

Key Features of the Amended Budget Senate Bill 750

Public Education

- Supports attracting and retaining highly qualified teachers by:
 - Adding \$11.9 million for the enhanced Retiree Health Care Credit of \$4, up from \$2.50, per year of service for teachers (SB 1218);
 - Endorsing \$63.9 million in the introduced budget for the state's share of a 3.0 percent teacher salary increase, effective December 1, 2007; and,
 - Adding \$250,000 for the Virginia Teaching Scholarship Loan program to provide scholarships to top students in teacher education programs who will help in critical shortage areas.
- Recommends \$3.4 million for preschool pilots.
- Adds a net \$1.5 million the second year by adjusting the sales tax for the public education forecast, based on actual collections year-to-date for the sales tax on food.
- Adds \$400,000 for Project Discovery, a dropout prevention and college access preparatory program.
- Reduces proposed funding by \$3.9 million by deferring expansion of Algebra Readiness to the sixth grade.

Higher Education

- Provides \$67.6 million GF for higher education, including the funding in the introduced budget.
- The Committee's actions focus on core funding needs in higher education: base adequacy, faculty salaries, student financial aid, and research.
 - **Base Adequacy:** Incorporates \$15.3 million GF or a one percent increase for those institutions not yet at 100 percent of the "base adequacy" guidelines.
 - **Faculty Salaries:** Preserves the \$12.9 million GF for a three percent increase in faculty salaries. Endorses the \$1.7 million GF included in the introduced budget for a ten percent salary increase for nursing faculty.
 - **Student Financial Aid:** Maintains \$13.7 million GF in the introduced budget for undergraduate aid and provides an additional \$1.8 million GF for the Community College Transfer Grant Program. This program is designed to promote access to higher education for those students completing a degree at a community college.
 - **Research Initiatives:** Endorses the \$2.5 million GF in the introduced budget for higher education research initiatives and adds \$1.0 million GF for two additional research projects.
- Provides \$552,000 GF and eight positions for the Commonwealth Staffing Initiative at the Virginia Cooperative Extension and Agricultural Experiment Station.
- Redirects funding of \$2.3 million GF from the deferment of expanded or new programs.

Health and Human Resources

- Provides \$124.9 GF million for Health and Human Resources, including the funding in the introduced budget.
- Expands services for the mentally and physically disabled; boosts Medicaid provider rates to preserve access to care; expands access to health care services; makes investments for low-income Virginians; and, makes targeted reductions.
- Adds \$10.1 million for services to the mentally and physically disabled including:
 - \$5.2 million GF to include treatment for substance use disorders under the Medicaid program to more than 5,500 individuals each year;
 - \$2.4 million GF to expand access to substance use treatment at Community Services Boards for individuals ineligible for the Medicaid program;
 - \$1.0 million from the federal Mental Health Block Grant for specialized mental health services for the elderly;
 - \$750,000 from the federal Mental Health Block Grant for consumer-run mental health programs that promote peer recovery;
 - \$400,000 GF to harness the expertise at Southside and Southeastern Virginia Training Centers by creating Regional Community Support Centers in Petersburg and Chesapeake;
 - \$360,000 GF to maintain access to brain injury services and expand services at centers for independent living;

- Endorses the additional funding included in the budget as introduced for vocational rehabilitation services, but reduces the increase to \$500,000 GF.
- Provides \$3.9 million GF to provider rates to preserve access to Medicaid services, including:
 - Providing \$3.0 million GF to increase the rates paid for mental retardation (MR) and developmentally disabled (DD) waiver services by three percent;
 - Adding \$882,856 GF for a 5 percent rate differential for Mental Retardation and Developmental Disability waiver services in Northern Virginia; and
 - Endorses the following Medicaid rate increases included in the budget as introduced:
 - Increase for inpatient psychiatric services;
 - Increase to 15 percent for pediatric services; and,
 - Additional funding for child hearing aid services.
- Provides \$1.8 million above the introduced budget to provide modest expansions of services for low-income Virginians:
 - \$995,280 GF to boost the increase in the monthly auxiliary grant program to \$1,061 or five percent, when combined with the increase provided in the introduced budget;
 - \$500,000 to expand services provided through Community Action Agencies;
 - \$296,000 to increase home delivered meals for the elderly by \$1.0 million when added to the introduced budget;
 - Endorses additional funding provided in the budget as introduced to address the federal TANF reauthorization.

