



Report of the Subcommittee on  
Capital Outlay  
&  
General Government

Senate Finance Committee  
Virginia General Assembly

February 18, 2018



SENATE OF VIRGINIA

## Senate Finance Committee

### REPORT OF THE SUBCOMMITTEE ON CAPITAL OUTLAY & GENERAL GOVERNMENT On Senate Bills 29 and 30, as Introduced February 18, 2018

#### **Mr. Chairman and Members of the Committee:**

This Subcommittee reviewed the provisions of Senate Bills 29 and 30, the budget bills, as introduced, for those portions of the budget that fall under Capital Outlay and General Government. These areas are expansive, touching numerous secretariats and dozens of agencies. This year, the primary and overarching objective was maintaining fiscal conservatism, allocating our scarce resources where they are most needed.

In this very brief report, I would like to focus on some key issues in the areas of Capital Outlay, Judicial, the Offices of Administration and Finance, the Revenue Cash Reserve, and Employee Compensation.

#### **Capital Outlay**

In the area of Capital Outlay, the Subcommittee placed a priority on maintaining current facilities and, where appropriate, allowing new projects to proceed to construction or renovation.

For that reason, the Subcommittee recommends maintaining the proposed \$252.0 million included in the introduced budget for maintenance reserve. We must focus on the condition of our existing assets in order to reduce unnecessary and larger expenditures in the future. The Subcommittee also appropriates \$58.2 million in bond proceeds for equipment for projects coming on-line during this biennium.

In addition, the Subcommittee provides project supplements that are needed in this biennium and allows several key projects to move forward in either planning or construction. This includes the construction of a new Alcoholic Beverage Control warehouse and administrative offices. The Subcommittee continues to closely monitor our debt capacity and make prudent investments to ensure that the state is able to respond to future needs.

### **Judicial Department**

Among the issues examined within the Judicial Department, were the increase in the number of waivers submitted by court-appointed counsel related to lengthy and complex criminal cases. Providing appropriate funding in this area will ensure adequate representation for individuals throughout the judicial process.

### **Office of Administration**

Within Administration, in order to address the growing costs of our own state health plans, we've proposed language directing the Department of Human Resource Management to implement a shared savings incentive program, whereby plan members are incentivized to be cost-conscious consumers of healthcare services. This program is projected to save the state health plans from \$4 million to \$7 million per year, when fully implemented.

### **Office of Finance**

In the area of Finance, there is language directing the Department of Taxation to convene a workgroup to examine the alternatives and limitations to the current Accelerated Sales Tax requirements, including the potential for expanding hardship exceptions, making the application for a hardship exception easier, and the feasibility of a phase-out option by 2022. A report on the workgroup's findings will be delivered prior to the 2019 General Assembly Session.

## **Revenue Cash Reserve**

Turning to a discussion of the Revenue Cash Reserve, it became abundantly clear in listening to the rating agencies that Virginia needed to continue to focus on increasing our cash liquidity. The Subcommittee's recommendations therefore include language in the budget to phase-in to a commitment of having the equivalent of 2 percent of the prior year's general fund revenues in the Reserve over the course of the next four-years. Our recommendations place \$336 million in the Reserve by the end of this biennium.

## **Employee Compensation**

The introduced budget included a two-percent raise for state employees, state-supported local employees and teachers, effective December 1<sup>st</sup> of 2019. While the Subcommittee agrees that state employees and teachers are deserving of a raise, the current uncertainty regarding revenues, as recently expressed by the Secretary of Finance, has prompted us to take a more fiscally conservative approach.

Our recommended language directs the Governor to include in his next introduced budget, the funding necessary to offset any potential downward revision of the revenues for fiscal years 2019 and 2020, at an amount sufficient to provide a 2 percent raise for state employees, state-supported local employees, and teachers, effective July 1, 2019. At the close of the current fiscal year, if it is determined that a revenue reforecast is not required, those funds shall be used exclusively for a 2 percent raise.

In acknowledgement of the lack of an immediate compensation increase, the Subcommittee recommends that the state absorb the employees' share of healthcare premium increases, for both years.

Mr. Chairman, this completes the report of the Subcommittee on Capital Outlay and General Government.

Respectfully Submitted,

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The Honorable Thomas K. Norment, Jr., Chairman

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The Honorable Richard L. Saslaw

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The Honorable Emmett W. Hanger, Jr.

