

Key Budget Policy Choices: Special Session



Comparing the governor's and money committee budgets to the budget signed in May 2020

Gov. Northam, the House Appropriations Committee, and Senate Finance and Appropriations Committee have proposed amendments to the budget that was signed on May 21 (Ch.1289). This document summarizes some of those proposed amendments, including noting which of the items that were “unallotted” in the spring have been restored. See page 7 for a note about contingencies.

Dollar figures, excluding totals where noted, represent combined FY21 and FY22 changes in general fund spending. NGF = non-general funds

	Governor	House Appropriations	Senate Finance
Revenue			
GF tax revenue	Total GF tax revenue \$43.54b	Total GF tax revenue \$43.54b	Total GF tax revenue \$43.54b
Other GF	Total GF other resources \$2.79b	Total GF other resources \$2.86b	Total GF other resources \$2.82b
ABC-related	Not included	Updates ABC-related GF resources \$20.5m	Updates ABC-related GF resources \$6.7m
Tobacco tax	Implements tax of 2.25 cents per stick on heated tobacco products (eff. Jan 2021); establishes updated collection standards on other tobacco products remote sellers	Includes add'l \$5.7m NGF for health care fund	Includes add'l \$3.1m NGF for health care fund
Federal Aid			
Federal relief funds	Provides authority for gov. to appropriate federal relief funds to state agencies, institutions of higher ed, and other permissible entities and provides authority to gov. to appropriate COVID-19 Relief Fund money	Allocates CARES Act Coronavirus Relief Fund (CRF) and COVID-19 Relief Fund money for specific purposes; Requires add'l reporting, approval for gov's allocation of relief funds; Reverts from relief fund \$47m of unallocated GF money	Allocates CARES Act Coronavirus Relief Fund (CRF) and COVID-19 Relief Fund money for specific purposes; Requires add'l reporting, approval for gov's allocation of relief funds; Reverts from relief fund \$30m of unallocated GF money
Reserves			
Revenue Stabilization (Rainy Day) Fund	Includes funding for estimated future required deposit \$71.5m	Eliminates funding for est. future required deposit (redirected to rev. reserve) -\$17.5m	Same as governor's \$71.5m
Revenue reserve	Removes previously unallotted discretionary deposit into Rev. Reserve Fund -\$300.0m	Makes add'l deposit in FY21, removes unallotted discretionary deposit in FY22 -\$150.0m	Same as governor's -\$300.0m
Health Care			
Managed care	Not included	Not included	Captures savings from Medicaid/FAMIS/CHIP managed care rate changes -\$142.5m
Federal Aid & COVID-19 Response			
Select Allocation of CARES Act CRF	Provides funding for long-term care facilities (\$56m using flexible authority)	Allocates funds for hazard pay for Medicaid personal care, respite and companion care providers (\$56m); Provides add'l hospital payments to cover COVID-19 costs (\$60m)	Provides add'l funds for Developmental Disability waiver providers to offset COVID-19 costs (\$40m); Provides add'l funds to state psychiatric hospitals (\$2.8m); Allocates funds for up to 3 months of hazard pay for personal care workers (\$34m)
Enhanced Medicaid match	Captures expected state GF savings due to 6.2 percentage pt. increase in fed. match through Dec 2020 -\$336.8m	Same as governor's -\$336.8m	Same as governor's -\$336.8m
Continuation of coverage	Funds continued coverage for Medicaid through Oct 2020 as mandated to be eligible for enhanced fed. match \$89.1m	Same as governor's \$89.1m	Same as governor's \$89.1m
Nursing facility relief	Not included	Increases nursing home and specialized care daily rates by \$20/patient through Mar 2021 \$11.2m	Increases nursing home and specialized care daily rates by \$20/patient through Jun 2021 \$11.2m

