

House and Senate Pass Competing Budget Proposals

The House and Senate debated and passed their respective versions of the budgets for the upcoming biennium as well as amendments to the current biennium budget (the “caboose” budget). The House approved its budget by a vote of 74-25, and the Senate passed its version by a vote of 31-9. The budgets now move to the opposite chambers and will ultimately be placed in conference.

Following is an overview of the major elements of both proposed budgets of importance to counties. VACo appreciates its members’ advocacy for our budget requests and will continue to advocate for local government priorities as the budget process continues.

K-12 Education

House

- Establishes a School Construction Loan Rebate Program with \$291.7 million from the General Fund and \$250 million from the Literary Fund in FY 2023 to award grants to school boards meeting certain criteria to fund construction, expansion, or modernization of public school buildings. Grants provide either 30 percent of principal and interest costs, or interest costs, with grant selection based on demonstrations of poor building conditions, local commitment, and need. ([Item 137 #19h](#))
- Provides \$29.5 million GF per year from lottery proceeds to increase the Infrastructure and Operations Per Pupil payments by approximately \$43 per year; increases the minimum amount of these funds that school divisions must expend on non-recurring uses from 40 percent to 50 percent. ([Item 137 #21h](#)) Related amendment allows these funds to be used to pay for debt services on projects that have been initiated but not completed. ([Item 137 #7h](#))
- Directs \$55 million from the Literary Fund for teacher retirement costs and reduces a like amount of General Fund dollars. ([Item 137 #4h](#))
- Provides \$10 million GF in FY 2023 and \$10.2 million GF in FY 2024 for the state share of one full-time principal position in each elementary school. ([Item 137 #16h](#))
- Provides \$40.9 million GF in FY 2023 and \$42.5 million GF in FY 2024 for the state share of one assistant principal position for every 500 students. ([Item 137 #17h](#))
- Redirects funding proposed to expand Early Reading Intervention to grades 4-5 to instead provide one reading specialist for every 550 students in K-3. ([Item 137 #18h](#))

- Saves \$165.4 million GF in FY 2023 and \$44.7 million GF in FY 2024 by reducing the proposed increase to the At-Risk Add-On maximum to 31 percent in FY 2023 and FY 2024 (the introduced budget proposed increasing the maximum to 49.5 percent in FY 2023 and 36 percent in FY 2024). ([Item 137 #9h](#))
- Removes the proposed increase in staffing for English learner teachers (the introduced budget proposed increasing the staffing ratio to 22 teachers per 1000 identified English learner students; the amendment retains the existing staffing ratio of 20 teachers per 1000 English learners), for a savings of \$10.3 million GF in FY 2023 and \$11.7 million GF in FY 2024. ([Item 137 #10h](#))
- Provides \$3 million GF per year for the Public Schools Trades Incentive Fund. ([Item 136 #11h](#))
- Reflects the additional funding needed to hold school divisions harmless from the elimination of the grocery tax for an additional six months (the introduced budget assumes the state portion of the grocery tax would be eliminated beginning January 1, 2023, but the House passed legislation eliminating the tax effective July 1, 2022). After adjusting for the increase in basic aid, a net increase of \$57.4 million in FY 2023 and \$1.2 million in FY 2024 is required for hold-harmless payments. ([Item 137 #5h](#) and [Item 137 #6h](#))
- Removes Accomack County and Northampton County from the Cost of Competing Adjustment (the introduced budget proposed to include these counties). ([Item 137 #20h](#))
- Provides \$150 million GF in FY 2023 for the College Partnership Laboratory Schools Fund. ([Item 137 #22h](#))

Senate

- Directs JLARC to evaluate and review the Cost of Competing Adjustment as part of its study of Standards of Quality funding. ([Item 36 #2s](#))
- Provides \$109.4 million GF in FY 2023 and \$162.4 million GF in FY 2024 to increase the number of funded support positions from a ratio of 17.75 support positions per 1,000 students to funded SOQ instructional positions to 20 support positions per 1,000 ADM to funded SOQ instructional positions in the first year, and to 21 support positions per 1,000 ADM to funded SOQ instructional positions in the second year. ([Item 137 #2s](#))
- Provides \$31 million GF in FY 2023 and \$31.8 million GF in FY 2024 to fund one reading specialist per 550 students in grades K-3. ([Item 137 #3s](#)) A companion amendment removes \$31.5 million GF per year that was proposed for the expansion of the Early Reading program to 4th and 5th grades ([Item 137 #7s](#))
- Retains \$500 million School Construction Grants Program funding included in the introduced bill. Language allows School Construction grant funds to be used for debt service payments on school projects that have been completed

or initiated during the last ten years and bars the use of funds for parking lot repair or replacement or for facilities predominantly used for athletics. ([Item 137 #5s](#))

