiatric facilities and Community Services Boards



HB 29/30 DMAS Forecasts

DMAS Forecasts (GF \$ in millions)	FY 2022	FY 2023	FY 2024
Official Forecast Medicaid Utilization & Inflation	(\$653.7)	\$291.3	\$529.9
Adjust for Virginia Health Care Fund revenue (tobacco MSA and taxes, Medicaid recoveries)	(132.8)	(2.2)	(7.4)
Adjust for Medicare premium payments	11.8	22.9	23.9
FAMIS children's health insurance forecast	(7.7)	12.7	17.3
Medicaid children's health insurance program (MCHIP) forecast	(3.6)	8.7	13.8
HB 29/30 Medicaid & CHIP Forecasts	(\$786.0)	\$333.4	\$577.5
Medicaid & CHIP Forecast Adjustments			
<ul style="list-style-type: none"> • PHE additional quarter of 6.2% FMAP in FY 22 • Advancing Payments from 1st month of FY 23 into FY 22 to benefit from the 6.2% FMAP • FY 23 and FY 24 FMAP per capita income chgs. 	\$302.2	(\$378.0)	(\$39.2)
Total DMAS Health Care Forecasts	(\$483.8)	(\$44.6)	\$538.3



Medicaid Spending: Provider Rates

Provider Rates (GF \$ in millions)	FY 2023	FY 2024
Developmental Disability Waiver Services <ul style="list-style-type: none"> Rebases rates for all group homes, sponsored residential, supported living, independent living supports, in-home supports, group supported employment, group day support, private duty and skilled nursing, therapeutic consultation, community engagement and coaching 	\$175.1	\$200.4
Nursing Home Reimbursement - Value Based Payments <ul style="list-style-type: none"> FY 23: ½ for quality of care investment payments and ½ for performance based improvements (largest component is staffing) FY 24: ¼ for quality of care investment & ¾ for perf. based improvements 	25.0	25.0
Extend 12.5% rate increase for community mental health services	36.6	0.0
Primary Care Medical Services to 80% of Medicare	9.3	10.7
Obstetrics & Gynecology Services from 85 to 100% of Medicare	3.3	3.3
Vision Service rates – 30% increase	3.1	3.1
Dental Services rates - 5% increase	0	5.4
Psychiatric Residential Treatment Facilities – FY 23 inflation and FY 24 rebasing	0.7	3.0
Children’s Hospital of the King’s Daughters - Indirect Medical Educ. Payments	4.0	4.1
Virginia Home Nursing Facility Peer Group Reimbursement Change	2.6	2.6
Adult Day Care services – 12.5% increase	0.4	0.5
Total	\$260.1	\$258.1



Medicaid Spending: Covered Services

Medicaid Covered Services (GF \$ in millions)	FY 2023	FY 2024
Add 1,200 Developmental Disability Waiver slots • Language in HB 29 related to slot allocations	\$13.0	\$26.0
HB 241: Coverage of customized wheelchairs	2.4	2.4
HB 680: Brain injury case management services	1.7	1.7
Exclude excess assets from eligibility redeterminations of long-term care recipients	0.0	5.4
Medicaid coverage of care coordination & outreach for prisoners 30 days prior to release	1.1	1.4
Add prevention services and vaccines for adults in base Medicaid program	1.1	1.2
Eliminate Medicaid and FAMIS copayments	0.4	0.4
Mobile Vision Pilot Program	0.4	0.4
Total	\$20.1	\$38.9



Community BH/SUD Services

Community BH/SUD Funding (GF \$ in millions)	FY 2023	FY 2024
Fund STEP-VA remaining services & infrastructure needs <ul style="list-style-type: none"> \$22.2 million from ARPA funding in FY 2023 	NGF	\$28.3
Permanent supportive housing <ul style="list-style-type: none"> Will serve 625 adults with serious mental illness Includes \$1.7 million GF each year to serve 75 pregnant or parenting women with substance use disorder 	\$7.4	11.3
Discharge planning funds (DAP) for individuals ready for discharge from state facilities, IT system for clinical & financial tracking, study and rate improvement	3.7	3.3
Substance use disorder treatment <ul style="list-style-type: none"> \$5.0 million from ARPA funding in FY 2023 	NGF	5.0
Virginia Association of Recovery Residences	1.2	1.3
Virginia Mental Health Access Program to extend children's mental health services through pediatricians and ER physicians	1.4	1.4
Supplement funding for 14 mental health court dockets	0.7	0.7
Total	\$14.4	\$51.3