- Provides \$783,248 GF above the introduced budget to improve access to direct health care services, including:
 - \$480,643 GF to expand access to services for individuals suffering from sickle cell disease;
 - \$150,000 GF to continue funding to address the shortage of obstetrical services in rural communities;
 - \$100,000 GF to expand services for children suffering from hemophilia; and,
 - Endorses the expansion of prenatal care for low-income women up to 200 percent of the poverty level; expansion of intensive case management for pregnant women who are considered to be at high-risk; and, provision of the human papillomavirus (HPV) vaccine to young girls.
- Includes a series of budget reductions, compared to the budget, as introduced, totaling \$6.5 million:
 - To reduce funding by \$3.2 million GF for the Medicaid Alzheimer's Waiver to projected spending amounts;
 - To reduce funding by \$2.0 million GF for the Voluntary Quality Rating System; and,
 - To eliminate \$0.5 million GF for the Money Follows the Person Demonstration Grant, while requesting the Department to continue its efforts with an eye toward submitting a budget request for the 2008-10 biennium.

Public Safety

- Includes a new hold harmless provision for fiscal year 2008 for House Bill 599 aid to localities with police departments, with all of the growth in the program (in FY 2008 over 2007) distributed according to the current aid formula.
- Endorses \$8.2 million, as included in the introduced budget, to increase compensation for adult and juvenile correctional officers, including increases of \$1,200 for officers and \$600 for supervisors, effective November 25, 2007. Also included in this amount is funding to address salary compression and a Northern Virginia differential.
- Includes \$6.9 million of the amounts included in the introduced budget, to strengthen emergency preparedness through the Departments of Emergency Management and Military Affairs.
- Includes \$3.6 million of the amounts included in the introduced budget, for a series of amendments to strengthen programs assisting inmates leaving state correctional facilities to make a successful transition to their home communities in order to reduce recidivism.
- Provides \$2.5 million to support local victim-witness programs, for which the current nongeneral fund sources of revenue are insufficient to maintain the existing programs.
- Adds \$900,000 for mental health services in the nine remaining local and regional juvenile detention centers for which no state support for mental health has been provided.
- Provides that employees of local community corrections and pre-trial release programs will be considered state-supported local employees for purposes of compensation adjustment.

Virginia's Court System

- Provides \$9.0 million GF to increase payments to court-appointed counsel in criminal cases, under a waiver program.
- Provides \$2.3 million for 16 new positions for public defender offices and eight new positions for capital defender offices.
- Provides \$1.6 million to increase the salaries for attorneys in public defender offices by ten percent, attorneys in capital defender offices by 25 percent, and administrative and support staff by ten percent, effective November 25, 2007, subject to the approval of the Indigent Defense Commission.
- Strengthens the Circuit Courts by adding \$927,324 for four new judges for the 10th, 26th, 27th, and 30th circuits (SB 1174), as recommended by the Judicial Council of Virginia.
- Strengthens the District Courts by adding \$630,339 for three new General District Court judges for the 2nd, 11th, and 26th districts and two new Juvenile and Domestic Relations District Court judges for the 1st and 28th districts (SB 1175), as recommended by the Committee on District Courts.

Transportation

- Includes \$500.0 million GF and \$161.4 million NGF for a total of \$661.4 million for transportation.
- The \$161.0 million from the general fund is deposited to the Priority Transportation Fund to pay debt service on projects determined by the Commonwealth Transportation Board to be of statewide significance.
- The remaining \$339.0 million GF is distributed as follows:

Allocation of One-time General Fund Dollars
(in millions)

Item	Amount
1. Complete 5 rail projects in I-95 corridor	\$20.0
2. Improve rail between Manassas and Front Royal	40.0
3. WMATA rolling stock	20.0
4. VRE rolling stock	15.0
5. Norfolk light rail rolling stock	10.0
6. State support for local capital transit needs	15.0
7. Route 164 median rail relocation	40.0
8. Design work for Craney Island Marine Terminal	10.0
9. Local road revenue sharing	23.1
10. Bus purchases for Loudoun County transit	2.5
11. Preliminary design for VRE expansion to Gainesville	1.5
12. Acquisition of Norfolk Southern ROW in Tidewater	10.0
13. Update design for Route 37 Eastern Bypass	1.5
14. Transportation Partnership Opportunity Fund	<u>130.4</u>
TOTAL	\$ 339.0

