

**Key Features - Senate Bill 1100  
As Amended by Senate Finance & Appropriations  
(February 10, 2021)**

**Resources**

- General fund resources total \$24.2 billion in FY 2021 and \$23.4 billion in FY 2022.
  - FY 2021 resources include \$1.6 billion in beginning balances, net of adjustments.
- Includes \$221.0 million in revenue reductions to fund income tax relief to individuals and businesses related to conformity with the federal CARES Act and Consolidated Appropriations Act , including:
  - \$100.6 million to allow tax deductions for business expenses funded with forgiven Paycheck Protection Plan (PPP) loans and Rebuild Virginia grants;
  - Exclusion of forgiven PPP loans for income tax purposes; and
  - Enhanced deductions for charitable contributions.
- Includes \$29.5 million downward adjustment to fund a low-income housing tax credit.
- Revenues are reduced an additional \$10.0 million to fund sales and use tax exemptions for businesses purchasing personal protective equipment.

**Revenue Reserves**

- Includes a \$650 million GF deposit to the Revenue Reserve Fund in the second year.

- By the close of FY 2022, total reserves are estimated to be \$1.9 billion, exceeding eight percent of GF revenues.

## **Public Education**

- Maintains \$513.6 million GF over the biennium to ensure no school division receives less funding as compared to their distributions in Chapter 56 in both fiscal years. The decline in funding is from the routine, technical updates for Fall Membership and Average Daily Membership projections.
- Maintains \$26.6 million GF in FY 2022 to fund school counselors at one counselor per 325 students in all grades, as required by § 22.1-253.13:2 of the Code of Virginia.
- Maintains \$16.1 million GF in FY 2022 to restore the Virginia Preschool Initiative per pupil increase and the incentive payments to support retention of early childhood educators.
- Provides \$59.3 million GF in FY 2022 for incremental funding to convert the two percent bonus as introduced to a three percent salary increase for teachers.
- Includes \$49.2 million GF in FY 2022 to fund three specialized student support positions per 1,000 students. Specialized support positions include school nurses, school social workers, and school psychologists.
- Provides \$30.0 million GF to support instructional activities to address learning loss due to the pandemic, including summer learning, afterschool programs, and targeted instructional support for students with disabilities, at-risk students, students in grades pre-kindergarten through third, and English language learners.
- Includes language requiring divisions to offer in-person instruction options to students during the 2021-2022 school year.

- Allocates \$10.0 million in federal relief funds, ESSER II state set-aside, to support diagnostic assessments to measure student growth during the 2021-2022 school year.
- Allocates \$7.0 million in federal relief funds, GEER II, to continue the expansion of Virtual Virginia’s learning management system and additional free course enrollments initiated with CARES Act funding.

### **Higher Education**

- In addition to federal CARES Act funding and “CRRSAA” Higher Education Emergency Relief Fund II funds, the Committee allocates \$22.0 million from GEER II funds for additional financial aid and \$17.3 million from the Coronavirus Relief Fund (CRF) for testing.
- Adds \$73.5 million GF in FY 2022 with flexibility to be used for financial aid, operations, or other impacts of COVID-19.
- Endorses \$36.0 million GF in FY 2022 for the G3 last dollar plus community college workforce initiative program, originally approved in the 2020 Regular Session, and adds \$5.0 million GF for advisors to better ensure student success.
- Maintains additional \$30.3 million GF for need-based financial aid, \$13.5 million GF for new last-dollar plus scholarship programs at Norfolk State University and Virginia State University, \$7.9 million GF for Tuition Assistance Grants, and \$4.5 million GF for a Connected Campus initiative at Norfolk State University.
- Maintains restoration of an additional \$5.0 million GF each for George Mason University and Old Dominion University related to enrollment.
- Provides \$2.5 million GF to support a joint effort of Old Dominion University and Norfolk State University to create the first accredited School of Public Health in the Commonwealth.

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- Maintains an additional \$2.5 million GF in FY 2022 for Massey Cancer Center at Virginia Commonwealth University.
- Restores \$2.0 million GF in support of the recent merger of Radford University with the former Jefferson College of Health Sciences to mitigate tuition costs for these health sciences degrees.

