



Report of the Subcommittee on
Capital Outlay
&
General Government

Senate Finance Committee
Virginia General Assembly

February 3, 2019



SENATE OF VIRGINIA

Senate Finance Committee

REPORT OF THE SUBCOMMITTEE ON CAPITAL OUTLAY & GENERAL GOVERNMENT

On Senate Bill 1100

February 3, 2019

Mr. Chairman and Members of the Committee:

The Capital Outlay and General Government Subcommittee worked diligently to review the introduced budget for the areas related to Legislative, Judicial, Administration, Finance, and Capital Outlay.

This year, the Subcommittee's primary objective was to continue Virginia's long-standing practice of prioritizing strong fiscal management. These priorities include depositing additional funds to the Revenue Reserve, setting aside funding for a mandatory Rainy Day Fund deposit, and limiting the allocation of new resources to track with on-going sustainable growth. The Finance Committee as a whole embraced a similar philosophy so that the majority of the resources related to the Tax Cuts and Jobs Act may be returned to the taxpayers.

The Subcommittee's priorities in General Government include:

- Over \$419 million for a tax refund in October of this year, as well as over \$80 million for a Tax Reform Fund to address any additional temporary or permanent tax reform in the 2020-22 biennium;
- A study by the Joint Legislative Audit and Review Commission, (JLARC), on gaming governance and expansion;
- Department of Elections funding of over \$800,000 to address concerns identified in JLARC's September 2018 report related to local election official training, enhanced voter list maintenance, and fiscal administration;

- A three percent base pay increase for general registrars, effective July 1, 2019;
- \$3.8 million for an incremental increase in the retiree healthcare credit for public safety employees;
- Over \$600,000 for the Indigent Defense Commission to address increased workloads related to local law-enforcements' use of body-worn cameras; and
- A pilot program in Virginia Beach to address the issues of substance use and mental health among incarcerated individuals.

In the area of Capital Outlay, a conservative approach was also applied. The introduced budget included a small number of additional construction projects, as compared to the budget that was adopted last year. The majority of these projects were embraced by the Subcommittee as they were related to infrastructure or safety concerns. This included the Statewide Agencies Radio System, which will be phased in over a four-year period, in an effort to regularly fund ongoing requirements related to the system. The total actions in Capital Outlay reduced tax-supported debt by \$86.7 million, as compared to the introduced budget.

Additionally, the Subcommittee restricted the number of new projects that will be planned for the remainder of the biennium, redirecting over \$10 million from the general fund, as an acknowledgement that we will need to address previously planned projects in the next biennial budget.

Mr. Chairman, this completes the report of the Subcommittee on Capital Outlay and General Government, and I would like to conclude by expressing my appreciation to the members of the Subcommittee for their diligent efforts.

REPORT OF THE SUBCOMMITTEE ON CAPITAL OUTLAY & GENERAL GOVERNMENT (February 3, 2019)
 (General Government - Proposed Amendments to SB 1100, 2019 Session, General Funds unless otherwise noted)

Line	Budget Item	SB 1100		
		GF FY 2019	GF FY 2020	GF Biennium
1	<u>Legislative Department</u>			
2				
3	General Assembly			
4	Adjust allocation between chambers	\$ -	Language	Language
5	General Assembly operations	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
6	Commissioners of the Uniform Laws Commission	\$ -	Language	Language
7	Women's Monument	\$ -	Language	Language
8	Study of individual insurance market	\$ -	\$ 250,000	\$ 250,000
9	Crime Commission - Additional positions (2.0 FTEs)	\$ -	\$ 240,000	\$ 240,000
10				
11	Division of Capitol Police			
12	Career Development Program	\$ 137,400	\$ -	\$ 137,400
13				
14	Division of Legislative Services			
15	Chesapeake Bay restoration (\$264,000 NGF each year)	\$ -	\$ -	-
16	2021 Redistricting Support	\$ -	\$ 250,000	\$ 250,000
17				
18	Joint Legislative Audit and Review Commission			
19	Contract study on gaming governance and expansion	\$ 200,000	\$ -	\$ 200,000
20				
21	Total - Legislative Department	\$ 2,337,400	\$ 2,740,000	\$ 5,077,400
22				
23	<u>Judicial Department</u>			
24				
25	Virginia State Bar			
26	Redirect funding for civil defense housing attorneys	\$ -	\$ (2,625,000)	\$ (2,625,000)
27	Provide additional funding for the Virginia State Bar	\$ -	\$ 750,000	\$ 750,000
28				
29	Total - Judicial Department	\$ -	\$ (1,875,000)	\$ (1,875,000)
30				
31	<u>Executive Offices</u>			
32				
33	Office of the Attorney General			
34	Decrease revolving fund NGF appropriation (-\$500,000 NGF each year)	\$ -	\$ -	-
35				
36	Secretary of the Commonwealth			
37	Redirect funding for 2020 Census outreach activities	\$ (1,500,000)	\$ -	\$ (1,500,000)
38				
39	Total - Executive Offices	\$ (1,500,000)	\$ -	\$ (1,500,000)

