



Conference Report House Bill 1400

House Appropriations Committee Staff
February 24, 2015



Key Features – HB 1400 Conference Report

- Conference amendment package reflects net resource increases of \$532.2 million over the biennium
- Includes additional revenues assumed pursuant to the Mid-Session revenue reforecast totaling \$260.0 million in FY 2015 and \$294.8 million in FY 2016
 - Forecast of 4.7% in FY 2015
 - Forecast of 3.3% in FY 2016
- These amounts are offset by reductions resulting from the removal of tax policy proposals that were not adopted, balance restorations, transfer reductions, as cost of adopted legislation
 - Each change is outlined on the table on the following two pages
- Net result of revenue and spending items produces an unappropriated balance of \$5.2 million at the end of the biennium

Revenue Changes HB 1400 Conference Report

	FY 2015	FY 2016
<u>Additions to Balances</u>		
Adjust Judicial Vacancy Savings Assumed in Ch. 3	500,000	(1,000,000)
Revert Office of Attorney General FY 2014 Balances	210,745	
Revert Dept. General Services Balances	300,000	
Revert Social Services Auxiliary Grant Unexpended Balances	400,000	
Subtotal-Balances	1,410,745	(1,000,000)
<u>Additional Revenues</u>		
Mid-Session Revenue Forecast Adjustment	260,000,000	294,975,500
Eliminate Assumed Revenues Coalfield Production Tax Changes		(5,200,000)
Eliminate Coalfield Employment Tax Change		(14,700,000)
Eliminate Assumed Revenues from Online Travel Sales		(1,720,000)
Eliminate Assumed Revenues Long Term Care Deduction		(9,400,000)
HB 1928 - DNA Testing		168,950
SB 1336 – Sales Tax Exemption for Gold Bullion		(200,000)
Restore Behavioral Health Licensing Fee		(947,000)
Commuter Rail Trust Fund Interest		(68,343)
Undo HIF transfer of interest earnings	(1,422,673)	(1,422,673)
HB 1329 - Out of State Concealed Handgun Permits		(100,000)
Subtotal-Revenues	258,577,327	261,386,434

Revenue Changes HB 1400 Conference Report

	FY 2015	FY 2016
<u>Transfers</u>		
Reflect K-12 Transfer Portion of Sales Tax Forecast Adjustment	2,229,706	3,629,706
Reverse Transfer from Leaking Underground Storage Tank Fund		(2,367,213)
Transfer of DGS NGF Fund Balances	300,000	
Capture Additional ABC Profits	6,000,000	
Restore VDACS Commodities Board Funding	(75,637)	(65,234)
Capture SCC Balances	2,000,000	
Out of State Prisoner Revenues	400,000	
Reverse Increase in LPTC transfer Fee		(1,350,000)
DSP Insurance Fraud Fund Balance	0	600,000
Move Department Heath Indirect Cost Recovery	600,000	
Subtotal-Transfers	11,454,069	447,259
<u>Grand Total Changes: Revenues/Resources</u>	271,442,141	260,833,693
<u>Final Unappropriated Balance After Resource & Spending Adjustments</u>		5,120,524

Key Features – HB 1400 Conference Report

- Conference principles used to guide spending decisions were:
 - Work to improve structural integrity of the base budget heading into next biennium
 - Provide a compensation package for all employee groups
 - Make no reduction in public education basic aid
 - Make investments in mental health, higher education and natural resources

Key Features – HB 1400 Conference Report

- Employee compensation package includes:
 - 2% across the board for all state employees and state-supported local employees
 - Compression plan for state employees which includes an increase of \$65 per year of service and \$80 per year of service for state police
 - Targeted compensation increases for 19 high-turnover job classes
 - Additional compression adjustment for state police to implement their new salary plan
 - Faculty receive an average 2% GF funded increase with authority given to Institutions to provide an additional 2.5% average increase from reallocated E and G spending
 - Salary increases will be consistent with each institution's faculty compensation plans

Key Features – HB 1400 Conference Report

- Sets aside \$129.5 million as an advance deposit to the Rainy Day Fund
- Provides \$141.4 million of general fund cash for capital projects and maintenance reserve
 - Use of cash for capital -- one-time spending - not increasing ongoing operating base budgets and preserves debt capacity
- Reduces the unfunded liability of the Teacher Retirement Plan by \$193 million and accelerating by two years the movement from 80% to 90% of the VRS Board certified rates for the State Employee Retirement Plan
- Provides \$105.4 million for mental health services to over 21,600 individuals and \$27.7 for health care safety net programs over the biennium
- Adds \$41.5 million in additional higher education funding to restore cuts, pay for enrollment growth for schools with graduation rates above 60% and to incentivize the remaining schools to increase transfers from the community college system, increase financial aid and provide for faculty compensation
- Provides a total increase of \$21.5 million in Natural Resources for water quality and land conservation efforts



