

Capitol Contact

Virginia General Assembly

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Thursday, February 11, 2021

‘Money Committees’ Release Budgets

The House Appropriations Committee and the Senate Finance and Appropriations Committee met on February 10 and reported their respective amendments to the Governor’s introduced budget. The Wednesday meeting marked a departure from the traditional “Budget Sunday” unveiling of the committee budgets, which was originally scheduled for February 7, but was delayed until later in the week and coincided with the transition to the special session called by the Governor to allow the legislature time to complete its work. The House and Senate are scheduled to debate the respective committee proposals on Friday, February 12.

Following is an overview of key proposals of interest from the committee budgets.

K-12 EDUCATION

House Appropriations

- Reduces by \$64.7 million GF in FY 2021 No Loss Enrollment payments by an amount equal to 25 percent of each school division's ESSER II federal relief distribution, and such reduction is capped at 25% of the No Loss payment. The introduced budget was proposed prior to authorization of \$845.4 million in ESSER II subgrants to Virginia school divisions through the federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021. ([Item 145 #12h](#))
- Provides \$30 million NGF in FY 2022 from federal Elementary and Secondary School Emergency Relief funds authorized in the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 to provide grants to address COVID-19 related learning loss and other student support needs. ([Item 144 #4h](#))
- Provides \$20.1 million GF in FY 2021 and \$9.9 million GF in FY 2022 to ensure 40 percent of Lottery Proceeds are dedicated to Infrastructure and Operations

Per Pupil Payments, formerly known as Supplemental Lottery Per Pupil Allocations. The additional funding increases these Per Pupil Payments by approximately \$30 per pupil the first year and \$15 per pupil the second year. ([Item 145 #14h](#))

- Provides \$6.5 million NGF in FY 2022 from federal Elementary and Secondary School Emergency Relief funds authorized in the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 to provide the state share of the cost and costs that do not qualify under the federal Individuals with Disabilities Education Act for one additional year of education for students with disabilities who were 19 years of age or older and enrolled during the 2020-21 school year. ([Item 145 #15h](#))
- Provides \$8.8 million NGF in FY 2022 from federal Elementary and Secondary School Emergency Relief funds authorized in the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 to implement the provisions of House Bill 2027 to restructure Standards of Learning assessments for mathematics and reading in grades 3-8 from a single end-of-year assessment to a growth assessment system that measures student progress above, at, and below grade level. ([Item 139 #1h](#))
- Provides \$13.2 million GF in FY 2022 to increase the Cost of Competing Adjustment (COCA) for support positions in the school divisions in Planning District 8 and certain adjacent divisions. ([Item 145 #11h](#))
- Reduces by \$2.1 million GF in FY 2022 to apply the partial Cost of Competing Adjustment (COCA) rate to Accomack and Northampton Counties instead of the proposed rate in the core Northern Virginia localities in Planning District 8. ([Item 145 #16h](#))
- Captures \$2.5 million GF in FY 2021 from the school meals expansion initiative. The U.S. Department of Agriculture issued a waiver allowing all students to receive free meals for the 2020-2021 school year, regardless of income eligibility. ([Item 145 #5h](#))
- Provides \$582,000 GF in FY 2022 incentive payments for Alleghany County and Covington City school divisions to consolidate. Such payments are intended to be set at this amount for five years, with no adjustments. ([Item 145 #9h](#))

Senate Finance and Appropriations

- Includes language requiring all school divisions to offer in-person instruction options in the 2021-2022 school year to a student if the parent or guardian requests. ([Item 145 #11s](#))
- Provides \$49.2 million GF in FY 2022 to fund the state's share of three specialized student support positions per 1,000 students. Specialized student support positions, consistent with Senate Bill 1257, include school social workers, school psychologists, school nurses, licensed behavior analysts, licensed assistant behavior analysts, and other licensed health and behavioral positions. ([Item 145 #8s](#))

