

SENATE OF VIRGINIA

Senate Finance Committee

Overview of SB 800

Senate Finance Committee Amendments
to SB 800 as Introduced
2014-16 Budget

February 11, 2015



SENATE FINANCE COMMITTEE

SFC Proposed Amendments

- Resources include \$98 million of tax expenditure actions – less than the \$114.3 million assumed in the budget as introduced
- Reduces impact of proposed new fee increases from \$12.8 million in FY 2016 to \$1.9 million.
- Adjusts biennial revenue forecast by \$430 million to reflect “money in the bank”, pending detailed communication from Governor.
- Targets additional revenue (*subject to FY 2015 revenues meeting forecast*):
 - Compensation increases for ALL employee groups (teachers, state-supported locals, state employees, and faculty).
 - Specific action to address State Police compression and high-turnover job classes.
 - Sets-aside \$134 million of the revenue for a future Rainy Day Fund deposit.
 - Eliminates the \$30 million Aid-to-Localities reversion in FY 2016.
 - Provides almost \$100 million in cash for high priority capital outlay projects.
- No reductions to K-12; no additional reductions to Higher Education.



SB 800: SFC Proposed Amended 2014-16 GF Budget

(GF, \$ in millions)			
	<u>FY 2015</u>	<u>FY 2016</u>	<u>2014-16</u>
Resources: SB 800, as introduced	\$18,216.0	\$18,261.0	\$36,477.0
SFC Recommended Adjustments	<u>201.6</u>	<u>219.0</u>	<u>420.6</u>
Available Resources	\$18,417.6	\$18,480.0	\$36,897.6
Appropriations: SB 800, as intro.	\$18,093.5	\$18,376.1	\$36,469.6
SFC: Operating	142.1	180.9	323.0
SFC: Capital Outlay	<u>53.3</u>	<u>46.2</u>	<u>99.5</u>
Total Proposed Appropriations	\$18,288.9	\$18,603.2	\$36,892.1
Unappropriated Balance	\$128.7	(\$123.0)	\$5.7



Tax Policy Actions Reflected in Budget

<i>(dollars in millions)</i>	<u>SB 800</u>	<u>SFC</u>	<u>GF Impact</u>
<u>Legislation/Action</u>			
Coalfield Employment and Production	\$ 5.2	\$ 5.2	\$ -
Coalfield Employment and Enhancement (failed)	14.7	0.0	(14.7)
Sales tax for online travel companies (failed)	1.7	0.0	(1.7)
Reduce LT care ins. premium deduction to 50%	9.4	9.4	0.0
Repeal subtraction for sale of open space land	0.5	0.5	0.0
Combine sales tax holidays	2.6	2.6	0.0
Land Preservation Tax Credit Modification	22.4	22.4	0.0
Reduce Accelerated Sales Tax to \$2.5 million threshold	57.8	57.8	0.0
Language: extend sunset on admissions tax in Stafford Co.	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Total	\$114.3	\$97.9	(\$16.4)



Fee Increases

(FY 2016 Amounts)

Reversed or Modified	<u>SB 800</u>	<u>SFC</u>	<u>GF Impact</u>
Ag&Consumer Services - Food Establishment Inspections	\$ 400,000	\$ -	\$ 400,000
Ag&Consumer Services - \$10 per device for Weights and Measures	500,000	-	500,000
Roanoke Higher Ed Center - Charge a Parking Fee (SFC: Reduce by half)	8,400	4,100	4,100
SW Va Higher Ed Center - Fee for STEM workshops	5,000	-	5,000
TAX Department - \$12 fee/roll of tobacco stamps	221,568	-	221,568
TAX/DCR - Increase t'fer fee for Land Pres. Tax Credit from 1 to 2% of value	1,350,000	-	1,350,000
Health Dept - Restaurant Inspection Fee (Partial NGF offset)	6,878,620	-	3,783,241
BHDS - \$15 fee for on-line training for CSBs and providers	117,000	-	117,000
BHDS - New licensing fee for local service providers	947,000	-	947,000
Marine Resources - Increase Saltwater Fishing license fees	550,000	-	550,000
No action			
Consolidated Labs - Commercial lab certification fees	250,000	250,000	n/a
Consolidated Labs - Charge Lottery for entire cost of lab testing	89,250	89,250	n/a
TAX \$5 fee for duplicate tax return	17,000	17,000	n/a
Health Dept - Charge external agencies for copies of pathology reports	200,000	200,000	n/a
BHDS - Admin fee for background checks	138,024	138,024	n/a
DSS - Increase fee for Child Protective Services registry checks from \$7 to \$10	225,000	225,000	n/a
DSS - Increase fee for national background checks from \$50 to \$60	82,000	82,000	n/a
DCR - Increases several state park fees; rebate to in-state residents	870,144	870,144	n/a
DEQ - Class A Biosolids fee of \$3.75 per ton	<u>TBD</u>	<u>TBD</u>	<u>n/a</u>
	\$12,849,006	\$1,875,518	\$7,877,909