## **Health and Human Resources**

### Medicaid

- Captures \$112.1 million GF in FY 2021 and \$208.5 million GF in FY 2022 in federal match savings in the Medicaid, Children's Health Insurance Programs, and federal foster care program. Prior federal stimulus legislation provided a 6.2 percentage point increase in the Medicaid match rate every quarter of the public health emergency.
  - This savings is in addition to the \$227.4 million GF savings included in the introduced budget for the Medicaid forecast, most of which was due to the federal match rate change.
- Includes \$93.3 million GF in savings in FY 2021 and \$5.2 million GF in FY 2022 for the Health Care Fund, which is used as state match for Medicaid; mainly due to a prior year cash balance and a \$39.4 million payment from a non-participating tobacco manufacturer.
- Adds \$6.3 million GF in FY 2021 and \$60.8 million GF in FY 2022 to increase personal care rates an additional 6.4 percent on May 1, 2021 and another 14.3 percent on November 1, 2021 to address the impact of the rising minimum wage to \$9.50 per hour on May 1, 2021 and then \$11.00 per hour on January 1, 2022.
  - Consumer-directed personal care rates would increase from \$9.87 to \$10.50 per hour on May 1, 2021 and then to \$12.00 per hour on November 1, 2021. The Northern Virginia rates would increase from

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\$12.78 per hour to \$13.60 per hour on May 1, 2021 and then to \$15.55 per hour on November 1, 2021.

- Provides \$10.7 million GF in FY 2022 to add 650 developmental disability waiver slots for a total of 1,200 funded in that year.

### COVID-19 Response

- Maintains \$37.2 million in FY 2021 and \$71.6 million in FY 2022 by using federal funds (except for \$6.3 million GF in FY 2022) to support mass vaccination efforts and COVID-19 communications.
  - The federal stimulus bill passed at the end of December 2020, provided Virginia with \$77.1 million in federal funds for vaccine administration. In addition, unused allocations of Coronavirus Relief Funds are also available for this purpose.
- Includes \$9.0 million GF in FY 2022 to fund 75 positions in local health departments. This includes 35 epidemiologists and 35 communicable disease nurses (one of each position in every health district) and five central office program managers.

### Behavioral Health

- Restores \$3.8 million GF in FY 2022 to fully fund pilot projects to address census pressures on state psychiatric hospitals. This action increases the total to \$7.5 million GF a year.
- Maintains \$3.5 million GF in FY 2022 for discharge and diversion pilots for people with dementia to help address census pressure on state psychiatric hospitals.
- Restores \$2.1 million to expand forensic discharge planning in jails.

### Other Health and Human Resources

- Provides \$15.0 million GF in FY 2021 to provide assistance to developmental disability waiver providers adversely impacted by COVID-19.
- Maintains the restoration of \$9.2 million GF in FY 2022 to restore foster care prevention services.
- Maintains \$2.8 million GF in FY 2022 to phase in an update to the local match funding formulas for local health districts over three years.
- Includes \$4.4 million GF in FY 2022 to increase the Auxiliary Grant rate by 20 percent to support individuals in assisted living facilities.
- Provides \$2.2 million GF in FY 2022 to increase the local minimum salaries of local social services department workers.

### **Public Safety**

- Maintains \$42.0 million in federal funds in FY 2021 and \$36.9 million GF in FY 2022 for state COVID-19 response and recovery efforts that include the purchase of personal protective equipment, coordinating communication and disaster operations, and supporting the health equity workgroup.
- Includes up to \$35.0 million for implementation of criminal sentencing reform and adult-use cannabis legalization legislation.
  - Up to \$3.5 million for the initial start-up costs of the Virginia Cannabis Control Authority.
  - Separately provides \$1.4 million for increased drug recognition training for driving under the influence at the Virginia State Police.

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- Provides \$28.5 million NGF in FY 2022 from the \$4.00 vehicle registration fee increased in Senate Bill 1211 to fully fund the compensation plan for State Police to address retention and vacancy issues.
- Maintains \$7.2 million for State Police vehicle replacement to reflect higher costs due to moving from sedans to SUVs.
- Provides \$2.5 million GF in FY 2022 for grants for localities for emergency shelter upgrades.
- Maintains \$1.7 million GF in FY 2021 for security enhancements at Bon Air Juvenile Correctional Center.