- Removes Accomack County and Northampton County from the Cost of Competing Adjustment as provided in the introduced budget. ([Item 137 #10s](#)). A companion amendment provides \$2 million from the Lottery Proceeds Fund to provide one-time support to Accomack County and Northampton County for teacher recruitment and retention efforts. ([Item 137 #9s](#))

Compensation

House

- Instead of the 5 percent salary increase proposed in the introduced budget in each year of the biennium for funded SOQ instructional and support positions, proposes a 4 percent increase in each year of the biennium, along with a 1 percent bonus in each year of the biennium. The salary increases take effect July 1, 2022, and July 1, 2023, respectively. In order to access these funds, a school division must provide at least a 2.5 percent salary increase the first year and at least an additional average 2.5 percent salary increase the second year. The bonus payments take effect July 1, 2022, and July 1, 2023. Local matches are required based on the local composite index. ([Item 137 #3h](#))
- Instead of the 5 percent salary increase proposed in the introduced budget in each year of the biennium for state employees and state-supported local employees, proposes a 4 percent salary increase in each year (effective July 1, 2022, and July 1, 2023), and a 1 percent bonus in each year (effective December 1, 2023, and December 1, 2024). ([Item 483 #2h](#))
- Reduces funding for a targeted salary increase for Department of Corrections correctional officers to set the starting pay at \$42,000 (on par with deputy sheriffs and regional jails), rather than \$44,000, as proposed in the introduced budget. ([Item 402 #1h](#))

Senate

- Retains the 5 percent salary increase proposed in the introduced budget in each year of the biennium for funded SOQ instructional and support positions. Language requires school divisions to certify that funds used for the local match are derived from local revenue sources ([Item 137 #4s](#))
- Uses \$137.1 million in ARPA funds for a \$1000 bonus payment for funded SOQ instructional and support positions, effective June 1, 2022. No local match is required. ([Item 145 #1s](#) and [Item 479.20 #2s](#), caboose)

- Uses \$15 million in ARPA funds in FY 2023 for teacher recruitment incentive payments. ([Item 486 #3s](#))
- Retains the 5 percent salary increase proposed in each year of the biennium for state employees and state-supported local employees.
- Provides \$102.5 million GF for a one-time bonus payment for state employees, to be paid June 1, 2022. ([Item 477 #1s](#) -- caboose)
- Provides \$5.3 million GF per year for a \$2500 salary increase for district court clerks. ([Item 39 #3s](#))
- Provides \$5.7 million GF in FY 2023 and \$6 million GF in FY 2024 for salary increases for probation and parole officers at the Department of Corrections. ([Item 401 #1s](#))
- Provides \$1.5 million GF in FY 2023 and \$1.6 million GF in FY 2024 to increase minimum salaries for probation officers and supervisors in Department of Juvenile Justice court service units. ([Item 425 #1s](#))
- Provides \$1.5 million GF in FY 2023 and \$1.6 million GF in FY 2024 to increase salaries for residential specialists at the Department of Juvenile Justice. ([Item 427 #2s](#))

Judiciary/Public Safety

House

- Includes \$500,000 GF in FY 2022 for an evaluation of judicial caseloads by the National Center for State Courts, with a report due October 15, 2022. ([Item 39 #2h](#), caboose)
- Directs the Virginia Information Technologies Agency (VITA) to take the necessary steps to obtain and use the cybersecurity grant funding available to Virginia under the Infrastructure Investment and Jobs Act. Directs the establishment of a planning committee and development of a cybersecurity plan. ([Item 92 #1h](#), caboose) A companion amendment in the biennium budget provides the state matching funds (\$2.1 million in FY 2023 and \$2.8 million in FY 2024) for the \$12.8 million in FY 2023 and \$8.6 million in FY 2024 in federal funds. ([Item 93 #1h](#))
- Directs the Secretary of Public Safety and Homeland Security to convene a workgroup to develop recommendations for a long-term operating and capital plan for the provision of health care services to individuals incarcerated by the Department of Corrections; language directs the workgroup's assessment to include consideration of reuse of the Beaumont Juvenile Correctional Center as a consolidated medical facility for state-responsible inmates. ([Item C-66 #1h](#), caboose)
- Provides \$859,920 GF per year for the Indigent Defense Commission. ([Item 51 #1h](#))

- Includes \$2.4 million GF per year for a \$2000 per year salary increase for probation and parole officers. ([Item 399 #1h](#))
- Requires the submission of regional jail construction and renovation project information to the Department of General Services for a cost review. ([Item 400 #1h](#))
- Provides \$25.8 million GF per year for School Resource Officer Incentive Grants. ([Item 408 #1h](#))
- Directs \$100 million in ARPA funds in FY 2023 for one-time grants to state and local law enforcement for training and equipment. ([Item 486 #1h](#))