Crisis Services

Crisis Services (GF \$ in millions)	FY 2023	FY 2024
Crisis system transformation <ul style="list-style-type: none"> • Mobile teams and Crisis Receiving Centers • \$20.0 million in FY 2023 from ARPA funds 	\$2.0	\$22.0
Start up funds for new Crisis Receiving Centers <ul style="list-style-type: none"> • Northwest VA, Southwest VA and Northern VA 	7.5	0
Continue MARCUS Alert implementation <ul style="list-style-type: none"> • Funds five additional localities 	3.0	3.0
Funding for e988 Crisis Call Center <ul style="list-style-type: none"> • \$6.4 million in FY 23 and \$7.5 million in FY 24 from wireless surcharge 	NGF	NGF
Alternative custody for individuals subject to Temporary Detention Orders	2.0	3.4
Crisis system administrative positions	0.3	0.3
Total	\$14.8	\$28.7



DBHDS Continued

DBHDS & Other Facility Services (GF \$ in millions)	FY 2023	FY 2024
Increase compensation for direct care staff in DBHDS facilities from 10 th to 50 th percentile of market rates <ul style="list-style-type: none"> • \$57.8 million in FY 2023 from ARPA funds 	NGF	\$54.6
Increase compensation for direct care workers in CSBs <ul style="list-style-type: none"> • \$25.8 million in FY 2023 from ARPA funds 	NGF	25.5
Pilot program to expand discharge planning & therapeutic intervention at CSH & SVMHI	5.1	5.1
Overtime costs at state facilities	3.3	0.0
Additional security staff at ESH and NVMHI	1.8	1.8
Diversion and discharge pilots for individuals with dementia at state facilities <ul style="list-style-type: none"> • \$1.7 million in FY 2023 from ARPA funds 	NGF	1.7
Chesapeake Regional Hospital 20-bed Psych. Unit	3.1	0.0
Total	\$13.3	\$88.7



Department of Social Services

Child Welfare Services

- \$17.6 million GF and \$7.8 million NGF to fund the forecast of foster care and adoption subsidy payments
 - Reflects updated state and federal matching rate for Title IV-E foster care and adoptions based on revised Medicaid FMAP in FY 23 and FY 24
- \$8.5 million GF each year to supplant TANF Funds for relative support payment program for children to prevent foster care
- \$2.3 million GF and \$1.9 million NGF each year to adjust foster family home rates and adoption assistance maintenance payments by 5%
 - Required by Appropriation Act in year following a state employee salary increase
- iFoster Care Portal and Foster Care Housing Support (HB 349)
 - \$164,559 GF in FY 2023 and \$133,358 GF in FY 2024



Dept. of Social Services (cont.)

- Provides \$7.0 million GF and \$53.9 million NGF over the biennium and five positions to replace two major information technology systems
 - \$39.7 million NGF over the biennium for the Child Support Information System
 - \$7.0 million GF and \$14.2 million NGF over the biennium for the Child Welfare Information System
- Provides \$1.0 million GF each year over the biennium in new funding for the Sexual and Domestic Violence Prevention Fund
- Temporary Assistance to Needy Families (TANF) Block Grant
 - \$1.0 million NGF each year for Community Action Agencies
 - \$939,500 NGF each year for Child Advocacy Centers
 - \$200,000 NGF in FY 2023 for Good Shepherd Housing and Family Services



Virginia Dept. of Health Spending

Spending Items (GF \$ in millions)	FY 2023	FY 2024
Office of the Chief Medical Examiner		
Fund additional medicolegal death investigators	\$0.3	\$0.3
Local Health Department Items		
Fund the 3-year phase-in of local match rate changes	2.8	5.7
Reflect rent increases at Local Health Dept. facilities	0.9	0.9
Drinking Water and Environmental Health Items		
Stabilize support for Office of Drinking Water staffing	1.9	1.9
Create Chesapeake Bay septic pilot program	1.0	1.0
Support consolidation of small community waterworks	1.0	1.0
Other		
Hospital Trauma Centers <ul style="list-style-type: none"> \$13.0 million in FY 2023 from ARPA fund Language allocates funds based on Trauma Center Fund formula and requires hospitals to demonstrate an increase in TDOs since 2014 	NGF	0.0
Edmarc Pediatric Hospice Care – expand children’s hospice services	1.8	1.3
Expand comprehensive harm reduction services (naloxone, testing, etc.)	1.1	1.7
Total	\$10.8	\$13.8



Other Health Dept. Items

Health Workforce Items

- Provides \$1.2 million each year in matching funds for the Va. State Loan Repayment Program for health care professionals
- Adds \$1.0 million each year in nursing scholarship & loan repayment programs, including the Long-Term Facility Nursing Scholarship Program and the Nursing Preceptor Incentive Program
- Adds language in HB 29 requiring the Department of Health to publish information about all health care scholarship and loan repayment programs on its website and notify nursing schools and programs on available funding for the 2022-23 academic year no later than May 1, 2022

