



*City of Richmond Legislative Program  
Final Budget Report  
2021 General Assembly  
April 16, 2021*





**2021 Virginia General Assembly Special Session I  
Final Budget Report**

**City of Richmond**

The Governor proposed 18 amendments to the budget that was approved by the General Assembly during Special Session I in February. The amendments were primarily technical or did not relate to issues affecting local government. All were adopted by the General Assembly at the reconvened or veto session on April 7.

One of the more notable budget actions by the General Assembly was to **remove the Governor’s authority to administratively appropriate additional federal COVID relief funds**. With the exception of funds received for Medicaid programs, all such funds received by the State must be deposited into a special fund for appropriation by the General Assembly. This affects all funds that will be received by the State pursuant to the American Rescue Plan Act. That act includes funds for state and local governments among its many provisions and tasks the U.S. Treasury Department (Treasury) with promulgating implementation guidelines. Treasury is expected to complete that effort in mid-May and firm estimates on the amounts to be received by Virginia local governments will then be available. We expect the Governor to call another special session in mid-to-late June for the purpose of appropriating those funds. Advantus Strategies will be sending a separate report on this issue.

Below is the final action on all items that we have identified of interest or affecting the City of Richmond specifically and local government more generally. We have highlighted items in the latter category that are related to City legislative policy priorities and expressed interests.

**Specific City of Richmond Related Actions**

**Richmond Public Schools Funding:**

**FY 2021**

Chapter 56 (approved in 2020 regular session): \$170,733,062

2021 Special Session I Approved Amount: \$186,905,943

**FY 2022**

Chapter 56 (approved in 2020 regular session): \$174,633,818

2021 Special Session I Approved Amount: \$200,864,612

RPS Covid-19 Federal Relief Payments through Dec’ 2020: \$72,469,189

*Department of General Services*

Provides planning funds for the **construction of a new state office building and parking deck** at 703 E. Main Street in Richmond.

	FY 2021	FY 2022
General Fund	\$0	\$11,320,000

Provides planning funds for the **construction of a new Supreme Court Building and Parking Garage** at 900 E. Main Street in Richmond.

	FY 2021	FY 2022
General Fund	\$0	\$6,220,000

*Science Museum of Virginia*

Provides authority to **convert a six-acre parcel of a mostly paved, impervious surface parking lot into a community green space**. Situated on the Pulse corridor and a key element of the Richmond 300 Plan, this project will transform the area in front of the Museum into a vibrant and active community resource to serve the needs of a diverse, growing citizenry. The Science Museum will dedicate \$7.5 million in private funding for the project.

*Virginia Museum of Fine Arts*

Provides \$250,000 the first year and \$750,000 the second year to begin planning the **transformation of Monument Avenue**. Directs the Virginia Museum of Fine Arts (VMFA) to prepare a preliminary workplan and timeline and report to the Governor and General Assembly by November 1, 2021.

*Department of Housing and Community Development*

Provides an additional \$500,000 GF the second year for the **Industrial Revitalization Fund and designate the increase for the removal, renovation or modernization of port-related buildings and facilities** in the cities of Portsmouth, Norfolk, Newport News, **Richmond**, or Front Royal.

*Central Accounts*

Provides additional funding for **Slavery and Freedom Heritage Site** in Richmond. Makes funding for planning and development of the Slave Trail improvements available on July 1 with the remaining funds available to the City upon the receipt of planning and development information by the Department of General Services. Makes the State Department of General Services the fiscal agent for this project.

	FY 2021	FY 2022
General Fund	\$0	\$9,000,000

*Virginia Commonwealth University*

Authorizes the **sale of the Hermitage Road office and warehouse property** by the Virginia Alcoholic Beverage Control Authority to Virginia Commonwealth University.

**Other budget amendments of interest by subject area follow; highlighted items are related to City legislative policy priorities and expressed interests:**

**Health and Human Services**

*Department of Agriculture and Consumer Services*

Increases the first year general fund appropriation for the **Virginia Food Access Investment Program** from \$1.25 million to \$3.1 million.

*Childrens' Services Act*

Eliminates the **annual two percent rate cap on increases that localities may pay** for private day special services under the Children's Services Act. This rate cap was temporary until the completion of the rate setting study, which will be complete in fiscal year 2021.

**Removes language that allows localities to adjust daily or monthly rates** for the 2020-2021 school year for virtual or distance learning provided by a private school serving with disabilities under the Children's Services Act.

*Department of Health*

Added \$18.0 million in nongeneral funds the first year in addition to \$30.2 million from the general fund contained in the introduced budget **for COVID-19 mass vaccination efforts**. Replaces \$59.1 million the second year funding from the general fund for mass vaccination efforts with \$59.1 million in nongeneral funds. The source of the nongeneral funds in each year is funding provided from the federal Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123).

Provides funds in the second year for the U.S. Centers for Disease Control and Prevention's Epidemiology and Laboratory **Capacity grant for COVID-19 response to continue testing and containment efforts**.

	FY 2021	FY 2022
Nongeneral Fund	\$0	\$40,255,099

Provides support to further enhance the **agency's communication efforts in response to the COVID-19 pandemic through the Virginia's Health is in Our Hands campaign**.

	FY 2021	FY 2022
General Fund	\$6,500,000	\$12,500,000

Provides \$2.8 million to phase in over three years the increase in local matching funds and the increase in **state support for the updates to the local health department cooperative funding formula**.

