

Key Features - House Bill 29 (Caboose)
As Amended by the Conference Committee
May 29, 2022

Resources

- General Fund (GF) resources total \$29.2 billion for FY 2022.
 - Includes \$1.25 billion in GF revenues from the mid-session revenue update.
- GF revenues are adjusted downward by \$165.6 million to reflect conformity with the tax provisions of the American Rescue Plan Act (ARPA).
 - Assumes full conformity to the federal allowance of deductions for business expenses funded with forgiven PPP loans and other similar tax-exempt funds effective for tax year 2021.
- A reduction of \$202.8 million GF to fully eliminate the Accelerated Sales Tax requirement.

Revenue Stabilization Fund

- Provides \$498.7 million GF in FY 2022 as an advanced reserve for an anticipated mandatory deposit to the Revenue Stabilization Fund in FY 2024 based on FY 2022 year-end revenues.

Judicial

- Adopts the reversion of \$33.5 million in existing Criminal Fund balances to the general fund.

- Provides \$500,000 GF the second year for a study on judicial workloads, to include appellate courts.

Commerce and Trade

- Includes almost \$40.0 million GF to meet MEI-approved commitments for economic development initiatives.
- Provides \$130.0 million in ARPA to fund all remaining applications for the Rebuild Virginia program, which provides direct assistance to small businesses impacted by the COVID-19 pandemic.
- Dedicates \$11.4 million in Regional Greenhouse Gas Initiative funds to provide assistance to the victims of flooding in Hurley, Virginia.
- Recaptures \$27.5 million in unused balances from the Virginia Growth and Opportunity Fund.

Public Education

- Maintains \$67.1 million GF in FY 2022 for teacher retirement costs that were previously split-funded using Literary Funds.
- Includes a \$126.2 million GF increase reflecting the net impact of revised FY 2022 sales tax estimates.
- Includes \$83.5 million GF in savings resulting from lower No Loss payments due to other technical updates.

Health and Human Resources

Medicaid

- Captures \$890.5 million GF in savings based on the Medicaid forecast which reflects enhanced federal funding, including the recent extension of the federal public health emergency, and lower utilization due to the pandemic.
 - Reflects additional savings of \$132.8 million GF from higher revenue in the Health Care Fund, the largest portion being the cash balance from FY 2021.
- Reflects \$12.6 million GF in savings from a delay by the Department of Behavioral Health and Developmental Services in releasing the authorized Developmental Disability waiver slots nearly seven months into the fiscal year.
- Captures \$11.3 million GF in savings from the Children's Health Insurance Programs due to lower managed care rates and lower utilization.

Behavioral Health

- Provides \$9.0 million GF to continue temporary facility contracts for direct care staff to assist with shortages in the state mental health facilities and provides \$4.2 million GF for overtime costs at state mental health hospitals.
- Includes \$5.2 million GF for the costs of a temporary kitchen at Eastern State Hospital as a result of a sewer leak.
- Maintains \$2.0 million GF to support the transition of crisis assessment centers into receiving centers that will better support individuals experiencing a mental health crisis.

Labor

- Eliminates the “fund builder” component of the unemployment insurance tax for all employers starting in calendar year 2023 with an administrative deposit of \$180.0 million from remaining balances in the federal Coronavirus Relief Funds to the UI Trust Fund.

Public Safety

- Maintains \$6.8 million GF for increased inmate-related medical expenditures in state correctional facilities.
- Redirects \$12.0 million GF in unobligated funds at the Virginia Department of Emergency Management.

Transportation

- Provides \$287.5 million GF in FY 2022 for strategic investments in statewide high-priority transportation projects (\$115.8 million reflects statutory requirement that 67 percent of undesignated surplus from the prior year revenues be deposited for nonrecurring transportation expenditures). Priority projects include:
 - \$210.0 million for widening nine miles of I-64 between Exit 205 and Exit 234;
 - \$37.5 million to establish a State Trails Office within the Virginia Department of Transportation and enhance the existing network of state and local multi-use bicycle and pedestrian facilities;
 - \$30.0 million for improvements to the Mid-Atlantic Regional Spaceport; and
 - \$10.0 million to support the extension on Nimmo Parkway in the City of Virginia Beach.

- Includes an upward adjustment of \$647.4 million NGF in the current fiscal year to reflect both the December revised Commonwealth Transportation Fund forecast and the anticipated federal formula funding increases under the Infrastructure Investment and Jobs Act.

General Government

- Provides \$750.0 million GF in FY 2022 for a lump sum payment to the Virginia Retirement System (VRS) to address unfunded liabilities of retirement plans and other post-employment benefits plans.
 - A separate amendment in HB 30 includes language directing an additional \$250.0 million deposit to the VRS statewide plans, contingent upon sufficient FY 2022 general fund revenues collected in excess of the Official Revenue Estimate for the second year of the 2020-2022 biennium.

Capital Outlay

- Provides \$387.6 million, including \$381.4 million GF and \$6.2 million NGF, including:
 - \$350.0 million GF to supplement previously authorized pool projects;
 - \$20.7 million GF for Tech Talent capital equipment or upgrades; and,
 - \$8.7 million GF to improve cadet safety and security at Virginia Military Institute.