Other

- Adds language in HB 29 to allow federal dollars for school COVID-19 testing to be made available to localities or school divisions that request funding to contract with other vendors to expedite testing and results



Other Items

Secretary of Health and Human Resources

- Language continues workgroup on elevating aging services in the Commonwealth
- Provides \$1.3 million GF over the biennium to continue support for the Virginia Task Force on Primary Care

Department of Aging & Rehabilitative Services

- \$850,000 GF each year for independent living services

Department for the Blind and Vision Impaired

- \$125,000 GF each year for Radio reading services provided by five regional programs

State Corporation Commission (SCC)

- Language requires the SCC to analyze the Essential Health Benefits (EHB) benchmark plan and report its findings by November 1, 2022
- Language clarifies that qualified health plans are not required to provide state-mandated health benefits that are not part of the current essential health benefits package until a determination is made about the composition of those benefits



REPORT OF THE HIGHER EDUCATION SUBCOMMITTEE



Funding Recommendations for Colleges & Universities: \$452.5 million GF

- \$240.3 million to increase access and affordability at public colleges and universities
 - Allows institutions to limit in-state undergraduate tuition increases in FY 23 to no more than three percent
 - Includes \$6.0 million for increased advising capacity at the VCCCS
- \$61.8 million in financial aid for in-state undergraduates
- \$92.7 million to increase research efforts
 - \$39.2 million for increased cancer research at VCU and UVA
 - \$36.0 million GF and \$15.0 million in increased HEETF allocations for the UVA Institute for Biotechnology
- \$57.7 million in institution-specific initiatives to include \$11.5 million at UVA-Wise for rural economic development, \$15.6 million at VSU and \$9.7 million at NSU for initiatives designed to support student access and success



Biennial Allocation of New Operating Support & Financial Aid (\$ in millions)

Institution	Operating Support	Financial Aid	Institution	Operating Support	Financial Aid
CNU	\$7.7	\$0.8	UVA	\$12.5	\$1.1
CWM	5.8	0.3	UVA-WISE	2.9	0.6
GMU	14.6	10.4	VCU	26.1	4.7
JMU	29.3	4.0	VMI	4.6	0.1
LU	6.2	0.7	VSU	20.7	6.3
UMW	6.1	0.7	VT	23.1	2.5
NSU	20.4	7.5	RBC	2.6	0.2
ODU	14.5	8.0	VCCS	37.2	10.0
RU	6.1	3.8	TOTAL	\$240.3	\$61.8



VIMS, Extension, EVMS, Higher Education Centers & Jeff Labs - \$25.2 million

- \$14.5 million at higher education centers and EVMS
 - \$4.8 million at EVMS
 - \$1.2 million at the New College Institute
 - \$1.7 million at the Southern Virginia Higher Education Center
 - \$1.7 million at the Institute for Advanced Learning and Research
 - \$1.3 million at the Southwest Virginia Higher Education Center
 - \$0.7 million at the Roanoke Higher Education Center
 - \$3.0 million at Jeff Labs to plan for a high performance computer
- \$4.5 million at VIMS for O & M for new buildings & research
- \$6.2 million at VT Extension for O & M for new buildings & completion of the Building Resilience initiative



SCHEV - \$49.8 million

- \$25.8 million for Tuition Assistance Grants (TAG)
 - Increases award from current \$4,000 level to \$4,500 in FY 23 and \$5,000 in FY 24 for both undergraduate and graduate programs
 - Provides for continued support of online programs and benchmarks those awards to 50 percent of the regular award
 - Provides for a supplemental TAG award equal to 50 percent of the full award for eligible students at Hampton and Virginia Union Universities
- \$16.0 million for innovative internships
- \$10.8 million for the military survivors (VMSDEP) program
- \$5.2 million to provide financial aid to undocumented students in accordance with Chapter 107 from 2021, Special Session I
- \$3.3 million to enhance the Virtual Library
- \$13.5 million in ARPA funds in FY 23 for workforce credential grants



Other Higher Education Recommendations

- Other Education
 - JYF - \$8.2 million primarily related to American Revolution 250 Commission
 - Library of Virginia - \$2.3 million primarily to replace deteriorating microfilm
- \$14.5 million for the interest earnings / rebates financial incentive in Central Accounts
- ARPA allocations - \$35.1 million
 - UVA - \$21.1 million for unreimbursed COVID expenses
 - 21st Century Workforce Credential Grants - \$13.5 million
 - JYF - \$453,000 for COVID impact on tourism