Compensation Actions

- Includes \$56.7 million GF for a **three percent** salary increase for state employees, reflected in their September 1, 2015 paychecks.
 - **Plus** \$5.8 million to allow State Police to begin phasing in plan to address salary compression.
 - **Plus** \$8.6 million to address 19 classes of high turnover employees, such as correctional guards, direct care providers in mental health facilities, and court clerks.
- Provides \$22.1 million GF for a **three percent** adjustment for state-supported local employees.
- Recommends \$50.4 million GF for the state's share of a **1.5 percent** increase for teachers, with flexible local effective date.
- Funds \$14.4 million GF for a **2 percent** faculty salary increase at Virginia's public colleges and universities.



K12 Public Education

Key GF Changes to SB 800 As Introduced

Key SFC GF Amendments to Direct Aid	FY 2016 (\$ in millions)
1.5% teacher salary increase; flexible local effective date; FY 15 and FY 16 revenue contingency provisions	\$50.4
VRS: GF savings from 14.07% rate, due to <u>+\$37.2M</u> one-time payment (from Lit. Fund unclaimed property stock sale)	(2.4)
Literary Fund: GF backfill for unclaimed life insurance (SB 1305)	12.0
Literary Fund: On-going forecast increase	(22.8)
Targeted extended school year incentive	7.7
Teacher residency programs	1.0
\$537,297 for elementary school breakfast pilot, with report	Pilot
VA Center for Excellence in Teaching, school efficiency reviews, STEAM Academy, Southside VA Regional Technology Consortium	0.5



Direct Aid to Public Education

Summary

- Introduced budget primarily reflected additional NGF revenue from the Literary Fund and Lottery Proceeds and routine technical updates, including slower than projected enrollment growth, sales tax, and other participation data.
 - **SFC:** \$50.4 million, state’s share of 1.5 percent teacher and school support staff salary increase (includes increase in Governor’s School per pupil amount), flexible local effective date; contingent on meeting FY 2015 forecast; FY 2016 forecast increase contingently increases the 1.5 percent amount.
- Unclaimed property/Literary Fund.
 - One-time payment of \$150.0 million to VRS to help address the unfunded liability; and capture \$10.4 million GF savings by applying a lower teacher retirement employer contribution rate.
 - **SFC:** Adds \$37.2 million to the one-time payment, and saves another \$2.4 million.
 - \$50.0 million for VPSA school construction loans, \$25.0 million for an “interest rate subsidy” buy-down in lieu of loans.
 - \$25.0 million to offset GF costs for SOQ retirement; **SFC:** Offsets another \$22.8 million GF.
 - **SFC:** Adds \$12.0 million GF to backfill NGF loss from SB 1305 (unclaimed life insurance, death master file).