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Line	Budget Item	SB 1100		
		GF FY 2019	GF FY 2020	GF Biennium
40				
41	Office of Administration			
42				
43	Secretary of Administration			
44	Partially redirect funding to conduct statewide data inventory	\$ (600,000)	\$ -	\$ (600,000)
45	Extend Data Sharing and Analytics Advisory Committee	\$ -	Language	Language
46				
47	Compensation Board			
48	Foreclosure listing pilot program	\$ -	\$ 75,000	\$ 75,000
49	Jail and Re-entry Service Coordination Pathway	\$ -	\$ 916,066	\$ 916,066
50	Add positions to position count table	\$ -	\$ -	\$ -
51	Body-worn camera language	\$ -	Language	Language
52	Working group study - Staffing standards for sheriffs' offices	\$ -	Language	Language
53				
54	Department of General Services			
55	Redirect additional funding for "On-the-Square" employee engagement activities	\$ -	\$ (100,000)	\$ (100,000)
56				
57	Department of Elections			
58	Partially redirect funding and positions for local registrar training (-1.0 FTE)	\$ -	\$ (202,500)	\$ (202,500)
59	Redirect funding for voter referendum advertisement	\$ -	\$ (160,000)	\$ (160,000)
60	Conduct study of general registrar salaries relative to other constitutional officers	\$ -	Language	Language
61	Provide funding to support provisions of SB 1018 (voter assignments)	\$ -	\$ 49,560	\$ 49,560
62				
63	Virginia Information Technologies Agency			
64	911 Services Board line of credit for accelerated implementation of Next Generation 911	\$ -	Language	Language
65	Add language for 911 Services Board funding continuity	\$ -	Language	Language
66	Technical Correction - Modify language related to CESC migration	\$ -	Language	Language
67				
68	Total - Office of Administration	\$ (600,000)	\$ 578,126	\$ (21,874)
69				
70	Office of Finance			
71				
72	Secretary of Finance			
73	Redirect funding for study on gaming governance and expansion	\$ -	\$ (175,000)	\$ (175,000)
74				
75	Department of Accounts			
76	Adjust supplemental action for the Revenue Reserve Fund	\$ (284,810,000)	\$ -	\$ (284,810,000)
77	Tax Reform Fund	\$ 499,800,000	\$ -	\$ 499,800,000
78				
79	Department of the Treasury			
80	Relief for Gary Bush (SB 1477)	\$ -	\$ 520,163	\$ 520,163
81				
82	Total - Office of Finance	\$ 214,990,000	\$ 345,163	\$ 215,335,163