Senate

- Requires any locality that is part of an Alcohol Safety Action Program to contribute to operating costs of the organization. ([Item 3 #1s](#))
- Provides \$2.3 million GF in FY 2022; \$19.1 million GF in FY 2023, and \$27.9 million GF in FY 2024 for aid to localities with police departments (HB 599) ([Item 408 #1s](#) in the caboose, [Item 410 #1s](#))
- Directs the Virginia Information Technologies Agency (VITA) to take the necessary steps to obtain and use the cybersecurity grant funding available to Virginia under the Infrastructure Investment and Jobs Act. Directs the establishment of a planning committee and development of a cybersecurity plan. ([Item 92 #1s](#), caboose) A companion amendment in the biennium budget provides the state matching funds (\$4.9 million in FY 2023). ([Item 93 #1s](#))
- Provides \$100,000 GF in FY 2023 for JLARC to contract with an outside vendor if needed for a review of the feasibility and cost of a statewide system of public defender offices and the staffing and pay associated with court-appointed counsel. ([Item 36 #1s](#))
- Provides \$500,000 GF per year for local pretrial services and community corrections. ([Item 408 #3s](#))
- Allocates \$10 million GF in FY 2023 for cybersecurity initiatives; funding is to remain unallotted until a report detailing the planned use of funds is submitted by the Secretary of Administration to the Governor and the chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee by September 1, 2022. ([Item 484 #1s](#))

Administration – Compensation Board **(Constitutional Officers and Jails)**

House

- Reduces funding in the introduced budget for case manager and medical and treatment positions intended to assist in compliance with behavioral health care standards under consideration by the Board of Local and Regional Jails. The introduced budget provided \$18 million GF in FY 2023 and \$19.7 million GF in FY 2024 for this purpose; the House budget would reduce this funding by \$11.5 million in FY 2023 and \$3.3 million in FY 2024 to reflect phasing-in of the additional staffing. ([Item 72 #1h](#))
- Provides \$9.3 million GF in FY 2023 and \$9.4 million GF in FY 2024 to increase the per diem rate for state-responsible inmates by \$4 (from \$12 to \$16). VACO has advocated for a per diem increase for several years and strongly supports this amendment. ([Item 73 #1h](#))
- Provides \$204,463 GF in FY 2023 and \$223,050 GF in FY 2024 to address 10 percent of currently unfunded positions in offices of the Commissioners of the Revenue. ([Item 75 #1h](#))
- Provides \$112,186 GF in FY 2023 and \$122,385 GF in FY 2024 to address the full remaining need for underfunded Circuit Court Clerk positions. ([Item 77 #1h](#)) A separate amendment provides \$606,433 GF in FY 2023 and \$661,563 GF in FY 2024 to address the entire need for unfunded position in Circuit Court Clerks' offices. ([Item 77 #2h](#))
- Provides \$165,667 GF in FY 2023 and \$180,728 GF in FY 2024 to address the full remaining need for underfunded position in Treasurers' offices. ([Item 78 #1h](#)) A separate amendment provides \$297,670 GF in FY 2023 and \$324,731 GF in FY 2024 to address 10 percent of unfunded positions in Treasurers' offices. ([Item 78 #2h](#))
- Allows flexibility in the use of existing discharge planning funds in jails. ([Item 313 #2h](#))

Senate

- Reduces funding in the introduced budget for case manager and medical and treatment positions intended to assist in compliance with behavioral health care standards under consideration by the Board of Local and Regional Jails. The introduced budget provided \$18 million GF in FY 2023 and \$19.7 million GF in FY 2024 for this purpose; the Senate budget reduces this funding by \$11.3 million GF in FY 2023 and \$9.8 million GF in FY 2024 to phase in staffing. ([Item 72 #2s](#))
- Provides \$6.6 million GF in FY 2023 and \$6.7 million GF in FY 2024 to increase per diem payments by \$1 for local responsible inmates (from \$4 to \$5). ([Item](#)

[73 #3s](#)). Provides \$4.6 million GF in FY 2023 and \$4.7 million GF in FY 2024 to increase per diem payments for state-responsible inmates by \$2 (from \$12 to \$14). ([Item 73#4s](#)) VACo strongly supports these amendments to provide additional resources to local and regional jails.

- Provides \$1.4 million in FY 2023 and \$2.5 million in FY 2024 for 154 unfunded positions in offices of the Commissioners of the Revenue. ([Item 75 #1s](#))
- Provides \$165,667 in FY 2023 and \$180,728 in FY 2024 to restore 120 underfunded deputy treasurer positions and \$744,176 in FY 2023 and \$1.6 million in FY 2024 to restore 226 unfunded deputy treasurer positions. ([Item 78 #1s](#) and [Item 78 #2s](#))
- Allows flexibility in the use of existing discharge planning funds in jails. ([Item 313 #3s](#))

