

Capitol Contact

Virginia General Assembly

Virginia Association of Counties • 1207 E. Main Street, Suite 300 • Richmond, VA 23219
www.vaco.org • 804.788.6652



Friday, February 21, 2020

Key Elements of House Appropriations and Senate Finance Budgets

The House Appropriations Committee and the Senate Finance and Appropriations Committee reported their respective budgets on Sunday, February 16. The full text of the budget amendments was made available on Tuesday, February 18, and the full House and Senate debated and voted on the proposed budgets on Thursday, February 20.

The next steps in the process are for each chamber to reject the other chamber's budget and appoint conferees; the deadline for the budget bills to be formally placed in conference is February 26. Below is an overview of the key elements of the House and Senate budgets.

K-12 Education

House

- Provides for 2 percent salary increases in each year for the state share of funded SOQ instructional and support positions. The state share of the salary increases would be given to school divisions that certify that increases of at least an average of 2 percent have been or will have been provided during each year of the 2020-2022 biennium, either in the first year or in the second year, or through a combination over both years. Provides \$95.2 million General Fund (GF) in FY 2021 and \$49.9 million GF in FY 2022 to the compensation adjustment proposed in the Governor's introduced budget. This is not intended as a mandate to increase salaries. ([Item 145 #3h](#))
- Provides for an increase in new funding for the at-risk add-on by increasing the maximum add-on percentages from 16 percent to 24 percent in FY 2021 and to 26 percent in FY 2022 as well as increasing flexibility for use of the funds.

Provides \$35 million GF in each year above the increases proposed in the Governor's introduced budget. ([Item 145 #8h](#))

- Provides state share of per-pupil payments based on projected Lottery revenue increases following the prohibition of Games of Skill pursuant to [HB 881 \(Bulova\)](#) as well as increases following the implementation of online lottery tickets sales pursuant to [HB 1383 \(Sickles\)](#). Provides \$10 million GF in FY 2021 and \$35 million GF in FY 2022 and \$1.8 million NGF in FY 2021 and \$3.8 million Non-General Fund (NGF) in FY 2022. According to a recent JLARC [report](#), Games of Skill are currently negatively impacting Lottery revenues, which in turn reduces funding provided to K-12. ([Item 145 #9h](#))
- Provides \$9.5 million GF in FY 2021 and \$10 million GF in FY 2022 to partially restore Cost of Competing Adjustment (COCA) funds to eligible school divisions to nine school divisions in Planning District 8 and in nine adjacent school divisions. ([Item 145 #2h](#))
- Provides relief to school divisions experiencing unexpected enrollment loss over the summer between school years after school board budgets have been adopted and teacher contracts issued. Provides \$6.3 million GF in FY 2021 and \$5.9 million GF in FY 2022. ([Item 145 #4h](#))
- Provides for the state share of an increased ratio of one counselor for every 325 students for K-12 for FY 2022 and thereafter. Provides \$53.2 million GF in FY 2022 for approximately 650 additional school counselors pursuant to [HB 1508 \(McQuinn\)](#). ([Item 145 #7h](#))
- Directs the Superintendent of Public Instruction to convene a workgroup to establish a plan to transfer the Child Care Development Fund grant from the Virginia Department of Social Services to the Virginia Department of Education by July 1, 2021. This amendment includes the same participants from the workgroup created by [HB 1012 \(Bulova\)](#) to oversee planning and implementation of a statewide unified early childhood care and education system. ([Item 137 #2h](#))
- Provides \$933,750 GF in each year to provide 2,500 Virtual Virginia course seats free of charge to school divisions with fewer than 2,500 students and local composite index values below .3000. ([Item 141 #2h](#))
- Provides \$3 million GF in each year to support mixed-delivery of pre-kindergarten slots for at least 300 at-risk three- and four-year olds. No local funding match is required for these slots. ([Item 144 #10h](#))

Senate

- Provides for an additional 1 percent salary increase for the state share of funded SOQ instructional and support positions on top of the 3 percent proposed in the Governor's introduced budget to total 4 percent for FY 2022. The state share of

the salary increases would be given to school divisions that certify that salary increases of a minimum average of 4 percent have been or will have been provided during the 2020-2022 biennium, either in the first year or in the second year or through a combination of the two years. Provides \$48.2 million GF in FY 2022. The funding is not intended as a mandate to increase salaries. ([Item 145 #11S](#))

