State budget deal: 3% raise for state employees, faculty; 2% for teachers

BY MICHAEL MARTZ Richmond Times-Dispatch

Virginia lawmakers today unveiled a two-year state budget that will give state employees and college faculty a 3 percent raise in November, as well as a 2 percent pay increase for teachers and state-supported local employees in the first year.

The budget deal, reached late Tuesday by negotiators for the House of Delegates and Senate, also includes $114 million for higher education to head off tuition increases and $197 million in new funding for public education. The public education package would give local school divisions flexibility in how they spend the money, add funding for school districts with high concentrations of at-risk students, and move to restore a reliable share of Virginia Lottery proceeds for K-12 classrooms.

"Our hope is it will be a continuing policy," said House Majority Leader M. Kirkland Cox, R-Colonial Heights, in an informal briefing today.
House Appropriations Chairman S. Chris Jones, R-Suffolk, reviewed the major components of the agreement in a speech today on the House floor. Legislators will have 48 hours to review the agreement before voting on it Friday.

Jones said the proposed budget would fully fund state contributions for state employee and teacher pensions, while paying off $189.5 million in deferred retirement payments from the 2010-2012 biennium six years early.

"This is structurally balanced," he said in an interview. "It's a good, solid budget."

The budget doesn't include $3 billion in federal funds to expand health coverage of the uninsured, but it provides $16 million in state matching funds to adjust Medicaid reimbursements to hospitals for inflation - half of what the Senate had sought and about one-third of what hospitals say they needed. Nursing homes would get $6 million in inflation adjustments, as well as money to update their rates.

The agreement would increase Medicaid eligibility for people with serious mental illness, expand the number of community teams to help people with behavioral issues, and establish funding for pilot programs to help treat people with mental illness in local and regional jails. It also includes about $11 million proposed by Gov. Terry McAuliffe to create a Medicaid benefit for people with substance use disorders to help combat an epidemic of heroin and prescription opioid overdoses.

The deal also pays for an additional 355 Medicaid waiver slots for people with intellectual and developmental disabilities, on top of the more than 800 slots required under a settlement with the Department of Justice to move people out of institutional care.

And, for the first time, the assembly has agreed to extend foster care benefits for youths up to 21 years old, as long as they are working.

Del. John M. O'Bannon III, R-Henrico, credited foster care advocates for developing a plan that legislators could support. "If the advocates keep at it and make it better, you can eventually get something done," he said.

The budget also makes major commitments to state transportation initiatives - from road funding to support for Dulles International Airport.

It establishes a statewide policy for imposing tolls on existing highways, requiring General Assembly with some exceptions, such as plans for relieving congestion on Interstate 66 in Northern Virginia. A small group of Senate Republicans had blocked the policy in legislation that Jones had carried, but he embedded it in the budget instead.

The budget would make major investments in initiatives pushed by McAuliffe for major spending on economic development and research of commercially viable technologies. It includes about $35 million to fund the Virginia Growth and Opportunity Act, or GO Virginia, a new regional framework for economic development.
development proposed by a group of influential corporate leaders from across the state.

The agreement also provides about $30 million for research initiatives aimed at developing technologies for emerging industries - about $10 million less than McAuliffe had sought. But it also provides $6 million for the Massey Cancer Center at Virginia Commonwealth University and $4 million for ultrasound technology to treat cancer and other diseases at the University of Virginia.

House budget negotiators say they're still working to reconcile differences with the Senate on a bond package now estimated at $2.1 billion.

One of the big issues in the bond package is how much it will include of the $140 million that McAuliffe had proposed for state parks and the House had eliminated entirely from its bond bill.

However, the House relented in budget negotiations in providing $120,000 to establish a new state park at Natural Bridge - as long as the governor agrees not to further accept property for parks without legislative approval.

Some of the biggest winners in the budget agreement are public employees, which are a major part of the work force in the Richmond region. In addition to the pay raises, the budget would provide about $11 million to help sheriff's deputies with pay compression, as well as fund a career development program for employees of state constitutional officers, such as commonwealth's attorneys.

mmartz@timesdispatch.com
(804) 649-6964
RN Degree Program

ECPI University offers flexible class schedules. Get started today.