

Comparison of House and Senate Budget Amendments House Bill 1500 and Senate Bill 800

House Appropriations Committee Staff
February 14, 2011

Primary Objective – House Budget

- The Committee identified its primary objectives for the amendments to HB 1500, as follows:
 - First and foremost, to align FY 2012 spending to our on-going revenue stream to prepare for the next biennium
 - ✓ Used one-time savings to fund non-recurring costs or to unwind structural deficits,
 - ✓ Scrutinized new spending
 - Minimize use of state debt
 - Unwind GAAP deficits – AST and 4th Quarter VRS Payment Lag
 - Increase the Rainy Day Fund deposit to meet FY 2012-14 requirements

Major Differences Between House and Senate Budgets

Major Actions	House	Senate
Use of One-Time FY 2010 GF for Transportation	\$150.0 million	\$0.0
Eliminate Accelerated Sales Tax at \$50.0 m. & below threshold	(\$111.6 million)	\$0.0
Additional Rainy Day Fund Deposit	\$64.0 million	\$20.3 million
Additional State Debt	(\$117.0 million)	\$640.0 million
Public Education – Hold Harmless/Supp. Basic Aid	\$0.0	\$100.6 million
Public Safety	\$5.7 million	\$37.8 million
Medicaid Provider Rates and Services	\$0.0	\$104.6 million
Medicaid Waiver Slots	\$18.1 million	\$8.5 million

Major Differences Between House and Senate Budgets

Major Actions	House	Senate
Changes to Balances		
Replace VRS Proposal in Introduced Budget	122,866,900	122,866,900
Increase in VRS rates	(43,515,725)	(69,302,317)
Unexpended Balance from 3% Bonus	7,551,951	7,551,951
Legislative Balances	3,877,029	0
50% FY 2010 Balance - Indigent Defense	297,171	0
FY 2010 Balances - MWC Melchers Monroe	14,532	0
FY 2010 Balances - VCCS Workforce	439,280	0
FY 2010 Balances - Gunston Hall	11,661	0
FY 2010 Balances - Research Funding in DPB	51,258	0
FY 2010 Balances - DBHDS	1,111,444	0
FY 2010 Balances - DCJS	17,500	0
Restore State Bar funding	(5,000,000)	(2,500,000)
Productivity Investment Fund	500,000	0
Reverse Judicial Vacancies	0	(4,795,898)
Total: Changes to Balances	88,223,001	53,820,636

Major Differences Between House and Senate Budgets

	House	Senate
Changes to Revenue		
Technical Adjustment for Federal Conformity	(1,120,000)	(1,120,000)
Sale of Brunswick @ 25% of market value	11,250,000	0
Accelerated Sales Tax for \$50 million and greater	(111,600,000)	0
Mid Session Reforecast	152,000,000	152,000,000
Federal Tax Conformity - §108	(7,500,000)	(7,500,000)
Distribution of Circuit Court Excess Fees	(5,526,360)	0
SB 1027 – Tax Credit for Hiring TANF Recipients	0	(3,000,000)
SB 972 – Sales Tax on Hotel Rooms	0	690,000
SB 1136 – Ports – Capped Tax Credit	0	50,000
SB 774 - District Courts	0	(147,936)
Total: Changes to Revenue	37,503,640	140,972,064
Changes to Transfers		
Reverse Employee Retirement Transfer	(18,201,242)	(18,201,242)
Sale of Women’s Detention Center	175,000	175,000
Wine Tax Credit	250,000	0
DEQ – Correct Error in HB 1500/SB 800	0	827,815
Subtotal: Changes to Transfers	(17,776,242)	(17,198,427)
Total: Committee Resource Adjustments	112,023,141	177,594,273

Impact of House and Senate Amendments on FY 2012-14 Base Budget

	House 2011	House 2012	Senate 2011	Senate 2012
Ending Balance – HB 1500/SB 800 as Introduced	249,675,089	(245,602,347)	249,675,089	(245,602,347)
Changes to Resources	193,858,735	(81,835,594)	54,726,951	122,867,322
Changes to Spending	(6,204,298)	110,604,974	(151,417,875)	326,730,836
New Unappropriated Balance	200,063,033	(192,440,568)	455,819,915	(449,465,861)