Higher Education Policy & Reform

- Secretary of Education – evaluation of debt collection policies and practices
- SCHEV – Diverse Educator Program
- SCHEV- Students Right to Know Dashboard
- RBC – Innovative Education Model & Ground Lease
- NSU & VSU – Permissive language to use financial aid for programs related to high-demand field vacancies
- UVA Wise – graduate degree program approval
- VCCS – Restores G-3 language and links programs to regional business needs
- State Library – Historical Record Preservation
- Part 4 – Access to University Housing



REPORT OF THE COMMERCE, AGRICULTURE, AND NATURAL RESOURCES SUBCOMMITTEE



New MEI Investments

Investment (GF \$ in millions)	FY 2022	FY 2023	FY 2024
CoStar Infrastructure	\$15.0	\$0.0	\$0.0
Rocket Labs Infrastructure	15.0	0.0	0.0
CMA CGM Custom Performance Grant	(6.3)	1.4	1.2
Blue Star Manufacturing Site Infrastructure (through Virginia Business Ready Sites program)	8.5	0.0	0.0
Blue Star Manufacturing Workforce Training	1.4	0.6	0.7
Advance Payment for Amazon HQ2	0.0	78.0	42.5
New MEI Investment Totals	\$33.6	\$80.0	\$44.4



Economic Development

Investment (GF \$ in millions)	FY 2022	FY 2023	FY 2024
Economic Development Incentive Payments			
Virginia Business Ready Sites Program (includes \$8.5 million for Blue Star Manufacturing MEI Project in FY 22)	\$164.0	\$20.0	\$5.6
Level Fund the Commonwealth Dev. Opportunity Fund	19.8	19.8	19.8
New Business Accelerator in Roanoke	0.0	15.7	0.0
Governor's Motion Picture Opportunity Fund	4.0	4.0	4.0
Offshore Wind Supply Chain Program	0.0	5.0	0.0



Economic Development Continued

Investment (GF \$ in millions)	FY 2022	FY 2023	FY 2024
Virginia Economic Development Partnership			
Virginia International Trade Plan	\$1.1	\$4.6	\$4.6
Virginia Talent Accelerator Program	7.4	8.7	8.7
Economic Impact Study for Eastern Shore	0.0	0.2	0.0
Housing and Community Development			
Increase Funding for Enterprise Zone Program	14.8	16.3	16.3
Economic Development Totals	\$211.1	\$94.5	\$59.0

- House Bill 30 includes an appropriation of \$29.6 million in federal ARPA funds for the City of Petersburg to upgrade its water and wastewater infrastructure, which is necessary to support an emerging pharmaceutical industry in the Richmond Metro Area
 - Saves \$10.0 million GF in FY 2022 as a result of this action



Small Business

- Deposits \$180.0 million NGF in federal ARPA funds to the Unemployment Insurance Trust Fund
 - Eliminates the Fund Builder tax for Virginia employers
 - Ensures that no employer has a higher UI tax burden than their 2021 rate until pandemic related claims are no longer a factor
- Provides an additional \$160.0 million NGF in federal ARPA funds to support all remaining eligible Rebuild Virginia applications
- Provides \$3.0 million GF in additional resources for the Regional Innovation Fund managed by the Virginia Innovation Partnership Authority
- Supports the Virginia Main Street Program with \$500,000 GF in each year and \$4.0 million NGF in federal ARPA funds
- Continues the Community Development Financial Institutions program established in Chpt. 552, Special Session I



Workforce

Investment (GF \$ in millions)	FY 2022	FY 2023	FY 2024
Executive Offices			
New Special Advisor for Health Workforce	\$0.0	\$0.2	\$0.2
Economic Development Incentive Payments			
Virginia Health Workforce Development Fund	0.0	2.0	0.0
GO Virginia Talent Pathway Planning	2.5	0.0	0.0
Housing and Community Development			
GO Virginia Talent Pathways Implementation	0.0	9.0	0.0
Central Accounts			
Lee Workforce Development and Training Center	0.0	0.4	0.0
Workforce Development Totals	\$2.5	\$11.6	\$0.2



Community Development

Investment (GF \$ in millions)	FY 2023	FY 2024
Housing and Community Development		
Level Fund the Virginia Housing Trust Fund	\$55.0	\$55.0
Water Line Extension to Virginia International Raceway	0.0	4.0
Maximize Federal Assistance for Coal Communities	0.2	0.2
Department of Energy		
Eliminate Proposal for New Solar Loan Program	(30.0)	0.0
Central Accounts		
Additional Funding for the Slavery Freedom and Heritage Trail Site	1.0	0.0
Community Development Totals	\$26.0	59.0



