

Overview of Adopted Amendments to the 2018-20 Budget Chapter 854

The adopted amendments to the 2018-20 biennial budget reflect substantial upward adjustments in both resources and spending as compared to Chapter 2 of the 2018 Acts of Assembly, Special Session I. Assumed revenue adjustments reflect both modest growth in ongoing economic sources and additional resources derived from tax policy changes enacted during the 2019 General Assembly Session. When combined with the FY 2018 revenue and transfer collections, which exceeded the official forecast by \$555.5 million, assumed economic growth and tax policy related actions, the additional resources available for appropriation in the FY 2018-20 biennium total approximately \$1.57 billion.

Amendments to the 2018-20 Budget Chapter 854 (GF \$ in millions)			
	<u>FY 2019</u>	<u>FY 2020</u>	<u>2018-20</u>
GF Resources, Chapter 2, 2018 SSI	\$21,028.8	\$21,606.7	\$42,635.5
Net Resource Adjustments	<u>645.6</u>	<u>922.0</u>	<u>1,567.6</u>
Available Resources	\$21,674.4	\$22,528.7	\$44,203.1
GF Appropriations, Chapter 2, 2018 SSI	\$20,990.5	\$21,642.5	\$42,633.0
Net Operating Adjustments	452.6	1,105.3	1,557.9
Net Capital Outlay Adjustments	<u>1.5</u>	<u>3.2</u>	<u>4.6</u>
Total Appropriations	\$21,444.6	\$22,751.0	\$44,195.5
Unappropriated Balance	\$229.9	\$ (222.3)	\$7.6

Resources

Chapter 854 of the 2019 Acts of Assembly includes \$44,203.1 million in general fund resources available for appropriation. General fund growth rates assumed in the budget are 3.3 percent in FY 2019 and 5 percent in FY 2020. These growth rates reflect the impact of adopted policy adjustments as well as assumed “economic” growth of 3 percent in FY 2019 and 3.7 percent in FY 2020, which were revised down from 3.7 percent and 3.9 percent reflected in Chapter 2.

FY 2018 General Fund revenues rose by 6.3 percent, well ahead of the official forecast of 3.4 percent growth, resulting in a revenue surplus of \$555.5 million (including transfers). The

gain in net individual income tax and sales tax, about \$618.0 million, was somewhat offset by shortfalls in all other revenue sources. As a result of the higher than anticipated base, FY 2019 tax collections have to grow 1.5 percent to meet the revenue assumptions included in Chapter 2.

In addition to economic adjustments to the forecast, Chapter 854 includes a net total of \$390.1 million associated with enacted tax policy adjustments. It assumes \$1.2 billion in additional revenues from conformity with the federal Tax Cut and Jobs Act of 2017 (TCJA). These revenues are offset by a reduction in revenues of \$976.0 million GF resulting from tax relief legislation enacted during the 2019 General Assembly Session. Additional tax policy changes include \$107.5 million GF from reinstating the Pease Limitation in taxable year 2019, \$82.5 million GF from legislation authorizing collection of additional sales tax from internet retailers, and a one-time cost of \$27.2 million to increase the threshold for retailers required to participate in the Accelerated Sales Tax (AST) collection program in FY 2020. When added to the economic-based revisions to the collection forecast, these changes are estimated to increase overall growth to 3.3 percent in FY 2019 and 5 percent in FY 2020, bringing total assumed general fund resources to \$44.2 billion for the biennium.

In total, the proposed revisions to the FY 2018-20 resources contained in Chapter 854 include \$1.57 billion more in general fund resources than that assumed in Chapter 2, including:

- Upward adjustments to the FY 2019 and FY 2020 general fund revenues of \$548.2 million;
- Additional revenues of \$390.1 million from tax policy changes, including an increase of \$1.2 billion in general fund revenues from conformity to the TCJA, substantially offset by a reduction of \$976.0 million resulting from tax relief legislation enacted during the 2019 General Assembly Session; and,
- A net balance adjustment of \$609.2 million.