Provides funds to support **epidemiologist and communicable disease nurse positions at the Office of Epidemiology** for public health emergency response and to respond to the COVID-19 pandemic.

	FY 2021	FY 2022
General Fund	\$0	\$3,118,145
Positions	0.00	26.00

Provides support for the **contract with the University of Virginia's Biocomplexity Institute and the RAND corporation for COVID-19 data modeling services**.

	FY 2021	FY 2022
General Fund	\$722,472	\$1,444,944

Increases funds from federal Temporary Assistance for Needy Families (**TANF funds for LARC and non-LARC contraceptives**). Additionally, this amendment adds language giving the Virginia Department of Health the flexibility to shift funding from one category of contraceptives to the other based on patient volume and patient choice.

	FY 2021	FY 2022
Nongeneral Fund	\$0	\$1,000,000

Provides funds to support a **strategic public communications campaign with a focus on equity, diversity, and inclusion to maximize the reach of COVID-19 communications** to target Virginians of various socio-economic, geographic, racial and ethnic, generational, physical and mental abilities, religious, gender, language differences, and other unique similarities and differences.

	FY 2021	FY 2022
General Fund	\$600,000	\$0

*Department of Social Services*

Updates appropriation to **properly account for the anticipated cost of providing mandated Temporary Assistance for Needy Families (TANF) benefits**. Benefits include cash assistance payments, employment services and childcare.

	FY 2021	FY 2022
General Fund	\$1,747,069	\$1,378,372
Nongeneral Fund	(\$17,693,963)	(\$2,585,687)

Increases the appropriation for **federal pass through funding for local departments of social services**.

	FY 2021	FY 2022
Nongeneral Fund	\$8,000,000	\$8,000,000

Provides funding for **evidence-based and trauma-informed mental health, substance use disorder, and in-home parent skill based training to children at imminent risk of entering foster care and their families**. The reimbursable services are included in the federal title IV-E) Prevention Services Clearinghouse (Family First Prevention Services Act (FFPSA)). Also provides funding to create an evidence-based practices evaluation team. An evaluation team is required by the FFPSA to ensure that the provision of evidence-based practices provided to children and families are producing the desired outcomes to improve the safety, permanency and well-being of children. Funding was separately reallocated during the 2020 Special Session I to provide phased-in funding for local departments of social services to begin hiring staff and creating their prevention services departments in response to the FFPSA.

	FY 2021	FY 2022
General Fund	\$0	\$9,211,378
Nongeneral Fund	\$0	\$5,000,000

Removes **foster care placement funding in Psychiatric Residential Treatment Facilities** with federal Title IV-E funding. These placements qualify for Medicaid funding and are reflected in a corresponding decision package at the Office of Children's Services.

	FY 2021	FY 2022
General Fund	\$0	(\$5,024,583)
Nongeneral Fund	\$0	(\$5,024,584)

Adjusts funding to cover the cost of **providing foster care and adoption subsidy payments**. Based on recent expenditure trends and the impact of child welfare policy changes, this amendment adjusts the appropriation to cover the necessary costs of providing payments to foster care and adoptive families.

	FY 2021	FY 2022
General Fund	(\$917,838)	(\$716,572)
Nongeneral Fund	\$2,365,422	\$2,164,156

**Supplants general funds with nongeneral funds for foster care and adoptions** to account for the temporary enhanced Federal Medical Assistance Percentage rate. This adjustment has been calculated for January 1 through March 31, 2021, when the enhanced rate is set to expire.

	FY 2021	FY 2022
General Fund	(\$2,923,178)	\$0
Nongeneral Fund	\$2,923,178	\$0

Provides funding to **expand the SNAP Employment and Training (SNAPET) program to 95 additional local departments of social services**.

	FY 2021	FY 2022
General Fund	\$0	\$2,034,699
Nongeneral Fund	\$0	\$2,923,675
Positions	0.00	1.00

Provides funding for **two positions in the Central Office and staffing costs for local departments of social services to implement the Virginia Facilitated Enrollment program**. There is a corresponding package that the Department of Medical Assistance Services that include one-time funding for related changes to the Virginia Case Management System.

	FY 2021	FY 2022
General Fund	\$0	\$376,910
Nongeneral Fund	\$0	\$2,709,776
Positions	0.00	2.00

**Continues Temporary Assistance for Needy Families (TANF) grant funding to the Federation of Virginia Food Banks to provide child nutrition programs.**

	FY 2021	FY 2022
Nongeneral Fund	\$0	\$3,000,000

Restores \$2.2 million from the general fund and \$2.2 million from the nongeneral fund in fiscal year 2022 for local social services departments' (LDSS) to **increase minimum salary levels for LDSS family services by 20 percent, and to increase minimum salary levels for benefit program services, self-sufficiency services and administrative positions by 15 percent** that are currently below the new minimum threshold. These actions should assist in reducing the high turnover and vacancy rates in these LDSS positions

Establishes an **interagency working group to develop recommendations for local criminal justice diversion programs to provide alternatives to arrest, conviction or incarceration for lower-level offenses**. Specifically charges DSS, as administrator of the federal Community Services Block Grant, to establish an interagency working group to develop recommendations for implementation of local criminal justice diversion programs. Each diversion program should offer standards for providing persons charged with lower-level offenses alternatives to arrest, conviction or incarceration for lower-level offenses. The scope of these programs shall not include behavioral health issues as those priorities are being addressed elsewhere. The working group should include the appropriate offices and agencies of Health and Human Resources, Commerce and Trade, Public Safety and Homeland Security and the Governor's Chief Diversity, Equity and Inclusion Officer. The interagency working group shall work with community action agencies, local governments including local law enforcement, representatives of the judicial system, civil rights organizations as well as other stakeholders to develop locally-based solutions. The recommendations shall provide for two-generation whole family strategies that deal with meeting the needs of the potential offender and his or her entire family by addressing issues related to poverty, including homelessness. The DSS must submit its recommendations to the General Assembly no later than September 30, 2021.

