



**Senate Floor Substitutes to  
HB 5001 and HB 5002  
May 30, 2018**

# RESOURCES

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# Revenue Changes: HB 5001

<u>FY 2018</u>	<u>Amendments</u>
<b><u>Additions to Balances</u></b>	
Revert DLS Balances	\$476,952
Revert Youth Commission Balances	15,000
Revert State Corporation Commission Balances	146,890
Revert JLARC Balances	675,000
Revert Jt. Commission on Health Care Balances	35,000
Revert DSS Balances for AG and Adoption	740,000
<b>Subtotal-Balances</b>	<b>2,088,842</b>
<b><u>Additional Revenues and Transfers</u></b>	
DGIF – Reduce Transfer Increase	1,600,000
OAG – Revolving Trust Fund	500,000
VASAP	500,000
<b>Subtotal- Additional Revenues and Transfers</b>	<b>2,600,000</b>
<b><u>Grand Total Changes: Revenues/Resources</u></b>	<b>\$4,688,842</b>

# Total Revenue and Spending Changes: HB 5002

<b>FY 2018-2020 Biennium</b>	<b>2019</b>	<b>2020</b>	<b>Biennial</b>
<b><u>Additional Revenues</u></b>			
Extend Land Preservation Tax Credit Cap	\$6,600,000	\$6,600,000	\$13,200,000
Extend Historic Preservation Tax Credit Cap	0	13,000,000	13,000,000
Reflect Utility Rate Credit Per HB 1558	3,400,000	0	3,400,000
Increase Tax Compliance Revenues from Audits	6,847,739	3,952,371	10,800,110
DNA Testing Fee Revenue Per HB 1249	104,388	104,388	208,776
ATV Sales Tax Increase Per SB 249	225,000	225,000	150,000
Withholding Reforecast Based on FY 18	60,000,000	60,000,000	120,000,000
<b>Subtotal – Additional Revenues</b>	<b>\$77,177,127</b>	<b>\$83,881,759</b>	<b>\$161,058,886</b>
<b><u>Transfers</u></b>			
OAG – Revolving Trust Fund	500,000	500,000	1,000,000
OAG – Debt Collection Fund	200,000	200,000	400,000
Transfer Savings from Decrease in Telephone Relay Service	2,000,000	2,000,000	4,000,000
Unrefunded Motor Fuels for WQIF Reserve	2,583,531	2,583,531	5,167,062
<b>Subtotal – Transfers</b>	<b>\$5,283,531</b>	<b>\$5,283,531</b>	<b>\$10,567,062</b>

# Total Revenue and Spending Changes: HB 5002

<u>FY 2018-2020 Biennium</u>	<u>2019</u>	<u>2020</u>	<u>Biennial</u>
<b>Grand Total: Changes to Resources</b>	<b>\$82,460,658</b>	<b>\$89,165,290</b>	<b>\$171,625,948</b>
<b>Net Spending</b>	<b>\$109,269,091</b>	<b>\$82,536,721</b>	<b>\$191,805,812</b>
<b>Unappropriated Balance</b>	<b>\$38,353,698</b>	<b>(\$35,816,975)</b>	<b>\$2,536,723</b>

# Rainy Day and Revenue Reserve Funds Likely to Total 5% of Revenues

- Deposits to the RDF and balances in the new Revenue Reserve Fund would equal 5% of revenues based on current estimates of FY 2018 revenue performance
  - This is prior to any additional deposits to either Fund based on revenue growth in FYs 19 or 20
  - Assumes growth of 3.7% in May-June of 2018
  - Actual deposits will differ based on final FY 2018 revenue collections

(\$\$ in Millions)					
	Rainy Day Fund	Revenue Reserve Fund	Grand Total Reserve Funds	WQIF Part A	
Current Balance	\$ 281.1	\$ 156.4	\$ 437.5		
FY 2018 Assignment	\$ 193.2	\$ 255.6	\$ 448.8	\$	49.9
FY 2019	TBD	\$ 45.0	\$ 45.0	\$	2.6
FY 2020	TBD	\$ 45.0	\$ 45.0	\$	2.6
<b>Grand Total</b>	<b>\$ 474.3</b>	<b>\$ 502.0</b>	<b>\$ 976.3</b>	<b>\$</b>	<b>55.1</b>

Actual RDF deposit based on FY 2018 surplus would be reserved at year end and account for the FY 2020 mandatory deposit. 2.6 million each year WQIF represents dedication of unrefunded motor fuels transferred to WQIF Reserve per amendment package. Calculations based on actual collections July-April FY 2018, assumed growth of 3.7% in May-June (FY 2017 growth rate for those months)

# HEALTH AND HUMAN RESOURCES

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# HHR Health Care Package

- Amendments to HB 5001 and HB 5002 increase health care coverage to uninsured Virginians with incomes up to 138% of the federal poverty level pursuant to the Affordable Care Act (ACA)
- Language creates a “dual track” for transformation and key reforms through section 1115 demonstration waiver
  - Within 45 days after passage, Virginia will submit State Plan Amendment application & submit a concept paper to CMS for §1115 demonstration waiver
  - Within 180 days after passage, Virginia will submit completed §1115 waiver application for reforms
- HB 5001 provides \$3.5 million GF and federal Medicaid matching funds to procure expert(s) to assist with the development and implementation of the waiver application and related activities to prepare the agency for federal approval
- HB 5002 provides \$6.6 million GF in FY 2019 and \$18.9 million GF in FY 2020 to support the Training, Education, Employment and Opportunity Program (TEEOP) for Medicaid enrollees



# Medicaid Waiver Provisions

- **Coverage:** Adults ages 18-64 with incomes up to 138% of poverty, estimated at 300,000
- **Delivery System:** Medicaid Managed care plans or employer sponsored plans, if cost effective
- **Benefits:** ACA essential health benefits, Medicaid mental health and addiction recovery and treatment services. Supportive employment and housing services for certain high risk individuals in future
- **Premiums:** Requires those with incomes between 100 and 133% of poverty to pay monthly premiums, not to exceed 2% of monthly income nor less than \$1 per month
  - Failure to pay premiums or maintain continuous coverage results in a “lock-out” period
  - Coverage effective the first of the month following receipt of premium payment
- **Health & Wellness Accounts:** Premiums deposited into a personal contribution account that can be used to cover out-of-pocket expenses for any deductible amounts; can roll over into next year if not used
- **Co-payments:** Required for those between 100 and 138% of poverty, to promote healthy behaviors and encourage personal responsibility; for those up to 100% of poverty, copays are subject to existing Medicaid requirements
- **Training, Education, Employment & Opportunity Program (TEEOP) Requirements:** Targeted at able-bodied adults ages 18 to 65
  - Participation hours increase from 20 to 80 hours per month after initial 3-month grace period
  - Exemptions for children, pregnant women, aged, disabled and seriously mentally ill, caregivers of disabled dependents, and individuals working in TANF VIEW program or SNAP
  - Allows for participation through a broad range of training, education, employment and community work or engagement which improves work readiness
  - Work waived in areas of high unemployment (150% of statewide unemployment rate)
  - Lock-out” period if individual fails to comply any 3 months out of a year from the time of enrollment
- Provisions to disenroll if federal funding is reduced or terminated