Details on revenues, adjustments to general fund balances and transfers, as well as proposed tax policy changes, can be found in the Resources section of the summary.

Appropriations

As a result of the FY 2018 surplus, the *Code of Virginia*-required deposits were triggered for the Revenue Stabilization, Revenue Reserve and Water Quality Improvement Funds. Overall, net general fund spending adjustments total \$1,557.9 million against Chapter 2. Major general fund spending items include:

- \$474.5 million in new deposits and reappropriations to the Revenue Reserve Fund;
- \$423.6 million to cover growth in the Medicaid forecast;

- \$262.9 million for a mandatory deposit to the Revenue Stabilization Fund and \$97.5 million set-aside for a future deposit in FY 2022; and
- \$72.8 million for an additional 2 percent salary increase for teachers and support staff in addition to the 3 percent compensation action provided in Chapter 2.

New spending is offset by spending reductions totaling approximately \$467.0 million. Savings items include:

- \$55.2 million from revised K-12 enrollment lower than expected;
- \$55.1 million in assumed debt service savings based on delayed issuances of prior authorized debt; and
- \$51.3 million in savings from slower growth in employee health insurance premiums.

The adopted amendments contained in Chapter 854 leave an unappropriated balance of \$7.6 million at the close of the FY 2020. Major spending and savings items are detailed in the table below.

Major Spending and Savings in Chapter 854

(GF \$ in millions)

Major Spending Adopted

FY 2018-20

Deposits to the Revenue Reserve Fund	\$ 474.5
Medicaid Utilization and Inflation	423.6
Mandatory Deposit to Revenue Stabilization Fund	262.9
Set-Aside for FY 2022 Revenue Stabilization Fund Deposit	97.5
K-12: Additional 2% Teachers and Support Staff Salary Increase	72.8
K-12: Use GF for VRS & Free Up Literary Rev. for School Construction	35.0
DCR: Water Quality Improvement Fund (Mandatory Deposit)	73.8
Higher Ed.: In-state Undergraduate Tuition Moderation	52.5
Semiconductor Manufacturing Grant Payment	50.0
Replace Medicaid Funds for Piedmont Geriatric and Catawba Hospitals	46.3
State Employee and State Supported Local Employee Compensation July 1, 2019 (Salary Increase Up to 5%)	41.9
K-12: At-Risk Add-on	24.9
K-12: Lottery Supplemental Allocation	34.7
Virginia Information Technology Agency Rates	28.1
DBHDS: Transition State Geriatric Hospital Funding from Medicaid	27.3
Central Appropriations: Tech Talent Investment Fund	16.6
Higher Ed.: Undergraduate Financial Aid	15.5
DHCD: Virginia Telecommunications Initiative (Broadband)	15.0
K-12: Sales Tax Adjustment from Proposed Legislation for Internet Sales	13.5
DOC: Inmate Medical Care at Fluvanna Correctional Center	12.9
DMAS: Children's Health Insurance Programs	12.8
K-12: Additional School Counselors	12.0
K-12: Sales Tax Revenue Update & School-Aged Population	11.2
General Assembly Operations	8.7
DBHDS: Crisis Response Services	7.8

Major Spending and Savings in Chapter 854

(GF \$ in millions)

DBHDS: Direct Care Staff at State Mental Health Hospitals	7.2
DHCD: Housing Trust Fund	7.0
DOC: Electronic Health Records System (Includes Central Accounts)	6.5
K-12: Use GF to Backfill Expired Federal VPI-Plus Grant	6.1
DOC: Inmate Medical Costs	6.0
DBHDS: Discharge Assistance Planning	5.2
DBHDS: Permanent Supportive Housing	5.0
VCCS: General Operating Support	5.0
DCR: College Lake Dam	5.0
Total:	\$ 1,935.5

