

SENATE OF VIRGINIA

Senate Finance Committee

Overview of Committee Budget Amendments to SB 800, as Introduced

February 10, 2011

Presentation Outline

2

- Overview/Resources
- Compensation
- K-12 Education
- Higher Education
- Health and Human Resources
- Public Safety
- Judicial
- Econ. Development and Nat. Resources
- Transportation
- General Government
- Capital Outlay

Overview/Resources

Senate Finance Committee Recommendations

- Objectives:
 - Direct general fund resources to core areas of education, health care, and public safety.
 - Make pre-payment of \$100 million to reduce VRS rate deferral.
 - Support recommendations that retain jobs and spur job creation.
- Strategies/Resources
 - Redirect \$150 million GF proposed for transportation to education, health care, and public safety.
 - Governor's February revenue revision of \$152 million.

Recommended Net Budget Actions: Changes to SB 800, as Introduced

5

(\$ in millions)	FY 2010-12
K-12 Public Education	\$ 100.6
Health and Human Resources	114.3
Higher Education (above \$80 million in SB 800)	19.8
Public Safety	37.8
Eliminate 2% Reduction in Take-Home Pay; ORP Reduction	40.1
Rainy Day Fund Reserve	20.3
Economic Development	11.3
Comp Board - Sheriffs	6.5
Capital Outlay	5.9
Natural Resources	5.4
Other Education	1.3
Judicial Balances Restored \$4.8 million	Balances
State Bar \$2.5 million Restored	Transfers
Transportation - Redirect GF	(150.0)
Unemployment Interest Payment Contingent	(8.9)
Other Savings Redirected	(29.1)
Total	\$ 175.3

SENATE FINANCE COMMITTEE

Proposed VRS/Employee Compensation Actions

6

- Begin early repayment of VRS rate deferral by increasing VRS contribution rate for FY 2012 by 2.4% over FY 2011 = \$100.3 million GF.
 - For state employees: \$69.3 million GF.
 - For teachers: \$31.0 million GF.

- Reverse proposed requirement that employees pay 5% toward retirement, offset by 3% pay increase.
 - Eliminates 2% reduction in take-home pay.
 - Reverse proposed reduction in contribution rate to Optional Retirement Plans.
 - \$58 million in spending to reverse these actions.

SENATE FINANCE COMMITTEE

Recommended Resource Adjustments

7

- Revenue Forecast: Governor's interim forecast adds \$65.0 million in FY 2011, and \$87.0 million in FY 2012.
 - Adjustment based on "money in the bank", primarily withholding, rather than a change in the fundamental economic forecast assumed in the budget as introduced.
- Includes change to federal tax conformity adopted last year, to extend the Cancellation of Debt provision to a portion of taxable year 2010 income.
 - Results in a downward adjustment of \$14.9 million in FY 2011, which is offset by a positive \$7.4 million in FY 2012 and FY 2013.
- Reduces transfers to the GF by \$18.2 million due to reversal of employee compensation actions proposed in budget as introduced.

SENATE FINANCE COMMITTEE

8

Compensation

SENATE FINANCE COMMITTEE

Compensation and Benefits

9

- Recommended amendments to compensation and benefit actions have a combined impact equal to saving \$17.4 million GF compared to the introduced budget.

SB 800				
	<u>Introduced</u>	<u>SFC</u>	<u>Change</u>	<u>Description</u>
1.	\$176.0	\$100.3	(\$75.7)	Partial restoration of VRS <u>employer</u> contributions deferred in Ch 874
2.	(\$58.3)	\$0.0	\$58.3	(Savings) Spending on Employee Compensation
	\$66.9	\$0.0	(\$66.9)	3% state employee salary increase on July 1, 2011
	(\$99.9)	\$0.0	\$99.9	5% state employee retirement contribution (GF)
	(\$18.2)	\$0.0	\$18.2	5% state employee retirement contribution (NGF Transfers)
	(\$51.2)	\$0.0	\$51.2	Net change – Classified <u>State</u> Employees
	(\$7.1)	\$0.0	\$7.1	Reduction in ORP employer contribution rate from 10.4% to 8.5%

(\$ in millions)

SENATE FINANCE COMMITTEE

Partially Restore VRS Rates

10

- Chapter 874 (2010) captured savings of \$621.3 million from the partial deferral of VRS employer retirement rates in FY 2011 and FY 2012.
- Recommended amendments to SB 800 reduce the deferral for FY 2012 by \$100.3 million GF for a revised deferral of \$521.1 million GF.

