

Key Budget Policy Choices

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

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

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

	Governor	House	Senate	Conference
Total GF spending (excl. reserve deposits)	\$43.64 billion	\$43.25 billion	\$43.22 billion	\$43.27 billion
Total reserve deposits (incl. sum sufficient deposits)	\$1.14 billion	\$1.82 billion <i>(estimate; see "Tax policy reserve", pg. 7)</i>	\$1.34 billion	\$1.43 billion <i>(estimate; see "Tax policy reserve", pg. 7)</i>
Unappropriated balance	\$24.8 million	\$4.9 million	\$1.9 million	\$7.6 million
Revenue and Resources				
Total GF tax revenue	GF revenue estimates \$42.74b	GF revenue estimates (excl. TCJA-related revenue) \$41.75b	GF revenue estimates \$42.48b	GF revenue estimates \$42.09b
Total other GF resources	Balances from prior years and transfers \$2.06b	Balances from prior years and transfers \$2.12b	Balances from prior years and transfers \$2.08b	Balances from prior years and transfers \$2.11b
Technical changes	Updated forecasts \$548.2m	Same as governor's \$548.2m	Same as governor's \$548.2m	Same as governor's \$548.2m
Conformity	Federal tax conformity \$1.21b	Does not include add'l GF revenue from tax conformity (revenue placed directly into restricted reserve funds)	Federal tax conformity; \$499.8m appropriated into restricted reserve fund \$1.21b	Does not include \$505.6m GF revenue from tax conformity (placed directly into restricted reserve fund) \$699.7m
Tax policy changes	Not included	Not included	Not included	Maintains Pease amendment \$107.5m
	Not included	Moves up sunset for Telework Credit \$0.6m	Not included	Moves up sunset for Telework Credit \$0.6m
	Not included	Not included	Transferability of port tax credits -\$0.5m	Transferability of port tax credits -\$0.5m
	Not included	Reduces sales tax for personal hygiene products -\$1.6m	Not included	Reduces sales tax for personal hygiene products -\$1.6m
	Not included	Not included	Deconforms from Global Intangible Low-Taxed Income (GILTI) provision (eff. Jan. 1, 2018) -\$12.5m	Deconforms from Global Intangible Low-Taxed Income (GILTI) provision (eff. Jan. 1, 2018) -\$12.5m
	Not included	Not included	Creates subtraction for 20% of disallowed interest deduction (eff. Jan. 1, 2018) -\$42.6m	Creates subtraction for 20% of disallowed interest deduction (eff. Jan. 1, 2018) -\$42.6m

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Revenue and Resources (continued)				
Tax policy changes (cont.)	Refundable Earned Income Tax Credit (EITC) -\$216.3m	Not included	Not included	Not included
	Not included	Not included	Increases state standard deduction by 50%; deconforms from State and Local Tax (SALT) deduction cap (eff. Jan. 1, 2019) -\$415.3m	Increases state standard deduction by 50%; deconforms from State and Local Tax (SALT) deduction cap (eff. Jan. 1, 2019) -\$415.3m
K-12 Education				
Avg. state per pupil direct aid	Provides \$5,633 in FY19 and \$5,886 in FY20	Provides \$5,616 in FY19 and \$5,859 in FY20	Provides \$5,609 in FY19 and \$5,849 in FY20	Provides \$5,624 in FY19 and \$5,853 in FY20
Teacher pay increase	Lifts state share of an initially budgeted 3% pay increase up to 5%; add'l increase eff. Jul. 1, 2019 \$87.6m	Lifts state share of an initially budgeted 3% pay increase up to 5%; add'l increase eff. Jan. 1, 2020 \$43.8m	Lifts state share of an initially budgeted 3% pay increase up to 5%; add'l increase eff. Jul. 1, 2019 \$87.6m	Lifts state share of an initially budgeted 3% pay increase up to 5%; add'l increase eff. Sept. 1, 2019 \$72.8m
Literary Fund	Increase GF in FY19 to make Literary Fund available for school construction loans \$80.0m	Not included	Increases GF in FY19 to make Literary Fund available for school construction loans and interest rate subsidies \$70.0m	Increases GF in FY19 to make Literary Fund available for school construction loans and interest rate subsidy program \$35.0m
School counselors	Improves counselor to student ratio in elementary schools to 1:375, middle schools to 1:325, and high schools to 1:300 with goal to reach a ratio of 1:250 for all schools by 2022 \$36.0m	Improves the counselor to student ratio in elementary schools to 1:375, in middle schools to 1:325, and in high schools to 1:300 \$36.0m	Provides funds for the state share of an add'l 250 counselor positions \$12.1m	Improves the counselor to student ratio in elementary schools to 1:455, in middle schools to 1:370, and in high schools to 1:325 \$12.2m
At-Risk Add-On	Increases add-on up to 1-16% more per student eligible for free lunch for FY19 and FY20 using approx. \$35m NGF from lottery revenues	Does not include increase, maintains add-on at 1-13% more per eligible student in FY19 and 1-14% more in FY20 using \$35m NGF, and reduces GF support -\$35.6m	Increases add-on up to 1-14.5% more per eligible student for FY19 and 1-15.5% more for FY20 using approx. \$35m NGF, and reduces GF support -\$14.2m	Increases add-on up to 1-14.5% more per eligible student for FY19 and 1-16% more for FY20 using approx. \$35m NGF, and reduces GF support -\$10.7m
Lottery PPA	Increases Lottery per pupil allocation (PPA) to school divisions for FY19 and FY20 using approx. \$35m NGF	Increases Lottery PPA to school divisions using \$27.4m GF and approx. \$35m NGF \$27.4m	Does not include the governor's proposal and reduces GF support -\$34.7m	Same as governor's
Va. Preschool Initiative (VPI)+	Provides state GF to continue to fund VPI+ grants that had previously been funded by federal grants \$9.7m	Not included	Provides state GF to partially fund VPI+ grants that had previously been funded by federal grants \$7.3m	Provides state GF to partially fund VPI+ grants that had previously been funded by federal grants \$6.1m