Major Savings Adopted

FY 2018-20

K-12: Supplant GF with Lottery Reforecast Totals	(70.3)
K-12: Enrollment Projection Update	(55.2)
Treasury Board: Adjust Debt Service	(55.1)
Employer Share of Health Insurance Premiums	(51.3)
Savings from Health Insurance Premium Holiday	(46.1)
DMAS: Health Care Fund Revenue and Cash Balance	(38.9)
DMAS / DSS: Medicaid Exp. Costs (Shift to Provider Assessment)	(38.0)
DMAS: Eliminate Medicaid for Piedmont Geriatric and Catawba Hospitals	(14.5)
K-12: Enrollment Update for Special Education Regional Tuition	(12.5)
Children's Services Act Caseload	(11.8)
Delay in Cardinal Payroll System Implementation	(11.1)
DMAS: Administrative Contract Shift to Managed Care	(10.8)
K-12: Lottery Funded Programs Costs Update	(9.2)
Comp. Board: Excess Jail Per Diems	(6.7)
K-12: Update Enrollment for Remedial Summer School and ESL	(6.1)
VDH: Delay Implementation of Electronic Health Records	(4.2)
DMAS: Reflect Long-Term Care Savings for Medicaid	(3.9)

Major Spending and Savings in Chapter 854

(GF \$ in millions)

VEDP: Updated Payments for Economic Development Incentives	<u>(2.3)</u>
Total:	\$ (448.0)

Note: See Resources section for adjustments to GF balances and proposed tax policy changes. Totals differ from individual entries due to rounding.

Legislative. The adopted amendments for the Legislative Department increase allocations by \$5.1 million GF the first year, and \$4.9 million GF for a series of actions related to both day-to-day operations and activities of the General Assembly and the legislative agencies as well as several targeted at legislative commissions. The primary action increases funding allocated for General Assembly operations by \$8.7 million GF over the biennium. From these amounts, funding is provided to address staffing concerns in both House and Senate member offices as well as additional funding for interpretive services for both the deaf and hard of hearing as well as for non-native English speakers. In addition the reimbursement rate for legislative members who attend at least two legislative committee meetings in the same day, when the General Assembly is not in Session, is increased from \$300 to \$400.

At the Joint Legislative Audit and Review Commission, funding is specifically allocated for two legislative reviews directed by budget language. The first, a review of the Commonwealth's governance structures around gaming, is directed to be completed by November 15, 2019. The second, a review of workers compensation, is scheduled to be completed in April 2020. Finally, language authorizing JLARC staff access to meetings of the Board of Corrections is included to facilitate an ongoing review of the Office of the Inspector General that is expected to be completed in September 2019.

Judicial Department. The adopted amendments for the Judicial Department agencies result in no funding changes the first year and an increase of \$2.2 million GF the second year. The largest item is \$1.3 million GF the second year provided for the Virginia State Bar to contract with the Legal Services Corporation of Virginia to hire additional attorneys to support legal aid programs. For the Indigent Defense Commission, \$637,000 GF the second year is provided to hire 20 paralegals to defray workload increases experienced by public defenders due to increased use of body-worn cameras by law enforcement officers. In addition, a language amendment authorizes the reversion of \$4.5 million in Criminal Fund balances to the general fund in the first year, resulting in a projected, remaining carry-forward balance of \$2.4 million over the biennium for the Criminal Fund.

Administration. Adopted amendments in the Administration secretariat result in a net decrease of \$2.1 million GF over the biennium compared to the base budget, Chapter 2. Additional general fund spending actions include \$752,541 the first year in one-time funds in the Secretary of Administration's office to conduct a data inventory to support the state's broader data analytics and governance objectives. Also included is \$1.5 million the second year to fund approximately 20 percent of the unfunded Assistant Commonwealth's Attorneys positions needed statewide, based on the FY 2019 staffing standards calculation. These increases were offset by a general fund reduction of \$6.7 million over the biennium from unexpended per-diem payments to local and regional jails due to lower than projected jail per diem payouts.