Description	FY 2011	FY 2012	Biennium
	(\$ in millions)		
2010 Session VRS Deferral			
Revenues: State	\$163.0	\$170.1	\$333.2
Appropriations: Teachers	(\$162.1)	(\$126.0)	(\$288.2)
Subtotal: 2010 Session GF Impact	\$325.2	\$296.2	\$621.3
2011 Session VRS Increase			
Revenues: State	\$0.0	(\$69.3)	(\$69.3)
Appropriations: Teachers	\$0.0	\$31.0	\$31.0
Subtotal: 2011 Session GF Impact	\$0.0	(\$100.3)	(\$100.3)
Net VRS Deferral			
Revenues: State	\$163.0	\$100.8	\$263.9
Appropriations: Teachers	(\$162.1)	(\$95.1)	(\$257.2)
Net 2011 Session GF Impact	\$325.2	\$195.9	\$521.1

SENATE FINANCE COMMITTEE

Employee VRS Contribution

11

- Restores **net** savings of \$51.2 million GF proposed in FY 2012 from reinstatement of the employee contribution for VRS retirement.
 - \$99.9 million GF savings and a \$18.2 million NGF transfer were to be partially offset by \$66.9 million GF for a proposed 3% salary increase on July 1, 2011.
- The employee contribution for VRS retirement is currently set at 5% by § 51.1-144 of the Code of Virginia.
 - The Commonwealth assumed payment of this 5% contribution in lieu of a salary increase in 1983.
 - **This assumption was affirmed for existing employees in HB 1189 and SB 232 (2010).**
 - Most local employers have also assumed payment of the 5% employee contribution.

SENATE FINANCE COMMITTEE

Optional Retirement Plan Contribution

12

- Restores proposed savings of \$7.1 million GF in FY 2012 from reducing the employer contribution rate for employees hired before July 1, 2010 from 10.4% to 8.5%.
- The Code of Virginia provides for three optional retirement plans:
 - Faculty,
 - State appointed officials, and
 - School superintendents.
- These are defined contribution plans.
- The employer contribution rates are set at 10.4% for existing employees by the Code of Virginia.
 - **This rate was affirmed for existing employees in HB 1189 and SB 232 (2010).**

SENATE FINANCE COMMITTEE

State Employee Bonus

13

- Eliminates the proposed one-time contingent bonus payment for state employees equal to 2.0% of base pay on December 1, 2011.
 - Would have applied only to **state** employees, except elected officials.
 - The estimated cost of providing this bonus to all state and state-supported employees would be approximately \$136 million GF.

SENATE FINANCE COMMITTEE

14

K-12 Education

SENATE FINANCE COMMITTEE

Public Education

15

- **Adds a net \$100 million GF above SB 800, as introduced.**
 - Provides \$87.7 million for the state's share of an additional \$129.81 per student from Lottery Proceeds.
 - As flexible additional support for school operating or construction costs
 - GF for SOQ Textbooks, ESL, Remedial Summer School
 - In addition, \$16.6 million for the remaining amounts to “make whole” the localities affected by the “Composite Index hold harmless payments” in the 2010 adopted budget adjusted for final 2010 actions and projected enrollment.
 - Directly approaches restorations to the retirement system through an increase of 2.4% in the employer contribution rate for teachers' retirement.
 - 3.93% in FY 2011, 6.33% in FY 2012
 - State's share is \$31 million more than Ch. 874 in 2010
 - Additional local contributions of approx. \$44 million would also be made

SENATE FINANCE COMMITTEE

Summary of K-12 Education Amendments to SB 800, as Introduced

16

GF, \$ in millions	2010-12
Sec. of Ed. – Public Television CSGs and Instructional Telecommunications	\$2.6
Sec. of Ed. – Reduce Grants to Plan College Lab Schools	(0.3)
\$130 Per Student Support for School Operating or Construction Costs (Lottery) - GF for SOQ Textbooks, ESL, Remedial Summer School	87.7
Remaining Composite Index Hold Harmless	16.6
Fully Fund SOQ Textbooks	18.4
Capture Estimated PreK Participation Savings	(2.0)
Reduce Performance Pay Pilot to \$1M	(2.0)
Expand Virtual Virginia Courses and Sections	1.5
Cooperative Procurement – Reg. Purchasing, Analysis of Statewide Health Insurance	0.5
Employer Contribution Rate for Teacher Retirement – Reverse Intro. Budget Change	(53.2)
Employer Contribution Rate for Teacher Retirement – Increase Rate 2.4% over FY 11	31.0
	\$100.6