- Provides \$122 million GF in FY 2021 for the state share of a one-time bonus payment equal to 3 percent of base pay on December 1, 2020 for funded SOQ instructional and support positions. A local match is required to receive the state share, and unlike the 4% salary increase, there is no language specifically clarifying that this is not a mandate upon localities. ([Item 145 #10S](#))
- Provides for the state share of an increased ratio of one counselor for every 300 students for K-12. Provides \$39.5 million GF in FY 2022 for approximately 200 additional school counselors pursuant to [SB 880 \(Locke\)](#). ([Item 145 #5S](#))
- Provides \$8 million GF in each year to support mixed-delivery of pre-kindergarten slots for at least 800 at-risk three- and four-year olds. This is \$2 million GF less than the amount proposed in the Governor's introduced budget. ([Item 145 #7S](#))
- Provides state share of per-pupil payments based on projected Lottery revenue increases following the prohibition of Games of Skill pursuant to [SB 971 \(Howell\)](#) and projected increases following the implementation of online lottery tickets sales pursuant to [SB 922 \(Norment\)](#). Provides \$40.2 million NGF in FY 2021 and \$34 million NGF in FY 2022 ([Item 145 #8S](#))
- Provides \$27.5 million NGF in each year from the Lottery Proceeds Fund to provide grants to school divisions for the purpose of school capital construction or renovations. ([Item 145 #15S](#))
- Provides \$35,000 GF in each year to establish the Commission on School Construction and Modernization, pursuant to [SB 888 \(McClellan\)](#). ([Item 27.10 #1S](#))

Compensation and Retirement

House

- Provides for a compression adjustment for state employees of \$75 per year of service, effective June 10, 2020. Provides a one-time 1 percent bonus, effective September 1, 2020. Provides a 2 percent salary increase, effective June 10, 2021. ([Item 477 #1h](#))
- Provides a 1 percent salary increase for constitutional officers and state-supported local employees, effective July 1, 2020, and a 1 percent bonus effective

September 1, 2020. Provides a 2 percent salary increase, effective July 1, 2021. ([Item 477 #1h](#))

- Reduces the amortization period for the retiree health care credit for state employees and teachers by five years. Provides \$10.2 million GF over the biennium to fund the higher contribution rates required to decrease the amortization period for teachers, and \$7.9 million GF over the biennium to fund the higher contribution rates required to decrease the amortization period for state employees. ([Item 145 #14h](#), [Item 477 #2h](#))
- Includes \$1 million GF in each year for the state share of providing a \$1.50 monthly retiree health care credit per year of service for certain retired non-teacher school division employees. ([Item 145 #10h](#))
- Directs the Chief Workforce Development Advisor and the Secretary of Commerce and Trade to assess the development of a statewide paid family and medical leave program for all employers. ([Item 111 #1h](#))

Senate

- Provides for a one-time bonus of 3 percent for state employees on December 1, 2020, and a 3 percent salary increase for state employees, effective June 10, 2021, provided a revenue reforecast is not required as a result of GF revenue collections missing the FY 2020 forecast by one percent or more. ([Item 477 #4s](#))
- Provides for a 3 percent salary increase for constitutional officers and state-supported local employees, effective July 1, 2021, subject to the revenue contingency language. ([Item 477 #4s](#))
- Provides \$2.6 million GF in FY 2021 for a \$200 one-time bonus to elected sheriffs and their staff on December 1, 2020. ([Item 477 #6s](#))
- Deposits \$30.7 million GF in the VRS teacher plan in FY 2020 to expedite repayment of deferred contributions. ([Item 474 #2s, caboose](#))
- Directs the Chief Workforce Development Advisor and the Secretary of Commerce and Trade to assess the development of a statewide paid family and medical leave program for all employers. ([Item 111 #1s](#))

Judiciary/Public Safety

House

- Provides an additional \$1.9 million GF in FY 2021 and \$3.7 million GF in FY 2022 to fund an additional 60 deputy district court clerks over the biennium (in addition to the 60 positions funded in the Governor's budget). ([Item 42 #1h](#))

