

Key Features of the Senate Finance Committee Amendments to Senate Bill 800 (February 6, 2011)

Public Education

- Provides a net increase of \$100 million above the budget as introduced for K-12 education.
- Adds \$87.7 million for the state's share of an additional \$130 per student, plus \$16.6 million to "make whole" all localities affected by the Composite Index "hold harmless" payments approved in the 2010 adopted budget.
- Adds \$18.4 million to resume full funding for the state's share of Standards of Quality textbook amounts of \$76 per student.
- Includes \$31.0 million more than the 2010 budget for an employer teacher retirement contribution rate for FY 2012 that is 2.4 percent higher than the FY 2011 rate.
- Restores \$1.9 million for instructional telecommunications services through Virginia public television stations and adds \$1.5 million for additional online advanced placement and foreign language courses through Virtual Virginia.

Higher Education

- Provides a net increase of \$19.8 million above the budget as introduced for higher education, a total of about \$100 million over the budget approved during the 2010 Session.

- Includes almost \$33.7 million for base operations, enrollment growth, and operation and maintenance funding at Virginia's public institutions of higher education.
- Provides about \$16.6 million for financial assistance programs for in-state undergraduate students.
- Eliminates a reduction of \$10.0 million that was included in the second year of the budget, as introduced.
- Includes \$2.0 million and 50 extension agent positions for cooperative extension services at Virginia Tech.
- Adds \$5.0 million for cancer research at the University of Virginia, while maintaining \$5.0 million for cancer research at Virginia Commonwealth University, as included in the budget, as introduced.

Other Education

- Restores \$732,390 to the Virginia Commission for the Arts for grants to arts organizations.

Health and Human Resources

- Adds \$114 million GF above the introduced budget.
- Restores \$105 million GF for Medicaid providers and services, plus \$101 million from federal Medicaid matching funds for a total increase of \$206 million. Specifically the Senate budget:
 - Restores full funding for inpatient hospital services, nursing homes, doctors, and dentists, who were facing a four percent reduction as of July 1, 2011;

- Restores respite care services for Medicaid waiver recipients that were scheduled to be reduced from 720 to 240 hours per year; and,
- Restores funding to reduce (from five percent to one percent) the reimbursement rate reduction for home and community-based services providers.
- Restores \$12.5 million GF for non-mandated services to children and youth through the Comprehensive Services Act, and eliminates the shift to localities for therapeutic foster care.
- Restores \$1.3 million (all funds) to Department of Rehabilitative Services to preserve employment support services for individuals with physical disabilities or brain injuries.

Transportation

- Authorizes the Commonwealth Transportation Board (CTB) to allocate up to \$250.0 million in Commonwealth Transportation Fund balances to the Virginia Transportation Infrastructure Bank.
 - Eliminates the proposed deposit of \$150.0 million from FY 2010 general fund balances to this program.
- Increases funding and transfers responsibility for the Virginia Commercial Spaceflight Authority to Department of Aviation.
 - Directs that the development of a Virginia Strategic Plan for Aerospace be presented prior to the start of the 2012 General Assembly.
- Prohibits the transfer of Commonwealth Mass Transit Funds to support operational needs of other transportation programs.

Natural Resources

- Provides \$32.8 million in additional funding for nonpoint source water pollution control, including \$27.8 million for agricultural best management practices.
- Proposes \$107.9 million in Virginia Public Building Authority (VPBA) bonds to honor the Commonwealth's commitment to upgrade locally-owned public wastewater treatment plants to address water quality standards.
- Partially restores prior-year budget cuts in state parks, natural area preserves, dam safety, Soil and Water Conservation Districts, and the Department of Forestry.
- Provides an additional \$1.4 million for farmland preservation.

Economic Development

- Provides \$36.5 million in additional funding to stimulate economic growth in the Commonwealth, strengthen our competitiveness in research and development and emerging technologies, and revitalize historic downtowns, industrial sites and other economically distressed areas.
- Assumes revenue reductions of \$10.3 million from the passage of tax credits for research and development, winery and vineyard development, and incentives to encourage imports and exports through the Port of Virginia.

Public Safety

- Adds \$18.7 million GF in FY 2012 to fund state aid to localities with police departments (HB 599) at the same level as provided in the current fiscal year 2011.
- Restores a net of \$5.3 million GF for the Department of State Police to accelerate the opening of three Basic Trooper Schools, to reduce the 12.9 percent vacancy rate in sworn positions, and provides \$3.0 million GF for overtime for State Troopers.
- Adds \$12.0 million GF and 220 positions the second year to open the first two of four housing units at the new prison in Grayson County. (An additional \$1.0 million GF and 12 positions are included to open the school at the facility.)
- Includes \$8.0 million GF the second year and 18 positions for increased health care costs for inmates.
- Adds \$2.2 million GF and \$1.0 million NGF for 45 new probation officer and related positions for prisoner reentry programs to reduce the level of recidivism.
- Restores \$1.2 million GF for payments in lieu of taxes to localities in which state correctional facilities are located.
- Captures a savings of \$1.5 million from the earlier closing of James River Correctional Center as of April 1, 2011.
- Restores \$2.5 million for local juvenile diversion and crime control programs (VJCCCA).
- Restores \$0.4 million to fill seven vacant positions in regional veterans' services offices, and adds \$150,000 for security and programs at the Virginia War Memorial.

Virginia's Court System

- Restores \$4.8 million in FY 2012 to fill all judicial vacancies in Circuit, General District, and Juvenile and Domestic Relations District Courts.
- Restores \$2.5 million of the nongeneral fund balances from the Virginia State Bar, which were proposed to be transferred to the general fund in the budget, as introduced.

General Government

- Includes \$23.1 million GF to restore funding for local sheriffs and regional jails.
- Provides \$20.3 million GF in FY 2012 for the Rainy Day Fund deposit due in FY 2013.

Capital Outlay

- Provides \$525.2 million from general fund-supported Virginia Public Building Authority (VPBA) and Virginia College Building Authority (VCBA) bonds in FY 2012 for new construction and renovation projects, including:
 - Renovation of the historic Rotunda at the University of Virginia; and,
 - Long-overdue projects for key buildings at the seat of government in the City of Richmond.

- Provides \$4.0 million GF for preplanning 15 capital projects, including the top 10 priorities of the Virginia Community College System.
- Provides \$284.1 million NGF for nongeneral fund-supported projects, mostly at the institutions of higher education.

Employee Compensation

- Includes \$100.8 million GF to reduce the deferral of VRS employer contributions for the 2010-12 biennium that was adopted in the budget last year, including:
 - \$69.8 million to increase VRS employer contribution rates for state employees by 2.4 percent above the FY 2011 levels; and,
 - \$31.0 million (which is budgeted in Direct Aid to Public Education) to increase VRS employer contribution rates for teachers by 2.4 percent above the FY 2011 levels.
- Adds \$40.0 million GF to eliminate the proposed two percent reduction in compensation for public employees, including:
 - \$32.9 million to defer reinstatement of the five percent employee contribution for VRS retirement, and the three percent salary increase intended to partially offset that reinstatement; and,
 - \$7.1 million to restore the 1.9 percent reduction in contributions to the defined contribution systems for faculty, appointed officials, and school superintendents.
- Eliminates language that would have authorized localities and school divisions to impose similar requirements on local employees and teachers.

- Returns the payment of the five percent employee share to the status agreed to in the 2010 pension reform legislation (HB 1189 and SB 232).