SENATE FINANCE COMMITTEE

Developing a Funding Framework for Virtual Education

17

Language Amendments

- Freeze the 100% state-funded enrollment in the full-time online program (Carroll Co.) at 350 students.
 - For any other programs, for FY 2012 state per pupil funding shall be based on the student's place of residence, consistent with the state share had they enrolled in their district of residence.

- Legislative Joint Subcommittee to study funding options for virtual education programs, including per pupil amount and state-local shares.

SENATE FINANCE COMMITTEE

Public Broadcasting Office of the Secretary of Education

18

- Three amendments:
 - Restore \$730,000 to public television and update purposes to include public safety/emergency programming.
 - Restore \$1.9 million to instructional telecommunications.
 - Transfer radio reading services to Dept. of Blind and Vision Impaired (companion amendment).

	<u>Ch. 874</u>	<u>SB 800 Redux</u>	<u>SFC Amend</u>	<u>New Totals</u>
CSGs – Public TV stations	\$1,444,192	(\$957,872)	\$730,000	\$1,216,320
CSGs – Public radio stations	471,551	0.0	0.0	471,551
Instructional telecommunications	2,101,173	(1,110,668)	1,948,377	2,938,882
Radio reading service	<u>120,163</u>	<u>0.0</u>	<u>(120,163)</u>	<u>0</u>
	\$4,137,079	(\$2,068,540)	\$2,558,214	\$4,626,753

SENATE FINANCE COMMITTEE

Other Education

Other Education Agencies

GF Amendments to SB 800, as Introduced	FY 2011	FY 2012
Virginia Commission for the Arts		\$732,390
Jamestown-Yorktown		\$399,922
Virginia Museum of Fine Arts	\$50,000	\$100,000
Virginia Museum of Fine Arts		11.5 MEL
Gunston Hall		Language
Frontier Culture		NGF Adj.

Higher Education

Overview of Higher Education

- Adds about \$19.8 million GF over the biennium **above SB 800, as introduced.**
 - The Committee incorporated or redirected the funding of **\$80.4 million GF** over the biennium that was included in SB 800.
 - In SB 800, \$50.0 million GF was budgeted under Central Appropriations to address program initiatives under consideration by the Higher Education Commission.
 - Committee makes available **\$50.9 million GF** to fund the ideals of the Commission's work but allocate the funding by institution.
 - \$23.1 million for base adequacy or enrollment growth.
 - \$14.0 million for undergraduate financial aid for low-income and middle-income families.
 - \$10.6 million for operations and maintenance funding.
 - \$3.1 million for technology or academic transformation.
 - \$150,000 for a regional grant pilot program.

Overview of Higher Education (continued)

23

- Reverses the \$10.0 million GF Higher Education Reversion Clearing Account under Central Appropriations included in the 2010 session budget.
- Recommends \$5.0 million GF for Cancer Research at the University of Virginia in FY 2012 (equal to the amount included for Virginia Commonwealth University).
- Over the biennium, proposes \$1.7 million GF for the Two-Year College Transfer Grant, \$735,000 GF for the Virginia Military Survivors and Dependents Program, and \$350,000 GF for the space grant program.
- Recommends \$2.0 million GF and 50 extension agent positions for Cooperative Extension at Virginia Tech.
- Proposes \$1.5 million GF for workforce development programs at the Virginia Community College System in FY 2012, redirecting \$1.5 million GF to other funding priorities within the agency.
- Reverses additional targeted reductions at the State Council of Higher Education for Virginia and Jefferson Lab and recommends some funding for various centers, about \$600,000 GF.