Impact of House and Senate Amendments on FY 2012-14 Base Budget

Balance/One-Time Spending	House	Senate
FY 2012 Balance	(\$192,440,568)	(\$449,465,861)
Rainy Day Fund	\$114,000,000	\$70,300,000
Route 58 Cash Flow	\$28,000,000	\$28,000,000
Bonus for Constitutional Officers	\$11,016,586	\$0
Economic Devel/Nat'l Resources	\$16,000,000	\$26,000,000
Property Purchases	\$3,300,000	\$3,300,000
Capital Outlay (cash)	\$0	\$5,927,000
Annual Structural Deficit Carried Forward in FY 2012-14	(\$20,123,982)	(\$315,938,861)

Note: Senate budget requires 2% annual growth in each year of next biennium to continue current spending levels even prior to addressing Rainy Day Fund, and forecast adjustments (e.g. Medicaid/K-12 re-benchmarking, VRS rate increases)

Rainy Day Fund and AST

- Based on the revised revenue reforecast, the mandatory Revenue Stabilization Fund deposit in the 2012-2014 biennium will be \$228.0 million
 - The House budget made an additional \$64 million deposit, for a total of \$114 million, into the Rainy Day Fund Reserve, ensuring that 50% of amounts due in next biennium are set aside
 - The Senate added \$20.3 million for a total of \$70.3 million over the biennium
- Recognizing the burdens placed on small businesses, the House was able to utilize revenues made available by the Mid-Session Reforecast to eliminate the Accelerated Sales Tax (AST) for all but 184 of the 8,762 dealers currently subject to AST
 - \$111.6 million is used to exempt all dealers with sales below \$50.0 million
 - This will also serve to improve the structural balance of the budget going into the next biennium

Non-State Agencies/Earmarks in SB 800

Non-State Entities Funded in SB 800	Amount in SB 800
Op Sail 2012	\$1,000,000
VA Sports Hall of Fame	\$1,000,000
Mill Creek Dam - Augusta	\$1,000,000
VA Federation of Food Banks	\$500,000
Southwest Regional Recreation Authority	\$250,000
Hylton Performing Arts Ctr, Manassas	\$250,000
Northern Virginia Family Services	\$200,000
Didlake Vocational Services	\$200,000
1831 Nat Turner Insurrection/Rebecca Vaughan Renovation	\$105,000
Oxbow Daycare Center	\$88,000
State Fair of Virginia	\$32,900
Total:	\$4,625,900

Transportation

Transportation

- House budget retains the \$150.0 million of one-time general funds and \$250.0 million NGF support proposed to capitalize the Virginia Transportation Infrastructure Bank established pursuant to HB 2527
- Senate budget removes the entire \$150.0 million GF, but retains the nongeneral fund appropriation
 - Senate proposal removes even the \$32.7 million GF required to be deposited to transportation under existing Code provisions relating to use of year-end surpluses, and includes language prohibiting use of GFs for transportation

Health and Human Resources

HHR Spending/Savings

- House amendments focus on:
 - Addressing critical needs for individuals on Medicaid waiver waiting lists
 - Bending the cost curve down in three fast growing areas: Medicaid, Children's mental health services and the sexually violent predator program
- Senate amendments increase the structural deficit going forward
 - \$82.3 million GF to restore rates to hospitals, nursing homes, physicians, dentists, waiver providers, residential psychiatric facilities, and therapeutic day treatment services
 - \$22.3 million GF to restore funds for respite care hours (from 240 to 720 hours), podiatry services, and home modifications and assistive technology

Medicaid Program

- House: \$10.6 million GF in savings by capping personal care hours in most Medicaid waiver programs at 40 hours per week (2,080 hrs./yr.)
 - No cap on hours for Intellectual Disability waiver and Technology Assisted waiver
 - Savings are used to serve more individuals on waiver waiting lists
- Intellectual Disabled (ID) waiver slots
 - House provides 375 ID waiver slots (\$14.2 million GF)
 - ✓ 100 slots targeted to discharges at Central Virginia Training Center and Southside Virginia Training Center
 - ✓ 275 slots address waiting list
 - Senate provides 175 ID waiver slots (\$7.0 million GF)
 - ✓ 75 slots targeted for institutional discharges
 - ✓ 100 slots address waiting list
- Developmentally Disabled (DD) waiver slots
 - House provides 270 DD waiver slots (\$3.9 million GF)
 - Senate provides 100 DD waiver slots (\$1.5 million GF)