- Provides \$30 million GF in FY 2022 from the Lottery Proceeds Fund to support one-time programs and initiatives to address learning loss experienced by students due to the COVID-19 pandemic. ([Item 145 #7s](#))
- Captures \$1.8 million GF in FY 2022 from the reduction of Standards of Learning assessments to the minimum federal requirements, contingent on the passage of Senate Bill 1401. ([Item 139 #1s](#))
- Captures \$2.5 million GF in FY 2021 from the school meals expansion initiative. The U.S. Department of Agriculture issued a waiver allowing all students to receive free meals for the 2020-2021 school year, regardless of income eligibility. ([Item 145 #3s](#))
- Captures \$2.8 million GF in FY 2022 by removing Accomack and Northampton counties from the full cost of competing adjustment as included in the introduced budget. ([Item 145 #4s](#))
- Provides \$2.7 million GF in 2022 from the Lottery Proceeds Fund to provide one-time support to Accomack and Northampton school divisions for recruitment and retention efforts. ([Item 145 #9s](#))
- Provides \$582,000 GF in FY 2022 incentive payments for Alleghany County and Covington City school divisions to consolidate. Such payments are intended to be set at this amount for five years, with no adjustments. ([Item 145 #5s](#))
- Includes language that directs the Superintendent of Public Instruction to convene a workgroup to make recommendations on the staffing standards for school nurses. The recommendations shall include the appropriate school nurse staffing ratio and the required qualifications and training for school nurses. ([Item 137 #1s](#)).

COMPENSATION

House Appropriations

- Redirects funding for Governor's proposed 2 percent bonus payment and provides an additional \$152 million in FY 2022 to provide the state's share of a 5 percent salary increase for SOQ-recognized instructional and support positions, effective July 1, 2021. Funding will be provided to school divisions that certify to the Department of Education that salary increases of a minimum average of 5 percent have been or will have been provided during the 2020-2022 biennium to instructional and support personnel. ([Item 145 #10h](#))
- Redirects funding for Governor's proposed bonus payment of \$1500 for state employees and 1.5 percent for Constitutional officers and state-supported local employees and provides an additional \$70.4 million GF in FY 2022 to provide a 3.5 percent salary increase for state employees and Constitutional officers and state-supported local employees, effective July 1, 2021. ([Item 477 #2h](#))

Senate Finance and Appropriations

- Contingent on a revenue reforecast not being required, redirects funding for the Governor's proposed bonus payment and provides an additional \$59.3 million GF in FY 2022 to provide the state's share of a 3 percent salary increase for SOQ-recognized instructional and support positions, effective August 1, 2021, to school divisions that certify to the Department of Education that salary increases of a minimum average of 3 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, to instructional and support personnel. ([Item 145 #6s](#))
- Contingent on revenues, redirects funding for the Governor's proposed bonus payment and provides an additional \$20.3 million GF in FY 2022 to fund a 3 percent salary increase for state employees, effective August 10, 2021, and a 3 percent salary increase for Constitutional officers and state-supported local employees, effective September 1, 2021. ([Item 477 #1s](#))

JUDICIARY/PUBLIC SAFETY

House Appropriations

- Removes \$235,149 in FY 2021 and \$4.9 million in FY 2022 in funding associated with a proposal to expand the number of seats in the Court of Appeals in Virginia. ([Item 40 #1h](#))
- Provides \$1.8 million GF in FY 2022 for additional public defender, paralegal, mitigation specialist, and administrative support positions for the Indigent Defense Commission. ([Item 48 #2h](#))
- Provides \$216,000 in FY 2022 for the Virginia Criminal Sentencing Commission to undertake necessary data collection and reporting on pre-trial processes, pursuant to [HB 2110 \(Herring\)](#). ([Item 49 #1h](#))

Senate Finance and Appropriations

- Provides \$1.1 million GF in FY 2021 and \$2.7 million GF in FY 2022 for judicial staff positions and support positions as well as two additional judgeships associated with a proposal to expand the number of seats in the Court of Appeals in Virginia. ([Item 40 #1s](#))
- Provides \$333,200 GF in FY 2022 for the Virginia Criminal Sentencing Commission to undertake necessary data collection and reporting on pre-trial processes, pursuant to [SB 1391 \(Lucas\)](#). ([Item 49 #1s](#))
- Provides \$2.5 million GF in FY 2022 to continue funding the Emergency Shelter Upgrade Assistance Fund, which aids local governments in preparing for emergency sheltering situations. ([Item 410 #1s](#))

AGRICULTURE AND FORESTRY

House Appropriations

- Provides \$1 million GF in FY 2022 for the Virginia Farmland Preservation Fund. ([Item 97 #1h](#))
- Provides an additional \$2 million GF in FY 2021 for the Virginia Food Access Investment Program. ([Item 97 #2h](#))
- Directs the Department of Forestry to convene a stakeholder workgroup for the purpose of developing and providing recommendations to state and local governments related to policies which encourage the conservation of mature trees and tree cover on sites being developed, increase tree canopy cover in communities, and encourage the planting of trees. ([Item 107 #1h](#))