SENATE FINANCE COMMITTEE

Summary of Proposed Amendments

24

GF Amendments to SB 800, as Introduced - (\$ in millions)

Action/Initiative	SFC Amend.
Redirect Higher Education Commission Initiatives	(\$50.0)
HE Institution Allocation for Base Operations & Enrollment/Technology	26.2
HE Institution Allocation for Financial Aid/Pilot Regional Aid	14.2
HE Institution Allocation for Operation and Maintenance	10.6
Fund VA Military Surv. & Dep. Program/Space Grant/Transfer Grant	2.8
Restore Reductions to Requested Centers/Fund Hylton Center	0.3
Fund UVA Cancer Research	5.0
Redirect VCCS Workforce Development	(1.5)
Fund Virginia Tech Extension Agents	2.0
Restore Targeted Reductions (SCHEV and Jefferson Lab)	0.3
HE Agency Total	\$9.8
Reverse HE Reversion Clearing Account	\$10.0
Total	\$19.8

SENATE FINANCE COMMITTEE

Other Actions

25

- Proposes language to provide oversight and to further delineate agency funding between research and extension at the Virginia Cooperative Extension and Agricultural Experiment Station at Virginia Tech.
- Reverses action to reduce contribution rate to the Optional Retirement Plans at higher education institutions.
- Proposes \$10.0 million under economic development for research.
- Committee amendments make further adjustments to the nongeneral fund to reflect FY 2011 tuition and fee actions at the request of higher education institutions.
 - The proposed adjustments include the request for VCU that had been altered in SB 800.

SENATE FINANCE COMMITTEE

26

Health and Human Resources

SENATE FINANCE COMMITTEE

Health and Human Resources Overview

27

- The Committee's amendments to the introduced budget (SB 800) include a **net general fund increase of \$114.3 million** in Health and Human Resources.
 - The Governor's amendments included **\$76.4 million** in additional general funds in HHR.
- The primary difference between the introduced budget and the SFC's amendments are related to:
 - Restorations for Medicaid providers and services, and
 - Funding for the Comprehensive Services Act.

SENATE FINANCE COMMITTEE

Net Difference in HHR (General Fund \$ in millions)

28

SFC Amendments to SB 800, as Introduced	
Agency	SFC Amendments
Medical Assistance Services	\$101.2
Behavioral Health & Dev. Services	-0-
Social Services	4.1
Comprehensive Services Act	12.5
Department of Health	(2.4)
Rehabilitative Services	1.0
All other HHR Agencies	(2.1)
NET Change in GF Appropriations	\$114.3

SENATE FINANCE COMMITTEE

Medicaid Provider Rates

29

- Many Medicaid providers are facing a 4% reduction to reimbursement rates on July 1, 2011.
- The introduced budget partially restored funding for nursing homes.
- The proposed amendments restore \$82.3 million GF and \$78.7 million in matching federal Medicaid funds for providers.
 - Fully restore rate reductions for inpatient hospital services, nursing homes, physician and dental services, and Lake Taylor Rehabilitation Hospital.
 - Reduce 5% reduction to home and community-based waiver services to 1%.
 - Partially restore funding for other services (e.g., teaching hospitals, hospital outpatient & capital reimbursements, therapeutic day treatment, and residential psychiatric facilities).

SENATE FINANCE COMMITTEE

Medicaid Provider Rates

(General Fund \$ in millions)

30

SFC Amendments to SB 800, as Introduced	
Payments	SFC Amendment
Hospital inpatient, outpatient & capital	\$30.9
Physician and dental services	17.0
Home & community-based waiver rates	14.4
Nursing home operating & capital rates	13.8
Indigent care at teaching hospitals	3.6
All other	2.6
NET Change in GF Appropriations	\$82.3

SENATE FINANCE COMMITTEE

Medicaid Services

(\$ in millions)

31

- The Committee's amendments include \$22.4 million GF to restore Medicaid services including:
 - \$21.2 million to maintain the number of hours of respite care that can be provided to waiver recipients at 720 hours instead of falling to 240;
 - \$625,306 to lift proposed limits on payments for environmental modifications and assistive living under Medicaid's waivers; and
 - \$487,500 to restore funding for podiatry services in Medicaid and FAMIS.

SENATE FINANCE COMMITTEE

Medicaid Waivers

32

SFC GF Amendments to SB 800, as Introduced (\$ in millions) and number of waivers	
	SFC Amendment
Additional GF for Medicaid Waivers	(\$1.3)
	# of waivers
Intellectual Disability Waivers (community)	100
Intellectual Disability Waivers (discharge from state training centers)	75
Developmental Disabilities Waivers	100
TOTAL, Medicaid Waivers	275

SENATE FINANCE COMMITTEE

Comprehensive Services Act

(\$ in millions)

33

- The Committee restores general fund support for CSA services including:
 - Adding back \$5.0 million for children who are not “mandated” for CSA services; and
 - Restores \$7.5 million to reduce the local match rate for therapeutic foster care (TFC) services.
 - Budget language requires additional reporting on TFC and special education services.