*Department of Behavioral Health and Developmental Services*

Provides funds to support **contracts for the diversion and discharge of individuals from state mental health facilities** and a **pilot mobile crisis program for those who have a primary diagnosis of dementia**.

Additionally, language requires a multi-agency work group to determine system capacity and needs.

	FY 2021	FY 2022
General Fund	\$0	\$3,547,000
Positions	0.00	6.00

**Increases the availability of discharge planning funding for those individuals moving from state-operated mental health facilities to community placements.**

	FY 2021	FY 2022
General Fund	\$0	\$2,500,000

Amends language to **allow funds currently earmarked for law enforcement training in rural localities to be used to address additional CIT programs and programs at CIT assessment sites.** The localities currently served by these funds have adequate training funds remaining from the previous year’s distribution. Language requires that priority be given to rural localities in the distribution of these funds.

Provides **emergency regulatory authority to the State Board of Department of Behavioral Health and Developmental Services for regulations related to providers impacted by the federal Family First Prevention Services Act.** Language requires that any regulatory change be budget neutral.

Restores \$2.1 million the second year from the general fund to **expand forensic discharge planning services at three additional jails with a high percentage of inmates with serious mental illness.** The General Assembly provided \$1.6 million from the general fund in fiscal year 2020 for discharge planning services at two local jails. Discharge planning includes linking inmates with serious mental illness to community providers for treatment and housing and other needed services as they transition from jails to the community.

Modifies language related to **medication assisted treatment for individuals who are addicted to opioids.** Language changes (i) clarify that this pertains to funding received by Community Services Boards or a Behavioral Health Authority, (ii) clarify that the funding is used for appropriate long-acting, injectable prescription drug treatment regimens, and (iii) directs that the funding for medication assisted treatment also be prioritized for individuals that are not covered by insurance.

### Housing, Community Development and Unemployment

#### *Department of Forestry*

Directs the Department to convene a **stakeholder workgroup to provide recommendations for policies which encourage increased tree cover in communities, and the preservation of mature trees and tree cover** on sites being developed.

#### *Department of Housing and Community Development*

**Increases support for the Virginia Housing Trust Fund, including additional funds to support mortgage and rental assistance in the first year.**

	FY 2021	FY 2022
General Fund	\$15,700,000	\$25,000,000
Positions	0.00	4.00

Provides an appropriation and position **authorization to administer federal funds received by the agency to provide coronavirus relief.**

	FY 2021	FY 2022
Nongeneral Fund	\$0	\$30,000,000
Positions	0.00	10.00

**Increases support for Virginia Telecommunication Initiative (VATI) to level fund grants from the program at \$49.7 million and provide \$250,000 for administration.**

	FY 2021	FY 2022

General Fund	\$0	\$15,250,000
Positions	0.00	2.00

Adds \$424,000 from the general fund in the second year **to develop a statewide broadband map** and establishes parameters for the development of that map.

Creates a one-year pilot that will **allow public broadband authorities to compete for funds from the Virginia Telecommunications Initiative program**. This is the recommendation of the Broadband Advisory Council

Provides funding to **continue the Eviction Prevention and Diversion Pilot Program** with the aim of reducing evictions throughout the Commonwealth.

	FY 2021	FY 2022
General Fund	\$0	\$3,300,000
Positions	0.00	2.00

Provides additional support to the **Southeast Rural Community Assistance Project, bringing total state support to \$1.6 million in 2022.**

Adds \$10.0 million and 3 FTE **establishes the Virginia CDFI Fund (the Fund)** which may be comprised of appropriations, grants and loans from federal, state and private sources, and other types of financial assistance, to provide capital through grants to community development financial institutions (CDFIs), community development enterprises (CDE), or other such similar entities as permitted by law, whose primary purpose is **to provide financing in the form of loans, grants or forgivable loans to small business or community revitalization real estate projects** in Virginia.

Adds \$50,000 in the second year from the general fund pursuant to the passage of House Bill 2053 in the 2021 General Assembly, which directs the Department to lead a **workgroup to provide recommendations on increasing local development of accessory dwelling units on single-family dwelling lots.**

Directs the Commission on Local Government to undertake a **review of the of mandatory property tax exemptions on local government revenues and services** and recommend potential options for mitigating fiscal impacts.

Restores \$250,000 in each year from the general fund for an increase to the **Enterprise Zone grant program to help avoid grant proration** of real estate awards from the program.

Restores \$294,000 the second year from the general fund to provide each of the 21 **Planning District Commissions with an increase** of \$14,000 per year.

*Virginia Employment Commission*

Provides **one-time support to cover costs associated with the increase in staffing** necessary to process the high volume of unemployment insurance claims as a result of the pandemic.

	FY 2021	FY 2022
General Fund	\$0	\$9,960,283

Provides **support for estimated interest on federal cash advances for unemployment insurance benefits** as a direct result of the pandemic. Interest payments will continue into the next biennium.

