
Virginia Legislative Update



Ed Reed, Vice President

Elizabeth Parker, Vice President

Overview

- 2022 Regular Session Recap
- Reconvened Session Recap
- Special Session I Overview
- Biennium Budget Update



2022 Regular Session Recap

- **SB315 (Spruill) & HB354 (Tata)** Virginia Military Community Infrastructure Grant Program and Fund; created.
 - **SB149 (Norment) & HB731 (Ward)** Juvenile law-enforcement records; inspection of records.
 - **SB253 (Locke)** Hampton, City of; amending charter, election of mayor.
 - **SB23 (Locke) & HB727 (Ward)** Historical African American cemeteries; disbursement of funds, qualified organization.
 - **HB729 (Ward)** Vacant building; registration
 - **HB 728 (Ward)** Traffic control device violation monitoring systems; localities in Planning Dist. 23 to establish.
-

Reconvened Session

Recap

- Governor Youngkin handed down 26 vetoes and amended around 150 bills.
 - All 26 vetoes were upheld and the General Assembly agreed to most amendments
 - The Governor's gas tax suspension bill was defeated by the Senate Finance Committee
 - Senator Hanger's SB591 related to the regulation of certain hemp and THC products was effectively defeated
 - The Governor vetoed an additional seven bills on May 27th
-

Special Session I Overview

- Special Session I convened on April 4th; the General Assembly is likely to remain in special session (similar to recent years)
 - The budget bills were referred to Special Session I along with about 40 other bills; action on most of those bills is to be determined
 - The appointment of judges still remains an important issue for the special session also
-

State Budget

- Taxation
 - Public Education
 - Health and Human Resources
 - Natural Resources
 - Public Safety & Veterans
 - Transportation
 - General Government
-

General Assembly
adjourns regular
session

Budget conference
report made public

Governor amends,
signs the budget bills



General Assembly
convenes special
session at the call of
the Governor

General Assembly
convenes and agrees to
the budget bills

Taxation

- A reduction of \$1.6 billion to **increase the standard deduction from \$4,500 for individuals and \$9,000 for joint filers to \$8,000 and \$16,000, effective tax year 2022.**
 - A reduction of \$1.0 billion to support a **one-time tax rebate of \$250 for single taxpayers and \$500 for married taxpayers filing a joint return.** Rebates are issued in FY 2023 based on taxpayers' 2021 tax returns.
 - A reduction of \$372.4 million to **eliminate the state sales tax on food for human consumption (groceries) and essential personal hygiene products, effective January 1, 2023.**
 - A reduction of \$315.0 million to **make the Virginia Earned Income Tax Credit (EITC) refundable to 15.0 percent of the federal EITC.**
 - A reduction of \$301.0 million to **provide an income tax subtraction for military retirees age 55 or older of \$10,000 in tax year 2022 and \$20,000 in tax year 2023.**
-

Public Education Compensation

- Includes \$224.1 million GF the first year and \$505.5 million GF the second year to **support the state's share of a 5.0 percent salary increase each year for teachers and support positions. Divisions must provide a local match.** Divisions can access these funds if they provide at least a 2.5 percent increase in the first year, and state funds will be prorated for any increases between 2.5 percent and 5.0 percent in each year.
 - Provides \$124.7 million ARPA funds for a **one-time pandemic bonus for school division employees.** Funds are distributed to divisions based on \$1,000 per SOQ-funded instructional and support position and require no local match.
 - Includes \$10.0 million ARPA funds to **provide recruitment incentives for individuals filling vacant positions in fall 2023.** This provides incentive bonuses of \$2,500, or \$5,000 if the individual fills a hard-to-staff position or is hired in a hard-to-staff school.
-

K-12 Education Funding

- Provides \$104.1 million GF the first year and \$257.2 million GF the second year for a **payment to cover the elimination of the state sales tax on food for human consumption and essential personal hygiene products of which 1.0 percent is dedicated to public education.** These payments are distributed based on the estimated school age population consistent with sales tax.
 - Provides \$10.0 million GF the first year and \$10.3 million GF the second year to **provide a full-time principal in every elementary school.**
 - Provides \$109.4 million GF the first year and \$162.3 million GF the second year to increase the number of funded support positions. This **increases the funded ratio of support positions to instructional positions from 17.75 support positions per 1,000 students, to 20 support positions per 1,000 students the first year and 21 support positions per 1,000 students the second year.**
-

