

**Key Features – House Bill 1800
As Amended by the Conference Committee
(February 27, 2021)**

Resources

- General fund resources total \$24.6 billion in FY 2021 and \$23.6 billion in FY 2022.
 - Includes \$730.2 million in additional resources based on mid-session revenue forecast 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 of up to \$100,000 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 a \$15.0 million downward adjustment to fund the low-income housing tax credit.
- Revenues are reduced by an additional \$11.0 million to fund sales and use tax exemptions for businesses purchasing personal protective equipment.

Revenue Reserves

- Includes GF deposits to the Revenue Reserve Fund totaling \$900.0 million.

- By the close of FY 2022, total reserves are estimated to be \$2.1 billion, exceeding nine percent of GF revenues.

Commerce and Trade

- Focuses on support for COVID-impacted businesses and expanding access to affordable housing and broadband.
- Includes a record total investment of \$125.7 GF million over the biennium for the Housing Trust Fund.
- Includes \$49.8 million GF in each year of the biennium for broadband infrastructure grants through the Virginia Telecommunication Initiative.
- Allocates \$25.0 million from revenues collected from “gray machines” to provide a new round of small business grants through the Rebuild Virginia program.
- Provides \$10.0 million GF 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.
- Includes \$10.0 million GF to improve a chemical plant complex located in the City of Petersburg, allowing the facility to support economic development in the region through the recruitment and retention of pharmaceutical manufacturers.
- Provides \$6.3 million GF to support the expansion of CMA CGM, a world leader in shipping and logistics, and the creation of 400 new jobs in the Commonwealth.

Public Education

- Maintains \$443.0 million over the biennium to ensure no school division receives less funding as compared to their distributions in Chapter 56 in both fiscal years after adjusting for other spending actions. The decline in funding is from the routine, technical updates for Fall Membership and Average Daily Membership projections.
- Provides \$233.7 million GF in FY 2022 for the state's share of a five percent salary increase for teachers in FY 2022. Divisions may access funds if they provide at least a two percent increase, and state funds will be prorated for increases between two and five percent over the biennium.
- 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, *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.
- Includes \$49.5 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 \$40.0 million in FY 2021 to support instructional activities to address learning loss due to the pandemic, including summer learning, afterschool programs, remediation and recovery programs.
- Increases the Infrastructure and Operations Per Pupil amounts by \$20.1 million the first year and \$9.9 million the second year from Lottery Proceeds.

February 27, 2021

- Provides \$14.6 million GF in FY 2022 to increase the Cost of Competing Adjustment for support positions from 10.6 to 18.0 percent.

Higher Education

- In addition to federal CARES Act funding and “CRRSAA” Higher Education Emergency Relief Fund II funds, the Conference Report allocates \$22.0 million from GEER II funds for additional financial aid and \$34.5 million from federal funds for COVID-19 testing.
- Adds \$73.5 million GF on-going funding in FY 2022 with flexibility to be used for financial aid, operations, or other impacts of COVID-19, plus \$40.0 million GF in FY 2022 for the same purposes. (May be used to assist with the institutions’ Non-General Fund share of compensation actions in Item 477. Institutions have flexibility for employee groups, other than classified employees, to provide percentage increase of less than 5 percent if necessary.)
- 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 allocates a total of \$5.0 million GF for advisors to better ensure student success.
- Maintains an additional \$30.3 million GF for need-based financial aid, \$17.1 million GF for new last-dollar plus scholarship programs at Norfolk State University and Virginia State University, \$8.5 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, and provides \$4.0 million GF for James Madison University.

February 27, 2021

- Provides \$5.0 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.
- Maintains an additional \$5.0 million GF in FY 2022 for Massey Cancer Center at Virginia Commonwealth University and provides \$2.5 million GF for cancer research at University of Virginia.
- Provides \$8.0 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.
- Provides \$4.0 million via the Higher Education Equipment Trust Fund for equipment related to Cooperative Extension (Virginia Tech) and \$1.0 million GF for resiliency efforts.
- Directs \$3.0 million from economic development incentive payments for research and development for a potential high performance data facility at Southern Universities Research Association.