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Health Care				
Federal health insurance tax fee savings	Not included	Accounts for savings from a one-year pause of paying a federal health insurance tax -\$38.9	Accounts for savings from a one-year pause of paying a federal health insurance tax -\$38.9	Accounts for savings from a one-year pause of paying a federal health insurance tax -\$38.9
1115 waiver	Increases funding for 1115 waiver admin costs (related to proposed Medicaid work/premium requirements) \$13.0m	Removes GF support for 1115 waiver costs which would now be paid by a provider coverage assessment	Removes GF support for 1115 waiver costs which would now be paid from an unspecified non-GF source	Removes GF support for 1115 waiver costs which would now be paid by a provider coverage assessment
Medicaid reimbursement	Not included	Increases reimbursement rates for Critical Access Hospitals in Va.'s rural areas \$1.6m	Increases reimbursement rates for certain physicians and mental health professionals \$6.8m	Increases reimbursement rates for Critical Access Hospitals & certain physicians and licensed mental health professionals \$8.4m
Preventative care for Medicaid adults	Provides funding for preventative services and vaccines for non-expansion Medicaid adults in FY20 \$3.5m	Not included	Not included	Not included
Vaccines for children and adolescents	Introduces funds in FY20 to purchase vaccines for children to be administered at local health departments \$1.5m	Not included	Not included	Not included
E-health records at correctional facilities	Increases funding for the implementation of electronic health records at women's facilities \$3.5m	Increases funding for electronic health records for correctional facilities \$6.5m	Increases funding for electronic health records across all correctional facilities \$6.5m	Provides funding for electronic health records for correctional facilities \$6.5m
Emergency opioid treatment	Provides funds for add'l REVIVE! kits and naloxone spray used for the reversal of opioid overdose \$3.2m	Same as governor's \$3.2m	Provides funding for FY20 only \$1.6m	Provides funding for FY20 only \$1.6m
State funding for abortion services	Language change not included	Prohibits grants/funds/contracts to any group that performs non-federally qualified abortions and gives priority to certain types of organizations when awarding family planning grants	Language change not included	Prohibits state funds from being used for abortion services except as required by federal law
Crisis response	Increases funding for crisis services for children and adults in FY20 \$9.0m	Provides funding for the acceleration of STEP-VA crisis services originally slated for 2021 \$8.8m	Provides a smaller increase for crisis services, adds funding for Psychiatric Emergency Pilot Program \$8.5m	Provides funding for the acceleration of STEP-VA crisis services originally slated for 2021 \$7.8m