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Line	Budget Item	SB 1100		
		GF FY 2019	GF FY 2020	GF Biennium
83				
84	Central Appropriations			
85	Remove second year funding for UVA state employee health plan premium increases	\$ -	\$ (808,692)	\$ (808,692)
86	Redirect funding for study on statewide parental leave policies	\$ -	\$ (250,000)	\$ (250,000)
87	Partially redirect funding for integrated case management system	\$ (6,000,000)	\$ 2,000,000	\$ (4,000,000)
88	Defer funding for reimbursement of 2020 presidential primary expenses	\$ -	\$ (5,898,631)	\$ (5,898,631)
89	Provide funding to increase base salaries of general registrars by additional three percent	\$ -	\$ 139,611	\$ 139,611
90	Provide supplemental funding for Department of Corrections electronic health records	\$ -	\$ 3,000,000	\$ 3,000,000
91	Provide funding to support provisions of SB 1023 (SRO/SSO return to work)	\$ -	\$ 1,393,000	\$ 1,393,000
92	Provide funding to support provisions of SB 1030 (add presumptions, compensability requirements under the Workers' Compensation Act)	\$ -	\$ 650,000	\$ 650,000
93	Adjust funding, modify language for retiree health insurance credit increase for public safety employees	\$ -	\$ (4,337,440)	\$ (4,337,440)
94	Redirect funding for one percent bonus for state and state-supported local employees effective December 1, 2019	\$ -	\$ (40,183,237)	\$ (40,183,237)
95	Higher education internships	\$ -	\$ (300,000)	\$ (300,000)
96	Study of alternatives to traditional jail facilities	\$ -	Language	Language
97				
98	Total - Central Appropriations	\$ (6,000,000)	\$ (44,595,389)	\$ (50,595,389)
99				
100	Independent Agencies			
101				
102	Virginia Retirement System			
103	Remove language adding three ex-officio members to Board of Trustees	\$ -	Language	Language
104	Provide implementation costs for SB 1023 (\$282,627 NGF)	\$ -	\$ -	\$ -
105	Provide implementation costs for SB 1384 (\$45,408 NGF)	\$ -	\$ -	\$ -
106				
107	Total - Independent Agencies	\$ -	\$ -	\$ -
108				
109				
110	Part 4 and Language			
111	Technical Correction - Correct title of Secretary of Elections	\$ -	\$ -	\$ -
112	Technical Correction - Move Director of Gunston Hall to correct salary range table	\$ -	\$ -	\$ -
113	Conformity to Internal Revenue Code	\$ -	Language	Language
114	Remove Remote Sellers Tax Language	\$ -	Language	Language
115	Gaming language (SB 1126)	\$ -	Language	Language
116	Port Volume Tax Credit (SB 1652)	\$ -	Language	Language
117	Various language amendments	\$ -	Language	Language
118				
119	Total - Part 4 and Language	\$ -	\$ -	\$ -
120				
121	Total - General Government	\$ 209,227,400	\$ (42,807,100)	\$ 166,420,300

**February 3, 2019 - Report of the Senate Finance Committee - CAPITAL OUTLAY
Summary of Recommended Amendments to SB 1100, As Introduced**

Line #	Amendment #	Short Title	Biennial GF \$	Biennial Other NGF \$	Biennial 9 (c) Bonds \$	Biennial 9 (d) Bonds \$	Biennial VCBA/VPBA \$	Biennial NGF Total \$
1	C-1.10 #1s	CO - DGS - Improvements to North Drive	(\$2,000,000)	\$0	\$0	\$0	\$2,000,000	\$2,000,000
2	C-7 #1s	CO - JMU - Property Exchange and Purchase	\$0	\$310,000	\$0	\$0	\$0	\$310,000
3	C-8.10 #1s	CO - JMU - Carrier Library Renovation/Expansion--Detail Planning	\$0	\$5,000,000	\$0	\$0	\$0	\$5,000,000
4	C-8.60 #1s	CO - LU - NGF Authority for Detailed Planning of Wygal Hall Replacement	\$0	\$2,163,000	\$0	\$0	\$0	\$2,163,000
5	C-13 #1s	CO - UVA - Renovate Gilmer Hall and Chemistry Building	\$0	\$2,600,000	\$0	\$0	\$7,600,000	\$10,200,000
6	C-13.20 #1s	CO - VCU - Construction: Engineering Research Expansion	\$0	0	\$0	\$6,541,000	\$0	\$6,541,000
7	C-25 #1s	CO - DCR - Sweet Run Park: Loudoun County - Language to Eliminate	-	-	-	-	-	-
8	C-34.10 #1s	CO - Central Capital - STARS Radio	\$0	\$0	\$0	\$0	(\$92,151,000)	(\$92,151,000)
9	C-44.20 #1s	CO - Central Capital - Detail Planning for Capital Projects	(\$10,358,000)	\$0	\$0	\$0	\$0	\$0
10	C-48.10 #1s	CO - Central Capital Outlay - 2019 Capital Construction Pool	\$0	\$0	\$0	\$0	(\$4,100,000)	(\$4,100,000)
11		Various Language Amendments	\$0	\$0	\$0	\$0	\$0	\$0
12		TOTAL	(\$12,358,000)	\$10,073,000	\$0	\$6,541,000	(\$86,651,000)	(\$70,037,000)

Study on Gaming Governance Structure

Legislative Department	FY18-19	FY19-20
Joint Legislative Audit and Review Commission	\$200,000	\$0 GF

Language:

Page 24, line 7, strike "\$5,194,132" and insert "\$5,394,132".

