

Major Features of Budget Conference Agreement

HB 1300 and HB 1301

April 5, 2012

Details of the budget conference report will be available on the House Appropriations and Senate Finance web sites after the report has been prepared, signed and distributed to members of the General Assembly. The following summarizes major items of agreement.

Health and Human Resources

- \$44.7 million over the 2012-14 biennium is added for Health and Human Resources, above the budget as introduced:
 - \$4.8 million GF to preserve the health care safety net;
 - \$6.0 million GF to continue long-term care Medicaid eligibility for 1,500 elderly and disabled individuals;
 - \$11.6 million GF to add 225 Medicaid ID waiver slots and \$1.6 million to add 80 DD waiver slots
 - \$69.0 million GF for Medicaid payments to nursing homes and hospitals to help offset inflation cost;
 - \$10.8 million GF to increase Medicaid personal care and congregate care rates;
 - \$3.3 million GF to expand children's mental health services;
 - \$78.7 million in savings from combination of earned federal Medicaid bonus payments and savings from revised estimate of federal health care reform, a recently-announced provider settlement, and transitioning veterans to federal health care programs.

Public Education

- \$214.7 million over the 2012-14 biennium is added for public education, above the budget as introduced:
 - \$110.0 million in funding for additional assistance with retirement, inflation and prekindergarten costs;
 - \$47.1 million to update funding for K-3 class size reduction and \$6.8 million for a correction to career and technical education funding;

- \$40.0 million to restore the Northern Virginia cost of competing adjustment for support positions;
 - \$6.2 million for early intervention reading assistance in 3rd grade;
 - \$3.0 million for the Microsoft Information Technology Academies initiative;
 - \$2.0 million for additional Virtual Virginia courses and sections.
- Under Department of Emergency Services, \$2.0 million for assistance with earthquake damage to Louisa Schools.
 - \$700,000 each over the biennium for Project Discovery and Communities in Schools.
 - \$590,872 restored for aid to local libraries and \$299,589 restored for Commission for the Arts grants.

Higher Education

- Provided \$122.2 million to higher education institutions for base operations, enrollment incentives and initiatives over the biennium.
 - Provided funding for higher education institutions that supports initiatives in their six-year plans.
 - Amounts include \$42.6 million for enrollment initiatives including new seats at the University of Virginia, the College of William and Mary, Virginia Tech and James Madison University
 - Amounts also include \$28.6 million for incentive funding targeted to specific programs/initiatives identified by the colleges that promote increased degree production especially in STEM-H fields
- Provided \$18.5 million dollars for higher education undergraduate and graduate student financial aid.
- Provide \$6.0 million for cancer research at the University of Virginia and Virginia Commonwealth University
- Faculty salary bonus of 3.0 percent in December 2012, contingent on FY 2012 revenue surplus and unspent balances; 2.0 percent faculty salary

increase on August 1, 2013, if revenue performance remains at the level currently projected, consistent with overall employee salary increase.

- Reduced the higher education institution reallocation percentages from 3.0 and 5.0 percent to 1.5 and 2.0 percent.

Natural Resources/Economic Development

- \$87.6 million in cash provided to the Water Quality Improvement Fund to meet the state's commitment to upgrade 57 local and regional wastewater treatment plants in order to meet water quality goals;
- \$7.0 million to capitalize the Housing Trust fund to support the creation of long-term, permanent solutions for homeless individuals;
- \$8.0 million in the first year and \$5.0 million in the second year provided for the Commonwealth Research Commercialization Fund;
- \$4.5 million for Civil War Battlefield Preservation;
- \$4.1 million restored for Soil and Water Conservation Districts;
- \$3.0 million for the Small Business Investment Grant Program; and
- \$1.2 million restored for state park operations.

General Government

- 3.0 percent employee bonus in December 2012, contingent on FY 2012 revenue surplus and unspent balances; 2.0 percent salary increase on August 1, 2013, if revenue performance remains at the level currently projected.
 - Salary actions cover all state employees, including college faculty and employees of local constitutional officers and other state-supported local government employees.

- \$5.8 million for 61 deputy district court clerks (80 percent of staffing standard) and authorization to fill 23 judgeships in order to expedite court proceedings.

Transportation

- Uses the portion of the FY 2011 undesignated revenue balance for transportation as follows: \$9.9 million to Mass Transit Trust Fund, \$28.7 million to capitalize the Intercity Passenger Rail Operating and Capital Fund, and \$28.7 million to the Virginia Transportation Infrastructure Bank.
 - Maintains current requirement that 2/3rds of undesignated balance be dedicated to transportation.
- Exempts localities that operate and maintain their own transportation systems from VDOT oversight of transportation planning.
- \$7.5 million per year provided for operation of Virginia Commercial Spaceflight Authority along with authorization for capital acquisition from undesignated VDOT balances.

Capital-Related

- \$99.0 million in cash and tax supported debt for high priority maintenance and infrastructure projects at state agencies, colleges and universities;
- \$6.0 million tax supported debt for higher education research equipment;
- \$4.0 million to plan for renovation of the 9th Street Office building in Richmond.