The nongeneral fund appropriations to the Administration agencies are adjusted downward by over \$1.1 billion over the biennium, primarily driven by removing appropriation for claims and administrative costs for the COVA Local health insurance program due to insufficient enrollment. Also driving the decrease was the reduction of \$75.0 million NGF the second year related to lower projected claims for the state's health insurance plan. Also included among the nongeneral fund adjustments is a \$3.0 million NGF increase in the second year to facilitate a new Help America Vote Act (HAVA) security grant, the funds for which total \$9.4 million and are to be drawn down over a four year period.

Agriculture and Forestry. The adopted amendments for the Agriculture and Forestry agencies result in a net increase of \$0.4 million GF in the second year, primarily for additional equipment at the Department of Agriculture and Consumer Services laboratories and increased broadband connectivity for five Department of Forestry regional offices. Also included is \$4.3 million in capital outlay for the construction of a new vehicle service center as part of a property transfer agreement with the University of Virginia.

Commerce and Trade. The adopted budget includes net general fund increases of \$78.0 million over the biennium. The budget appropriates \$50.0 million GF for the Semiconductor Manufacturing Grant Fund to fulfill the Commonwealth's commitment to Micron subject to the terms of a performance agreement. Also included is an additional \$15.0 million GF for broadband deployment and an additional \$2.0 million GF to expand funding for site development intended to make the Commonwealth more competitive in attracting economic development projects. The budget also increases deposits to the Housing Trust Fund by \$7.0 million GF over the two-year budget period and provides an additional \$1.0 million GF to the Enterprise Zone grant program and an additional \$1.0 million GF to the Derelict Structures Fund to incentivize redevelopment in economically disadvantaged areas.

Public Education. The adopted amendments for Direct Aid to Public Education result in a net increase of \$51.2 million GF above Chapter 2, plus \$70.3 million NGF in additional Lottery Proceeds. This net amount reflects \$55.2 million GF savings due to revised enrollment projections. Other technical updates include the Sales Tax reforecast and other cost and participation updates in Incentive, Categorical, and Lottery-Funded programs.

Other adopted amendments include: \$72.8 million GF to increase the FY 2020 teacher salary increase funding by 2 percent to a revised 5 percent increase; \$35.0 million GF allocation to free up a like amount of Literary Fund revenue to be used for school construction loans; \$12.0 million to improve the ratio of counselors to students; \$34.7 million allocated to increasing the Lottery Supplemental Per Pupil Allocation; \$24.9 million to increase the maximum At-Risk Add-On percentage; a net increase of \$13.5 million from additional Sales Tax from Internet Sales policy; \$6.1 million GF to provide full state funding for federal VPI-Plus program slots in certain school divisions; and several items of less than half a million dollars each.

In addition, there are several adopted amendments in the Department of Education, Central Office. The amendments include: \$348,500 GF to automate the teacher licensure process, \$500,000 GF for social studies assessments, \$549,573 GF to address finance and IT security risks, and \$492,755 for training in seclusion and restraint regulations.

Higher Education. The adopted amendments for Higher Education institutions and related agencies result in a net increase of \$95.2 million GF, almost exclusively in the second year, above the net increases included in Chapter 2. The largest items are \$57.5 million for in-state undergraduate tuition moderation and \$15.5 million GF for undergraduate need-based financial aid. Other spending includes \$4.0 million for the New Economy Workforce Credential Grant; \$3.5 million GF to bring Tuition Assistance Grant (TAG) awards up by \$50 to \$3,400; \$2.5 million for operating support for Eastern Virginia Medical School; \$2.0 million GF for UVA-Wise related to enhancing enrollment growth and student success to fill a second year hole due to an administrative transfer of funds to FY 2019; \$1.7 million GF and 152.00 FTEs related to Radford's acquisition of Jefferson College (Roanoke); \$1.0 million GF for UVA's Focused Ultrasound Center; and several other items under \$1.0 million GF each.