Health and Human Resources



Conference Report Addresses Critical Needs for Behavioral Health Services & Health Care Safety Net

- Builds on previous House efforts to provide services for individuals with serious mental illness and substance use disorders
- Provides targeted physical and behavioral health and substance abuse treatment services to 21,600 individuals with serious mental illness (SMI) and substance use disorders with incomes at or below 60% of the federal poverty level
- Expands funding for community behavioral health services
 - Programs for Assertive Community Treatment (PACT)
 - Crisis intervention therapeutic drop-off centers
 - Children's psychiatry and crisis response services
 - Supportive housing
- Expands access to the health safety net
 - Services for children and pregnant women
 - Free clinics and community health center services for uninsured

Services for Individuals with Serious Mental Illness (SMI)

- Provides \$96.5 million GF and \$99.6 million NGF over the biennium for targeted Medicaid physical and behavioral health services for low-income adults with SMI at or below 60% of the federal poverty level
 - Physician and outpatient clinic services
 - Prescription medicine
 - Outpatient diagnostic and lab services
 - Case management and care coordination
 - Psychiatric evaluation, management and treatment
 - Crisis line
 - Crisis intervention and stabilization
 - Psychosocial rehabilitation
 - Outpatient psychiatric and substance abuse treatment services
 - Substance abuse intensive outpatient treatment
 - Methadone and opioid treatment
 - Peer support services
- Continues coverage for existing enrollees for one year until their next eligibility renewal period

Services for Individuals with Serious Mental Illness

- Adds \$8.9 million GF in FY 2016 for community behavioral health services
 - \$3.0 million GF for 3 additional PACT teams, bringing the total to 25 in FY 2016
 - \$1.8 million GF for 6 additional therapeutic drop-off centers, bringing total to 30 centers in FY 2016
 - Adds \$2.0 million GF to expand children's psychiatry and crisis services in five regions to serve more localities
 - \$2.1 million GF to provide stable, supportive housing for 150 individuals with serious mental illness to avoid costly hospitalizations, homelessness and incarceration

Health Safety Net Programs

- \$27.7 million GF and \$36.3 million NGF for health care safety net programs over the biennium
 - \$18.4 million GF to enroll up to 35,000 children in the Virginia's children's health insurance programs, Medicaid and FAMIS
 - \$4.1 million GF to meet the health care needs of indigent patients at free clinics and community health centers
 - \$3.1 million provided to Free Clinics
 - \$1.0 million provided to Community Health Centers
 - \$2.4 million GF to provide low-income state employees with the option to enroll their children in FAMIS
 - Projected to serve 5,000 children
 - \$1.9 million GF to expand dental services for up to 45,000 low-income pregnant women enrolled in Medicaid or FAMIS Moms program
 - \$500,000 GF to expand grants for medication assistance through the Virginia Health Care Foundation
 - This funding will add up to 13 medication assistance coordinators statewide
 - \$376,000 GF to support Pharmacy Connect and the Health Wagon in SWVA

Medicaid Provider Rates

- \$8.2 million GF and \$8.2 million NGF in FY 2016 to increase Medicaid Intellectual and Development Disability Waiver rates
 - Based on analysis of recent rate study to ensure waiver rates are adequate to build appropriate community capacity to transition individual from state training centers
 - Includes a 2% increase for congregate care rates and various percentage increases for in-home residential supports, day support, therapeutic consultations and skilled nursing services
- \$3.5 million GF and \$3.5 million NGF in FY 2016 to increase Medicaid waiver rates for personal care services by 2%
- \$2.2 million GF and \$2.2 million NGF to eliminate the practice of pending and reducing Medicaid payments for emergency room triage services
- \$1.4 million GF and \$1.4 million NGF in FY 2016 to increase supplemental physician payments at Children's Hospital for the King's Daughters

Services for Other Disability Services

- Provides \$4.2 million GF in FY 2016 to restore and expand services for individuals with physical disabilities
 - \$1.0 million GF for the vocational rehabilitation program to address the waiting list for services
 - Funding will be matched with \$3.7 million in federal funds
 - \$864,943 GF to restore and expand funding for long-term employment support services
 - \$750,000 GF to restore and expand funding for community-based brain injury services
 - \$600,000 to restore funding for personal care services for disabled individuals who are not eligible for Medicaid
 - \$580,800 GF to restore funding reductions for the Centers for Independent Living
 - \$400,000 to restore funding for Didlake for disability services in NoVa
- \$605,000 GF in FY 2016 for Part C early intervention services for infants and toddlers to meet expected growth
- \$500,000 for public guardianship services