- The \$161.4 million from nongeneral funds is based on anticipated revenues generated by Senate Bill 1379. These funds are allocated as follows:
 - \$125.4 million for highway and road maintenance;
 - \$23.2 million for local transit capital and operating expenses;
 - \$5.8 million for the Lewistown Bridge project in Hanover County;
 - \$3.0 million for the Shortline Railway Preservation Fund;

- \$1.5 million for construction of a commuter parking lot in Prince William County.
- Adds \$13.0 million NGF for the Real ID program administered by DMV and \$1.0 million GF for the Virginia Port Authority to pay for police and fire services provided by local governments in Hampton Roads. These amounts are in addition to the amounts previously noted.

Natural Resources

- Continues the Senate's support for improving water quality and promoting conservation, including:
 - \$9.1 million for the **Water Quality Improvement Fund**, to reduce the amount of nutrients discharged into the Chesapeake Bay from wastewater treatment plants and from rain runoff;
 - \$8.0 million to the Virginia Land Conservation Fund, Virginia Outdoors Foundation, Department of Agriculture and Consumer Services and other agencies for grants to secure parks, natural areas, farms, forests and historic sites;
 - \$9.1 million for the combined sewer overflow projects in the Cities of Richmond and Lynchburg, which will also benefit the Chesapeake Bay;
 - \$1.0 million for equipment and maintenance needs for Virginia's state parks and natural area preserves; and,
 - \$916,000 for operating support, and repairs of dams owned by the soil and water conservation districts.
 - \$75,000 for the Virginia Indian Heritage Program.

Economic Development

- Provides \$12.0 million for the SRI International project in Harrisonburg.
- Provides \$4.0 million to fund real property improvements in the Enterprise Zone Program, and \$4.0 million to fund additional workforce training projects.
- Provides \$300,000 to the Virginia Small Business Financing Authority's capital access program to make credit more easily available for small businesses in rural Virginia.
- Provides \$1.0 million to the Department of Housing and Community Development for a pilot program to increase housing opportunities for working families.
- Provides \$2.75 million for the Governor's Opportunity Fund.
- Includes \$2.5 million to reduce the number of homes in Virginia without indoor plumbing.

General Government

- Includes \$10.8 million GF for per diem payments to support the maintenance of prisoners in local and regional jails.
- Provides \$11.5 million GF for localities and regional jails with public safety employees in the Law Enforcement Officers Retirement System.

Compensation

- Includes \$11.9 million GF for the state share of the health care credit for retired teachers, as provided in SB 1218.
- Adds \$6.6 million GF for enhancements to retirement benefits for state police officers, pursuant to SB 1166.
- Includes \$1.2 million GF to extend the salary differential for State Police officers in Northern Virginia to include State Police Areas 5 and 12 (including Stafford, Spotsylvania, Fauquier, and Rappahannock Counties and the Town of Warrenton).
- Provides \$3.8 million to support FY 2008 salary increases totaling 6% for judges and 8% for district court employees.
- Endorses \$9.8 million GF, as included in the introduced budget, for the employer's share of the FY 2008 health insurance rate increase.
- Endorses \$10.1 million GF, as included in the introduced budget, for the actuarial cost of other post-employment benefits, in response to recent changes in governmental accounting standards.

Non-State Agencies

- Adds \$7.2 million GF the second year for grants to non-state agencies, which brings the FY 2008 total to \$14.7 million.

Capital Outlay

- Recommends a total of \$222.1 million GF for capital projects:

Cost Overruns	\$137.1
Equipment	\$42.5
Planning	\$19.5
Renovations	16.0
New Construction	<u>\$7.0</u>
Total	\$222.1

- Included within the \$7.0 million for new construction is \$0.6 million for the new veterans' cemetery for Southwest Virginia, and \$1.5 million for the educational wing at the Virginia War Memorial.