

SENATE OF VIRGINIA

Senate Finance Committee

Overview of Senate and House Budget Conference

February 27, 2011

Presentation Outline

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

Overview/Resources

Budget Conference Highlights

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- Provides funding to help regain lost ground on education, health care, and public safety.
- Makes targeted investments in higher education and economic development.
- Supports job creation and retention.
- Begins to “unwind” some one-time strategies used in 2010 session to help close the \$4.5 billion budget gap in the 2010-12 budget.

Resources

- Both House and Senate use about \$152 million GF from the Governor's February revenue revision.
 - Additional \$20 million in revenue adjustment included in conference.
- Senate redirected \$150 million GF proposed for transportation to education, health care, and public safety.
 - House moved \$117.3 million away from its position.
 - Senate agreed to no more than \$32.7 million GF for transportation – the statutory amount required under HB 3202 (2007).

Budget Conference Features

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- Accelerated sales tax (AST) of \$230 million was assumed in FY 2010. Language adopted last year called for “unwinding” the AST by 15% beginning in FY 2013.
 - Conference action represents 20% phase out, resulting in loss of \$45.7 million GF revenue in FY 2011.
 - Retailers with less than \$5.4 million in annual taxable sales would not be required to remit sales tax early.
 - Eliminates over 7,000 additional smaller retailers from the requirement.
- Required deposits to the Rainy Day Fund are estimated to be over \$220 million next biennium. With an additional \$64 million on top of the \$50 million reserved last year, roughly half of the funds required next biennium would be set aside.

Conference Outcome on Major Spending Differences

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(\$ in millions)	Senate	House	Conference
K-12 Public Education (FY 2012)	\$100.6	(\$0.7)	\$ 75.6
Health and Human Resources	114.3	(37.7)	110.3
Public Safety	37.8	5.7	15.1
GF for Transportation	0	150.0	32.7
“Unwind” Accelerated Sales Tax	0	111.6	45.7
Additional Rainy Day Fund Reserve	20.3	64.0	64.0

K-12 Education

Public Education Overview

- The introduced budget proposed net reductions of \$24.8 million GF in FY 2011 and \$25.3 million GF in FY 2012 in the area of elementary and secondary education as compared to Chapter 874 of 2010, including technical updates for additional sales tax revenue and slower enrollment growth.
 - FY 2012: The Senate budget added \$100.6 million GF while the House budget reduced net funding by \$0.7 million GF below the introduced budget.
 - **The Conference Report adds \$75.6 million GF in FY 2012 over the introduced budget (See spreadsheet for distribution by locality).**
 - Provides \$87.7 million GF for “Supplemental Support for Operations Costs” to all school divisions based on the state’s share of \$130 per pupil, combined with another \$16.6 million GF to “make whole” all school divisions for Composite Index hold harmless payments in the 2010 adopted budget, adjusted for final 2010 actions and projected enrollment in the introduced budget.
 - Reduces textbook funding by \$5.9 million GF. (The Senate had fully funded SOQ textbooks while the House had adopted further reductions.)
 - Technical reduction of \$1.1 million GF in FY 2011 due to updated data on state operated education programs (hospitals, detention facilities).

Public Education

- The Conference Report accelerates payments to the retirement system through an increase of 2.4% in the employer contribution rate for teachers' retirement in FY 2012.
 - 3.93% in FY 2011, **6.33%** in FY 2012.
 - State's share is \$31.0 million more than Ch. 874 in 2010.
 - Additional local contributions would also be made to VRS.
- The Conference Report keeps the 5 percent teacher member contribution to retirement the same as in the 2010 pension reform in HB 1189 and SB 232.
- The Conference Report rejects the following House reductions:
 - \$37.7 million by eliminating school bus replacement costs from the SOQ,
 - \$34.4 million by eliminating funding for elementary resource teachers in grades 6 and 7,
 - \$11.1 million by reducing the per pupil amount for the Virginia Preschool Initiative for at-risk four-year-olds to below the level when the program was created in 1996.

Public Education

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- The Conference Report:
 - Maintains \$3.0 million in the budget as introduced for grants to school divisions to pilot models for awarding performance pay in hard-to-staff schools.
 - Maintains \$600,000 in the budget as introduced for higher education institutions as selected by the Secretary of Education for planning for college lab schools.
 - Adds \$66,265 to increase by 50 to 1,650 students the funding cap on the academic year Governor's Schools that applies to the Thomas Jefferson H.S. for Science and Technology.
 - Rejects the Senate's amendments:
 - To add funding for additional Advanced Placement and foreign language courses through DOE's Virtual Virginia program.
 - For a Cooperative Procurement Initiative based on JLARC recommendations to help school divisions save money on purchasing and for an actuarial analysis of the impact of a statewide program of health insurance for employees of local school divisions.
 - Includes a 10 percent reduction to Project Discovery (\$68,850), a partner in Virginia's College Access Challenge Grant Program through SCHEV. (The House budget had eliminated state support for the program.)

Public Education

FY 2012

(\$ in millions)	<u>Senate</u>	<u>House</u>	<u>Conf.</u>
S: Operations & Construction "Per Pupil" Funding; H: Personnel & Op.	\$87.6	\$65.7	\$87.6
H: Eliminate School Bus Replacement Costs from SOQ	0.0	(37.7)	0.0
Pre-K: S: Participation Savings; H: Reduce PPA from \$6,000 to \$5,000	(2.0)	(11.1)	(2.0)
SOQ Textbooks	18.4	(16.9)	(5.9)
S: Remaining Composite Index Hold Harmless	16.6	0.0	16.6
H: Cut Funding for Elementary Resource Teachers in Grades 6 and 7	0.0	(34.4)	0.0
Retirement – Reverse Rate Change in the Introduced Budget	(53.2)	(55.4)	(53.2)
Retirement – S: 6.33% Rate; H: State-only One-time Transfer to VRS	31.0	89.8	31.0
Other Reductions	(2.3)	(0.7)	(0.1)
Other Spending	2.0	0.1	0.1
Sec. of Ed. – C: 10 Percent Reduction to Public Broadcasting Support	2.6	(0.1)	1.6
TOTAL	\$100.6	(\$0.7)	\$75.6

Public Broadcasting

Office of the Secretary of Education

- The Conference amendments:
 - Restore \$1.6 million to the instructional telecommunications component of public broadcasting over the introduced budget, which represents a 10 percent reduction from Chapter 872.
 - Transfer radio reading services to Dept. of Blind and Vision Impaired (companion amendment).