Elimination of Fee increases

- \$3.7 million GF in FY 2016 to rollback the proposed restaurant inspection fee from \$285 to \$40
- \$947,000 GF in FY 2016 to eliminate the proposed licensing fee for providers of adult behavioral health and developmental services
- \$221,568 GF and a reduction of \$221,568 NGF in FY 2016 to eliminate a proposed increase in the tobacco stamp tax which would have been deposited into the Virginia Health Care Fund to offset Medicaid costs
- \$117,000 GF to eliminate proposed fees for Community Services Boards and private providers in order to use on-line training courses offered by the Department of Behavioral Health and Developmental Services

Funding for Other HHR Programs

- \$17.2 million NGF in FY 2016 in federal child care block grant funds to fund the fiscal impact of child day care legislation to bolster the licensing and inspection process for child day care homes
- \$400,000 GF in FY 2016 for claims by individuals who were victims of forced sterilization
 - Payments limited to \$25,000 each
- \$400,000 GF over the biennium to restore funding for Northern Virginia Family Services
- \$281,894 GF in FY 2016 for additional direct care staff at the Commonwealth's Center for Children and Adolescents
- \$250,000 GF in FY 2016 for proton beam therapy
- \$225,000 GF and 3 positions for Shellfish Sanitation Program at the Health Department
- \$200,000 GF in FY 2016 for the Department of Medical Assistance Services to implement a statewide contract for preadmission screening of children potentially eligible for Medicaid long-term care services
- \$123,056 for additional staffing at the Virginia Center for Behavioral Rehabilitation

HHR Savings

(GF \$ in millions)

Amendments	FY 2015	FY 2016
Medicaid Technical Forecast Adjustments	-	(\$21.8)
Adjust Tobacco Tax Revenue Estimate in the Health Care Fund	(\$2.9)	(\$5.7)
Eliminate New Initiative Extending Foster Care to Age 21	-	(\$3.2)
Supplant GF for Child Day Care Licensing with Federal Block Grant	-	(\$2.7)
Eliminate Funding for 93 Local Eligibility Workers in FY 2015 (maintains funding for these positions in FY 2016)	(\$2.0)	-
Eliminate Day Support Waiver Redesign – New Slots & Services	-	(\$1.9)
Reduce Funding for Medicaid Central Processing Unit	-	(\$1.0)
Supplant GF for CHIP of Virginia with TANF	-	(\$1.0)
Subtotal Targeted and Technical Adj.	(\$4.9)	(\$37.3)

Language Changes

- Eliminates language authorizing Medicaid Expansion
- Eliminates language authorizing a hospital provider tax
 - Language is added to direct the Secretary of Health and Human Resources to conduct an analysis and to present a plan with options for consideration by the 2016 General Assembly
- Adds language requiring the Secretary to convene a workgroup on the COPN process and report back to the General Assembly prior to the 2016 Session
- Language related to behavioral health and developmental services
 - Directs the Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services (DBHDS) to develop a plan for the redesign of the comprehensive Medicaid Intellectual and Developmental Disability waiver programs
 - Directs DBHDS to review Piedmont Geriatric and Catawba hospitals and examine alternate options for care
 - Requires a joint subcommittee of the House Appropriations and Senate Finance Committees to monitor training center closures, options for transitioning individuals into the community, and plans for redesigning Medicaid waivers



Compensation and Retirement



Employee Compensation Actions

- Conference Report includes a \$113.9 million revenue reserve which provides compensation adjustments for state employees and state supported local employees, as well as funding to increase the VRS contribution rates to 90% of the board-certified rates for the 4 state employee plans contingent on FY 2015 revenues not being more than 1% below forecast
 - Reserve includes \$37.8 million GF for a 2% salary increase for state employees effective August 10, 2015
 - Reserve also includes \$26.3 million for salary compression adjustment for state employees effective August 10, 2015
 - \$80 per year of service salary adjustment for Sworn Officers of the State Police with 3 or more years of service
 - \$65 per year of service for Other State Employees with 5 or more years of service
 - Reserve includes \$13.3 million for 2% salary adjustment for state supported local employees effective September 1, 2015

Targeted Salary Actions

- Conference report includes \$3.7 million GF for the state police, in addition to the funding in the revenue reserve, to further address salary compression issues beginning August 10, 2015
- Includes \$6.9 GF million to provide a \$1,000 adjustment in the annual salary for the two lowest level correctional officers positions at the Department of Corrections effective August 10, 2015
- Conference report includes an additional \$1.2 million GF to increase the entry level salary for grade 7 deputy sheriffs and regional jail officers an additional 4.63%
 - Results in total increase in minimum salary of 6.63%
- Includes \$3.8 million GF, as part of the revenue reserve, to provide additional 2% salary adjustment to 17 positions with high turnover job roles identified by last years State Employee Compensation Workgroup

