

SENATE OF VIRGINIA

# Senate Finance Committee

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## Overview of Proposed Senate Finance Committee Budget

**SB 900 (Amendments to 2016-18 Budget)**

**February 8, 2017**



# SFC Budget Priorities

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- Employee compensation
  - Redirected funding for proposed bonus to a **salary increase** for all state employees, state-supported local employees, teachers, and college faculty.
  - Special compensation actions for State Police, sheriffs, district court clerks, selected high-turnover positions.
- Increased funding for mental health initiatives.
- Avoided across-the-board reductions to K-12 public education and safety net programs.



# SFC Budget Priorities

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- Trimmed proposed discretionary spending, directing dollars to Committee priorities.
- Limited budget cut restorations or new spending:
  - Funding for mid-year enrollment loss in K-12.
  - Permanent supportive housing.
  - Restored half of the reduction to the GO Virginia regional economic development initiative.
- Maintained “structural balance”; directed one-time resources to one-time spending.



# SFC Proposed Amendments

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- Net additional resources of \$73.1 million.
  - No adjustment to the official revenue forecast.
  - Additional resources from increase in ABC profits, agency and selected fund balances transferred to the general fund.
- Raises the general fund tax amnesty collections estimate by \$31.6 million to \$90.8 million.
- Additional amnesty collections directed to a **Revenue Cash Reserve**.
  - Total of \$40 million in **one-time** resources set aside.
  - Reserve can be used as a back-stop against any revenue shortfall in FY 2018.



# Overview of Health and Human Resources

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- The introduced budget proposed net spending of \$82.5 million GF in FY 2017 and \$256.4 million GF in FY 2018 for a total of \$338.9 million GF for the biennium.
  - Mandatory spending totals \$355.2 million GF.
  - Discretionary spending totals \$57 million GF.
  - Budget savings of \$73.3 million GF.
- The **SFC amendments** include \$15.0 million in spending offset by \$28.5 million in savings for a net reduction of \$13.5 million GF less than the introduced budget.
  - Total net spending for HHR is \$325.4 million GF.



# Behavioral Health Initiative

Services	(GF/NGF \$ in millions)	Introduced Budget	SFC Adopted
Community Behavioral Health Services		\$ 9.4	\$ 9.4
Same Day Access		8.2	8.2
Permanent Supportive Housing		0.0	5.0
Purchase of Private Inpatient Beds		3.0	3.0
Substance Use Coordinator		0.1	0.1
Naloxone		0.2	0.2
Mental Health Hospitals		2.1	2.1
Reduce High Turnover at Facilities		0.0	2.5
MH Jail Screening and Assessments		4.2	0.0
Total Programs / Services		27.2	30.5
CSB System Design / Gap Analysis		4.5	0.5

NOTE: The **SFC amendments** supplant \$6.0 million of the community behavioral health services and the \$200,000 for naloxone with a new federal grant.



# Other HHR Spending Amendments

GF Increases for the 2016-18 Biennium - (\$ in millions)	
Increase Nursing Facility Medicaid Payments	\$3.3
Adjust Nursing Facility Methodology for Danville Area	1.6
Population Health Plan with Behavioral Health Focus	1.0
Medicaid Rates for Federally Qualified Health Centers	0.8
Emergency Department Care Coordination System	0.4
Review of New Long-Term Care Managed Care Program	0.3
Allow Customized Rates for Sponsored Residential	0.3
Funding for Medical Residency Slots	0.3
Environmental Assessment at Central VA Training Center	0.3
Budget Restorations and Other Spending	1.3
<b>Total</b>	<b>\$9.6</b>



# HHR Savings Amendments

GF Savings for the 2016-18 Biennium - (\$ in millions)	
Restore Prohibition on Overtime for Consumer-Directed Attendants	(\$8.5)
Medicaid Forecast Adjustment	(7.1)
Supplant GF with Federal Grant Funds for Behavioral Health	(6.2)
Statewide Gap Analysis of Mental Health System	(4.5)
Administrative Savings in Agencies (VDH, DMAS, DARS)	(1.0)
Remove Funding for Meningococcal Vaccine	(0.5)
Increase Provider Assessment for ICFs	(0.5)
<b>Total Savings</b>	<b>(\$28.3)</b>

Note: The **SFC adopts** the increase in the restaurant inspection fee, shellfish sanitation inspection fee, and the adult behavioral health provider application fee.