Community Development Continued

- Directs \$11.4 million NGF in Regional Greenhouse Gas Initiative proceeds to provide flood relief the residents of Hurley in FY 2022
- Deposits \$25.1 million NGF in federal ARPA funds into the Industrial Revitalization Fund to support community development and revitalization projects
 - Directs \$2.6 million of these funds to the City of Petersburg for the demolition of the Ramada Inn along Interstate 95
- Provides \$630,000 in federal ARPA funds for Planning District Commissions (PDCs) to assist member communities with COVID-19 coordination and recovery activities
- Continues the current Virginia Telecommunications Initiative (VATI) policy to allow public broadband authorities to access up to 10% of VATI funding in each fiscal year without a private sector partner



Tourism

Investment (GF \$ in millions)	FY 2023	FY 2024
Virginia Tourism Authority (VTA)		
Develop a Rural EV-Charging Station Network	\$5.0	\$0.0
OpSail 250 Support for the City of Norfolk	3.0	0.0
Increase for Spearhead Trails Initiative	1.0	1.0
Virginia Sports Hall of Fame	0.1	0.0
Total Tourism	\$9.1	\$1.1

- Provides operating support for the Danville Welcome Center of \$350,000 NGF over the biennium
- Directs the Virginia Tourism Authority to build an educational website on Virginia sites featured in the Green Book



Water Quality

- Includes \$313.0 million GF first year deposit in the Water Quality Improvement Fund (WQIF) based upon FY 2021 revenue surplus and unexpended agency balances
- Of this amount, deposits \$256.5 million in the Natural Resources Commitment Fund
 - Fully funds the needs assessment agricultural best management practices for the 2022-24 biennium
 - \$164.7 million for projects inside the Bay watershed
 - \$70.6 million for projects outside of the Bay watershed
 - \$21.2 million to fund technical assistance provided by soil and water conservation districts
- \$15.9 million deposited in the WQIF reserve
- \$40.6 million is directed toward a number of new and continuing water quality-related programs and activities
- A separate amendment provides \$3.6 million GF each year in additional operating funding for soil and water conservation districts



Water Quality

- \$40.6 million GF of the FY 2023 Water Quality Improvement Fund Deposit is directed toward a number of new and continuing water quality-related activities and programs

Initiative	FY 2023 Amount
DCR - Small Herd Initiative	\$8,000,000
Conservation Reserve Enhancement Program (CREP) Match	6,000,000
DEQ - Assistance for Newly Regulated MS4 Localities	5,000,000
DEQ/VDH - Shenandoah River Harmful Algal Bloom Study	2,500,000
Poultry Litter and Other Nonpoint Source Reduction Projects	4,560,000
Virginia Conservation Assistance Program	4,000,000
Dept. of Forestry - Virginia Trees for Clean Water Program	4,000,000
Incentives for Riparian Buffers by Agricultural Producers	2,000,000
State Lands Watershed Implementation Plan	1,000,000
Conservation Application Suite	1,500,000
Dept. of Forestry - Water Quality Grants	1,000,000
Virginia Cooperation Extension Outreach	700,000
DCR - Small Farm Outreach Program	250,000
VDH / VIMS - Septic Hot Spots Identification and Mapping	100,000
Total	\$40,600,000



Water Quality

- Provides an additional \$62.5 million NGF from ARPA funds for grants to the Cities of Lynchburg and Richmond for their combined sewer overflow control projects
- Directs \$71.9 million NGF from ARPA funds for local water, wastewater, and sewer projects
 - \$27.0 million to the City of Fredericksburg
 - \$17.0 million to the Town of Quantico
 - \$16.0 million to the King George County Service Authority
 - \$4.5 million to the Town of Accomac
 - \$3.5 million to the Town of Exmore
 - \$2.4 million to the Town of Wachapreague
 - \$1.5 million to the Town of Parksley



Department of Conservation and Recreation

- Provides a total of \$26.4 million GF over the biennium to support several areas of DCR operations

Item (GF \$ in millions)	Biennium
Cuffee Community Center Pool	\$9.0
Va. Bch. Boat Ramp Improvements	6.6
Positions to Support State Park Operations	1.9
Sweet Run State Park Operations	1.4
Backfill Previously Federally Supported Positions	1.1
State Park Maintenance	1.0
New River Trail Inn	0.9
Machicomoco State Park Operations	0.8
State Environmental Literacy Plan	0.6

Item (GF \$ in millions)	Biennium
First Landing State Park Maint.	\$0.5
Pocahontas State Park Ops.	0.4
Wilderness Trail Interp. Ctr.	0.3
Powhatan State Park Staffing	0.3
Dam Safety Positions	0.8
Other Agency Positions	0.8
Total	\$26.4