VRS Contributions

- Includes, in the revenue reserve, \$32.3 million GF in FY 2016 to fund 90% of the VRS Board certified rates for the four state employee plans (VRS, SPORS, VaLORS and JRS) effective August 10, 2015
 - Captures savings of \$1.3 million from legislation increasing the mandatory retirement age for judges from 70 to 73 (HB 1984 & SB 1196)
- Conference Report includes a lump-sum payment to the VRS for the teacher retirement program from the Literary Fund of \$192.9 million in FY 2016
 - Includes language stating payment shall be applied as an accelerated repayment of the 2010-12 biennium deferred contributions
 - Captures \$15.7 million GF savings in FY 2016 from decreasing the regular VRS retirement contribution rate for the teacher system in FY 2016 based on the accelerated repayment

Employee Health Insurance

- Conference report restores \$1.4 million interest earnings to the state employee health insurance fund and the local choice health fund in both years
- Includes \$250,000 GF for HB 1940 which provides for coverage of services to treat Autism up to Age 10
- Rejects proposal to increase annual out-of-pocket maximums for state employee health plan
- Includes language instructing the Department of Human Resource Management to conduct an actuarial analysis of the impact of including employees of political subdivisions and their dependents in the state employee health plan and also to conduct a review of the Local Choice Health program
 - Provides up to \$250,000 in prior year unobligated balances for the actuarial analysis and the review of the Local Choice program



Public Education



\$52.9 Million for 1.5% Salary Incentive

- Teachers and Support Salary Incentive: Provides \$52.9 million (10.5 months) for the state's share of a 1.5% salary incentive for all funded SOQ instructional and support positions and Governor's School positions
 - Participation is optional and requires a local match – must provide at least a 1.5% increase by January 1, 2016, and would be eligible for the 10.5 months of funding from the state
 - School divisions cannot count the phase-in of the VRS swap as their local match
 - Reflects revenue contingency language

Literary Fund – Updates and Policy Changes

- Provides \$192.9 million in FY 2016 for the VRS teacher retirement account to lower the unfunded liability
 - Based on the lowered unfunded liability, the retirement rate would decrease to 14.06%, down from the 14.50% rate in the current adopted budget, and generate \$15.7 million of GF savings in FY 2016
 - This lower rate also reduces the school divisions' share of VRS costs – statewide estimate is about twice the state's projected savings
- Adds \$52.9 million for new school construction loans in the second year
- Includes \$40.0 million in FY 2015 and \$44.2 million in FY 2016 of Literary Fund revenue to offset a like amount of general fund spending for teacher retirement costs
 - Second year amount reprograms \$19.2 million of the teacher retirement costs from Interest Rate Subsidy grants as reflected the introduced budget proposal

Kindergarten Readiness, Early Childhood and Pre-K

- Provides \$1.0 million to begin annual contract with UVA to administer a new Kindergarten Readiness Assessment program that focuses on social skills and self-regulation, math and literacy skills
- Provides \$250,000 to the Virginia Early Childhood Foundation
- Updates the Pre-K program to use the 2015 kindergarten enrollment estimate in the second year and captures \$2.8 million in savings
- Clarifies definition of at-risk used in Pre-K:
 - Family income less than 200% of poverty
 - Income less than 350% of poverty for special needs students
 - Homelessness
 - Parents who are high school dropouts
- Eliminates new language in introduced budget that redirected available balances to schools with a Pre-K waiting list and instead directs DOE to offer any available unobligated balance to schools as one-time start-up grants for related expenses other than capital
- Establishes a new joint committee to review state's role and policy for preschool for students in low-income families

Other K-12 Initiatives

- Reflects adjustment for federal grant for the VPI+ program -- adds \$16.7 million NGF in Direct Aid and \$838,103 NGF in Central Office
- Provides \$4.7 million in FY 2016 for extended-year start-up grants of up \$300,000 per school each year for a 3-year period -- schools with Denied Accreditation status may receive up to \$400,000 grant
 - Requires 20% match the first 3 years, unless participating division has a school with Denied Accreditation status
 - Language provides additional on-going shared funding between the state and school division after the initial start-up 3-year period
 - Allows remaining balances from funding received to be carried over to next fiscal year