School Construction

- Includes \$400.0 million GF the first year for school construction and modernization payments. Divisions are allowed to carry forward unspent funds. **Each division receives a base allocation of \$1.0 million with the remaining funds allocated based on average daily membership weighted by local composite index.**
 - Provides \$400.0 million GF and \$50.0 million NGF from the Literary Fund for **targeted school construction assistance**. Qualifying projects will be eligible for grants of up to 30.0 percent of reasonable school construction and modernization costs.
 - Authorizes up to \$200.0 million each year from **the Literary Fund to be used for school construction loans, and implements several enhancements to the loan program**, including lower interest rates and increased maximum loan amounts.
-

Health and Human Resources

- Provides \$55.0 million GF for the costs in the second year of **direct care staff in state facilities to increase their compensation to 50.0 percent of the benchmark** for such positions, resulting in salary increases averaging around 37.0 percent.
 - Includes \$22.2 million in ARPA funds in FY 2023 and \$28.3 million GF in FY 2024 to **fully implement and fund STEP-VA in the Community Services Boards.**
 - Includes \$31.5 million GF over the biennium to **continue to support crisis system transformation, primarily mobile crisis teams and receiving centers**
 - Includes \$6.0 million GF over the biennium to **support Marcus Alert implementation in five additional localities.**
-

Natural Resources & Commerce/Trade

- Includes \$17.6 million GF over the biennium to meet anticipated federal matching requirements for increased Clean Water Revolving Loan Funds authorized in the federal Infrastructure Investment and Jobs Act.
 - Provides \$25.0 million NGF to capitalize the Resilient Virginia Revolving Loan Fund from Regional Greenhouse Gas Initiative proceeds.
 - Provides \$847,102 GF over the biennium for the Fort Monroe Authority to establish a facilities maintenance department.
 - Provides an additional \$100,000 from the general fund annual increase in funding for the care and preservation of historical African American graves and cemeteries.
-

Public Safety

- Includes \$47.0 million GF over the biennium to the Department of Criminal Justice Services (DCJS) for **additional aid to localities with police departments (“HB 599” funding)**.
 - Provides \$45.0 million GF over the biennium in **increased support for the School Resource Officer Incentive Grant Program**.
 - \$8.0 million over the biennium for the **Firearm Violence Intervention and Prevention Grant Fund**
 - \$5.0 million over the biennium for the **Operation Ceasefire Grant Fund**.
 - Provides \$75.0 million NGF in ARPA funds in FY 2023 for **one-time grants to local law enforcement agencies to support equipment purchases and training**
-

Transportation

- Includes \$110.0 million GF, above the \$210.0 million in HB 29, to support the widening of I-64 to three lanes in between Hampton Roads and Richmond. An additional \$150.0 million GF contingent upon sufficient FY 2022 general fund revenues collected in excess of the Official Revenue Estimate for FY 2022.
 - Provides a total of \$1.0 billion in Capital Outlay investments at the Port of Virginia over the biennium.
-

General Government

- Provides \$223.1 million GF the first year and \$523.6 million GF the second year for a **5.0 percent salary increase in each year of the biennium for state employees, including a state supported local employees.**
 - Includes \$38.9 million GF the first year and \$46.7 million GF the second year to **increase the starting salaries and address pay compression for deputy sheriffs and regional jail officers.**
 - Adds \$4.6 million GF the first year and \$7.0 million GF the second year to **increase the per diem for state-responsible inmates from \$12 to \$15/day.**
 - Provides \$7.3 million GF the first year and \$9.8 million GF the second year to **phase in staffing to address behavioral healthcare needs in local and regional jails.**
-

Other Highlights

- Skill Games
 - Language clarifying the definition of skill games; effectively expanding the ban
 - Cannabis
 - Language establishing a regulatory process for protecting public health related to hemp extracts for human consumption and establishing misdemeanor offenses for possession of large quantities of cannabis
-

Hampton-related items

- Virginia Air and Space Science Center
 - No additional funding provided in the conference report
 - Establishment of the Virginia Community Military Partnership Fund
 - \$5 million in the first year for the fund
 - Legislation creating the fund passed during the regular session
 - Hampton University
 - \$4.3 million GF each year will provide a \$5,000 supplemental TAG award to eligible students at Hampton University and Virginia Union University
-

Q & A

Sources:

<https://budget.lis.virginia.gov/amendments/2022/2/>

<http://hac.virginia.gov/>

<http://sfac.virginia.gov/>