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The Honorable L. Louise Lucas

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The Honorable Frank M. Ruff, Jr.

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The Honorable Frank W. Wagner

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The Honorable Ryan T. McDougale

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The Honorable Jill H. Vogel

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The Honorable Mark D. Obenshain

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The Honorable Rosalyn R. Dance

**February 18, 2018 Report of the Senate Finance Committee - CAPITAL OUTLAY  
Summary of Recommended Amendments to SB 29 and SB 30, As Introduced**

<b>SB 30:</b>								
<b>Line #</b>	<b>Amendment #</b>	<b>Short Title</b>	<b>Biennial GF \$</b>	<b>Biennial Other NGF \$</b>	<b>Biennial 9 (c) Bonds \$</b>	<b>Biennial 9 (d) Bonds \$</b>	<b>Biennial VCBA/VPBA \$</b>	<b>Biennial NGF Total \$</b>
1	C-11.5 #1s	CO - RU - Detailed Planning - Renovate/Construct Center for Adaptive Innovation & Creativity		\$4,000,000				\$4,000,000
2	C-13.5 #1s	CO - VCU - Trani Life Science Building Roof and HVAC Replacement					\$6,000,000	\$6,000,000
3	C-16.5 #1s	CO - VMI - Renovate 412 Parade (Superintendents Quarters)		\$2,000,000				\$2,000,000
4	C-16.5 #2s	CO - VMI - Improve and Expand Clarkson-McKenna Instant Replay Booth				\$1,500,000		\$1,500,000
5	C-16.5 #3s	CO - VMI - Construct Corps Physical Training Facility, Phase 3		\$1,800,000				\$1,800,000
6	C-21.5 #1s	CO - JYF - Improve Jamestown Ships Visitor Experience					\$1,339,701	\$1,339,701
7	C-23 #1s	CO - DBHDS - Adjust Project Total					(\$600,000)	(\$600,000)
8	C-24 #1s	CO - DCR - Remove Park Infrastructure Project					(\$4,000,000)	(\$4,000,000)
9	C-33.5 #1s	CO - DMA - VA National Guard Army Aviation Support Facility					\$4,500,000	\$4,500,000
10	C-43 #1s	CO - Equipment Funding - VT Carilion Research Institute Biosciences Addition					\$6,122,000	\$6,122,000
11	C-44 #1s	CO - Central Capital Outlay - Planning Changes	(\$5,000,000)	\$6,000,000				\$6,000,000
12	C-45 #1s	CO - Central Capital Outlay - Capital Outlay Pool					\$230,820,904	\$230,820,904
13	C-47 #1s	CO - Central CO - Project Pool Adjustments						\$0
14	C-51 #1s	CO - ABC Warehouse Technical Changes						\$0
15		Language Changes						\$0
16		<b>TOTAL</b>	<b>(\$5,000,000)</b>	<b>\$13,800,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$244,182,605</b>	<b>\$259,482,605</b>
<b>SB29:</b>								
19	C-14.50 #1s	CO - ODU Stadium Supplement		\$10,000,000				\$10,000,000
20	C-19 #1s	CO - VCU - Construct School of Engineering Research Expansion				\$1,118,000		\$1,118,000
21		Language Changes						
22		<b>TOTAL</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$0</b>	<b>\$1,118,000</b>	<b>\$0</b>	<b>\$11,118,000</b>

REPORT OF THE SUBCOMMITTEE ON CAPITAL OUTLAY & GENERAL GOVERNMENT (February 18, 2018)  
(Proposed Amendments to SB 29, SB 30, 2018 Session, General Funds unless otherwise noted)

