

**Governor McDonnell's
Proposed Executive Amendments
to the Introduced Budget
(HB 1500/SB 800)**

Senate Finance Committee

January 16, 2013

Daniel S. Timberlake
Director
Department of Planning and Budget

Governor McDonnell's Executive Amendments Address Three Primary Objectives . . .

- Address issues that have arisen since decisions were finalized for the introduced budget bill.
- Clarify or correct language or amounts to more accurately address the original intent of his proposed actions in the introduced budget.
- Support priority legislation that is being introduced.

Revenue changes add \$13.3 million to the available balance . . .

Revenues

	FY 2013	FY 2014
Revenues		
Update Conformity for federal actions	\$ 172,000	\$ 14,073,000
Revise transportation adjustment	-	(900,000)
	-	-
Total Revenues	\$ 172,000	\$ 13,173,000

Savings amendments free up \$40.1 million in appropriation balances . . .

Savings

	FY 2013	FY 2014
Savings		
DA - Capture savings in performance pay pilot	\$ (452,327)	\$ -
DA - Increase appropriation from Lottery Proceeds Fund	(7,000,000)	-
DA - Increase Literary Fund appropriation	-	(374,018)
DMAS - Additional health care fund revenues from MSA arbitration settlement	(21,680,000)	-
DOC - Inmate medical contract savings	(376,470)	(10,224,674)
Subtotal Savings	<u>\$ (29,508,797)</u>	<u>\$ (10,598,692)</u>

Providing an additional \$20 million to the FACT fund tops the Governor's priority list . . .

Spending

	FY 2013	FY 2014
Spending		
GOV - Prisoner re-entry position	\$ 83,365	\$ 181,988
DBA - Business One-Stop integration	400,000	-
DHCD - fund regional accelerator program	-	500,000
VPI (cooperative extension) - retire debt on wastewater treatment facility	-	85,000
EVMS - fund exploration of joint activities with other institutions	-	200,000
DMAS - Exceptional rates for congregate care	-	3,682,880
DMAS - Funding for the Virginia Center for Health Innovation	-	1,000,000
DOC - Woodrum impact - increase minimum sentence for use of a firearm	-	1,375,113
DOC - establish program for underage offenders	-	663,757
DJJ - transfer funds to DOC for rape elimination program for underage inmates	-	(663,757)
IEIA - fund cybersecurity accelerator program	-	2,500,000
IEIA - funds provided to find location for growth accelerator project	-	50,000
VPA - fund Port of Virginia Economic and Infrastructure Dev. Zone Grants	-	1,000,000
CA - UVA Health care plan - state share	-	454,560
CA - fund FACT fund	20,000,000	-
Subtotal Spending	\$ 20,483,365	\$ 11,029,541

The Governor's recommendations increase the unappropriated balance to \$32.7 million . . .

Summary of Proposed Resources and Changes in Spending

	FY 2013	FY 2014	Biennial Total
<u>Total Proposed Resources</u>			
HB 1500/SB 800 as introduced			
Prior Year Balance	\$ 976,011,000	\$ -	\$ 976,011,000
Additions to Balance	(194,915,367)	3,503,712	(191,411,655)
Revenue Forecast	16,416,452,248	17,037,085,606	33,453,537,854
Transfers	405,383,024	425,337,018	830,720,042
Total Resources	17,602,930,905	17,465,926,336	35,068,857,241
Executive Amendments	172,000	13,173,000	13,345,000
Total Proposed Resources	\$17,603,102,905	\$17,479,099,336	\$35,082,202,241
<u>Total Proposed Appropriations</u>			
HB 1500/SB 800 as introduced	\$ 17,176,080,047	\$ 17,881,971,665	\$ 35,058,051,712
Executive Amendments			
Savings Amendments	(29,508,797)	(10,598,692)	(40,107,489)
Spending Amendments	20,483,365	11,029,541	31,512,906
Subtotal of New Spending	(9,025,432)	430,849	(8,594,583)
Total of All Proposed Appropriations	\$17,167,054,615	\$17,882,402,514	\$35,049,457,129
Balance	\$ 436,048,290	\$ (403,303,178)	\$ 32,745,112

Most language amendments provide greater clarity or more accurately support the intent of the Governor's proposed budget . . .

- Many language amendments are technical adjustments to correct printing errors or errors in embedded numbers, references, and text or to clarify references and text but do not change policy from the introduced budget.
- Others provide language to accompany the changes in revenue or spending proposed as executive amendments.
- Policy amendments are recommended to:
 - Authorize a compensation study for state employees
 - Study adding public school divisions to the state health plan
 - Reprogram VPSA supplemental grants funding to support purchase of tablets
 - Add revenue contingency to salary increase for instructional staff
 - Provide authority for Medicaid reform efforts
 - Authorize study of centralization of Medicaid eligibility
 - Add capital language for Virginia State University
 - Alter Hampton Roads and Northern Virginia Veterans Care Center language to meet federal requirements for qualifying for federal match
 - Authorize Keene Area Headquarters land transfer