FY 2021	FY 2022
---------	---------



General Fund	\$0	\$750,000
--------------	-----	-----------

Provides **one-time support to incorporate CARES Act programs into the new unemployment insurance system** so that the agency can go live with the modernized system and remove the legacy system from the state’s mainframe.

	FY 2021	FY 2022
General Fund	\$0	\$5,000,000

**Public Safety**

*Department of Emergency Management*

**Governor:** Provides support for **estimated costs from January 2021 (fiscal year 2021) through December 2021 (fiscal year 2022) as the agency continues coordinating the Commonwealth’s response to the COVID-19 pandemic.**

	FY 2021	FY 2022
Non General Fund	\$41,965,587	\$36,930,220

Provides funding to begin **evaluating, upgrading, and maintaining the Integrated Flood Observation and Warning System (IFLOWS).** The IFLOWS is an automated flood warning system located in flash flood prone areas of western Virginia. The aging system is in need of repair and maintenance to operate properly. This action restores funding that was unallotted in Chapter 1289, 2020 Acts of Assembly.

	FY 2021	FY 2022
General Fund	\$0	\$1,000,000

*Compensation Board*

Provides **entry-level salary increases for regional jail officers** consistent with the 2018 Special Session I approved salary increases for all entry-level deputy sheriffs. The funding equalizes the pay grade for all entry-level correctional officers in local and regional jails. This action restores funding that was unallotted in Chapter 1289, 2020 Acts of Assembly.

	FY 2021	FY 2022
General Fund	\$0	\$2,625,182

Provides funding to meet **25 percent of the staffing need in Sheriffs’ offices and Commonwealth’s Attorneys’ offices.** This action restores funding that was unallotted in Chapter 1289, 2020 Acts of Assembly.

	FY 2021	FY 2022
General Fund	\$0	\$2,330,388

Adjusts **circuit court clerk personnel salaries to address pay equity with the district court clerk positions.** This action restores funding that was unallotted in Chapter 1289, 2020 Acts of Assembly.

	FY 2021	FY 2022
General Fund	\$0	\$1,837,167

Adds \$250,000 GF in FY 2022 to contract with the National Center for State Courts to assist the Compensation Board in a study, working in collaboration with the Virginia Association of Commonwealth's Attorneys, of **the staffing standards for Commonwealth's Attorney's offices**, to revise the workload measures used as the basis for the allocation of new positions so that they are not based solely on metrics related to felony charges and convictions. The budget language is supplemental to the provisions of SB 1226.

Provides funding to support positions in **Treasurer and Commissioner of Revenue offices**. This action restores funding that was unallotted in Chapter 1289, 2020 Acts of Assembly.

	FY 2021	FY 2022
General Fund	\$0	\$1,703,254

*Supreme Court of Virginia*

Directs the Executive Secretary of the Supreme Court shall, with representatives from the Indigent Defense Commission, Virginia Community Criminal Justice Association, and other stakeholders identified by the Executive Secretary, to **review the requirements of House Bill 2286 of the 2021 Session regarding bail hearings and provisions** and produce (i) a plan for the implementation of the provisions of the bill, (ii) an estimate of the costs of implementing the provisions of the bill, and (iii) an estimate of potential off-setting savings resulting from implementation of the plan and report the findings to the General Assembly by December 1, 2021.

*Virginia Criminal Sentencing Commission*

Provides \$333,200 from the general fund and 2.0 FTE positions in fiscal year 2022 for costs associated with Senate Bill 1391 of the 2021 General Assembly, which is a recommendation of the Virginia State Crime Commission, **requiring the Virginia Criminal Sentencing Commission to collect and disseminate certain statewide and locality-level pre-trial detention data annually.**

**Energy, Environment and Natural Resources**

*Department of Mines, Minerals and Energy*

**Establishes a workgroup to assess the feasibility of creating a Virginia Residential Property-Assessed Clean Energy (R-PACE) Program.**

*Department of Conservation and Recreation*

**Increases funding for water quality efforts**, including \$4.55 million for technical assistance to soil and water conservation districts and \$9.0 million for deposit to the Virginia Natural Resources Commitment Fund for agricultural best management practices. With this amendment, \$35.0 million will be available for the implementation of agricultural best management practices in 2022.

	FY 2021	FY 2022
General Fund	\$0	\$13,550,000

Provides for **additional floodplain management positions** to assist Virginia’s residents, localities, and state and federal partners, and to ensure compliance with the National Flood Insurance Program.

	FY 2021	FY 2022
General Fund	\$0	\$229,637
Positions	0.00	2.00

Provides support for a **lead engineer position in the Dam Safety and Floodplain Management Program.**

	FY 2021	FY 2022
General Fund	\$0	\$170,758
Positions	0.00	1.00

Allocates **the Water Quality Improvement Fund deposit** in the Appropriation Act in 2022 associated with the 2020 discretionary general fund balances. This is a **companion to the amendment appropriating support for**

**technical assistance and additional support to provide \$35 million for the implementation of agricultural best management practices in 2022.**

*Department of Environmental Quality*

Provides **support for the Water Protection program** including positions, equipment, and contractual work in air monitoring, compliance, permitting, and policy service areas.

	FY 2021	FY 2022
General Fund	\$0	\$8,315,476

Provides **support for the Air Protection program** including positions, equipment, and contractual work in air monitoring, compliance, permitting, and policy service areas.

	FY 2021	FY 2022
General Fund	\$0	\$1,978,451

Provides **support for the Land Protection program** including positions, equipment, and contractual work in air monitoring, compliance, permitting, and policy service areas.