Line	Budget Item	SB 29		SB 30	
		GF FY 2018	GF FY 2019	GF FY 2020	GF Biennium
1	<b>Legislative Department</b>				
2					
3	<b>General Assembly</b>				
4	Sexual Harassment Training	\$ -	\$ 50,000	\$ 50,000	\$ 100,000
5	General Assembly Operations		\$ 2,400,000	\$ 2,500,000	\$ 4,900,000
6	Add duties to Joint Subcommittee on Local Government Fiscal Stress (language)	\$ -	\$ -	\$ -	<i>Language</i>
7					
8	<b>Division of Capitol Police</b>				
9	Security Enhancements	\$ -	\$ 431,000	\$ -	\$ 431,000
10					
11	<b>Division of Legislative Automated Systems</b>				
12	Replace Information Technology Initiatives	\$ 200,000	\$ 2,429,600	\$ 2,747,500	\$ 5,177,100
13					
14	<b>Joint Legislative Audit and Review Commission</b>				
15	Contracts and Rent Increase	\$ -	\$ 374,000	\$ 375,000	\$ 749,000
16					
17	<b>Total - Legislative Department</b>	<b>\$ 200,000</b>	<b>\$ 5,684,600</b>	<b>\$ 5,672,500</b>	<b>\$ 11,357,100</b>
18					
19	<b>Judicial Department</b>				
20					
21	<b>Supreme Court</b>				
22	Reduce Funding for Additional Drug Court Dockets	\$ -	\$ (400,000)	\$ (200,000)	\$ (600,000)
23	Reduce Funding for Additional Mental Health Dockets	\$ -	\$ (250,000)	\$ (250,000)	\$ (500,000)
24	Increase Funding for Criminal Fund Waivers	\$ -	\$ 525,000	\$ 525,000	\$ 1,050,000
25					
26	<b>Circuit Courts</b>				
27	Courts Information Technology Systems Changes (SB 1044, 2017 Session)	\$ -	\$ -	\$ 160,000	\$ 160,000
28					
29	<b>Total - Judicial Department</b>	<b>\$ -</b>	<b>\$ (125,000)</b>	<b>\$ 235,000</b>	<b>\$ 110,000</b>
30					
31	<b>Executive Offices</b>				
32					
33	<b>Attorney General's Office</b>				
34	Remove Additional Funding for Consumer Protection Section	\$ -	\$ (403,500)	\$ (403,500)	\$ (807,000)
35	Reduce Appropriation in Revolving Trust Fund (NGF)	\$ -	\$ -	\$ -	\$ -
36					
37	<b>Division of Debt Collection</b>				
38	Reduce Appropriation and Carryforward (NGF)	\$ -	\$ -	\$ -	\$ -
39					
40	<b>Total - Executive Offices</b>	<b>\$ -</b>	<b>\$ (403,500)</b>	<b>\$ (403,500)</b>	<b>\$ (807,000)</b>
41					

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Line	Budget Item	SB 29		SB 30	
		GF FY 2018	GF FY 2019	GF FY 2020	GF Biennium
42	<b>Office of Administration</b>				
43					
44	<b>Secretary of Administration</b>				
45	Establish Chief Data Officer (CDO) Position	\$ -	\$ 197,000	\$ 197,000	\$ 394,000
46					
47	<b>Compensation Board</b>				
48	Funding for Victim Notification System (SAVIN) Enhancements	\$ -	\$ 191,879	\$ 191,879	\$ 383,758
49	Full-time Deputy Commissioner of the Revenue Position (Craig County)	\$ -	\$ 6,998	\$ 6,998	\$ 13,996
50	Multi-Jurisdictional Assistant Commonwealth's Attorney Positions - Ins. Fraud Fund (NGF)	\$ -	\$ -	\$ -	\$ -
51	Add Assistant Commonwealth's Attorney Positions to the Position Count Table	\$ -	\$ -	\$ -	<i>Language</i>
52	Technology Trust Fund Language Correction	\$ -	\$ -	\$ -	<i>Language</i>
53	Body-Worn Cameras and Additional Assistant Commonwealth's Attorneys (language)	\$ -	\$ -	\$ -	<i>Language</i>
54					
55	<b>Department of General Services</b>				
56	Phase II Site Assessment for the Central Virginia Training Center	\$ -	\$ 570,000	\$ -	\$ 570,000
57	Newborn Screening - Lysosomal Storage Disorders (NGF)	\$ -	\$ -	\$ -	\$ -
58		\$ -	\$ -	\$ -	\$ -
59	<b>Department of Human Resource Management</b>				
60	Remove 1.0 FTE	\$ -	\$ -	\$ -	\$ -
61	Implement Shared Savings Incentive Program (language)	\$ -	\$ -	\$ -	<i>Language</i>
62					
63	<b>Administration of Health Insurance</b>				
64	Autism Spectrum Disorder Coverage (language)	\$ -	\$ -	\$ -	<i>Language</i>
65					
66	<b>Department of Elections</b>				
67	Remove Funding for Call Center	\$ -	\$ (105,000)	\$ (105,000)	\$ (210,000)
68	Reduce Help America Vote Act (HAVA) Backfill	\$ -	\$ (1,656,496)	\$ (1,656,496)	\$ (3,312,992)
69					
70	<b>Total - Office of Administration</b>	<b>\$ -</b>	<b>\$ (795,619)</b>	<b>\$ (1,365,619)</b>	<b>\$ (2,161,238)</b>
71					
72	<b>Office of Finance</b>				
73					
74	<b>Secretary of Finance</b>				
75	Remove Additional Funding for Base Operating Expenses	\$ -	\$ (160,000)	\$ (160,000)	\$ (320,000)
76					
77	<b>Department of Accounts Transfer Payments</b>				
78	Revenue Cash Reserve (Phase-In)	\$ -	\$ (5,000,000)	\$ (85,700,000)	\$ (90,700,000)
79					
80	<b>Department of the Treasury</b>				
81	Remove Funding for Relief for Robert Paul Davis	\$ -	\$ (582,313)	\$ -	\$ (582,313)
82	Provide Funding for Norfolk Four Relief	\$ -	\$ 1,837,448	\$ -	\$ 1,837,448