Other Natural Resources Agencies

Department of Environmental Quality

- Provides an additional \$8.1 million GF in FY 2023 and \$9.5 million GF in FY 2024 to match anticipated increases in federal funding available to the Clean Water Revolving Loan Fund

Department of Historic Resources

- Includes \$2.5 million GF each year in additional support for the Battlefields Preservation Fund
- Provides \$2.5 million GF each year to capitalize the Black, Indigenous, and People of Color Preservation Fund pursuant to House Bill 141
 - \$88,000 each year and one position included to support the program
- Includes \$19.7 million GF in FY 2023 in one-time funding to support 12 historic and cultural attractions across Virginia

Marine Resources Commission

- Provides \$3.0 million GF the first year to support the removal of derelict boats from Virginia waterways
- Includes \$1.5 million GF the first year for the non-federal portion of costs of an erosion and sea-level rise study in the Town of Chincoteague



Agriculture and Forestry

VDACS

- Includes \$2.1 million GF in FY 2023 and \$800,000 GF in FY 2024 in additional support for the Agriculture and Forestry Industries Development (AFID) Fund
 - Increases AFID funding to \$3.0 million in FY 2023 and \$1.75 million in FY 2024
- Provides \$1.0 million GF in FY 2023 to establish the Virginia Spirits Promotion Fund

Department of Forestry

- Includes \$1.4 million GF in FY 2023 to support construction and maintenance of recreation facilities in Virginia State Forests
- Provides \$2.5 million GF in FY 2023 and \$400,000 GF in ongoing funding to re-establish hardwood seedling operations at the nursery in New Kent County
- Capitalizes the Forest Sustainability Fund with a \$1.0 million GF deposit in FY 2023, pursuant to House Bill 180



REPORT OF THE GENERAL GOVERNMENT AND CAPITAL OUTLAY SUBCOMMITTEE



Capital Outlay Goals

- Maintain capital process whereby projects previously approved and planned have funding priority
- Address prior commitments and emergency projects
- No new tax-supported debt



HB 29

- \$286.4 million in amendments to capital outlay in HB 29
 - \$255.0 million GF in project supplement pool
 - Language specifying allocation to projects at GMU, UVA, VT, and the Department of Forensic Science
 - \$75.0 million supplants previously-authorized VPBA debt
 - \$20.7 million GF in equipment for Tech Talent (prior commitment)
 - \$8.7 million for a project to enhance VMI Cadet Safety & Security
 - \$2.1 million for CNU to complete planning for the Integrated Science Center
- Language amendments:
 - Clarifies CCAM acquisition and the C-4 Cloud Computing Center authorized in a previous session
 - Directs a workgroup to review VADOC capital priorities



HB 30 - Overview

- \$2.1 billion general fund for capital outlay
 - \$885.7 million for nine projects in the Higher Education Capital Pool
 - \$126.6 million for six projects in the State Agency Capital Pool
 - \$286.0 million for 32 stand-alone projects (mostly improvements)
 - \$405.2 million for maintenance reserve
 - \$31.0 million for equipment for new buildings coming online
 - Additional \$12.9 million for next infusion of Tech Talent equipment
 - \$25.0 million for water quality projects



2022 Higher Education Project Pool (Item C-75)

- Includes projects that were previously authorized and planned or are of an emergency nature
 - Longwood – Wygal Hall Replacement
 - JMU – Renovate Carrier Library
 - ODU – Construct Biology Building
 - VCU – Construct Arts and Innovation Building
 - CNU – Integrated Science Center, Phase III
 - VCCS – Reconstruct Templin Hall Auditorium
 - VT – Replace Randolph Hall
 - NSU – Construct Pre-School Academy
 - UMW – Construct Fine & Performing Arts Center



2022 State Agency Project Pool (Item C-76)

- Includes projects that were previously authorized and planned or are of an emergency nature
 - VSDB – Construct Storm Shelters
 - Frontier Culture Museum – Construct Crossing Gallery
 - DGS / DBHDS – Renovate Eastern State Hospital
 - DCR – Twin Lakes Visitor Center
 - DCR – Kiptopeke Boat Ramp & Parking Area
 - State Police – Replace Training Academy



Key General Fund Standalone Projects

- \$266.0 million for NIT North - Virginia Port Authority
- \$18.5 million to support the required move of the VCU Computer Center out of the Pocahontas Building
 - Needs to be complete by December 2023 to begin renovation of the building into the future Commonwealth Courts Building
- \$23.5 million to the Virginia Marine Resources Commission for shovel-ready shallow-draft dredging projects
- \$35.0 million for repairs and infrastructure at Virginia State University
- \$42.8 million in repairs and infrastructure in the state park system
- \$12.5 million for the final installment of the STARS upgrade for State Police



Maintenance Reserve (Item C-72)