Page 27, after line 36, insert:

"I. Included within the appropriation for this item is \$200,000 in the first year from the general fund for the Joint Legislative Audit and Review Commission to contract with one or more third-party independent reviewers to evaluate the Commonwealth's current and potential gaming governance structures, current and potential revenues to the Commonwealth, and any other relevant subjects it deems necessary pursuant to the study. In conducting this evaluation, the Joint Legislative Audit and Review Commission shall consider the impact of additional gaming and sports wagering, including both physical casino facilities and online gaming and sports wagering, as well as increased charitable gaming, on the current and future revenues of the Virginia Lottery. The Joint Legislative Audit and Review Commission shall coordinate the study, and all state agencies, public bodies, and officials shall cooperate with the Joint Legislative Audit and Review Commission pursuant to completion of the study, as it deems necessary, upon its request."

Explanation:

(This amendment provides \$200,000 in the first year from the general fund for the Joint Legislative Audit and Review Commission to contract for a study on the Commonwealth's gaming governance structure and current and potential revenues to the state resulting from expanding gaming options in the Commonwealth, and any other relevant topics necessary to complete the study.)

Commonwealth's Attorneys - Body-Worn Cameras

Administration

Compensation Board

Language

Language:

Page 70, after line 13, insert:

"X.1. Any locality in the Commonwealth that employs the use of body worn cameras for its law enforcement officers shall be required to establish and fund one full-time equivalent entry-level Assistant Commonwealth's Attorney, at a salary no less than that established by the Compensation Board for an entry-level Commonwealth's Attorney, at a rate of one Assistant Commonwealth's Attorney for up to 75 body worn cameras employed for use by local law enforcement officers, and one Assistant Commonwealth's Attorney for every 75 body worn cameras employed for use by local law enforcement officers, thereafter. However, with the consent of the Commonwealth's Attorney, a locality may provide their Commonwealth's Attorney's office with additional funding, using a different formula than stated above, as needed to accommodate the additional workload resulting from the requirement to review, redact and present footage from body worn cameras. If, as of July 1, 2019, a locality is providing additional funding to the Commonwealth's Attorney's office specifically to address the staffing and workload impact of the implementation of body worn cameras on that office, that additional funding shall be credited to the formula used in that locality. Any agreed upon funding formula between the impacted Commonwealth's Attorney and the locality employing body worn cameras shall be filed with the Compensation Board by July 1, 2019 and shall remain in effect, unless modified by the agreement of both parties until June 30th of the following year. The term "locality" means every county or independent city with an Attorney for the Commonwealth. The term "employed for use" includes all body worn cameras maintained by the law enforcement agency or agencies of that locality, regardless of any temporary inoperability.

2. Additionally, the working group convened by the Executive Secretary of the Compensation Board pursuant to Chapter 2, Item 72, U (2018 Special Session Acts of Assembly) shall be maintained to continue to study the impact of body worn cameras on the workload of Commonwealth's Attorney's offices, providing an additional report to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2020. During this timeframe, each Commonwealth's Attorney's office in a locality that employs body worn cameras, in conjunction with the law enforcement agency using body worn cameras, shall report to the Compensation Board the following information on a quarterly basis, in a format prescribed by the Board:

- a. The number of hours of body worn camera video footage received from their law enforcement agencies. The number of hours should additionally be broken down into corresponding categories of felonies, misdemeanors and traffic offenses. Any recorded event that results in charges for two or more of the above categories shall be reported in the most serious category;
- b. The number of hours spent in the course of redacting videos; and
- c. Any other data determined relevant and necessary by the Compensation Board for this analysis.

3. Should a Commonwealth's Attorney's office in a locality that employs body worn cameras fail to report to the Compensation Board the information above for two consecutive quarters, that locality may discontinue for the following fiscal year that additional funding to the Commonwealth's Attorney's office that is specifically to address the staffing and workload impact of the implementation of body worn cameras on that office.

4. The workgroup shall utilize the reported information to examine the staffing challenges and workload impact on Commonwealth's Attorney's offices of the implementation of body worn cameras over this added time and make any additional recommendations in the subsequent report, including but not limited to recommending a different staffing formula than stated above."

Explanation:

(This amendment establishes guidelines for staffing requirements for Commonwealth's Attorney's offices to hire one Assistant Commonwealth's Attorney for every 75 body worn cameras employed by local law enforcement officers.)

Item 474 #3s

Additional Three Percent Salary Increase for General Registrars

Central Appropriations	FY18-19	FY19-20	
Central Appropriations	\$0	\$139,611	GF

Language:

Page 486, line 12, strike "\$239,537,205" and insert "\$239,676,816".