	FY 2021	FY 2022
General Fund	\$0	\$1,659,834

Amends language to **continue the water quality enhancement fee paid by nonpoint source nutrient banks, and to require the workgroup of affected stakeholders to provide recommendations** to the Governor and General Assembly by November 1, 2021.

**Adds \$26.0 million from the general fund the second year for deposit in the Stormwater Local Assistance Fund for stormwater quality retrofits and upgrades.**

**Authorizes up to \$50,000,000 in bond proceeds and \$50,000,000 million in general funds to reimburse entities for the design and installation of nutrient removal technology as provided in Enhanced Nutrient Removal Certainty Program established in House Bill 2129 for capital costs incurred.**

*Virginia Marine Resources Commission*

**Provides funding for a coastal resiliency manager position.** This position will manage the Waterways Improvement Fund and the agency’s approach to coastal resiliency in the Commonwealth.

	FY 2021	FY 2022
General Fund	\$0	\$78,150

*Department of Wildlife Resources*

Delays by one fiscal year the authority of the Department to assess fees for access to boat ramps it owns or manages and directs the Department to study the costs and benefits or assess such access fees.

**Transportation**

*Department of Rail and Public Transportation*

**Includes \$500,000 pursuant to the passage of HJ 542 requiring DRPT to study the Commonwealth's current public transportation system focusing on the equitable delivery of transportation services and the modernization of transit in the Commonwealth. The resolution requires the DRPT to make a preliminary report by the end of calendar year 2021 and a final report by the end of calendar year 2022.**

*Department of Transportation*

Provides a total of \$323.4 million and repurposes \$55.0 million GF in the introduced budget to establish the **2021 Transportation Funding Initiative** comprised of one-time federal Coronavirus relief funding, existing program balances, and general funds. The Initiative provides funding for a variety of statewide funding programs and projects including expansion of intercity and commuter passenger rail programs (extension of passenger rail service between Roanoke and Washington DC; expanded Virginia Railway Express service), completion of the Hampton Roads Express Lanes network, **capacity expansion of the Interstate 64 Corridor in Richmond-Williamsburg corridor, fare-free transit demonstration projects, statewide multiuse trails (\$5.0 million),** and an urban connected infrastructure transit demonstration project.

Requires VDOT to report annually on the status of what **transportation infrastructure in the Coastal Shore region is at risk to inundation from sea-level rise** and what is being done to address the concerns.

**Department of Education - Direct Aid**

**Provides \$279 million the first year and \$115 million the second year in general funds to ensure that no school division loses state funds based on changes in Average Daily Membership the 2020-2022 biennium as compared to that school division’s fiscal year 2021 and fiscal year 2022 state distributions** as calculated in Chapter 56, 2020 Acts of Assembly, Special Session I. These payments are net of other actions, including the sales tax update, increased Infrastructure and Operations Per Pupil Payments, and account for declines in actual Fall Membership and projected Average Daily Membership as well as declines in Direct Aid program enrollment or participation during the 2020 calendar year as a result of the COVID-19 pandemic. The intent is to ensure that each division receives the same amount for FY 2021 and FY 2022 as was approved in Chapter 56, which was the budget approved in the 2020 regular General Assembly session. That budget used projected ADM for Spring 2020. It does not include additional funding if the actual Spring 2020 ADM exceeded those projections.

Specifies that **students enrolled in full-time MOP programs shall be enrolled in a separate public school for public reporting purposes**, effective with the 2021-22 school year. Currently, school divisions are permitted to enroll full-time MOP students in a traditional public school for public reporting purposes, although though these students typically do not receive instruction from the staff of the school and reside outside of the enrolling school division. This would ensure that the public reporting information for traditional public schools reflects the student body that physically attends such traditional public schools.

**Provides an additional \$40.0 million from the general fund in fiscal year 2021 and \$45.7 million from the general fund in fiscal year 2022** based on the revised sales tax distributions in the midsession reforecast. This increases the estimated sales tax dedicated to K-12 by \$90.4 million in fiscal year 2021 and \$103.2 million in fiscal year 2022, reducing the state's share of Basic Aid payments by \$50.4 million from the general fund in fiscal year 2021 and \$57.5 million in fiscal year 2022. Corresponding amendments reduce the COVID-19 Local Relief Payments and adjust the No Loss Payments as a result of this action.

**Supplants nongeneral COVID-19 Relief Funds with general fund support for the Direct Aid COVID-19 Local Relief Payments to local school divisions that were provided in fiscal year 2021 to replace projected losses in sales tax revenue.** A separate amendment adjusted the amount of the COVID-19 Local Relief Payments appropriation based on the net increase in general fund support to local school divisions from the sales tax update.

	FY 2021	FY 2022
General Fund	\$52,901,159	\$0
Nongeneral Fund	(\$52,901,159)	\$0

Provides an additional \$233.7 million the second year from the general fund and \$759,098 the second year from the Lottery Proceeds fund to provide a 5.0 percent salary increase, effective July 1, 2021 for funded Standards of Quality, Academic Year Governor’s School Program, and Regional Alternative Education Program instructional and support positions. This represents an addition of \$153.6 million the second year, to convert the 2.0 percent bonus payment that was proposed in the budget as introduced to a 5.0 percent salary increase. To access these funds, each school division must provide at least an average 2.0 percent pay increase during the 2020-22 biennium, and funding provided is prorated for school divisions providing between 2.0 percent and 5.0 percent pay increases over the biennium.