Senate Finance and Appropriations

- Reduces the proposed deposit to the Virginia Agriculture Food Assistance Program that would be established under legislation passed by the Senate. The amendment would reduce the deposit by \$100,000, for a total of \$500,000 in FY 2022. ([Item 95 #1s](#))

CONSTITUTIONAL OFFICERS

Senate Finance and Appropriations

- Increases the marriage license fee and divorce filing fee and directs that revenue is to be used to support compensation increases for Circuit Court Clerks and deputy clerks. ([Item 73 #1s](#), [Item 73 #2s](#))
- Directs the Compensation Board to work with the Virginia Association of Commonwealth's Attorneys to examine the staffing standards used to determine the number of positions needed for allocation to Commonwealth's Attorneys' offices statewide and revise the duties and workload measures used as the basis for determining the allocation of new positions, such that the standards are not based solely on metrics related to felony charges and convictions. Provides \$250,000 to contract with the National Center for State Courts to perform a time study as to the comprehensive duties and responsibilities of Commonwealth's Attorneys' offices. A status report is due November 1, 2021, and a final report is due November 1, 2022. ([Item 75 #1s](#))
- Directs the Compensation Board to review the plan that is to be developed by July 1, 2021, outlining law enforcement agencies' roles in the Marcus Alert System established during the 2020 Special Session, and to survey sheriffs' offices to determine anticipated costs to meet the requirements established by the plan. ([Item 75 #2s](#))

ELECTIONS

House Appropriations

- Directs the Department of Elections to reimburse localities for the cost of prepaid postage sent with absentee ballots from the amounts remaining from the appropriation during the special session, which was set aside to fund costs associated with the November 2020 election (funds remaining are estimated at \$1 million). ([Item 86 #1h](#))
- Provides \$3.5 million GF in FY 2022 to increase the salary scale for general registrars to equal the salary scale for treasurers and restore full reimbursement for registrars' and electoral board members' compensation. Full restoration for compensation was a VACo request. ([Item 87 #1h](#))

Senate Finance and Appropriations

- Provides \$2.5 million GF in FY 2022 to restore full reimbursement for compensation for general registrars and electoral board members. This was a VACo request. ([Item 87 #1s](#))

ECONOMIC DEVELOPMENT/WORKFORCE

House Appropriations

- Restores \$250,000 GF per year to increase the Enterprise Zone grant program to avoid proration of real estate awards from the program. ([Item 115 #1h](#))
- Directs \$20 million in revenue derived from the monthly tax on games of skill to the Rebuild Virginia program, which provides grants to small businesses and nonprofits affected by the pandemic. ([Item 128 #2h](#))
- Includes language defining a high-demand field for purposes of the G3 community college assistance program and specifying the process through which additional fields will be added in the future; specifies that health care workers, first responders, and other essential workers are eligible for the program at no cost during the state of emergency and for two years thereafter. ([Item 221 #1h](#))

Senate Finance and Appropriations

- Provides \$10 million GF in FY 2022 to establish a special, non-reverting Virginia Community Development Financial Institutions (CDFI) Fund to provide grants to community development financial institutions, community development enterprises, or similar entities whose primary purpose is to provide financing in the form of loans, grants or forgivable loans to small businesses or community revitalization real estate projects. ([Item 114 #3s](#))

- Directs \$25 million in revenue derived from the monthly tax on games of skill to the Rebuild Virginia program. ([Item 479.10 #2s](#))

BROADBAND

House Appropriations

- Provides \$424,000 GF in FY 2022 to the Department of Housing and Community Development (DHCD) to develop a statewide broadband map. ([Item 114 #2h](#))
- Directs DHCD to establish a one-year pilot program in FY 2022, capped at 10 percent of total FY 2022 funding for the Virginia Telecommunication Initiative (VATI), in which public broadband authorities may apply directly for VATI funds without a private sector partner. VACo supports removing the requirement that VATI funds only be made available to local governments with a private sector partner. ([Item 114 #5h](#))