Other K-12 Initiatives

- Adds \$2.7 million GF over the biennium, to backfill the loss of DMV generated revenues that occurred from the extension of driver licenses from 5 to 8 years for the remaining transition period
- Increases the School Breakfast program by \$537,297 GF in FY 2016
 - School divisions may apply for additional reimbursement for current breakfast program
 - Elementary schools with at least 45% of students eligible for free or reduced lunch may apply for funding for a new School 'Breakfast After the Bell' incentive pilot program - requires participating schools to evaluate and report findings to DOE
- Provides \$500,000 for 2 planning grants for Teacher Residency program partnerships between a teacher preparation program and Norfolk and Petersburg City school divisions
- Includes \$250,000 GF to expand Virtual Virginia for additional courses and address the student waiting list for existing courses in second year

Other K-12 Initiatives

- Adds \$60,300 in FY 2016 to provide a Career Counselor position at the Regional Technical Center located in Northern Neck
- Adds \$50,000 for the Southside Virginia Regional Technology Consortium
- Saves \$275,000 in FY 2016 from reducing Project Discovery
- Captures \$150,000 from National Board Certification balances in FY 2015
- Virginia Public School Authority (VPSA) language:
 - Directs DOE to work with school divisions to help maximize eligible technology equipment purchases
 - Directs DOE to survey school divisions for interest in using VPSA grant funds toward leases
 - Expands eligibility for type of device purchases to include laptops, tablets and hand-held devices

Technical Updates to SOQ, Incentive, Categorical and Lottery Accounts

- Reflects a net savings of \$20.5 million over the biennium from the routine technical updates for student membership projections, incentive and categorical programs, data submission corrections and sales tax distributions on school-aged population
- December updates to Lottery forecast totaling \$45.4 million supplant like amount of general fund programs costs
- Mid-year update to the sales tax revenue forecast adds \$8.9 million
- Adds \$161,437 for 2 data corrections for Norton and Linwood Holton Governor's School

Language Amendments

- Provides flexibility that allows DOE to use available balances from year-round school grants for other types of submitted proposals for extended day or other alternative instructional models
- Directs DPB to develop a matrix of best practices for school efficiency reviews
- Adds flexibility to Teach For America program to carry-over remaining balances into next fiscal year
- Clarifies state's prospective position of not backfilling decreases in federal funding
- Eliminates current reference to additional state funding for future school division consolidations

DOE Central Office

- Adds \$1.3 million to help under-performing and academically struggling schools
 - \$713,000 to establish a program of professional development for principals
 - \$572,976 for five new positions to help support those schools
- Recommends adding \$732,000 in one-time funding to transition the 7th and 8th grade SOL mathematics tests to a Computer Adaptive Testing (CAT) platform
- Adds \$366,000 for professional development for school principals and teachers that focuses on issues unique to high-needs students
- Adds \$250,000 for 5 competitive grants for planning the implementation of systemic High School Program Innovation
- Provides \$200,000 to cover the estimated cost of expedited SOL retakes for 3rd through 8th graders that have failed within a narrow window of a pass rate

DOE Central Office

- Add \$121,968 for a new IT Security Officer
- Adds \$100,000 for the STEAM Academy for continued planning and summer program
- Includes \$75,000 to redesign the School Performance Report Card
- Restores \$91,800 for Education Commission of the States membership
- Adds \$23,000 for study feasibility of tracking teacher turnover
- New language expands the use and scope of the Information Technology Academy funding to include additional IT credentials and certifications
- New language reaffirms the Commonwealth's commitment to the Standards of Learning for student academic assessments



Higher Education



Colleges and Universities Operating Funds

- Includes \$20.5 million for budget reduction relief, growth in enrollment & transfers, and institution-specific initiatives
 - Provides support for about 2,100 new in-state seats & transfers
 - Total funds would provide relief from about 45% of the budget reductions in the introduced budget
- Provides \$5.1 million for research & economic development efforts
 - \$2.0 million cancer research (UVA & VCU)
 - \$1.25 million brain injury (VT)
 - \$750,000 ODU Bioelectrics
 - \$625,000 GMU modeling & simulation and lyme disease research
 - \$500,000 VIMS
- Provides \$14.4 million for a 2% average faculty salary increase
 - Language permits institutions to reallocate current E & G funds to provide for an additional 2.5% average increase for teaching and research faculty

Allocations to Colleges and Universities

Institution	GF Amount \$ in millions		Institution	GF Amount \$ in millions
CNU	\$0.6		UVA	4.0
CWM	1.3		UVA-W	0.3
GMU	5.5		VCU	4.3
JMU	2.6		VMI	0.4
LU	0.6		VT	4.9
UMW	1.2		VSU	0.8
NSU	0.8		RBC	0.3
ODU	3.9		VCCS	6.3
RU	1.2		Total	\$38.8

