

Central Appropriations

Adopted Amendments				
(\$ in millions)				
	FY 2019 Adopted		FY 2020 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Current Budget (Chapter 2, 2018 Special Session I)	\$81.3	\$121.3	\$288.8	\$121.3
Increases	8.8	1.6	90.7	1.6
Decreases	<u>(2.3)</u>	<u>(0.0)</u>	<u>(106.4)</u>	<u>(0.0)</u>
\$ Net Change	6.5	1.6	(15.7)	1.6
Chapter 854 (HB 1700, as Adopted)	\$87.8	\$122.9	\$273.1	\$122.9
% Change	8.0%	1.3%	(5.4%)	1.3%
FTEs	0.00	0.00	0.00	0.00
# Change	0.00	0.00	0.00	0.00

- **Compensation Supplements**

- *Salary Adjustments for State and State-Supported Local Employees.* Provides \$41.9 million GF the second year for across-the-board and merit-based salary adjustments for state employees and state-supported local employees, effective June 10, 2019 (for the July 1 paycheck) and July 1, 2019, respectively, as follows:
 - 2.75 percent across-the-board salary increase for state employees;
 - 2.25 percent merit-based salary increase for state employees (excludes higher education faculty and “university staff” positions; judges and justices; and appointed officials);
 - 3 percent salary increase for higher-education faculty; and,
 - 3 percent salary increase for state-supported local employees.
- *Salary Adjustment for General Registrars.* Adds \$139,611 GF the second year to provide an additional 3 percent base salary adjustment for general registrars,

effective July 1, 2019, in addition to the 3 percent salary adjustment with the same effective date provided to all state-supported local employees in a separate amendment.

- **Adjustments to Employee Benefits**

- *Adjust Funding for Health Insurance Premium Costs.* Reduces by \$51.3 million GF in the second year the state’s share of employee health plan premiums, based on the most recent estimates of cost. Chapter 2 of the 2018 Acts of Assembly, Special Session I, included funding based on an expected increase of approximately 8.5 percent in FY 2020. The introduced budget assumes the premiums will remain unchanged in FY 2020.
- *Recognize Savings from State Health Plan Premium Holiday.* Recognizes savings of \$46.1 million GF to reflect the state’s general fund share of savings attributable to a two pay period premium holiday for the state’s health plans in October 2019. The premium holiday is provided to all members in the state employee health benefits program, including active employees, retirees, and COBRA beneficiaries included in the state employee funding pool. The premium holiday is made possible due to sufficient balances in the state’s Health Insurance Fund, which is a result of lower than projected claims expense, relative to premiums collected.
- *Provide Funding for Premium Increases for State Employees in UVA’s Health Insurance Plan.* Provides \$808,692 from the general fund the second year to fund the state’s share of employee premium increases for state employees who participate in the University of Virginia’s Health Insurance Program.

- **Distributed Agency Support**

- *Adjust Funding for Workers’ Compensation Premiums.* Includes a reduction of \$145,641 GF the second year to reflect the adjustment in workers’ compensation premiums, based on the most recent actuarial report.
- *Adjust Funding for Cardinal Payroll Implementation Delay.* Includes a reduction of \$2.3 million GF the first year and \$8.9 million GF the second year to reflect the removal of funding for internal service fund charges associated with the Cardinal Payroll project’s implementation delay. There is a corresponding amendment within the Department of Accounts to reflect the removal of the NGF portion of the agency’s internal service fund appropriation.
- *Adjust Funding for Cardinal Financials System Charges.* Provides \$1.9 million GF the second year to adjust funding for internal service fund charges for the Cardinal Financials System due to the delay in the implementation of the Cardinal Payroll module. There are separate, corresponding amendments removing the GF

and NGF internal service fund appropriations related to the Cardinal Payroll system, due to the delay in its implementation.