FY 2012	<u>Ch. 874</u>	<u>HB 1500 Intro.</u>	<u>Senate</u>	<u>House</u>	<u>Conference</u>
CSGs – Public TV stations	\$1,444,192	\$486,320	\$1,216,320	722,096	\$486,320
CSGs – Public radio stations	471,551	471,551	471,551	235,775	471,551
Instructional telecommunications – Public TV stations	2,101,173	990,505	2,938,882	990,505	2,645,337
Radio reading service	<u>120,163</u>	<u>120,163</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	\$4,137,079	\$2,068,540	\$4,626,753	\$1,948,376	\$3,603,208

Public Education

Language

- The Conference Report adopts the following language:
 - **Full-Time Virtual Education:** (i) For fiscal year 2011 caps the 100 percent state-funded enrollment in the full-time on-line program currently operating through Carroll County at no more than 350 students, consistent with its enrollment level as of January 2011 and (ii) for fiscal year 2012 state SOQ per pupil funding provided for out-of-division students enrolled in full-time virtual programs will be based on the composite index of the student's locality of residence.
 - **Carry Forward:** Extends the current authority for school divisions to carry forward unspent state funds from FY 2011 to FY 2012, also to FY 2012 to FY 2013.
 - **School Efficiency Reviews:** Increases the required cost to school divisions for their share of optional school efficiency reviews from 25 percent to 37.5 percent.
 - **Sale of Educational Resources:** Authorizes DOE to collect proceeds from the sale of educational resources it has developed and to deposit such proceeds into a non-reverting special fund.
- The Conference Report rejects the House amendment that would have allowed school divisions to redirect for one-year existing state allocations for the Virginia Preschool Initiative for at-risk four-year-olds instead to converting remaining half-day kindergarten classes to full-day classes.

Other Education

- The Conference Report:
 - **Jamestown-Yorktown:** Adds \$399,922 GF in FY 2012 to support interpreters, educational programming, custodians, ground maintenance, exhibits to help maintain visitor satisfaction in order to continue to generate ticket revenue and attract visitors to the area.
 - **Virginia Museum of Fine Arts:** Adds \$150,000 GF over the biennium to offset the additional cost due to benefits for gift shop and food services/special events employees converted to the museum's state operating budget.
 - Also restores 11.5 positions to the general fund maximum employment level (MEL) that were removed in the introduced budget.
 - **Virginia Commission for the Arts:** Reverses the additional reduction of \$75,896 in FY 2012 proposed in the budget as introduced for grants to arts organizations.

Higher Education

Higher Education

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- Conference adds about \$16.3 million over the biennium **above the introduced budget, or a total of about \$97 million GF.**
 - Senate budget included about \$19.8 million GF over the biennium **above the introduced budget, or a total of over \$100 million GF.**
 - House budget included about \$14.4 million GF over the biennium **above the introduced budget, or a total of about \$95 million GF.**

Overview of Higher Education – Conference Actions

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- Conference funding to higher education institutions of **\$63.9 million GF**:
 - \$25.1 million for base adequacy, enrollment growth, and increasing the number of full-time faculty,
 - \$13.3 million for undergraduate financial aid,
 - \$13.6 million for operations and maintenance funding,
 - \$8.5 million for STEM initiatives, and
 - \$3.4 million for the 4VA initiative.
- The \$10 million GF reduction to higher education institutions remains in central accounts for FY 2012.
 - The reduction has not been distributed to individual institutions.

Actions in Higher Education

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- Provides \$5.0 million GF for cancer research at VCU in FY 2012, \$3.0 million GF for cancer research at UVA in FY 2011, \$3.0 million GF for base operations at EVMS in FY 2012, and \$3.0 million GF for workforce development programs at the VCCS in FY 2012.
- Funds \$300,000 for the Two-Year College Transfer Grant, \$250,000 GF for the Virginia Military Survivors and Dependents Program, and \$350,000 GF for the space grant program.
- Provides \$1.0 million GF and 25 extension agent positions for Extension at VT and language amendments concerning oversight and restructuring.
- Reverses targeted reductions at SCHEV and Jefferson Lab, recommends some restorations for various centers (~\$350,000 GF), and picks up savings of \$626,875 at CNU from the VECTEC program that the institution has eliminated.

Other Conference Actions

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- Conference report reverses action to reduce contribution rate to the Optional Retirement Plans at higher education institutions.
- Includes \$10.0 million GF under economic development for research.
- Makes 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 the introduced budget.

Summary of Proposed Amendments

GF Actions for the 2010-12 Biennium - (\$ in millions)

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Action/Initiative	Senate	House	Conf.
Higher Education Commission Initiatives	\$3.1	0.0	0.0
HE Institution Allocation for Base Adeq./O&M/House Plan	33.6	68.2	50.6
HE Institution Allocation for Financial Aid	14.2	0	13.3
Higher Education Interest Earnings/Credit Card Rebate	7.9	7.9	7.9
Old Dominion University Base Funding and TELETECHNET	5.1	5.1	5.1
VCU/UVA Cancer Research/EVMS	15.0	6.2	11.0
Virginia Community College System Workforce Development	1.5	3.0	3.0
Tuition Assistance Grant/VMSDEP/Space & Transfer Grant	5.3	2.8	3.4
UMW Dahlgren Center/SWVAHEC Repair/Other Centers	1.6	1.0	1.1
Virginia Tech/Virginia State Extension Funding	3.0	1.0	2.0
Reductions	0	(0.3)	(0.6)
HE Agency Total	\$90.2	\$94.9	\$96.7
Reverse HE Reversion Clearing Account	\$10.0	\$0.0	0.0
Total	\$100.2	\$94.9	\$96.7
Technology/Research Fund	\$10.0	\$10.0	10.0

* Includes funding from research fund.