Administration – Elections

House

- Reverts an estimated \$1.1 million that was provided in the 2020 General Assembly Special Session for reimbursement to localities for prepaid postage to be included with absentee ballots. The General Assembly codified the requirement to provide prepaid postage in 2021. ([Item 86 #1h](#), caboose bill; companion amendment [Item 89 #8h](#) in the biennium budget removes language allowing the Department of Elections to continue to reimburse localities for this mandate.)
- Provides \$2.2 million GF in FY 2023 for the Department of Elections to mail notices to all registered voters in the Commonwealth in response to changes made during the redistricting process. ([Item 89 #2h](#))

Senate

- Removes \$5.9 million GF in FY 2024 for reimbursement for the presidential primary. ([Item 485 #3s](#))

Agriculture and Forestry

House

- Removes proposed \$2.5 million per year increase for the Virginia Farmland Preservation Fund proposed in the introduced budget. ([Item 98 #1h](#))
- Provides \$1 million GF in FY 2023 to capitalize the Forest Sustainability Fund as proposed in legislation passed by the House. ([Item 108 #1h](#))
- Removes \$3 million GF per year that was proposed for grant funding to localities to support tree planting and maintenance. ([Item 108 #2h](#))

Senate

- Provides an additional \$625,000 GF per year for the Virginia Farmland Preservation Fund, for a total of \$4 million per year for the Fund ([Item 98 #1s](#))
- Directs the Virginia Department of Agriculture and Consumer Services to develop a map or repository of prime farmland to assist localities in making solar siting decisions. ([Item 98 #3s](#))
- Reduces the proposed increase of \$2.9 million over the biennium for the Agriculture and Forestry Industries Development Fund by \$1.5 million in FY 2023 and \$500,000 in FY 2024. ([Item 99 #1s](#))
- Provides \$1 million GF in FY 2023 to capitalize the Forest Sustainability Fund. ([Item 108 #1s](#))
- Reduces by \$1.5 million GF per year the \$3 million per year proposed in the introduced budget for grant funding to localities to support tree planting and maintenance. ([Item 108 #2s](#))

Economic Development/Workforce

House

- Removes proposed increase of \$5 million for the Community Development Financial Institutions Fund in the introduced budget. ([Item 115 #9h](#))
- Reduces Enterprise Zone funding by \$2 million GF per year (the introduced budget proposed an increase of \$3.7 million per year). ([Item 116 #1h](#))
- Reduces proposed funding for the Regional Innovation Fund by \$1.5 million GF per year (the introduced budget proposed \$3 million per year). ([Item 127 #1h](#))
- Provides \$5 million GF in FY 2023 to establish the Virginia Rural EV Charging Network Program, which will provide funding for a network of electric vehicle chargers throughout rural Virginia. ([Item 126 #4h](#))

Senate

- Reduces proposed \$5 million increase to the Virginia Community Development Financial Institutions Fund by \$2.5 million GF in FY 2023. ([Item 115 #3s](#))
- Provides \$2.5 million GF per year for the Removal or Rehabilitation of Derelict Structures Fund. ([Item 115 #4s](#))
- Reduces proposed increase to Enterprise Zone program by \$1 million per year (the introduced budget proposed an increase of \$3.7 million per year). ([Item 116 #1s](#))
- Provides \$100.7 million GF to the Virginia Innovation Partnership Authority in FY 2023 for an initiative to establish regional innovation clusters in biotechnology, life sciences, and other fields. ([Item 127 #1s](#))

- Reduces proposed increase to the Regional Innovation Fund by \$2 million GF per year (the introduced budget proposed an increase of \$3 million per year). ([Item 127 #3s](#))

Broadband

House

- Includes language setting out reporting requirements for Virginia Telecommunication Initiative grant awards. ([Item 115 #6h](#))
- Includes language allowing public entities (includes localities, broadband authorities or regional entities such as planning district commissions) to apply directly for VATI without a private sector partner. No more than 10 percent of grant funds may be awarded to this category of applicants in each year of the biennium. ([Item 115 #11h](#))

Senate

- Includes language allowing public entities (includes localities, broadband authorities or regional entities such as planning district commissions) to apply directly for VATI without a private sector partner. No more than 10 percent of grant funds may be awarded to this category of applicants in each year of the biennium. ([Item 115 #1s](#))

Housing/Community Development

House

- Eliminates the proposed additional deposits to Housing Trust Fund in the introduced budget of \$70 million GF in FY 2023 and \$120 million in FY 2024. ([Item 114 #1h](#))
- Directs the Department of Housing and Community Development to review the feasibility of using resources in the Virginia Housing Trust Fund to develop manufactured home parks as a source of affordable housing. ([Item 114 #3h](#))
- Directs \$564,000 per year from the Housing Trust Fund to provide housing assistance to 18-21 year-olds transitioning from the foster care system, in accordance with legislation that has passed the House. ([Item 114 #5h](#))