# Medicaid Coverage Amendments

- Cost of enhanced coverage is estimated at \$80.8 million GF in FY 2019 and \$226.1 million GF in FY 2020
  - Costs covered by a provider “coverage” assessment on private acute care hospitals
  - Language in Central Accounts provides DMAS with authority to impose the assessment through a formula that is roughly equal to 0.5% of net patient revenue in FY 2019 and 1.4% in FY 2020
  - Revenue would be deposited into a “lock box” in a special non-reverting fund; cannot be used for other purposes
- Total savings for state programs are projected to be \$101.3 GF in FY 2019 and \$269.7 million in FY 2020 (includes programs outside HHR)
  - Savings based on the elimination of state general fund dollars for health care programs for individuals who will become eligible under enhanced eligibility (majority of savings comprised from existing DMAS programs)

# Projected Costs/Savings of Medicaid Transformation

Estimated Costs and Savings (\$ in millions)	FY 2019	FY 2020
Coverage of Newly Eligible Adults to 138% FPL	\$60.7	\$194.7
Coverage for Additional Eligible but Unenrolled "Woodwork"	0.8	4.9
Coverage of Dept. of Corrections Inmates	1.7	3.5
ACA Insurance Tax (Newly Eligible & Woodwork)	0.6	2.1
DMAS Additional Administrative Costs for Transformation	14.8	17.3
DSS Eligibility Determinations	<u>2.2</u>	<u>3.6</u>
<b>Estimated Costs of ACA Medicaid Transformation</b>	<b>\$80.8</b>	<b>\$226.1</b>
Substitution of Medicaid Coverage for Indigent Care Funding	(\$47.5)	(\$110.3)
State-Funded Community Behavioral Health Services	(11.1)	(25.0)
Incarcerated Populations (DOC Prisons/State Inmates in Jails)	(10.3)	(23.4)
FAMIS Pregnant Women Enrollees	(10.4)	(47.6)
GAP Program for Seriously Mentally Ill up to 60% FPL	(17.9)	(42.0)
Divert Disabled/Medically Needy Enrollments	(1.6)	(12.9)
Medicaid Breast & Cervical Cancer Enrollees	(1.0)	(4.8)
Medicaid Family Planning (0-100%) Program Enrollees	(1.1)	(2.8)
Services for Individuals w/Temporary Detention Orders	<u>(0.4)</u>	<u>(0.9)</u>
<b>Estimated Program Savings of ACA Medicaid Transformation</b>	<b>(\$101.3)</b>	<b>(\$269.7)</b>

# Medicaid Hospital Payment Enhancement

- Language provides for a Medicaid private hospital payment rate enhancement for inpatient and outpatient services
  - Costs covered by a provider “payment rate” assessment on private acute care hospitals
  - Language in Central Accounts provides DMAS with authority to impose the assessment based on the “upper payment limit” gap and the “managed care organization hospital payment gap”, roughly increasing rates from 76% to 88% of Medicaid allowable costs for inpatient services and from 70% to 88% for outpatient services
  - Revenue would be deposited into a “lock box” in a special non-reverting fund; cannot be used for other purposes
  - Sunsets budget provisions for supplemental payments for private acute care teaching hospitals, upon the implementation of the payment rate assessment and payment rate enhancements
- Appropriates \$300 million in FY 2019 and \$479 million in FY 2020 in estimated nongeneral funds from the provider payment rate assessment for hospital rate enhancements

# Medicaid/Health Insurance Market Issues

- Adds language directing the Joint Subcommittee on Health and Human Resources (HHR) Oversight to establish a workgroup to monitor Medicaid expansion to ensure cost effective, efficient and innovative approaches are used in its implementation.
- Also requires the Joint Subcommittee on HHR Oversight to establish an annual Medicaid state spending target
  - Begins with development of the 2020-2022 biennium
  - Governor to abide by target in submitting the budget each year
- Budget adds language directing the Secretary of Health and Human Resources to convene a workgroup to examine recent trends in the individual insurance market, and identify state options and resources for stabilizing the market.
- Authorizes the Secretary of Health and Human Resources to develop and apply for a § 1332 state innovation waiver to implement innovative solutions to stabilize the individual insurance market

# HB 5002: Other DMAS / Medicaid Spending

Targeted Spending Items*	2018-20 (GF \$ in millions)
<b>Rates and Services:</b>	
2% increase personal care rates in FY 20 (CD & Agency)	\$9.9
Medicaid costs for CSB Same Day Access to Services	3.2
Fully fund graduate medical education residency slots	1.7
Restore DSH payment for Catawba Hospital & Piedmont Geriatric Hospitals	1.1
Streamline enrollment of DOC & jail inmates in Medicaid	0.9
<b>Administrative and Technical:</b>	
Fund External Quality Review of managed care oversight	0.9
<b>Total</b>	<b>\$17.7</b>

\*Does not include base adjustments and targeted spending for the U.S. DOJ Settlement Agreement.

# Dept. of Behavioral Health & Developmental Svs.

- Provides \$191.7 million GF over the biennium for behavioral health and developmental services
- Major spending items include:
  - \$84.1 million for community mental health services
  - \$60.9 million GF for items related to compliance with the U.S. DOJ Settlement Agreement
    - \$47.8 million in DMAS for 1,319 I/DD waiver slots and 50 reserve slots
    - \$13.1 million for other services in DBHDS
  - \$5.0 million GF and \$5.0 million NGF to add 326 Family and Individual Support waiver slots to address the Priority One waiting list
  - \$15.8 million for behavioral health facility capacity and operating costs
  - \$15.3 million for Virginia Center for Behavioral Rehabilitation capacity and facility expansion and services
  - \$4.6 million for Part C early intervention services
- Savings total \$50.9 million GF over the biennium
  - \$36.1 million in savings for CSB funding due to Medicaid transformation
  - \$5.0 million in savings by recognizing federal grant for medication assisted treatment
  - \$1.0 million in savings from training center closures (\$27.5 million in savings from closures in DMAS budget)

# DBHDS Community Behavioral Health Services

GF \$ in millions	FY 2019	FY 2020
STEP-VA CSB Same Day Access to Services	\$5.9	\$5.9
STEP-VA CSB Primary Care Screening	3.7	7.4
STEP-VA CSB Outpatient Services	0.0	15.0
STEP-VA Detoxification Services	0.0	2.0
Alternative Transportation for TDOs	2.5	4.5
Backfill federal funds-medication assisted treatment	0.0	5.0
Discharge assistance plans for 92 individuals on extraordinary barrier list at state hospitals	2.3	4.6
Expand permanent supportive housing for 275 individuals	2.3	4.8
Develop community capacity for facility discharges	1.8	2.8
Discharge planning at Local Jails	1.6	1.6
Telemental Health Pilot Program	1.1	1.1
Add 6 CIT assessment sites and training programs in rural unserved areas	1.6	2.5
Fund Intercept Two Diversion Programs	0.7	0.7
<b>Total</b>	<b>\$23.5</b>	<b>\$57.9</b>



