



Comparing the governor's and money committee budgets to the FY 2018 budget

With no agreement on the budget during the regular legislative session, Virginia's budget process has restarted. The governor has re-introduced the prior governor's budget proposal with one change, and the House Appropriations Committee has passed the same set of amendments to that proposal, with four changes. As of April 16, the Senate Finance Committee has not passed proposed amendments to the introduced budget.

The chart below provides a summary level assessment of certain key changes and other noteworthy information passed by the House Appropriations Committee and proposed by the governor. The baseline for these comparisons is the FY 2018 budget as approved in Chapter 836, Acts of Assembly 2017. The dollar figures represent combined FY 2019 and FY 2020 changes in General Fund spending.

	Governor		House Appropriations		Senate Finance
Total General Fund (GF) spending	\$42.44 billion		\$42.50 billion		
Unappropriated balance	\$12.1 million		\$2.1 million		
Revenue and Resources					
Total GF tax revenue after policy changes	\$40.99 billion		\$41.03 billion		
Total other GF resources	\$1.46 billion		\$1.47 billion		
GACRE estimate before policy changes	\$40.97 billion		\$40.97 billion		
Tax policy changes	Total proposed tax policy changes:	\$15.8m	Total proposed tax policy changes:	\$55.6m	Awaiting action
<i>Tax audits</i>	<ul style="list-style-type: none"> Tax initiative to expand audits \$18.5m 		<ul style="list-style-type: none"> Assumes higher revenue due to additional staffing \$29.3m 		
<i>Land Preservation Tax Credit</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Retains \$20,000 limit on Land Preservation Tax Credit \$13.2m 		
<i>Historic Rehab Tax Credit</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Retains \$5m limit on Historic Rehab Tax Credit \$13.0m 		
<i>Utility rebate revenue</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Includes rebate revenue related to utility payments on state facilities (HB1558) \$3.4m 		
<i>Payroll breaches</i>	<ul style="list-style-type: none"> Notification of payroll system breaches \$0.6m 		<ul style="list-style-type: none"> Same as governor's \$0.6m 		
<i>ATV tax changes</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Not included 		
<i>DNA testing fee changes</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Increases fee revenues from requiring DNA testing for additional misdemeanor convictions (HB1249) \$0.3m 		
<i>R&D tax exemption</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Not included 		
<i>Coal tax credits</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Reinstates coal tax credits for metallurgical coal (HB665) -\$0.9m 		
<i>Conformity</i>	<ul style="list-style-type: none"> Federal tax conformity -\$3.3m 		<ul style="list-style-type: none"> Same as governor's -\$3.3m 		

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Health Care					
Medicaid expansion	Extends health coverage to nearly 400,000 newly eligible. Assumes start date on/around Oct. 1, 2018 (<i>net savings</i>)	-\$421.7m	Extends health coverage to nearly 400,000 newly eligible. Assumes start date on/around Jan. 1, 2019 (<i>net savings</i>)	-\$371.0m	
Work requirements	Not included		Directs DMAS to apply for waiver that imposes work requirements for Medicaid recipients (TEEOP), including the addition of disenrollment requirements; Uses \$3.5m in FY18 to hire consultant to design waiver	\$21.5m	Awaiting action
Provider assessment	Adopts assessment on private acute care hospitals to cover state share of expansion (provides non-GF revenues)		Same as governor's		
Innovation Waiver	Not included		Authorizes the HHR Secretary to develop and apply for a state innovation waiver to stabilize the individual health insurance market; implementation contingent upon future appropriation of any needed non-federal funds		
Medicaid forecast	Funds Medicaid utilization and inflation	\$575.9m	Delays hospital inflation adjustment until FY20	\$564.9m	
Waiver slots	Adds 825 new Community Living and Family and Individual Supports waivers	\$45.0m	Same as governor's	\$45.0m	
Mental health facility crowding	Addresses capacity issues through discharge planning, assisted living slots, and community support teams	\$11.4m	Same as governor's	\$11.4m	
Supportive housing	Expands supportive housing options for adults with SMI, pregnant and parenting mothers with SUD, and individuals with DD	\$12.8m	Same as governor's	\$12.8m	
Primary care screening	Includes funding for primary care outpatient screenings at CSBs	\$11.2m	Same as governor's	\$11.2m	
Criminal justice & mental health	Not included		Funds CIT assessment sites	\$2.7m	
Federal tax changes	Not included		Captures savings from suspension of ACA health insurance tax	-\$42.0m	
Home health care	Provides overtime & training for consumer-directed attendants; 2% rate increase for personal care, respite, & companion services	\$20.4m	Provides 1% rate increase for agency and consumer-directed personal care services	\$4.9m	
Priority needs access program	Not included		Not included		

