Key Budget Policy Choices
Comparing key differences in the changes proposed to the 2018-2020 budget

House and Senate budget negotiators have submitted their proposed changes to the 2018-2020 budget (FYs 2019 and 2020) for floor consideration by the General Assembly. The chart below highlights key differences in the changes proposed by the governor, House, Senate, and conference committee compared to the enacted budget (Chapter 2, Acts of Assembly 2018).

Dollar figures, excluding totals where noted, represent combined FY19 and FY20 changes in general fund (GF) spending.

<table>
<thead>
<tr>
<th>Revenue and Resources</th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total GF spending (excl. reserve deposits)</strong></td>
<td>$43.64 billion</td>
<td>$43.25 billion</td>
<td>$43.22 billion</td>
<td>$43.27 billion</td>
</tr>
<tr>
<td><strong>Total reserve deposits (incl. sum sufficient deposits)</strong></td>
<td>$1.14 billion</td>
<td>$1.82 billion (estimate; see “Tax policy reserve”, pg. 7)</td>
<td>$1.34 billion</td>
<td>$1.43 billion (estimate; see “Tax policy reserve”, pg. 7)</td>
</tr>
<tr>
<td>Unappropriated balance</td>
<td>$24.8 million</td>
<td>$4.9 million</td>
<td>$1.9 million</td>
<td>$7.6 million</td>
</tr>
<tr>
<td><strong>Governor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GF revenue estimates</td>
<td>$42.74b</td>
<td>GF revenue estimates (excl. TCJA-related revenue)</td>
<td>$41.75b</td>
<td>GF revenue estimates</td>
</tr>
<tr>
<td>Balances from prior years and transfers</td>
<td>$2.06b</td>
<td>Balances from prior years and transfers</td>
<td>$2.12b</td>
<td>Balances from prior years and transfers</td>
</tr>
<tr>
<td>Updated forecasts</td>
<td>$548.2m</td>
<td>Same as governor’s</td>
<td>$548.2m</td>
<td>Same as governor’s</td>
</tr>
<tr>
<td>Federal tax conformity</td>
<td>$1.21b</td>
<td>Does not include add’l GF revenue from tax conformity (revenue placed directly into restricted reserve funds)</td>
<td>Federal tax conformity; $499.8m appropriated into restricted reserve fund</td>
<td>$1.21b</td>
</tr>
<tr>
<td><strong>Tax policy changes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
<td>Maintains Pease amendment</td>
<td>$107.5m</td>
</tr>
<tr>
<td>Not included</td>
<td>Moves up sunset for Telework Credit</td>
<td>Not included</td>
<td>Moves up sunset for Telework Credit</td>
<td>$0.6m</td>
</tr>
<tr>
<td>Not included</td>
<td>Transferability of port tax credits</td>
<td>Not included</td>
<td>Transferability of port tax credits</td>
<td>-$0.5m</td>
</tr>
<tr>
<td>Not included</td>
<td>Reduces sales tax for personal hygiene products</td>
<td>Not included</td>
<td>Reduces sales tax for personal hygiene products</td>
<td>-$1.6m</td>
</tr>
<tr>
<td>Not included</td>
<td>Deconforms from Global Intangible Low-Taxed Income (GILTI) provision (eff. Jan. 1, 2018)</td>
<td>Not included</td>
<td>Deconforms from Global Intangible Low-Taxed Income (GILTI) provision (eff. Jan. 1, 2018)</td>
<td>-$12.5m</td>
</tr>
<tr>
<td>Not included</td>
<td>Creates subtraction for 20% of disallowed interest deduction (eff. Jan. 1, 2018)</td>
<td>Not included</td>
<td>Creates subtraction for 20% of disallowed interest deduction (eff. Jan. 1, 2018)</td>
<td>-$42.6m</td>
</tr>
</tbody>
</table>