Sexually Violent Predator (SVP) Program

- House amendments address grave concerns about cost and implementation of the SVP program
 - House requires comprehensive review of program before proceeding with the construction of a new SVP facility at Brunswick Correctional Center or re-opening of Dinwiddie facility at Southside Virginia Training Center
 - Authorizes double bunking at existing VCBR facility
 - Allows for contracting with other states to meet capacity
 - Provides \$14.3 million GF and 41 additional positions
- Senate makes no changes to introduced budget proposal
 - Includes \$24.4 million GF for SVP operations and 400 additional positions
 - Re-opens the Dinwiddie facility at Southside Virginia Training Center
 - Proceeds with plans to build new 300-bed facility at Brunswick Correctional Center at cost of \$43.5 million in bonds
 - Provides \$250,000 in planning money for another new SVP facility valued at \$60.0 million

Children's Mental Health Services

- House requires Medicaid children's mental health rehabilitation services be coordinated through CSA, saving \$21.6 million GF
 - Provides \$1.5 million GF and \$1.5 million in matching federal funds for local CSA administrative costs to coordinate care for Medicaid-eligible children
- Both House and Senate provide \$5.0 million GF to restore funding to serve non-mandated children in CSA
- Senate provides \$7.5 million to restore local match rates for CSA therapeutic foster care services
- House and Senate add language authorizing the use of regional contracts for therapeutic foster care

Other HHR Items

- Senate cuts \$2.5 million GF for the Office of the Chief Medical Examiner and replaces funding with a Vital Records fee increase from \$12 to \$20, plus a \$9 fee for expedited requests
- Senate restores \$5.8 million to local social services departments
- Senate uses \$1.0 million in TANF funds for Healthy Families and \$800,000 for CHIP of Virginia
- Senate restores \$1.0 million for health department operations
- Senate provides \$493,631 for community rehabilitation services

Higher Education

Access, Affordability & STEM Degrees

- House includes \$70.0 million to address access, affordability & STEM degrees compared to \$38.7 million in the Senate
 - House budget allows all institutions, especially those with high in-state student populations, the ability to operate in FY 2012 without having to overly rely on greater tuition
- Senate relies on greater tuition increase offset by a \$14.0 million financial aid allocation
 - However, the allocation of financial aid does not correspond to the cost drivers at each institution
 - This has a negative impact on institutions who educate nearly 80 percent of our in-state undergraduate student population

Impact on Institutions with High In-State Student Populations

Institution	House	Senate	HAC > SFC	Virginia Students	\$ Impact on Virginians
GMU	\$7,417,775	\$4,261,249	\$3,156,526	15,505	\$204
ODU	11,970,527	6,809,869	5,160,658	14,355	360
VCU	6,040,000	3,802,016	2,237,984	19,019	118
CNU	1,763,000	767,303	995,697	4,346	229
UVA-W	1,600,000	575,053	1,024,947	1,545	663
LU	1,360,800	625,556	735,244	3,857	191
UMW	1,856,000	659,620	1,196,380	3,329	359
RU	2,905,925	793,451	2,112,474	7,217	293
RBC	755,000	227,426	527,574	1,180	447
VCCS	\$17,550,000	\$7,761,985	\$9,788,015	116,347	\$84

Comparison of Access, Affordability & STEM Degrees

(GF \$ in Millions)

<u>Institution</u>	<u>House</u>	<u>Senate</u>		<u>Institution</u>	<u>House</u>	<u>Senate</u>
CNU	\$1.8	\$0.8		UVAW	\$1.6	\$0.6
CWM	1.6	0.6		VCU	6.0	3.8
GMU	7.4	4.3		VMI	0.8	0.3
JMU	4.8	2.7		VSU	0.9	0.5
LU	1.4	0.6		VT	3.5	4.0
UMW	1.9	0.7		RBC	0.8	0.2
NSU	2.1	1.2		VCCS	17.6	7.8
ODU	12.0	6.8		<u>VIMS</u>	<u>0.6</u>	<u>0.1</u>
RU	2.9	0.8		Total	\$70.0	\$38.7
UVA	2.4	3.1				

