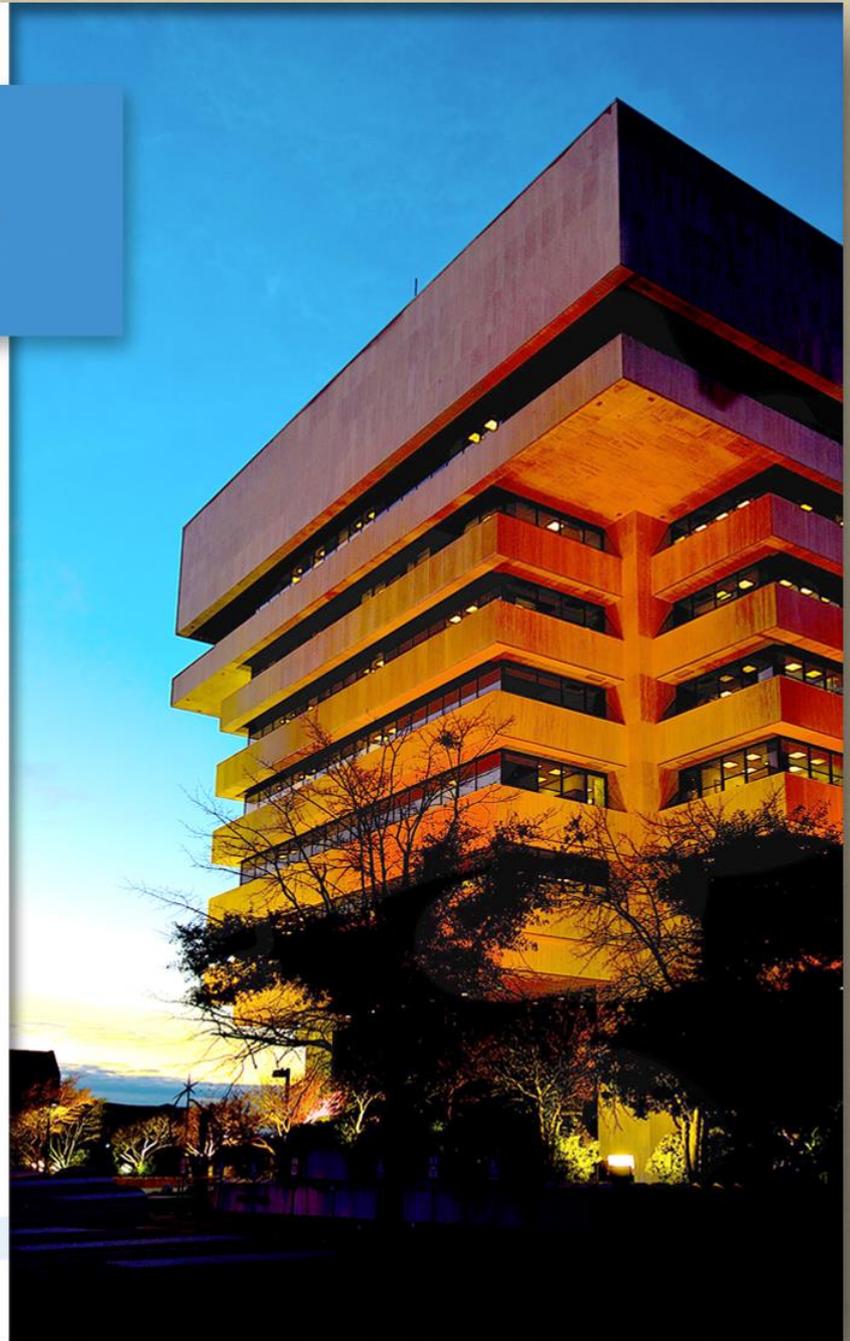


# HAMPTON VA

Update on  
Governor's FY18-20  
*Proposed* Biennium  
Budget (HB/SB30)  
*as introduced*

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Budget Division  
February 14, 2018