“Revenue and Resources” continued on next page ...
## Key Budget Policy Choices

### Comparing key differences in the changes proposed to the 2018-2020 budget

<table>
<thead>
<tr>
<th>Revenue and Resources (continued)</th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax policy changes (cont.)</td>
<td>Refundable Earned Income Tax Credit (EITC)</td>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td></td>
<td>-$216.3m</td>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>K-12 Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avg. state per pupil direct aid</td>
<td>Provides $5,633 in FY19 and $5,886 in FY20</td>
<td>Provides $5,616 in FY19 and $5,859 in FY20</td>
<td>Provides $5,609 in FY19 and $5,849 in FY20</td>
<td>Provides $5,624 in FY19 and $5,853 in FY20</td>
</tr>
<tr>
<td>Teacher pay increase</td>
<td>Lifts state share of an initially budgeted 3% pay increase up to 5%; add'l increase eff. Jul. 1, 2019</td>
<td>Lifts state share of an initially budgeted 3% pay increase up to 5%; add'l increase eff. Jan. 1, 2020</td>
<td>Lifts state share of an initially budgeted 3% pay increase up to 5%; add'l increase eff. Jul. 1, 2019</td>
<td>Lifts state share of an initially budgeted 3% pay increase up to 5%; add'l increase eff. Sept. 1, 2019</td>
</tr>
<tr>
<td>Literacy Fund</td>
<td>Increase GF in FY19 to make Literary Fund available for school construction loans</td>
<td>Not included</td>
<td>Increases GF in FY19 to make Literary Fund available for school construction loans and interest rate subsidies</td>
<td>Increases GF in FY19 to make Literary Fund available for school construction loans and interest rate subsidy program</td>
</tr>
<tr>
<td>School counselors</td>
<td>Improves counselor to student ratio in elementary schools to 1:375, middle schools to 1:325, and high schools to 1:300 with goal to reach a ratio of 1:250 for all schools by 2022</td>
<td>Improves the counselor to student ratio in elementary schools to 1:375, in middle schools to 1:325, and in high schools to 1:300</td>
<td>Provides funds for the state share of an add'l 250 counselor positions</td>
<td>Improves the counselor to student ratio in elementary schools to 1:455, in middle schools to 1:370, and in high schools to 1:325</td>
</tr>
<tr>
<td>At-Risk Add-On</td>
<td>Increases add-on up to 1-16% more per student eligible for free lunch for FY19 and FY20 using approx. $35m NGF from lottery revenues</td>
<td>Does not include increase, maintains add-on at 1-13% more per eligible student in FY19 and 1-14% more in FY20 using $35m NGF, and reduces GF support</td>
<td>Increases add-on up to 1-14.5% more per eligible student for FY19 and 1-15.5% more for FY20 using approx. $35m NGF, and reduces GF support</td>
<td>Increases add-on up to 1-14.5% more per eligible student for FY19 and 1-16% more for FY20 using approx. $35m NGF, and reduces GF support</td>
</tr>
<tr>
<td>Lottery PPA</td>
<td>Increases Lottery per pupil allocation (PPA) to school divisions for FY19 and FY20 using approx. $35m NGF</td>
<td>Increases Lottery PPA to school divisions using $27.4m GF and approx. $35m NGF</td>
<td>Does not include the governor's proposal and reduces GF support</td>
<td>Same as governor's</td>
</tr>
<tr>
<td>Va. Preschool Initiative (VPI)+</td>
<td>Provides state GF to continue to fund VPI+ grants that had previously been funded by federal grants</td>
<td>Not included</td>
<td>Provides state GF to partially fund VPI+ grants that had previously been funded by federal grants</td>
<td>Provides state GF to partially fund VPI+ grants that had previously been funded by federal grants</td>
</tr>
</tbody>
</table>

February 2019 Contact: Chris Duncombe | Policy Director chris@thecommonwealthinstitute.org | 804-396-2051
## Key Budget Policy Choices