Senate

- Retains additional deposits to the Housing Trust Fund in the introduced budget.
- Directs the Department of Housing and Community Development to convene a stakeholder workgroup to develop model guidelines for a program to provide long-term rental assistance to low income renters. ([Item 114 #2s](#))

Child Care/Early Childhood

House

- Directs the Department of Education to maximize the use of federal Child Care Development Funds to eliminate the wait list for child care subsidy assistance and to maintain the expanded eligibility requirements that are scheduled to end May 31, 2022, during the biennium. ([Item 129 #7h](#))
- Eliminates the \$1.1 million per year for the introduced budget's proposed "grow your own" early childhood educator program. ([Item 136 #9h](#))
- Eliminates the \$2 million in FY 2023 and \$4.7 million GF in FY 2024 proposed in the introduced budget to expand the Mixed Delivery grant program to serve additional at-risk three- and four-year-olds and to establish a pilot for up to 200 infant and toddler slots each year. ([Item 136 #10h](#))
- Excludes Cost of Competing Adjustments from biennial rebenchmarking of Virginia Preschool Initiative per-pupil payments, for a reduction of \$2 million GF per year. ([Item 137 #11h](#))
- Eliminates proposed expansion of Virginia Preschool Initiative to three-year-olds, for a reduction of \$6 million in FY 2023 and \$13.4 million in FY 2024. ([Item 137 #13h](#))
- Eliminates \$5.4 million in flexible early childhood funds provided in FY 2024 to allow VPI and other early childhood expansion initiatives to respond to demand. ([Item 137 #14h](#))

Aid to Local Public Libraries

Senate

- Provides \$2.5 million GF per year for aid to local public libraries; language states that it is the intention of the state to fully fund the state formula for aid to local libraries and that the appropriations over the biennium are the beginning of a four-year phase-in, to be completed by FY 2026. ([Item 240 #1s](#))

HHR – Adult and Aging Services

House

- Directs the Secretary of Health and Human Resources to continue the workgroup established in 2021 to elevate aging services in the Commonwealth. Directs the addition of legislators to the workgroup. ([Item 283 #1h](#))

Senate

- Directs the Secretary of Health and Human Resources to continue the workgroup established in 2021 to elevate aging services in the Commonwealth. Directs the addition of legislators to the workgroup. ([Item 283 #2s](#))
- Provides \$250,000 GF in FY 2023 to the Department for Aging and Rehabilitative Services to determine the potential cost of addressing unmet needs for in-home services and home modifications provided to older adults by area agencies on aging and local departments of social services, by region. ([Item 331 #3s](#))
- Provides \$1.7 million GF per year to implement JLARC recommendations from its October 2021 report on improving the guardianship and conservatorship system. ([Item 331 #2s](#))

HHR – Children’s Services Act

Senate

- Provides \$1 million GF per year for local CSA administrative costs. This item was a VACo budget request in 2022. ([Item 284 #1s](#))
- Delays the implementation of rate setting for private day special education services until July 1, 2023 and directs the Office of Children’s Services to use the available first year funding to validate and determine any fiscal impact that may result from the implementation of rate setting. ([Item 285 #1s](#))

HHR- Health

House

- Eliminates \$300,000 GF per year in the introduced budget for operating costs at the Virginia Health Workforce Development Authority and \$500,000 GF in FY 2023 for the Authority to convene a workgroup to study primary care workforce issues. Redirects funding to the Virginia Task Force on Primary Care and the Health Workforce Development Fund established in legislation passed by the House this session. ([Item 292 #1h](#))

Senate

- Reduces FY 2024 funding for Comprehensive Harm Reduction Programs by \$620,000 (the introduced budget included \$1.1 million in the first year and \$1.7 million in the second year). ([Item 291 #1s](#))
- Retains proposed funding for Virginia Health Workforce Development Authority and workgroup on primary care workforce issues; adds \$100,000 GF in FY 2023 to support an expanded review of nursing education programs and nursing staffing shortages in Virginia. ([Item 292 #1s](#))

- Provides \$3 million GF in FY 2023 and \$3.5 million GF in FY 2024 for the state match for federal drinking water grant funding from the Infrastructure Investment and Jobs Act. ([Item 296 #2s](#))