SENATE FINANCE COMMITTEE

Other Significant HHR Increases

34

Other HHR Increases (GF \$ in millions)	
DSS: Restore funding for local DSS operations	\$5.8
Health: Preserve access to core public health services	1.0
DRS: Restore funding for vocational rehabilitation and brain injury services and Centers for Independent Living	1.0
DSS: Restore funding for Early Childhood Foundation	0.3

SENATE FINANCE COMMITTEE

Other Significant HHR Decreases

35

Other HHR Decreases (GF \$ in millions)	
Health: Vital Records Fees to Support Operations of Chief Medical Examiner	(\$2.5)
DSS: Increased Retained TANF Collection for Child Support	(2.1)
DMAS: Estimated savings from expansion of Plan First	(1.5)
SHHR: Eliminated funding for operational & program audits	(1.4)
DBVI: Reduced first year increase for Voc. Rehab Services	(1.0)
Health: Eliminated funding for Operation Smile	(0.5)
Health: Eliminated GF for Abstinence Education Grant	(0.4)

SENATE FINANCE COMMITTEE

Initiatives Endorsed by SFC Amendments

36

Proposals SFC Recommends from Introduced Budget	
DBHDS: Full funding to the Center for Behavioral Rehabilitation (SVP program)	\$24.4
DBHDS: Expand community-based MH/ID Services	11.4
DBHDS: Increase staff ratios at state ID training centers	7.1
Health: Additional GF for Aids Drug Assistance Program	7.2
DSS: Funding for the Virginia Federation of Food Banks	0.5

SENATE FINANCE COMMITTEE

Public Safety

Department of Corrections

- Closure of James River Correctional Center on April 1, 2011, saves an additional \$1.5 million, beyond the \$10.9 million we assumed last year.
- Opening of new correctional center in Grayson County:
 - \$12 million (220 FTE) to phase-in 2 of 4 housing units.
 - \$1 million (12 FTE) to open Department of Correctional Education school.
- Payments in lieu of taxes (+\$1.2 million).
- Inmate medical expenses (+\$8.1 million).

State Police

39

- Adds \$5.3 million to fill second year hole in maintenance of State Agencies Radio System (STARS).
- Accelerates opening of Basic Trooper Schools, to help alleviate current vacancy rate among sworn positions, which is currently 12.9%.
- Adds \$3 million for State Trooper overtime for hours worked between 40 and 43 hours per week.

SENATE FINANCE COMMITTEE

HB 599

40

- Committee adds \$18.7 million in FY 2012 to “level fund” state aid to localities with police departments.

Actual FY 2008	\$205.0 million
Actual FY 2009	\$197.3
Actual FY 2010	\$180.8
FY 2011 (SB 800, Introduced)	\$178.7
FY 2012 (SB 800, Introduced)	\$160.0
FY 2011 (SFC proposed)	\$178.7
FY 2012 (SFC proposed)	\$178.7

SENATE FINANCE COMMITTEE

Other Actions

41

- **Department of Juvenile Justice**
 - Restores \$2.5 million for local juvenile diversion and crime control programs (VJCCCA).
 - Study of closing additional juvenile correctional center, and reallocating savings to regional transitional programs.
- **Department of Veterans Services**
 - Restores 7 claims positions (+\$0.4 million).
 - Virginia War Memorial (+\$150,000).
 - Local veterans services office grant (+\$50,000 per SB 1357).

SENATE FINANCE COMMITTEE

42

Judicial

SENATE FINANCE COMMITTEE

Overview of the Judicial Department

43

- Adds \$4.8 million in the second year to fill all judicial vacancies.
- Restores \$2.5 million of the \$5 million in dedicated special fund balances proposed to be transferred to the general fund in the budget as introduced.

SENATE FINANCE COMMITTEE

44

Economic Development and Natural Resources

SENATE FINANCE COMMITTEE

Agriculture & Forestry

45

- Provides GF increases of \$2.7 million for Agriculture and Forestry:

Farmland Preservation	\$1.4 million
Promotion of Virginia Farm Wineries	\$557,416
Restore Positions in the Department of Forestry	\$300,000
Forest Firefighting Equipment	\$286,719
Agriculture Stewardship Act Program	\$185,962

- Provides an increase of \$3.8 million NGF and resulting \$1.6 million GF savings for the Weights and Measures Program:
 - SB 973 provides for one tenth of one cent fee per gallon on motor fuels dedicated to the program.
 - Requires all gasoline pumps to be inspected at least annually.