REPORT OF THE SUBCOMMITTEE ON CAPITAL OUTLAY & GENERAL GOVERNMENT (February 18, 2018)  
(Proposed Amendments to SB 29, SB 30, 2018 Session, General Funds unless otherwise noted)

Line	Budget Item	SB 29		SB 30	
		GF FY 2018	GF FY 2019	GF FY 2020	GF Biennium
83	Remove Funding for Accounting and Trust Services Unit Position	\$ -	\$ (75,006)	\$ (81,642)	\$ (156,648)
84					
85	<b>Treasury Board</b>				
86	Henrico County Jail Project (25 percent state share, bonds)	\$ -	\$ -	\$ -	\$ -
87					
88	<b>Department of Taxation</b>				
89	Accelerated Sales Tax Workgroup (language)	\$ -	\$ -	\$ -	<i>Language</i>
90	Remove Funding for Cloud Based File Image Storage Solution	\$ -	\$ (583,500)	\$ -	\$ (583,500)
91	Move Identity and Access Management Program to Second Year	\$ -	\$ (662,781)	\$ 212,711	\$ (450,070)
92					
93	<b>Total - Office of Finance</b>	\$ -	\$ (5,226,152)	\$ (85,728,931)	\$ (90,955,083)
94					
95	<b>Office of Technology</b>				
96					
97	<b>Secretary of Technology</b>				
98	Eliminate Secretariat	\$ -	\$ (568,482)	\$ (568,482)	\$ (1,136,964)
99					
100	<b>Total - Office of Technology</b>	\$ -	\$ (568,482)	\$ (568,482)	\$ (1,136,964)
101					
102	<b>Central Appropriations</b>				
103	Remove Two Percent Raise for State Employees and State Supported Local Employees	\$ -	\$ -	\$ (49,428,113)	\$ (49,428,113)
104	529 College Savings Plan Separate Disbursement System (SB 656)	\$ -	\$ 88,907	\$ 91,711	\$ 180,618
105	Language Directing Reserve Equivalent to Two Percent Base Salary Adjustment (language)	\$ -	\$ -	\$ -	<i>Language</i>
106	Management Fellows Program (language)	\$ -	\$ -	\$ -	<i>Language</i>
107	VITA Study to Replace the Personnel Management Information System (PMIS) (language)	\$ -	\$ -	\$ -	<i>Language</i>
108					
109	<b>Total - Central Appropriations</b>	\$ -	\$ 88,907	\$ (49,336,402)	\$ (49,247,495)
110					
111					
112	<b>Part 3: Miscellaneous</b>				
113	Tobacco Harm Reduction, Taxation Study - Joint Subcommittee to Evaluate Tax Preferences	\$ -	\$ -	\$ -	<i>Language</i>
114					
115	<b>Total - Part 3: Miscellaneous</b>	\$ -	\$ -	\$ -	\$ -
116					
117	<b>Total - General Government</b>	\$ 200,000	\$ (1,345,246)	\$ (131,495,434)	\$ (132,840,680)

Item 65 #1s

**Establish Chief Data Officer (CDO) Position**

<b>Administration</b>	<b>FY18-19</b>	<b>FY19-20</b>	
Secretary of Administration	\$197,000 1.00	\$197,000 1.00	GF FTE

**Language:**

Page 45, line 3, strike "\$1,323,909" and insert "\$1,520,909".