# DOJ Settlement Agreement Spending

DOJ Settlement Agreement Related Items (GF \$ in millions)	FY 2019	FY 2020
DMAS: 1,319 Waiver slots – 120 ID slots for facility discharges; 264 CL waiver slots, 895 FIS waiver slots and 40 BI waiver slots	\$14.5	\$30.5
DMAS: 50 Reserve emergency waiver slots	0.9	1.9
DBHDS: Crisis services	2.4	3.2
DBHDS: Rental Assistance	1.5	4.1
DBHDS: Add DD support network in Central Virginia	0	1.3
DBHDS: Services for non-Medicaid eligible training ctr. Discharges	0.2	0.2
DBHDS: Increased workload costs of Independent Reviewer	0.1	0.1
DBHDS: Provider training, compliance review, quality mgmt., IT	NGF*	0
DBHDS: Increase Community Capacity for Individuals with Medically Complex Support Needs	NGF*	0
DBHDS: Savings from planned training center closures	0	(1.0)
DMAS: Medicaid savings from planned training center closures	(10.5)	(17.0)
<b>Total Costs of U.S. DOJ Settlement Agreement Related Items</b>	<b>\$9.1</b>	<b>\$23.3</b>

\*Additional nongeneral funds are also proposed for related DOJ activities through federal Medical matching funds for waiver and reserve slots as well as \$5.0 million from the BHDS Trust Fund for increasing community capacity for individuals with complex medical support needs and the provider training, compliance reviews, quality management and IT improvements/

# DBHDS Behavioral Health Facilities

GF \$ in millions	FY 2019	FY 2020
Electronic health records at all DBHDS facilities	\$5.1	\$5.1
Operating support for new 56-bed expansion at Western State Hospital	0.0	5.6
VCBR: Fund 22 temporary beds at Piedmont Geriatric Hospital for residents with significant medical needs	2.8	2.9
VCBR: Fund operating costs of new 72-bed expansion and 147 positions	0.0	7.8
VCBR: Fund Hepatitis C treatment	0.5	0.5
Supervision/monitoring of conditionally released	0.3	0.5
<b>Total</b>	<b>\$8.7</b>	<b>\$22.4</b>

# Other Health & Social Services

- \$3.8 million GF over biennium to increase the Auxiliary Grant rate by \$35 per month in FY 2019 and \$25 per month in FY 2020 (rate increases from \$1,236 to \$1,296 per month)
- \$2.0 million in FY 19 for cancer research at the Hampton University Proton Therapy Foundation and \$100,000 each year for proton therapy at the Proton Therapy Institute
- \$1.0 million GF over biennium for Free Clinics
- \$1.0 million GF over biennium for brain injury case management services
- \$1.0 million GF over biennium to address aging services wait list
- \$600,000 GF over biennium to expand long-term care ombudsman program
- \$500,000 over biennium to increase funding for Long Term Employment Support (LTESS) Program

# Temporary Assistance to Needy Families ( TANF) Block Grant

- TANF spending continues to exceed the block grant amount leaving a balance of \$99.2 million NGF by the end of FY 2020
  - Continued caseload decline is projected to result in the accumulation of balances
- Recommended additional spending
  - \$3.0 million each year for community employment and training
  - \$3.0 million each year a 2-year pilot program at the Virginia Department of Health to expand access to hormonal long acting reversible contraception
    - Requires metrics and report on pilot program
  - \$2.0 million each year for Community Action Agencies
  - \$500,000 each year for local domestic violence programs
  - \$500,000 each year for Laurel Center for domestic and sexual violence services
  - \$850,000 over biennium for Early Impact Virginia (home visiting program consortium)
  - \$300,000 each year for child advocacy centers
  - \$300,000 over biennium for FACETS homeless assistance services
  - \$75,000 each year for Visions of Truth STRIVE program

# HB 5002: HHR Major Savings

Targeted Reductions	2018-20 (GF \$ in millions)
Savings from moratorium on ACA health insurance tax	(\$42.0)
Savings from training center closures and discharges	(27.5)
Limit expenditure growth in CSA services (rates on private day special education)	(10.3)
Reduce 2% rate increase for CD personal care in FY 19 (provides 2% for agency and CD personal care in FY 20)	(9.8)
Eliminate overtime for CD personal attendants	(9.6)
Eliminate higher call center contract costs through merger of agency call centers	(4.9)
Delay Health Dept. electronic health records to FY 2020	(1.8)
Eliminate training funds for CD personal attendants	(1.0)
Eliminate funds for meningococcal vaccine	(0.5)
<b>Total</b>	<b>(\$107.4)</b>

# **PUBLIC EDUCATION**

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# HB 5001: Reflects \$9.8 GF Savings

- The amendment package includes several technical changes that add a net \$211,412 GF in FY 2018:
  - \$442,039 for the K-3 Class Size Reduction program to add two classrooms
  - (\$99,291) savings from lower Foster Care payments
  - (\$51,336) savings within the Linwood Holton Governor's School to reflect a reduction in student enrollment
  - (\$50,000) savings from Targeted Extended School Year Grants
  - (\$30,000) savings from STEM Competition Team Grants
- In addition, the Lottery revenue estimate is increased by \$10.0 million in FY 2018 and supplants a like amount of general fund dollars

# HB 5002: Direct Aid to Public Education

- The Introduced Budget has a net increase of \$515.9 million GF higher than the FY 2018 base budget – which includes rebenchmarking, policy changes, new and expanded initiatives
  - \$481.1 million for the total cost of Rebenchmarking
  - \$34.8 million for new policy changes, new/expanded initiatives
- To that, the amendment package increases the K12 budget over the biennium by an additional \$148.7 million GF and \$17.6 million more in additional Lottery revenues as compared to the introduced bill



# Increase Lottery Per Pupil Funding: \$91.5 Million

- The total amendment package increases the Supplemental Lottery Per Pupil Amount (PPA) by \$43.4 million the first year and \$48.1 million the second year
  - \$37.5 million GF plus \$5.9 million additional lottery revenue
  - \$36.4 million GF plus \$11.7 million additional lottery revenue
- The revised Supplemental Lottery PPA allocation totals \$234.7 million the first year and \$239.4 million the second year
  - The per pupil amount increased from \$274 each year to \$336 the first year and to \$342 the second year
- The additional funding increases the total percentage of Lottery dollars going directly the school divisions to 40% the second year
  - School divisions have 100% flexibility on spending
  - No local match is required

## 3% Teacher Salary Increase: \$131.4 Million

- Amendment package includes adding \$131.4 million GF for the state's share of a 3.0% salary increase that is provided for all funded SOQ instructional and support positions with an effective date of July 1, 2019
- Participation is optional and requires at least a 3.0% salary increase be given during the FY 2018-2020 biennium – either in the first year or second year or through a combination of the two years

# Additional New Spending

Amendments changes to the current adopted budget also include adding:

- \$7.1 million to increase the range of the At-Risk Add-on Supplement from 13.0% to 14.0%
- \$6.1 million GF in the first year for an enrollment loss to eligible small school divisions with less than 10,000 students that realized at least a 5.0% decline in ADM over the five year period between 2013 to projected 2018 enrollments
- Adds \$1.94 million for CTE Regional and Innovation Centers
- Reflects adding \$1.0 million to the Positive Behavioral Interventions and Support initiative
- Provides \$1.5 million to increase the number of Teacher Residency Partnerships
- Adds \$782,000 for vision screening fees for students tested in kindergarten, grades 2 or 3, 7 and 10
- Adds \$600,000 for Project Discovery
- Includes \$600,000 for Virginia Reading Corps
- Provides \$500,000 for Power Scholars Academy summer program partnership with YMCA
- Adds \$250,000 for Wolf Trap Early Learning STEM Through the Arts Model and adds three school divisions into the program (Albemarle, Henrico, and Suffolk) to the existing nine
- Includes \$192,000 for STEM Teacher Incentives Program
- Provides \$100,000 to assist provisionally licensed minority teachers with Praxis testing fees

# Virginia Preschool Initiative - \$11.1 Million

- Includes \$4.6 million over the biennium to increase the per pupil amount to \$6,326, an increase of \$201 per student
- Adds \$4.6 million over the biennium to provide support to school divisions assist provisionally licensed preschool teachers to complete and obtain their license
- Includes \$1.0 million over the biennium to provide professional development and training for VPI classroom teachers to ensure supports are in place for high quality experience for preschoolers
- Provides \$700,000 over the biennium for classroom assessments to be conducted in all VPI classrooms by the end of the second year
- Reflects \$100,000 for DOE to resume site visits to VPI classrooms and expand technical assistance the early childhood preschool teachers
- Adds \$75,000 the first year for DOE to develop a plan that establishes specific methodology for classroom observations and assessments in all VPI classrooms, and requires the plan to be submitted to the Chairmen of Senate Finance and House Appropriations Committees by November 1, 2018

## Virginia Preschool Initiative *(continued)*

- Prioritizes Mixed-Delivery preschool grant award for a private-provider that partners with Richmond City and submits a high quality competitive application
- Updates the charge of the Joint Subcommittee on the Virginia Preschool Initiative Program for 2018, to include the Quality Ratings System, other recommendations in the December 2017 JLARC report, opportunities to leverage improvements in federal Head Start, and mandating a minimum percentage of VPI slots be in private settings
- Clarifies that match requirements for VPI can be met with non-governmental funds; allows limited provisional waiver of teacher B.A. requirements
- Clarifies the language in the introduced budget regarding the availability and possible distribution of prior year funding balance for unused VPI slots

# Captures \$16.9 Million in Savings from Proposed Policy Initiatives and Technical Updates

- Amendments include redirecting several new proposed funding in the introduced budget into the PPA Lottery distributions:
  - ‘No Loss’ supplement: \$11.5 million
  - Small elementary schools with less than 300 students: \$7.7 million
  - Proposed funding methodology for Governor’s Schools: \$2.6 million
  - Bonuses & incentives for principal recruitment/retention: \$1.0 million
  - Cyber-camps: \$960,000
- Technical updates include:
  - National Board Certification for additional eligible teachers: \$222,484
  - Special Education Regional Tuition Payments: saves \$4.4 million
  - Non-participation for VPI: saves \$489,808

# Additional Language Changes

- Package also reflects several other language amendments that:
  - Provides the spending flexibility for the At-Risk Add-on supplement to include teacher recruitment programs and incentives, hire school guidance counselors, and requires school divisions to report on the usages of the funding
  - Directs Communities in Schools to assist the Community School organization to develop opportunities to establish a program in interested school divisions
  - Maintains the existing annual scholarship level of \$10,000 for the Virginia Teaching Scholarship Loan Program
  - Adds CodeRVA Regional High School into the pool of eligibility for VPSA authorization of Educational Technology note issuances to purchase technology related equipment

# DOE - Central Office

Along with technical adjustments from Central Accounts, the budget amendments include major spending items:

- Adds \$2.0 million for the Office of Student Services to support special education
- Adds \$1.1 million for Virginia Kindergarten Readiness Program to expand the fall pre-testing to all kindergarten classrooms and new language clarifies that a post-assessment test will be developed and implemented
- Includes \$600,000 for test development and administration of verified credit in high school History and Social Science
- Adds \$580,000 for multi-sensory literacy (dyslexia) training for teachers
- Provides \$500,000 for the Virginia's Tiered Systems of Supports
- Includes \$400,000 to expand the eMediaVA online support to schools
- Adds \$186,168 for membership into National Center on Teacher Misconduct
- Capture new spending that saves a total of \$2.1 million over the biennium:
  - \$1.1 million for a new web-based licensure application and intake process
  - \$300,000 from the School Report Card redesign
  - \$150,000 for a proposed advisory council for digital citizenship
  - \$500,000 for new environmental education initiative and 2.0 FTEs
- Language directs DOE to develop and administer a School Personnel Survey within existing resources



# COMPENSATION AND RETIREMENT

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# Across the Board Salary Adjustments in FY 2020

- Amendments provide \$86.3 million GF in FY 2020 to provide a 2% salary adjustment for state and state-supported local employees effective at the beginning of the fiscal year
  - Includes \$68.5 million GF in FY 2020 for a 2% raise for state employees, including university faculty, effective June 10, 2019 (the July 1 pay day)
  - Includes \$17.8 million GF in FY 2020 for a 2% raise for state-supported local employees effective July 1, 2019
- In addition, the package includes \$38.0 million GF for an additional 2% merit salary adjustment for state employees with at least 3 years of service effective June 10, 2019
  - A portion of the funding included for the merit pay amendment comes from redirecting \$13.9 million included in the introduced budget for the state to pay the employee share of the 2019 and 2020 health insurance premium increases

# Targeted Salary Actions

- Package includes \$52.7 million GF over the biennium to provide targeted salary increases to specific public safety personnel and direct care staff in facilities of the Department of Behavioral Health and Developmental Services (DBHDS)
  - Targeted salary increases for state employees effective January 10, 2019 and effective February 1, 2019 for deputy sheriffs

(\$ in millions)

Employee Group	FY 2019	FY 2020
DBHDS direct care staff in facilities	\$5.08	\$12.20
DOC & DJJ Correctional Officers *	\$8.56	\$20.91
Virginia Marine Police	\$0.15	\$0.35
Deputy Sheriffs	<u>\$1.34</u>	<u>\$4.11</u>
<b>Total</b>	<b>\$15.13</b>	<b>\$37.57</b>

\* DOC amendment assumes savings of \$1.5 million in FY 2019 and \$2.0 million in FY 2020 from reduced overtime

\*\* Amendment increases the starting pay for DOC correctional officers, DJJ correctional officers and deputy sheriffs in all localities up to \$32,500 per year