Comparing key differences in the changes proposed to the 2018-2020 budget

<table>
<thead>
<tr>
<th>Health Care</th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal health insurance tax fee savings</td>
<td>Not included</td>
<td>Accounts for savings from a one-year pause of paying a federal health insurance tax</td>
<td>Accounts for savings from a one-year pause of paying a federal health insurance tax</td>
<td>Accounts for savings from a one-year pause of paying a federal health insurance tax</td>
</tr>
<tr>
<td>1115 waiver</td>
<td>Increases funding for 1115 waiver admin costs (related to proposed Medicaid work/premium requirements) $13.0m</td>
<td>Removes GF support for 1115 waiver costs which would now be paid by a provider coverage assessment</td>
<td>Removes GF support for 1115 waiver costs which would now be paid from an unspecified non-GF source</td>
<td>Removes GF support for 1115 waiver costs which would now be paid by a provider coverage assessment</td>
</tr>
<tr>
<td>Medicaid reimbursement</td>
<td>Not included</td>
<td>Increases reimbursement rates for Critical Access Hospitals in Va.'s rural areas $1.6m</td>
<td>Increases reimbursement rates for certain physicians and mental health professionals $6.8m</td>
<td>Increases reimbursement rates for Critical Access Hospitals &amp; certain physicians and licensed mental health professionals $8.4m</td>
</tr>
<tr>
<td>Preventative care for Medicaid adults</td>
<td>Provides funding for preventative services and vaccines for non-expansion Medicaid adults in FY20 $3.5m</td>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>Vaccines for children and adolescents</td>
<td>Introduces funds in FY20 to purchase vaccines for children to be administered at local health departments $1.5m</td>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>E-health records at correctional facilities</td>
<td>Increases funding for the implementation of electronic health records at women’s facilities $3.5m</td>
<td>Increases funding for electronic health records for correctional facilities $6.5m</td>
<td>Increases funding for electronic health records across all correctional facilities $6.5m</td>
<td>Provides funding for electronic health records for correctional facilities $6.5m</td>
</tr>
<tr>
<td>Emergency opioid treatment</td>
<td>Provides funds for add’l REVIVE! kits and naloxone spray used for the reversal of opioid overdose $3.2m</td>
<td>Same as governor’s $3.2m</td>
<td>Provides funding for FY20 only $1.6m</td>
<td>Provides funding for FY20 only $1.6m</td>
</tr>
<tr>
<td>State funding for abortion services</td>
<td>Language change not included</td>
<td>Prohibits grants/funds/contracts to any group that performs non-federally qualified abortions and gives priority to certain types of organizations when awarding family planning grants</td>
<td>Language change not included</td>
<td>Prohibits state funds from being used for abortion services except as required by federal law</td>
</tr>
<tr>
<td>Crisis response</td>
<td>Increases funding for crisis services for children and adults in FY20 $9.0m</td>
<td>Provides funding for the acceleration of STEP-VA crisis services originally slated for 2021 $8.8m</td>
<td>Provides a smaller increase for crisis services, adds funding for Psychiatric Emergency Pilot Program $8.5m</td>
<td>Provides funding for the acceleration of STEP-VA crisis services originally slated for 2021 $7.8m</td>
</tr>
</tbody>
</table>

*Health Care* continued on next page...
<table>
<thead>
<tr>
<th>Health Care (continued)</th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staffing at state mental health facilities</strong></td>
<td>Provides funding for 254 add’l nurses and psychiatrists at state mental health facilities</td>
<td>Same as governor’s</td>
<td>Provides smaller increase in funding for add’l nurses and psychiatrists at state mental health facilities</td>
<td>Provides smaller increase in funding for add’l nurses and psychiatrists at state mental health facilities</td>
</tr>
<tr>
<td></td>
<td>$7.9m</td>
<td>$7.9m</td>
<td>$6.4m</td>
<td>$7.2m</td>
</tr>
<tr>
<td><strong>Permanent supportive housing</strong></td>
<td>Increases funding for an add’l 150 permanent supportive housing units for individuals with SMI in FY20</td>
<td>Same as governor’s</td>
<td>Further increases funding for add’l permanent supportive housing units for individuals with SMI in FY20</td>
<td>Further increases funding for add’l permanent supportive housing units for individuals with SMI in FY20</td>
</tr>
<tr>
<td></td>
<td>$2.1m</td>
<td>$2.1m</td>
<td>$5.1m</td>
<td>$5.1m</td>
</tr>
<tr>
<td><strong>Mental health in jails</strong></td>
<td>Continues funding and expands pilot programs for inmates with mental health concerns in FY20</td>
<td>Not included</td>
<td>Same as governor’s</td>
<td>Continues funding for current pilot programs for inmates with mental health concerns in FY20</td>
</tr>
<tr>
<td></td>
<td>$2.5m</td>
<td></td>
<td>$2.5m</td>
<td>$2.5m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Services</th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Temporary Assistance for Needy Families (TANF)</strong></td>
<td>Not included</td>
<td>Not included</td>
<td>Uses $3.2m in TANF funds and $300k in GF to increase benefits</td>
<td>Uses $3.2m in TANF funds and $300k in GF to increase benefits</td>
</tr>
<tr>
<td></td>
<td>Not included</td>
<td>Uses $1m in TANF funds to extend transitional child care</td>
<td>Uses $1m in TANF funds and $40k in GF to extend transitional child care</td>
<td>Uses $1m in TANF funds and $40k in GF to extend transitional child care</td>
</tr>
<tr>
<td></td>
<td>Not included</td>
<td>Uses $49k to remove TANF ban for people with 1st time drug possession felonies who comply with certain requirements</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td><strong>Provides $3m of TANF funds to the Federation of Va. Food Banks</strong></td>
<td>Not included</td>
<td>Similar to governor’s</td>
<td>Same as governor’s</td>
<td>Similar to governor’s</td>
</tr>
<tr>
<td></td>
<td>Not included</td>
<td>Provides $500k of TANF funds to the Va. Alliance of Boys and Girls Clubs</td>
<td>Not included</td>
<td>Provides $500k of TANF funds to the Va. Alliance of Boys and Girls Clubs</td>
</tr>
<tr>
<td></td>
<td>Not included</td>
<td>Provides $22k of TANF funds for a new Child Advocacy Center (Russell Co.)</td>
<td>Not included</td>
<td>Provides $22k of TANF funds for a new Child Advocacy Center (Russell Co.)</td>
</tr>
</tbody>
</table>
Key Budget Policy Choices
Comparing key differences in the changes proposed to the 2018-2020 budget