**Adjusts funding for certain educational programs that exceed the foundation of the Standards of Quality.** State or federal statutes or regulations mandate most categorical programs. These adjustments update the cost of continuing the current programs with the required data revisions.

	FY 2021	FY 2022
General Fund	(\$1,843,476)	(\$1,850,277)

Adds \$49.2 million for the state's share of three specialized student support positions per 1,000 students. Specialized student support positions, consistent with Senate Bill 1257, includes school social workers, school psychologists, school nurses, licensed behavior analysts, licensed assistant behavior analysts, and other licensed health and behavioral positions. SB 1257 modifies a school personnel requirement in Standard 2 of the Standards of Quality. It requires each school board to provide at least three specialized student support positions, including school social workers, school psychologists, school nurses, licensed behavior analysts, licensed assistant behavior analysts, and other licensed health and behavioral positions, per 1,000 students. The effect is to remove a portion of these positions from the cap on support staff.

Provides \$14.6 million the second year from the general fund to increase the Cost of Competing Adjustment (COCA) for support positions in the school divisions in Planning District 8 and certain adjacent divisions specified in the Appropriation Act that are eligible to receive COCA funds. For the nine Planning District 8 school divisions, this action would increase the adjustment factor from 10.6 to 18.0 percent. For the nine adjacent school divisions, this action would increase the adjustment factor from 2.65 to 4.5 percent.

Provides \$2.0 million from the Lottery Proceeds Fund the second year to provide one-time support to Accomack and Northampton school divisions for recruitment and retention efforts. These funds are contingent on the local school division providing the full 5.0 percent compensation supplement.

Provides \$582,000 GF the second year as an incentive for the Alleghany County and Covington City school divisions to consolidate. Such payments are intended to beset at this amount for five years, with no adjustments. The Board of Education approved the consolidation of these divisions to be effective July 1, 2022.

Provides \$40.0 million the first year from the Lottery Proceeds Fund to support the state share of \$156.54 per pupil the first year based on the estimated number of federal Free Lunch participants, in support of one-time programs and initiatives to address learning loss resulting from the COVID-19 pandemic. No local match is required to receive these state funds, and unexpended funds from the first year shall remain available in the second year. School divisions are required to spend these payments on eligible programs, including: (i) extending the school year, (ii) summer school, (iii) tutoring, remediation and recovery, and supplemental afterschool programs, (vi) counseling and other student supports, (v) assessments to determine student progress and the need for access to these programs, (vi) other similar programs, and (vii) modifications to facilities to assist with COVID-19 mitigation strategies for in-person learning.

Appropriates \$30.0 million the second year from federal Elementary and Secondary School Emergency Relief funds authorized in the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 to provide grants to address COVID-19 related learning loss and other student support needs. Grants shall be awarded by the Department of Education, in consultation with a stakeholder workgroup convened to focus on remediation and recovery needs.

Increases the Lottery proceeds forecast by \$23.2 million to a total of \$708.2 million the first year and uses the increase to supplant a like amount of general funds.

Adds \$20.1 million the first year and \$9.9 million the second year fund to ensure 40 percent of Lottery Proceeds are dedicated to Infrastructure and Operations Per Pupil Payments, formerly known as Supplemental Lottery Per Pupil Allocations. The additional funding increases these Per Pupil Payments by approximately \$30 per pupil the first year and \$15 per pupil the second year.

Provides state support for one full-time equivalent school counselor position per 325 students in grades kindergarten through 12 pursuant to the 2021-2022 school year staffing ratio required by § 22.1-253.13:2, Code of Virginia.

	FY 2021	FY 2022
General Fund	\$0	\$26,645,142

Updates the state cost of the English as a Second Language program based on data for verified English learners submitted by school divisions in fall 2020. A separate amendment adds data for presumptive English learners, which are those students who are identified through a preliminary screening process but who have not been screened formally. Formal screening involves the in-person administration of a screening instrument, and a number of school divisions have had difficulty administering the in-person screening because of the COVID-19 pandemic. The addition of presumptive English learners increases the state cost by \$4.3 million in fiscal year 2021 and increases the state cost by \$6.5 million in fiscal year 2022. The net impact of these actions is a decrease of \$7.6 million in fiscal year 2021 and a decrease of \$12.6 million in fiscal year 2022.

	FY 2021	FY 2022
General Fund	(\$11,841,463)	(\$19,043,255)

Adds the presumptive English learner designation in the update for the English as a Second Language program. Presumptive English learners are those students who are identified through a preliminary screening process but who have not been screened formally. Formal screening involves the in-person administration of a screening instrument, and a number of school divisions have had difficulty administering the in-person screening because of the COVID-19 pandemic. A separate amendment updates the state cost of the English as a Second Language program with data for verified English learners, which results in a decreased state cost of \$11.8 million in fiscal year 2021 and a decreased state cost of \$19.0 million in fiscal year 2022. The net impact of these actions is a decrease of \$7.6 million in fiscal year 2021 and a decrease of \$12.6 million in fiscal year 2022.

	FY 2021	FY 2022
General Fund	\$4,251,850	\$6,490,911

Extends the timeline for the Department of Education's plan to determine the gap between childcare market rates and the Virginia Preschool Initiative per pupil amount. The unique childcare conditions during the COVID-19 pandemic have made it difficult to assess accurate market rates and to project accurate values for add-on grants.

Adds language that authorizes, within the fiscal year, any funds appropriated for Virginia Preschool Initiative Payments that are not awarded to be used as flexible funding available to supplement any of the



**other initiatives in Item 145.C.14.** This additional flexibility is intended to maximize the expansion of early childhood programming based on the needs of the localities.