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Health Care (continued)								
Staffing at state mental health facilities	Provides funding for 254 add'l nurses and psychiatrists at state mental health facilities	\$7.9m	Same as governor's	\$7.9m	Provides smaller increase in funding for add'l nurses and psychiatrists at state mental health facilities	\$6.4m	Provides smaller increase in funding for add'l nurses and psychiatrists at state mental health facilities	\$7.2m
Permanent supportive housing	Increases funding for an add'l 150 permanent supportive housing units for individuals with SMI in FY20	\$2.1m	Same as governor's	\$2.1m	Further increases funding for add'l permanent supportive housing units for individuals with SMI in FY20	\$5.1m	Further increases funding for add'l permanent supportive housing units for individuals with SMI in FY20	\$5.1m
Mental health in jails	Continues funding and expands pilot programs for inmates with mental health concerns in FY20	\$2.5m	Not included		Same as governor's	\$2.5m	Continues funding for current pilot programs for inmates with mental health concerns in FY20	\$2.5m
Social Services								
Temporary Assistance for Needy Families (TANF)	Not included		Not included		Uses \$3.2m in TANF funds and \$300k in GF to increase benefits	\$0.3m	Uses \$3.2m in TANF funds and \$300k in GF to increase benefits	\$0.3m
	Not included		Uses \$1m in TANF funds to extend transitional child care		Uses \$1m in TANF funds and \$40k in GF to extend transitional child care	\$0.04m	Uses \$1m in TANF funds and \$40k in GF to extend transitional child care	\$0.04m
	Not included		Uses \$49k to remove TANF ban for people with 1st time drug possession felonies who comply with certain requirements		Not included		Not included	
	Provides \$3m of TANF funds to the Federation of Va. Food Banks		Similar to governor's		Same as governor's		Similar to governor's	
	Not included		Provides \$500k of TANF funds to the Va. Alliance of Boys and Girls Clubs		Not included		Provides \$500k of TANF funds to the Va. Alliance of Boys and Girls Clubs	
	Not included		Provides \$22k of TANF funds for a new Child Advocacy Center (Russell Co.)		Not included		Provides \$22k of TANF funds for a new Child Advocacy Center (Russell Co.)	

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Compensation								
Salary increases	Total of highlighted changes below: \$88.6m		Total of highlighted changes below: \$76.0m		Total of highlighted changes below: \$87.6m		Total of highlighted changes below: \$115.8m	
<i>K-12 employees</i>	<ul style="list-style-type: none"> Includes state share of add'l 2% increase (eff. Jul. 1, 2019) \$87.6m 		<ul style="list-style-type: none"> Includes state share of add'l 2% increase (eff. Jan. 1, 2020) \$43.8m 		<ul style="list-style-type: none"> Same as governor's \$87.6m 		<ul style="list-style-type: none"> Includes state share of add'l 2% increase (eff. Sept. 1, 2019) \$72.8m 	
<i>Higher education faculty</i>	<ul style="list-style-type: none"> Add'l increase not included 		<ul style="list-style-type: none"> Includes add'l 1% increase (totaling 3%, eff. Jul. 1, 2019) \$9.7m 		<ul style="list-style-type: none"> Add'l increase not included 		<ul style="list-style-type: none"> Includes add'l 1% increase (totaling 3%, eff. Jul. 1, 2019) \$9.7m 	
<i>State employees</i>	<ul style="list-style-type: none"> Add'l increase not included 		<ul style="list-style-type: none"> Includes add'l 0.75% increase (totaling 2.75%, eff. Jul. 1, 2019) \$18.5m 		<ul style="list-style-type: none"> Add'l increase not included 		<ul style="list-style-type: none"> Includes add'l 0.75% increase (totaling 2.75%, eff. Jul. 1, 2019) \$18.5m 	
<i>State-supported local employees</i>	<ul style="list-style-type: none"> Add'l increase not included 		<ul style="list-style-type: none"> Includes state share of add'l 1% increase (totaling 3%, eff. Jul. 1, 2019) \$8.9m 		<ul style="list-style-type: none"> Add'l increase not included 		<ul style="list-style-type: none"> Includes add'l 1% increase (state share, totaling 3%; eff. Jul. 1, 2019) \$8.9m 	
<i>Merit salary adjustment</i>	<ul style="list-style-type: none"> Add'l increase not included 		<ul style="list-style-type: none"> Includes add'l 0.25% increase (totaling 2.25% eff. Jun. 10, 2019) \$4.8m 		<ul style="list-style-type: none"> Add'l increase not included 		<ul style="list-style-type: none"> Includes add'l 0.25% increase (totaling 2.25% eff. Jun. 10, 2019) \$4.8m 	
<i>Augusta corrections</i>	<ul style="list-style-type: none"> Increases salaries for all security positions \$1.1m 		<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Same as governor's \$1.1m 	
State and state-supported employee bonus	Includes 1% bonus for full-time employees (eff. Dec. 1, 2019) \$40.2m		Not included		Not included		Not included	
Commonwealth Attorneys	Increases funding for more positions \$0.7m		Further increases funding for more positions \$1.5m		Not included		Further increases funding for more positions \$1.5m	
State employee health insurance	Decreases support for premiums based on adjusted forecast -\$51.3m		Further decreases support for premiums, provides premium holiday in Oct. 2019 -\$97.4m		Same as governor's -\$51.3m		Further decreases support for premiums, provides premium holiday in Oct. 2019 -\$97.4m	
Retiree health credit	Total of highlighted changes below: \$8.1m		Total of highlighted changes below: \$8.1m		Total of highlighted changes below: \$3.8m		Total of highlighted changes below:	
<i>Law enforcement</i>	<ul style="list-style-type: none"> Increases health insurance credits for certain retired state law enforcement w/ 15+ years of service \$8.1m 		<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Provides a smaller increase for certain retired state law enforcement w/ 15+ years of service \$3.8m 		<ul style="list-style-type: none"> Not included 	
<i>State employee retiree</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Contributes to health credit plan, reducing liability \$3.8m 		<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Not included 	
<i>Teacher retiree</i>	<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Contributes to health credit plan, reducing liability \$4.3m 		<ul style="list-style-type: none"> Not included 		<ul style="list-style-type: none"> Not included 	