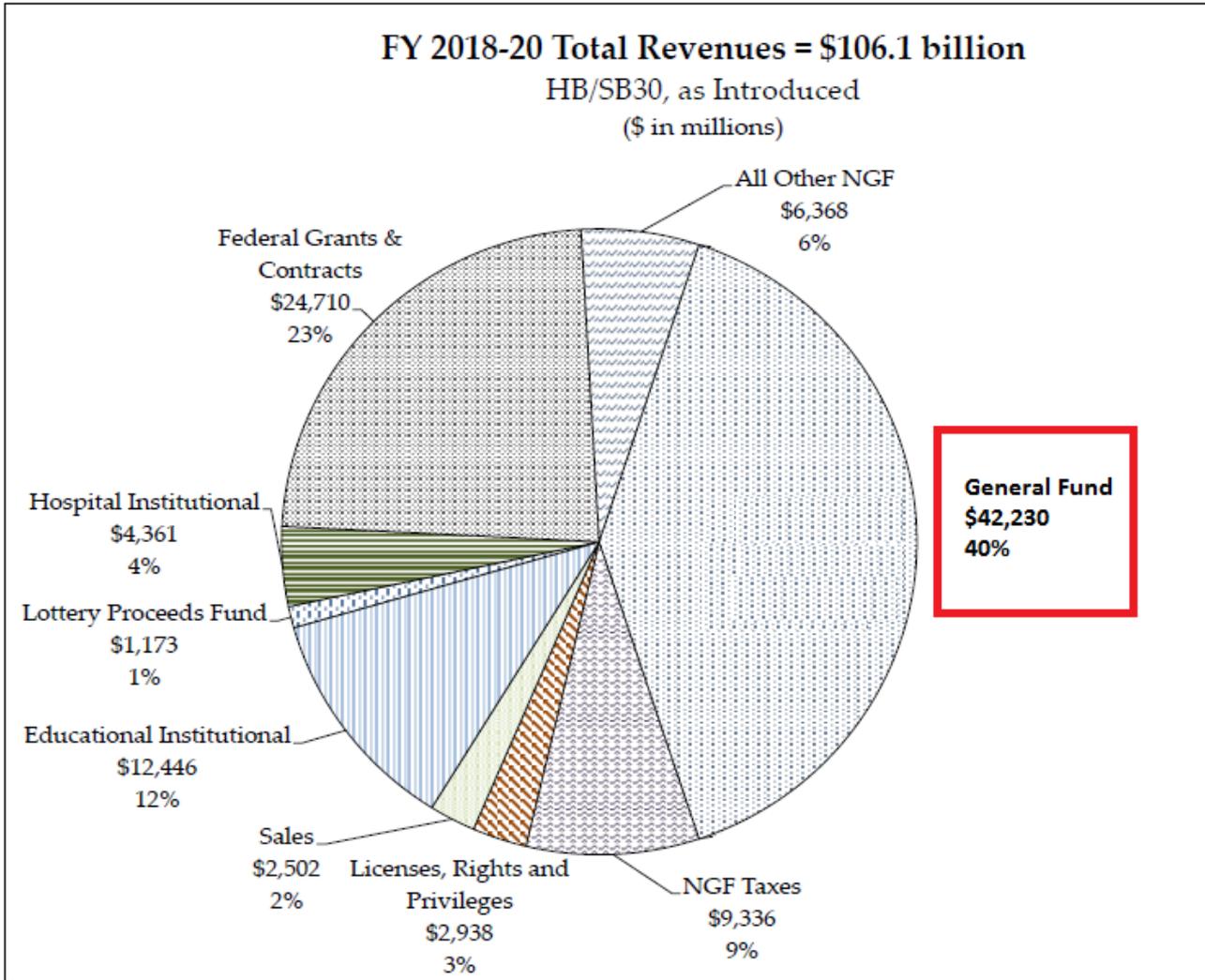
# Outline

1. Background & Timeline
  2. Total Revenues (GF+NGF)
  3. General Fund, Revenues and Spending
  4. General Fund Spending Increases
  5. What's in it for Localities?
  6. What's in it for Hampton?
  7. What's next?
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# 1. Background & Timeline

- Dec. 18<sup>th</sup>, 2017: Gov. McAuliffe proposed budget
- Feb. 18<sup>th</sup>: Senate/House report on Budget Bills(s)
- Feb. 20<sup>th</sup>: Amendments to Budget Bills(s) available
- Feb. 22<sup>nd</sup>: Houses of introduction to complete work on the Budget Bills(s)
- Feb. 28<sup>th</sup>: Last Day for Each House to act on Budget/Revenue Bills(s)
- Mar. 10<sup>th</sup>: Adjournment Sine Die (“siné dié”)
- Apr. 18<sup>th</sup>: Reconvened session
- July 1, 2018: Budget goes into effect

# 2. Total Revenues



Assumes  
4% yearly  
revenue  
growth  
2018-2020

# 3. General Fund, Revenues and Spending (1 of 2)

Governor's *Recommended* 2018-2020 General Fund Revenues and Spending (millions)

Revenues		Spending		Aid to Localities	
Individual Income Tax	28,896.0	Aid to Localities	19,665.5	Public Education	12,575.9
Sales and Use Tax	7,172.1	State Agencies	12,222.1	Car Tax	1,900.0
Corporate Income Tax	1,838.4	Aid to Individuals	8,891.9	CSB	2,155.1
Wills, Suits, Deeds	814.4	Debt Service	1,646.7	Local Sheriffs	1,054.7
Insurance Premiums	761.2	<i>Operating Spending (c1)</i>	42,426.2	Other Aid	1,979.8
Other Taxes and Revenues	1,506.7	Transfer to Capital Outlay (c2)	15.0		
Transfers	1,241.4	<b><i>Sub-Total (c) Appropriations</i></b>	<b>42,441.2</b>	<b>Total Aid</b>	<b>19,665.5</b>
<b><i>Sub-Total (a) GF Revenues</i></b>	<b>42,230.2</b>				
Beginning Balance from 2016-2018	201.6	<b>Unappropriated (d)</b>	<b>12.1</b>		
Adjustments to Balance (from FY18)	21.5				
<b><i>Sub-Total (b) Starting Balance</i></b>	<b>223.1</b>				
<b>Total GF Resources (a+b)</b>	<b>42,453.3</b>	<b>Total GF Spending (c+d)</b>	<b>42,453.3</b>		

