

The Governor's Key Budget Policy Choices

Proposed amendments to the 2020-2022 budget



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The House Appropriations and Senate Finance committees are currently considering the governor's proposed amendments to the 2020-2022 budget (FYs 2021 and 2022). The chart below provides a summary level assessment of key general fund changes to the current budget (Chapter 56).

The first six lines are total amounts; all other dollar figures represent proposed combined FY21 and FY22 changes in general fund spending. NGF = non-general funds

Total spending and resources

Total General Fund (GF) spending	\$47.59 billion
Total reserve deposits (discretionary and required)	\$816.4 million
Net GF spending (excludes reserves)	\$46.77 billion
Unappropriated balance	\$51.1 million
Total GF tax revenue	\$44.74 billion
Total other GF resources	\$2.90 billion

Changes from current budget

Tax Policy

CARES Act conformity	Partially conforms to federal CARES Act (select provisions)	-\$41.7 million
Tax credits	Agricultural equipment tax credits	-\$1.3 million

Reserves & VRS Deposits

Revenue reserve	Restores FY22 deposit (\$300m) and provides add'l FY22 deposit (\$350m)	\$650.0 million
Reduce unfunded liabilities in VRS	Provides a one-time payment to the Virginia Retirement System to repay deferred contributions to the teachers retirement plan (\$61m) and unfunded liability in the state employee health insurance credit program (\$39m)	\$100.0 million

Health Care

Medicaid forecast	Lowers Medicaid/FAMIS/CHIP spending forecast over the FY21 & FY22 biennium largely due to temporary increase in federal match for Medicaid	-\$250.2 million
Health Care Fund Appropriation	Lowers GF appropriation to Health Care Fund due to carryover from FY20	-\$59.1 million
Virginia Facilitated Enrollment Program	Provides funding for program that will offer health coverage enrollment assistance through voluntary questions on tax forms	\$1.2 million
Medicaid Doula Services	Provides funding for Medicaid reimbursement of doula services	\$1.2 million

COVID-19 Response

Vaccination (general)	Provides funding for COVID-19 mass vaccination efforts	\$89.3 million
Communications	Provides funding for COVID-19 communications efforts	\$19.0 million
COVID-19 monitoring in mental health facilities	Provides funding for comprehensive monitoring of COVID-19 for state mental health treatment centers	\$6.4 million
Disease surveillance & investigation	Provides funding to strengthen state disease control infrastructure in FY22	\$3.1 million
Data Modeling	Provides funding for COVID-19 data modeling	\$2.2 million
Vaccination (Medicaid program)	Provides funding to cover cost of administering COVID-19 vaccine to non-expansion adults	\$1.0 million

Workers' Rights

Workplace safety	Restores funding to fill 12 unfunded Compliance Safety and Health Officer positions for FY22	\$1.5 million
Unemployment insurance	Provides funding for staff to process applications, make IT upgrades, and pay interest as required	\$22.5 million
Allocation of CARES Act	Maintains chapter budget allocation of \$210m of CARES CRF to the unemployment trust fund; Provides new authority to the governor to increase or decrease this in certain circumstances	

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Social Services & Housing

SNAP Employment & Training	Expands SNAP employment and training program	\$2.0 million
Prevention services	Funds statewide Family First Prevention Services Act (FFPSA) prevention services program	\$9.2 million
Food assistance	Implements Supplemental Nutrition Assistance Program Broad Based Categorical Eligibility	\$0.3 million
	Provides additional \$3m in TANF funds to the Federation of Virginia Food Banks	
Support for nonprofits	Increases funding for the Southeast Rural Community Assistance Project	\$0.6 million
Evictions	Continues Evictions Prevention and Diversion Pilot	\$3.3 million
Housing	Increases funding for the Virginia Housing Trust Fund	\$40.7 million

Early Childhood & K-12 Education

Enrollment

No loss funding	Includes no loss protection to ensure no school division receives less in state funding from amount adopted in Ch.56	\$513.5 million
Enrollment update	Updates enrollment to reflect changes during COVID-19 in SOQ funds	-\$400.6 million
Other enrollment updates	Updates categorical, lottery, incentive, supplemental, and English learner funding based on new enrollment	-\$69.5 million
	<i>Total</i>	\$43.5 million