Senate Finance and Appropriations

- Provides \$500,000 in FY 2022 for the Lenowisco PDC and Cumberland Plateau PDC designated for initiatives intended to expand education and telehealth access. Funding for grants would be managed by the Virginia Coalfield Economic Development Authority. ([Item 114 #2s](#))
- Directs DHCD to establish a pilot program, capped at 10 percent of total FY 2022 funding for VATI, in which public broadband authorities may apply directly for VATI funds without a private sector partner. VACo supports removing the requirement that VATI funds only be made available to local governments with a private sector partner. ([Item 114 #5s](#))

HOUSING

House Appropriations

- Removes proposed additional deposit of \$25 million GF to the Virginia Housing Trust Fund in FY 2022. ([Item 113 #1h](#))

Senate Finance and Appropriations

- Removes proposed additional deposit of \$15.7 million GF to the Virginia Housing Trust Fund in FY 2021 and directs that rental assistance funding provided through the most recent federal relief package be designated to continue the Virginia Rent and Mortgage Relief Program. ([Item 113 #1s](#))

- Includes language specifying the process by which landlords apply for rental assistance on behalf of tenants. ([Item 4-14 #1s](#))

CHILD CARE/EARLY CHILDHOOD

House Appropriations

- Appropriates \$52.5 million in federal Child Care and Development Fund (CCDF) dollars in FY 2022 to temporarily expand the Child Care Subsidy Program in accordance with legislation passed by the House. ([Item 137 #2h](#)) Related amendment provides \$9.6 million from CCDF in FY 2021 to temporarily expand the Child Care Subsidy Program. ([Item 350 #3h](#))
- Directs the Department of Education to prioritize serving at-risk four-year-olds in reallocating funds among components of the Virginia Preschool Initiative. ([Item 145 #1h](#))
- Captures \$15.9 million GF in FY 2021 from the Virginia Preschool Initiative based on actual enrollment reported in the 2020-2021 school year. ([Item 145 #6h](#))
- Reduces the proposed increase in the VPI per-pupil amount to a 10 percent increase, rather than a 21 percent increase as proposed in the Governor’s budget. ([Item 145 #8h](#))

Senate Finance and Appropriations

- Captures \$15.9 million GF in FY 2021 from the Virginia Preschool Initiative based on actual enrollment. ([Item 145 #1s](#))

AID TO LOCAL PUBLIC LIBRARIES

House Appropriations and Senate Finance and Appropriations

- Restore \$1 million GF in aid to local public libraries in FY 2022. ([Item 247 #1h](#) and [Item 247 #1s](#))

LOCAL PROPERTY TAX EXEMPTIONS

House Appropriations and Senate Finance and Appropriations

- Directs the Commission on Local Government to review the effects of mandatory property tax exemptions on local finances, to include recommendations to

mitigate the impacts on local budgets. This language was a request of VACo. ([Item 114 #6h](#) and [Item 114 #4s](#))

CHILDREN’S SERVICES ACT

House Appropriations

- Directs the Department of Education to collect and report data on staff credentials, accreditation status, and incidents of restraint and seclusion in private special education day schools. ([Item 138 #1h](#))
- Directs the Board of Education to promulgate regulations for private special education day schools on restraint and seclusion that establish the same requirements as those for public schools. ([Item 138 #2h](#))
- Provides \$121,443 GF in FY 2022 for the Office of Children’s Services (OCS) to carry out additional responsibilities for monitoring local programs pursuant to legislation under consideration this session and directs OCS to report on implementation of these new responsibilities by November 1, 2021. ([Item 293 #1h](#))

Senate Finance and Appropriations

- Directs the Department of Education to collect and report data on staff credentials, accreditation status, and incidents of restraint and seclusion in private special education day schools and directs the Board of Education to promulgate regulations for private special education day schools on restraint and seclusion that establish the same requirements as those for public schools. ([Item 138 #1s](#))
- Directs OCS to develop a plan to modify its staffing and operations to ensure effective local implementation of the Children's Services Act. Directs OCS to collect annual data from each local CSA program regarding numbers of program staff and the administrative budget in order to target technical assistance to local programs in need of resources. ([Item 291 #3s](#))
- Eliminates the two percent cap on rate increases for private day special education services. ([Item 292 #1s](#))
- Eliminates language that explicitly authorizes localities to adjust daily or monthly rates for the 2020-2021 school year for virtual or distance learning provided by a private school serving students with disabilities. ([Item 292 #2s](#))
- Reduces funding in FY 2022 that was provided for administration of a rate-setting process for private special education day placements by \$50,000 and directs that rate setting be established at a future date to be determined by the 2022 General Assembly (the introduced budget would provide for rate-setting to begin July 1, 2022). Authorizes OCS to use a portion of its training and technical assistance funding for a facilitator for the stakeholder workgroup that would be

established under legislation moving through the General Assembly that would determine how to move special education private day funding from OCS to the Department of Education. ([Item 293 #1s](#))