# 3. General Fund, Revenues and Spending (2 of 2)

## Proposed General Fund Budget for 2018-20 (\$ in millions)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>2018-20</u>
<b>Resources Available for Appropriation</b>	\$20,935.8	\$21,517.5	<b>\$42,453.3</b>
<b>Ch.836 Base Budget (FY16-18)</b>	\$20,354.6	\$20,354.6	\$40,709.2
Operating Spending	516.6	1,200.4	1,717.0
Capital Outlay Spending	<u>10.0</u>	<u>5.0</u>	<u>15.0</u>
<b>Total Appropriations</b>	\$20,881.2	\$21,560.0	\$42,441.2
<b>Unappropriated Balance</b>	\$54.6	(\$42.4)	\$12.1

# 4. GF Spending Increases

## Proposed Spending Increases, General Fund (Millions) over the Biennium

Increased cost of Medicaid utilization and inflation	575.8	23.1%
Updating state's share of rebenchmarking SoQ for K-12 public schools	481.0	19.3%
Employer share of state employee health insurance premium increases	118.2	4.7%
2% salary inc. in FY2020 for teachers, state & state-supported employees	100.7	4.0%
Appropriations to cash reserve (established in Chapter 836)	270.7	10.9%
Children's Services Act (CSA)	54.2	2.2%
Inmate Medical Costs of Care	38.3	1.5%
CSBs: same day access, prim. Care screening, discharge services	33.1	1.3%
Family Access to Medical Insurance Security (FAMIS) Forecast	27.2	1.1%
K-12: No Loss, Small Elem. Principals and At-Risk Add-On	26.3	1.1%
Water Quality Fund VA Natural Resources Commitment Fund	22.5	0.9%
Economic Development Grants (Workforce, VIP, VEDIG, Port)	21.6	0.9%
Assistance to Localities with Police Departments (HB 599 Program)	20.4	0.8%
Higher Education: VRIC and Restructuring Incentives	25.1	1.0%
Emergency Response Initiatives	12.0	0.5%
Replace Help America Vote Act (HAVA) Funding	10.4	0.4%
All Other Spending	655.0	26.3%
<b>Total GF Spending Increases (a)</b>	<b>2,492.5</b>	<b>100.0%</b>

**Proposed Savings (b) (711.7)**

**Net GF Spending Increases (a+b) 1,780.8**

## Proposed Savings

Higher Lottery funds	(80.4)
Medicaid Expansion	(427.5)
Capture PreK Nonparticipation	(47.9)
Training Center Closures	(27.6)
Health Care Fund	(18.7)
VRS Employer Rates	(13.4)
Other	(96.2)

**Total Savings (711.7)**

# 5. What's in it for Localities?

- Over \$600 mil in total *additional* funding to K-12 schools
- Close to \$100 mil in housing & economic development grants (including \$49 mil for the Go Virginia Initiative and \$7.5 mil to establish the VA Grocery Investment Fund to encourage healthier food in underserved communities)
- 2% raise for state-supp. employees & constitutional officers in FY20
- *Additional* \$33 mil to CSB and \$54 mil to CSA
- \$6.6 million in FY19 and \$13.8 mil in FY20 in *additional* funding to Police Departments (HB 599)
- Amendment: \$25 mil/year for total of \$50 mil for the Stormwater Local Assistance Fund (SLAF)

# 6. What's in it for Hampton?

- About \$500K one-time funding for Academies of Hampton
- Fort Monroe
  - Provides \$2 mil in bond funding to FMA for building repairs in FY19
  - Proposes \$628K/year to the FMA to supplant loss of federal funding
  - Amendment to increase PILOT for Fort Monroe by \$215K for total of \$1,199,350
- Amendment to increase the bond funding that can be authorized to cover repair costs of HRT's bus fleet (by \$15 mil)
- Additional appropriation for the Hampton Roads Regional Jail
  - First year: \$2.4 mil
  - Second year: \$2.7 mil

# 7. What's Next?

## Public Input

- Tuesday, Feb. 20<sup>th</sup>  
Hampton HS @ 6:30 p.m.
- Thursday, Feb. 22<sup>nd</sup>  
Online chat @ 6:30 p.m.
- Saturday, Feb. 24<sup>th</sup>  
Kecoughtan HS @ 9:00 a.m.

## Key Dates

- April 11<sup>th</sup> - Manager's preview of Budget to City Council
- April 25<sup>th</sup> - Public Hearing
- May 2<sup>nd</sup> - Public Hearing/First Reading
- May 9<sup>th</sup> - Final Reading/Adoption