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K-12 Education					
Avg. state per pupil direct aid	Provides \$5,589 in FY19 and \$5,638 in FY20		Provides \$5,617 in FY19 and \$5,690 in FY20		
Rebenchmarking	Updates education funding with more current enrollment and demographic data (this value excludes VPI non-participation)	\$481.4m	Rebenchmarking with small, technical changes	\$477.0m	
Salary increase	Funds state share of 2% salary increase for school positions effective Dec. 1, 2019	\$51.3m	Funds state share of 2% salary increase for school positions effective Jul. 1, 2019	\$87.6m	
Supplanting GF dollars	Uses lottery funds to decrease general fund support for public education	-\$80.4m	Includes GF supplanting with lottery revenues, yet partially offsets with GF investment in lottery PPA (see below)	-\$80.4m	
Lottery per pupil allocation (PPA)	Increase not included		Increases the lottery PPA with general funds (\$73.9m) and increased NGF lottery revenues (\$17.6m) with no local matching requirement	\$73.9m	Awaiting action
Loss assistance to localities	Compensates localities that would have received less funding in FY19 than they received in FY18	11.5m	Provides additional assistance to school divisions with enrollment declines of 5% or greater over the last 5 years and have < 10,000 students	\$6.1m	
Va. Preschool Initiative (VPI)	Does not increase VPI per pupil reimbursement		Does not increase VPI per pupil reimbursement		
One full-time principal in every elem. school	Provides state funding to ensure every elementary school has one full-time principal starting in FY20	\$7.7m	Not included		
At-Risk funding	Increases At-Risk Add-On from 1-13% more per free lunch student to 1-14% more in FY20	\$7.1m	Increase not included		
Teacher residency	Increase not included		Increase not included		

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Compensation					
Salary increases	Total proposed salary increases for state and state-supported local employees: \$100.7m		Total proposed salary increases for state and state-supported local employees: \$234.0m		Awaiting action
<i>K-12 employees</i>	<ul style="list-style-type: none"> Includes state share of 2% salary increase for K-12 employees (effective Dec. 1, 2019) \$51.3m 		<ul style="list-style-type: none"> Includes state share of 2% salary increase for K-12 employees (effective Jul. 1, 2019) \$87.6m 		
<i>State and state-supported employees</i>	<ul style="list-style-type: none"> Provides a 2% salary increase to state employees (effective Nov. 10, 2019) and for state-supported local employees (state share; effective Dec. 1, 2019) \$49.4m 		<ul style="list-style-type: none"> Provides a 2% salary increase to state employees and university faculty (effective Jun. 10, 2019) and for state-supported local employees (state share; effective Jul. 1, 2019) \$86.4m 		
<i>Merit salary adjustment</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Includes a 1% merit salary adjustment for classified state employees (effective Jun. 10, 2019) \$24.6m 		
<i>Law enforcement & DBHDS</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Targets salary increase for some law enforcement (effective Jan. 10, 2019) and direct care staff in the DBHDS facilities (effective Feb. 1, 2019) \$35.2m 		
State employee contingent bonus	Not included		Not included		
State employee health insurance	Covers increases in employee & employer share of health insurance premiums \$132.1m		Covers increases in only the employer share of health insurance premiums \$118.2m		
VRS and other retirement benefits	Decreases use of literary funds and replaces with general funds for public school employee retirement contributions \$80.0m		Same as governor's \$80.0m		
Other					
Revenue cash reserves (Deposits)	Makes additional deposits each year so that balance reaches \$427.1m at the end of FY20. Provides additional deposit contingent on surplus revenue (50% of available surplus) \$270.7m		Makes additional deposits each year so that balance reaches \$247.4m at the end of FY20. Provides additional deposit contingent on surplus revenue (100% of available surplus) \$91.0m		
Capital budget	Total capital budget in FY19 and FY20 \$974.0m		Adds \$330m for Port of Va; increases capital outlay pool and makes other adjustments \$1,437.1m		
Juvenile justice capital projects	Retains prior budget assumption of funding two new facilities		Provides funds to build 156-bed facility at Beaumont		

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Social Services					
Temporary Assistance for Needy Families (TANF)	No proposed increase in cash benefits Uses \$12m in TANF funds for Long Acting Reversible Contraception (LARC) Not included		Same as governor's Uses \$6m in TANF funds for LARC pilot Uses \$12.6m in TANF funds for additional grants to nonprofits and local governments		
Children's Services Act (CSA)	Updates CSA funding to meet anticipated caseload and expenditure growth	\$54.2m	Same as governor's; requires evidence-based services	\$54.2m	
Office of Immigrant Assistance	Earmarks funds to help lawfully present immigrants navigate systems	\$0.8m	Not included		
Higher Education (excludes capital projects)					
Financial aid	Increases need-based financial aid for in-state undergraduate students	\$45.5m	Includes need-based financial aid. Allows higher education institutions to prioritize awards to students enrolling in data science and technology, science and engineering, healthcare, and education	\$45.5m	Awaiting action
Commonwealth Cyber Initiative	Not included		Creates Commonwealth Cyber Initiative (CyberX) anchored by Virginia Tech for research and training in cybersecurity	\$40.0m	
TAG	Increases TAG grants to \$3,350	\$1.6m	Same as governor's	\$1.6m	
Other	Not included		Awarded to higher education institutions to increase the number of degrees available in data science & technology, science & engineering, healthcare, and education	\$42.6m	
	Enhances programs at EVMS, ODU and UVA-Wise and fund enrollment growth at GMU	\$37.9m	Increases operations and maintenance and enhances programs at colleges and universities	\$23.2m	
	Allows institutions to retain interest and credit card rebates	\$13.1m	Same as governor's	\$13.1m	
	Funds equipment upgrades at UVA-Wise and VSU	\$3.1m	Same as governor's	\$3.1m	
	Funds cybersecurity and biofuels research at NSU	\$1.3m	Same as governor's	\$1.3m	