In addition, the amendments include the following Higher Education actions in Central Appropriations: \$16.6 million for computer science degree production; estimated \$9.7 million GF for a 1 percent salary bonus; \$4.0 million for a new Hampton Roads Biomedical Research Consortium; and \$1.3 million based on adjusting interest earnings and credit card rebate amounts related to restructuring; and \$0.8 million for UVA health insurance premiums.

The adopted amendments include several language changes, including: requiring higher education institutions to submit a tuition and fee predictability report as part of the existing six-year plans due annually; and recommending approval for James Madison University to pursue Level III designation.

Finance. Adopted general fund amendments for the Finance Secretariat result in a net increase of \$783.7 million GF over the biennium. Significant general fund expenditures include adding \$474.5 over the biennium in the Revenue Reserve, above the \$91.0 million already committed per Chapter 2, for a total biennial deposit of \$565.5 million. Also, \$360.5 million the second year is provided for the Rainy Day Fund. In total, additional deposits to the Revenue Reserve and Rainy Day Fund total \$835.0 million over the biennium.

In addition, significant general fund savings includes net debt service savings of \$55.1 million GF over the biennium due to a reduction in the issuance of General Obligation, Virginia Public Building Authority, and Virginia College Building Authority bonds compared to previous expectations.

Health and Human Resources. The adopted budget proposes a net increase of \$414.0 million GF and \$2.1 billion NGF for the amended 2018-20 biennial budget. New spending of \$598.2 million GF is offset by \$183.2 million GF in proposed reductions. Similar to biennial budgets for HHR in previous years, the majority (79 percent) of proposed general fund increases are driven by mandatory health and long-term care spending on Medicaid. The unusually high increase in nongeneral funds is primarily due to adjustments to the budget to reflect the increase in Medicaid spending and the most recent projection of the federal and hospital provider assessment funding related to implementation of expanded Medicaid coverage to individuals with incomes up to 138 percent of the federal poverty level, pursuant to the Patient Protection and Affordable Care Act (ACA) beginning January 1, 2019. These proposed adjustments account for about \$1.7 billion or 90 percent of the increase in nongeneral funds over the biennium.

Mandatory general fund spending of \$490.5 million GF (91 percent of new GF spending in HHR) is primarily related to spending for acute and long-term care services provided through Medicaid, supplanting Medicaid funds to continue operation of Piedmont Geriatric and Catawba Hospitals, and to fully fund the children's health insurance programs based on the latest projections. In total, the official forecast for Medicaid requires the addition of \$423.6 million GF over the biennium to pay for health care services for low-income Virginians as well as long-term care costs for the elderly and disabled. The general fund share of the Medicaid forecast is partially offset by \$38.9 million in additional revenue and a prior year cash balance in the Health Care Fund. Overall growth rates in Medicaid are not expected to dramatically change from recent trends, excluding the impact of Medicaid Expansion. The adopted budget contains a fairly significant upward adjustment for an amended budget to correct the 2017 Medicaid forecast estimate, which did not fully account for realistic managed care rates in the new Commonwealth Coordinated Care Plus program.

The adopted budget includes \$47.3 million GF in discretionary spending in HHR. Out of this spending, 62 percent is related to increasing community-based behavioral health and developmental disability services and addressing census issues at state behavioral health facilities. Other expenditures include \$18.1 million to fund higher Medicaid payment rates for physicians, mental health professionals and critical access hospitals, support for the All Payers Claims Database, mobile software for public assistance eligibility, improvements to the foster care system per legislation, and support to begin implementation of foster care prevention services under the federal Family First Prevention Services Act.

New spending in HHR is offset by budget reductions of \$122.7 million GF. Nearly one-third of the reductions are related to savings in Medicaid from additional revenue and cash in the Health Care Fund. The remainder is a result of caseload adjustments for the Children's Services Act, adjustments to reflect the appropriate funding source for the administrative costs of

Medicaid Expansion, and savings in Medicaid as certain administrative functions for personal care attendants are transitioned to managed care.