HEALTH

House Appropriations

- Provides \$956,377 in federal funding in FY 2022 to implement a system for sharing information regarding confirmed cases of communicable diseases of public health threat with emergency medical services agencies in real time during a declared public health emergency, as proposed by legislation passed by the House. ([Item 299 #5h](#))
- Directs the Department of Medical Assistance Services (DMAS) to include certain data elements in its analysis of remote patient monitoring services that would be required under legislation passed by the House, including medical necessity criteria and requirements for patient and provider adherence. Also directs DMAS to estimate how any upfront costs would be offset by potential savings in other aspects of health care spending, such as reduced emergency department visits. ([Item 317 #1h](#))

Senate Finance and Appropriations

- Modifies a proposal in the introduced budget to update the revenue capacity data in the funding formula for the Cooperative Health Budget (which funds local health departments). As introduced, the formula would be updated in FY 2022, and state funding would be provided in FY 2022 to hold localities harmless that would be required to contribute an additional local match. The amendment would instead phase in the formula update over three years. ([Item 302 #1s](#))
- Provides \$5.5 million GF in FY 2022 to fund an additional epidemiologist and communicable disease nurse in each local health district (in addition to funding for 12 epidemiologists and 12 communicable disease nurses included in the introduced budget). ([Item 302 #2s](#))
- Provides \$2.7 million GF and \$4.2 million in federal Medicaid funding to cover the Medicaid-related costs of remote patient monitoring services provided via telemedicine in accordance with legislation passed by the Senate. ([Item 313 #10s](#))

BEHAVIORAL HEALTH

House Appropriations

- Removes the additional \$2.5 million GF in FY 2022 proposed in the introduced budget for discharge assistance planning for individuals returning to the community from state hospitals. ([Item 321 #1h](#))
- Includes language clarifying that funding for purchase of acute inpatient or community-based psychiatric services at private facilities shall continue to be allocated to Community Services Boards so as not to disrupt local service contracts. The Governor's budget transfers this funding from the Grants to Localities item in the budget to the DBHDS central office. ([Item 321 #2h](#))

Senate Finance and Appropriations

- Provides \$348,744 GF in FY 2022 to fund staffing for a permanent Behavioral Health Commission, which is planned to replace the Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century when it expires. ([Item 29.1 #1s](#))
- Restores \$3.75 million GF in FY 2022 for pilot projects to reduce census pressures on state hospitals. Half of the \$7.5 million per year appropriated for this purpose during the 2020 regular session and unallotted in April 2020 was restored during the 2020 special session; this amendment restores the balance. ([Item 320 #6s](#))
- Restores \$150,000 GF in FY 2022 for the transportation costs of individuals discharged from state hospitals who had been admitted under a Temporary Detention Order. These funds had been included in the budget passed by the 2020 General Assembly but unallotted in April 2020. ([Item 321 #1s](#))
- Directs DBHDS to report quarterly on the distributions of funding to CSBs for the purchase of acute inpatient or community-based psychiatric services at private facilities. The Governor's budget transfers this funding from the Grants to Localities item in the budget to the DBHDS central office. ([Item 321 #4s](#))
- Restores \$2.1 million GF in FY 2022 to expand forensic discharge planning at three additional jails with a high percentage of inmates with serious mental illness. These funds were included in the budget passed by the 2020 General Assembly, but subsequently unallotted in April. ([Item 322 #2s](#))

SOCIAL SERVICES

House Appropriations

- Provides \$335,238 GF and \$3.8 million NGF to increase Temporary Assistance to Needy Families (TANF) benefits by five percent. The general fund appropriations

reflects the increase for the TANF Unemployed Parent program, which is state-funded. ([Item 350 #4h](#))

- Restores \$2.2 million GF and \$2.2 million NGF in FY 2022 to increase minimum salary levels for local departments of social services staff. Salary levels for family services staff would be increased by 20 percent, and minimum salary levels for benefit program services, self-sufficiency services and administrative positions would be increased by 15 percent. ([Item 351 #1h](#))