Targeted Extended School Year

- Adds \$7.7 million and establishes a predictable funding formula to encourage those school divisions that may benefit most from adding additional instructional days distributed throughout the year to do so.
 - Start-up grants of \$300,000 per school (\$400,000 for schools that were Denied Accreditation) for a three-year period to establish extended school year programs in certain eligible schools; state's share of on-going funding beyond initial period.
 - Schools (i) not fully accredited, (ii) designated priority or focus schools, or (iii) with student eligibility for free or reduced lunch of greater than 50 percent.
 - To date, about 30 schools in 13 school divisions either have such programs, had been awarded planning or start-up grants, or have expressed interest.
 - In addition to existing programs in 11 schools in Bristol, Henrico, Loudoun, Lynchburg, and Richmond -- in FY 2015, Petersburg, Galax and Henrico received start-up grants to begin extended school year programs in six schools for the 2014-15 school year; Roanoke also received a start-up grant for three schools; and Harrisonburg, Manassas Park, and Radford received planning grants for nine schools.



Virginia Preschool Initiative for At-Risk Four-Year-Olds

- Introduced budget proposed reallocation of any unused but appropriated funds for the Virginia Preschool Initiative for at-risk four-year-olds to school divisions that are using all of their state-funded slots and that also have waiting lists (instead of sweeping end-of-year balances that may exist, even after assumed non-participation).
 - **SFC:** Directs any such year-end balances to be offered for start-up or expansion grants, with priority to expanding partnerships with non-profit or for-profit providers, as is currently authorized, but not widely done.
- Maintains \$3.5 million in FY 16 for “hold harmless” slots.
- **Other SFC Actions:**
 - Appropriates \$17.5 million federal grant funds.
 - Creates a joint legislative subcommittee on accountability, flexibility, innovation, and partnerships; to develop a competency-based professional development framework.
 - Also to consider in-kind contributions to meet the local match.
 - Directs the \$6,000 per pupil amount to be updated for re-benchmarking in the 2016-18 biennium.



Direct Aid to Public Education

Other SFC Language Amendments

- Directs the Commission on Local Government to develop a process to determine an appropriate calculation for additional state funds for local consolidations going forward (no change to status of previous consolidations).
 - In the meantime, removes reference to “Composite Index”-based formula for new consolidations.
 - Recommendation of September 2014 JLARC report.
- Directs DOE to reconsider the planned cycle for issuance of the next RFP for school turnaround partners.
- Directs DOE to survey school divisions regarding their interest in using educational technology grants for lease expenditures.
- Expands the type of equipment school divisions can purchase with supplemental educational technology funds from just tablets to any handheld computing device.



Department of Education

FY 2016	SB 800, As Intro.	SFC Amend.	SFC Total
Principal training for under-performing schools	\$713,000		\$713,000
Expedited SOL retakes in grades 3 thru 8	200,000		200,000
Computer Adaptive Testing – grade 7 and 8 math	732,000		732,000
New positions to support academically struggling divisions	572,976	(97,392)	475,584
Eliminate digital content contract	(500,000)		(500,000)
Restore Center for Excellence in Teaching (GMU)	0	220,191	220,191
Restore Education Comm. of the States Dues	0	91,800	91,800
Other (Central Appropriations) reductions	(373,834)		(373,834)
Study of teacher turnover		23,000	23,000



Overview of Higher Education

- Governor's proposed amendments for the 2014-2016 biennium included **increases of about \$10.1 million GF** as compared to Chapter 3.
- **SFC amendments add about \$4.1 million GF over the biennium in higher education plus funding related to higher education in others areas of about \$15.2 million GF.**
 - Includes funding of **\$14.4 million GF for a 2% faculty salary increase** (in Central Appropriations).
 - Provides **an additional \$5.4 million GF** in FY 2016 for additional need-based undergraduate financial aid and **\$650,000 GF for the Two-Year Transfer Grant** in FY 2016.
 - **No additional reductions were recommended in these amendments.** The reductions of \$45.0 million GF per year for the higher education institutions included in Chapter 3 were distributed by agency in the introduced budget. The other higher education-related agencies received reductions in Chapter 3 of 5% in FY 2015 and 7% in FY 2016 (except for the extensions and VIMS). **A restoration of 2% in FY 2016 for the other higher education agencies is included in the SFC amendments.**