SENATE FINANCE COMMITTEE

Commerce & Trade Increases

46

- Provides \$36.9 million GF for FY 2012 for economic development and job creation, focused on small businesses and revitalization of historic downtowns, industrial sites and economically distressed areas.

(GF \$ in millions)

Commonwealth Research Commercialization Fund	\$10.0
Fully Fund Enterprise Zone Grant Program	\$7.5
Recapitalize Small Business Loan Programs	\$5.0
Rehabilitation of Derelict Structures/Main St. Program	\$4.5
Expand Tourism Marketing/Support Tourism Projects	\$3.0
Brownfield Restoration and Redevelopment Fund	\$2.0
Establish Tourism Development Loan Fund	\$2.0
Motion Picture Opportunity Fund	\$2.0
Offshore Wind Development Fund	\$0.5
Regional Economic Development Collaboration	\$0.4

SENATE FINANCE COMMITTEE

Commerce & Trade Budget Related Legislation

47

- Included in the revenue assumptions for FY 2012 are **GF reductions totaling \$10.3 million** for three initiatives in separate legislation passed by the Senate:
 - \$5.0 million for a Refundable Research and Development Tax Credit targeted at start-up and early stage R&D companies;
 - \$5.0 million for a Virginia Port Tax Incentive to attract businesses to import and export goods through the Port of Virginia; and
 - \$250,000 for a Virginia Winery and Vineyard Development Tax Credit to establish a refundable tax credit for vineyard establishment and winery expansion.

SENATE FINANCE COMMITTEE

Commerce & Trade Other Actions

48

- Provides \$8.9 million GF as a contingent appropriation from Revenue Stabilization reserve funds for interest payments owed to the federal government from loans to meet shortfalls in the Unemployment Trust Fund.
 - Requires the Virginia Liaison Office to work with the Congressional Delegation to seek deferral of interest payments, as Congress did for 2010.
 - Allows \$3.0 million NGF in FY 2012 from penalties and interest collected by VEC on underpayments from employers if the interest is not forgiven.
- Eliminates \$7.5 million GF in FY 2012 for the City of Virginia Beach to match local funds for mitigating encroachment at Oceana.
- Eliminates \$900,000 GF in FY 2012 for Biotechnology Wet-Labs.

SENATE FINANCE COMMITTEE

Natural Resources-Nonpoint Source Water Quality Improvement Fund

49

- Provides \$32.8 million GF in FY 2011 from the statutorily-required WQIF deposit for nonpoint source projects administered by the Department of Conservation and Recreation.
 - \$27.8 million GF transferred to the Natural Resources Commitment Fund, which is dedicated to agricultural best management practices.
 - 8% of this amount is required to be distributed to soil and water conservation districts for technical assistance.
 - \$5.0 million GF remains in the Water Quality Improvement Fund to be used for other nonpoint source projects.

SENATE FINANCE COMMITTEE

Natural Resources-Point Source Water Quality Improvement Fund

50

- Provides \$107.9 million NGF in FY 2012 for the Department of Environmental Quality from Virginia Public Building Authority bonds to fund the Commonwealth's share of the design and installation of nutrient removal technology at publicly owned wastewater treatment projects.
 - These projects have signed grant agreements with DEQ and are already under design and construction.
- Provides \$3.6 million GF for point source projects from the statutorily-required WQIF deposit.
 - Authorizes up to \$3.0 million to conduct a James River chlorophyll study pursuant to the Watershed Implementation Plan recently approved by the U. S. Environmental Protection Agency.