# HHR Policy and Funding Items

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- **Removes Medicaid Expansion Language**
  - The **SFC amendments** remove language allowing the Governor to expand Medicaid if an enhanced federal match is available for an expansion population as of October 1, 2017 and restores the prohibition on expansion unless the General Assembly approves.
  - The **SFC amendments** create a Joint Subcommittee of Senate Finance and House Appropriations to monitor and review federal actions that could impact health care for Virginians.
- **Children's Services Act**
  - The **SFC adopts** \$85.7 million GF for the 2016-18 biennium to address increasing caseload and cost increases in the Children's Services Act (CSA).
  - The **SFC amendments** include creation of a workgroup to evaluate options related to private day placements and report on how they would be implemented, including an option to move special education funding from CSA to the Department of Education.



# Other HHR Policy and Funding Items

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- The **SFC amendments** create 160 new Family and Individual Support waiver slots from the savings due to reallocation of waiver slots. (Total number of new slots created in FY 2018 is 590).
- The **SFC adopts** the transfer of the Summer Food Service and Child and Adult Care Food Programs from the Virginia Department of Health to the Department of Education.
- The **SFC adopts** \$3.0 million in funding from Temporary Assistance to Needy Families (TANF), for a pilot program to educate and expand access to Long Acting Reversible Contraception (limited to implants).
- **SFC language amendments** address a variety of issues including:
  - Electronic Visit Verifications in Medicaid, JLARC managed care recommendations, Supports Intensity Scale requirements, etc.



# Overview of Direct Aid to Education

## State Share of 2.0% Teacher Salary Increase

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- Direct Aid to Education was exempted from the 5 percent and 7.5 percent reduction targets. However, due to technical updates and the use of additional NGF revenues, the introduced budget reflected a net decrease of \$273.2 million GF, compared to Ch. 780 (2016 budget).
  - **SFC:** Excluding an \$8.0 million GF/NGF Literary Fund adjustment, adds \$5.5 million GF above the introduced budget.
  - **SFC:** Re-directs the proposed 1.5% bonus and a portion of the Lottery Per Pupil amount to \$83.2 million GF for the state share of a 2.0 percent salary increase.
    - School divisions shall have flexibility as to their locally-selected effective date during the 2016-18 biennium (either FY 17 or FY 18).
  - No change to the VRS rates adopted in Chapter 780, which increase from 14.66 percent in FY 2017 to 16.32 percent in FY 2018, which reflects 100 percent of the VRS Board certified rate.



# Summary of Proposed Actions in Direct Aid to Education

(GF, \$ in millions) Biennial	SB 900, As Intro.	SFC Amend.	SFC Total
Adjust Literary Fund for FY 2017 Loans		<b>(\$8.0)</b>	<b>(\$8.0)</b>
Technical Updates & Forecasts (incl. Sales Tax)	(\$327.5)	<b>\$0.5</b>	<b>(327.0)</b>
State Share of 1.5% Teacher Bonus	55.5	<b>(55.5)</b>	<b>0.0</b>
Redirect Portion of Lottery PPA to Salary Action		<b>(27.7)</b>	<b>(27.7)</b>
State Share of 2.0% Teacher Salary Increase		<b>83.2</b>	<b>83.2</b>
FY 2017 Enrollment Loss Assistance		<b>7.0</b>	<b>7.0</b>
Increase Teacher Residency Program	1.0		<b>1.0</b>
New Summer Cyber Camps	0.5	<b>(0.2)</b>	<b>0.2</b>
Project Discovery Post-Secondary Access		<b>0.2</b>	<b>0.2</b>
Remove Math & Science Pilot	(0.8)		<b>(0.8)</b>
Project Graduation Remedial Education		<b>(1.4)</b>	<b>(1.4)</b>
Defer Teacher Improve. Prog., SFC: + Other Savings	<u>(2.0)</u>	<b><u>(0.6)</u></b>	<b><u>(2.6)</u></b>
<b>TOTAL (excluding Lit. Fund NGF/GF Adj.)</b>	<b>(\$273.2)</b>	<b>\$5.5</b>	<b>(\$267.7)</b>