Page 496, line 31, strike "\$17,882,376" and insert "\$18,021,987".

Page 496, after line 29, insert:

"e. In addition to any other salary increase provided in this paragraph, general registrars shall receive an additional three percent salary increase, effective July 1, 2019."

Explanation:

(This amendment adds \$139,611 in the second year from the general fund to provide an additional three percent increase to general registrars' salaries, effective July 1, 2019.)

Adjust Funding to Increase Retiree HIC for Public Safety Personnel

Central Appropriations	FY18-19	FY19-20	
Central Appropriations	\$0	(\$4,337,440)	GF

Language:

Page 486, line 12, strike "\$239,537,205" and insert "\$235,199,765".

Page 490, line 14, strike "2.15%" and insert "1.66%".

Page 490, line 34, after "amounts" strike "on or before January 1, 2020" and insert "by no later than January 1, 2020, or an earlier date to be determined by the Virginia Retirement System in its sole discretion."

Page 490, line 36, strike "\$6" and insert "\$5".

Page 490, line 42, strike "\$180" and insert "\$150", and strike "\$6" and insert "\$5".

Page 490, line 43, strike "\$6" and insert "\$5".

Page 490, line 51, strike "\$4,445,107" and insert "\$2,222,556".

Page 491, line 17, strike "on or before January 1, 2020, and insert "by no later than January 1, 2020, or an earlier date to be determined by the Virginia Retirement System in its sole discretion."

Page 491, line 18, strike "\$5" and insert "\$3".

Page 491, line 23, strike "\$150" and insert "\$90", and strike "\$5" and insert "\$3".

Page 491, line 31, strike "\$3,701,056" and insert "\$1,586,167".

Page 491, line 34, strike "1.23" and insert "0.75".

Explanation:

(This amendment provides \$3,808,723 in the second year from the general fund to increase the retiree health insurance credit for public safety employees who retire under the State Police Officers' Retirement System (SPORS) and the Virginia Law Officers' Retirement System (VaLORS) with at least 15 years of creditable service, as well as a sheriff or deputy sheriff of any county or city who retires under the Virginia Retirement System with at least 15 years of creditable service, on or after January 1, 2020. For SPORS and VaLORS members, the credit increases from \$4 to \$5 per year of creditable service, and for sheriffs and their deputies, the credit increases from \$1.50 to \$3.00 per year of creditable service.)

Item C-1.10 #1s

CO - DGS - Improvements to North Drive

Administration	FY18-19	FY19-20
Department of General Services	(\$2,000,000)	\$0 GF
	\$2,000,000	\$0 NGF

Language:

Page 522, line 6, strike "General" and insert "Bond Proceeds".

Explanation:

(This amendment changes the source of funding for the improvements for the North Drive project at the Department of General Services from \$2.0 million GF in the first year to bond proceeds.)

CO - Central Capital - Detail Planning for Capital Projects

Central Appropriations	FY18-19	FY19-20
Central Capital Outlay	(\$10,358,000)	\$0 GF

Language:

Page 538, line 28, strike "\$29,591,000" and insert "\$19,233,000".

Page 538, line 30, strike "\$29,591,000" and insert "\$19,233,000".

Page 538, strike lines 41-45.

Page 538, after line 43, insert:

"239 Frontier Culture Museum of Virginia Construct Crossing Gallery".

Page 538, strike lines 48-49.

Page 539, strike lines 1-5.

Explanation:

(This amendment reallocates almost \$10.4 million GF from the planning pool in the first year by reducing the number of proposed new planning projects that were included in the introduced budget and including one new project.)

CO - Central Capital Outlay - 2019 Capital Construction Pool

Central Appropriations	FY18-19	FY19-20
Central Capital Outlay	\$0	(\$4,100,000) NGF

Language:

Page 543, line 14, strike "\$131,982,000" and insert "\$127,882,000".

Page 543, line 16, strike "\$121,466,000" and insert "\$117,366,000".

Page 543, line 24, strike "\$121,466,000" and insert "\$117,366,000".

Page 544, line 10, strike "96,466,000" and insert "\$92,366,000"

Page 544, strike lines 29-30.

Page 544, after line 28, insert:

"720 Department of Behavioral Health and Developmental Services Renovate Kitchen Facilities, Eastern State Hospital".

Explanation:

(This amendment reduces bond proceeds by \$4.1 million in the second year for the 2019 Capital Construction Pool and changes authorization related to two projects at the Department of Behavioral Health and Developmental Services.)