SENATE FINANCE COMMITTEE

Natural Resources – Other Proposed Increases

51

- Provides \$2.0 million GF in the Department of Conservation and Recreation for the Virginia Land Conservation Fund.
 - \$1.0 million GF of this is transferred to the Department of Historic Resources for the Civil War Historic Site Preservation Fund.
- Provides \$1.0 million GF for Dam Safety to match federal funds.
- Provides funding to restore prior-year budget cuts:

State Park Operation and Maintenance	\$1.2 million
Soil and Water Conservation Districts	\$1.0 million
Natural Heritage Program	\$906,000
Marine Resource Commission Law Enforcement	\$240,000

SENATE FINANCE COMMITTEE

52

Transportation

SENATE FINANCE COMMITTEE

Overview of Transportation

53

- The Committee amendments authorize funding for the Virginia Transportation Infrastructure Bank of \$250.0 million from existing Commonwealth Transportation Fund balances.
 - Requires Secretary to certify a list of projects where balances are generated prior to making a deposit to the Bank.
 - The Infrastructure Bank is established under SB 1446 (Wampler & Colgan).
 - The amendments **reject** the proposed deposit of \$150.0 million general funds to transportation programs.
- Requires the Department of Aviation to develop a Virginia Strategic Plan for Aerospace and transfers funding responsibility for the Virginia Commercial Spaceflight Authority to DOAV.
 - Provides an increase of \$600,000 NGF in the second year.

SENATE FINANCE COMMITTEE

Other Transportation Initiatives

54

- Senate amendments retain the Governor's proposed FY 2012 spending priorities within VDOT.
 - Dedicates \$50.0 million to the Transportation Partnership Opportunity Fund.
 - Increases by \$35.0 million the funds dedicated to the local revenue sharing program.
 - Increases by \$10.0 million the funding allocated for Transportation Research.
 - Authorizes allocations to "state-only" construction projects selected by the Commonwealth Transportation Board.

SENATE FINANCE COMMITTEE

Rail and Public Transportation

55

- Prohibits the transfer or expenditure of Commonwealth Mass Transit Funds for purposes other than those public transportation purposes identified in the Code of Virginia.
- Directs the CTB to authorize up to \$1.5 million of federal Congestion Mitigation and Air Quality (CMAQ) funds available in the second year to assess transit improvements in the Route 1 corridor pursuant to Senate Joint Resolution 292 (2011).
- Requires the DRPT and CSX to limit the amount of time that hazardous or explosive materials can be stored on certain rail properties to 24 hours or forfeit eligibility for Commonwealth Rail Enhancement Funds after July 1, 2012.
 - Exempts appropriations that support passenger rail capital and operating projects including the Virginia Railway Express and the Richmond-Norfolk passenger rail demonstration project.

SENATE FINANCE COMMITTEE

Other Transportation Agencies

56

- Allows the use of Commonwealth Port Fund bonds to include construction of warehouse facilities at the Newport News Marine Terminal and reinstates a requirement for the mandatory reappropriation of unexpended Port construction balances.
- Requires the Department of Motor Vehicles to analyze the location of DMV Select program offices and the length of time DMV Select program agents have been providing services prior to making any change to the DMV Select program offices.

SENATE FINANCE COMMITTEE

General Government

Technology

Overview of Technology

59

- The Committee amendments in FY 2011 and FY 2012 retain the Governor's proposed new spending totaling \$52.4 million GF within Central Accounts to address increased technology costs.
 - Impact of rate structure on small and mid-sized agencies - \$14.0 million.
 - Impact of funds not appropriated in FY 2010 - \$9.7 million.
 - Cost of Living Adjustment for Northrop Grumman - \$7.1 million.
 - Recovery of agency reserve - \$6.0 million.
- The proposed funding primarily benefits 11 GF agencies including: DEQ, DGS, DOA, TAX, DOC, DJJ, VDEM, DMME, VDH, DBHDS, and DFS.

SENATE FINANCE COMMITTEE

Other Technology Actions

60

- Eliminates a proposed increase of \$250,000 GF for the funding of Productivity Incentive Fund projects to evaluate and implement proposals for operational efficiencies and to provide funding for rewards for reporting Waste, Fraud, and Abuse Whistle Blower Protection Act.
- Includes several technical language amendments and fund corrections within the Wireless E-911 Services Board.