Requires the Department of Education to **prioritize serving at-risk four-year-old children when reallocating funds among components of the Virginia Preschool Initiative**, such as the community provider add-on, and the at-risk three-year-old pilot program.

**Establishes a target inclusion rate for special education students** in Virginia Preschool Initiative classrooms.

**Expands eligibility for the Virginia Preschool Initiative - Provisional Teacher Licensure** program to include provisionally licensed teachers in other publicly-funded preschool programs operated by the school division.

Provides \$300,000 the second year for the **Literacy Lab- VPI Minority Educator Fellowship program**. Embedded language in House Bill 1800, as introduced, provided \$300,000 for this program in the second year, however the total allocation for Item 144 was not updated to reflect the additional funds.

Adds \$250,000 GF the second year to encourage **active learning for students in pre-K through 2nd grade**. The Department of Education will establish criteria by which to award these funds to school divisions. Local school divisions will use the grant funds to provide active learning curriculum that relate math and language Standard of Learning content into movement rich activities for students in pre-K through 2nd grade.

**Restores incentive payments to attract and retain early childhood educators in hard-to-serve preschool classrooms.**

	FY 2021	FY 2022
General Fund	\$0	\$5,000,000

**Updates the state cost of Remedial Summer School** based on actual program participation in summer 2020.

	FY 2021	FY 2022
General Fund	(\$4,630,879)	\$0

Captures savings of \$2.5 million GF the first year for **the School Meals Expansion program**. Under a federal waiver for the 2020-21 school year, all divisions are providing school meals at no cost to all students. These funds are no longer needed to eliminate the cost of reduced price school meals.

Provides \$6.5 million the second year from the federal Elementary and Secondary School Emergency Relief funds authorized in the federal CRRSA Act of 2021 for **one additional year of education for students with disabilities** who were 19 years of age or older and enrolled during the 2020-21 school year. This covers the state share of per-pupil costs and costs that do not qualify under the federal Individuals with Disabilities Education Act.

**Amends eligibility for Foster Children Education Payments to include any student who was in foster care upon reaching 18 years of age but who has not yet reached 22 years of age.** This change aligns with § 22.1-3.4, Code of Virginia, as amended during the 2020 General Assembly Session, and is intended to ease the administrative burden of enrollment for students who no longer are supported by the foster care system but are continuing their education.

Provides \$250,000 the second year for grants to support **one-time pilot programs to redesign a division's dual enrollment course offerings to align/link to the Passport and Uniform Certificate of General Studies** offered by Virginia's community colleges.

Directs the Board of Education to **develop recommendations for funding state operated programs in local and regional juvenile detention centers**, which have experienced a significant decline in population in recent decades without an accompanying adjustment to state funding levels. This is a Commission on Youth recommendation.

**Removes language referencing waivers for third grade science or history and social science Standards of Learning (SOL) assessments.** Legislation passed in the 2014 General Assembly Session limited third grade SOL testing to reading and math, so this language no longer is applicable.

**Clarifies language regarding the use of funds to support tuition for the Math/Reading Instructional Specialist Initiative.** Additionally, authorizes the award of prorated funds for positions filled after the beginning of the school year to encourage continued hiring of these specialists.

**Amends language to authorize using the most recent year of available data when calculating the Early Reading Intervention payments.** Existing language requires the Department of Education to calculate payments based on diagnostic tests administered in the previous year. Due to the mandatory school closures in March 2020, spring Phonological Awareness Literacy Screening (PALS) assessments were not conducted, and 2019-2020 school year data does not exist.

**Directs the Virginia Department of Education and the Virginia Department of the Treasury to develop recommendations for enhancing the Literary Fund's attractiveness as an ongoing source of school construction funding.** The overall health of the Literary Fund improves with increased use of loans from the Fund; however, localities are finding more cost-effective borrowing options and relying less on the Literary Fund as a financing source.

Provides \$120,000 the second year from the general fund to support the purchase of albuterol and spacers for public schools in Virginia. **House Bill 2019 will require undesignated stock albuterol inhalers to be maintained in every public school.**

Requires each Academic Year Governor's School to **post their diversity goals and implementation plans, and related annual progress reports to their websites.** In 2020, language was added to the Appropriation Act requiring Academic Year Governor's Schools to (i) establish diversity goals for its student body and faculty, (ii) to develop a plan to meet such goals, and (iii) provide an annual progress report to the Governor including information about admissions processes, outreach and demographics; however, no requirement was included to make such information easily accessible to the public.

**Restores additional funding for the Jobs for Virginia Graduates** program, which helps at-risk youth graduate from high school and transition from school to work.

	FY 2021	FY 2022
General Fund	\$0	\$1,670,000

Restores \$350,000 the second year from the general fund to support **educational programming produced by Blue Ridge PBS.**

Provides \$250,000 GF the second year **for improvements at the Holiday Lake 4-H Educational Center in Appomattox County**, including accessibility upgrades and improvements to: the medical clinic, emergency generators, exterior security lighting, infrastructure and buildings, challenge course, and other equipment. The center is used as an emergency evacuation location for Appomattox County Public Schools.



**Department of Education – Central Office**

Increases the agency's nongeneral fund appropriation in **support of the Virtual Virginia program** to reflect increased revenues and expenditures resulting from increased program participation.