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 the 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.

February 27, 2021

- 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 \$3.0 million GF in FY 2021 and \$60.7 million GF in FY 2022 to increase personal care rates an additional 6.4 percent on May 1, 2021 and another 12.5 percent on January 1, 2022 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 \$11.81 per hour on January 1, 2021. The Northern Virginia rates would increase from \$12.78 per hour to \$13.60 per hour on May 1, 2021 and then to \$15.30 per hour on January 1, 2022.
- Includes \$46.7 million GF in FY 2022 to increase nursing home rates by \$15 per day.
- Provides \$7.1 million GF in FY 2022 to add 435 developmental disability waiver slots for a total of 985 funded in that year.

COVID-19 Response

- Maintains \$38.0 million in FY 2021 and \$73.0 million in FY 2022 by using federal funds to support mass vaccination efforts, COVID-19 communications, and COVID-19 modeling.
 - 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.

February 27, 2021

- Includes \$6.0 million GF in FY 2022 to fund 47 positions in local health departments. This includes epidemiologists and communicable disease nurses in health districts and three 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

- Maintains the restoration of \$9.2 million GF in FY 2022 for 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 10 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 \$47.0 million in federal funds and \$31.9 million GF over the biennium 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 \$13.0 million for implementation of criminal sentencing reform legislation related to expungements.
 - 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.

Natural Resources, Agriculture, and Forestry

- Invests approximately \$200.0 million in Chesapeake Bay nutrient load reduction programs consistent with Virginia's Watershed Implementation Plan compliance strategies, including:
 - \$100.0 million for Wastewater Treatment Plant upgrades;
 - \$65.0 million for Agriculture Best Management Practices;
 - \$25.0 million for Stormwater Local Assistance; and
 - Approximately \$10.0 million for technical assistance funding for Virginia's Soil and Water Conservation Districts.
- Maintains the restoration of \$12.0 million GF in funding for environmental justice and clean energy programs at the Department of Environmental Quality (DEQ) and provides approximately \$1.5 million GF in additional staffing and program support to DEQ.

February 27, 2021

- Provides \$3.0 million for infrastructure repairs at Breaks Interstate Park and public water supply needs at Mason Neck State Park.
- Includes approximately \$5.0 million in new grant programs at the Department of Historic Resources focused on the preservation of African American history and culture, including:
 - \$3.0 million GF for the preservation of an Underground Railroad station in Chesapeake;
 - \$500,000 GF in support of the 150th Anniversary of Jackson Ward; and
 - \$250,000 GF to establish a program 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.
- 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.

Transportation

- Prioritizes the investment of \$323.4 million in one-time federal funds available for Highway Infrastructure Programs through the Coronavirus Response and Relief Supplemental Appropriations Act, one-time General Funds, and one-time program balances to capitalize the 2021 Transportation Funding Initiative. Specific project and program recommendations include:

February 27, 2021

- \$167.0 million to expand commuter rail services along Virginia Railway Express Manassas Corridor and intercity passenger rail services to the New River Valley;
- \$93.1 million to complete funding of the Hampton Roads Express Lanes program and to expand the capacity of Interstate 64 in the Richmond region;
- \$32.4 million in support of fulfilling Virginia's obligation to Metro and its member jurisdictions;
- \$10.9 million to increase the statewide availability of fare-free services;
- \$10.0 million to both expand and enhance the safety and connectivity of our existing statewide network of multi-use trail facilities; 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

- Provides a total of \$257.8 million GF in state and state-supported local employee across-the-board and targeted salary actions, including:
 - **State and State-supported Local Employees** - \$236.2 million GF in FY 2022 for a five percent salary increase for state employees, including adjunct faculty at two-year and four-year higher education institutions, and state-supported local employees, effective July 1, 2021.