Other Higher Education

- \$10.1 million for financial aid
 - \$7.9 million for in-state undergraduate financial aid
 - \$1.2 million for the transfer grant program administered by SCHEV
 - \$600,000 is designated for a transfer grant incentive program targeting six schools
 - \$1.0 million for need-based aid for in-state students taking non-credit programs
- \$4.0 million for Jefferson Labs Ion Collider project
- Equipment Trust Fund (HEETF)
 - \$10.0 million in additional allocation including \$500,000 for EVMS
- \$0.8 million in budget reduction relief for higher education centers, EVMS, VWIL and the Virtual Library (Central Accounts)
- \$335,000 for SCHEV operating support related to JLARC recommendations and new legislation
- \$382,000 for Jamestown-Yorktown related to Yorktown museum and 2009 Commemoration
- \$68,447 for Library of Virginia IT Support



Capital Outlay



Capital Program

- \$106.1 million GF for renovation & renewal projects
 - JMU Madison Hall
 - Longwood Biomass Boiler
 - Radford Whitt Hall
 - VCU Raleigh Building
 - VCU Sanger Hall, Phase II
 - VPI Academic Buildings
 - VPI Extension Kentland Facilities
 - VCCS Danville Engineering & Industrial Technology Building
- \$9.5 million GF for maintenance reserve
 - Removes \$5 million in new bonds
- \$14.3 million GF for project planning
- \$5.6 million GF for the UVA Rotunda supplement
- \$2.8 million GF for the JMU Chiller Plant acquisition
- \$3.1 million GF for state parks



General Government



Significant General Government Amendments

- Conference Report includes \$129.5 million in FY 2015 in anticipation of constitutionally-required deposit to the Rainy Day Fund in the 2016-18 biennium
- Conference Report eliminates the Local Aid Reversion Account of \$30.0 million in FY 2016
- Conference Report includes an additional \$5.4 million GF in FY 2015 to cover the projected shortfall in the Criminal Fund
- Eliminates \$1.6 million GF the second year to reimburse localities for replacement of voting equipment
 - Also eliminates authorization to issue \$28.0 million in VPBA bonds to purchase and replace voting equipment statewide

Judicial Vacancies

- Conference Report increases savings assumed in FY 2015 by \$500,000 to reflect the current estimate of judicial vacancy savings
- Amendments eliminate the \$1.0 million reversion in FY 2016 from judicial vacancies and provides an additional \$855,795 GF in FY 2016 to fund a total of 405 circuit and district court judgeships in FY 2016
 - Language amendment specifies which judgeships will be filled

General Government Spending /Savings

(GF\$ in millions)

	Conference
DLS: Funding for Ethics Advisory Commission	\$0.4
Judicial Department: Increase Per Diem for Retired Judges	\$0.5
State Bar – Additional Funding for Legal Aid	\$0.75
Treasury – Claims Bill SB 843	\$0.2
Treasury – Allow for Paper Checks for Income Tax Refunds	\$0.3
Central Appropriations – Savings from Reduction in Gas Prices	<u>(\$2.0)</u>
Total	\$0.15

Significant Language Amendment Actions

- Amends language in Part 3 regarding the calculation of fines and fees collected in General District Courts performed by the Auditor of Public Accounts
 - Current language returns to the literary fund 1/2 of local fines and fees that are in excess of 50% of the total fines and fees collected by the localities General District Court
 - Amended language includes total fines and forfeitures in calculation (not fees) and increases threshold to 65%, with 25% of the excess being returned to the Literary Fund, increasing to 50% by the third year
 - Estimated to increase revenue to the Literary Fund from \$200,000 per year to \$832,000
- Includes amendment grandfathering six treasurers currently collecting overdue fines and fees on a contingency basis through June 30, 2018
 - Requires any excess contingency fees, above costs, to be split by the state and localities on a 50-50 basis



Public Safety



Corrections

- Provides \$11.0 million GF the first year and \$20.4 million GF the second year for increased inmate medical costs
 - Second year amount includes \$500,000 and 6 positions to increase recruitment efforts for DOC medical staff and administration
 - Language amendment directs DOC to issue a Request for Information (RFI) and conduct a comparative evaluation of management of inmate health services
- Provides \$4.0 million in FY 2016 for Hepatitis C treatment costs and additional security staffing
 - Staffing for Augusta, Buckingham and Nottoway Correctional Centers (36 FTE)
- Includes \$450,000 in FY 2016 for the “Woodrum” impacts from criminal sentencing legislation
 - Language authorizes DOC to use Corrections Special Reserve Fund amounts to complete pre-planning study for replacement of Powhatan Correctional Center