- Continues the workgroup convened by the Secretary of Public Safety and Homeland Security on the effects of body-worn cameras on the state’s public safety and judicial agencies. ([Item 391 #1h](#))

Senate

- Provides \$3.9 million GF per year for additional general district court clerk positions or salary increases for general district court clerks, funded by increases in fees for general district court services (in addition to the positions funded in the Governor’s budget). ([Item 42 #1s](#); [Item 4-14 #2s](#))
- Continues the workgroup convened by the Secretary of Public Safety and Homeland Security on the effects of body-worn cameras on the state’s public safety and judicial agencies. ([Item 391 #2s](#))
- Removes \$2.3 million that was included in the introduced budget in FY 2021 for additional grants to local pretrial and probation programs; directs the Department of Criminal Justice Services to conduct a comprehensive review of pretrial services in the state. ([Item 406 #1s](#))
- Provides \$8.6 million GF per year for aid to localities with police departments (“HB 599” funding). ([Item 408 #1s](#))
- Provides \$5 million GF in FY 2021 for the Emergency Shelter Upgrade Assistance Fund to assist local governments in preparing for emergencies. ([Item 410 #1s](#))

Agriculture and Forestry

House

- Provides \$5.8 million GF in FY 2021 for the Virginia Food Access Investment Fund. ([Item 98 #1h](#))

Senate

- Provides \$611,805 GF in FY 2021 and \$111,805 GF in FY 2022 for the Virginia Food Access Investment Fund. ([Item 95 #1s](#))

Elections

House

- Directs the Department of Elections to release a Request for Information in FY 2020 for replacement of the Virginia Election and Registration Information System (VERIS) and states the General Assembly’s intent to use the most recent award of Help America Vote Act funding for the VERIS replacement; appropriates the \$10.2 million in federal funding and \$2 million in state match. Provides that the Department of Elections may consider assisting localities with complying with election security standards developed as a result of 2019

legislation. ([Item 83 #1h](#), [Item 83 #2h](#), both in caboose)

- Provides \$159,988 GF per year to fund staff in the Office of the Attorney General to pre-clear local voting practices in accordance with legislation passed by the House. ([Item 57 #1h](#))

Economic Development

House

- Reverts 12.7 million in unused FY 2018 and FY 2019 balances for the competitive GO Virginia grant projects to the general fund. ([Item 3-1.01 #2h](#))
- Provides an additional \$5 million GF in FY 2021 for the Virginia Business Ready Sites Program. ([Item 130 #1h](#))

Senate

- Reduces funding for the competitive GO Virginia grant projects by \$4.45 million in FY 2020, FY 2021, and FY 2022 ([Item 106 #1s – caboose](#) and [Item 114 #3s – biennium](#))
- Provides \$500,000 GF per year for the Enterprise Zone Grant Program to avoid proration of the Real Property Improvement Grant. ([Item 115 #1s](#))
- Provides an additional \$10 million GF over the biennium for the Virginia Business Ready Sites program. ([Item 130 #2s](#))
- Provides an additional \$250,000 GF per year for the Brownfields Restoration and Economic Development Assistance Fund. ([Item 130 #3s](#))

Broadband

House

- Provides that criteria for awards of funding from the Virginia Telecommunication Initiative (VATI) must include a requirement for investment from a private sector provider of no less than 15 percent of the total project cost, and allows 1.1 percent of program funding to be used for administrative costs. ([Item 114 #1h](#))

Senate

- Provides an additional \$275,000 GF per year for VATI administrative support. ([Item 114 #2s](#))

Housing Trust Fund

House

- Retains proposed deposits to the Housing Trust Fund that the Governor had included (\$23 million in FY 2021 and \$33 million in FY 2022). Adds language

directing the expansion of permanent supportive housing as a priority for the Virginia Housing Trust Fund. ([Item 113 #1h](#))

Senate

- Reduces the proposed Housing Trust Fund deposit by \$10 million GF in FY 2022. ([Item 113 #1s](#))