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Higher Education (excludes capital projects)				
Funding to maintain tuition costs	Not included	Provides funding to higher ed institutions to keep tuition at FY19 levels for next year \$45.7m	Not included	Provides funding to higher ed institutions to keep tuition at FY19 levels for next year \$57.5m
Computer science courses	Invests in computer science instruction in secondary and post-secondary levels in FY20 \$11.0m	Creates Tech Talent Investment Fund to increase the number of computer science and related degrees \$27.9m	Same as governor's \$11.0m	Creates Tech Talent Investment Fund to increase the number of computer science and related degrees, invests in instruction support \$18.0m
Need-based financial aid	Increases need-based financial aid for in-state undergraduate students in FY20 \$15.5m	Not included	Same as governor's \$15.5m	Same as governor's \$15.5m
WFD case management system	Provides funding to integrate case management across workforce dev. programs \$8.0m	Not included	Provides funding to integrate case management across workforce dev. programs \$4.0m	Not included
Community college career advisors	Funds 79 career advisor positions in Va.'s community colleges in FY20 \$5.5m	Not included	Phases in advisor positions in Va.'s community colleges \$2.3m	Not included
Tuition Assistance Grant (TAG) program	Increases assistance awarded through Va.'s TAG program \$5.2m	Same as governor's \$5.2m	Adjusts estimates from governor's, provides smaller increase \$3.5m	Adjusts estimates from governor's, provides smaller increase \$3.5m
Workforce Credential Grant program	Increases general funds for the workforce credential grant program in FY20 \$4.0m	Same as governor's \$4.0m	Same as governor's \$4.0m	Provides same funding as governor's, removes language that limits eligibility to students whose family income is at or below \$50,000 \$4.0m
Commonwealth Cyber Initiative (CCI)	Language and funding changes not included	Adds language to provide stronger guarantee of CCI funding in the future	Reduces funding for CCI in FY20 -\$10.0m	Adds language to provide stronger guarantee of CCI funding in the future
Capital				
	GF dollars for capital planning and small capital projects \$33.5m	Not included	Includes more limited GF dollars for capital planning and small capital projects \$21.1m	Includes more limited GF dollars for capital planning and small capital projects \$4.6m
	\$619.3m in debt and \$153.6m in other NGF for capital projects	\$1,198.6m in debt and \$198.2m in other NGF for capital projects	\$539.1m in debt and \$163.7m in other NGF for capital projects	\$832.6m in debt and \$197.8m in other NGF for capital projects

