

# Capitol Contact

## Virginia General Assembly

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Wednesday, May 23, 2018

## Budget Resolution Delayed

Senators returned to Richmond yesterday to continue work on the state budget, but local governments will have to wait at least another week for resolution of the budget impasse. After the Senate Finance Committee met last week to receive briefings from staff and discuss potential amendments in concept, it was anticipated that the Committee would meet yesterday to vote on a budget proposal in advance of a scheduled Senate floor session. Expectations of a swift resolution to the budget debate were raised by media reports late last week that indicated that Senate Minority Leader Richard L. Saslaw was prepared to attempt a procedural tactic to “discharge” the House budget bill from the Senate Finance Committee onto the Senate floor, where it could be amended, and on Monday, an apparent path forward was offered by Senate Finance Co-Chairman Emmett Hanger and House Appropriations Chairman Chris Jones, who released a compromise proposal. Senators opted instead to defer action on the budget until next week in order to provide additional time for consideration of the proposed compromise amendments.

By drawing down the additional federal funds associated with Medicaid expansion, the compromise proposal is able to invest significant resources in areas of importance to local governments.

Based on a preliminary analysis, major elements of the compromise proposal include:

- Additional support for K-12 through an increase in the Supplemental Lottery Per Pupil Amount of \$43.4 million in FY 2019 and \$48.1 million in FY 2020 (via a combination of new General Funds, redirection of proposed No Loss funding for localities that would otherwise receive reduced allocations relative to FY 2018, and projected increases in lottery funds).
- Funding for the state’s share of a 3 percent salary increase for SOQ-recognized instructional and support positions, effective July 1, 2019 (an increase relative to the introduced budget, which provided funding for a two percent increase, effective December 1, 2019), contingent on revenues meeting projections.

- Funding for a 2 percent salary increase for state-supported local employees, effective July 1, 2019, also contingent on revenues meeting projections (accelerating the proposed salary increase in the introduced budget, which provided funding for a two percent salary increase, effective December 1, 2019).
- Retention of the increase in aid to localities with police departments (HB 599 funding) that was included in the introduced budget (\$6.6 million GF in FY 2019 and \$13.8 million GF in FY 2020).
- \$20 million GF in FY 2019 for the Stormwater Local Assistance Fund.
- Retention of funding in the introduced budget to complete phase-in of same day access to mental health screening at Community Services Boards (CSBs) and provide funding for primary care screening at CSBs, in accordance with STEP-VA plan adopted by General Assembly in 2017. Additional funding is included in FY 2020 to begin phasing in outpatient and detoxification services in CSBs.

The Senate Finance Committee will meet at noon on Tuesday, May 29, and the full Senate will convene later that afternoon.

**VACo Members:** Please encourage your [Senators](#) to resolve the budget negotiations as quickly as possible. Local governments need certainty about their funding allocations from the state in order to plan for the upcoming fiscal year.

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