<table>
<thead>
<tr>
<th>Compensation</th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary increases</strong></td>
<td>Total of highlighted changes below: $88.6m</td>
<td>Total of highlighted changes below: $76.0m</td>
<td>Total of highlighted changes below: $87.6m</td>
<td>Total of highlighted changes below: $115.8m</td>
</tr>
<tr>
<td>K-12 employees</td>
<td>Includes state share of add’l 2% increase (eff. Jul. 1, 2019) $87.6m</td>
<td>Includes state share of add’l 2% increase (eff. Jan. 1, 2020) $43.8m</td>
<td>Same as governor’s $87.6m</td>
<td>Includes state share of add’l 2% increase (eff. Sept. 1, 2019) $72.8m</td>
</tr>
<tr>
<td>Higher education faculty</td>
<td>Add’l increase not included</td>
<td>Includes add’l 1% increase (totaling 3%, eff. Jul. 1, 2019) $9.7m</td>
<td>Add’l increase not included</td>
<td>Includes add’l 1% increase (totaling 3%, eff. Jul. 1, 2019) $9.7m</td>
</tr>
<tr>
<td>State employees</td>
<td>Add’l increase not included</td>
<td>Includes add’l 0.75% increase (totaling 2.75%, eff. Jul. 1, 2019) $18.5m</td>
<td>Add’l increase not included</td>
<td>Includes add’l 0.75% increase (totaling 2.75%, eff. Jul. 1, 2019) $18.5m</td>
</tr>
<tr>
<td>State-supported local employees</td>
<td>Add’l increase not included</td>
<td>Includes state share of add’l 1% increase (totaling 3%, eff. Jul. 1, 2019) $8.9m</td>
<td>Add’l increase not included</td>
<td>Includes add’l 1% increase (state share, totaling 3%; eff. Jul. 1, 2019) $8.9m</td>
</tr>
<tr>
<td>Merit salary adjustment</td>
<td>Add’l increase not included</td>
<td>Includes add’l 0.25% increase (totaling 2.25% eff. Jun. 10, 2019) $4.8m</td>
<td>Add’l increase not included</td>
<td>Includes add’l 0.25% increase (totaling 2.25% eff. Jun. 10, 2019) $4.8m</td>
</tr>
<tr>
<td>Augusta corrections</td>
<td>Increases salaries for all security positions $1.1m</td>
<td>Not included</td>
<td>Not included</td>
<td>Same as governor’s $1.1m</td>
</tr>
<tr>
<td>State and state-supported employee bonus</td>
<td>Includes 1% bonus for full-time employees (eff. Dec. 1, 2019) $40.2m</td>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>Commonwealth Attorneys</td>
<td>Increases funding for more positions $0.7m</td>
<td>Further increases funding for more positions $1.5m</td>
<td>Not included</td>
<td>Further increases funding for more positions $1.5m</td>
</tr>
<tr>
<td>State employee health insurance</td>
<td>Decreases support for premiums based on adjusted forecast -$51.3m</td>
<td>Further decreases support for premiums, provides premium holiday in Oct. 2019 -$97.4m</td>
<td>Same as governor’s -$51.3m</td>
<td>Further decreases support for premiums, provides premium holiday in Oct. 2019 -$97.4m</td>
</tr>
<tr>
<td>Retiree health credit Law enforcement</td>
<td>Total of highlighted changes below: $8.1m</td>
<td>Total of highlighted changes below: $8.1m</td>
<td>Total of highlighted changes below: $3.8m</td>
<td>Total of highlighted changes below: $3.8m</td>
</tr>
<tr>
<td>State employee retiree</td>
<td>Increases health insurance credits for certain retired state law enforcement w/ 15+ years of service $8.1m</td>
<td>Not included</td>
<td>Provides a smaller increase for certain retired state law enforcement w/ 15+ years of service $3.8m</td>
<td>Not included</td>
</tr>
<tr>
<td>Teacher retiree</td>
<td>Not included</td>
<td>Contributes to health credit plan, reducing liability $3.8m</td>
<td>Not included</td>
<td>Not included</td>
</tr>
</tbody>
</table>