Higher Education Research/STEM

- STEM
 - House: \$11.9 million for STEM initiatives at 10 institutions
 - ✓ \$3.4 million for “4VA” public-private partnership between GMU, JMU, UVA & VT and Cisco Systems, Inc
 - ✓ \$0.9 million for Longwood nursing
 - ✓ \$2.2 million for Radford-Carilion PhD Physical Therapy partnership
 - Senate:
 - ✓ Senate provides \$150,000 to Sec Ed for STEM pilot program in Southside & Southwest Virginia
 - ✓ Senate provides \$3.1 million in central accounts for technology in classroom to be distributed based on proposals submitted to Secretary of Education
- Research
 - House: Allocates \$5.0 million for cancer research at VCU
 - Senate: Allocates \$5.0 million for cancer research at VCU and \$5.0 million at UVA

Capital Outlay

Use of Debt

- House reduces overall debt by \$117 million compared to HB 1500
- Senate adds \$639.8 million in new bonds including about \$250 to \$300 million to construct & renovate new buildings at the seat of government
 - Bypasses “Cap-Six” process since majority of projects and funds are not a part of the current 6-year plan
- Senate budget exceeds total debt capacity per the December 2010 DCAC for 2012
- Senate also consumes total debt capacity for 2013, the first year of the next biennium

	<u>House</u>	<u>Senate</u>
HB 1500/ SB 800	\$113.1	\$113.1
Amendments		
Equipment	6.7	6.7
SVP	(43.5)	
Energy	(35.2)	
VPA	(30.0)	
DGIF HQ	(10.0)	
VCU Dental	(5.0)	
New Capital		525.2
DEQ		107.9
Amd. Subtotal	<u>(117.0)</u>	<u>639.8</u>
Total Debt	(\$3.9)	\$752.9

Planning and Other

■ Planning

- House:

- ✓ Provides \$250,000 from central planning fund to conduct preplanning for a new Virginia Treatment Center for Children
 - Estimated project value of \$50 million

- Senate:

- ✓ Provides \$4.0 million GF to plan 14 new projects including the VTCC, 10 VCCS projects, projects at CWM & NSU and a third SVP facility
 - Estimated project values of \$390 million

■ Other Projects

- Senate:

- ✓ \$1.9 million GF to construct a new water line from DOC to Goochland
 - Includes planning to extend line into Powhatan

Public Education

Teacher Retirement

- House provides \$89.8 million for a one-time lump-sum payment to the VRS for the state's share of a 3.3% VRS rate increase in FY 2012 for teachers
 - Saves school divisions approximately \$105 million in local spending as compared to the introduced budget
 - ✓ School divisions will continue to pay the current adopted VRS rate of 5.16% for FY 2012
 - Funded from amounts in the introduced budget designated for a VRS rate increase payment and resources freed up by funding elementary resource teachers consistent with the Code of Virginia (K-5)
 - Language does encourage localities to set aside funding for future rate increases in the next biennium
- Senate reduces the VRS contribution rate from 7.16% (introduced budget) to 6.33% in FY 2012
 - Net savings of \$22.2 million compared to HB 1500
 - ✓ Directs \$18.4 million of the savings to fund the state's share of textbooks at \$75.55 per pupil amount
 - Resulting in \$61.4 million local impact

Summary of Teacher Retirement Rates and Associated State and Local Costs

- Required local match – school divisions must spend \$2.00 for every \$1.00 they receive in VRS state payments

Budgets	VRS Rates	Add'l State Funded Rate	FY 2012 - Additional Costs above Chapter 874	
	FY 2012	FY 2012	State (\$ in millions)	Local (\$ in millions)
Adopted (Ch. 874)	5.16%	0.0%	-	-
Governor's	7.16%	0.0%	\$53.5	\$104.9
House	5.16%	3.3%	\$89.8	\$0.0*
Senate	6.33%	0.0%	\$30.7	\$61.4

*Lump-sum payment is based on the state's share of a 3.3% VRS rate increase with no required local match

Teacher 2% Bonus

- House provides \$65.7 million for a one-time supplement payment to school divisions based on the state's share of a 2% bonus that can be spent via several options:
 - Would be permitted to use funding for a 2% teacher bonus, effective July 1, 2011 – and would be allowed to use federal Education Jobs Funds as the local match
 - ✓ Would not be required to provide any local money to give a teacher bonus
 - For those school divisions that choose not to offer a bonus, these same dollars can be used to continue to purchase buses, textbooks or they can use it for other high-priority education related purpose as locality determines to be needed
 - Uses the \$37.7 million allocation calculated from buses
 - Uses a total of \$28.0 million from a combination of lottery funded textbooks (\$16.8) million and Pre-K (\$11.2) million