- Provides a total of \$405.2 million general fund over the biennium
 - \$50.0 million increase over HB 30
 - Includes an additional one-time allocation of \$1.2 million in FY 2023 for security upgrades at EVMS
- Amends the allocation to temper the transition to a distribution methodology based on facilities condition
 - House allocation ensures that no agencies receives a lower maintenance reserve allocation than that which they received in FY 2022



Planning - General Fund

- Eliminates proposed new \$76.3 million general fund planning pool
 - Would have added \$2.0 billion to the \$6.5 billion in existing future obligations
- General fund for new planning is limited to two projects
 - \$4.0 million to supplement previously authorized Courts Building Replacement due to scope change from expanded Court of Appeals
 - \$1.0 million to plan for transformation of Catawba Hospital



Other Capital

- Allocates \$6.0 million general fund in Treasury Board to defease bonds for the VDACS Eastern Shore Farmers Market
- Appropriates \$7.2 million in ARPA funds for eligible HVAC improvements at EVMS
- Includes language directing DGS to review local and regional jail projects
 - Projects currently reviewed by VADOC and the Board of Local and Regional Jails
 - State pays 25% of the cost of these jail projects



Compensation Board

- Local and Regional Jails
 - \$89.6 million for targeted salary actions for sworn sheriff's deputies and regional jail staff
 - \$23.0 million to meet new behavioral health standards
 - Phases-in more than 500 positions over the biennium
 - \$18.6 million to increase per diem payments to local and regional jails
 - Will increase from \$12 to \$16 per day for state-responsible inmates
- Provides additional funding for constitutional officers
 - \$2.3 million - 100% of unfunded positions for Circuit Court Clerks & 10% of unfunded positions for Commissioners of Revenue & Treasurers
 - \$0.6 million to address 100% of underfunded positions for Circuit Court Clerks & Treasurers
 - \$1.6 million in career development funding supplements
 - \$2.0 million to fully restore technology funding for Circuit Court Clerks



Cybersecurity

- Adds nearly \$150 million in new cybersecurity initiatives, including:
 - \$48.0 million for new staffing and operational support at VITA
 - \$48.5 million in targeted state agency initiatives
 - \$26.3 million for a new State and Local Cybersecurity Program
 - \$4.9 million general fund as state match to \$21.4 million in federal grants
 - 80% of funding to go to local governments
 - \$20.0 million general fund in Central Accounts for the Secretary of Administration to oversee statewide cybersecurity initiatives
 - \$3.8 million for the legislative branch to strengthen oversight



Elections

Investment (GF \$ in millions)	FY 2023	FY 2024
Mailer to All Voters on New Legislative Districts	\$2.2	\$0.0
Cover Software Costs for Elections Security	0.3	0.3
New Positions for ELECT (IT, Fiscal Division, and Managed Replacement of VERIS)	0.3	0.3
House Bills 492, 86, 305, and 1090/46	0.3	0.1
Adjust ELECT's Base Budget to Remove One-Time Funding	(0.3)	(0.3)
Eliminate a Proposed New Voter Education and Outreach Function for the Agency	(1.4)	(1.4)
Elections Total	\$1.4	(\$1.0)



Other General Government Spending

(GF, \$ in millions)	Biennial \$	FTE
EXECUTIVE OFFICES		
Office of the Governor - new statewide Transformation office (includes staffing and start-up funding in central accounts)	\$15.5	5.0
Office of the Attorney General - Operation Ceasefire Grant program	5.0	0.0
- Staffing to address workloads from appeals expansion	5.2	24.0
JUDICIAL BRANCH		
District Courts - Provide 120 positions for local district court offices	15.6	120.0
- Additional District Court judgeship for the 22 nd district	0.5	0.0
Supreme Court - Study of judicial workloads in all Virginia courts (FY 22)	0.5	0.0
Circuit Court - Additional Circuit Court judgeship for the 31 st district	0.6	0.0
Indigent Defense Commission - Public defenders to address workloads	1.7	8.0
FINANCE		
Sect of Finance - Interagency Office on Infrastructure Funding Coordination	1.0	0.0
Dept of Taxation - Administer tax policy changes	2.2	0.0
Dept of Treasury - Provide relief for seven wrongfully incarcerated persons	6.5	0.0