	FY 2021	FY 2022
Nongeneral Fund	\$0	\$1,218,842

Provides \$7.0 million in Governor's Education Emergency Relief Funds from the federal CRRSA Act (P.L. 116-260) to support the **continued expansion of Virtual Virginia's learning management system and additional free course enrollment slots** during the 2021-22 school year.

Includes \$1.0 million for a direct grant for WHRO in Hampton Roads to operate **the eMediaVA statewide digital content and online learning system**.

Provides \$208,000 the second year from the general fund to **replace Virginia's Career and Technical Education (CTE) curriculum database and content management system managed by the Virginia CTE Resource Center**. The previous CTE database, VERSO, suffered a crash and is no longer operable. The new system would be integrated into the state's learning management system and provide access for teachers, post-secondary institutions, families and business stakeholders to information including course competencies, credentials, workplace learning guides, career pathways and workplace readiness skills aligned to the Standards of Learning and the Profile of a Virginia Graduate.

Supports a **Cultural Proficiency Coordinator position** at the Department of Education to help school divisions develop processes and procedures that advance equity outcomes that are aligned with the EdEquityVA framework. Additionally, this amendment supports professional development aimed at addressing implicit bias, cultural competency, and culturally responsive instruction and curriculum.

	FY 2021	FY 2022
General Fund	\$0	\$365,300
Positions	0.00	1.00

Provides funding to support implementation of a **pre-kindergarten version of the Virginia Kindergarten Readiness Program** for four-year-old children enrolled in publicly-funded pre-kindergarten programs.

	FY 2021	FY 2022
General Fund	\$0	\$300,000

Provides general fund support for a **Deputy Superintendent of Early Childhood position** to continue oversight of the early childhood care and education transition and consolidation and ongoing early childhood programming. This position will be partially supported by the existing Child Care Development Fund nongeneral fund appropriation.

	FY 2021	FY 2022
General Fund	\$0	\$161,174
Positions	0.00	1.00

Adds language giving the Department of Education temporary **authority to make certain changes to the Child Care Development Fund (CCDF) State Plan** in response to COVID-19.

Appropriates \$52.5 million the second year from the federal Child Care and Development Fund (CCDF) to implement the provisions of **House Bill 2206, which temporarily expands the Child Care Subsidy Program**.

Recently, additional CCDF funds became available to states through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA).

Clarifies that the **Department of Social Services will continue to have fiscal and operational responsibility** for the Temporary Assistance for Needy Families (TANF) Virginia Initiative for Employment and Work (VIEW) mandated childcare forecast, and that the Department of Education will **transfer Child Care Development Fund (CCDF) appropriation to the Department of Social Services** to support this responsibility.

Directs the Department of Education **to submit a report on implementation of an early childhood mental health consultation program and identify any barriers to implementation** that may be addressed through legislative, regulatory or budgetary action.

**Expands the scope of the University of Virginia's Center for Advanced Study of Teaching and Learning** classroom observations and professional development to include publicly-funded early childcare programs to support the Department of Education's development of the uniform quality rating and improvement system.

Directs the Superintendent of Public Instruction to **convene a workgroup to make recommendations on the staffing standards for school nurses**. The recommendations shall include the appropriate school nurse staffing ratio and the required qualifications and training for school nurses.

Provides \$8.8 million the second year from federal ESSER funds to implement the provisions of House Bill 2027 and Senate Bill 1357 to **restructure Standards of Learning assessments for mathematics and reading in grades 3-8 from a single end-of-year assessment to a growth assessment system** that measures student progress above, at, and below grade level

Provides \$105,000 the second year from the general fund as a one-time appropriation to implement provisions in **House Bill 2299** that would direct the Department of Education to develop **training modules for IEP team members** and to implement a plan to improve the agency's approach **to oversight and technical assistance related to post-secondary transition planning** for students with disabilities.

Adds \$395,991 the second year from the general fund to establish three staff positions to implement provisions in **House Bill 2299 related to development and implementation of a statewide strategic plan for recruiting and retaining special education teachers** by JLARC's review of K-12 Special Education in Virginia.

Directs the Department of Education to **conduct a review of Family Life Education in the Commonwealth through school division reporting of local practices**. Requires the Department of Education to utilize the Youth Risk Behavior Survey to examine and report on any correlation that may exist between student behavior and the type of Family Life Education offered in a school division, along with best practices for teacher training and parent and community involvement.

## Other Areas

### *Library of Virginia*

Provides \$1.0 m funding to **restore state aid to local public libraries eliminated in the introduced budget**. State aid to local public libraries is currently funded in the second year at only 62 percent of the amount required. This amendment represents an additional step towards fully funding the state library aid formula over time.

*Department of Elections*

Continues funding to **reimburse general registrars for the cost of prepaid postage for the return of absentee ballots** at an amount estimated to be \$1.0 million.

Includes \$3.5 million to **increase the salary scale for general registrars to equal the salary scale for treasurers and restores the funding level for registrars** and electoral boards to 100 percent of the cost.

*General Provisions*

**Removed the Governor’s authority to administratively appropriate additional federal COVID relief funds.**

With the exception of funds received for Medicaid programs, all such funds received by the State must be deposited into a special fund for appropriation by the General Assembly.

Please contact Ron Jordan or Laura Bateman with any questions.

Ron Jordan

804-640-8191

[rjordan@advantusstrategies.com](mailto:rjordan@advantusstrategies.com)

Laura Bateman

804-405-5643

[batemanconsultingllc@gmail.com](mailto:batemanconsultingllc@gmail.com)