Summary of Proposed Amendments

GF Actions for the 2014-16 Biennium - (\$ in millions)			
Action/Initiative	SB 800	SFC Amend	Total
SCHEV Transfer Grant	\$0	\$0.7	\$0.7
Undergraduate Need-Based Aid (including for certifications)	3.5	5.4	8.9
Base Adequacy	2.3	0	2.3
JLAB Ion Collider Project (\$3.7 million funded in Econ. Dev.)	4.2	(4.0)	0.2
SCHEV Operations	0	0.3	0.3
GMU Hylton/Lyme Disease Research and Test	0	0.4	0.4
CWM - Puller Veterans Clinic / UVA – VHF	0	0.3	0.3
VCCS Workforce Incentive	0	0.4	0.4
Other/Technical	0.1	0.6	0.7
HE amendments in other areas of the budget:	\$10.1	\$4.0	\$14.1
Virtual Library of Virginia	(0.9)	0.1	(0.7)
HE Centers/JLAB/EVMS 5% & 7% Reductions (restore 2% in FY 2016)	(3.9)	0.6	(3.2)
Faculty Salary Increase (2%)	0	14.4	14.4
GRAND TOTAL	\$5.3	\$19.2	\$24.5



Capital Outlay Funding

Proposed Capital Outlay Amendments by Fund Type (\$ in millions)			
	SB 800	SFC Amend	Total
General Fund Cash	\$0.0	\$99.5	\$99.5
VPBA/VCBA Tax-Supported Bonds	83.7	96.0	179.7
9(c) Revenue Bonds	67.5	0.0	67.5
9(d) Revenue Bonds	55.5	10.0	65.5
Nongeneral Fund Cash	<u>70.7</u>	<u>132.4</u>	<u>203.1</u>
Total	\$277.5	\$337.8	\$615.3

- \$28.0 million in VPBA bonds recommended in the introduced budget for local elections equipment has been eliminated.
- \$67.0 million of the VPBA bonds and \$123.6 million of NGF cash is for the two Veterans Care Center projects and will not be released until a federal matching grant is received.
- For more details, please see the Capital Outlay Subcommittee Report Spreadsheet.



Key Changes in Health and Human Resources

Additional Funding from SFC Amendments - (\$ GF in millions)	
Increase ID/DD Waiver Rates	\$8.2
Increase Personal Care Rates by 2%	5.5
Fund Permanent Supportive Housing for the Mentally Ill	4.3
Eliminate Increase in Restaurant Permit Fee	3.8
Eliminate ER Fee Reduction for Non-Emergencies	2.2
Create Two PACT Teams	2.1
Free Clinics / Community Health Centers	2.0
Supplemental Payments to CHKD	1.3
Child Psychiatry and Crisis Response	<u>1.0</u>
TOTAL	\$30.4



Changes to Major Policy Proposals in the Introduced Budget

- Eliminates the proposed expansion of Medicaid in the introduced budget.
 - Restores the prohibition that no funding shall be expended for costs related to coverage of newly eligible individuals pursuant to the Affordable Care Act.
- Supports the development of a plan for a provider assessment on hospitals, but requires approval by the 2016 General Assembly before implementation.
- Supports the “A Healthy Virginia” initiative included in the introduced budget, which includes:
 - \$91.8 million GF for a program to provide limited medical benefits and comprehensive behavioral health benefits for the seriously mentally ill;
 - Dental coverage for pregnant women to improve birth outcomes;
 - Expanded enrollment outreach for children, and behavioral health homes.



Budget Restorations

HHR

- Amendments restore \$3.3 million GF in budget reductions from the introduced budget:
 - \$811,050 for Centers for Independent Living;
 - \$667,609 for employment support services for the disabled;
 - \$600,000 for personal assistance services for the disabled;
 - \$400,000 for Northern Virginia Family Services to support families in crisis;
 - \$400,000 for Didlake Inc. to support vocational rehabilitation services;
 - \$215,500 for Pharmacy Connect, a medication assistance program; and
 - \$200,000 for Youth for Tomorrow to support services for at-risk youth.
- Amendments also restore \$5.1 million GF to eliminate fees included in the introduced budget.
 - Eliminates restaurant permit fee, a new licensing fee on behavioral health providers, tobacco tax stamp roll fee, and a provider training fee at the Department of Behavioral Health and Developmental Services.