SENATE FINANCE COMMITTEE

Health & Human Resources

Summary of Health & Human Resources

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- Senate added \$114.3 million GF over the biennium for restorations to Medicaid providers and services.
- House reduced \$37.7 million GF over the biennium by reducing Medicaid services and trimming proposed funding for behavioral health services.
- Conference agreement adds \$110.3 million GF over the introduced budget.

Highlights from HHR

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- Adds \$66.8 million GF for Medicaid provider restorations.
- Appropriates \$30.0 million GF to the Behavioral Health and Developmental Services Trust Fund.
- Funds 275 ID waivers to address community waiting list, 100 ID waivers for individuals transitioning from training centers (from Trust Fund), and 150 DD waivers.
- Restores \$12.5 million GF in CSA to prevent cost-shift to localities.

Medicaid Provider Rates

(General Fund \$ in millions)

25

Compared to Budget as Introduced			
Restorations	Senate	House	Conf.
Hospital inpatient, outpatient & capital	\$30.9	\$0.0	\$24.2
Physician and dental services	17.0	0.0	17.0
Home & community-based waiver rates	14.4	0.0	14.4
Nursing home operating & capital rates	13.8	0.0	8.8
Indigent care at teaching hospitals	3.6	0.0	0.0
All other (Lake Taylor & pharmacy)	2.6	0.5	2.4
TOTAL, Medicaid Provider Rates	\$82.3	\$0.5	\$66.8

Medicaid Services

(General Fund \$ in millions)

Compared to Budget as Introduced			
	Senate	House	Conf.
Restore respite care to 480 hours	\$21.2	\$0.0	\$13.4
Soft cap on personal care hours	0	(10.6)	(0.5)
Community MH rehab. services pilots	0	(21.6)	(3.1)
Restore funding for environmental modifications/Assistive technology	0.6	0.0	0.6
Restore Podiatry Services	0.5	0.0	0.5
TOTAL, Medicaid Services	\$22.4	(\$32.2)	\$10.9

Medicaid Waiver Slots

(General Fund \$ in millions)

Compared to Budget as Introduced			
	Senate	House	Conf.
Net GF for Medicaid Waivers	(\$1.3)	\$8.4	\$1.4
(number of waivers)	Senate	House	Conf.
Intellectual Disability Waivers (community)	100	275	275
Intellectual Disability Waivers (discharge from training centers) - <i>DOJ Trust Fund</i>	75	100	100
Developmental Disabilities Waivers	100	270	150
TOTAL, Medicaid Waiver Slots	275	645	525

Behavioral Health Services

(General Fund \$ in millions)

Compared to Budget as Introduced			
	Senate	House	Conf.
Expand crisis stabilization services	\$0.0	(\$4.0)	(\$2.0)
Create crisis intervention services for individuals with dual-diagnoses	0.0	(2.5)	0.0
Increase staffing ratios at ID training centers	0.0	(2.1)	0.0
Provide flexible funding around ESH/ Restore geriatric unit at Marion	0.0	(2.0)	(0.5)
Provide resources for DOJ Trust Fund	0.0	0.0	30.0
TOTAL, Behavioral Health Services	\$0.0	(\$10.6)	\$27.5

Behavioral Health and Developmental Services Trust Fund

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- \$30.0 million GF is appropriated to the trust fund to respond to concerns raised by Department of Justice.
- Purpose of the fund is to transition individuals from state training centers into the community.
 - Create a broad array of community-based services.
 - Address appropriate community housing.
 - Fund one-time transition costs.

All Other Major HHR Issues

(General Fund \$ in millions)

Compared to Budget as Introduced			
	Senate	House	Conf.
VDH: Roll-back 2010 Restaurant Fees	\$0.0	\$4.3	\$4.3
DSS: Restore Local DSS Funding	5.8	0.0	2.9
DSS: Restore TANF for CHIP, Healthy Families and Comm. Action Agencies	1.8	0.0	1.5
DRS: Restore Voc. Services for Disabled	1.0	0.0	1.0
CSA: Reduce Local Match for TFC	7.5	0.0	7.5
DBHDS: Address SVP Growth	0.0	(10.1)	(10.1)

Public Safety

Public Safety Overview

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- Conference report adds \$15.1 million GF over the biennium **above the budget as introduced**.
 - Partially restores HB 599 – state aid to localities with police departments (+\$12.4 million, v. Senate’s \$18.7 million).
 - Total amount drops 3.5% from \$178.7 million in FY 2011 to \$172.4 million in FY 2012. Every 599 locality will receive the same 3.5 percentage reduction compared in FY 2012.
 - Adds State Police overtime (+\$3 million).
 - \$800,000 for local juvenile diversion & crime control.
 - \$500,000 for Department of Veterans Services.

Judicial

Judicial Overview

34

- Conference report adds \$8.0 million GF to reverse balance transfers in the budget as introduced.
 - Restores \$3.7 million to fill 21 judicial vacancies in FY 2012.
 - Restores entire State Bar fund balance (+\$5.0 million).

Economic Development and Natural Resources

Agriculture and Forestry

36

- Conference amendments add \$2.0 million GF for the biennium **above the introduced budget.**
 - \$700,000 GF additional funding for Farmland Preservation.
 - \$540,000 GF to undo the Food Inspection Fee imposed last session.
 - \$460,000 GF for International Marketing of Virginia agricultural products.
 - \$300,000 GF to restore cuts in the Department of Forestry.

Commerce and Trade

- Conference amendments include a net reduction of \$34.8 million GF for the biennium **from the introduced budget.**

Action/Initiative	(\$ in millions)	Senate	House	Conf.
Commercialization & Research/ CIT GAP Fund		\$10.0	\$10.0	\$10.0
Other Governor's Job Creation Initiatives		\$14.9	\$8.4	\$8.7
Interest Payment for Unemployment Comp.		*\$0	\$8.9	*\$0
Increase Funding for Enterprise Zone Grants		\$7.5	\$1.5	\$3.5
Wet Laboratory Funding		\$1.5	\$0	\$0
Brownfields Restoration Fund		\$2.0	\$0	\$1.0
Other Tourism Initiatives		\$2.0	\$0	\$0

* Provides Contingent Appropriation

Natural Resources

38

- Conference amendments add a net of \$2.0 million GF for the biennium **above the introduced budget.**
 - \$1.2 million GF restoration for State Parks.
 - \$1.0 million GF restoration for Soil and Water Conservation Districts.
 - \$800,000 GF for Natural Area Preserves critical needs.
 - \$1.0 million reduction for Land Conservation.