Aid to Local Public Libraries

House and Senate

- Provides \$1 million GF per year for aid to local public libraries (Senate version also redirects \$500,000 GF per year set-aside for the Eastern Shore Public Library) ([Item 247 #1h](#)) and ([Item 247 #1s](#))

Children's Services Act

Senate

- Removes two percent cap on increases in rates for private special education day placements in FY 2022 and expedites second round of the rate study included in the introduced budget; directs the Office of Children's Services to implement statewide rate-setting beginning July 1, 2021. ([Item 292 #3s](#), [Item 293 #1s](#))

Behavioral Health

House

- Eliminates language in the introduced budget allowing the Department of Behavioral Health and Developmental Services (DBHDS) to establish up to 20 new child and adolescent inpatient psychiatric beds at a state hospital if alternatives are not developed by September 1, 2020. ([Item 321 #3h](#))
- Bars DBHDS from operating beds at Catawba Hospital above the number of beds operational as of June 30, 2020; authorizes DBHDS to use the funding that would otherwise be used for these beds to pursue alternative placements, such as public-private partnerships. ([Item 326 #2h](#))

Senate

- Funds an additional 500 Family and Individual Support Medicaid waiver slots in FY 2022. Requires DBHDS to report quarterly on the allocation of slots by Community Services Board (CSB). ([Item 313 #3s](#), [Item 320 #17s](#))
- Eliminates proposed supplemental payment to incentivize private hospitals to accept more individuals under Temporary Detention Orders (TDOs) and instead provides \$10 million GF in FY 2021 for DBHDS to establish two-year pilot projects to reduce census pressures on state hospitals. Provides \$300,000 GF in FY 2021 for a pilot project to provide for the transportation costs of patients discharged from a state hospital. Authorizes DBHDS to accept proposals from

private providers for a pilot project for acquisition of housing options for individuals ready to leave state hospitals or to prevent unnecessary hospitalizations. Removes funding in the introduced budget for additional beds at Catawba Hospital; provides up to \$5 million in special funds for transition costs. ([Item 313 #25s](#); [Item 320 #3s](#); [Item 321 #2s](#); [Item 321 #6s](#); [Item 326 #1s](#))

- Requires DBHDS to report annually on funding provided to each CSB by the Department and through Medicaid, as well as local funding for each CSB. ([Item 320 #9s](#))
- Directs DBHDS to evaluate the feasibility of expanding mental health dockets and report on the number of courts interested in establishing such a docket and projected costs. ([Item 320 #13s](#))
- Directs DBHDS to develop a plan to convert Crisis Intervention Team Assessment Centers (CITACs) to 24-hour, seven-day operations and move toward regional CITAC sites. ([Item 320 #16s](#))
- Eliminates language in the introduced budget allowing the Department of Behavioral Health and Developmental Services (DBHDS) to establish up to 20 new child and adolescent inpatient psychiatric beds at a state hospital if alternatives are not developed by September 1, 2020. ([Item 321 #4s](#))
- Provides \$5.6 million GF in FY 2021 and \$11.4 million GF in FY 2022 for permanent supportive housing for individual with serious mental illness. ([Item 322 #1s](#))
- Funds a pilot program for sharing of data between jails and CSBs ([Item 322 #2s](#))
- Specifies reporting and data collection requirements related to existing funding for medication-assisted treatment provided to CSBs and requires CSBs to make a portion of this funding available to prisons or jails. ([Item 322 #4s](#))
- Directs the Department of Medical Assistance Services to review the reimbursement of services provided by local education agencies to Medicaid-eligible children, including evaluating options to allow school divisions to draw down additional federal resources. ([Item 313 #26s](#))

Social Services

House

- Reduces proposed targeted salary increases for staff in local departments of social services by \$3.4 million GF and \$3.5 million NGF per year; specifies that \$2.2 million GF and \$2.2 million NGF per year are to be used to increase salary minimums for local family services, benefit programs, self-sufficiency services, and administration positions, and provides funding for a 1.5 percent salary

adjustment in FY 2021 to address salary compression. Staff in local departments would also be eligible for the proposed 1 percent salary increase in FY 2021, 1 percent bonus in September 2020, and 2 percent salary increase in FY 2022 that will be provided to state-supported local employees. ([Item 351 #1h](#))