Behavioral Health Services

- Provides an additional \$8.2 million GF including:
 - \$4.3 million to support 300 individuals needing Permanent Supportive Housing;
 - \$2.1 million to create two additional Programs for Assertive Community Treatment (PACT) teams;
 - \$1.0 million to improve access to child psychiatry and crisis response services;
 - \$500,000 to provide 24/7 availability to Community Services Boards of expertise from medical providers experienced with emergency evaluations;
 - \$281,894 for direct staff at the Commonwealth Center for Children and Adolescents to handle the increase in admissions due to mental health reforms; and
 - \$25,000 to develop benchmarks and standards for emergency services.



Rate / Payment Changes

- Provides:
 - \$8.2 million GF for an initial investment in waiver rates to support the redesign of the Intellectual and Developmental Disabilities Waivers;
 - Increases the rates for skilled nursing, in-home residential, day services, therapeutic consultation and congregate care.
 - \$5.5 million GF to increase rates for personal care services by two percent for providers that assist the elderly and disabled living in their homes;
 - \$2.2 million GF to eliminate the ER fee reduction for non-emergencies in Medicaid; and
 - \$1.4 million GF for supplemental payments to Children’s Hospital of The King’s Daughters.
 - This is the only freestanding children’s hospital in Virginia, and has the highest Medicaid utilization of any hospital.



Social Services

- Amendments provide \$89,733 GF and \$9.3 million from federal funds for a variety of social services including:
 - \$3.8 million from the federal Child Care and Development Block Grant for licensing and background investigation staff, and outreach efforts related to new changes in child care regulation.
 - \$3.5 million from federal TANF funds to provide \$100 for each child in a TANF family to buy school supplies each year;
 - \$98,568 GF and \$1.0 million from TANF funds to fund a 2.5% increase in TANF benefit payments beginning January 1, 2016.
 - These benefits were last increased in 2000.
 - \$1.0 million from federal TANF funds to increase access to services provided by community action agencies.



Other HHR Amendments

- Other GF amendments in HHR provide:
 - \$1.0 million for free clinics and \$1.0 million GF for community health centers to increase the availability of health care services for the uninsured;
 - \$602,222 to fully fund the need for Part C Early Intervention Services for children with developmental delays;
 - \$475,324 to increase services for individuals with brain injury;
 - \$250,000 for Greater Prince William ARC for housing and supports for individuals transitioning from Northern Virginia Training Center;
 - \$163,005 to hold harmless a nursing facility from the recent change in payment methodology;
 - \$123,056 to fully fund six positions at VCBR;
 - \$77,409 to fund a regulatory coordinator at CSA; and
 - \$21,200 for equipment for the Radio Reading Services Program for the blind.



Key HHR Language Amendments

- The SFC's language amendments include:
 - Removal of the one employer restriction on personal attendants;
 - Language directing the Special Joint Subcommittee to Consult on the Plan to Close State Training Centers to continue its work to ensure the appropriate community supports are in place for individuals transitioning from training centers;
 - A study of graduate medical education funding;
 - A review of the operations of Piedmont Geriatric and Catawba hospitals;
 - Transparency language regarding the budget and expenditures of ID and DD waiver services; and
 - An evaluation of the costs on providers to participate in the Commonwealth Coordinated Care program.



Targeted Reductions

Targeted GF Reductions from SFC Amendments (\$ in millions)	
Reforecast of Virginia Health Care Fund Revenue	(\$14.3)
Remove Overtime Funding for Personal Care Attendants	(14.1)
Adjust over-funding for Mandatory ID and DD Waiver Slots	(7.8)
Adjust funding for Behavioral Health Homes	(6.1)
Supplant Child Care Licensure Funding with Federal Funds	(2.7)
One-Year Delay in Hiring of New Local Eligibility Workers	(1.9)
Supplant CHIP Funding with TANF	(0.5)
Eliminate Virginia Center for Health Innovation	<u>(0.1)</u>
TOTAL, Targeted Reductions	(\$47.5)



Public Safety

Key Changes from Introduced

- Restores \$1.3 million at State Police.
- Adds \$360,000 and two positions to coordinate Search and Rescue operations at State Police and Emergency Management.
- Restores \$804,000 and five scientist positions at Forensic Science.
- Directs DOC to seek out proposals for system-wide managed care to reduce long-term growth in inmate medical costs, including shifting the liability for inpatient hospital care for inmates to the contractor.
 - Also directs DOC to determine comparative cost of terminating current contract and providing services internally using state employees with greater flexibility.
- Restores 36 correctional officer positions in high-priority posts.
- Creates tobacco licensing and enforcement program at ABC (SB 1230).