Senate Finance and Appropriations

- Adds \$1.4 million GF and \$15.9 million in TANF funding in FY 2022 to increase the standards of assistance by 18 percent. Language requires the Department of Social Services to develop a plan to increase the standards of assistance by 18 percent annually until the standards equal 50 percent of the federal poverty level. ([Item 350 #1s](#))
- Directs the Department of Social Services to develop demonstration projects with a goal of assisting families to earn a living wage and escape poverty, to include a “benefit cliff” pilot. ([Item 350 #2s](#))
- Provides \$2.1 million in TANF funding to enable TANF-eligible individuals to save funds in an individual development account for certain purposes, such as purchasing a home or starting a business. ([Item 350 #3s](#))
- Reduces \$1 million GF and \$1.4 million in federal funding in FY 2022 for expansion of the Supplemental Nutrition Employment and Training Program that was included in the Governor’s budget. ([Item 350 #5s](#))
- Restores \$2.2 million GF and \$2.2 million NGF in FY 2022 to increase minimum salary levels for local departments of social services staff. Salary levels for family services staff would be increased by 20 percent, and minimum salary levels for benefit program services, self-sufficiency services and administrative positions would be increased by 15 percent. ([Item 351 #1s](#))
- Provides \$4.4 million GF in FY 2022 to increase the Auxiliary Grant (AG) rate by 20 percent on July 1, 2021. Auxiliary Grants require a 20 percent local match. ([Item 353 #1s](#))
- Directs the Department of Social Services to create a diversion program supporting relative and fictive kin families that makes use of all federal and state monies available to provide a payment to relative and fictive kin families who have temporary custody through a court order. A report is due by December 1, 2021. ([Item 354 #2s](#))

NATURAL RESOURCES

House Appropriations

- Provides \$26 million GF in FY 2022 for the Stormwater Local Assistance Fund. ([Item 379 #1h](#))

- Authorizes \$150 million in bond proceeds to reimburse entities in the Enhanced Nutrient Removal Certainty Program for capital costs for the design and installation of nutrient removal technology. ([Item C-70.50 #1h](#))
- Delays by one fiscal year the authority of the Department of Wildlife Resources (DWR) to assess fees for access to boat ramps it owns or manages and directs the Department to study the costs and benefits of assessing such access fees. ([Item 382 #1h](#))

Senate Finance and Appropriations

- Directs the Department of Conservation and Recreation and the Virginia Department of Agriculture and Consumer Services to convene a workgroup to assess the sale and use of invasive plant species in the retail, landscape, greenhouse, and nursery industries and consider measures to reduce or eliminate the sale and use of invasive plant species in the Commonwealth and promote the sale and use of native plants. ([Item 373 #2s](#))
- Directs the Director of the Department of Environmental Quality to convene a working group for the purpose of developing an annual or project-based fee schedule for the review of erosion and sediment control plans related to solar energy project applications. ([Item 377 #2s](#))
- Directs the Department of Environmental Quality to convene a workgroup, in conjunction with the Department of Health and the Department of Agriculture and Consumer Services, to conduct research related to: (i) the location, frequency, and severity of harmful algae blooms in Virginia waters; (ii) the factors that lead to the formation and occurrence of harmful algae blooms; and, (iii) plans and strategies for state agencies to lead or support appropriate mitigation efforts. ([Item 377 #4s](#))

TRANSPORTATION

House Appropriations

- Includes language that gives localities who have received funds through the Economic Development Access Program a 48-month moratorium before repayment would be required. ([Item 451 #1h](#))
- Provides \$500,000 GF in FY 2022 pursuant to the passage of a Joint Resolution during the 2021 General Assembly Session which requires the DRPT to study the Commonwealth's current public transportation system focusing on the equitable delivery of transportation services and the modernization of transit in the Commonwealth. ([Item 442 #2h](#))
- Includes language allowing the Commonwealth Transportation Board to waive the 25 percent cap on use of funds from the Transit Ridership Incentive Program

to reduce the impact of fares on low-income individuals and allocate more funding to support the reduction or elimination of fares. ([Item 442 #1h](#))