February 2019
Contact: Chris Duncombe | Policy Director chris@thecommonwealthinstitute.org | 804-396-2051
# Key Budget Policy Choices

Comparing key differences in the changes proposed to the 2018-2020 budget

## Higher Education (excludes capital projects)

<table>
<thead>
<tr>
<th></th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding to maintain tuition costs</td>
<td>Not included</td>
<td>Provides funding to higher ed institutions to keep tuition at FY19 levels for next year</td>
<td>Not included</td>
<td>Provides funding to higher ed institutions to keep tuition at FY19 levels for next year</td>
</tr>
<tr>
<td>Computer science courses</td>
<td>Invests in computer science instruction in secondary and post-secondary levels in FY20</td>
<td>Creates Tech Talent Investment Fund to increase the number of computer science and related degrees</td>
<td>Same as governor's</td>
<td>Creates Tech Talent Investment Fund to increase the number of computer science and related degrees, invests in instruction support</td>
</tr>
<tr>
<td>Need-based financial aid</td>
<td>Increases need-based financial aid for in-state undergraduate students in FY20</td>
<td>Not included</td>
<td>Same as governor's</td>
<td>Same as governor's</td>
</tr>
<tr>
<td>WFD case management system</td>
<td>Provides funding to integrate case management across workforce dev. programs</td>
<td>Not included</td>
<td>Provides funding to integrate case management across workforce dev. programs</td>
<td>Not included</td>
</tr>
<tr>
<td>Community college career advisors</td>
<td>Funds 79 career advisor positions in Va.'s community colleges in FY20</td>
<td>Not included</td>
<td>Phases in advisor positions in Va.'s community colleges</td>
<td>Not included</td>
</tr>
<tr>
<td>Tuition Assistance Grant (TAG) program</td>
<td>Increases assistance awarded through Va.'s TAG program</td>
<td>Same as governor's</td>
<td>Adjusts estimates from governor’s, provides smaller increase</td>
<td>Adjusts estimates from governor’s, provides smaller increase</td>
</tr>
<tr>
<td>Workforce Credential Grant program</td>
<td>Increases general funds for the workforce credential grant program in FY20</td>
<td>Same as governor's</td>
<td>Same as governor's</td>
<td>Provides same funding as governor’s, removes language that limits eligibility to students whose family income is at or below $50,000</td>
</tr>
<tr>
<td>Commonwealth Cyber Initiative (CCI)</td>
<td>Language and funding changes not included</td>
<td>Adds language to provide stronger guarantee of CCI funding in the future</td>
<td>Reduces funding for CCI in FY20</td>
<td>Adds language to provide stronger guarantee of CCI funding in the future</td>
</tr>
</tbody>
</table>

## Capital

<table>
<thead>
<tr>
<th></th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>GF dollars for capital planning and small capital projects</td>
<td>$33.5m</td>
<td>Not included</td>
<td>Includes more limited GF dollars for capital planning and small capital projects</td>
<td>Includes more limited GF dollars for capital planning and small capital projects</td>
</tr>
<tr>
<td>$619.3m in debt and $153.6m in other NGF for capital projects</td>
<td>Not included</td>
<td>$1,198.6m in debt and $198.2m in other NGF for capital projects</td>
<td>$539.1m in debt and $163.7m in other NGF for capital projects</td>
<td>$832.6m in debt and $197.8m in other NGF for capital projects</td>
</tr>
</tbody>
</table>

February 2019

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### Key Budget Policy Choices