State Police

- Compensation plan includes \$5.8 million to address salary compression.
 - Must have at least five years service as of July 1, 2015.
 - Requires approval of a plan by Secretaries of Public Safety and Administration.
 - This is a first step, and the Committee hopes to build on this next year.
- Provides \$600,000 to restore overtime (first year) and \$742,135 to fill 11 vacancies (second year). This results in no reductions in the second year.
 - Currently 2,013 FTE sworn positions.
 - The department should have essentially no vacancies in the second year.
- Provides \$400,000 to support the participation of Chesterfield County in the Med-Flight program serving Central Virginia.
 - Conditioned on approval of MOA by DSP and VCU Health System Authority.



ABC

- Language directs Secretary of Finance to chair an oversight committee to monitor progress towards implementing new IT systems.
 - Includes APA, DPB, Comptroller, VITA, SFC/HAC Directors.
- ABC will become an authority on July 1, 2018 (SB 1032).
 - Will continue to be supported by VITA pending resolution of disentanglement.
- ABC will be responsible for licensing of retail and wholesale distribution of tobacco products (SB 1230).
 - Provides \$3.5 million NGF and 32 positions for enforcement.
 - More aggressive enforcement expected to increase collections of sales tax, and cigarette tax, by disrupting illegal distribution of cigarettes.



Compensation Board

- Deputy Sheriffs' Salaries
 - Adds \$1.6 million GF the second year to increase the entry-level salary for Grade 7 deputies from \$29,081 to \$31,009. Also increases the Grade 8 deputy salary to avoid compression.
 - Eliminates proposed language which would have tied the entry-level salary to the maximum gross income level for a family of four for food stamps, and mandating future local contributions to meet that level.
- Jail Per Diems
 - Adds \$13.8 million GF the first year to fund the projected cost of per diems for state- and local-responsible prisoners in regional and local jails.
 - Funding to cover the projected second year increase is not included.



Commerce and Trade

- The **SFC** amendments for the Commerce & Trade Secretariat contain several actions that **reduce** appropriations to the area by \$5.1 million GF compared to the introduced SB 800, including:
 - Reducing the first year appropriation to the Governor’s Opportunity Fund by \$4.7 million GF in the first year,
 - Rejecting a proposed increase in Ft. Monroe Payments in Lieu of Taxes; and
 - Eliminating a direct appropriation to the Virginia Coalfield EDA.
- SFC amendments provide the Governor’s Opportunity Fund \$15 million in the first year and approximately \$20 million in the second year.
 - Strikes language that provided the Secretary the ability to shift up to \$5.0 million among economic development projects.
- All anticipated economic development incentive payments remain intact.



Economic Development Actions

Commerce & Trade (\$ in millions)	GOV	SFC	Difference
New Governor's Opportunity Fund	\$28.0	\$23.6	\$(4.4)
Coalfields EDA (<i>substitute for SB 1161 did not require</i>)	\$1.2	\$0	(1.2)
Ft. Monroe PILOT increase	0.7	0.0	(0.7)
Rapid Rehousing	1.0	0.5	(0.5)
Tourism Growth Incentive Fund	0.5	0.25	(0.25)
Community Business Launch (DHCD)	1.0	1.0	0
Brownfields Restoration	0.0	1.0	1.0
Southwest Va. Cultural Heritage Foundation (DHCD)	0.0	0.35	0.35
National Security R&D Initiative*	0.0	0.35	0.35
Ship Repair Training Program*	0.0	0.25	0.25
Secretarial Total			\$(5.1)
<i>Item 471.10 Reduction Strategies</i>			
Enterprise Zones	(0.65)	0.65	0.65
"See Virginia First"	(0.9)	0.3	(0.6)