# State Employee Health Insurance

- Includes \$33.6 million GF in FY 2019 and \$84.6 million GF in FY 2020 to fund the employers' share of the increase in health insurance premiums for the State Employee Health Insurance Program
  - Funding is based on an assumed 6.0% rate increase in FY 2019 and an 8.5% increase in FY 2020
  - Does not recommend funding the employee share of premium increase
- Amendments include \$992,222 GF in FY 2019 to enable DHRM to repay line of credit incurred pursuant to the proposal to establish an optional statewide local employee health insurance program.
- Package includes language requiring improved transparency related to pharmacy cost and reimbursements in future contracts with pharmacy benefit managers and other third party administrators

# HIGHER EDUCATION

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# Funding for Colleges & Universities

## \$75.2 million GF

- \$28.4 million to increase Degree Production in Data Science & Technology, Science & Engineering, Healthcare, and Education
  - Looking to increase degrees in these fields by 880 over the biennium above 2017 levels, or about 4% growth
  - Language allows for innovative flat-fee approach at Radford for teachers (permissive)
- \$29.3 million in financial aid for in-state undergraduates
  - Language permits the use of 15% of total financial aid funding to be prioritized to eligible students in degree fields of Data Science & Technology, Science & Engineering, Healthcare, and Education or for students in the innovative internships
- \$17.5 million in other operating support to include \$2.1 million for O & M for new buildings, \$3.4 million for IT infrastructure, \$9.5 million in institution-specific initiatives and \$2.4 million in base operating support

# Biennial Allocations to Colleges and Universities for Operating Costs & Financial Aid

Inst	Operating Support	Fin Aid	Inst	Operating Support	Fin Aid
CNU	\$1.1	\$0.5	UVA	\$4.2	\$0.8
CWM	1.8	0.5	UVA-W	3.5	0.4
GMU	5.5	9.5	VCU	4.3	4.6
JMU	2.4	2.4	VMI	2.3	0.1
LU	1.1	1.0	VT	5.5	1.3
UMW	0.8	0.3	VSU	2.3	0.6
NSU	0.8	0.8	RBC	1.3	0.8
ODU	5.7	1.5	VCCS	2.2	2.9
RU	1.0	1.4	<b>Total</b>	<b>\$45.9</b>	<b>\$29.3</b>

# Commonwealth Cyber (CyberX) Initiative

## \$25.0 million GF

- \$20.0 million GF & \$5.0 million VCBA under VRIC for a new cyber initiative
  - Engine for research, innovation, and commercialization of cybersecurity technologies
  - Address statewide shortage of advanced and professional degrees within the cyber workforce
  - Requires development of “blueprint” by December 1, 2018
- Hub and Spoke structure
  - Hub located in Northern Virginia with Virginia Tech as anchor, along with participating universities and industry partners
  - Spokes co-located with, and operated by, other public universities throughout the Commonwealth
    - Opportunity to participate in collaborative programs and access to investment resources via VRIC



# Commonwealth Cyber (CyberX) Initiative

## \$25.0 million GF

- Programs at the CyberX:
  - World-class faculty and students conducting basic and applied research in cybersecurity;
  - Hub researchers co-located with venture partners, startup companies, accelerator/incubator(s), and established companies to foster collaboration and commercialization opportunities;
  - Faculty from spoke institutions to spend up to a year integrated into the hub site;
  - Experiential learning and internships between students at collaborating universities and researchers/companies collaborating at hub site;
  - K-12 and community college engagement programs that leverage the Virginia Cyber Range;
  - Expansion of scope and scale of post-baccalaureate education in cybersecurity offered at hub site, across spoke sites, and online; and
  - Ecosystem engagement events across the Commonwealth to catalyze the cyber economy and promote collaborations among industry, venture, academia, and government

# VIMS, Extension, EVMS, Higher Education Centers & Jeff Labs - \$12.7 million GF

- \$8.3 million at higher education centers and EVMS
  - \$5.1 million at EVMS
  - \$1.0 million at the New College Institute
  - \$1.0 million at the Southern Virginia Higher Education Center
  - \$600,000 at the Institute for Advanced Learning and Research
  - \$500,000 at Jeff Labs
  - \$172,000 at the Roanoke Higher Education Center
- \$3.0 million at VIMS for O & M for new buildings, IT Upgrades, and monitoring Chesapeake Bay and Elizabeth River
- \$1.4 million at VT Extension for O & M for new buildings & soil scientists

# SCHEV - \$10.7 million GF

- \$4.0 million to increase workforce credential grant program
- \$1.8 million for Tuition Assistance Grants (TAG)
  - \$225,000 to provide an additional \$500 TAG award in FY 2020 for students pursuing a teaching career
- \$2.2 million to enhance the Virtual Library
  - \$1.2 million for digital textbooks
  - Funding to maintain support for private institutions in VIVA
- \$1.0 million for revised cybersecurity scholarship program
- \$0.4 million for new internship program
- \$0.5 million for staff support for the Virginia Research Incentive Fund
- \$0.3 million for two-year college transfer grant
- \$239,333 to create a new student loan ombudsman position
- \$200,000 for Virginia Space Grant program

# Other Higher Education Package

- \$2.0 million for Online Virginia Network expansion of VCCS
- \$13.1 million restoration of interest earnings / rebates in Central Accounts
- Other Education
  - JYF - \$1.4 million related to 2019 Commemoration
  - Library of Virginia
    - Digital Management System - \$1.2 million
    - Eastern Shore library construction - \$1.0 million
    - Local library aid for summer reading & STEAM - \$750,000
  - VMFA
    - \$0.4 million O & M new buildings
    - \$0.4 million for artmobile program
  - Gunston Hall - \$290,000 IT upgrades
  - Commission for the Arts - \$500,000 for grants

# Higher Education Policy & Reform

- Three amendments related to JLARC recommendations regarding the Va College Savings Plan
  - Evaluate proposed Weighted Average Tuition model
  - Evaluate investment performance
  - Investment Director
- GMU venture language related to distance education & online degrees
- JLARC recommendation related to VCCS increasing advising capacity
- UVA, VT & VSU evaluation of rural Virginia

# COMMERCE AND TECHNOLOGY

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# Commerce & Trade Amendment Package

- Amendments repurpose approximately \$13 million GF in savings within Commerce and Trade and redirect these amounts to fund priority programs while amendment package for HB 5002 increases GF spending in Commerce and Trade \$14.1 million – excluding the transfer of CIT – for the biennium
- Focus is to advance the Commonwealth's economic development competitiveness in such areas as broadband access development, small business expansion, and workforce development
- Amendments reflect the elimination of the Secretariat of Technology and transfer its technology and economic development functions to other areas of government

# GO Virginia

- Amendment package increases funding by \$5.0 million in FY 19 and \$10.0 million in FY 20 over FY18 base and in total provide \$29.5 million in the first year and \$34.5 million in the second year
- Adopts language changes to:
  - Increase the minimum regional funding under the per-capita grants to \$1.0 million
  - Eliminate language in Introduced Budget that removed the caps on allotments
  - Enable GO VA Board to grant waivers for matching funds if requested by region
  - Direct GO VA Board to begin activity in broadband initiatives

