

GOVERNOR'S RECOMMENDATIONS

I approve the general purpose of this bill, but I am returning it with a request for the adoption of 144 amendments. I am grateful to each member of the House of Delegates and the Senate of Virginia for your dedicated work and your timely passage of the budget.

I am pleased that the budget you returned to me reflects many of the important new initiatives that we sought to accomplish together. These include early childhood education, more affordable tuition and free community college for some students pursuing high-demand fields, pay increases for public employees and teachers, and more.

New circumstances now require us to revisit those decisions.

The economic effects of COVID-19 will not be clear for some time. While it is too soon to obtain an accurate reforecast of revenues, we will need to do it once the economic fog has lifted, so that we can then identify a path to return to the progressive investments we have made together. Until that can happen, I do not want to eliminate specific appropriations without first knowing the overall level of spending reductions that is required.

As a result, I am proposing 83 amendments to specifically "unallot" new, discretionary spending across all agencies. These amendments will place that spending on hold until economic circumstances enable me to reforecast revenues so that we can all make informed decisions together. These amendments freeze spending of approximately \$874.6 million in fiscal year 2021 and \$1.4 billion in fiscal year 2022. Each amendment lists the specific items that are to be unallotted.

"317.10 Notwithstanding the provisions set forth in this Act, the amounts listed below associated with increased general fund spending within this agency shall be immediately unallotted upon enactment of these appropriations from the applicable Items of this agency and any other relevant Item of this act. Further, notwithstanding the provisions of this Act, any language associated with the spending listed below shall not be applicable unless, after such unallotment, a base amount of funding remains to which such language would be applicable or unless such language previously appeared in Chapter 854, 2019 Acts of Assembly. Any amounts referenced within any other Items of this Act that reflect or include the spending amounts listed below shall have no effect. These amounts shall remain unallotted until re-enacted by the General Assembly after acceptance of a revenue forecast that confirms the revenues estimated within this Act. No agency shall spend, commit, or otherwise obligate the amounts listed below from any source of funds for any of the purposes stated below or any other funds that may be unallotted.

	FY 2021	FY 2022
Supplemental Payments for Children's National Medical Center	\$354,766	\$354,766
Fund Managed Care Contract Changes	\$812,600	\$1,014,350
Increase Medicaid Rates for Anesthesiologists	\$253,376	\$262,491

Increase Payment Rate by 9.5% for Nursing Homes with Special Populations	\$493,097	\$506,903
Increase mental health provider rates	\$2,374,698	\$2,458,479
Add 250 DD Waiver Slots in FY 2022	\$0	\$4,133,500
Modify Nursing Facility Operating Rates at Four Facilities	\$733,303	\$754,247
Increase Medicaid Nursing Facility Reimbursement	\$6,794,541	\$6,984,788
Implement episodic payment models for certain conditions	\$75,957	\$124,707
Increase DD Waiver Provider Rates Using Updated Data	\$21,395,221	\$22,037,077
Increase Developmental Disability (DD) waiver rates	\$3,639,663	\$3,748,853
Increase rates for skilled and private duty nursing services	\$6,245,286	\$6,245,286
Provide care coordination prior to release from incarceration	\$347,803	\$465,440
Increase Rates for Psychiatric Residential Treatment Facilities	\$7,599,696	\$7,599,696
Medicaid Rate Setting Analysis	\$300,000	\$0
Add Medicaid Adult Dental Benefits	\$8,743,420	\$25,304,935
Allow Overtime for Personal Care Attendants	\$9,609,223	\$9,609,223
Expand opioid treatment services	\$421,476	\$1,273,633
Medicaid MCO Reimbursement for Durable Medical Equipment	\$345,621	\$352,534
Modify Capital Reimbursement for Certain Nursing Facilities	\$119,955	\$119,955
Allow FAMIS MOMS to access substance use disorder treatment in an institution for mental disease	\$307,500	\$356,775
Fund home visiting services	\$0	\$11,750,159
Fund costs of Medicaid-reimbursable STEP-VA services	\$486,951	\$2,293,826
Extend FAMIS MOMS' postpartum coverage to 12 months	\$1,114,936	\$2,116,376
Enhance behavioral health services	\$3,028,038	\$10,273,553
Medicaid Works for Individuals with Disabilities	\$114,419	\$228,838
Exempt Live-in Caretakers from EVV Program	\$507,500	\$373,000
Expand Tobacco Cessation Coverage	\$34,718	\$34,718
Adjust medical residency award language	\$1,350,000	\$2,600,000
Increase Rate for Adult Day Health Care	\$796,755	\$833,109

Eliminate 40 quarter work requirement for legal permanent residents	\$1,172,091	\$3,289,890
Agency Total	\$79,572,610	\$127,501,107"

Explanation:

(This amendment unallots increases in discretionary spending amounts pending the assessment of the impact of a potential general fund revenue shortfall caused by the COVID-19 pandemic.)