State Police

- Restores \$4.0 million GF over the biennium for trooper overtime and training new troopers
 - Total of \$3.2 million in FY 2015 and \$742,135 in FY 2016
- Includes \$400,000 for Med-Flight reimbursement for Chesterfield County
- Adds \$180,000 GF and one position in FY 2016 for search and rescue coordinator
- Transfers \$600,000 NGF in balances to GF from Insurance Fraud Division
- Language amendments direct State Police to (i) train local law enforcement regarding registering sex offenders and (ii) review whether additional area offices are necessary

Department of Alcoholic Beverage Control

- Increases transfer of net profits to the general fund by \$6.0 million in FY 2015
- Information Technology and Marketing Initiatives
 - Includes language creating advisory committee chaired by the Secretary of Finance to review and report on the progress of the Department's IT modernization efforts

Local and Regional Jails

- Provides \$13.8 million in FY 2015 to fund estimated costs of per diems for state-responsible inmates housed in local and regional jails
- Includes \$200,000 GF the second year for 11 additional positions to support Phase I of the Central Virginia Regional Jail expansion project
- Language limits state reimbursement to 25% of costs for regional jail construction, expansion, and renovation projects approved after July 1, 2015
 - Pursuant to Senate Bill 1049

Other Public Safety

- Department of Criminal Justice Services
 - Adds \$50,000 GF for training of local law enforcement regarding Alzheimer's and dementia
 - Includes language freezing HB 599 payments to localities
- Department of Emergency Management
 - Includes \$180,000 GF and 1 position in FY 2016 for a search and rescue coordinator as recommended by the Crime Commission
 - Includes \$42,750 GF in FY 2016 for matching funds to begin implementing recommendations of Rappahannock River Basin Stream and Rainfall Study
- Department of Juvenile Justice
 - Language authorizes Department to use existing general fund appropriations to transfer residents to private mental health facilities

Other Public Safety

- Commonwealth's Attorneys Services Council
 - Includes GF reductions of \$188,026 in FY 2015 and \$183,194 in FY 2016 for attorney training
 - Includes language authorizing the Council to draw down \$200,000 each year from the Abbott Pharmaceuticals settlement to support training
- Department of Forensic Science
 - Restores \$804,000 GF in FY 2016 in reductions included in Governor's proposed budget
 - Includes \$101,200 GF in FY 2016 for the costs of additional DNA testing pursuant to HB 1928
- Department of Veterans Services
 - Includes \$107,333 GF and 2 positions for the Virginia War Memorial



Agriculture and Forestry, Commerce and Trade, and Natural Resources



Natural Resources

- Conference Report adds a total of \$21.6 million within Secretariat, and also restores \$3.2 of reductions in Item 471.10 and Part 3
- Provides \$10.7 million in additional funding for Ag BMPs and soil and water conservation districts in the second year, resulting in funding levels in FY 2016 that match FY 2015's \$18.9 million appropriation
- Includes \$5.0 million cash for stormwater management grants, supplementing previously authorized bond funding
- In the area of land conservation, adds \$1.0 million for Farmland Preservation, \$1.25 million for Civil War Site Preservation, \$500,000 for DCR Natural Area Preserves and \$3.0 million for the Virginia Land Conservation Fund. Also eliminates the proposed increase in the land preservation tax credit transfer fee and restores the \$1,350,000 in funding
- Restores balances to the Underground Storage Tank Fund of \$2.4 million in the second year

Natural Resources

- Restores \$550,000 to VMRC used to supplant the fee increase for saltwater recreational fishing licenses and directs that the fee be rolled back
- Supplements funding for DCR by providing \$850,000 in the first year to begin replacing outdated furnishings at State Parks
- Provides \$60,000 in the second year for costs associated with the transition of Natural Bridge to a State Park
- Includes \$100,000 at Department of Historic Resources for the Sesquicentennial of Surrender at Appomattox
- Provides \$150,000 in the second year for Shoreline Erosion Advisory Services
- Includes \$200,000 for the costs associated with SJR 273, relating to Clean Power Plan study costs

Agriculture and Forestry

- Conference Report adds a total of \$1.0 million within Secretariat, and also restores \$1,140,000 of agriculture cuts in Item 471.10
- Restores the \$250,000 cut to the Office of Farmland Preservation and adds an additional \$1.0 million to this Fund as part of the overall land preservation package
- Eliminates the weights and measures fee and the proposed increase in the non-restaurant food establishment fee and restores the \$900,000 GF that had been proposed to be supplanted by the fees
- Restores \$50,000 of funding for 4-H scholarships and \$190,000 for the coyote control program in the second year
- Reverses the transfer of Commodities Board funding to the GF