Transportation

General Funds for Transportation

40

- Conference amendments include a one-time deposit of \$32.7 million general fund to the Virginia Transportation Infrastructure Bank established pursuant to SB 1446 / HB 2527.
 - This amount is the statutorily required deposit of 2/3 undesignated of the surplus balances for FY 2010.
- Authorizes a \$250.0 million nongeneral fund deposit to the Virginia Transportation Infrastructure Bank.
 - Contains language requiring certification of project or program balances prior to any transfer to Virginia Resources Authority.
- Eliminates language from the introduced budget allowing the Comptroller to appropriate undesignated year-end general fund balances to transportation at the close of the fiscal year.

Rail and Public Transportation

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- Requires the DRPT and CSX to develop a plan for limiting the amount of time that hazardous or explosive materials can be stored on certain rail properties to 24 hours.
 - Review options related to increased storage capacity and increased distance from residential neighborhoods. Also includes requirements for comprehensive emergency management planning.
- Includes language that authorizes DRPT to make direct payments to the Washington Metropolitan Area Transit Authority.
 - Does **not** include WMATA Board language.

General Government

Technology

Overview of Technology

- Conference amendments reduce by \$1.5 million GF in each year the proposed funding within Central Accounts to address increased technology costs.
 - Provides a total of \$55.2 million GF for the biennium.
 - Prorates this reduction among 11 agencies that are scheduled to receive supplemental funding in excess of \$1 million.
- Conference amendments expand the scope of services provided by CGI to all agencies of the Commonwealth.
 - Currently, the services are limited to debt collection and cost recovery. The amendment expands to “enterprise level endeavors.”

Administration and Finance

Compensation Board

- **Senate:** Adds \$6.5 million to restore reductions for Sheriffs and regional jails.
- **House:** Adds \$3.0 million to restore reductions for Sheriffs and regional jails.
- **Conference:** Adds \$6.0 million to restore reductions for Sheriffs and regional jails.

Rainy Day Fund

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- **Senate:** Adds \$20.3 million to the Rainy Day Fund.
- **House:** Adds \$64 million to the Rainy Day Fund.
 - Strikes proposed language that would allow the Governor to use the reserves for unfunded federal mandates and emergencies.
- **Conference:** Adds \$64 million to the Rainy Day Fund.
 - Strikes proposed language that would allow the Governor to use the reserves for unfunded federal mandates and emergencies.

Compensation

Compensation and Benefits

(\$ in millions)

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	<u>Gov.</u>	<u>Senate</u>	<u>House</u>	<u>Conf.</u>	<u>Description</u>
1)	\$176.0	\$100.3	\$132.8	\$41.6	Partial restoration of VRS <u>employer</u> contributions deferred in Ch 874
2)	\$0.0	\$0.0	\$41.7	\$41.7	Eliminate 4th Quarter VRS Payment Lag
3)	(\$58.3)	\$0.0	\$26.1	\$15.1	(Savings) Spending on Employee Compensation
	\$66.9	\$0.0	\$115.0	\$115.0	State employee salary increase on July 1, 2011 (S:0% - H:5% - C:5%)
	(\$99.9)	\$0.0	(\$99.9)	(\$99.9)	5% state employee retirement contribution
	<u>(\$18.2)</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	5% state employee retirement contribution (NGF Transfers)
	(\$51.2)	\$0.0	\$15.1	\$15.1	Net change – Classified <u>State</u> Employees' VRS
	(\$7.1)	\$0.0	\$0.0	\$0.0	Reduction in ORP employer contribution rate from 10.4% to 8.5%
	\$0.0	\$0.0	\$11.0	\$0.0	2% Bonus for Constitutional Officers

SENATE FINANCE COMMITTEE

VRS Prepayment

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- **Senate:** Provides \$100.3 GF to increase VRS rates by 2.4% for the period August 1, 2011 to June 30, 2012.
 - \$69.3 million GF to increase VRS rates for state employees by 2.4% for the period August 1, 2011 to June 30, 2012.
 - \$31.0 million GF to increase teachers' retirement rate by 2.4% in FY 2012.
- **House:** Provides \$132.8 million GF to increase VRS rates in FY 2012.
 - \$43.5 million GF to phase-in increased VRS rates in the last half of FY 2012.
 - \$89.3 million GF for a lump sum payment for teacher retirement in FY 2012.
- **Conference:** Provides \$41.0 million GF to increase VRS rates in FY 2012.
 - \$10.9 million GF to phase-in increased VRS rates in the last half of FY 2012.
 - \$31.0 million GF to increase teachers' retirement rate by 2.4% in FY 2012.

Five Percent Employee VRS Contribution

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- **Senate:** Eliminates the proposed reinstatement of the 5% employee VRS contribution.
 1. Provides \$99.9 million and \$18.2 million GF to offset NGF transfers to eliminate the proposed reinstatement of the state employee 5% VRS contribution; and
 2. Eliminates proposed local authority to reinstate the 5% employee contribution with at least a 3% salary increase for current employees.
- **House:**
 1. Endorses the reinstatement of the 5% state employee VRS contribution, eliminates the \$18.2 million NGF transfers; and
 2. Modifies proposed local authority to reinstate the 5% employee contribution with at least a 5% salary increase.
- **Conference:**
 1. Endorses the reinstatement of the 5% state employee VRS contribution, eliminates the \$18.2 million NGF transfers; and
 2. Eliminates proposed local authority to reinstate the 5% employee contribution with a 3% salary increase.