# Enrollment Loss Assistance

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- SFC adds \$6.99 million in FY 2017 for partial enrollment loss funding payments.
  - Equal to state share per pupil for each locality, for up to 50 percent of the enrollment loss in March 31, 2017 ADM from the prior year, where enrollment loss was 1.5 percent or greater.
  - As a condition of receiving this payment, the school division must report to DOE on its strategies for managing on-going declining enrollment.
  - Projected to affect 45 school divisions: Alleghany, Amherst, Augusta, Bath, Bedford, Bland, Botetourt, Brunswick, Buchanan, Carroll, Charles City, Cumberland, Dickenson, Dinwiddie, Essex, Grayson, Halifax, King William, Lancaster, Madison, Mecklenburg, Nelson, Northumberland, Nottoway, Patrick, Pulaski, Rappahannock, Russell, Scott, Smyth, Surry, Tazewell, Wise, Buena Vista, Danville, Galax, Hampton, Martinsville, Norfolk, Norton, Portsmouth, Waynesboro, Williamsburg, Poquoson, and Colonial Beach.



# Other Education Agencies

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- **Library of Virginia.** Introduced budget reduced the reduction announced in October for 15 layoffs (out of 25 statewide).
  - Aid to Public Libraries was exempted and not reduced.
  - **SFC:** Restores \$428,571 to re-open to the public six days a week.
- **2019 Commemorations - Jamestown.** Introduced budget proposed an additional reduction of \$175,000 in FY 2017 and \$5.2 million GF in FY 2018.
  - **SFC:** Restores the \$5.2 million in FY 2018.
- **5% and 7.5% Reductions.** Introduced budget reduced Jamestown-Yorktown (JYF), VMFA, Commission for the Arts, Frontier Culture.
  - **SFC:** Adds \$496,232 to JYF to leverage tourism and education market activity, \$165,433 to JYF for education workforce stabilization, and \$150,000 for Frontier Culture Museum educator interpreters to meet increased visitation.



# Overview of Higher Education

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- SFC amendments add \$1.5 million GF over the biennium in higher education, resulting in a net reduction of \$126.4 million.
- Provides almost \$17.0 million GF for a 2 percent faculty salary increase in FY 2018 (in Central Accounts).
- Retains the majority of the 5 percent GF reduction (excluding financial aid) at most institutions in FY 2018; a decrease of \$73.0 million (total decrease of \$76.1 million GF in the introduced budget).
  - Norfolk State and Virginia State University were exempt under the proposal as well as a few other small items.
  - SFC amendments restore the reductions to Virginia Tech Extension and the Virginia Institute for Marine Science, \$3.1 million GF over the biennium.
- Maintains the general fund recovery of an amount equivalent to the nongeneral fund portion of the prepayment made to the Virginia Retirement System (VRS) to reduce VRS rates; a decrease of \$40.4 million over the biennium.
- Retains the 5 percent across-the-board reductions at higher education centers/other agencies (EVMS is exempt in FY 2017 and their financial aid and indigent care amounts are exempt in FY 2018), a decrease of \$2.6 million GF over the biennium.



# Other Higher Education Actions

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- Reduces funding for the Virginia Degree Completion Network by \$1.1 million GF over the biennium, level funds the initiative with a required plan update.
- Provides \$50,000 GF in the second year for UVA-Wise to submit a plan on their potential enrollment growth and how it would impact their capital outlay needs.
- Allocates \$100,000 GF in FY 2018 for New College Institute to update their plan.
- Restores \$288,487 GF over the biennium to SCHEV for operations and for the Virginia Women's Institute for Leadership, (remaining decrease of \$1.2 million GF over the biennium).
- Provides \$150,000 GF in the second year for the SFC Education Subcommittee to hold additional meetings related to issues in higher education.
- Restores the proposed decrease of \$4.0 million GF in the first year under Central Accounts for higher education research partnerships with Inova.
- Eliminates \$900,000 GF in FY 2018 for a tuition backfill for out-of-state Virginia National Guard Members at Virginia Military Institute.