Page 45, line 3, strike "\$1,323,909" and insert "\$1,520,909".

**Explanation:**

(This amendment provides funding of \$197,000 each year from the general fund to establish the position of Chief Data Officer (CDO) in the Office of the Secretary of Administration, pursuant to, and contingent upon final passage of SB 580 of the 2018 General Assembly Session.)

Item 81 #1s

**DHRM - Shared Savings Incentive Program**

**Administration**

Department of Human Resource Management

Language

**Language:**

Page 69, after line 55, insert:

"L. The Department of Human Resource Management shall report to the Chairmen of the House Appropriations and Senate Finance Committees, no later than November 1, 2018, on the progress of implementing a shared-savings incentive program for the state employee health plan, and the local choice health benefit plan."

**Explanation:**

(This amendment directs the Department of Human Resource Management to report to the Chairmen of House Appropriations and Senate Finance Committees no later than November 1, 2018 on the progress of implementing a shared-savings incentive program for the state employee health plan and the local choice health benefit plan.)

Item 82 #1s

**Expanded Coverage for Autism Spectrum Disorder**

**Administration**

Administration of Health Insurance

Language

**Language:**

Page 71, after line 12, insert:

"J. Included within this Item is funding necessary to provide coverage, on or after January 1, 2019, for the treatment of autism spectrum disorder for individuals age two through 18, pursuant to, and contingent upon final passage of SB 593 of the 2018 General Assembly Session."

**Explanation:**

(This amendment clarifies that, on or after January 1, 2019, the state health plans shall provide coverage for the diagnosis and treatment of autism spectrum disorder for individuals age two through 18, contingent upon final passage of SB 593 of the 2018 General Assembly Session.)

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Item 266 #1s

**Phase-In Revenue Cash Reserve**

**Finance**

**FY18-19**

**FY19-20**

Department of Accounts Transfer  
Payments

(\$5,000,000)

(\$85,700,000) GF

**Language:**

Page 217, line 33, strike "\$50,000,000" and insert "\$45,000,000".

Page 217, line 33, strike "\$220,700,000" and insert "\$135,000,000".

Page 217, line 37, strike "50,000,000" and insert "45,000,000".

Page 217, line 38, strike "220,700,000" and insert "135,000,000".

**Explanation:**

(This amendment reflects a general fund reduction of \$5.0 million the first year and \$85.7 million the second year from the proposed deposit to the Revenue Cash Reserve. These reductions result in deposits of \$45.0 million GF in FY 2019, and \$135.0 million GF in FY 2020. With these amendments, the total deposit to the Revenue Cash Reserve, inclusive of the FY 2018 deposit of \$156.4 million, is \$336.4 million GF. It is the intent of the General Assembly that the Revenue Cash Reserve will be fully capitalized within four years, with deposits into the Revenue Cash Reserve through FY 2022 totaling \$426.4 million GF.)

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Item 272 #1s

## Accelerated Sales Tax Workgroup

### Finance

Department of Taxation

Language

### Language:

Page 221, after line 42, insert:

"D. The Department of Taxation shall convene a workgroup to examine the provisions related to the timing of payments and return filings required of registered dealers pursuant to §§ 58.1-615 and 58.1-616, Code of Virginia, and § 3-5.06 of this act. The workgroup shall establish cost and a timeline for the Department of Taxation to implement an easy online application provided by the Department of Taxation for dealers to apply for the hardship exception and determine whether the hardship definition is currently adequate or can be expanded to include additional hardship scenarios. The workgroup should make recommendations in regards to the Department of Taxation about providing earlier notice to dealers of accelerated sales tax payments, the equity in assessing monthly 6 percent late payment penalty fees, how the state would be impacted by accelerated sales tax phase out options by 2022 and the ability of the General Assembly to lower the accelerated sales threshold by more than 10 percent in one year when threshold is at \$15 million or less. The workgroup shall consider alternatives and limitations to the current accelerated sales tax requirement and may examine other sales tax-related issues as it deems appropriate. The workgroup shall include the staffs of the House Appropriations and Senate Finance Committees, the Secretary of Finance or his designee, the Office of the Governor and representatives from affected businesses and industries. Additional staff support shall be provided by the Department of Taxation and the Division of Legislative Services upon request. The workgroup shall begin meetings in the month of May and meet no less than three times and complete its meetings by November 30, 2018, and shall submit to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees a report of its findings and recommendations no later than the first day of the 2019 Regular Session of the General Assembly."