Senate Finance and Appropriations

- Provides \$137.6 million NGF in FY 2021 from public funds made available for Highway Infrastructure Programs by the Coronavirus Response and Relief Supplemental Appropriations Act (P.L. 116-260) to be allocated by the Commonwealth Transportation Board for the purpose of extending intercity passenger rail service from Roanoke, Virginia to the Blacksburg-Christiansburg, Virginia area and increasing the frequency of intercity passenger rail service along the I-81/Route 29 Corridor from Washington, DC. ([Item 443 #1s](#))
- Provides \$40 million NGF in FY 2021 from public funds made available for Highway Infrastructure Programs by the Coronavirus Response and Relief Supplemental Appropriations Act (P.L. 116-260) to be used by the Commonwealth Transportation Board to support the statewide planning, development, and construction of multi-use trails. ([Item 447 #1s](#))
- Provides \$22.4 million NGF in FY 2021 from public funds made available for Highway Infrastructure Programs by the Coronavirus Response and Relief Supplemental Appropriations Act to fulfill the Commonwealth's portion of the \$500 million annual commitment to the WMATA Capital program. ([Item 442 #1s](#))
- Provides \$5 million NGF in FY 2021 in federal funds made available for Highway Infrastructure Programs by the Coronavirus Response and Relief Supplemental Appropriations Act to support transit incentives focused on fare and congestion reduction programs. ([Item 442 #3s](#))

RESERVES

House Appropriations

- Makes an additional voluntary deposit of \$130 million GF into the revenue reserve fund in FY 2021. ([Item 275 #1h](#))

UTILITY ASSISTANCE

House Appropriations

- Allows utility assistance program funds derived from the Coronavirus Relief Fund to be applied to a customer's account more than once. Also updates language regarding the Governor's ability to shift funds among Coronavirus Relief Fund allocations given the extension of time allowed to expend the funds. ([Item 479.10 #1h](#))

Senate Finance and Appropriations

- Allows utility assistance program funds derived from the Coronavirus Relief Fund to be applied to a customer's account more than once. ([Item 479.10 #1s](#))

SUPPORT FOR PLANNING DISTRICT COMMISSIONS

House Appropriations and Senate Finance and Appropriations

- Restores \$294,000 GF in FY 2022 in support for planning district commissions; this funding had been unallotted in April 2020. ([Item 114 #7h](#) and [Item 114 #6s](#))

OTHER ITEMS OF INTEREST

House Appropriations

- Provides \$2.0 million GF in FY 2021 and \$50,000 GF in FY 2022 pursuant to the passage of HB 2207 legislation during the 2021 General Assembly Session establishing a presumption that COVID-19 is a work-related disease for first responders under the Workers Compensation Act. The funding requested in this amendment is a placeholder until a detailed fiscal impact estimate is developed. ([Item 477 #3h](#))

Senate Finance and Appropriations

- Establishes a Joint Subcommittee on Tax Policy to evaluate and make recommendations on potential changes to Virginia's tax structure, including changes to tax brackets, tax rates, credits, deductions, and exemptions, and any other changes it deems necessary. ([Item 1 #1s](#))
- Establishes a Joint Subcommittee for Federal Relief Funds Oversight to review, provide advice to the Governor, and provide oversight of federal pandemic relief funds. ([Item 479.10 #3s](#))
- Expresses the intent of the General Assembly that the Governor include funding for several items in FY 2022, provided that FY 2021 GF revenues exceed the forecast: \$47.2 million to fund one additional Standards of Quality support position; \$20 million to increase Developmental Disability waiver provider rates to reflect the impact of increases to the minimum wage; and \$200 million to the Virginia Retirement System to increase its funded status. ([Item 479.20 #1s](#))
- Provides \$52,000 GF in FY 2021 and \$72,000 GF in FY 2022 to cover estimated costs associated with SB 1275 of the 2021 General Assembly Session, adding EMS workers to § 65.1 402, related to the presumption as to death or disability from respiratory disease, hypertension, or heart disease, cancer, contingent upon its final passage. ([Item 477 #2s](#))

- Provides \$172,900 GF in FY 2021 and \$185,100 GF in FY 2022 for the fiscal impact associated with SB 1375, which adds COVID-19 as a presumption under the Workers' Compensation Act for firefighters, emergency medical services personnel, law-enforcement, and correctional officers, contingent upon its final passage. ([Item 477 #3s](#))

VACo Contacts: [VACo Legislative Team](#)

General Assembly transitions to Special Session

The 2021 General Assembly convened in special session on February 10. Governor Ralph Northam issued a proclamation calling for the special session last week as part of a planned effort to extend what would otherwise be a 30-day regular session to the traditional 46-days allotted for the short session in odd-numbered years. To ensure continuity between the regular and special sessions, legislation from the 2021 regular session that survived the February 5 crossover deadline has been carried over to the special session, and committees began taking up legislation that had “crossed over” from one chamber to the other in the afternoon on February 10.