Comparing key differences in the changes proposed to the 2018-2020 budget

<table>
<thead>
<tr>
<th>Other</th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water quality improvement funds</td>
<td>Provides add’l deposits into Va.’s water quality funds</td>
<td>Provides smaller add’l deposits into Va.’s water quality funds</td>
<td>Provides smaller add’l deposits into Va.’s water quality funds</td>
<td>Provides small add’l deposit into Va.’s water quality funds for livestock stream exclusion</td>
</tr>
<tr>
<td>Transportation</td>
<td>Provides working capital for the Va. Transportation Infrastructure Bank</td>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>Housing Trust Fund</td>
<td>Provides add’l funding for the state’s housing trust fund</td>
<td>Not included</td>
<td>Provides a much smaller deposit</td>
<td>Provides a much smaller deposit</td>
</tr>
<tr>
<td>Legal aid</td>
<td>Increases funding for legal aid to assist with eviction defense</td>
<td>Not included</td>
<td>Provides funding for legal aid</td>
<td>Provides funding for legal aid</td>
</tr>
<tr>
<td>Census outreach</td>
<td>Funds outreach for 2020 Census</td>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>Dept. of Taxation staffing</td>
<td>Not included</td>
<td>Provides funding for add’l tax staff to administer itemized deduction proposal</td>
<td>Not included</td>
<td>Includes funding to administer tax conformity and tax policy changes</td>
</tr>
<tr>
<td>Revenue reserves</td>
<td>Sets aside an add’l $554m for future use beyond the $235.2m required by the enacted budget; broadens allowed uses of funds to include settlements and economic development incentives</td>
<td>Sets aside an estimated add’l $279.4m for future use (mostly sum sufficient appropriation) beyond the $235.2m required by the enacted budget</td>
<td>Sets aside an add’l $246.8m for future use beyond the $235.2m required by the enacted budget</td>
<td>Sets aside an add’l $239.3m for future use beyond the $235.2m required by the enacted budget; includes revenue from maintaining Pease amendment</td>
</tr>
<tr>
<td>Rainy day fund</td>
<td>Appropriates mandatory Revenue Stabilization Fund deposit</td>
<td>Same as governor’s</td>
<td>Same as governor’s</td>
<td>Uses general funds rather than reserve withdrawal for Micron payment</td>
</tr>
<tr>
<td>Tax policy reserve</td>
<td>Not included</td>
<td>Creates Fund, deposits between $375m and $952m depending on other legislation; sum sufficient est. at $952.4m</td>
<td>Creates Tax Reform Fund and deposits $500m</td>
<td>Uses general funds rather than reserve withdrawal for Micron payment</td>
</tr>
</tbody>
</table>

Rainy day fund

Appropriates mandatory Reserve Stabilization Fund deposit

| $262.9m |

Revenue reserves

Sets aside an add’l $789.3m for future use beyond the $235.2m required by the enacted budget; governor is expected to withdraw $50m in FY20 to pay Micron incentives

| $789.3m |

Other continues on next page...
### Key Budget Policy Choices

Comparing key differences in the changes proposed to the 2018-2020 budget

<table>
<thead>
<tr>
<th>Economic development and research funds</th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses $168m in borrowing and $107m NGF to construct Va. Tech’s Innovation Campus as part of the Amazon deal</td>
<td>Not included</td>
<td>Makes deposit into new Major Headquarters Workforce Grant Fund for future Amazon HQ2 payment $34.0m</td>
<td>Not included</td>
<td>Includes language changes</td>
</tr>
<tr>
<td>Language allows governor to use reserves for approved economic development incentives</td>
<td>Language change not included</td>
<td>Language change not included</td>
<td>Language change not included</td>
<td>Language change not included</td>
</tr>
<tr>
<td>Governor is expected to withdraw $50 million in FY20 to pay Micron incentives</td>
<td>Uses GF rather than reserve withdrawal for Micron payment $50.0m</td>
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</tr>
<tr>
<td>Provides add'l funding in FY20 to expand broadband access $46.0m</td>
<td>Provides add'l funding in FY20 to expand broadband access $16.0m</td>
<td>Provides add'l funding in FY20 to expand broadband access $15.0m</td>
<td>Provides add'l funding in FY20 to expand broadband access $15.0m</td>
<td>Provides add'l funding in FY20 to expand broadband access $15.0m</td>
</tr>
<tr>
<td>Not included</td>
<td>Increases funding for Center for Advanced Manufacturing $6.1m</td>
<td>Increases funding for Center for Advanced Manufacturing $0.9m</td>
<td>Increases funding for Center for Advanced Manufacturing $1.0m</td>
<td></td>
</tr>
</tbody>
</table>

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