- **Capitol Police** - \$846,907 GF in FY 2022 for a salary initiative for Capitol Police Officers and support staff positions.
- **State Police** - \$7.7 million GF in FY 2022 for a three percent salary increase for employees of State Police, effective July 1, 2021, on top of the five percent across-the-board salary adjustment provided to all state employees, as well as a \$100 per year-of-service compression adjustment.
- **Correctional Officers** - \$7.5 million GF in FY 2022 for a one-time \$1,000 bonus for corrections and law-enforcement personnel of the Departments of Corrections and Juvenile Justice, to be paid on December 1, 2021.
- **General Registrars** - \$3.5 million GF in FY 2022 to increase the salaries of General Registrars equal to those of Treasurers at the same locality population levels.
- **Local DSS Employees** - \$2.2 million GF and \$2.2 million NGF to restore previously unallotted funds to increase the minimum pay band for local departments of social services positions.
- **Teachers** – Provides \$233.7 million GF in FY 2022 for a five percent salary adjustment for funded Standards of Quality instructional and support positions, effective July 1, 2021.

Administration

- Includes a total of \$10.2 million GF over the biennium to restore previously unallotted and eliminated funding for constitutional officer staffing, salary adjustments, and technology enhancements.
- Maintains \$16.7 million GF in FY 2021 in funding for the Department of Elections to replace the Virginia Elections and Registration Information System (VERIS).

Judicial

- Provides a total of \$14.6 million GF over the biennium for costs related to the automatic sealing and petition-based sealing of certain criminal records, including marijuana-related convictions.
- Includes \$13.7 million GF over the biennium for six additional court of appeals judgeships, attorney, and support staff positions related to legislation that expands the jurisdiction of the Court of Appeals.
- Provides \$3.2 million GF in FY 2022 to establish a new Public Defender office in Chesterfield County, and realizes \$1.1 million GF in court-appointed counsel savings due to the opening of the new office.
- Recognizes savings of \$3.9 million from elimination of the Capital Defender's Office from abolishing the death penalty, and provides \$3.0 million for additional attorneys, administrative support, and criminal indigent defense services for the Indigent Defense Commission.

Capital Outlay

- Provides \$137.1 million GF to cover the FY 2022 Maintenance Reserve allocation with cash rather than debt.
- Maintains the Senate position regarding the size of Central State Hospital replacement at 252 beds.
- Includes planning funding for the replacement of the Supreme Court Building and an aging state office building.
- Adds \$50.0 million GF and authorizes \$50.0 million in bond proceeds for wastewater projects pursuant to the Enhanced Nutrient Removal Certainty Program.

February 27, 2021

- Authorizes three planned projects for construction and two supplements for existing projects: Undergraduate Laboratory (Virginia Tech), Integrated Science Center, Phase 4 (William and Mary), Health Sciences Building (Germanna Community College), Life Science Engineering Building (George Mason), and Chesapeake Hall Research Building (Virginia Institute of Marine Science).
- Authorizes \$12.1 million for the Commonwealth's acquisition of the Commonwealth Center for Advanced Manufacturing, funds corresponding on-going operations and maintenance expenses, and authorizes \$6.9 million for acquisition and installation of high-performance computing tools for a new collaboration, contingent on development of a detailed plan for the Commonwealth Center for Cloud Computing.
- Provides \$14.7 million GF and \$1.3 million NGF for Virginia Commonwealth University's acquisition of the ABC Warehouse property in Richmond, in lieu of future state contributions for academic space for the overall project, and accounting for the additional ABC proceeds transfer.
- Restores funding for the 2020 Session planning pool for projects in the pipeline.
- Includes funding for multiple infrastructure/life safety projects.
- Provides \$1.2 million GF for the renovation of the Preschool Academy at Norfolk State University and \$1.0 million for a park property acquisition in Chesapeake.
- Includes language intended to ensure public institutions may participate in the federal Historically Black College and University (HBCU) Capital Financing Program.