HHR- Behavioral Health

House

- Includes language barring a residential program or facility receiving Medicaid payments that has entered into a placement agreement with a local Department of Social Services from discharging a child except as specified in the comprehensive individual plan of care. ([Item 304 #13h](#))
- Removes the \$1 million in FY 2023 included in the introduced budget for a study of the state and local behavioral health system, as well as the \$100 million included in the second year to fund the study's recommendations. ([Item 311 #1h](#), [Item 485 #1h](#))
- Directs the Department of Behavioral Health and Developmental Services to monitor credentialed recovery homes for regulatory compliance and consult with the Virginia Association of Recovery Residences to keep the agency's public website's list of credentialed recovery homes up to date. ([Item 312 #1h](#))
- Includes \$7.5 million in funding for one-time start-up costs for crisis facilities in Winchester, Prince William County, and southwest Virginia. ([Item 312 #2h](#), [Item 312 #5h](#), [Item 312 #7h](#))
- Reduces proposed additional funding for recovery residences by \$1 million GF per year (the introduced budget proposed an additional \$2.2 million per year). ([Item 312 #3h](#))
- Reduces proposed increase in funding for the Virginia Mental Health Access Program by \$1.4 million GF per year (the introduced budget proposed an increase of \$2.9 million GF per year). ([Item 312 #4h](#))
- Adds \$2 million GF in FY 2023 to implement a program of alternative custody for individuals subject to a temporary detention order (TDO), who are awaiting transport to an inpatient bed.) The introduced budget includes \$3.4 million GF in FY 2024 for this purpose. ([Item 312 #6h](#))
- Reduces proposed increase in permanent supportive housing funds by \$5.6 million in FY 2023 and \$9.5 million in FY 2024 (the introduced budget proposed increasing this appropriation by \$11.25 million GF in FY 2023 and \$19.1 million GF in FY 2024. ([Item 313 #3h](#))
- Replaces \$22.2 million in GF support for STEP-VA with an equivalent amount of ARPA funds in FY 2023. ([Item 313 #4h](#))
- Reduces the salary increase in the introduced budget for direct care staff at state hospitals in FY 2024 by \$23.5 million. ([Item 318 #1h](#)) Redirects ARPA

funding in FY 2023 and GF in FY 2024 to support compensation increases for direct care staff working for CSBs. ([Item 313 #6h](#), [Item 486 #4h](#))

- Provides \$1 million GF in FY 2023 for planning for the transformation of Catawba Hospital into a facility that provides a continuum of substance use treatment and recovery services, in addition to mental health care services. ([Item C-2.10 #1h](#))

Senate

- Directs the Secretary of Health and Human Resources to establish a workgroup to review the current structure of the Department of Behavioral Health and Developmental Services (DBHDS) ([Item 283 #1s](#))
- Provides \$5 million GF per year for DBHDS and partners to provide technical assistance to school divisions on integrating mental health services, and to make grants to school divisions to contract for community-based mental health services. ([Item 311 #2s](#))
- Removes the \$1 million in FY 2023 included in the introduced budget for a study of the state and local behavioral health system, as well as the \$100 million included in the second year to fund the study's recommendations. ([Item 311 #4s](#) and [Item 485 #4s](#))
- Provides \$2.3 million each year from the Crisis Call Center Fund for DBHDS to implement a voluntary mental health check-in option as part of the 988 Crisis Call Center. ([Item 311 #6s](#))
- Moves \$1.7 million GF from FY 2024 to FY 2023 to make available \$1.7 million each year for alternative custody for individuals under a temporary detention order (TDO) who are awaiting transport to an inpatient bed. Provides \$1 million GF per year to reimburse local law enforcement agencies that utilize auxiliary police officers as alternative custody options for emergency custody orders or TDOs. ([Item 312 #1s](#))
- Provides \$37.6 million GF in FY 2023 for recruitment and retention bonuses for CSBs. ([Item 313 #1s](#))
- Provides \$2.9 million GF per year for Part C Early Intervention to mirror the 12.5 percent increase in Medicaid reimbursement for these services for children served by Medicaid in order to provide similar support for services for children who do not have Medicaid as a funding source. ([Item 313 #2s](#))
- Directs use of funds in the introduced budget for crisis receiving centers to support establishment of a crisis receiving center in the Lynchburg area. ([Item 313 #5s](#))

HHR- Medicaid

House

- Captures savings from delay in allocation of Developmental Disability waiver slots; directs the Department of Medical Assistance Services, in consultation with the Commissioner of the Department of Behavioral Health and Developmental Services, and the Virginia Association of Community Services Boards, to assign waiver slots to CSBs by May 31, 2022, and directs CSBs to assign each slot to an eligible individual by June 30, 2022. ([Item 313 #3h](#), caboose)

Senate

- Captures savings in FY 2022 resulting from a delay in allocating Developmental Disability waiver slots. ([Item 313 #3s](#), caboose). Reflects additional savings in each year of the biennium resulting from a delay in adding additional waiver slots. ([Item 304 #25s](#)) Directs DBHDS to allocate waiver slots to CSBs by the first day of the fiscal year. ([Item 311 #8s](#))
- Directs the Secretary of Health and Human Resources to establish a Task Force on Eligibility Redetermination to evaluate the Commonwealth's plan for Medicaid eligibility redetermination resulting from the end of the federal Public Health Emergency and the expiration of the maintenance of eligibility requirements in Medicaid. ([Item 313 #5s](#) – caboose and [Item 283 #4s](#)). Provides \$5 million in ARPA funding in FY 2022 to address operational backlogs at DMAS ([Item 479.20 #6s](#), caboose)
- Removes funding in the introduced budget for managed care coordination for incarcerated individuals 30 days prior to release; language requires DMAS to modify contracts with managed care organizations to require a video or phone conference with incarcerated individuals enrolled in managed care plans in order to create a transition plan during the 30 days before release. ([Item 304 #26s](#))