# Capital Outlay Funding

Proposed Amendments by Fund Type (\$ in millions)			
	SB 900	SFC Amend.	Total
General Fund Cash	\$0.0	\$1.25	\$1.25
VPBA/VCBA Tax-Supported Bonds	270.8	(110.4)	160.4
9(c) Revenue Bonds	13.6	0	13.6
9(d) Revenue Bonds	121.3	0	121.3
Nongeneral Fund Cash	25.0	0	25.0
<b>Total</b>	<b>\$430.7</b>	<b>(\$109.2)</b>	<b>\$321.6</b>

- Eliminates: 1) the four new detailed planning projects and 2) the VPBA bond authorizations of \$104.8 million for the construction of a new warehouse/central office building for the Dept. of Alcoholic Beverage Control (ABC) and the \$7.0 million for infrastructure repairs for DBHDS.
- Authorizes 1) pre-planning for three projects (\$750,000 GF): ABC's warehouse/central office building, exhibits for Danville Science Center, and an indoor gallery at Frontier Culture Museum; and 2) the Eastern Shore Laboratory Complex for VIMS (existing bond authorization).
- Provides a one-time maintenance reserve increase of \$500,000 GF for the State Police to deal with health-related concerns at the training academy in Chesterfield County.



# Capital Outlay Additional Detail

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- SFC Total is \$160.4 million in VPBA/VCBA bonds over the biennium:
  - \$94.7 million to supplant GF for previously authorized projects (language also authorizes the reversion of \$33.8 million from the planning pool and project balances);
  - \$39.3 million for two new projects and supplements for six previously approved projects (swapped DOC projects which required \$1.4 million more in VPBA bonds);
  - \$19.6 million for furnishings and equipment for projects coming online in FY 2018;
  - \$3.0 million for blanket property acquisition for the Department of Military Affairs and another \$323,000 for the renovation of the Roanoke Field Maintenance Shop;
  - \$2.5 million for the exterior building envelope repairs at Main Street Centre under the Department of General Services; and
  - \$1.0 million for a maintenance reserve supplement for fire safety at the Department of Military Affairs.



# Overview of General Government

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## **General Assembly**

- Establishes joint subcommittee to examine Local Fiscal Stress.

## **Auditor of Public Accounts – Local Fiscal Stress Language**

- Includes language directing the APA to establish a workgroup to develop an early warning system to identify localities that may be experiencing fiscal distress.
- Language requiring independent certified public accountants that audit localities to communicate to local governing bodies, and the Commonwealth, through an official management letter, when instances of financial or internal control deficiencies are identified.

## **Reserve for Local Fiscal Stress** (in Part IV)

- Establishes a reserve for local fiscal distress – Language permits the Governor to re-appropriate up to \$500,000 GF from unspent funds for local aid, as of June 30, 2017 (as identified by DPB) for the purpose of providing technical assistance and intervention actions for fiscally distressed local governments. Also, includes language specifying procedures for the approval of disbursement of funds and state intervention.



# Administration and Finance

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- **Compensation Board** – Supports the \$3.9 million GF the second year in the introduced budget for career development programs for all qualified constitutional officers that was in the introduced budget. Career development provides a salary incentive to elected constitutional officers and employees who pursue certification and accreditation programs.
- **Sheriffs' Office Salary Compression** – Supports the \$8.7 million GF the second year for salary compression in Sheriffs' offices and regional jails.
- **Department of Elections** – Removes proposed increases totaling \$3.9 million GF.



# SFC Compensation Actions

## Base Salary Adjustments

- State Classified Employees: 3% raise
- Faculty: 2% raise
- State-supported Locals: 2% raise
- Teachers: 2% raise

One-time and Base Salary Adjustments	SB 900 (Introduced)	Bonus	SB 900 (SFC Total Cost)	Base Adj.
State Employees	\$ 29.9	1.5%	\$ 64.8	3%
Faculty	12.3	1.5%	16.9	2%
State -Supported Local Employees	13.8	1.5%	17.1	2%
Teachers	55.5	1.5%	83.1	2%
<b>Total GF Cost (Base Adjustments)</b>	<b>\$ 111.5</b>		<b>\$ 181.9</b>	

## Targeted Salary Initiatives:

- State Police Salary Initiative: \$14.3 million – Increases starting salary from \$36,207 to \$43,000, addresses compression.
- Mental Health High-Turnover Positions: 4% base adjustment (in addition to 3% raise) - Includes positions in mental health facilities such as Nurses, Direct Service Associates.
- District Court Clerks: Adds \$1 million for total of \$3.5 million – Salary initiative subject to approval by Committee on District Courts.
- Career Development: \$3.9 million for constitutional officers.
- Sheriffs Salary Compression: \$8.7 million to address salary compression.