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Health Care (continued)				
<i>Health Care Items Unallotted in Ch. 1289</i>				
Medicaid dental benefit	Removes funding previously unallotted to add Medicaid adult dental benefits	-\$34.0m	Same as governor's -\$34.0m	Partially restores unallotted funding to add Medicaid adult dental benefits in FY22 -\$16.6m
Medicaid eligibility for lawful permanent residents (LPR)	Removes funding previously unallotted associated with eliminating barrier to Medicaid eligibility for LPRs ("40-quarter rule")	-\$4.5m	Partially restores unallotted costs associated w/ eliminating barrier to Medicaid eligibility for LPRs ("40-quarter rule") for half FY21 and full FY22 (<i>contingent*</i>) -\$0.6m	Partially restores unallotted costs associated with eliminating barrier to Medicaid eligibility for LPRs ("40-quarter rule") for FY22 -\$1.2m
Postpartum health coverage	Removes funding previously unallotted to extend coverage for women between 138%-205% FPL from 60 days to 12 mo.	-\$3.2m	Partially restores unallotted funding to extend coverage for women between 138%-205% FPL from 60 days to 12 mo. for half FY21 and full FY22 (<i>contingent*</i>) -\$0.6m	Partially restores unallotted funding to extend coverage for women between 138%-205% FPL from 60 days to 12 mo. for half FY21 and full FY22 -\$0.6m
Home visiting services	Removes funding previously unallotted for voluntary program for pregnant & postpartum women enrolled in Medicaid	-\$11.8m	Same as governor's -\$11.8m	Removes unallotted funding; Lang. for voluntary program for pregnant & postpartum women enrolled in Medicaid (<i>\$11.8m contingent on rev. above forecast*</i>) -\$11.8m
Medicaid nursing facility reimbursement	Removes funding previously unallotted for increase in reimbursement	-\$13.8m	Same as governor's -\$13.8m	Removes unallotted funding; Lang. for increase in FY22 (<i>\$7m contingent on rev. above forecast*</i>) -\$13.8m
Developmental Disability provider rates	Removes funding previously unallotted for increase in Developmental Disability waiver and provider rates	-\$50.8m	Partially restores unallotted increase in provider and waiver rates (<i>contingent*</i>) -\$18.1m	Partially restores unallotted funding to increase provider and waiver rates for FY22; Lang. to restore full provider and waiver funding (<i>add'l \$12.9m contingent on rev. above forecast*</i>) -\$37.9m
Skilled and private duty nursing svcs	Removes funding previously unallotted for increased rates for skilled and private duty nursing services	-\$12.5m	Partially restores unallotted funds for increased rates for FY22 (<i>contingent*</i>) -\$6.2m	Partially restores unallotted funds increased rates for FY22 at 75% of benchmark; Lang. for add'l funding to reach 80% benchmark (<i>add'l \$3.7m contingent on rev above forecast*</i>) -\$9.9m
Personal care attendants, overtime (OT)	Removes funding previously unallotted to allow OT for personal care attendants	-\$19.2m	Same as governor's -\$19.2m	Partially restores unallotted funding for 8 hrs OT for half FY21 and full FY22; Lang. for add'l 8 hrs OT in FY22 (<i>add'l \$3.2m contingent on rev. above forecast*</i>) -\$9.6m
Behavioral Health	Removes funding previously unallotted for statewide discharge assistance plans	-\$20.0m	Same as governor's -\$20.0m	Partially restores unallotted funding for statewide discharge assistance plans -\$2.5m
	Removes funding previously unallotted for an increased mental health provider rates	-\$4.8m	Same as governor's -\$4.8m	Removes unallotted funding; Lang. for increased rates in FY22 (<i>\$2.5m contingent on rev. above forecast*</i>) -\$4.8m
	Removes funding previously unallotted for increased rates for psychiatric residential treatment facilities	-\$15.2m	Same as governor's -\$15.2m	Removes unallotted funding; Lang. for increased psychiatric residential facilities rates in FY22 (<i>\$7.5m contingent on rev. above forecast*</i>) -\$15.2m
STEP-VA	Removes funding previously unallotted for outpatient and other behavioral health services	-\$49.9m	Same as governor's -\$49.9m	Partially restores unallotted funding for crisis services in FY22; Lang. for add'l STEP-VA services (<i>add'l \$18.6m contingent on rev. above forecast*</i>) -\$38.3m