Distribution of GO VA Increases	FY 2019	FY 2020
Support organizational and capacity building activities	\$3.25 m. (\$1m increase)	\$2.25 m.
Based on each qualifying region's share of the state population	\$13.9 m. (\$3 m. increase)	\$16.9 m. (\$6 m. increase)
Awarded to regional councils on a competitive basis	\$12.3 m. (\$1 m. increase)	\$15.3 m. (\$4 m. increase)



# Economic Development Incentive Payments \$108 million

\*\*Language amendment increases VEDIG cap authorization \$4 million for FY19\*\*

Economic Development Incentives – (\$ in millions)		FY 2019	FY 2020
<b>Performance-Based Agreements</b>			
	VA Economic Development Incentive Grant (VEDIG)	\$4.4	\$3.0
	Virginia Investment Partnership (VIP) Grants	4.9	5.4
	Major Eligible Employers Grants (VIP Subfund)	1.8	0.0
	Virginia Jobs Incentive Program (VJIP)	5.7	2.7
	Aerospace Facility & Workforce Training Incentive Grants	\$ 6.1 (NGF)	\$5.7 (NGF)
<b>Other Economic Development Incentives</b>			
	Commonwealth Opportunity Fund	19.8	19.8
	Commonwealth Research Commercialization Fund	2.8	2.8
	Virginia Research Investment Fund / CyberX	0.0	20.0
	Motion Picture Opportunity Fund	3.0	3.0
	Life Sciences Consortium (VBHRC)	3.75	3.75
	Spending for Marketing and Trade Missions	0.5	0.5
	Virginia-Israel Advisory Board	<u>0.2</u>	<u>0.2</u>
<b>Total General Fund</b>		<b>\$46.85</b>	<b>\$61.15</b>

# Commerce and Trade Spending Items

## **Virginia Economic Development Partnership (VEDP)**

- Amendments provide increase of approximately \$13.2 million GF over biennium
  - Increases of \$5.0 million for biennium in Business-Ready Site Development and marketing programs
  - Includes \$7.5 million in biennium budget for customized workforce recruitment and training program
  - Provides \$728,000 for new Incentives Division as part of VEDP reform package passed last year

## **Department of Small Business and Supplier Diversity (SBSD)**

- Language amendment increase accountability through additional reporting requirements that include metrics and performance data information

## **Department of Mines, Minerals and Energy (DMME)**

- Budget funds a Solar Energy Storage Study (HJ 101) which is a comprehensive analysis of storage devices, regulations, incentives and other aspects of the industry; \$100,000 for biennium

# Commerce and Trade Spending Items

## **Department of Housing and Community Development (DHCD)**

- Virginia Telecommunications Initiative (VATI)
  - Increase Virginia Telecommunications Initiative (VATI) funds \$4 million for biennium
- Increase Enterprise Zone grants \$1.4 million for biennium
- \$5.5 million each year of the biennium for Housing Trust Fund

## **Virginia Tourism Authority**

- Increases funds for Spearhead Trails initiative; \$500,000 for biennium
- Provides \$300,000 for biennium for tourism marketing initiative with Henrico County
- Provides resources \$200,000 for the biennium to Coalfield Regional Tourism Authority for matching funds eligibility
- Provides \$250,000 the first year to support infrastructure associated with FEI Nation's Cup of Eventing
- Provides \$25,000 for the Carver Price Museum

## **Fort Monroe Authority**

- Increases funds \$1 million for biennium for operations and support for the new Visitor's Center

# Technology

## Secretary of Technology

- Budget language eliminates this Secretariat and distributes its responsibilities as follows:
  - Transfers VITA oversight to the Secretary of Administration and creates both a Deputy Secretary for Technology and a Chief Data Officer within Administration to assist in technology oversight
  - Transfers the Center for Innovative Technology (CIT) to the Secretariat of Commerce & Trade and a new Deputy Secretary for Technology and Innovation is established
  - Increase funding for CIT \$1.25 million for biennium

## Commonwealth Broadband Chief Advisor (HB 1583)

- Establishes the position of Commonwealth Broadband Chief Advisor within the Secretary of Commerce and Trade
  - Serves as Virginia's single point of contact and integration for broadband issues, efforts, and initiatives
  - Increases the availability and affordability of broadband throughout all regions of the Commonwealth
  - Office is supported by DHCD (VATI program) and CIT
  - Will work with the Broadband Advisory Council, Joint Commission on Technology and Science and the Virginia Growth & Opportunity Board (GO VA) to develop strategic plan that includes metrics and benchmarks to evaluate progress

# **AGRICULTURE AND NATURAL RESOURCES**

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# HB 5002: Secretariat Agriculture and Forestry

- Amendments make only modest changes to the budget for the Secretariat of Agriculture and Forestry programs and include no major new initiatives
- Within VDACS, the budget includes:
  - \$156,395 GF and 2.00 FTE positions each year to support expanded industrial hemp research and establish a registration program pursuant to Chapters 689 and 690
  - \$125,000 GF each year for the Beehive Grant Fund which is revamped pursuant to the provisions of Chapter 192
- Within the Department of Forestry, the budget includes:
  - \$100,000 GF each year for the Virginia Natural Resources Leadership Institute
  - \$112,000 GF each year to fully match industry contributions to the Reforestation of Timberlands Program
  - \$236,000 GF the first year to match federal and private grants to produce containerized longleaf and loblolly pine seedlings

# HB 5002: Natural Resources

- The amendment package for Natural Resources includes new GF spending of \$46.6 million in the first year and \$7.4 million in the second year
  - Also included are NGF increases of \$8.2 million in FY 2019 and \$7.6 million in FY 2020
- Land Conservation programs total \$1.25 million GF in the first year and \$5.75 million GF in the second year, distributed as follows:
  - Virginia Land Conservation Fund (DCR) - \$4.5 million the second year
  - Battlefields Preservation Fund (DHR) - \$1.0 million each year
  - Farmland Preservation (VDACS) - \$250,000 each year

# Water Quality Improvement Programs

- The statutory deposit to the Water Quality Improvement Fund totals \$22.5 million GF the first year for allocation to nonpoint source programs
  - Also continues dedicating recordation fee revenues to the Natural Resources Commitment Fund totaling \$10.0 million NGF in each year
  - Package includes the establishment of an on-going funding source for the WQIF reserve and provides \$2.6 million each year from un-refunded marine fuels revenue for the WQIF Reserve
- Includes \$20.0 million general fund in the first year for the Stormwater Local Assistance Fund (SLAF)
- \$6.2 million GF each year is provided for Soil and Water Conservation Districts' administration and operational expenses, plus an additional \$1.2 million for technical assistance from the recordation tax fee
- Amendments add \$300,000 GF over the biennium to fund one additional engineer the first year, and two the second year to support projects of the Soil and Water Conservation Districts