Supplemental Allocations

- Senate allocates \$87.7 million for the state's share of \$129.81 per pupil amount to all school divisions in FY 2012 from 'freed up' Lottery funds
 - Average required local match totals \$71.8
 - Transfers textbooks, ESL and Remedial Summer School accounts into the GF to 'free up' Lottery funds
- Allocates \$16.5 million to 38 school divisions for a composite index hold harmless grant in FY 2012
 - Cuts \$2.0 million from the PreK program

	Chapter 874	Senate Budget		
Total Divisions	50% Hold Harmless	Per Pupil Amt	Hold Harmless	Change Relative to Chapter 874
38	\$40,374,184	\$23,813,572	\$16,560,612	\$0
59	\$14,643,608	\$34,087,566	\$0	\$19,792,682
<u>39</u>	<u>\$0</u>	<u>\$29,792,682</u>	<u>\$0</u>	<u>\$29,792,682</u>
136	\$55,017,792	\$87,693,820	\$16,560,612	\$49,236,640

Direct Aid

■ House:

- Provides \$66,265 to increase the Governor's School student enrollment tuition cap by 50 slots to 1,650 in FY 2012
- Saves \$688,500 from completing the phase-out of Project Discovery in FY 2012
- Provides additional funding flexibility to school divisions by allowing a one-time election of the use of Pre-K funding to expand the number of full-day kindergarten classes and reduce the number of half-day classes in FY 2012
- Technical language correction for National Board Certification program to update participation for FY 2011 instead of FY 2012

■ Senate:

- Cuts \$2.0 million, or 67%, out of the Governor's initiative 'Pay for Performance' that focuses on Hard-to-Staff Schools and provides teacher bonuses in FY 2012
- Provides \$1.5 million for the Virtual Virginia program to increase number of classes offered and to develop additional online courses for AP and foreign language in FY 2012
- Provides \$0.4 million for grants to localities that submit proposals for regional cooperative purchasing efforts in FY 2012
- Provides \$0.1 million to pay either DOE or DHRM for actuarial analysis of a statewide health insurance program for school divisions in FY 2012
- Technical language correction for incorrect strike-through amounts that were printed in error in the introduced budget in FY 2012

Dept. of Education – Central Office

■ House:

- Requires a locality to pay 50% of the cost if they elect to request a school efficiency review – currently a division pays 25%
- Provides authority to DOE to establish a non-reverting special fund to deposit any proceeds collected from the sale of any educational resources it has developed
 - ✓ DOE would use these funds to further develop existing educational resources or create new ones for the benefit of K-12 in Virginia

■ Senate:

- Directs the Joint Subcommittee on Elementary and Secondary Education to study several issues:
 - ✓ On-line and blending learning issues and options for funding virtual education practices
 - ✓ Appropriate state per pupil funding between the state and schools divisions for full-time online classes
 - ✓ Review proposed options for handling any proceeds collected from the sale of any educational resources DOE develops
 - ✓ Report the study's finding to Chairmen of House Appropriations and Senate Finance Committees by October 1, 2011
- Eliminates the Joint Subcommittee's review of studying the use of prevailing salary or other salary cost approaches to fund the SOQ, the federal deduct, and funding cap ratio for instructional and support positions

Compensation and Retirement

5% Employee Contribution

- House budget reinstates 5% employee contribution with full 5% salary offset (\$15.1 million GF impact)
 - Equalizes state workforce going forward
 - All employees would have a stake in the retirement system
- House budget eliminates the deferral of the employee and employer 4th quarter payments VRS payments into the next fiscal year (\$41 million impact)
- Senate continues the status quo

Increased FY 2012 Payments to the VRS

- House budget results in approximately \$120.0 million in additional payments to the VRS for state employee retirement plans in FY 2012
 - Eliminates the deferral of the FY 2012 4th quarter VRS payments
 - Phases in an increase in the portion of the retirement contribution rates that are paid to the VRS during FY 2012
- Senate budget results in approximately \$70.0 million in additional payments to the VRS for state employee retirement plans in FY 2012
 - Increases the employer rates for the state employee plans in FY 2012 by 2.45% compared to Chapter 874
 - Continues the policy of lagging the 4th Q payments creating a GAAP deficit
 - ✓ The GAAP deficit has been raised as an issue by the rating agencies
 - Increases the amount payments from FY 2012 4Q that will be deferred until FY 2013 by \$20 million, increasing the GAAP deficit