HHR- Social Services

House

- Provides \$1 million per year in TANF funds for Community Action Agencies. ([Item 347 #1h](#))
- Removes funding for the replacement of the Virginia Case Management System. ([Item 350 #1h](#))

Senate

- Provides \$847,316 GF in FY 2023 and \$1.5 million GF in FY 2024 to fund the Foster Care Prevention program, which is established in legislation passed by the Senate. ([Item 345 #2s](#))
- Provides \$2 million per year in TANF funds for Community Action Agencies ([Item 347 #3s](#))
- Removes funding for the replacement of the Virginia Case Management System ([Item 350 #1s](#))

Labor

House

- Deposits \$180 million in ARPA funds into the Unemployment Insurance Trust Fund and stipulates that the fund building tax rate shall be set for calendar year 2023 at a rate not to exceed the rate for calendar year 2020. ([Item 479.20 #2h](#), caboose; [Item 370 #1h](#) in biennium budget contains similar language setting the fund builder tax rate at calendar year 2020 levels.)

Senate

- Deposits \$110 million in ARPA funds in FY 2022 into the Unemployment Insurance Trust Fund; includes language providing that the fund building rate is not to exceed the calendar year 2020 rate. ([Item 479.20 #5s](#), caboose and [Item 370 #7s](#), biennium)

Natural and Historic Resources

House

- Provides \$3.6 million GF per year for administrative and operations funding for Soil and Water Conservation Districts. ([Item 374 #1h](#))
- Moves the \$26.5 million supplemental deposit to Natural Resources Commitment Fund proposed for FY 2024 in the introduced budget to FY 2023. ([Item 374 #3h](#))
- Removes the proposed \$20 million increase in FY 2023 to the Dam Safety, Flood Prevention and Protection Assistance Fund in the introduced budget ([Item 374 #4h](#))
- Uses \$25 million in FY 2023 from unobligated balances of the Community Flood Preparedness Fund for the Resilient Virginia Revolving Loan Fund, which may be used to make loans or grants to local governments for resiliency projects such as hazard mitigation or infrastructure improvements. ([Item 374 #6h](#))
- Removes the proposed \$10 million deposit to the Virginia Land Conservation Fund in FY 2023. ([Item 375 #7h](#))

- Reduces the proposed Stormwater Local Assistance Fund appropriation (\$100 million in the introduced budget) by \$75 million in FY 2023. ([Item C-80 #1h](#))

Senate

- Provides \$3.6 million GF per year for Soil and Water Conservation Districts. ([Item 374 #2s](#))
- Provides \$10 million GF in FY 2023 for the Resilient Virginia Revolving Loan Fund. ([Item 374 #4s](#))
- Removes the \$26.5 million discretionary deposit to the Water Quality Improvement Fund proposed in the introduced budget in FY 2024 for Agricultural Best Management Practices. ([Item 374 #5s](#))
- Reprograms \$1 million from the Small Herd Initiative for a study of harmful algal blooms. ([Item 374 #6s](#))
- Provides an additional \$12 million GF in FY 2023 and \$10 million GF in FY 2024 for the Virginia Land Conservation Foundation. ([Item 375 #1s](#))
- Reduces the proposed Stormwater Local Assistance Fund appropriation (\$100 million in the introduced budget) by \$50 million. ([Item C-80 #1s](#))

Transportation

House

- Clarifies language in the introduced budget that provides that bus manufacturers who sell buses for public transportation are not required to obtain manufacturers and dealers licenses. ([Item 436 #1h](#) in the caboose and [Item 440 #1h](#) in the biennium budget)
- Reduces proposed multi-use trail appropriation by \$145.5 million; directs \$21.7 million for two multi-use trails, \$30 million for I-64 improvements, and \$10 million for replacement of two bridges. ([Item 452 #1h](#))

Senate

- Clarifies language in the introduced budget that provides that bus manufacturers who sell buses for public transportation are not required to obtain manufacturers and dealers licenses. ([Item 436 #1s](#), caboose and [Item 440 #1s](#))
- Provides an additional \$190 million GF in FY 2022 and modifies the proposed allocation of \$115.8 million GF that was included in the introduced budget related to FY 2021 surplus revenue that is statutorily dedicated for transportation purposes. ([Item 447.10 #1s](#), caboose)
- Reduces multi-use trails funding by \$182.2 million GF in FY 2023; provides a total of \$25 million GF in FY 2023 to establish a Statewide Trails Office and to address enhanced commuter bus connectivity programs. ([Item 452 #1s](#))