# DEQ and DCR

- At DEQ, \$500,000 for an environmental assessment of Buchanan Creek along the Lynnhaven River
  - An additional \$403,000 GF over the biennium is provided for the State of the River Scorecard to monitor the conditions of the Elizabeth River in VIMS
- State Park funding increases includes:
  - \$509,955 the first year, \$317,124 the second year and 3.00 nongeneral fund FTE positions are authorized for operating costs at Middle Peninsula State Park
  - \$965,310 the first year and \$590,944 the second year and 6 GF positions for operations at Widewater State Park
  - \$167,548 the first year and \$198,752 the second year and 2 GF positions for operations at Seven Bends State Park
  - \$50,000 the first year to plan for additional bike facilities at First Landing State Park
- Also included in the package is \$319,200 GF for the W. E. Skelton Smith Mountain Lake wastewater system, and funding for specific dam repairs totaling \$532,500 GF
- Continued funding of \$500,000 GF each year is included for DCR Natural Area Preserves, \$200,000 GF each year for shoreline erosion, and \$464,294 GF each year for the Dam Safety Fund

# Other Natural Resources Agencies

- Funding for Marine Resources Commission includes:
  - Increase of \$750,000 the first year and \$1.0 million the second year for oyster restoration and replenishment activities
  - \$160,000 for the Clontz public access boat ramp in Smithfield
  - \$400,000 over the biennium for costs associated with moving all MRC operations to Fort Monroe
- \$1.35 million each year is transferred from DGIF to Virginia Port Authority from sales tax revenues associated with waterway activities for small harbor dredging projects as provided in Chapter 642
- At Department of Historic Resources one position is provided for a new easement coordinator and funding is provided for a new project review archeologist
- Also funded are the costs associated with legislation adopted expanding the number of recognized historic African American cemeteries and Revolutionary War graves

# TRANSPORTATION

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# HB 5002: Transportation

- The transportation package includes net increases of \$971.6 million NGF (15%) the first year and \$548.5 million NGF (9%) the second year
  - Allocation provides majority of the increased revenue to highway construction programs
- Major initiatives within the Secretariat focus on:
  - Funding staffing and system improvements necessary to comply with the federal REAL ID Act at DMV as well as providing on-going support to cover DMV's increased operating costs
  - Establishing more objective measures to allocate transit funds and investigating long-term solutions to transit capital needs
  - Expediting the dredging of the Norfolk Harbor and Elizabeth River channels to facilitate the continued competitiveness of the Virginia Ports

# Department of Motor Vehicles

## REAL ID Implementation

- Reflects a nongeneral fund increase of \$7.0 million the first year, \$11.6 million the second year and 42.00 FTE positions for the development and issuance of federal REAL ID Act compliant credentials
  - 15.00 FTE positions are included in HB 5001 as the department phases in the program and begins issuing voluntary compliant credentials on October 1, 2018
- Costs associated with the new credentials would be covered by a one-time \$10.00 charge for each compliant ID
- Language in both HB 5001 and 5002 authorizes a \$10.5 million line of credit to cover the upfront costs to be repaid by those choosing to purchase compliant credentials
- Amendments require quarterly reports to the General Assembly on the progress of the project's implementation, any proposed drawdowns from the line of credit, the number of positions hired, and credentials issued

# Department of Motor Vehicles

## Funding Stabilization

- As a wholly nongeneral funded agency, the Department of Motor Vehicles must absorb the increased costs of any increases in salaries and benefits, healthcare and VITA costs within its existing revenue stream
- Over the last 10 years, mandatory expenditures have increased by \$88.3 million and while assistance has been given to the department, additional revenues have been fully subsumed by cost increases
- The amendment package includes an increase in the title fee of \$5.00, generating \$13.0 million annually for DMV
  - The fee has not been adjusted since 1982, and even with the increase to \$15.00, would be well below inflation
  - For comparative purposes, Maryland charges \$100.00, North Carolina \$52.00, and the District of Columbia \$26.00

# Department of Rail and Public Transportation

- Eliminates a proposal to provide \$110.0 million of Commonwealth Transportation Capital Projects Revenue bonds in FY 2020 to support statewide transit capital needs
  - The proposed five years of bonds would have consumed almost 20% of state's outstanding debt capacity through FY 2024
  - Use of long term debt for vehicles with approximately 10-year life cycles is not best method
  - Includes language creating a workgroup to examine how to establish a Master Equipment Lease Program for group purchase of transit vehicles as an alternative – would lead to a revolving fund once established
- Sets out separate allocation for WMATA to provide certainty to other transit properties across the Commonwealth that requests from one large agency do not lead to fluctuations in funding available for the rest of the state

# Virginia Ports Authority

- Provides a total of \$350.0 million in cash and bond authorization to advance the planning and preliminary engineering requirements for widening and dredging of the Norfolk Harbor Channel to 55 feet and dredging the Southern Branch of the Elizabeth River to 45 feet and fully funds the total state share of the projects
  - \$20.0 million in bond proceeds are provided for transportation capital projects at VDOT in FY 2019 and a like amount of Commonwealth Transportation Funds are transferred to the Virginia Port Authority to immediately proceed with PE and design
  - Authorizes \$330.0 million in debt for remaining phases of the project
- \$2.0 million from the Commonwealth Opportunity Fund each year is made available for the Port of Virginia Economic Development Zone Grant Program
- Appropriates an additional \$1.7 million the first year and \$2.3 million the second year of nongeneral funds to support 21.00 additional FTE positions
- \$37.0 million the first year and \$30.0 million the second year is provided from terminal revenues to support equipment required for the increased container volumes and operational changes planned at the expanded APM terminal



# **PUBLIC SAFETY**

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# Department of Corrections

- Provides \$3.0 million GF the second year for additional base operating support in order to reduce the number of vacancies needed to meet the Department's operating expenses
- Includes \$2.9 million over the biennium and 36 positions to establish specialized mental health units to treat inmates with serious mental illness
- Includes \$2.7 million GF over the biennium for 35 additional probation and parole officers to address increased caseloads

# State Police

- Includes \$1.7 million GF the first year and \$1.1 million GF the second year and 10 positions to establish an additional tactical team in the Special Operations Division
- Provides \$1.9 million GF over the biennium to implement and operate an electronic summons system in Division 7
- Includes \$1.9 million GF the second year for the purchase of two replacement helicopters through the Master Equipment Lease Program
- Includes \$340,000 GF each year to support operations of the COMLINC system
- Provides \$103,000 GF each year for a full-time aviation mechanic in the 4<sup>th</sup> Division
- Removes \$915,000 GF over the biennium and 7.0 positions included in the introduced budget for universal background checks for firearms purchases

# Other Public Safety Agencies

## Secretary of Public Safety & Homeland Security

- Provides \$150,000 GF the first year to evaluate necessary improvements to COMLINC, and report recommendations to the General Assembly by November 1, 2018
- Includes \$500,000 GF each year to match anticipated federal funding for U.S. Army Corps of Engineers Study of flood control in the Hampton Roads and Northern Neck regions