Employee Contribution – Teachers and Locals

- House budget
 - Allows school boards and localities to reinstitute the 5% employee contribution for employees hired prior to July 1, 2010 contingent on providing a salary offset of at least 5%
 - Mandates school boards and localities to require employees hired on or after July 1, 2011 to pay the 5% employee contribution
- Senate Budget
 - Strikes language included in the introduced budget related to employee contribution for teachers and locals
 - Maintains the status quo

Senate Budget Fiscal Impact of Legislation

Legislation	Impact
SB 1155 (Quayle)– Provide the VaLORS Early Retirement Supplement up to Social Security Retirement Age	\$2,265,000
SB 1233 (Deeds)– Includes conservation officers from DCR in VaLORS	\$396,000
SB 1066 (Edwards) – Increase the Mandatory Retirement Age for Judges up to Age 73	<u>(\$1,384,000)</u>
Total	\$1,277,000

- Both budgets include approximately \$400,000 in funding to cover autism services for children age 2 through 6 in the state employee health insurance plan pursuant to legislation adopted this Session

Line of Duty

- Both budgets provide \$400,000 GF in additional funding for the Line of Duty program
- House amends language to extend the deadline for localities to opt out of the state program from July 1, 2011 to July 1, 2012
 - Continues language that localities that “opt-out” must continue to use the State Comptroller to process their payments
- Senate adopts language allowing localities to opt-out and provide the benefits through a local government group-self insurance pool
 - Language would allow them to run the program independent of DOA

Public Safety

Public Safety

- Senate adds \$18.7 million GF in FY 2012 for HB 599 payments
- Sheriffs
 - House adds \$3.0 million GF in FY 2012 in on-going funding for sheriffs' operations
 - House includes \$8.0 million for a 2 percent bonus for sheriffs, sheriffs' deputies, and regional jail correctional officers
 - ✓ \$5.8 million for sheriffs and their deputies and \$2.3 million for regional jail staff
 - Senate adds \$6.5 million in one-time resources for sheriffs' operations
- Department of Corrections
 - Senate adds \$13.0 million GF and 232 positions in FY 2012 to open Grayson County correctional center and correctional center school
 - The state-responsible offender population has been declining since November 2009, falling from 38,826 to 37,410 as of December, 2010
 - No mention is made of reducing the 3,624 state-responsible inmates in jails
 - Senate adds \$1.2 million GF in FY 2012 to reinstitute payments in lieu of taxes for DOC facilities
 - ✓ DOC facility payments eliminated by General Assembly just last year

Public Safety

- State Police
 - House adds \$6.0 million in FY 2012 to eliminate the cycle of compensatory leave for State Police officers
 - Senate provides \$3.0 million
- Veteran's Issues
 - House adds \$166,089 for four veterans claims agents
 - Senate provides \$402,403 for veterans claims agents and support staff
 - Senate adds \$150,000 for the Virginia War Memorial
 - ✓ Just added \$150,000 for FY 2011 and \$400,000 for FY 2012 last year
- Criminal Justice Services and Juvenile Justice
 - Senate adds \$2.5 million for local juvenile crime control grants

Agriculture and Forestry, Commerce and Trade, and Natural Resources

Agriculture and Forestry

- House added \$1.1 million GF and removed NGF fee revenue totaling \$540,000 within the Secretariat
 - House spending includes \$600,000 to market Virginia's agricultural products overseas
 - Also includes \$540,000 to backfill a reduction in the VDACS food inspection fee
 - ✓ Fee reduced from \$100 to \$40, rate prior to 2010 increase
- Senate added approximately \$1.3 million in GF spending, offset by replacement of \$1.6 million in GF with new NGF fee revenue
 - Senate spending includes a \$1.0 million increase to the purchase of development rights program, \$300,000 to restore Forestry positions, and \$32,900 to restore VDACS pass-through funding to the Virginia State Fair
 - Senate budget also reflects the provisions of SB 973 which increases the gas tax by 1/10 of one cent to fund the weights and measures program
 - ✓ Generates \$3.8 million NGF to replace \$1.6 million GF
 - ✓ Identical to proposal in Senate budget last year

Commerce and Trade

- House and Senate budgets both retain majority of funding for Governor's economic development package
- Senate spent additional funding as follows:
 - \$6.5 million for Enterprise Zone Grants
 - \$2.0 million for the Brownfields Redevelopment Fund
 - \$1.0 million for Virginia Sports Hall of Fame in Portsmouth
 - \$1.0 million for OpSail 2012
 - \$500,000 for Offshore Wind Development Fund