*Non-State



Overview of Agriculture and Forestry

- **SFC** actions eliminate proposed fees to enhance the Weights and Measures Inspection program and the Non-Restaurant Food Establishment inspection programs.
 - Weights and Measures - \$0.5 million
 - Food establishment - \$0.4 million
- Other **SFC** amendments to Agriculture and Forestry include:
 - Partially restore funding in support for 4H and Future Farmers of America - \$50,000
 - Partially restore state support of Cooperative Coyote Control - \$0.1 million
 - Eliminate service charges on Commodities - \$0.1 million
- **SFC** actions eliminate proposed fee increases for Saltwater Fishing Licenses, Land Preservation Tax Credits and Petroleum Storage Tank deductibles.
 - Petroleum Storage Tanks - \$2.4 million
 - LPTC Transfer Fee - \$1.35 million
 - Saltwater Licenses - \$0.55 million
- **SFC** actions retain proposed fees for State Parks and Class A Biosolids.



Other Natural Resources Actions

- SFC amendments provide \$6.0 million GF in the first year for Agricultural BMPs and \$2.7 million GF for the purchase of phosphorous credits.
 - Endorses use of \$8.2 million the second year from the WQIF Reserve Fund.
- Also provides \$1.6 million in support of DCR operations:
 - \$0.9 million for replacement of existing state park furnishings,
 - \$0.5 million for Natural Area Preserves; and
 - \$0.1 million for Shoreline Erosion.
- Included in Capital Outlay is \$15.6 million in GF cash and bonds for the Natural Resources programs:
 - \$10.0 million VPBA for Stormwater Local Assistance Fund,
 - \$2.2 million NGF Seven Bends Park in Shenandoah County,
 - \$1.5 million GF for Occoneechee State Park recreational facilities,
 - \$1.5 million GF for acquisition of yurts at multiple parks,
 - \$0.3 million GF for cabin furnishings; and
 - \$0.2 million GF for land acquisition adjacent to Natural Tunnel State Park.



Overview of Transportation

- SFC amendments to SB 800 include:
 - Evaluation of potential options and funding sources for the elimination of tolls on the Downtown-Midtown Tunnel,
 - \$1.0 million NGF for developing a regulatory framework for transportation network companies,
 - \$1.9 million NGF for the assessment of potential fixed-guideway transit corridors in Hampton Roads,
 - Evaluation of options for increasing the use of private operators in the provision of paratransit services,
 - Allowance of competitive procurement for drain materials, and
 - Improved reporting on annual secondary road maintenance allocation.



Port of Virginia

- The **SFC** amendments for the Virginia Port Authority reflect ongoing consolidation of operations of the VPA and Virginia International Terminals.
 - Technical amendments include an increase of 23.0 FTE and \$2.8 million NGF.
 - SB 800 increases employment level by 46.0 FTE positions and \$13.5 million NGF.
- **SFC** amendments endorse modification of existing Virginia International Gateway Terminal Lease language to authorize VPA to extend or renew its operating lease on the marine terminal by 50 years and allow for the conversion of this operating lease to a capital lease.
 - Separate language allows the use of previously authorized Commonwealth Port Fund Bond proceeds for Craney Island improvements to be used for the construction or expansion of other port facilities.



Overview of General Government

- Within the Department of Elections, **SFC** amendments **do not recommend** proposed funding of \$1.7 million GF in the second year, and authorization of \$28.0 million in VPBA debt, proposed for a statewide voting machine modernization.
- **SFC** amendments provide less than \$0.5 million in the Legislative Department to implement various Senate bills and resolutions.
- Modest funding is provided to the Office of Finance including funding required to allow taxpayers to elect to receive a physical check for tax refunds.
- The **SFC** amendments **do not recommend** several proposed fees including the proposed cigarette Tax Stamp fee. However, three smaller cost recoveries remain as proposed in the introduced budget
 - Commercial lab certification and Lottery testing in support of operations of the Division of Consolidated Labs (\$0.3 million)
 - \$15 fee for copies of tax returns (\$17,000)