Natural Resources. The adopted amendments for the Natural Resources agencies result in a net increase of \$5.9 million GF the first year and \$82.3 million GF the second year, more than a 70 percent increase in GF support for the programs within the Secretariat in the second year. The largest actions, which total \$79.7 million, are deposits to the Water Quality Improvement Fund (WQIF). This includes the mandatory WQIF deposit of \$73.8 million in FY 2020 based on the FY 2018 revenue surplus and agency balances, as well as a one-time supplemental deposit of \$5.9 million in FY 2019 to eliminate the backlog of previously approved livestock stream exclusion practices. Also included is \$10.0 million for the Stormwater Local Assistance Fund in FY 2020 and \$25.0 million for improvements to the City of Alexandria Combined Sewer Overflow in bond proceeds. In addition, a one-time grant of \$5.0 million is provided to match funding from the City of Lynchburg for critical upgrades to the College Lake dam. At the Department of Environmental Quality, \$0.9 million GF is provided for upgrades to the Department's online permitting portal as well as for improved website accessibility. Finally, at the Marine Resources Commission the amendments provide an additional \$1.0 million of general fund support for oyster restoration and replenishment activities in the second year.

Public Safety and Homeland Security. Chapter 854 includes a net increase of \$8.6 million GF the first year and \$28.2 million GF the second year – a 1.4 percent increase in GF support in the second year – for the Public Safety and Homeland Security agencies. The largest actions are related to the provision of medical services to inmates in Department of Corrections (DOC) facilities. These actions include \$12.9 million GF and 123 positions over the biennium for DOC to both end contracted medical services at Fluvanna Women's Correctional Center and to increase the level of medical services provided to inmates at the facility; an additional \$6.0 million GF over the biennium for expected inflation in medical costs for the Department; and, an additional \$6.5 million GF in support of implementation of an electronic health records system in its six women's correctional centers. The budget includes \$5.7 million GF the second year under the Department of Criminal Justice Services for several items related to school safety, including a \$3.0 million the second year in additional school resource officer incentive grant funding; as well as \$2.5 million GF the second year to continue the Department's jail mental health pilot programs. The actions also include \$3.3 million GF the second year under the Department of Forensic Science to increase the Department's controlled substances testing capabilities, due to a substantial increase in the number of opioid-related submissions to its controlled substances section.

Veterans and Defense Affairs. The adopted amendments for the Veterans and Defense Affairs agencies result in no funding changes the first year and an increase of \$0.3 million GF and \$2.5 million NGF the second year. The general fund amount represents authorized spending and positions increases at the Department of Veterans Services, including \$250,000 and three positions

for veterans services representatives and claims specialists in the veteran's benefits section. The additional nongeneral fund increase accompanies language authorizing the Commonwealth to enter into a long-term land lease with the City of Virginia Beach that will improve security and access to Camp Pendleton State Military Reservation in addition to allowing for the construction of new parking facilities for the Virginia Marine Science Museum.

Transportation. The adopted amendments to the 2018-20 budget for transportation include several initiatives to improve traveler safety, increase economic competitiveness and assess the long term viability of Virginia's transportation funding streams. At the Department of Transportation, a baseline appropriation of \$5.0 million is allocated for the ongoing operations of the Safety Service Patrol, with priority given for enhanced operations along the I-81 Corridor. At the Virginia Commercial Spaceflight Authority, a total of \$7.5 million is provided for operational improvements to the Mid-Atlantic Regional Spaceport including improvements to increase the capacity for unmanned maritime systems testing at the facility. The adopted amendments also reflect net increases of \$104.3 million NGF the first year and \$210.7 million NGF the second year from revisions to the Commonwealth Transportation Fund revenue forecast and allocations in Six Year Program adopted by the Commonwealth Transportation Board in June, 2018. A technical adjustment to reflect changed accounting policies also results in an increase of \$504.7 million the first year and \$411.1 million the second year of prior year federal revenue recoveries. This is an accounting true-up and does not result in any increase in available funding for the department.