Employee Salary Increase/VRS Offset

52

- **Senate:** Eliminates the \$66.9 million GF for the proposed 3% salary increase for state employees.
- **House:** Provides \$15.1 million GF additional (\$115.0 million GF total) for employee benefits on a proposed 5% salary increase for state employees.
- **Conference:** Provides \$15.1 million GF additional (\$115.0 million GF total) for employee benefits on a proposed 5% salary increase for state employees.

Employee Two Percent Bonus

53

- **Senate:** Eliminates the proposed 2% contingent bonus for state employees.
- **House:** Retains the proposed 2% contingent bonus for state employees.
 - Provides \$11.1 million to add constitutional officers to the 2% bonus (this is the only portion of the bonus that is funded and not contingent).
 - Includes language allowing school divisions to fund a 2% teacher bonus within existing funds.
- **Conference:** Eliminates the proposed 2% contingent bonus for state employees.

VRS 4th Quarter Lag

54

- **Senate:** No action.
- **House:** Provides \$41.7 million to eliminate the 5 pay-period lag in transfer of VRS contributions from the Commonwealth to VRS.
- **Conference:** Provides \$41.7 million to eliminate the 5 pay-period lag in transfer of VRS contributions from the Commonwealth to VRS.

Capital Outlay

Capital Outlay

- **Senate:** Includes \$661.6 million for six project categories, \$544.4 million more than the budget as introduced.
- **House:** Provides \$32.9 million for six project categories, \$91.0 million **less** than the budget as introduced.
- **Conference:** Provides \$75.6 million for six project categories, \$41.6 million **less** than the budget as introduced.

	<u>Senate</u>	<u>House</u>	<u>Conference</u>
New Construction and Renovations	\$587.3	(\$37.5)	\$5.2
Equipment	\$51.2	\$51.2	\$51.2
Maintenance Reserve	\$8.6	\$8.6	\$8.6
Project Supplements	\$7.3	\$7.3	\$7.3
Acquisition	\$3.3	\$3.3	\$3.3
Preplanning	<u>\$4.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
Total	\$661.7	\$32.9	\$75.6

Appendix

February 27, 2011 Budget Conference Report - Est. FY 2012 Distribution of Direct Aid to Public Education

School Division	2010-2012 Composite Index	FY 2012 Projected Unadjusted ADM	HB 1500/SB 800 As Introduced for FY 2012	<i>Supplemental School Operating Costs</i>	<i>Remaining Composite Index Hold Harmless</i>	<i>Increase Governor's School Enrollment Cap by 50 Slots to 1,650 in FY12</i>	<i>Reduce Textbooks Per Pupil Amount</i>	<i>Employer Retirement Contribution Rate @ 6.33% in FY12</i>	BUDGET CONFERENCE: Estimated FY 2012 Distribution
ACCOMACK	0.3753	4,761.60	\$26,780,012	\$385,564	\$0	\$0	(\$25,968)	(\$111,241)	\$27,028,367
ALBEMARLE	0.6872	12,976.75	39,058,233	526,144	1,927,410	0	(35,436)	(124,702)	41,351,649
ALLEGHANY	0.2151	2,680.10	16,310,353	272,670	0	0	(18,365)	(73,091)	16,491,567
AMELIA	0.3472	1,734.50	9,046,599	146,766	1,625	0	(9,885)	(39,257)	9,145,848
AMHERST	0.2664	4,290.35	25,423,750	407,966	0	0	(27,476)	(106,510)	25,697,730
APPOMATTOX	0.2732	2,253.90	13,202,655	212,335	11,358	0	(14,301)	(57,957)	13,354,090
ARLINGTON	0.8000	21,096.30	49,224,352	546,900	0	0	(36,834)	(162,164)	49,572,254
AUGUSTA	0.3416	10,432.00	50,969,198	890,286	0	0	(59,962)	(209,871)	51,589,651
BATH	0.8000	588.55	1,631,241	15,258	0	0	(1,028)	(4,625)	1,640,846
BEDFORD	0.4076	9,318.10	40,589,951	715,508	796,942	0	(48,190)	(168,818)	41,885,393
BLAND	0.2724	895.70	4,968,393	84,486	0	0	(5,690)	(20,296)	5,026,893
BOTETOURT	0.3682	4,827.95	22,874,810	395,380	0	0	(26,629)	(94,936)	23,148,625
BRUNSWICK	0.2728	1,913.00	12,927,723	180,319	0	0	(12,145)	(55,129)	13,040,768
BUCHANAN	0.2849	3,127.65	18,454,916	289,906	0	0	(19,525)	(78,712)	18,646,585
BUCKINGHAM	0.2738	1,861.85	11,943,521	175,256	40,974	0	(11,804)	(51,801)	12,096,146
CAMPBELL	0.2491	8,072.40	44,004,213	785,805	0	0	(52,924)	(193,152)	44,543,942
CAROLINE	0.3580	4,115.60	20,987,693	342,484	0	0	(23,067)	(87,751)	21,219,359
CARROLL	0.2573	4,330.70	24,391,418	416,911	0	0	(28,079)	(107,039)	24,673,211
CHARLES CITY	0.4203	780.25	4,524,036	58,629	0	0	(3,948)	(17,024)	4,561,693
CHARLOTTE	0.2289	1,966.05	12,630,310	196,532	0	0	(13,236)	(52,229)	12,761,377
CHESTERFIELD	0.3551	58,432.30	265,220,886	4,884,469	0	0	(328,973)	(1,082,628)	268,693,754
CLARKE	0.5346	2,004.40	7,576,524	120,916	0	0	(8,144)	(28,144)	7,661,152
CRAIG	0.2903	681.40	3,991,025	62,683	0	0	(4,222)	(17,096)	4,032,390
CULPEPER	0.4168	7,494.80	33,221,143	566,662	0	0	(38,165)	(141,057)	33,608,583
CUMBERLAND	0.2805	1,353.80	8,173,544	126,258	0	0	(8,503)	(32,669)	8,258,630
DICKENSON	0.1940	2,375.65	15,022,879	248,193	0	0	(16,716)	(67,095)	15,187,261
DINWIDDIE	0.2566	4,461.10	25,134,929	426,111	0	0	(28,699)	(106,017)	25,426,324
ESSEX	0.4869	1,588.40	7,869,929	105,662	356,561	0	(7,117)	(28,771)	8,296,264
FAIRFAX	0.7126	169,550.60	486,956,136	6,316,233	0	66,265	(425,403)	(1,804,816)	491,108,415
FAUQUIER	0.6098	11,168.50	38,620,346	565,022	0	0	(38,054)	(142,791)	39,004,523
FLOYD	0.3470	2,067.30	10,621,303	174,980	0	0	(11,785)	(43,163)	10,741,335
FLUVANNA	0.3867	3,663.80	17,494,754	291,257	0	0	(19,616)	(68,009)	17,698,386
FRANKLIN	0.4012	6,947.45	34,386,574	539,327	0	0	(36,324)	(138,321)	34,751,256
FREDERICK	0.3816	12,966.50	60,543,534	1,039,356	0	0	(70,001)	(243,384)	61,269,505
GILES	0.2649	2,478.90	14,185,914	236,199	0	0	(15,908)	(65,553)	14,340,652
GLOUCESTER	0.3704	5,832.95	26,826,408	476,095	0	0	(32,066)	(104,223)	27,166,214
GOOCHLAND	0.8000	2,441.80	5,810,841	63,301	0	0	(4,263)	(16,219)	5,853,660
GRAYSON	0.3178	1,822.15	11,149,272	161,127	206,625	0	(10,852)	(48,007)	11,458,165
GREENE	0.3500	2,810.05	15,369,967	236,755	23,500	0	(15,946)	(60,942)	15,553,334
GREENSVILLE	0.1998	1,465.75	9,718,211	152,030	0	0	(10,239)	(40,407)	9,819,595
HALIFAX	0.2748	5,513.65	33,192,670	518,285	167,637	0	(34,907)	(138,027)	33,705,658
HANOVER	0.4195	18,077.90	76,026,146	1,360,261	0	0	(91,614)	(316,971)	76,977,822
HENRICO	0.4371	48,311.65	212,888,941	3,525,594	0	0	(237,451)	(816,825)	215,360,259
HENRY	0.2315	7,089.20	43,722,552	706,176	0	0	(47,561)	(181,124)	44,200,043
HIGHLAND	0.7846	213.35	1,425,418	5,957	36,801	0	(401)	(2,544)	1,465,231
ISLE OF WIGHT	0.3926	5,313.50	25,527,684	418,338	0	0	(28,176)	(103,005)	25,814,841