REPORT OF THE TRANSPORTATION AND PUBLIC SAFETY SUBCOMMITTEE



Department of Corrections

- Provides an additional \$20.5 million GF over the biennium for inmate medical services to reflect inflation and utilization projections
 - Also includes 276 positions in FY 2023 and 432 positions in FY 2024 to reflect DOC plan to bring all inmate medical services “in-house” over the biennium
 - Companion amendment to caboose bill provides a \$6.8 million GF increase in FY 2022 for increased inmate medical costs
- Includes \$4.9 million GF in FY 2023 and \$5.9 million GF in FY 2024 for new mental health and cognitive counselor positions
- Provides \$5.7 million GF over the biennium to reflect contract cost increases for the Department’s community residential program
- Supports \$5.7 million GF over the biennium for 47 additional probation and parole officers to reduce average sex offender supervision caseloads
- Makes a one-time \$747,000 GF deposit in the Corrections Special Reserve Fund to reflect 15 House Bills affecting criminal sentencing



DCJS

- Provides \$100 million in ARPA funds the first year for grants to state and local law enforcement agencies for training and equipment
 - Specifies that no less than \$80 million of this amount be provided to local law enforcement agencies with no matching requirements
- Includes \$25.8 million each year to support additional School Resource Officer Incentive Grants
- Includes \$1.4 million GF each year for the Sexual and Domestic Violence Victim fund to support forensic nurse examiners
- Provides \$400,000 GF each year for the Virginia Victim Assistance Network
- Includes \$466,000 GF over the biennium to support human trafficking recognition training for hotel employees pursuant to House Bill 258



Other Public Safety Agencies

State Police

- Includes \$8.3 million GF in FY 2023 and \$6.3 million GF in FY 2024 for technology projects
- Provides \$335,000 GF over the biennium and one position to establish the Office of the Illegal Gaming Enforcement Coordinator pursuant to House Bill 766

VDEM

- Includes \$8.1 million GF in FY 2023 for ongoing Covid-19 response activities
- Provides \$2.0 million GF in FY 2022 to assist the City of Richmond with response and recovery activities related to the fire at Fox Elementary School
- Includes \$1.0 million GF each year to support 10 positions currently supported by federal grants

Cannabis Control Authority

- Includes \$10.3 million GF in FY 2023 and \$14.1 million GF in FY 2024 and 101 positions to establish operational funding for the Virginia Cannabis Control Authority



Veterans and Defense Affairs

Secretary of Veterans and Defense Affairs

- Includes \$5.0 million GF in FY 2023 to capitalize a proposed State Military Community Infrastructure Program
- Provides \$700,000 GF over the biennium for encroachment mitigation activities in the vicinity of Joint Base Langley Eustis

Department of Veterans Services

- Supports \$18.3 million GF over the biennium and 57 positions to increase veterans services capacity across the Department's program areas
- Includes \$5.0 million GF each year to establish a new program focused on the prevention of suicide and opiate use among Virginia veterans

Department of Military Affairs

- Increases by \$1.0 million GF each year support for the National Guard State Tuition Assistance Program (STAP)



GF Transportation Recommendations

- Committee GF recommendations include
 - \$115.8 million GF in FY 2022 (HB 29) to reflect the statutory requirement that 67 percent of the undesignated surplus FY 2021 general fund revenues be designated in the Governor's introduced budget for non-recurring transportation expenditures
 - \$61.7 million GF in FY 2023 (HB 30) for multi-use trails and other high priority transportation projects



Transportation GF Allocations

Project (GF \$ in millions)	FY 2022	FY 2023
Mid-Atlantic Regional Spaceport	\$30.0	\$0.0
Air Terminal Interchange Navy Base	20.0	0.0
Improve I-64 between exits 205 & 234	20.0	30.0
Nimmo Pkwy Project	10.0	0.0
Planning Cost for Norris Bridge	0.0	5.0
Repair McMullen Bridge in Smyth County	0.0	5.0
Purchase right of way in Shenandoah Valley	30.0	0.0
Fall Line Trail	5.8	9.2
Craig Valley Railbed Trail	<u>0</u>	<u>12.5</u>
Total	\$115.8	\$61.7



NGF VDOT Recommendations

- Committee recommended amendments to HB 29 proposes increase of \$647.4 million NGF in FY 2022
- The net VDOT appropriation increases by \$741.2 million NGF in the first year and \$1.0 billion NGF the second year
- These recommendations reflect the December 2021 Commonwealth Transportation Fund revenue forecast as well as the increases in federal formula funding anticipated under the Infrastructure Investment and Jobs Act (IIJA)



Public Transportation Amendments

Department of and Public Transportation (DRPT)

- Includes \$37.9 million NGF in FY 2023 and \$53.1 million NGF in FY 2024 for concession payments for the I-66 “Outside the Beltway” and I-395 projects

Virginia Passenger Rail Authority

- Sets out funding of \$343.1 million NGF in FY 2023 and \$278.7 million NGF in FY 2024 for the authority which was created in legislation adopted in the 2020 general assembly session
 - Funding of \$109 million NGF each year was transferred out of DRPT to support the new Rail Authority