Central Appropriations. Adopted amendments in the Central Accounts result in a net decrease of \$9.2 million GF over the biennium compared to the base appropriations in Chapter 2.

Significant general fund expenditures include the addition of \$41.9 million the second year for across-the-board and merit-based salary actions for state employees and state-supported local employees, effective June 10, 2019 (for the July 1, paycheck) and July 1, 2019, respectively, and include a 2.75 percent across-the-board salary increase for state employees; a 2.25 percent merit-based salary increase for most state employees (excludes higher education faculty and "university staff" positions, judges and justices of the judicial branch, and appointed officials); a 3 percent salary increase for higher-education faculty; and a 3 percent salary increase for state-supported local employees.

Other significant general fund expenditures include \$16.6 million the second year for the Tech Talent Fund, pursuant to of Chapters 638 and 639 of the 2019 Acts of Assembly (HB 2490/SB 1617), and \$1.4 million the second year to support the advancement of computer science education and implementation of the Commonwealth's public education computer science standards; \$3.0 million the second year for DOC to procure and implement an electronic health records system in secure correctional facilities; \$4.0 million the second year for initial funding for the state's investment in the Hampton Roads Biomedical Research Consortium; \$28.1 million over the biennium related to VITA rate adjustments to reflect estimated state agency usage; and \$1.9

million the second year in Cardinal Financials ISF charges due to a delay in the implementation of the Cardinal Payroll System.

General fund expenditure increases were offset by reductions, which include savings of \$51.3 million the second year for the state's share of employee healthcare premium increases due to a lower than expected cost increase, and \$46.1 million the second year for a two pay period state healthcare premium holiday, facilitated by sufficient balances in the Health Insurance Fund, as well as a reduction of \$11.1 million over the biennium due to the delay in the implementation of the Cardinal Payroll system.

Independent Agencies. Adopted amendments to the Independent Agencies reflect no change to the general fund and a nongeneral fund increase of \$20.8 million over the biennium, mostly attributable to providing the distribution to agencies of centrally-funded actions including salary and fringe benefits adjustments, other post-employment benefits costs, and information technology costs authorized in Chapter 2. Other spending proposals include \$3.6 million NGF the second year in one-time funds for Lottery to purchase equipment to expand gaming offerings, statewide, as well as \$1.5 million NGF the second year for VRS to provide bonuses for investment staff based on the prior fiscal year's performance results.

Capital Outlay. The amendments to the capital outlay program for 2018-20 total almost \$1.4 billion (all funds). General fund supported amendments contain \$4.6 million GF cash and \$1,088.5 million from general fund supported bonds issued by the Virginia Public Building Authority (VPBA) and the Virginia College Building Authority (VCBA). These bonds include \$733.2 million to support new projects (including workforce development pool); \$46.0 million for equipment; \$14.4 million in supplements (including readiness centers); \$45.8 million for STARS/COMLINC radio systems for the State Police; \$168.0 million for a NOVA Innovation Campus at Virginia Tech; \$69.0 million for a Data and Decision Science Center at Virginia Tech; \$7.6 million for a supplement for Gilmer Hall at the University of Virginia; \$2.0 million for security enhancements for North Drive under the Department of General Services; \$1.4 million for IT Infrastructure at Norfolk State University; \$1.0 million for an emergency generator system at the Virginia School for the Deaf and the Blind; and \$17.1 million in previous bond authorizations that are being used for the new construction pool.

Appropriated nongeneral fund capital amendments total about \$262.4 million. About \$59.6 million is funded through 9 (c) and 9 (d) NGF revenue bonds for six higher education projects. Another \$202.8 million is funded with nongeneral fund cash to support another 18 projects at multiple state agencies and higher education institutions and the new capital construction pool.