*State employee actions effective July 10, 2017, and reflected in August 1, 2017 pay.*

Targeted Salary Actions	SB 900 (Introduced)	(SFC Total Cost)
State Police Salary Initiative	\$ 4.0	\$ 14.3
District Court Clerks	2.5	3.5
Career Development	3.9	3.9
Sheriffs Salary Compression	8.7	8.7
MH High-Turnover	-	2.5
<b>Total GF Cost (Targeted)</b>	<b>\$ 19.1</b>	<b>\$ 32.9</b>
<b>Total GF Cost (all actions)</b>	<b>\$ 130.6</b>	<b>\$ 214.8</b>



# Overview of Public Safety

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- **ABC** – Eliminates proposed bond authorization for new central office and warehouse and instead provides \$250,000 GF for pre-planning.
- **Corrections**
  - Defers opening new women’s facility at Culpeper County.
  - Requires study of medical high-cost inmates and steps to control costs.
- **Criminal Justice Services** – Redirects \$4.2 million GF proposed for grants for jail mental health screening and assessments, to improved services in the overall mental health initiative.
- **State Police**
  - Adds \$14.3 million GF to raise starting salaries for State Troopers from \$36,207 to \$43,000, plus compression (as of August 1 paychecks).
  - Restores \$1.2 million and 10 positions for Special Operations Division.
  - Removes \$5.9 million proposed for VITA separation (and adds \$2.9 million in Central Appropriations -- with a requirement for a detailed plan).



# Overview of Veterans Services

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- **Reorganization of VVFS.** Adds \$0.6 million GF the second year and 34 positions to reorganize the Virginia Veteran and Family Support (VVFS) Program (formerly the Virginia Wounded Warrior Program), to provide better and more consistent services to clients.
  - Enables DVS to convert all of the 34 positions working for 11 CSBs (and located at 19 CSBs) into state DVS employment.
- **Entrepreneurship.** Directs the Secretary of Veterans and Defense Affairs to form a working group to develop a plan with the community college system to assist veterans in starting up small businesses.



# Overview of Judicial

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## Judicial Vacancies

- Funds 405 judgeships in FY 2018, compared to 408 in FY 2017.
  - The updated judicial workload and staffing study will be completed by the National Center for State Courts (NCSC) this fall.
  - Eleven currently sitting judges are retiring as of July 1, 2017.
  - Of these, eight are fully justified at the 100% or higher level, based on the current NCSC staffing study. The committee amendment authorizes these eight judgeships to be filled:
    - Circuit: 3<sup>rd</sup>, 6<sup>th</sup>, 7<sup>th</sup>, and 19<sup>th</sup>.
    - General District: 15<sup>th</sup>.
    - J&DR: 2<sup>nd</sup>, 5<sup>th</sup>, and 20<sup>th</sup>.
  - The other three are not fully justified and are not recommended for funding:
    - 20<sup>th</sup> and 31<sup>st</sup> Circuits and 2<sup>nd</sup> J&DR
  - No new positions recommended for funding this year.
  - Net savings of \$640,000 transferred to the general fund by June 30, 2018.





# Overview of Commerce and Trade

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- Reduces funding and recovers balances from underutilized incentive programs and projects that are behind schedule. These actions provide \$7.1 million to the general fund:
  - Reverses \$2.5 million NGF Appropriation for Aerospace Manufacturing Supplier Cluster Grant; transfers balance to the GF.
  - Defers \$2.0 million GF deposit to Pulp, Paper, and Fertilizer Advanced Manufacturing Performance Grant Fund the second year.
  - Reduces FY 2018 funding for Commonwealth's Development Opportunity Fund by \$1.0 million GF.
  - Transfers \$1.6 million NGF balances from the Small Business Jobs Grant Fund and the Small Business Investment Grant Fund to the GF.
- Redirects new spending for additional general fund savings to reverse some of the proposed cuts to economic development programs.