- Reduces proposed funding to establish prevention departments in local departments by \$18.6 million GF and \$6 million NGF over the biennium, leaving funding of \$12.5 million GF/\$4 million NGF in FY 2021 and \$18.7 million GF/\$6 million NGF in FY 2022. ([Item 351 #2h](#))
- Requires the Commissioner of Social Services to develop a five-year plan to prevent child abuse and neglect. ([Item 354 #5h](#))
- Provides \$3 million per year from Temporary Assistance to Needy Families funds for third round of grants for community employment and training programs. ([Item 356 #3h](#))

Senate

- Reduces proposed funding to establish prevention departments in local departments by \$20 million GF and \$6.4 million NGF over the biennium, leaving funding of \$12.4 million GF/\$4 million NGF in FY 2021 and \$17.4 million GF/\$5.5 million NGF in FY 2022. ([Item 351 #1s](#))
- Directs the Virginia Department of Social Services to develop a plan for statewide access to kinship navigator services, which provide support to kinship caregivers. ([Item 354 #2s](#))
- Provides \$200,000 GF in FY 2021 and \$1.2 million GF in FY 2022 for the Department of Social Services to create a Training Academy Model for family services specialists. ([Item 359 #1s](#))

Water Quality

House

- Retains introduced budget's proposed deposit of \$88.8 million over the biennium for the Water Quality Improvement Fund. Reduces proposed bond authorization to \$40 million (the Governor's budget had proposed \$120 million). ([Item C-70 #1h](#))
- Directs the Department of Environmental Quality to identify an alternative point source implementation approach for the Chesapeake Bay TMDL than the Phase III Watershed Implementation Plan. ([Item 377 #2h](#))
- Reduces proposed funding for the Stormwater Local Assistance Fund to \$92 million (the Governor's budget had proposed \$182 million). ([Item C-70 #1h](#))

Senate

- Provides an additional \$29.3 million GF to the Water Quality Improvement Fund in FY 2021; removes \$41.8 million discretionary deposit in FY 2022. for a total deposit of \$76.3 million over the biennium. Reduces proposed bond authorization to \$60 million (the Governor’s budget had proposed \$120 million). ([Item 373 #1s](#)) and ([Item C-70 #1s](#))
- Provides \$275,000 GF in FY 2021 for an independent review of approaches to improve integration of the Virginia Erosion and Sediment Control Act, Storm Water Management Act, and the Chesapeake Bay Preservation Act. ([Item 377 #3s](#))
- Directs the Department of Environmental Quality to identify an alternative point source implementation approach for the Chesapeake Bay TMDL than the Phase III Watershed Implementation Plan. ([Item 377 #4s](#))
- Reduces proposed funding for the Stormwater Local Assistance Fund to \$50 million (from \$182 million proposed in the introduced budget). ([Item C-70 #1s](#))

Transportation

House

- Directs the Secretary of Transportation and the Secretary of Natural Resources to evaluate the issue of drainage outfalls originating from VDOT-maintained roads without an assigned maintaining entity and recommend cost-effective funding solutions. ([Item 430 #2h](#))
- Specifies that localities may continue to impose vehicle registration fees at currently-authorized maximum levels, regardless of any legislation enacted during the 2020 General Assembly session to reduce the state fees. ([Item 438 #2h](#))
- Provides \$179 million NGF in FY 2021 and \$198 million NGF in FY 2022 pursuant to the passage of [HB 1541 \(McQuinn\)](#) which creates the Central Virginia Transportation Authority, which will administer transportation funding generated through an additional regional sales and use tax and wholesale gas tax. ([Item 451 #3h](#))

Senate

- Directs the Secretary of Transportation and the Secretary of Natural Resources to evaluate the issue of drainage outfalls originating from VDOT-maintained roads without an assigned maintaining entity and recommend cost-effective funding solutions. ([Item 430 #3s](#))

- Directs the Secretary of Transportation to authorize a full-time employee of a regional planning district commission to serve as the responsible charge on locally administered construction projects. ([Item 447 #2s](#))

Reserves

House

- Corrects amount appropriated for a voluntary deposit to the Revenue Reserve Fund to reflect a reduction in the deposit of \$74 million in FY 2020. ([Item 266 #1h – caboose](#))
- Deposits \$222 million in the Revenue Reserve Fund in FY 2020, for a total FY 2020 deposit of \$641.8 million (these funds may be transferred to the Revenue Stabilization Fund if necessary). ([Item 266 #2h – caboose](#))
- Retains proposal in the introduced budget for \$300 million Revenue Reserve Fund deposit in FY 2022.