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JAMES CITY	0.5668	9,738.00	34,120,196	546,802	531,437	0	(36,828)	(128,562)	35,033,045
KING GEORGE	0.3875	4,165.00	18,401,102	330,669	0	0	(22,271)	(74,426)	18,635,074
KING & QUEEN	0.4404	710.80	4,038,384	51,558	92,992	0	(3,473)	(14,986)	4,164,475
KING WILLIAM	0.3291	2,197.05	11,322,050	191,060	61,216	0	(12,869)	(50,049)	11,511,408
LANCASTER	0.8000	1,211.60	3,153,273	31,410	34,290	0	(2,116)	(8,180)	3,208,677
LEE	0.1692	3,293.50	24,878,352	354,671	0	0	(23,887)	(112,495)	25,096,641
LOUDOUN	0.5854	65,608.85	221,751,561	3,492,723	0	0	(235,238)	(908,260)	224,100,786
LOUISA	0.5393	4,559.40	17,504,142	272,328	0	0	(18,342)	(69,510)	17,688,618
LUNENBURG	0.2308	1,546.00	9,992,446	154,142	0	0	(10,382)	(40,699)	10,095,507
MADISON	0.5205	1,772.30	7,297,716	110,176	65,727	0	(7,420)	(27,339)	7,438,860
MATHEWS	0.5883	1,174.30	4,291,634	62,681	129,385	0	(4,221)	(16,060)	4,463,419
MECKLENBURG	0.3315	4,550.10	24,628,036	394,271	310,204	0	(26,554)	(102,680)	25,203,277
MIDDLESEX	0.7431	1,148.85	3,239,955	38,271	195,189	0	(2,577)	(10,065)	3,460,773
MONTGOMERY	0.3550	9,184.50	46,921,132	767,988	0	0	(51,724)	(204,603)	47,432,793
NELSON	0.5734	1,888.75	7,428,701	104,440	0	0	(7,034)	(27,043)	7,499,064
NEW KENT	0.4312	2,821.30	12,009,204	208,008	0	0	(14,009)	(46,728)	12,156,475
NORTHAMPTON	0.5109	1,656.95	8,567,069	105,046	0	0	(7,075)	(29,980)	8,635,060
NORTHUMBERLAND	0.8000	1,401.35	3,472,301	36,329	268,132	0	(2,447)	(8,829)	3,765,486
NOTTOWAY	0.2547	2,117.90	13,582,384	204,601	35,688	0	(13,780)	(58,746)	13,750,147
ORANGE	0.4258	5,002.70	21,095,979	372,405	0	0	(25,082)	(85,430)	21,357,872
PAGE	0.3181	3,491.45	18,919,873	308,602	0	0	(20,785)	(79,417)	19,128,273
PATRICK	0.2439	2,495.00	14,899,325	244,524	0	0	(16,469)	(62,947)	15,064,433
PITTSYLVANIA	0.2401	8,929.00	52,435,748	879,491	0	0	(59,234)	(229,488)	53,026,517
POWHATAN	0.3969	4,414.95	19,617,413	345,134	0	0	(23,245)	(84,542)	19,854,760
PRINCE EDWARD	0.3043	2,372.25	14,633,399	213,922	38,889	0	(14,408)	(59,563)	14,812,239
PRINCE GEORGE	0.2345	6,368.55	34,733,276	631,996	0	0	(42,565)	(152,186)	35,170,521
PRINCE WILLIAM	0.4036	80,046.60	394,349,232	6,188,032	0	0	(416,768)	(1,625,476)	398,495,020
PULASKI	0.2870	4,492.55	25,032,474	415,197	0	0	(27,964)	(106,714)	25,312,993
RAPPAHANNOCK	0.8000	923.00	2,558,727	23,928	0	0	(1,612)	(5,375)	2,575,668
RICHMOND	0.3562	1,212.40	6,339,233	101,174	0	0	(6,814)	(27,274)	6,406,319
ROANOKE	0.3460	14,117.05	67,068,351	1,196,723	0	0	(80,600)	(280,196)	67,904,278
ROCKBRIDGE	0.5050	2,489.95	10,487,179	159,760	80,744	0	(10,760)	(41,405)	10,675,518
ROCKINGHAM	0.3489	11,333.45	54,912,468	956,493	0	0	(64,420)	(223,253)	55,581,288
RUSSELL	0.2113	4,047.25	25,381,787	413,756	0	0	(27,867)	(117,732)	25,649,944
SCOTT	0.1821	3,661.75	23,742,335	388,205	0	0	(26,146)	(102,801)	24,001,593
SHENANDOAH	0.4030	6,009.80	27,714,686	465,135	0	0	(31,327)	(108,501)	28,039,993
SMYTH	0.2100	4,576.20	29,191,710	468,602	0	0	(31,561)	(123,989)	29,504,762
SOUTHAMPTON	0.2896	2,713.10	15,853,696	249,828	39,834	0	(16,826)	(62,941)	16,063,591
SPOTSYLVANIA	0.3594	23,149.45	110,148,045	1,922,505	0	0	(129,482)	(451,717)	111,489,351
STAFFORD	0.3362	27,195.60	126,037,916	2,339,957	0	0	(157,598)	(534,566)	127,685,709
SURRY	0.6956	872.70	3,016,327	34,445	58,326	0	(2,320)	(9,709)	3,097,069
SUSSEX	0.3213	1,141.95	7,349,757	100,461	81,328	0	(6,766)	(29,548)	7,495,232
TAZEWELL	0.2487	6,341.15	34,890,990	617,523	0	0	(41,591)	(158,907)	35,308,015
WARREN	0.4204	5,339.60	22,994,697	401,152	0	0	(27,018)	(98,453)	23,270,378
WASHINGTON	0.3166	7,101.80	36,638,430	629,186	0	0	(42,377)	(160,592)	37,064,647
WESTMORELAND	0.5020	1,626.00	7,396,394	104,960	0	0	(7,069)	(29,945)	7,464,340