# Overview of Commerce and Trade

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- Reverses new funding proposed to create the Virginia International Trade Corporation resulting in a savings of \$1.1 million GF.
- Removes new spending of \$1.5 million GF for Occupational Safety and Health programs in FY 2018.
- Reverses new spending of \$1.1 million GF for solar development incentives the second year.
- Removes \$400,000 GF new spending for Air India tourism marketing incentive program.
- Removes \$168,291 GF in new funding for additional staff at the Virginia Economic Development Partnership.
- Restores \$1.3 million GF the second year for the Virginia Brownfields Restoration and Economic Development Assistance Fund.
- Restores \$1.8 million GF for the Enterprise Zone Program.



# GO Virginia

- Restores one-half of the \$15.0 million reduction in the Governor's proposed budget for GO Virginia. Includes:
  - \$650,000 per qualifying region for organizational building and gap analyses;
  - \$12.2 million the second year for grants based on each region's share of the state population; and,
  - \$10.0 million the second year for competitive grants.

Virginia Growth and Opportunity Fund (\$ in millions)	SB 900, As Introduced			SB 900, As Amended		
	FY17	FY18	Total	FY17	FY18	Total
Grants for organizational building and gap analyses	\$0.9	\$1.4	\$2.3	\$2.0	\$3.9	\$5.9
Grants based on each region's share of the state population	\$ -	\$6.1	\$6.1	\$ -	\$12.2	\$12.2
Competitive grants	<u>\$ -</u>	<u>\$12.2</u>	<u>\$12.2</u>	<u>\$ -</u>	<u>\$10.0</u>	<u>\$10.0</u>
<b>Total</b>	<b>\$0.9</b>	<b>\$19.7</b>	<b>\$20.6</b>	<b>\$2.0</b>	<b>\$26.1</b>	<b>\$28.1</b>



# Other Commerce and Trade

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- Maintains \$5.5 million GF commitment each year to the Housing Trust Fund to support affordable housing and homelessness reduction.
- Directs the Department of Housing and Community Development (DHCD) to develop and implement strategies for housing individuals with serious mental illness.
- Provides a \$500,000 NGF appropriation from the Virginia Coalfields Economic Development Authority (VCEDA) for economic development in Southwest Virginia.
- Conditions funding in DHCD on the creation and operation of a registration system for properties offered for short-term rental.
- Authorizes additional Virginia Economic Development Incentive Grant (VEDIG) commitments, subject to future GF appropriations.
- Reduces \$125,000 GF support for the Virginia Sports Hall of Fame and Museum in FY 2018 and redirects funding to the City of Virginia Beach.
- Restores \$37,500 GF for the Spearhead Trails, an initiative of the Southwest Regional Recreation Authority.
- Increases support for the Special Olympics \$10,000 GF each year.



# Overview of Agriculture & Forestry

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- Directs the Secretary of Agriculture & Forestry to examine the current state and local regulatory environment and determine how to better foster the viability of Virginia farm wineries.
- Reverses the Governor's proposed new fee for the enforcement of silvicultural water quality inspections and restores \$500,000 GF for this purpose.
- Restores a proposed reduction to the Reforestation of Timberlands of \$0.3 million GF in the second year.
- Restores state support for the cooperative coyote control program.
- Includes a reduction of \$220,000 GF in the first year and \$1.0 million GF in the second year for the Agriculture and Forestry Industries Development Fund and the elimination of one new position established to support the programs by the 2016 General Assembly.



# Overview of Natural Resources

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- SFC amendments to Natural Resources programs focused on maintaining spending for Water Quality Improvement program.
  - Recommends releasing \$8.3 million NGF in Water Quality Improvement reserve funds for agricultural best management practices and technical assistance.
  - Establish a \$30.0 million line of credit for the agricultural best management practices cost share assistance program to support actual expenditures on a reimbursement basis.
    - Withdrawals would have to be approved by the Secretary of Natural Resources and the Secretary of Finance, and
    - Repayment would be from any statutory deposit of end of year surplus amounts designated for the WQIF within seven years of an approved withdrawal.
- Includes language directing the Secretary of Natural Resources to annually report on any settlements or mitigation agreements and all resulting project expenditures.
  - Would apply to the current DuPont and Surry-Skiffe's Creek negotiations.