### Explanation:

(This amendment would direct the Department of Taxation to convene a workgroup to examine the provisions related to the timing of payments and return filings required of registered retail sales dealers, and to consider policy options related to the Accelerated Sales Tax requirement.)

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Item 279 #1s

## Treasury Board - Henry County Jail

**Finance**

Treasury Board

Language

**Language:**

Page 231, after line 36, insert:

"Henry County Jail \$18,756,878".

Page 231, line 37, strike "31,523,487" and insert "50,280,365".

**Explanation:**

(This amendment adds the Henry County Jail project among the list of approved projects, which include the state's corresponding 25 percent share of approved capital costs. The Virginia Board of Corrections approved the proposal on May 17, 2017.)

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Item 474 #2s

**Language Directing Reserve Equivalent to Two Percent Raise for State Employees, State-Supported Local Employees and Teachers**

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 419, after line 28, insert:

"T.1. The Governor shall include in his introduced budget funding necessary to offset any downward revisions of the general fund revenue estimate prepared for fiscal years 2019 and 2020 after the enactment by the General Assembly of the 2018 Appropriation Act.

a. If within 5 days of the preliminary close of the fiscal year ending on June 30, 2018, the Comptroller's analysis does not determine that a revenue re-forecast is required pursuant to § 2.2-1503.3, Code of Virginia, then such funding shall be used only for employee compensation purposes as stated in paragraphs U., V., and W. below.

2. Funding provided consistent with paragraphs U., V., and W. shall be unallotted if the provisions of paragraph T.1.a. are not met, and the actions authorized in paragraphs U., V., and W. are not effectuated.

U.1. Funding referenced in paragraph T.1. shall include an amount needed to increase the base salaries of the following employees by two percent on June 10, 2019:

- a. Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;
  - b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;
  - c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;
  - d. Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office;
  - e. Heads of agencies in the Legislative Department;
  - f. Full-time employees in the Legislative Department, other than officials elected by popular vote;
  - g. Legislative Assistants as provided for in Item 1 of this act;
  - h. Judges and Justices in the Judicial Department;
  - i. Heads of agencies in the Judicial Department;
  - j. Full-time employees in the Judicial Department;
  - k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officer of the Virginia College Savings Plan, and the Directors of the Virginia Lottery, and the Virginia Retirement System; and
  - l. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia Retirement System.
- 2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.
- b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. However, notwithstanding anything herein to the contrary, the governing authorities of those state institutions of higher

education with employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.

3. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by two percent on June 10, 2019. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances when employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.

4. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans:

- a. The heads of agencies in the Legislative and Judicial Departments;
- b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;
- c. The Attorney General;
- d. The Director of the Virginia Retirement System;
- e. The Director of the Virginia Lottery;
- f. The Director of the University of Virginia Medical Center;
- g. The Chief Executive Officer of the Virginia College Savings Plan; and
- h. The Executive Director of the Virginia Port Authority.

5. The base rates of pay, and related employee benefits, for wage employees may be increased by up to two percent no earlier than June 10, 2019. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

6. The governing authorities of those state institutions of higher education with employees may provide a salary adjustment based on performance and other employment-related factors, as long as the increases do not exceed the two percent increase on average.

V.1. Funding referenced in paragraph T.1. shall include an amount needed to increase the base

salaries of the following employees by two percent on July 1, 2019:

- a. Locally-elected constitutional officers;
- b. General Registrars and members of local electoral boards;
- c. Full-time employees of locally-elected constitutional officers and,
- d. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services boards, local pretrial services act and comprehensive community corrections act employees, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.

W. Funding referenced in paragraph T.1. shall include an amount needed to provide a two percent salary incentive increase, effective July 1, 2019, for funded SOQ instructional and support positions. Funded SOQ instructional positions shall include the teacher, guidance counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division in the biennium.”.

**Explanation:**

(This amendment directs the Governor to include in his next introduced budget funding necessary to offset any downward revisions of the general fund revenue estimate prepared for FY 2019 and FY 2020 after the enactment by the General Assembly of the 2018 Appropriation Act. The funding shall be equivalent to a two percent raise for state employees, state-supported local employees and teachers, effective July 1, 2019, which shall be held in reserve and directed to be used for a two percent base salary adjustment for the aforementioned employee groups, contingent upon sufficient FY 2018 actual revenues, such that the Comptroller determines that a revenue re-forecast is not required.)