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WISE	0.1885	6,334.75	38,085,621	666,331	0	0	(44,878)	(165,090)	38,541,984
WYTHE	0.3142	4,205.25	21,376,866	373,819	0	0	(25,177)	(90,501)	21,635,007
YORK	0.3727	12,341.00	55,101,114	1,003,454	0	0	(67,583)	(235,465)	55,801,520
ALEXANDRIA	0.8000	11,992.50	31,713,968	310,894	0	0	(20,939)	(91,618)	31,912,305
BRISTOL	0.3132	2,315.40	14,090,045	206,124	0	0	(13,883)	(55,143)	14,227,143
BUENA VISTA	0.1932	1,083.75	6,635,662	113,336	0	0	(7,634)	(32,103)	6,709,261
CHARLOTTESVILLE	0.6560	3,632.45	16,998,181	161,968	415,542	0	(10,909)	(43,849)	17,520,933
COLONIAL HEIGHTS	0.4428	2,918.95	12,634,715	210,819	0	0	(14,199)	(54,500)	12,776,835
COVINGTON	0.2597	863.20	4,996,880	82,831	0	0	(5,579)	(22,252)	5,051,880
DANVILLE	0.2470	5,984.05	38,964,012	584,066	0	0	(39,337)	(159,260)	39,349,481
FALLS CHURCH	0.8000	2,107.30	4,926,915	54,630	0	0	(3,680)	(15,405)	4,962,460
FREDERICKSBURG	0.7763	3,209.35	8,146,175	93,058	0	0	(6,268)	(25,452)	8,207,513
GALAX	0.2695	1,245.80	6,751,519	117,962	0	0	(7,945)	(29,934)	6,831,602
HAMPTON	0.2690	20,648.80	116,032,477	1,956,520	172,547	0	(131,773)	(506,247)	117,523,524
HARRISONBURG	0.4133	4,657.60	24,564,613	354,201	0	0	(23,856)	(98,220)	24,796,738
HOPEWELL	0.2285	3,864.20	23,287,927	386,427	0	0	(26,026)	(100,091)	23,548,237
LYNCHBURG	0.3643	8,149.05	43,228,875	671,477	127,727	0	(45,225)	(168,120)	43,814,734
MARTINSVILLE	0.2263	2,200.70	13,503,305	220,702	0	0	(14,864)	(60,663)	13,648,480
NEWPORT NEWS	0.2778	27,805.70	161,213,121	2,602,935	0	0	(175,309)	(667,802)	162,972,945
NORFOLK	0.3004	30,664.20	176,795,673	2,780,696	1,406,251	0	(187,282)	(719,605)	180,075,733
NORTON	0.3042	872.75	4,410,128	78,713	0	0	(5,302)	(19,177)	4,464,362
PETERSBURG	0.2255	4,104.05	26,699,229	412,008	0	0	(27,750)	(120,993)	26,962,494
PORTSMOUTH	0.2497	13,992.35	84,949,569	1,360,810	431,705	0	(91,651)	(337,011)	86,313,422
RADFORD	0.3251	1,536.70	7,662,110	134,431	56,639	0	(9,054)	(34,625)	7,809,501
RICHMOND CITY	0.4945	21,362.05	115,164,868	1,399,704	3,863,563	0	(94,271)	(428,821)	119,905,043
ROANOKE CITY	0.3582	12,106.20	66,884,193	1,007,116	0	0	(67,830)	(265,626)	67,557,853
STAUNTON	0.4024	2,501.70	14,899,291	193,784	0	0	(13,051)	(53,514)	15,026,510
SUFFOLK	0.3433	14,009.15	72,625,973	1,192,661	750,378	0	(80,327)	(297,966)	74,190,719
VIRGINIA BEACH	0.4060	69,179.40	312,406,164	5,326,418	1,720,723	0	(358,738)	(1,299,889)	317,794,678
WAYNESBORO	0.3609	3,165.65	14,790,584	262,243	0	0	(17,662)	(64,061)	14,971,104
WILLIAMSBURG	0.8000	902.10	3,575,762	23,386	0	0	(1,575)	(5,691)	3,591,882
WINCHESTER	0.5125	3,888.55	16,433,232	245,767	0	0	(16,553)	(66,426)	16,596,020
FAIRFAX CITY	0.8000	3,147.10	6,959,736	81,585	0	0	(5,495)	(22,991)	7,012,835
FRANKLIN CITY	0.3047	1,156.60	7,445,728	104,238	51,323	0	(7,020)	(29,330)	7,564,939
CHESAPEAKE CITY	0.3465	38,517.20	197,377,443	3,262,664	1,899,111	0	(219,743)	(826,372)	201,493,103
LEXINGTON	0.4601	612.50	2,502,093	42,864	58,672	0	(2,887)	(11,016)	2,589,726
EMPORIA	0.2602	1,058.10	6,242,559	101,464	0	0	(6,833)	(27,487)	6,309,703
SALEM	0.3516	3,894.60	17,750,797	327,324	0	0	(22,046)	(74,562)	17,981,513
BEDFORD CITY	0.2970	827.95	4,164,386	75,456	0	0	(5,082)	(18,835)	4,215,925
POQUOSON	0.3524	2,260.50	10,177,109	189,751	13,617	0	(12,780)	(41,148)	10,326,549
MANASSAS CITY	0.4005	6,921.05	36,296,002	537,815	0	0	(36,223)	(156,791)	36,640,803
MANASSAS PARK	0.3311	3,055.95	17,383,699	264,959	0	0	(17,845)	(74,435)	17,556,378
COLONIAL BEACH	0.3785	543.30	3,076,382	43,768	0	0	(2,947)	(13,305)	3,103,898
WEST POINT	0.2668	736.65	4,019,434	70,019	0	0	(4,716)	(16,831)	4,067,906
TOTAL:		1,216,938	\$5,497,604,129	\$87,693,820	\$16,560,612	\$66,265	(\$5,906,246)	(\$22,294,243)	\$5,573,724,337

