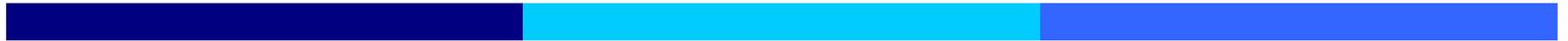


Comparison of House and Senate Budget Amendments House Bill 1500 and Senate Bill 700



House Appropriations Committee Staff

February 14, 2005

Comparison of House and Senate General Fund Resources

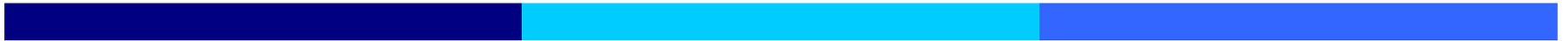
	House	Senate
Additions to Balance		
Treasury Board	\$ 1,363,695	
CIT	\$ 500,000	
Additional Revenues		
Food Tax Adjustment	\$ 6,500,000	
Sales Tax Acceleration	\$-104,700,000	\$-252,700,000
State Credit Card Rebate	\$ 1,605,266	\$ 1,605,266
Game Fund	\$ -900,000	
Revised Tax Compliance		\$ 9,900,000
Mid-Session Reforecast	\$ 282,000,000	\$ 283,590,000
Transfers		
Tax Partnership Fund		\$ 1,680,762
DMV Records to Rail Fund	\$ -10,000,000	

Comparison of House and Senate General Fund Resources

	House	Senate
Legislation		
HB 2762 – Auto Refinishing	\$ 753,000	
SB 1332 – NPMs		\$ - 520,000
SB 932 – Investments		\$ 775,200
SB 866 – Public Employee		\$ 798,000
Subtraction		\$ 11,540,000
SB 983 – Enterprise Zones*		\$ 13,500,000
SB 1139 – Land Preservation Credit		
TOTAL COMMITTEE ACTIONS	\$ 183,198,336	\$71,066,978

Note: Enterprise Zone revenues reflect a change from tax credits to grant payments. Offsetting expenditure item included in Commerce and Trade.

Transportation



Transportation – Summary of House Proposal

- House provides a total of \$1,027.7 million in additional funding for transportation over the biennium
 - \$203.7 million more than proposed in the introduced budget
- \$528.3 million of this amount, or more than 50 percent, is ongoing revenues for transportation, and includes:
 - \$264.9 million from GF representing 1/3 of insurance premium tax revenues
 - \$100.0 million new NGF generated from Rust/Albo abuser fee
 - \$23.2 million new NGF from vehicle rental tax
 - \$10.0 million new NGF from \$2.00 motor vehicle records fee
 - \$48.4 million NGF from revised base forecast of existing state transportation revenues
 - \$81.8 million NGF from revised base forecast of federal transportation revenues

Transportation – Summary of House Proposal

- House proposal also provides an additional \$499.4 million in one-time infusions, and includes:
 - GF Repayment of \$90.0 million diverted from TTF
 - Dedication of \$100.0 million GF derived from the mid-Session reforecast (almost 40 percent of “surplus” revenues)
 - \$12.6 million NGF from the phase-out of sales tax acceleration
 - \$150.4 million NGF in one-time adjustments to existing state transportation forecast
 - \$146.4 million NGF in one-time adjustments to federal transportation funds

Transportation – Summary of Senate Proposal

- Senate provides a total of about \$667 million in additional funding for transportation over the biennium
- \$513.4 million represents one-time infusions, including:
 - One-time dedication of \$190 million GF revenues
 - \$26.6 million NGF from the elimination of sales tax acceleration
 - \$296.8 million in one-time NGF adjustments to state and federal transportation forecasts (identical to House)
- Additional on-going resources for transportation total \$153.4 million and includes:
 - \$130.2 million in base revisions to existing state and federal transportation forecasts (identical to House)
 - \$23.2 million new NGF from vehicle rental tax
- In total, House and Senate packages differ by about \$360 million – differences reflect on-going funding only

House & Senate Transportation Spending – Items of Similarity

- ❑ Deficit Pay-Off: Both bodies dedicate \$256.4 million to pay-off project deficits
- ❑ Repayment of Transportation Trust Fund Diversion: Both bodies include general fund support representing repayment of \$90 million diverted from the TTF between FY 2002 and 2004 (both use these funds as part of deficit pay-off)
- ❑ New Rail Fund: House provides \$33.2 million ongoing, Senate \$23.2 million
 - Both utilize 3 percent vehicle rental tax
 - House also dedicates \$10.0 million from \$2.00 share of vehicle records fee currently going to general fund
- ❑ Transportation Funds from Accelerated Sales Tax
 - House phase-out of accelerated sales tax provides additional \$12.6 million NGF
 - Senate elimination of accelerated sales tax provides additional \$26.6 million NGF