Commerce and Trade

- House budget reduced the biennial GF appropriation by \$34.8 million
- Senate budget included net reductions of \$22.8 million
- The largest reductions – reflected in both budgets – are as follows:
 - \$15.0 million of research funding transferred to higher education
 - The rejection of a proposal to add \$7.5 million in additional BRAC/Oceana funding in FY 2012
 - Elimination of wet lab funding - \$2.4 million in House, \$900,000 in Senate
- In order to roll back \$5.7 million of fees, House redirected monies from new and expanded initiatives, including:
 - \$2.0 million increase for the Motion Picture Opportunity Fund
 - \$3.0 million for the Derelict Structures Fund
 - ✓ Language provides for \$1.0 million GF and \$2.0 million from sale of surplus property
 - \$2.0 million for a tourism micro loan fund
- Senate budget also removed \$8.9 million GF provided for repayment of federal interest on VEC loans

Natural Resources

- Senate proposes the issuance of \$107.9 million in debt in FY 2012 for wastewater treatment plant upgrades
 - This amount is in addition to \$578.6 million already provided by the General Assembly for wastewater treatment plant upgrades
 - ✓ Includes \$328.6 million GF and \$250.0 million in bonds
 - 21 projects will be complete by June 30, 2011
 - 27 other projects will be completed in this biennium
 - DEQ has an uncommitted balance of \$14.7 million and will receive \$3.1 million in WQIF deposits
 - ✓ Using \$13.5 million, 26 additional projects could be completed
 - ✓ 19 of these projects are at least 75 complete now
 - ✓ Only one project for the City of Richmond would remain outstanding – the project is only 25 percent complete now
- Senate includes \$1.2 million and 15 positions for state park operations
- Senate includes \$906,000 and 5 positions for natural area preserves

General Government

General Government Funding & Resources Actions

Compared to Introduced Budget

	House	Senate
Legislative	(\$3,971,374)	\$324,047
Judicial	\$2,049,000	\$7,295,898
Executive Offices	\$6,110	(\$177,890)
Administration *	\$8,503,854	\$147,936
Finance **	<u>(\$190,853)</u>	<u>\$0</u>
Total	\$6,396,924	\$7,589,991

*Administration does not include the sheriffs (included in Public Safety)

** Finance does not include Treasury Board or Rainy Day Deposits

Judicial Department

- State Bar Balance Transfer
 - House budget restores the full \$5.0 million
 - Senate budget restores half the transfer, \$2.5 million
- Local Drug Courts
 - House budget realizes \$2.9 million in savings from eliminating state funding for 14 local drug courts
 - Senate budget continue to providing funding for the 14 courts
 - ✓ There are 16 other local drugs courts that continue to operate with no state funding
- Judicial Vacancies
 - House continues the current freeze on filling judicial balances through the biennium
 - Senate budget allocates \$4.8 million to fill all vacancies

Administration

- Circuit Court Clerks Commission
 - House budget includes language clarifying the intent of the General Assembly is to authorize the continued payment of commission to the Clerks of Circuit Courts for state revenues they directly collect
 - House budget includes \$5.5 million over the biennium reflect corrected revenue estimates
 - Senate claims language last year authorizes the continued payment of the commissions but continues to capture \$2.8 million in savings
- Constitutional Officers
 - House budget provides funding for 2% bonus for the employees of all of the Constitutional offices
 - ✓ \$3.0 million GF in funding for the offices of Circuit Court Clerks, Commonwealths Attorney's, Treasurers, Commissioners of Revenue and Directors of Finance

Legislative Department

Compared to Introduced Budget

	House	Senate
Funding for Respective Clerks Offices	(\$275,000)	\$101,000
Payment of Dues	(\$94,345)	\$146,035
Commissions	(\$829,054)	\$31,300
Legislative Agencies	<u>(\$2,772,975)</u>	<u>\$45,712</u>
Total	(\$3,971,374)	\$324,047

Language in Senate Budget

- Senate Budget includes 2 study language amendments within JLARC
 - Requires JLARC to study the process by which the VRS determines eligibility for disability claims
 - Requires JLARC to conduct a review of the operations of the Office of the Attorney General and compare their duties and responsibilities to those in other states
- Senate Budget includes language requiring the OAG to implement a project time management system