Veterans and Defense Affairs

House

- Reduces the Virginia Military Community Infrastructure Program deposit in FY 2023 from \$10 million to \$5 million. ([Item 468 #1h](#))

Senate

- Reduces the Virginia Military Community Infrastructure Program deposit in FY 2023 from \$10 million to \$5 million. ([Item 468 #1s](#))

Tax Policy Changes

House

- Eliminates accelerated sales tax in FY 2022 rather than in FY 2023, as proposed in the introduced budget. ([Item 3-5.06 #1h](#), caboose)
- Provide for individual income tax rebates of up to \$300 for an individual or \$600 for married persons filing a joint return. ([Item 3-5.24 #1h](#) in the caboose and [Item 3-5.22 #1h](#) in the biennium)
- Deposits \$150 million GF in FY 2023 to the Taxpayer Relief Fund. ([Item 3-5.24 #2h](#))
- Provides for an increase in the standard deduction of \$4500 for single individuals and \$9000 for married persons filing jointly. ([Item 4-14 #1h](#))
- Provides for an income tax subtraction for military retirement income, beginning with \$20,000 and scaling up to \$40,000 for taxable years beginning January 2024. ([Item 4-14 #2h](#))
- Provides for the full elimination of the sales tax on groceries. ([Item 4-14 #3h](#))
- Increases from 20 to 30 percent the deduction for business interest disallowed as a deduction under federal tax law. ([Item 4-14 #4h](#))
- Suspends scheduled gas tax increase. ([Item 4-14 #5h](#))

Senate

- Provides for elimination of the state portion of the sales tax on groceries, effective January 1, 2023. ([Item 4-14 #1s](#))
- Increases the refundability of the Virginia Earned Income Tax Credit from 15 percent to 20 percent of the federal Earned Income Tax Credit. ([Item 4-14 #2s](#))
- Increases from 20 to 30 percent the deduction for business interest disallowed as a deduction under federal tax law. ([Item 4-14 #3s](#))
- Provides for an individual income tax subtraction for military retirement income, beginning with \$5,000 and scaling up to \$20,000 for taxable years

beginning January 2025. The subtraction is limited to recipients of such military benefits that are age 60 or older. ([Item 4-14 #4s](#))

Reserves

House

- Sets aside \$498.7 million anticipated as a Revenue Stabilization Fund deposit that will be required in the 2022-2024 biennium based on FY 2022 revenues. ([Item 274 #1h](#), caboose)
- Eliminates \$563.9 million optional revenue reserve deposit that was proposed in the introduced budget in FY 2022 ([Item 275 #1h](#), caboose)

Senate

- Includes language allowing the \$563.9 million voluntary deposit to the revenue reserve in the introduced budget to be used to satisfy the Revenue Stabilization Fund required deposit in either the 2020-2022 or 2022-2024 biennium. ([Item 275 #1s](#))

Virginia Retirement System

House

- Makes a \$500 million GF deposit to the Virginia Retirement System trust fund in FY 2022 instead of the \$924 million deposit in FY 2023 as proposed in the introduced budget. ([Item 277 #1h](#), caboose and [Item 269 #1h](#))
- Makes an \$80.4 million GF deposit to the Virginia Retirement System in FY 2023 to reduce unfunded liabilities in the retiree health credit plans for state employees, employees of the constitutional offices and local social service departments. ([Item 483 #3h](#))

Senate

- Provides \$76 million GF in FY 2023, in addition to the \$924 million in the introduced budget, to make a \$1 billion deposit to the Virginia Retirement System. ([Item 269 #1s](#))

American Rescue Plan Act and Infrastructure Investment and Jobs Act

House

- Provides \$1 million GF in FY 2023 for activities related to the pursuit of grants available through the Infrastructure Investment and Jobs Act, to be undertaken in conjunction with entities identified by the Secretary of Finance,

including state agencies, local governments, and private sector representatives. ([Item 257 #1h](#))

Senate

- Provides \$250,000 in federal pandemic relief funding in FY 2022 and directs the Secretary of Finance to certify the results for executive branch agencies and local governments that engage an internal or third-party firm to perform a risk assessment over the internal controls in administering the program and disbursing the funds. ([Item 264 #1s](#), caboose; similar language is included in [Item 257 #1s](#) in the biennium budget.
- Directs the Secretary of Finance to engage internal or third-party assistance to perform a risk assessment over the executive branch agency and local government internal controls in administering and disbursing federal pandemic relief funds, economic stimulus grants, and loans. Provides \$350,000 in federal funding for this purpose. ([Item 264 #2s](#), caboose)
- Provides \$250,000 GF in FY 2023 for activities related to the pursuit of grants available through the Infrastructure Investment and Jobs Act, to be undertaken in conjunction with entities identified by the Secretary of Finance, including state agencies, local governments, and private sector representatives. ([Item 257 #2s](#))