Commerce and Trade

- Conference Report adds a total of \$8.9 million within Secretariat, and also restores \$1.6 million of reductions in Item 471.10
- Provides additional \$8.0 million over the biennium for housing issues
 - \$4.0 million each year for the Housing Trust Fund
 - \$1.0 million for rapid rehousing, including \$500,000 targeted specifically on reducing homelessness among veterans
- Other items at DHCD include the restoration of \$650,000 over the biennium for the Enterprise Zone Grant Program (in Item 471.10) and \$475,000 to restore funding for the SW Virginia Cultural Arts Foundation
- At VEDP, restores \$1.5 million for the Center for Advanced Manufacturing to support planning for the proposed Apprenticeship School and Centers for Excellence in its efforts to compete for a \$25.0 million EDA grant
- Also provides \$750,000 for brownfield's restoration through the Virginia Economic Development Partnership

Commerce and Trade

- Authorizes the use of \$1.0 million each year from the Commonwealth Opportunity Fund to increase support for the Commonwealth Research and Commercialization Fund
- Includes \$350,000 to continue what had previously been a FACT Fund grant to help link national security research with entrepreneurs
- Provides \$250,000 for seed funding for a training program to be provided in collaboration with the Virginia Ship Repair Association
- Recognizes \$2.35 million in NGF to address encroachment at Fentress Auxiliary Landing Field House, and allocates \$250,000 of these amounts for encroachment at Langley Air Force Base
- Includes \$500,000 in Veteran's Services for a job grant program to encourage companies to hire veterans
- In the area of tourism, restores \$941,334 for the See Virginia First Program, reinstates \$250,000 to restore 50% of funding for a Portsmouth tourism project, and provides \$200,000 for the Spearhead Trails



Transportation



Transportation Items

- Dollar amendments were identical in the two budgets and have remained unchanged – all differences were related to language
- Conference report reflects the appropriation of revenues related to the Transportation Network Companies at DMV
- Authorizes increased NGF appropriations and positions at the Virginia Port Authority reflecting the consolidation of activities with the Virginia International Terminals
- Includes language relating to VDOT's expenditure of funding on Secondary roads, and how they are distributed across the state, with a comparison of expenditures to identified performance measures and population
- Includes no project earmarks of any highway or transit funding

Transportation Items

- Language directs DRPT to look at the feasibility of using TNC providers for paratransit service
- Directs DRPT to undertake a review of the uses of monies that have flowed to the Rail Enhancement Fund since its creation in 2005
- Includes language ensuring the CTB considers municipally-owned, and not just state owned bridges when selecting improvement projects
- Authorizes VDOT to deposit revenues generated by the Hampton Roads Regional Fund to be deposited directly to the HRTAC
- Includes language restoring the Commuter Rail Trust Fund interest in Part 3
- Corrects language at DMV to ensure DMV Selects receive compensation inclusive of increases that went into effect following 2013 General Assembly
- Includes language requiring quarterly reports on WMATA activity to ensure the Commonwealth's contributions are used efficiently and effectively and shortcomings at the Authority are appropriately addressed

Items Not Included in Either House of Senate Budgets

- **Item 82 #1c:** Language authorizes DHRM to review public employee health plans to determine costs of allowing political subdivisions the option of electing to participate in the state employee health plan
- **Item 101 #4c:** Language authorizes use of up to \$1.0 million each year from the Commonwealth Opportunity Fund for the Commonwealth Research and Commercialization Fund
- **Item 103 #1c:** Adds \$4.0 million each year to the Housing Trust Fund
- **Item 126 #3c:** Technical correction restores 50% of funding to Portsmouth tourism entity in FY 2016 – leaves 50% reduction each year
- **Item 135 #10c:** Technical correction of \$123,000 in FY 2015 to Norton City school division
- **Item 136 #1c:** Technical correction provides \$38,437 in FY 2015 to Linwood Holton Governor's School
- **Item 136 #14c:** Reflect revised sales tax forecast – net increase of \$8.9 million over biennium
- **Item 238 #1c:** Provides \$68,447 to the Library of Virginia for records management & IT security
- **Item 325 #6c:** Language directs DARS to review options to increase integrated employment opportunities for individuals with the most significant disabilities
- **Item 413 #3c:** Provides \$100,000 for HB 1666
- **Item 419 #3c and Item 3-2.03:** Restores \$194,000 and provides a line of credit for CIT
- **Item 433 #2c:** Language correction to allow payment to DMV selects based on full amount of transaction (had excluded revenues generated by HB 2313)