House & Senate Transportation Spending – Items of Similarity

□ One-time Funding for transit capital projects

Project	House	Senate
WMATA	\$40.0 million	\$ 45.0 million
Virginia Railway Express	\$20.0 million	\$ 25.0 million
Va. Beach Bus Rapid Transit	\$10.0 million	\$ 15.0 million
Statewide Bus Purchase	\$ 0.0 million	\$ 15.0 million
Total Transit Capital Funding	\$70.0 million	\$100.0 million

- House also provides \$29.2 million increase in on-going transit operating and special project support and \$9.7 million in on-going capital funding per HB 2771

House & Senate Transportation Spending – Areas of Difference

- Insurance Premiums:
 - House dedicates \$264.9 million GF to Commonwealth Transportation Investment Fund representing deposit of 1/3 of insurance premiums to transportation this biennium
 - Funding to be used for Six-Year Improvement Program projects and for transit, ports and airports as set out in the existing TTF formula
 - Senate bill includes language dedicating portion of insurance premiums derived from automobile insurance policies (26 percent) beginning in next biennium
- Funding for public-private partnerships:
 - Both bodies authorized the creation of incentive funds
 - House provides \$40.0 million year beginning in FY 2006
 - Senate provides no funding
- Additional Six-Year Improvement Program project funding:
 - House proposal provides an additional \$278.2 million NGF in the second year in additional Six-Year Program (SYIP) funding
 - Senate proposal provides \$123.4 million NGF for SYIP funding

House & Senate Transportation Spending – Areas of Difference

- Local incentive funding:
 - House package includes two initiatives
 - \$35.0 million increase in revenue sharing program, and \$60.0 million per year beginning in FY 2006 for new local congestion mitigation fund
 - Senate package authorizes VDOT to utilize up to \$40.0 million in existing NGF in the second year to increase local participation in construction projects
- Use of federal highway funds for maintenance
 - Senate dedicates \$97.4 million in federal highway apportionments to maintenance
 - House does not appropriate funds for that purpose
- Dedication of funds for rest area and welcome center improvements
 - Senate dedicates \$27.6 million to support improvements to these facilities
- House includes language reaffirming general fund support for FRAN debt service
 - No similar language in Senate

Commerce, Agriculture and Technology



Agriculture and Commerce and Trade -- Overview

- House eliminated the Governor's \$18.8 million Virginia Works proposal and replaced it with its own package:
 - House package totals \$9.9 million in Secretariat with additional funding included in Higher Education and Natural Resources
- Senate retained Virginia Works with the exception of the "Rails to Trails" proposal:
 - Senate provides \$14.8 million for Virginia Works

Agriculture and Commerce and Trade – Senate Spending

- Substantial share of other funding differences between 2 budgets relate to 2 Senate proposals:
 - \$10.0 million Senate set aside for clean water programs in Southwest Virginia
 - \$11.5 million to switch Enterprise Zone Program from tax credit to grant program – per SB 983
 - Funding neutral – revenues also added to “front page”
 - House adopted similar legislation but delayed enactment to allow issue to be revisited next year in long Session
- Other Senate funding not included in House budget includes:
 - \$ 60,000 for agricultural stewardship program
 - \$100,000 for agricultural products promotion
 - \$100,000 for hydrilla control
 - \$200,000 for forestry firefighting equipment

Agriculture and Commerce and Trade – House Spending

- Programs funded in House but not Senate budget include:
 - \$2.0 million in general tourism support
 - \$1.0 million for film industry promotion
 - \$100,000 to update travel guide for persons with disabilities
 - \$720,349 to support Horse Center debt service
 - \$150,000 for shipyard apprenticeship program
 - \$400,000 for broadband expansion initiatives
 - \$500,000 for distressed areas job grant program

Agriculture and Commerce and Trade – Similar Spending Items

- House and Senate adopted a number of similar provisions, including funding for:

Initiative	House	Senate
Soybean Rust	\$ 50,000	\$ 50,000
Coyote Damage Control	\$ 100,000	\$ 50,000
Weights and Measures	\$ 500,000	\$500,000
Reforestation of Timberlands	\$ 600,000	\$150,000
Homeless Programs Funding	\$1,500,000	\$440,000
Planning District Commissions	\$ 709,418	\$200,000
Tourism Set Asides	\$1,000,000	\$210,000