# Conservation and Recreation

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- Modifies the 2016 prohibition on the acquisition of park land to allow for in-holdings and other lands contiguous to existing State Parks.
  - Separate actions in Capital Outlay authorize \$1.0 million NGF for acquisitions at seven State Parks and \$2.3 million NGF for Natural Area Preserves.
- Restores a proposed reduction of \$0.4 million GF for the Swift Creek Bike Trail for disabled riders.
- Provides language to clarify that the \$1 deed recordation fee applies to all documents recorded in the book of record for localities where VOF easements are held.
- Eliminates the proposed increase in the Land Preservation Tax Credit transfer fee.



# Other Natural Resources Actions

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## Marine Resources

- Recommends restoring the Virginia Saltwater Sport Fishing Tournament, by providing \$0.2 million GF in each year.
- Reflects revenues from an increase of \$0.2 million NGF in Commercial Fishing license fees to offset a reduction in general funds.
  - Capped at \$5.00 or the rate of inflation since the last increase.
- Restores \$0.4 million GF to the Habitat Management Division eliminated in 2010.

## Historic Resources

- Partially restores funding to the Battlefield Preservation Fund by \$100,000.
- Includes funding to allow for the preservation of historical African-American Graves and Cemeteries in addition to the current Revolutionary and Civil War grave site program. Adds language to prevent reductions to this program, consistent with current practice for Confederate graves.





# Overview of Technology

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- Reverses a proposed one-time expenditure of \$2.3 million to retire an outstanding debt for the Virginia Enterprise Applications Program.
  - Will continue to be carried on the VITA books.
  - Should be recognized in development of biennial budget.
- Includes language directing that all state agencies begin moving applications to commercial cloud computing environments, where appropriate.
- Includes language directing the Chief Information Officer and the Superintendent of State Police to jointly develop a transition plan, timeline and cost estimates for the successful disentanglement of VSP from the VITA-NG partnership.



# Overview of Transportation

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- Directs the Secretary of Transportation to enter into an agreement with the City of Virginia Beach for the repayment of \$20.0 million in bond proceeds from the acquisition of right of way.
  - **Redirects** this funding to the construction of additional facilities at Wallops Island in support of commercial space and unmanned systems activities.
- Prohibits the expenditure of Commonwealth airport funds in direct support of airline operations and requires annual reporting on funds allocated to each air carrier airport.
- Directs the Department of Rail and Public Transportation and the HRTPO to evaluate all costs and potential funding sources for the Hampton Roads-Richmond Tier II EIS and directs the CTB prioritize this project in the SYIP no earlier than FY 2020.
- Extends existing *Code* provisions regarding project labor agreements to P3s, does **not** impact voluntary agreements.
- Staffing increases are also included at both VDOT and DRPT.
  - **DRPT:** Increase of 3.0 FTE associated with management of the Atlantic Gateway project and funded by increasing the retained overhead from passenger rail funds from 3.5 to 5 percent.
  - **VDOT:** Increase of 10.0 FTE for state operated toll facilities (I-66 Inside the Beltway).



# Motor Vehicles

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- Eliminates approximately \$1.1 million in transfers from VDOT to DMV for administration of EZ Pass program.
  - Funding will be recovered through a chargeback to VDOT.
- Provides authorization for DMV to pass along indirect costs (SICAP) to agencies for which DMV collects revenues, resulting in approximately \$3.8 million NGF in revenue.
  - Most affected agencies include VDOT, VDH and the Virginia State Police.
- Provides additional flexibility to DMV to generate revenues to cover the compensation actions authorized for all state employees.
  - Removes requirements for partial refunds if less than a year remains.
  - Eliminates paper organ donation brochures.
  - Authorizes the Commissioner to modify multi-year and online registrations fees.
- Proposes a temporary increase of \$1 on vehicle registration fees to support the Jamestown 2019 Commemoration.
  - Temporary fee expires at the end of FY 2020.

