

Overview of Conference Package

HB 29 and HB 30

General Guidance

- Conferees' objectives focused on five core priorities:
 - Enhancing our reserves, as part of an overarching focus on structural integrity
 - Providing employee compensation increases for all groups of employees,
 - Ensuring college remains accessible and affordable for Virginia's students,
 - Supporting the strategic investments the Governor proposed in public education, health and human resources and environmental protection, and
 - Making progress on workforce equity in Virginia

Overall Funding Priorities

Structural Integrity

- Adds an additional \$182 million to the Revenue Reserve Fund
 - Governor had proposed \$300 million in HB 30 as introduced
 - Brings our combined reserve balances to a historically high \$2.0 billion by FY 2022
- Maintains strong structural integrity going into the 2022-24 biennium
 - Expenditures in FY 2022 do not exceed FY 2022 revenue forecast when one-time spending is excluded
 - This means that when developing the FY 2022-24 biennial budget, all existing programs are fully supported and any additional revenue growth can be used for future needs
- Leaves an unappropriated balance of \$13.7 million at close of the biennium

Overall Funding Priorities

Compensation

- Provides compensation adjustments for all employee groups in both years of the biennium
 - 3% bonus in year 1, 3% pay raise in year 2 for all state and university employees (including adjunct faculty)
 - 2% increase in year 1 and 2% increase in year 2 for teachers
 - Retained compression adjustments and special salary increases for local social services and for correctional officers
 - Includes compression adjustment and 2% salary increase in first year (in lieu of bonus) for State Police in addition to the 3% second year pay raise
 - State supported local employees receive 2% bonus first year and 3% pay raise in second year

Overall Funding Priorities

Higher Education

- Provides a total of \$79.8 million to keep in-state tuition at the FY 2020 rates in FY 2021
- Includes \$69 million over biennium to implement the G-3 “free” community college initiative
- Increases in-state financial aid by \$60.6 million
- Fully funds HB 30 proposals at HBCUs
- Increases TAG funding by \$6.0 million over the biennium and grandfather’s in current online students
 - Will fund the costs of a \$4,000 per year grant in FY 2022

Capital Outlay

- Reduces overall tax-supported debt by over \$500 million compared to the Introduced Budget while retaining support for previously approved projects

Overall Funding Priorities

K-12:

- Increases total funding for K-12 by about \$1.4 billion over the biennium
 - Per pupil allocation is above FY 2008 levels even after adjusting for inflation
- Provides \$98 million increase for early childhood education
- Increases funding for both school counselors and English Language Learner teachers pursuant to House legislation
- Maintains 40% distribution of Lottery Funds on a per pupil basis to provide flexibility to localities to meet their unique needs
 - Establishes the Infrastructure and Operations Fund as a PPA subfund
 - 30% of total PPA in FY 2021 and 40% in FY 2022 is deposited into the fund and must be dedicated to non-recurring expenditures
 - Includes a floor that ensures that every school division receives at least \$200,000
 - Intended to address the wide variety of capital needs ranging from roof repairs, general renovations and upgrades, design and planning of new schools, purchase of school buses, etc.
- Provides \$19.5 million to increase Cost of Competing Adjustment to 16%
- Provides an additional 1% to At Risk Add On in FY 2022
 - HB 30 as introduced increased it from 16% to 25%

Overall Funding Priorities

Health and Human Resources

- Provides \$64.8 million GF over the biennium to increase personal care rates by 5% in FY 2021 and 2% in FY 2022
- Includes \$43.4 million GF to increase DD waiver provider rates
- Also includes \$16.5 million to adjust nursing home rates
- Provides \$19.2 million to provide overtime for personal care attendants
- \$34.0 million GF to add Medicaid adult dental benefits
- Maintains the 1,135 additional Medicaid Developmental Disability Waiver slots included in HB 30 and adds \$4.1 million to increase the number of waiver slots by 250 in FY 2022
- Provides \$56 million over the biennium to continue the implementation of STEP-VA outpatient, veterans, mobile crisis and peer support services
- Includes more than \$50.5 million for community services to transition individuals from state mental health hospitals, including discharge assistance plans, permanent supportive housing and regional initiatives

Overall Funding Priorities

Commerce and Trade

- Establishes the Virginia Innovation Partnership Authority pursuant to HB 1017 and provides \$45.7 m. (all funds) in FY 2021 and \$39.7 m in FY 2022 to support the research and start-up programs consolidated into this new entity
- Provides \$60.0 million over the biennium for the Housing Trust Fund
 - \$10 million reduction transferred to permanent supportive housing efforts in the Department of Behavioral Health and Developmental Services
 - Also fully funds the eviction prevention and diversion program as proposed in HB 30 (\$3.3 million each year)
- Provides \$70.0 million over the biennium for the Virginia Telecommunications Initiative (VATI)
- Provides \$34.5 million in FY 2020 and FY 2021 and \$30.0 million in FY 2022 to support GO Virginia and its efforts to promote regional economic development
- Increases funding for the VJIP program at VEDP to provide \$4.7 million each year for this business attraction and retention tool
- Includes \$4.0 million each year for the Motion Picture Opportunity Fund

Overall Funding Priorities

Natural Resources

- Provides \$76 million over biennium for the Water Quality Improvement Fund
 - Includes \$4.6 million each year in SWCD technical assistance funding provided as part of the base SWCD appropriation to ensure stable revenue stream
- Includes \$10.0 million each year for the Virginia Land Conservation Fund
- Provides approximately \$18.0 million in additional funding for staffing and equipment at the Department of Environmental Quality
 - Fully funds priority 1 package in the first year and priorities 1 and 2 in the second year
- Includes \$15.0 million GF for dam safety in the first year and \$10 million in bond funding for oyster restoration efforts

Overall Funding Priorities

Public Safety

- Includes \$17.3 million in increased HB 599 over the biennium
- Package includes \$6.0 million and 11 positions at State Police for HB 1250, the Community Policing Act
- Provides \$2.5 million over the biennium and positions and 12 positions at the OAG and OES for HB 974 - Writs of Actual Innocence
- Fully funds the pretrial and probation services expansion included in the introduced budget
- Includes funding for gun violence prevention and intervention grants through the Department of Criminal Justice Services
- Includes funding a new Public Defender Office in Prince William County, the largest jurisdiction in the Commonwealth that does not have one

General Government

- Provide \$7.7 million for additional deputy district court clerks from increased civil filing fees and also provides \$1.0 million over the biennium for the Technology Trust Fund
- Provides \$2.0 million GF to match \$10.2 million in federal HAVA funding to begin replacing the Department of Elections VERIS system
 - Also funds a new Deputy Director at the department pursuant to HB 540
- Funds 3 positions at the Attorney General's office to ensure compliance with labor law and nondiscrimination legislation adopted by both bodies
 - Also increases the allowed retention of consumer protection revolving trust fund to \$1.25 million each year and provides \$250,000 each year for IT improvements