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Early Childhood & K-12 Education			
<i>Federal Aid & Waivers</i>			
CARES Act CRF for K12	Not included	Allocates \$200m in federal aid from the CARES CRF (\$159 per student) for school reopening costs	Allocates \$200m in federal aid from the CARES CRF (\$159 per student) for school reopening costs
CARES Act CRF for child care	Not included	Allocates \$77m in federal aid from CARES CRF for childcare stabilization fund	Allocates \$20m in federal aid from CARES CRF for childcare stabilization grants
Enrollment	Language not included	Language in budget delays Jan. enrollment adjustment	Language not included
Staffing	Language not included	Waives pupil/teacher ratio for school counselors and EL instructors	Language not included
<i>Sales Tax</i>			
Sales tax rev. for K-12	Reduces direct aid to school divisions by \$188.9m GF (FY21 and FY22) due to downward revision of sales tax revenues	Fills sales tax decrease in FY21 with \$95.2m in NGF from gray machines FY21, leaves decrease in FY22	Fills sales tax decrease in FY21 with \$95.2m in NGF from gray machines FY21, leaves decrease in FY22
<i>K-12 Items Unallotted in Ch. 1289</i>			
Salary	Removes funding previously unallotted for 2% salary increase in each year of budget for teachers and school staff -\$287.2m	Same as governor's -\$287.2m	Removes unallotted funding; Lang. for 2% bonus in FY22 for SOQ funded teachers and school staff (<i>\$83m contingent rev. above forecast*</i>) -\$287.2m
VPI	Removes funding previously unallotted for expansion of pre-k access for 3 and 4 yr old children through VPI -\$83.5m	Same as governor's -\$83.5m	Removes unallotted VPI funding; Lang. for partial restoration (<i>\$48m contingent on rev. above forecast*</i>) -\$83.5m
At-Risk Add-On	Removes funding previously unallotted to increase Va's supplement for students from low-income families -\$61.3m	Same as governor's -\$61.3m	Removes unallotted funding; Lang. for partial restoration (<i>\$35m contingent on rev. above forecast*</i>) -\$61.3m
Cost of Competing Adjustment	Removes funds previously unallotted for competing adjust. for support staff in planning district 8 (Northern Va.) and adjacent districts -\$19.5m	Same as governor's -\$19.5m	Same as governor's -\$19.5m
School meals	Removes assistance previously unallotted to local school divisions in reducing or eliminating cost of reduced price meals -\$10.6m	Partially restores funding previously unallotted (<i>contingent*</i>) -\$4.0m	Same as governor's -\$10.6m
Enrollment loss	Removes funding previously unallotted for school divisions with projected enrollment loss -\$4.6m	Language in budget delays Jan. enrollment adj. -\$4.6m	Same as governor's -\$4.6m
Hold harmless	Removes funding previously unallotted to ensure all divisions are funded at FY20 levels -\$3.7m	Language in budget delays Jan. enrollment adj. -\$3.7m	Same as governor's -\$3.7m
African American history & Civil War Museum	Restores unallotted resources for African American history education and U.S. Civil War history	Same as governor's	Same as governor's

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Higher Education			
<i>Federal Aid & COVID-19 Response</i>			
CARES Act CRF	Not included	Provides \$119m to higher ed institutions	Provides \$65m to higher ed institutions
Flexible funding	Not included	Allocates flexible funding which institutions may utilize for operations, financial aid or other COVID-related costs in FY21 \$80.0m	Not included
<i>Unallotted Higher Ed Items in Ch. 1289</i>			
Tuition moderation	Removes funding previously unallotted for in-state undergraduate affordability at public institutions that meet tuition freeze requirements -\$79.8m	Same as governor's -\$79.8m	Same as governor's -\$79.8m
G3 program	Removes funding previously unallotted for G3 program, which provides tuition assist. for low- & moderate-income students who meet certain criteria -\$71.0m	Same as governor's -\$71.0m	Same as governor's -\$71.0m
Undergraduate need-based financial aid	Removes funding previously unallotted for need-based financial aid for undergraduate students -\$60.6m	Same as governor's -\$60.6m	Same as governor's -\$60.6m
Address funding disparities at GMU and ODU	Removes funding previously unallotted to address funding disparities -\$44.0m	Enhanced flexible fund allocations (see above) -\$44.0m	Partially restores unallotted funds to address disparities -\$26.6m
Virginia College Affordability Network (Va. & Norfolk State)	Restores unallotted funds in FY21 and removes unallotted funds in FY22 -\$9.7m	Same as governor's -\$9.7m	Same as governor's -\$9.7m
Tuition assistance grant program	Removes funding previously unallotted for TAG program -\$12.0m	Same as governor's -\$12.0m	Same as governor's -\$12.0m
Information technology & data center (Va. & Norfolk State)	Restores unallotted funds in FY21 and removes unallotted funds in FY22 -\$2.6m	Same as governor's -\$2.6m	Same as governor's -\$2.6m
Graduate financial aid	Removes funding previously unallotted for add'l financial assistance -\$2.1m	Same as governor's -\$2.1m	Same as governor's -\$2.1m