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	Governor		House		Senate		Conference	
Other								
Water quality improvement funds	Provides add'l deposits into Va.'s water quality funds	\$85.0m	Provides smaller add'l deposits into Va.'s water quality funds	\$20.0m	Provides smaller add'l deposits into Va.'s water quality funds	\$15.9m	Provides small add'l deposit into Va.'s water quality funds for livestock stream exclusion	\$5.9m
Transportation	Provides working capital for the Va. Transportation Infrastructure Bank	\$75.0m	Not included		Not included		Not included	
Housing Trust Fund	Provides add'l funding for the state's housing trust fund	\$19.0m	Not included		Provides a much smaller deposit	\$3.0m	Provides a much smaller deposit	\$3.0m
Legal aid	Increases funding for legal aid to assist with eviction defense	\$2.6m	Not included		Provides funding for legal aid	\$1.3m	Provides funding for legal aid	\$1.3m
Census outreach	Funds outreach for 2020 Census	\$1.5m	Not included		Not included		Not included	
Dept. of Taxation staffing	Not included		Provides funding for add'l tax staff to administer itemized deduction proposal	\$1.0m	Not included		Includes funding to administer tax conformity and tax policy changes	\$1.3m
Revenue reserves	Sets aside an add'l \$554m for future use beyond the \$235.2m required by the enacted budget; broadens allowed uses of funds to include settlements and economic development incentives	\$789.3m	Sets aside an estimated add'l \$279.4m for future use (mostly sum sufficient appropriation) beyond the \$235.2m required by the enacted budget	\$260.2m	Sets aside an add'l \$246.8m for future use beyond the \$235.2m required by the enacted budget	\$482.0m	Sets aside an add'l \$239.3m for future use beyond the \$235.2m required by the enacted budget; includes revenue from maintaining Pease amendment	\$474.5m
	Governor is expected to withdraw \$50m in FY20 to pay Micron incentives		Uses general funds rather than reserve withdrawal for Micron payment		Uses general funds rather than reserve withdrawal for Micron payment		Uses general funds rather than reserve withdrawal for Micron payment	
Rainy day fund	Appropriates mandatory Revenue Stabilization Fund deposit	\$262.9m	Same as governor's	\$262.9m	Same as governor's	\$262.9m	Sets aside add'l money for FY22 deposit	\$360.5m
Tax policy reserve	Not included		Creates Fund, deposits between \$375m and \$952m depending on other legislation; sum sufficient est. at \$952.4m		Creates Tax Reform Fund and deposits \$500m	\$499.8m	Deposits sum sufficient amount est. at \$506m into Fund	

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

	Governor	House	Senate	Conference
Other (continued)				
Economic development and research funds	Uses \$168m in borrowing and \$107m NGF to construct Va. Tech's Innovation Campus as part of the Amazon deal	Same as governor's	Same as governor's	Includes language changes
	Not included	Makes deposit into new Major Headquarters Workforce Grant Fund for future Amazon HQ2 payment \$34.0m	Not included	Dedicates \$40m in FY21 online sales tax revenues to be deposited into Major Headquarters Workforce Grant Fund for future Amazon HQ2 payment
	Language allows governor to use reserves for approved economic development incentives	Language change not included	Language change not included	Language change not included
	Governor is expected to withdraw \$50 million in FY20 to pay Micron incentives	Uses GF rather than reserve withdrawal for Micron payment \$50.0m	Uses GF rather than reserve withdrawal for Micron payment \$50.0m	Uses GF rather than reserve withdrawal for Micron payment \$50.0m
	Provides add'l \$46.0m funding in FY20 to expand broadband access	Provides add'l \$16.0m funding in FY20 to expand broadband access	Provides add'l \$15.0m funding in FY20 to expand broadband access	Provides add'l \$15.0m funding in FY20 to expand broadband access
	Provides add'l \$20.0m funding in FY19 for the Va. Business Ready Sites Program	Provides add'l \$5.0m funding in FY19 for the Va. Business Ready Sites Program	Provides add'l \$2.0m funding in FYs 19 & 20 for the Va. Business Ready Sites Program	Provides add'l \$2.0m funding in FYs 19 & 20 for the Va. Business Ready Sites Program
	Not included	Increases funding for Center for Advanced Manufacturing \$6.1m	Increases funding for Center for Advanced Manufacturing \$0.9m	Increases funding for Center for Advanced Manufacturing \$1.0m