

Capitol Contact

Virginia General Assembly

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Tuesday, September 5, 2023

General Assembly Scheduled to Consider Budget Agreement on September 6

Budget negotiators announced on Friday, August 25, that an agreement on the major components of revisions to the biennium budget had been reached. The full text of the budget bill ([HB 6001/SB 6001](#)) was released on Saturday, September 2, with a special session scheduled to convene on Wednesday, September 6. VACo staff have been reviewing the new budget bill and will provide a detailed analysis and an update on General Assembly action later this week. Based on an initial review of the bill, key elements of the proposed budget revisions include the following:

Compensation increases:

- An additional 2 percent salary increase for state employees, effective December 10, 2023 (this is in addition to the 5 percent increase that took effect June 10, 2023).
- An additional 2 percent salary increase for Constitutional officers and state-supported local employees, effective December 1, 2023 (this is in addition to the 5 percent increase that took effect July 1, 2023).
- \$54.6 million for the state share of an additional 2 percent salary increase in FY 2024 for SOQ-recognized positions, effective January 1, 2024. Budget language

requires school divisions (i) to have provided at least an average 2.5 percent salary increase in each year of the biennium and (ii) to certify that an equivalent increase of 2 percent will be provided to instructional and support personnel no later than January 1, 2024. School divisions that previously provided a total average increase greater than the 5 percent increases provided in the first or second year may count those increases toward the required certification for the additional 2 percent.

- \$7.6 million for compression adjustments for deputy sheriffs and regional jail officers, effective December 1, 2023.
- \$4 million to increase salaries for attorneys in Commonwealth's Attorneys' offices, effective December 1, 2023.
- \$593,507 to increase salaries for positions in circuit court clerks' offices, effective December 1, 2023.
- \$18 million to increase compensation for Community Services Board staff; language states that the Department of Behavioral Health and Developmental Services may fund up to 100 percent of the costs of the compensation increase.
- \$3.7 million to the Indigent Defense Commission for attorney compensation and employee salary compression adjustments, effective December 10, 2023.
- \$1 million for salary increases for general district court clerks and juvenile and domestic relations court clerks, effective December 10, 2023.

K-12:

- \$152.3 million to recognize additional support positions in the K-12 funding formula. This additional funding will allow 24 support positions per 1000 Average Daily Membership to be recognized (an increase from the current recognition of 21 support positions per 1000 ADM). Language specifies that this ratio will be used for rebenchmarking for the next biennium (FY 2025 and FY 2026). Full elimination of the cap on recognition of support positions has been a long-standing priority for VACo and this additional funding is an important step toward this goal.
- \$418.3 million in additional flexible state funding, which may be used for the implementation of the Virginia Literacy Act, learning loss recovery, and additional operating and infrastructure support. Funding will be disbursed based on the state share of \$1,086.44 per pupil, based on the estimated number of federal free lunch participants, and the state share of \$203.63 per pupil based on average daily membership, with each school division receiving a minimum distribution of \$150,000. A local match is not required.
- Establishes a Joint Subcommittee on Elementary and Secondary Education Funding and directs the Joint Subcommittee, as part of its work, to review the Joint Legislative Audit and Review Commission's July 2023 report on the K-12

funding formula and develop a long-range plan for implementation of its recommendations.

Human services:

- Eliminates language that directed the implementation of rate-setting for private special education day placements funded through the Children's Services Act. Redirects the proposed \$100,000 for consultant support for rate setting to a review by the Department of Education of private day placement decisions in localities with higher-than-average use of private day placements.
- \$58 million to expand and modernize the comprehensive crisis services system, including investments in additional crisis receiving centers and crisis stabilization units and enhancements to existing sites.
- \$10 million for the one-time costs of establishing additional mobile crisis services in underserved areas.
- \$10 million for comprehensive psychiatric emergency programs or similar models of psychiatric care in emergency departments.
- \$30 million for permanent supportive housing for individuals with serious mental illness.
- \$4.4 million to increase funding for the first three steps of STEP-VA (same-day access, primary care screening, and outpatient services).
- \$5.1 million in one-time funding for the Department of Criminal Justice Services (DCJS) to contract with local law enforcement agencies for off-duty officers or officers working overtime to provide transportation services or to assume custody of an individual under an emergency custody order or a temporary detention order who is awaiting admission to a facility or for whom a bed has not been identified. DCJS is directed to coordinate with the Department of Behavioral Health and Developmental Services (DBHDS) to set criteria for awarding contracts and to ensure DCJS contracts are not duplicative of contracts under DBHDS's Off Duty Officer Program.
- An increase to the Auxiliary Grant rate from \$1609 per month to \$2055 per month, effective January 1, 2024.

Constitutional officers and jails:

- \$931,301 to restore positions in offices of the Commissioners of the Revenue that are allocated through staffing standards but unfunded due to prior budget reductions.
- \$2 million to restore positions in Treasurers' offices that are allocated through staffing standards, but have been unfunded due to prior budget reductions.
- An increase of \$1 for the local-responsible jail per diem rate (from \$4 to \$5).

Public safety:

- An additional \$2.1 million for assistance to localities with police departments (“HB 599” funding), which is designated as one-time funding.

Water quality:

- Directs \$644.5 million in mandatory deposits to the Water Quality Improvement Fund from FY 2022 and FY 2023 to the following uses: \$338.4 million to the Natural Resources Commitment Fund; \$100 million to the Resilient Virginia Revolving Loan Fund; \$25 million for dam safety improvements; \$151 million towards the Enhanced Nutrient Removal Certainty program; and \$30 million to the Stormwater Local Assistance Fund.

Other items:

- Language clarifies that fixtures in a data center, when classified as real estate, are to be valued by a locality based on the cost approach, as required by legislation enacted in 2022.
- Authorizes the Department of General Services (DGS) to construct a water supply line – that will be owned and operated by Prince Edward County - to be located in Nottoway and Prince Edward Counties, and towns located within the boundaries of Nottoway and Prince Edward Counties, to serve the needs of the Piedmont Geriatric Hospital, Virginia Center for Behavioral Rehabilitation (Phases 1 and 2) and Nottoway Correctional Center.

An overview of the proposed budget bill prepared by the House Appropriations Committee staff is available at [this link](#); Senate Finance and Appropriations staff’s overview is available at [this link](#).

VACo Contacts: [VACo Legislative Team](#)