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Social Services			
Local DSS prevention services	Removes funding previously unallotted for local Dept. of Soc. Services prevention services -\$29.9m	Same as governor's -\$29.9m	Removes unallotted local prevention funding; Lang. for partial restoration (\$17.4m contingent on rev. above forecast*) -\$29.9m
Prevention services	Removes funding previously unallotted for prevention services for children and families -\$11.8m	Same as governor's -\$11.8m	Same as governor's -\$11.8m
TANF	Removes funding previously unallotted to increase TANF-UP benefits and income eligibility -\$2.3m	Same as governor's -\$2.3m	Partially restores unallotted funding for TANF-UP, providing increase starting 1/1/2021 -\$0.6m
	Not included	Not included	Provides \$2.5m in add'l TANF funds to nonprofit agencies
Allocation of CARES Act CRF	Provides food security using CARES CRF (\$3.9m using flexible authority)	Provides support for Va. Fed. of Food Banks (\$7.0m) and other food security (\$3.9m) using CARES CRF	Same as governor's
Compensation			
Public school teachers & staff pay	Removes funding previously unallotted for raises for teacher and school staff -\$287.2m	Same as governor's -\$287.2m	Removes unallotted funding; Lang. for 2% bonus in FY22 for SOQ funded teachers and school staff (\$82.6m contingent on rev above forecast*) -\$287.2m
State and state-supported local employees pay	Removes funding previously unallotted for bonuses and raises -\$264.9m	Removes unallotted funding; Provides one-time bonus in FY22 for full-time state employees (\$1,500), adjunct faculty (\$750) & some state-supported locals (1.5% base salary) (contingent*) -\$167.1m	Removes unallotted funding; Provides one-time \$500 bonus in FY21 for state & state-supported local sworn law enforcement. Lang. for 2% bonus in FY22 for state employees & state-supported locals (\$86.8m contingent on rev. above forecast*) -\$246.4m
Other	Removes funding previously unallotted for other compensation actions -\$51.2m	Same as governor's -\$51.2m	Same as governor's -\$51.2m
District/circuit court clerks positions	Not included	Not included	Provides funding for add'l general district court judge and clerk positions \$13.8m
Public defenders	Not included	Not included	Provides funding for add'l public defenders \$9.5m
Retiree Health Credit plans	Removes funding previously unallotted for paydown of state employee retiree credit amortization period -\$7.9m	Not included	Not included
State employee health insurance	Not included	Reduces increase to state employee health insurance program in FY22 -\$20.7m	Reduces increase to state employee health insurance program in FY22 -\$20.6m
	Not included	Captures savings from insurance premium holiday -\$46.1m	Not included