### **Agriculture, Forestry, and Natural Resources**

- Directs the Office of the State Inspector General to immediately review the structure of the Charitable Gaming Board and recommend any changes needed to prevent conflicts of interest, including an assessment of whether responsibility for the regulation of charitable gaming should be placed with the Virginia Lottery.
- Endorses the Governor's recommendation to provide \$35.0 GF million for agricultural best management practices as part of Virginia's Watershed Implementation Plan compliance strategies.
- Maintains the restoration of \$12.0 million GF in funding for environmental justice and clean energy regulatory programs at the Department of Environmental Quality.
- Provides \$3.0 million in funding for critical infrastructure repairs at Breaks Interstate Park and to address public water supply needs at Mason Neck State Park.

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- Recommends a new grant program at the Department of Historic Resources to provide paid internships for students enrolled at Virginia's Historically Black Colleges and Universities to expand the existing catalogue of historical properties to include underrepresented African American and indigenous communities.

### **Commerce and Trade**

- Focuses on support for COVID-impacted businesses and expanding access to affordable housing and broadband.
- Provides \$10.0 million from the general fund to capitalize a new fund to provide a source of responsible, low-cost credit for COVID-impacted businesses through Virginia's network of Community Development Financial Institutions.
- Allocates \$25.0 million from revenues collected from "gray machines" to provide a new round of small business grants through the Rebuild Virginia program.
- Includes a record, total investment of \$110.0 million over the biennium for the Housing Trust Fund.
- Includes \$49.8 million in each year of the biennium for broadband infrastructure grants through the Virginia Telecommunication Initiative.

### **Transportation**

- Prioritizes the investment of \$215.0 million in federal funds available for Highway Infrastructure Programs through the Coronavirus Response and Relief Supplemental Appropriations Act to embrace the Senate's priorities of growing the economy, improving public health, ensuring

equitable access to services, and planning for Virginia's future. The recommendations include:

- \$137.6 million to expand intercity passenger rail services to the New River Valley;
- \$40.0 million to both expand and enhance the safety and connectivity of our existing statewide network of multi-use trail facilities;
- \$27.4 million in support of critical public transit services to fulfill Virginia's obligation to Metro and increase the statewide availability of free or reduced-fare services; and
- \$10.0 million, in partnership with the Virginia Tech Transportation Institute, in support of a 5G connected community redevelopment pilot project at the Virginia Tech campus in Falls Church.

## **General Government**

### Employee Compensation

- **State and State-supported Local Employees** - Authorizes \$118.1 million GF in FY 2022 for a three percent salary increase for state employees, including adjunct faculty at two-year and four-year higher education institutions, and state-supported local employees to be provided on September 1, 2021, contingent on FY 2021 year-end revenues meeting or exceeding the revenues assumed in the budget.
- **Teachers** - In Item 145 (Direct Aid), provides \$139.8 million GF the second year for a three percent salary adjustment for funded Standards of Quality instructional and support positions, effective August 1, 2021, contingent on sufficient revenues.
- **Capitol Police** - Provides \$846,907 GF in FY 2022 for a salary initiative for Capitol Police Officers and support staff positions.

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### Administration

- Includes a total of \$12.8 million GF over the biennium to restore previously unallotted and eliminated funding for constitutional officer staffing, salary adjustments, technology enhancements, and general registrar pay.
- Includes \$16.7 million GF in FY 2021 in additional funding for the Department of Elections to replace the Virginia Elections and Registration Information System (VERIS).

### Judicial

- Adds \$12.2 million GF over the biennium for six additional court of appeals judgeships and judicial and assistant attorney support staff positions related to legislation that expands the jurisdiction of the Court to Appeals of Virginia.
- Provides \$3.2 million GF in FY 2022 to establish a new Public Defender office in Chesterfield County.
- Recognizes savings of \$2.9 million in the Capital Defender's Office due to legislation abolishing the death penalty, which is redirected to cover costs for the Indigent Defense Commission related to opening a new Public Defender office in Chesterfield County and additional public defender positions related to Court of Appeals jurisdiction expansion.

### **Capital Outlay**

- Provides \$37.0 million GF to reduce the amount of Maintenance Reserve allocation that is funded with debt.
- Maintains the Senate position regarding the size of Central State Hospital replacement at 252 beds.

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- Includes planning funding for the replacement of the Supreme Court Building and an aging state office building.
- Restores limited planning funding for projects in the pipeline.
- Includes funding for multiple infrastructure/life safety projects.