Sales tax & lottery revenues

Sales tax rev. for K-12	Increases projected sales tax revenues for K-12 schools	\$88.9 million
Lottery	Increases projected lottery revenues by \$51.9m NGF and decrease state GF investment by a corresponding amount (supplanting)	-\$51.9 million

Funding proposals

Bonus for teachers and school staff	State share of a 2% bonus for teachers and school staff in 2021-2022 school year contingent on meeting or exceeding forecast	\$79.8 million
School counselors	Increases staffing for school counselors to one for every 325 students in FY22	\$26.6 million
Virginia Preschool Initiative	Increases VPI per pupil amount to help maximize pre-kindergarten access	\$11.1 million
English learners	Includes English Learner presumption in English as a Second Language programs	\$10.7 million
Early educators	Restores funding to recruit and retain early childhood educators	\$5.0 million

Compensation

Bonus for teachers and school staff	Provides state share of a 2% bonus for teachers and staff contingent on FY21 GF revenue meeting or exceeding forecast	\$79.8 million
Bonus for state employees and adjunct faculty	Provides a \$1,500 bonus on Sep 1, 2021 for most state employees and a \$750 bonus for adjunct faculty contingent on FY21 GF revenue meeting or exceeding forecast	\$82.2 million
Bonus for state-supported local employees	Provides a 1.5% bonus for state-supported local employees contingent on FY21 GF revenue meeting or exceeding forecast	\$15.5 million
Reduce unfunded liabilities in Va Retirement System (VRS)	Provides a one-time payment to VRS to repay deferred contributions to the teachers retirement plan (\$61m) and unfunded liability in the state employee health insurance credit program (\$39m)	\$100.0 million

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Higher education (excludes capital projects, includes university-based research initiatives)

G3 program	Restores funds for “Get Skilled, Get a Job, Give Back” program which provides tuition assistance for low- and moderate-income students who qualify for in-state tuition, enroll in select pathways at community colleges, and meet other criteria	\$36.0 million
Undergraduate need-based financial aid	Restores need-based financial aid for in-state undergraduate students in FY22	\$30.3 million
GMU and ODU	Restores funding to address enrollment growth	\$15.0 million
Norfolk State University	Restores previous reductions and funds technology upgrades	\$12.9 million
Tuition assistance grant program	Restores tuition assistance at Virginia’s private, nonprofit colleges and universities in FY22	\$7.9 million
Virginia State University	Restores funding for Virginia College Affordability Network (VCAN), data center, and programming in FY22	\$6.2 million
Massey Cancer Center	Restores support for Massey Cancer Center in FY22	\$10.0 million

Other

Capital

Infrastructure	Provides GF cash for planning new state buildings and a parking deck	\$17.5 million
Borrowing	Increases borrowing authority (\$191m) and NGF cash (\$10m) for capital projects	

Policing and Criminal Legal System

Expungement	Provides funding for marijuana expungement and related legislation	\$25.0 million
State police	Increases funding for State Police for equipment and IT	\$15.8 million
Medical care	Increases funding for inmate medical costs	\$14.3 million

Repairing Harms

Public spaces	Provides funding for the Slavery and Freedom Heritage Site, to VMFA for redesigning Monument Avenue, and for the Virginia Emancipation and Freedom Monument in Richmond	\$19.9 million
Cemetery restoration	Restores and return headstones from Columbian Harmony Cemetery and support creation of the Harmony Living Shoreline memorial	\$5.0 million
Tribal land	Assists the Chickahominy Tribe with the acquisition and restoration of tribal land	\$3.5 million

Economic Development

Broadband access	Provides additional funding for Virginia Telecommunication Initiative to expand broadband access	\$15.3 million
Tech company grant	Provides funding for economic development grant to tech company based on forthcoming legislation	\$5.6 million
Business Ready Sites	Provides additional funding for the Business Ready Sites Program	\$5.0 million
Workforce grant	Adjusts the Special Workforce Grant Fund payment schedule (Amazon Web Services)	\$2.3 million
Job investments	Restores funding for Virginia Jobs Investment Program	\$2.0 million