The procedural resolution governing the special session sets out the planned schedule for conclusion of legislative business and a targeted adjournment date of March 1.

KEY DATES OF INTEREST

- **Wednesday, February 10:** Money committees’ deadline to report their respective budget proposals
- **Saturday, February 13:** Deadline for floor consideration of budgets by the respective originating chambers
- **Wednesday, February 17:** Deadline for committee action on revenue bills; deadline for each chamber to consider the other chamber’s budget proposal
- **Monday, February 22:** Deadline for committee action at midnight
- **Monday, March 1:** Adjournment *sine die*
- **Wednesday, April 7:** Reconvened session

VACo Contact: [Katie Boyle](#)

WIP III wastewater bill received favorably by House committee

[SB 1354 \(Hanger\)](#) has been heard for the first time in the House, reporting favorably out of the House Agriculture, Chesapeake and Natural Resources Committee on Wednesday, February 11. SB 1354 is one of a pair of bills that establishes a framework and timeline for wastewater treatment plants to undertake improvement projects to achieve specific goals in nitrogen and phosphorous reductions. These goals, and the specific timelines introduced in this legislation, will ensure the wastewater sector – and the Commonwealth as a whole – will meet its Chesapeake Bay nutrient reduction targets by the WIP’s 2025 deadline.

For more information on these important pieces of legislation, please see our previous write-up [here](#).

SB 1354 passed the full Senate on February 5. It will now be heard in the House Appropriations Committee. The House companion bill, [HB 2129 \(Lopez\)](#), passed the full house on February 3. That bill has been assigned to the Senate, Conservation and Natural Resources Committee, where it awaits a hearing.

VACo is proud to support both of these bills.

VACo Contact: [Chris McDonald, Esq.](#)

SLAF eligibility expansion clears House committee

Legislation proposing expansions of project eligibility for Stormwater Local Assistance Fund (SLAF) projects has cleared its first hurdle in the House, reporting of the House Agriculture, Chesapeake and Natural Resources Committee by a 21-0 vote.

[SB 1404 \(Lewis\)](#) proposes two changes to SLAF. First, the bill authorizes SLAF awards for projects related to Chesapeake Bay total maximum daily load (TMDL) requirements to consider total phosphorus reductions or total nitrogen reductions. Second, the bill authorizes grants awarded for eligible projects in localities with high or above average fiscal stress (as reported by the Commission on Local Government) to account for more than 50 percent of the costs of a project. This cost-share change emulates what is already done with the Water Quality Improvement Fund (WQIF).

SB 1404 previously passed in the Senate by a unanimous vote. The legislation will now be heard and voted on by the full House of Delegates sometime next week.

VACo Contact: [Chris McDonald, Esq.](#)

Carbon Sequestration Workgroup one step closer to reality

Legislation introduced by Senator Lynwood Lewis establishing a Carbon Sequestration Task Force has cleared its first hurdle in the House, reporting out of committee on February 10 by a vote of 17-4. The bill will now head to the House floor, where it will be voted on early next week.

[SB 1374 \(Lewis\)](#) directs the Secretary of Natural Resources, jointly with the Secretary of Agriculture and Consumer Services, to convene a task force for the purpose of studying carbon sequestration in the Commonwealth and submit a report of its findings before the first day of the 2022 Session of the General Assembly.

The bill directs the task force to:

- Consider possible methods of increasing carbon sequestration within the natural environment through state land and marine resources use policies; agricultural, aquacultural, and silvicultural practices; and other practices to achieve restoration of natural resources and long term conservation;
- Recommend short-term and long-term benchmarks for increasing carbon sequestration;
- Develop a standardized methodology to establish baseline carbon levels and account for increases in carbon sequestration over time;
- Identify existing carbon markets and considerations relevant to potential participation by the Commonwealth; and
- Identify other potential funding mechanisms to encourage carbon sequestration practices in the Commonwealth.

SB 1374 previously passed the Senate unanimously.

VACo Contact: [Chris McDonald, Esq.](#)