

PRESENTATION TO THE HRPDC 2016 GENERAL ASSEMBLY ACTIONS

March 17, 2016

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City Manager of Virginia Beach
&**

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Transportation

- Provides \$50M to Dulles International Airport, this is to maintain a specific number of flights from this airport.
- Provides \$350M in bond proceeds for capital improvements and automation at Norfolk International Terminal (NIT).
- Provides \$140M for I-66 inside the Beltway. This will provide additional capacity, and allow SOV drivers to legally utilize the roadway, albeit paying tolls.
- Appropriation language requiring Amtrak Trains 2 & 3 to Norfolk be established prior to advancing passenger rail Washington D.C.—North Carolina Corridor.
- Appropriation language directing the DRPT to examine how to better evaluate and prioritize transit capital projects under a “HB2 Prioritization Process.”

Transportation (cont.)

- Language within the budget establishes new toll policy restricting CTB, VDOT, HRTAC, and NVTa from tolling existing un-tolled lanes without General Assembly approval except on:
 - HOV/HOT Lanes.
 - New Lane capacity.
 - New bridges.
 - Short segments of highways between existing toll facilities.
- Legislation was adopted allowing better collection of unpaid toll bills from other states.
- Request the Army to consider the improvements at Fort Eustis Boulevard/I-64 interchange to be counted towards Fort Monroe land exchange.
- A number of allocations of general funds to specific highway projects outside of the HB2 process were defeated. This will lend integrity to the HB2 process.
- Unsuccessful with advancing SB 669 (Alexander)...would have provided a local option, without state maintenance penalty, for converting any portion of state supported roadway lane miles to bike and pedestrian lanes.

HRTAC

- Allows investment and provides liability protections.
- Allows counties to designate a representative.
- Allows all localities to have representation at the meetings if Chief Elected Officer or County Designee is unable to attend. Notice must be given 48 hours before meeting if regular member is unable to attend.
- Administrative and operating expenses shall be paid by HRTAC Revenues.
- No Floor on Gas Tax for HRTAC or NVTA.

Economic Development

- Creates the Go-Virginia program for regional cooperation. \$36M provided mostly in the second year of the biennium.
- Provides \$65M in 2017 and \$55M in 2018 for Economic Development incentive grants. \$7.5M for the Virginia Bio-sciences Health Research Corporation. \$1M for rent in operating support for the Commonwealth Center for advanced manufacturing.
- Provides an additional \$250,000 in support for the Virginia Sports Hall of Fame and Museum in Portsmouth.
- Expands the Virginia Jobs Investment Program, the Virginia International Trade Alliance, and \$2M for an industrial site development pilot program (Mega Site).
- A new unit at JLARC is established to provide ongoing oversight of economic development incentives, including grants and tax incentives.
- Provides \$11 million to the Virginia Housing Trust Fund.
- Provides \$2.4 million over the biennium for Jefferson Lab.
- Provides an additional \$2 million for biennium to the Virginia Enterprise Zone.

Public Education

- Increases direct aid for Public Education by \$892.3 million.
- Reinstates \$193.8 million in Lottery Per Pupil Funding using Local Composite Index Formula.
- Redirects \$143.2 million from Governor's Introduced Budget to:
 - \$96.5 million for school-based FTEs.
 - \$35.5 million for At-Risk Add-on range increase.
 - \$4.9 million for supplemental education initiatives.
 - \$3.8 million FY 16-FY 17 Hold Harmless.
 - \$2.5 million for formula changes to the Governor Schools.
- \$50.3 million above the Governor's Introduced for Public Ed:
 - \$20.3 million in FY 16 lottery revenue carryover.
 - \$20 million for Literary Fund.
 - \$10 million for additional General Fund Support.

Public Education (cont.)

- School Divisions are given more public education spending flexibility and options.
 - Permits up to 50% of the new lottery per pupil allocation to be used on any recurring expenses.
 - Permits up to 50% of the new per pupil allocation to be used on any non-recurring expenses (i.e. equipment, school bus purchases).
 - Requires maintenance of existing effort to prevent school divisions from using the new revenue to supplant local funding.
 - Commonwealth does not require a local match to receive their per pupil state funding.

Public Education (cont.)

- \$5 million over the biennium for additional Career and Technical Credentialing and Equipment.
- \$4.6 million over the biennium for Virginia Early Childhood Foundation.
- \$2.9 million over the biennium to increase Preschool Initiative per pupil grants from \$6,000 to \$6,125.
- \$2.1 million to develop/implement a performance-based teacher compensation system.
- \$500,000 each year for the ODU Teacher Residency Program.

Compensation and Benefits

- 3% salary increase for state employees effective November 10, 2016.
- 2% salary adjustment for teachers and state-supported local employees effective December 1, 2016.
- For state-supported local employees, employers have to certify that the listed employees will receive the stated pay increase in order to receive the state funding.
- Compensation items also contingent upon FY16 meeting revenue estimates. February Revenue Report shows total revenues grew by 2.6% - under 3.3% projection.
- Provide 90% of the board certified VRS rate for teachers in FY17, and 100 % in 2018.
- A Commission on Employee Retirement Security Pension Reform based on HB 665 was funded.

Capital Outlay and Technology

- The General Assembly is making bond funds available for construction or renovation, and improvements to government/college facilities. This is dependent on Governor McAuliffe allowing renovations/rebuilding of Capital Square Complex to move forward.
- \$59M in bonds were made available to reimburse localities for projects to install Nutrient Removal Technology (HRSD).
- Provide \$7.5M for the Virginia Bio-sciences Health Research Corporation, and transfer \$5.6M from Economic Development Incentive payments to the Center for Innovative Technology.
- Provide funds for Unmanned Systems Industry (Wallops Island), and Cyber Security Initiative.
- Provide \$20M for Local Stormwater grants.

Mental Health / Public Safety

- Provides \$31 million GF and \$16.4 million NGF over the biennium for mental health/substance abuse treatment.
- Provides \$105 million for I/DD Services.
 - 355 new wavier slots
- Adjusts funding for local/regional jail per diems to reflect jail population forecast: \$10.4 million in FY 17 and \$11.1 million in FY 18.
- Jail per diems includes \$11.3 million in FY16 and confirms reimbursement at 50% for Hampton Roads Jail Security Upgrade Project.
- Commonwealth support of local police departments increased \$11.1 million (HB 599).
- SB 731(Hanger) includes authorization for planning a joint state-local juvenile corrections facility in Chesapeake.
- Provides \$500,000 a year for local CSA administration -- the first increase from the state since FY 2000.

Natural Resources

- Water Quality Improvement Fund increased to \$61.7 million the first year for nonpoint source programs:
 - \$8.2 million (15%) set aside for WQIF Reserve Fund
 - \$51.8 million for Natural Resources Commitment Fund:
 - \$26 million for agricultural best management practices
 - \$19.6 million for livestock exclusion projects.
 - \$6.2 million for Soil and Water Conservation Districts Technical Assistance Programs.
- Provides \$59 million in bond proceeds to meet point source protection commitments and improve municipal water treatment plants (Bond Bills SB 731/HB 1344).

Reauthorization of the Joint Subcommittee on Coastal Flooding

- New name was selected to better reflect the Subcommittee's mission.
- Continues for an additional 2 years the Commonwealth's further study of recurrent coastal flooding.
- Designation of Old Dominion University (ODU), Virginia Institute of Marine Science (VIMS), and ODU's cooperative partnership as the Commonwealth's Center for Recurrent Flooding Resiliency (HB 903 Stolle).