Senate

- Corrects amount appropriated for a voluntary deposit to the Revenue Reserve Fund to reflect a reduction in the deposit of \$74 million in FY 2020. ([Item 266 #1s – caboose](#))
- Provides for a deposit of \$112.3 million GF into the Revenue Stabilization Fund in FY 2022 (an increase of \$95 million relative to the introduced budget), based on projected FY 2020 revenues. ([Item 274 #1s](#))
- Retains proposal in the introduced budget for \$300 million Revenue Reserve Fund deposit in FY 2022.

Other Items of Interest

House

- Provides \$500,000 GF in each year for three positions to establish and operate the Public Employee Relations Board (PERG) related to collective bargaining. The funding is contingent upon passage of [HB 582 \(Guzman\)](#). ([Item 120 #2h](#))
- Provides \$138,5999 GF in each year for one position in the Office of the Attorney General to provide legal services to the Public Employee Relations Board (PERG) related to collective bargaining. The funding is contingent upon passage of [HB 582 \(Guzman\)](#). ([Item 57 #2h](#))

Senate

- Provides \$294,000 GF per year in additional funding for Planning District Commissions to provide each of the 21 Planning District Commissions with an

increase of \$14,000 per year. ([Item 114 #1s](#))

- Directs the Secretary of Finance to convene a stakeholder workgroup to examine processes necessary in order for all entities with the authority to issue tax-supported debt to report to the Debt Capacity Advisory Committee prior to issuing such debt. ([Item 264 #1s](#))
- Provides \$1.9 million GF in each year for the costs related to adding post-traumatic stress disorder (PTSD) as a compensable injury for first responders under the Workers' Compensation Act pursuant to the provisions of SB 561 (Vogel). ([Item 477 #2s](#))
- Provides \$101,000 GF in FY 2022 for the costs associated with adding additional cancers to the list of cancers presumed to be an occupational disease covered by the Workers' Compensation Act for firefighters and certain other employees pursuant to [SB 9 \(Saslaw\)](#). ([Item 477 #7s](#))

VACo Contacts: [Dean Lynch, CAE](#); [Katie Boyle](#); [Chris McDonald, Esq.](#); [Jeremy Bennett](#); [Joe Lerch, AICP](#); [Phyllis Errico, Esq.](#)

Key Dates for 2020 General Assembly Session

The House and Senate adopted the procedural resolution governing the schedule for the 2020 General Assembly session on January 10, 2020. Key dates for the 2020 Session are as follows:

- **January 8:** General Assembly convened at noon. Bills that were “prefiled” were due to be submitted by 10 a.m. Bills affecting the Virginia Retirement System or creating or continuing a study were required to be filed before adjournment of their respective chambers of introduction.
- **January 10:** Deadline for submission of budget amendments by 5 p.m.
- **January 17:** Deadline for remaining bills to be filed at 3 p.m. (there are some exceptions, such as when legislation is granted unanimous consent to be introduced after the deadline).
- **February 11:** “Crossover” deadline for each chamber to complete work on legislation originating in that chamber (except for the budget bill)
- **February 16:** House Appropriations and Senate Finance and Appropriations Committees report their respective budgets by midnight.
- **February 20:** Deadline for each chamber to complete work on its budget.

- **February 26:** Deadline for each chamber to complete work on the other chamber's budget and appoint budget conferees; also the deadline for each chamber to act on revenue bills from the other chamber and appoint conferees.
- **March 2:** Deadline for committee action on bills at midnight.
- **March 7:** Scheduled adjournment *sine die*.
- **April 22:** Reconvened session to consider gubernatorial amendments and vetoes.

VACo Contact: [Katie Boyle](#)