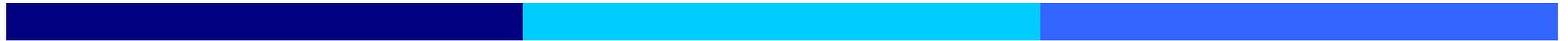
Agriculture and Commerce and Trade Savings Items

- Both bodies eliminated:
 - Both save \$1.6 million by eliminating Biotechnology Funding (in Central Appropriations)
 - Proposed funding for small business incubators (\$150,000 savings for both)
 - VEC general fund programs: Senate eliminated 2 (\$150,000 savings) while House eliminated 1 (savings of \$50,000)
- Senate generated savings by capturing vacancy savings \$164,713 from DMBE
- House generated savings by:
 - Eliminating proposed \$2.0 million increase in Opportunity Fund (in Central Appropriations)
 - Eliminating \$2.0 million proposed for VCU's Engineering School (in Central Appropriations)

Technology

- House adopted introduced budget proposals regarding technology funding:
 - Also captured prior year carryover balance for CIT, which totals \$500,000 GF
 - Included language requiring \$6.1 million VITA Treasury Loan to be repaid with nongeneral funds
- Senate adopted 4 amendments to Technology budget proposal:
 - Eliminated \$2.2 million provided to CIT for operating support and VECTEC
 - Eliminated \$1.4 million GF support for VITA, gave them authority to collect costs from internal service fund rate charges

Compensation



State Employee Compensation

- Both House and Senate budgets provide classified state employees and higher education faculty salary increases effective November 25, 2005
 - House state employee compensation package has two components:
 - Three percent across-the-board for classified state employees and higher education faculty
 - Additional \$50 for each full year of state service to address salary compression for state employees
 - Increase not a bonus – added to base compensation
 - Senate provides state employees and higher education faculty a four percent average increase
 - Amount of increase for each employee to be based on performance
 - Amount of increase will be based on state employee compensation plan
 - Authorizes state-supported institutions of higher education to supplement salaries of classified state employees with private funds

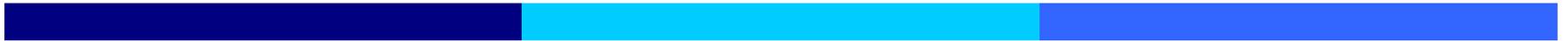
State-Supported Local Employees' Compensation

- Both House and Senate budgets provide state-supported employees salary increases effective December 1, 2005
 - House budget
 - 3 percent salary increase for state-supported local employees including deputies and regional jail staff
 - Senate budget
 - 4 percent salary increase for state-supported local employees including deputies and regional jail staff

Summary of Employee Compensation Proposals

	House	Senate
State Employee Increase: (11/25/2005)	3 %	4 %
Performance-Based Increase	No	Yes
Range of Increase	3 %	0% - 10%
State Employee Compression Adjustment	\$50 per year of state service	None
Higher Education Faculty	3 %	4 %
State-Supported Local Employees: (12/1/2005)	3 %	4 %

Public Safety



Public Safety

- State Forensic Laboratory
 - House provides additional \$4.6 million
 - Salary actions to assist recruitment and retention -- \$2.5 million
 - Institute of Forensic Science and Medicine -- \$906,000
 - Professional Achievement Program -- \$300,000
 - Additional scientist positions -- \$875,000
 - Senate provides additional \$2.5 million
 - Institute of Forensic Science and Medicine -- \$900,000
 - Additional scientist positions -- \$865,000
 - Restoration of reductions -- \$700,000
 - House provides \$1.9 million for construction of new forensic laboratory in Northern Virginia
 - Senate language authorizes planning for lab in Northern Virginia

Public Safety

□ Department of Military Affairs

■ House

- Recruitment and retention -- \$1.8 million
- Commonwealth Challenge Program -- \$240,000

■ Senate

- Recruitment bonus -- \$95,000
- Armory maintenance -- \$230,000

□ Criminal Justice Services

■ Senate

- \$0.5 million for local community corrections and pre-trial programs
- \$0.5 million for other programs/activities
 - Criminal justice academies, Portsmouth Gunshot Location Pilot Program, and Fairfax Partnership on Youth
- Eliminates funding for PAPIS program -- \$0.4 million