JUDICIAL VACANCIES (Senate and House Budget Conference Agreement to Fill 21 Vacancies)

	Number of Vacancies		Caseload Per Judge		FY 12 Comp. to FY 09 Avg.	Vacancies To be Filled	
	FY 2011	FY 2012	FY 2009	FY 2012			
Circuit Courts (\$184,860 net savings per vacancy)							
2	Accomack, Northampton, Virginia Beach (fill 2 FY 2011 vacancies)	2	3	1,864	2,422	1.318	\$369,720
5	Isle of Wight, Southampton, Suffolk	1	1	2,034	2,877	1.566	\$184,860
6	Brunswick, Greenville, Hopewell, Prince George, Surry, Sussex	0	1	1,852	4,596	2.502	\$184,860
7	Newport News	1	1	1,521	1,942	1.057	
9	Charles City, Gloucester, James City ...	1	1	1,804	2,540	1.383	\$184,860
10	Appomattox, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg	1	1	2,237	3,255	1.772	\$184,860
11	Amelia, Dinwiddie, Nottoway, Petersburg	1	1	1,647	2,598	1.414	\$184,860
13	Richmond City	1	2	1,673	2,255	1.228	
14	Henrico	1	2	1,994	3,447	1.876	\$184,860
15	Caroline, Essex, Hanover, King George, Spotsylvania, Stafford ...	1	1	2,466	2,907	1.582	\$184,860
17	Arlington	1	1	1,034	1,501	0.817	
18	Alexandria	0	1	1,986	3,107	1.691	\$184,869
24	Amherst, Bedford, Campbell, Lynchburg, Nelson	1	1	1,625	2,116	1.152	\$184,869
26	Clarke, Frederick, Harrisonburg, Page, Rockingham, Winchester ...	1	1	2,594	3,091	1.683	\$184,860
27	Bland, Carroll, Floyd, Galax, Giles, Grayson, Montgomery ...	1	1	2,348	3,120	1.698	\$184,860
30	Lee, Scott, Wise	1	1	2,355	4,116	2.241	\$184,860
		15	20	1,837		1.000	\$2,588,058
General District Courts (\$162,252 net savings per vacancy)							
2	Virginia Beach	1	2	29,184	38,979	1.447	\$162,252
4	Norfolk	0	1	25,215	26,868	0.998	
6	Brunswick, Emporia, Greenville, Hopewell, Pr George, Surry, Sus	2	2	29,288	62,264	2.312	\$162,252
12	Chesterfield, Colonial Heights	1	1	31,118	44,012	1.634	\$162,252
13	Richmond City	1	1	24,149	25,143	0.934	
17	Arlington, Falls Church	1	1	18,953	26,173	0.972	
19	Fairfax	1	1	34,026	33,205	1.233	
20	Fauquier, Loudoun, Rappahannock	1	1	29,781	36,167	1.343	\$162,252
25	Alleghany, Augusta, Botetourt, Lexington, Staunton, Waynesboro ...	1	1	20,663	25,288	0.939	
27	Bland, Carroll, Floyd, Galax, Giles, Grayson, Montgomery ...	1	1	25,955	32,050	1.190	
		10	12	26,929		1.000	\$649,008
Juvenile and Domestic Relations District Courts (\$162,252 net savings per vacancy)							
11	Amelia, Dinwiddie, Nottoway, Petersburg, Powhatan	1	1	5,468	9,889	2.255	\$162,252
14	Henrico	1	1	4,496	5,478	1.249	
15	Caroline, Essex, Hanover, King George, Spotsylvania, Stafford ...	1	1	5,503	6,131	1.398	\$162,252
27	Bland, Carroll, Floyd, Galax, Giles, Grayson, Montgomery ...	1	1	4,860	6,436	1.468	\$162,252
		4	4	4,385		1.000	\$486,756
GENERAL FUNDS REQUIRED TO FILL 21 VACANCIES		<u>29</u>	<u>36</u>				<u>\$3,723,822</u>