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Item C-11.5 #1s

**CO - RU - Detailed Planning - Renovate/Construct Center for Adaptive Innovation & Creativity**

<b>Education: Higher Education</b>	<b>FY18-19</b>	<b>FY19-20</b>
Radford University	\$4,000,000	\$0 NGF

**Language:**

Page 440, after line 7, insert:



**"OFFICE OF EDUCATION**

**§ 2-7.5 Radford University (217)**

C-11.5 Planning: Renovate/Construct Center for Adaptive Innovation & Creativity	\$4,000,000	\$0
Fund Sources: Nongeneral	\$4,000,000	\$0 "

"Radford University is authorized to use nongeneral funds to move to working drawings for the project listed in this Item. Radford University shall be reimbursed for all nongeneral funds used when the project is funded to move into the construction phase."

**Explanation:**

(This amendment provides \$4.0 million NGF in the first year for detailed planning at Radford University for the project "Renovate/Construct Center for Adaptive Innovation & Creativity". Language directs that the University shall be reimbursed for planning costs if the project is approved in the future to go to construction.)

Item C-13.5 #1s

**CO - VCU - Trani Life Science Building Roof and HVAC Replacement**

<b>Education: Higher Education</b>	<b>FY18-19</b>	<b>FY19-20</b>
Virginia Commonwealth University	\$6,000,000	\$0 NGF

**Language:**

Page 440, after line 19, insert:

**"OFFICE OF EDUCATION**

**§ 2-9.5 Virginia Commonwealth University (236)**

C-13.5 Improvements: Trani Life Science Building Roof and HVAC Replacement	\$6,000,000	\$0
Fund Sources: Bond Proceeds	\$6,000,000	\$0 "

**Explanation:**

(This amendment provides \$6.0 million in bond proceeds the first year to replace roof-mounted mechanical equipment and the roof. The mechanical equipment on the roof is corroding and creating roof leaks and damage to interior spaces. Steps taken by the University to alleviate the problems have been unsuccessful.)

Item C-21.5 #1s

**CO - JYF - Improve Jamestown Ships Visitor Experience**

<b>Education</b>	<b>FY18-19</b>	<b>FY19-20</b>
Jamestown-Yorktown Foundation	\$1,339,701	\$0 NGF

**Language:**

Page 441, after line 17, insert:

**"OFFICE OF EDUCATION**

**§ 2-12.5 Jamestown-Yorktown Foundation (425)**

C-21.5 Improvements: Jamestown Ships Visitor Experience	\$1,339,701	\$0
Fund Sources: Bond Proceeds	\$1,339,701	\$0 "

**Explanation:**

(This amendment provides \$1.3 million the first year from bond proceeds to improve accessibility and educational experiences on the Jamestown Settlement pier. Combined with a funded \$1.5 million maintenance reserve project to extend the life of the pier decking, these funds will be used to enhance the functionality of the space and access to the three ships. The project will also reduce wait times and provide a more engaging experience for individuals with physical or age-related limitations.)

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Item C-33.5 #1s

**CO - DMA - VA National Guard Army Aviation Support Facility**

<b>Public Safety</b>	<b>FY18-19</b>	<b>FY19-20</b>
Department of Military Affairs	\$4,500,000	\$0 NGF

**Language:**

Page 443, after line 23, insert:

**"OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY**

**§ 2-17. Department of Military Affairs (123)**

C-33.5 Improvements: Virginia National Guard Army Aviation Support Facility	\$4,500,000	\$0
Fund Sources: Bond Proceeds	\$4,500,000	\$0 "

**Explanation:**

(This amendment provides \$4.5 million in bond proceeds in the first year for improvements at the Virginia National Guard Army Aviation Support Facility in Sandston, Virginia to establish pads for development to enhance the Commonwealth's ability to compete for \$89.0 million in federal funds to replace the existing Army Aviation Support Facility (AASF), that the Department of Military Affairs (DMA) will lose in 2032.)

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Item C-43 #1s

**CO - Equipment Funding - VT Carilion Research Institute Biosciences Addition**

<b>Central Appropriations</b>	<b>FY18-19</b>	<b>FY19-20</b>
Central Capital Outlay	\$6,122,000	\$0 NGF

**Language:**

Page 448, line 11, strike "\$52,088,000" and insert "\$58,210,000".