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Other						
<i>Housing</i>						
Housing Trust Fund	Restores unallotted increase (\$46m) and provides add'l funds	\$25.0m	Restores unallotted increase (\$46m, of which \$23m is contingent*), designates \$25m for rent/mortgage relief, and provides add'l funds	\$25.0m	Same as governor's	\$25.0m
Permanent supportive housing	Removes funding previously unallotted for increase permanent supportive housing	-\$25.5m	Same as governor's	-\$25.5m	Partially restores unallotted funding; Lang. for add'l funding (add'l \$5m contingent on rev. above forecast*)	-\$10.5m
Eviction defense/diversion	Partially restores unallotted funding for eviction defense/diversion and affordable housing pilot programs	-\$5.3m	Same as governor's	-\$5.3m	Same as governor's	-\$5.3m
	Removes unallotted GF for add'l legal aid eviction defense; Provides \$2m for eviction defense from COVID-19 Relief Fund	-\$3.0m	Partially restores unallotted GF for legal aid eviction defense	-\$1.0m	Same as governor's	-\$3.0m
Allocation of CARES Act CRF	Not included		Provides funds for utility relief from CARES CRF (\$120m)		Not included	
	Provides funds for mortgage and rental assistance from CARES CRF (\$50m using flexible authority)		Same as governor's		Same as governor's	
	Provides funds for emergency housing from CARES CRF (\$8.8m using flexible authority)		Provides funds for emergency housing from CARES CRF (\$11.8m)		Same as governor's	
<i>Policing and Criminal Legal System</i>						
Reform	Includes funding for policing and criminal legal reform legislation	\$3.6m	Includes funding for policing and criminal legal reform legislation contingent on passage	\$28.4m	Includes funding for policing and criminal legal reform legislation	\$14.8m
Bonuses	Not included		Not included		Provides \$500 bonus for state and state-supported local law enforcement	\$18.4m
Public defenders	Not included		Not included		Provides funding for add'l public defenders	\$9.5m
Other funding increases	Not included		Provides increase for pretrial and post-incarceration services (contingent*)	\$1.5m	Provides other increases for Courts, Corrections, probation, pretrial and post-incarceration services, and law enforcement	\$25.2m
<i>Workers' Rights</i>						
Workplace safety	Removes funding previously unallotted for compliance positions in Va Occupational Safety and Health program	-\$3.0m	Same as governor's	-\$3.0m	Same as governor's	-\$3.0m
Unemployment insurance	Not included		See below		Provides funding for additional VEC staffing	\$0.7m
Allocation of CARES Act CRF	Not included		Provides support for unemployment insurance program using CARES CRF (\$210m)		States that gov. may deposit remaining balance of CARES CRF into the Unemployment Trust Fund, if permissible by law	

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Other				
<i>Major Environmental Funds</i>				
Water Quality funds	Provides required deposits, partially restores unallotted supplementary deposits, & makes technical adj.	\$4.9m	Same as governor's \$4.9m	Same as governor's \$4.9m
Dam rehabilitation	Restores unallotted dam rehabilitation funding (\$15m)		Restores unallotted funding (\$15m, of which \$5m is contingent*)	Same as governor's
Va Land Conserv. Fund	Restores unallotted increase for Va Land Conservation Fund (\$11m)		Restores unallotted increase (\$11m, contingent*)	Same as governor's
<i>Economic development</i>				
Virginia Telecomm. Initiative (VATI)	Restores unallotted funding (\$32m) for VATI; provides add'l funds	\$15.0m	Restores unallotted funding (\$32m, of which \$16m is contingent*); provides add'l funds	Same as governor's \$15.0m
Incentive payments	Not included		Removes incentive funding for Rolls Royce due to facility closure and transfers related NGF balances to GF	Removes incentive funding for Rolls Royce due to facility closure and transfers related NGF balances to GF -\$7.2m
	Not included		Reduces funding for incentive payments based on performance data	Not included -\$3.2m
Virginia Jobs Investment Program	Partially restores unallotted funding for Virginia Jobs Investment Program	-\$2.0m	Removes unallotted funding	Same as governor's -\$2.0m
Business assistance	Provides small business assistance grants using CARES CRF (\$70m using flexible authority)		Requires DSBSD to review eligibility and award guidelines	Same as governor's
	Not included		Not included	Provides assistance grants for recreation and tourism businesses using CARES CRF (\$15m)

*Contingency notes:

The House Appropriations Committee includes contingent items for both FY21 and FY22. For FY21, \$20m of contingent items will be appropriated if the revenue forecast in the budget the governor introduces in December is reduced by no more than \$100m compared to the budget that passes during this special session. For FY22, \$187m of contingent items will be appropriated if a revenue reforecast is not required at the end of FY21.

The Senate Finance and Appropriations Committee includes \$373m of contingent items for FY22. SFAC does not include the GF appropriations and instead includes language stating it is the intent of the general assembly that if FY21 revenue is above forecast, the governor shall allocate the additional revenue in FY22 for specified items in a certain priority order.