SENATE FINANCE COMMITTEE

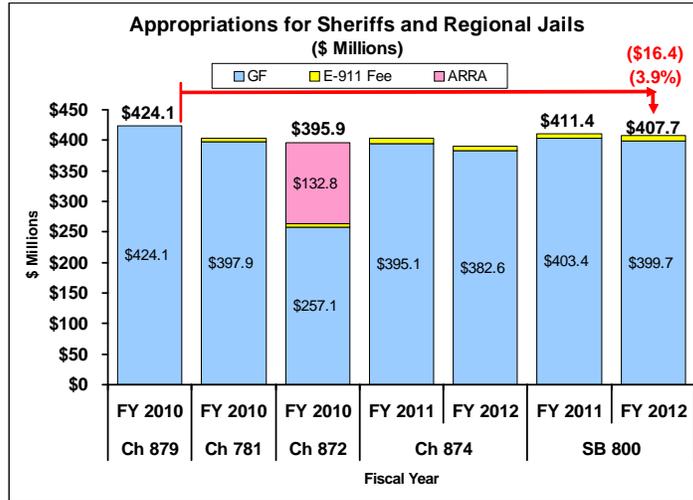
Administration

Compensation Board

- The recommended 2010-12 biennial budget for locally elected constitutional officers results in a net increase of \$30.1 million GF compared Chapter 874 (2010) – a 2% increase.
 - \$23.1 million GF in lieu of the Public Safety fund proposed in 2010.
 - \$7.4 million GF for per diem payments for prisoners in local and regional jails.
 - \$1.3 million GF to staff new jail beds.
 - (\$1.7) million GF from elimination of state support for liability insurance and surety bonds.

Change in Compensation Board Funding

63



SENATE FINANCE COMMITTEE

Compensation Board: Change in GF Support

64

Description	Ch 879	Ch 781	Ch 872	Ch 874		SB 800		Change			
	FY 2010	FY 2010	FY 2010	FY 2011	FY 2012	FY 2011	FY 2012	Ch 874 v SB 800		Ch 879 v SB 800	
								\$	%	\$	%
Local Sheriffs and Regional Jails (Staff)	424.1	397.9	257.1	395.1	382.6	403.4	399.7	17.1	4.5%	-24.4	-5.8%
Per Diem Payments	79.8	71.7	68.1	47.6	49.9	55.0	49.9	0	0.0%	-29.9	-37.5%
Commonwealth's Attorneys	67.4	66.2	62.5	63.9	63.9	63.9	63.9	0	0.0%	-3.5	-5.2%
Clerks of Circuit Courts	41.1	42.1	37.2	41.5	41.5	41.5	41.5	0	0.0%	0.4	1.0%
Treasurers	19.9	20.2	18.3	16.2	16.2	16.2	16.2	0	0.0%	-3.7	-18.6%
Commissioners of the Revenue	20.2	20.4	18.4	17.0	17.0	17.0	17.0	0	0.0%	-3.2	-15.8%
Directors of Finance	6.7	6.8	5.8	5.2	5.2	5.2	5.2	0	0.0%	-1.5	-22.4%
Constitutional Officers Liability Insurance	3.4	1.3	1.3	1.7	1.7	1.7	0	-1.7	-100.0%	-3.4	-100.0%
Compensation Board (Administration)	3.6	4.5	4.2	3.4	3.4	3.4	2.3	-1.1	-32.4%	-1.3	-36.1%
Total	\$666.2	\$631.1	\$472.9	\$591.6	\$581.4	\$607.3	\$595.7	-14.3	2.5%	-70.5	-10.6%

SENATE FINANCE COMMITTEE

Finance

Major Changes in SB 800 (2010-12)

- \$20.3 million GF for additional Rainy Day Fund deposit in FY 2013.
 - Language allows the use of the \$70.3 million GF reserved for deposit to the Revenue Stabilization Fund for the costs of federal mandates.
- \$10.5 million GF for additional debt service requirements.
- (\$31.8) million GF debt service savings to reflect lower interest rates.

Capital Outlay

SENATE FINANCE COMMITTEE

Funding by Project Category

- Recommended GF projects total \$653.1 million for six project categories:

	<u>GF/GF Bonds</u>		
	<u>Introduced</u>	<u>Change</u>	<u>SFC</u>
New Construction and Renovations	\$53.5	\$525.2	\$578.7
Equipment for Previously Approved Projects	\$44.5	\$6.7	\$51.2
Maintenance Reserve	\$8.6	\$0.0	\$8.6
Project Supplements	\$7.3	\$0.0	\$7.3
Acquisition	\$3.3	\$0.0	\$3.3
Preplanning	<u>\$0.0</u>	<u>\$4.0</u>	<u>\$4.0</u>
Total, GF/GF Supported Capital Projects	\$117.2	\$535.9	\$653.1

SENATE FINANCE COMMITTEE