- *Adjust Funding for Line of Duty Act Premiums.* Adds \$98,981 GF each year to reflect the adjustment in Line of Duty Act (LODA) premiums charged in the first year, and the estimated premium charged in the second year for LODA.
- *Adjust Line of Duty Act Premiums to Include Eligible Part-Time State Employees.* Provides \$60,811 GF the second year to reflect Line of Duty Act (LODA) premiums for eligible part-time state employees who are eligible for full LODA benefits. The Virginia Retirement System has determined that certain part-time employees are eligible for LODA benefits, but previously hadn't included eligible part-time employees in the LODA premium invoices distributed to state agencies.

- **Funding for Information Technology Applications**

- *Adjust Funding for Agency Information Technology Costs.* Includes \$8.0 million GF the first year and \$20.1 million GF the second year to reflect information technology and telecommunications usage by state agencies, based on utilization estimates provided by the Virginia Information Technologies Agency (VITA), and assumes repayment of costs associated with replacing information technology services provided by the former statewide vendor.

- **Higher Education**

- *Provide Computer Science Education Funding.* Provides \$1.4 million GF the second year to support the advancement of computer science education and implementation of the Commonwealth's public education computer science standards across the public education continuum, to include: Teacher professional development; the development and dissemination of computer science curricula, instructional resources, and assessments; summer and after-school computer science related programming; and to facilitate career exposure and work-based experiential learning opportunities for high school students. The Secretary of Education, in consultation with the Secretaries of Finance and Commerce and Trade, shall develop a process to award funds through a competitive grant process, which prioritizes at-risk students and schools, with the Governor providing final approval for the distribution of funds.
- *Provide Funding for Tech Talent Investment Program.* Adds \$16.6 million GF the second year for the Tech Talent Fund, established pursuant to Chapters 638 and 639 of the 2019 Acts of Assembly (HB 2490/SB 1617), and allocated in accordance with the bills' provisions, including supporting qualifying education institutions' efforts to create 25,000 new, eligible degrees by 2039, and improve the readiness of graduates to be employed in technology and related fields. Prior to receiving

funds, institutions are required to enter into a memorandum-of-understanding (MOU) with the Commonwealth specifying degree eligibility and production goals, and related expenses, through 2039, and a detailed enrollment plan. Continued funding to institutions is predicated on those institutions meeting the goals, metrics, and requirements specified in its MOU.

- ***Provide Higher Education's Share of Interest Earnings.*** Provides an additional \$687,601 GF and \$1.6 million NGF each year to reflect the adjustment in higher education institutions' share of tuition and fee interest earnings and small credit card purchase rebates.
- ***Modify ORPHE Surcharge Language.*** Modifies language in Chapter 2 pursuant to establishing a surcharge for positions within higher education which have migrated from the VRS defined benefit plan to a defined contribution plan. The amended language delays the surcharge until FY 2020, and clarifies the surcharge, currently 8.04 percent, applies to positions within higher that were previously enrolled in a defined benefit or hybrid retirement program to a defined contribution program to avoid stranding the existing unfunded liability for the Commonwealth's Virginia Retirement System.

- **Special and Unanticipated Expenditures**

- ***Provide Contingency Funding for DOC to Procure an Electronic Health Records System.*** Adds \$3.0 million GF the second year for the Department of Corrections to procure and implement an electronic health records system in secure correctional facilities through a contract currently managed by Virginia Information Technology Agency, in the event that funds currently appropriated for the Department of Corrections are not sufficient to meet this objective.
- ***Provide Initial Funding for the Hampton Roads Biomedical Research Consortium.*** Provides \$4.0 million GF the second year for initial funding for the state's investment in the Hampton Roads Biomedical Research Consortium (Consortium), comprised of the University of Virginia (UVA), Old Dominion University (ODU), and Eastern Virginia Medical School (EVMS), and language specifying the terms required to receive such funds. A companion amendment in Central Capital Outlay provides an additional \$10.0 million in bond proceeds for lab renovations and enhancement, and/or research equipment for the Consortium. Funding is contingent upon UVA convening a workgroup comprised of the Consortium members and a private or non-profit hospital developing a plan for the Consortium, for which \$250,000 of funds allocated for the Consortium may be used for the plan's development. The workgroup shall submit a report to the Governor, and the Chairmen of the House Appropriations and Senate Finance

Committees by December 1, 2019, and following its adoption, funds shall be released to UVA to support the Consortium's operations.