## Department of Criminal Justice Services

- Includes \$6.6 million GF the first year and \$13.8 million GF the second year for additional aid to localities with police departments (HB599)
- Provides \$2.5 million GF the first year to extend the jail mental health pilot programs for an additional 12 months
- Increases by \$1.3 million in FY 2019 the appropriation for School Resource Officer Incentive Grants
- Includes \$100,000 GF each year for post-critical incident programs for public safety officers

# Other Public Safety Agencies

## Department of Emergency Management

- Includes \$500,000 GF each year for state and local public safety training and exercises related to man-made and natural disaster preparedness

## Department of Forensic Science

- Includes \$595,000 GF the first year and \$660,000 GF the second year and six positions for the Controlled Substance Section to address growing opiate caseload and backlog
- Provides \$144,000 GF each year for additional DNA testing materials and supplies
  - House Bill 1249 and SB 565 require DNA testing for individuals convicted of two additional misdemeanors

## Department of Veterans Services

- Provides \$124,000 GF each year for a new position focused on developing programs for women veterans

# Judicial Department

- Provides \$8.4 million GF in FY 2020 to fill vacant judicial positions
  - FY 2020 adjustment is sufficient to fill all 435 circuit, district and J&DR judgeships authorized in the *Code of Virginia*
  - Savings of \$817,000 GF the first year reflecting judicial elections made during regular session
- Provides \$525,000 GF each year for Criminal Fund waivers
- Includes \$500,000 GF each year to expand existing or establish new mental health dockets
- Includes \$400,000 GF each year to increase the number of drug courts operating in the Commonwealth
- Provides \$160,000 in FY 2020 for IT improvements in circuit courts

# **CAPITAL OUTLAY**

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# HB 5001

- ODU Stadium project supplement - \$10 million NGF and no fee increases
- VCU Engineering Research project supplement - \$1.1 million NGF
- Jamestown Pier repairs - \$3.1 million VPBA
- ABC Warehouse / Admin Office - technical language changes
- Woodrow Wilson Rehab Center - project scope clarification



# HB 5002 Capital Outlay Savings

- Defer New Planning – saves \$15 million GF
- Defer Alexandria CSO project – saves \$20 million VPBA
- Defer Warren Hall – saves \$77 million 9 (d) revenue bonds
- Defer DCR infrastructure – saves \$4 million VPBA
- Defer portion of DBHDS – saves \$400,000 VPBA to be offset by adjustment to maintenance reserve

# Major Projects

- \$330 million of VPBA bonds are provided for the widening and deepening of the Norfolk Harbor Channel by the Virginia Port Authority
- \$184.9 million for ten additional projects in the 2018 capital pool
  - VT Extension Virginia Seafood AREC
  - SMV Danville Exhibits
  - DMA Aviation Support Facility
  - IALR Manufacturing Center
  - State Police Area 13 Barracks
  - VCU Life Sciences HVAC / Roof Replacement
  - DGS Seat of Government – swing space & Morson Row
  - DGS - ABC Warehouse / Admin Offices
  - DGS – Expand Consolidate Labs, 1<sup>st</sup> Floor
  - DGS – Acquire new NCI facility

# 2016 VPBA Project Pool - \$6.0 million

- DJJ Juvenile Centers
  - Language authorizes one 60-bed facility at new Isle of Wight site with project managed by DGS
    - Chesapeake location no longer viable
  - Language rescinds second project from planning queue and requires DGS to develop location options by October 2018 for a second juvenile center in the Central Virginia area
    - Excludes current Bon Air property for consideration as a second location
    - DGS to determine fair market value and highest & best use of Bon Air property with assistance of Chesterfield County
    - DGS to evaluate highest & best use of Beaumont property with assistance of DOC, DCR & DJJ
- Development of Clinch River State Park
- Dept. of Forensic Science – Central Lab
- Fort Monroe – Visitor Center

# Capitol Complex Infrastructure & Security - \$11.8 million

- Project supplement required due to:
  - Cost overrun from delay in project implementation (inflation)
  - Façade Preservation
  - Parking Deck Scope
- Language amendments to address 9<sup>th</sup> Street Easement, Parking Facility and Bank Street Closure
- Language in DGS allows for shared space in Old City Hall and/or Patrick Henry Building

# Maintenance Reserve & Equipment

- Maintenance reserve increased by \$5.1 million
  - \$2.4 million adjustment for DBHDS
  - \$2.0 million to fund Fort Monroe in both years
  - \$0.6 million to restore New College Institute
  - \$125,730 adjustment for Frontier Culture Museum
- Equipment for New Buildings
  - VT-Carilion Research Expansion
  - CNU Library

# Other Capital Funding Items

- VCU STEM Class Lab Building plan both phases (technical)
- ABC Warehouse (technical)
- \$27 million VCBA to supplement VIMS – Chesapeake Hall & CNU Fine Arts due to project scope corrections
- \$13.7 million NGF to plan
  - Longwood Facilities Annex
  - Radford Innovation Center
  - VMI Physical Training Center, Phase 3
  - NSU Science Building
  - DBHDS Central State Hospital
- \$2.0 million NGF to renovate the Superintendents Quarters at VMI
- \$1.5 million 9 (d) revenue bonds for the Clarkson-McKenna Press Box at VMI
- Treasury Board – Henry County Jail
- State Parks land acquisition adds Natural Tunnel and New River State Parks to list authorized to acquire additional land by gift or transfer

# GENERAL GOVERNMENT

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# General Government Resource Recommendations

- Amendments provide \$824,692 GF the first year and \$916,032 GF the second year, and 12.00 FTEs, to increase auditing staff at the Department of Taxation
  - Assumes increased revenues in excess of \$14.5 million annually beginning in FY 2019 from the additional staff
- Additionally, budget authorizes the reversion to the general fund of \$1.3 million from balances within the Legislative Department and Independent Agencies in FY 2018
- Amendments capture \$2.4 million in additional NGF transfers to the GF from general government agencies



# Funding Legislation Adopted

- \$3.5 million GF the first year pursuant to HB 762/SB 772 which provides compensation for wrongful incarceration for the Norfolk 4 (Dept. of Treasury)
- \$582,313 GF the first year pursuant to HB 1010 which provides compensation for wrongful incarceration for Robert Paul Davis (Dept. of Treasury)
- \$140,000 GF each year pursuant to HB 345/SB 722 which creates a Special Assistant to the Governor for Coastal Adaptation and Protection (Office of the Governor)
- \$333,333 GF the first year and \$381,600 GF the second year pursuant to HB 883/SB 20 establishing a three-year regulatory reduction pilot program (Dept. of Planning & Budget)
- \$1.2 million NGF and 8 FTEs each year pursuant to HB 1362 which requires newborn screening tests for time-critical disorders be performed seven days a week (Dept. of General Services)
- \$1.2 million NGF and 7 FTEs each year pursuant to SB 449 which expands newborn screening to include screening for lysosomal storage disorders (Dept. of General Services)
- \$173,960 NGF in FY 2019 and \$148,160 NGF in FY 2020, and 2 FTEs, pursuant to HB 483 to help locate victims for whom restitution is owed and for whom restitution amounts have been deposited into the Criminal Injuries Compensation Fund (Workers Compensation Commission)