Page 448, after line 52, insert:

"Virginia Polytechnic Institute and State University (208)

Construct VT Carilion Research Institute Biosciences Addition (18269)".

**Explanation:**

(This request is for Furniture, and Equipment (FF&E) authorization and funding of \$6.1 million in bond proceeds for the Virginia Polytechnic Institute and State University's (Agency 208) "Construct Virginia Tech Carilion Research Institute Biosciences Addition" capital project.)

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Item C-44 #1s

**CO - Central Capital Outlay - Planning Changes**

<b>Central Appropriations</b>	<b>FY18-19</b>	<b>FY19-20</b>
Central Capital Outlay	(\$5,000,000) \$6,000,000	\$0 GF \$0 NGF

**Language:**

Page 449, line 3, strike "\$10,000,000" and insert "\$11,000,000".

Page 449, line 5, strike "\$10,000,000" and insert "\$5,000,000".

Page 449, line 6, strike "\$10,000,000" and insert "\$5,000,000".

Page 449, line 9, strike "\$10,000,000" and insert "\$5,000,000".

Page 448, after line 12, insert:

"C. Included in this appropriation for this Item is \$6,000,000 the first year from nongeneral funds from the Department of Behavioral Health and Developmental Services."

Page 449, after line 13, insert:

"146 Science Museum of Virginia Danville Science Center".

Page 449, strike lines 14-16.

Page 449, strike lines 19-20.

Page 449, strike lines 23-25 and insert:

"D. 1. The Department of Behavioral Health and Developmental Services and the Department of General Services shall develop and deliver a plan to provide capital project options for a new Central State Hospital.

2. The Department of General Services shall analyze and include phasing options in the Department of Behavioral Health and Developmental Services' plan as part of the detailed planning process.

3. The Department of Behavioral Health and Developmental Services shall be reimbursed for all nongeneral funds used when the project is funded to move into the construction phase."

Page 449, line 26, strike "D." and insert "E.

Page 449, line 31 strike "E." and insert "F".

**Explanation:**

(This amendment eliminates several new detailed planning projects, adds the Danville Science Center, and provides additional nongeneral fund authority to plan for a new Central State Hospital.)

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Item C-45 #1s

**CO - Central Capital Outlay - Capital Outlay Pool**

<b>Central Appropriations</b>	<b>FY18-19</b>	<b>FY19-20</b>
Central Capital Outlay	\$230,820,904	\$0 NGF

**Language:**

Page 449, line 42, strike "\$51,559,000" and insert "\$282,379,904".

Page 449, line 51, strike "\$51,559,000" and insert "\$282,379,904".

Page 450, line 13, strike "\$31,559,000" and insert "\$262,379,904".

Page 450, strike lines 16 through 45 and insert:

<b>"Agency Code</b>	<b>Agency Title</b>	<b>Project Title</b>
194	Department of General Services	Seat of Government, Swing Space and Repairs  ABC Warehouse and Administrative Offices  Department of Juvenile Justice Construct New Facility at Bon Air
238	Virginia Museum of Fine Arts	Replace Roof and Drains on Pauley Center  Replace Air Handling Units
702	Department for the Blind and Vision Impaired	Renovate Departmental Headquarters Building
799	Department of Corrections	Replace Hot Water and Heating Mechanical Systems--Sussex I & II and Red Onion  Renovate Buckingham Wastewater Treatment Plant
948	Southwest Virginia Higher Education Center	Replace HVAC System"

Page 450, after line 45, insert:

"C. There is hereby appropriated \$20,000,000 in the first year from such bond proceeds, for the Stormwater Local Assistance Fund, established in Item 368 of this act and administered by the Department of Environmental Quality. In accordance with the purpose of the Fund, the bond proceeds shall be used to provide grants solely for capital projects, including: i) new stormwater best management practices; ii) stormwater best management practices retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the Department of Environmental Quality."

**Explanation:**

(This amendment adjusts the 2018 Capital Construction Pool by including additional funding for the ABC Warehouse and Administrative Offices, new construction of a juvenile facility at Bon Air, funding for the Stormwater Local Assistance Fund, and projects related to the seat of government including swing space and repairs. The amendment also eliminates funding for the Combined Sewer Overflow Matching Fund.)