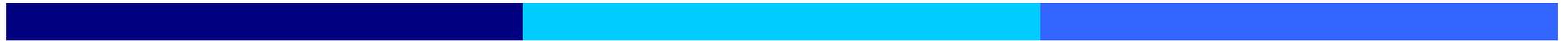
■ House

- Funds PAPIS program -- \$0.4 million

Public Safety

- Compensation Board (Sheriffs and Jails)
 - House
 - Fund additional law enforcement deputies -- \$200,000
 - Defer 2nd year per diem increase – \$1.6 million savings
 - Delayed jail openings -- \$1.7 million savings
 - Senate
 - Delayed jail openings -- \$1.7 million savings
- Department of Juvenile Justice
 - House
 - Additional \$0.7 million for Community-Based Truancy Pilot Program in City of Richmond
 - Senate
 - Correctional impact of SB 1067 and Richmond Juvenile Group Home -- \$250,000
- Department of Fire Programs
 - Senate
 - Reduces SAFER funding -- \$1.0 million in savings
- State Police
 - House budget
 - Restore \$250,000 for STARS project management
 - \$110,000 for targeted traffic enforcement on I-81

Capital Outlay



Project Cost Overruns

□ House:

- Provides \$58.1 million for cost overruns on previously approved projects
 - VCCS - \$25.0 million
 - Remaining colleges & state agencies - \$28.1 million using institution estimates
 - Parks - \$5.0 million (House redirected \$10.5 million for project expansions to other Parks priorities mainly maintenance and operations)

□ Senate:

- Provides \$69.3 million for cost overruns on previously approved projects
 - VCCS - \$25.0 million
 - Remaining colleges & state agencies - \$28.8 million
 - Parks - \$15.5 million

Maintenance and Equipment

□ Capital Maintenance

■ House:

- Provides \$47.8 million to address major building systems repairs and replacement
 - Includes a \$2.4 million supplement to state parks

■ Senate:

- Provides \$41.4 million to address major building systems repairs and replacement
 - Reallocates \$4.2 million in the proposed budget to fund chiller replacement at seat of government and VMI barracks
- Creates two study committees to begin implementing proposed changes to capital outlay and deferred maintenance process

□ Equipment

■ House:

- Provides \$28.5 million to equip projects scheduled to open in the upcoming biennium

■ Senate:

- Provides \$32.8 million to equip projects scheduled to open in the upcoming biennium

Renovations and Acquisitions

- House: Provides about \$28.7 million for renovations and acquisitions
 - VMI Kilbourne Hall - \$7.4 million
 - JMU Property Acquisition - \$8.0 million
 - VSU Generators - \$1.0 million
 - SE Va. Training Ctr. Cook / Chill - \$3.1 million
 - Corrections Environmental Remediation - \$3.5 million
 - DGS Chiller and Transformer - \$1.0 million
 - No. Va. Forensic Lab - \$2.0 million
 - Woodrow Wilson Water Line - \$1.2 million
- Senate: Provides about \$23.3 million for renovations and acquisitions
 - VMI Kilbourne Hall - \$7.4 million
 - JMU Property Acquisition - \$5.0 million
 - VSU Generators - \$0.8 million
 - SE Va. Training Ctr. Cook / Chill - \$3.3 million
 - Corrections Environmental Remediation - \$2.5 million
 - DGS Chiller and Transformer - \$1.0 million
 - VMI Barracks - \$3.6 million

Other Capital Outlay

□ Planning and Studies

- House: No general funds for new planning
- Senate: \$4.5 million for planning and studies

□ Savings Actions

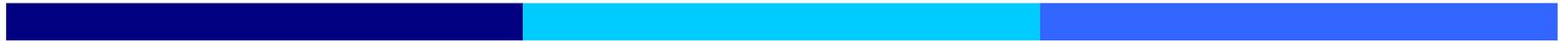
- House: Savings were redirected to higher priorities
 - \$7.6 million by using revenue bond to acquire Old City Hall
 - \$10.5 million for project expansion at parks
 - \$3.5 million by correcting the over funding of equipment in introduced budget
 - \$2.2 million by eliminating proposed GF planning
- Senate:
 - Redirect \$4.2 million of maintenance reserve
 - Reduce by \$1.0 million DOC environmental remediation project
 - Eliminate demolition funding for 8th Street Ofc Building saves \$0.2 million in debt service

Seat of Government Supplements

- Senate: Authorizes an \$18.6 million revenue anticipation note for:
 - Construction of two pedestrian tunnels between State Capitol, Old State Library and General Assembly Building (estimated at \$9.8 million)
 - Additional construction and landscaping costs for Capitol renovation (estimated at \$4.9 million)
 - Senate equipment needs upon project completion (estimated at \$3.4 million)
 - Note could be repaid from bonds, general fund or private donations

- House:
 - No tunnels
 - Provides \$2.6 million general fund and uses \$2.3 million from legislative balances for additional construction and landscaping costs for Capitol renovation
 - Provides \$1.5 million general fund and uses \$2.5 million from House Clerk balances for House equipment needs upon project completion

Higher Education



Higher Education

- Enrollment Growth and Base Operating Support
 - House: \$19.0 million
 - Senate: \$11.2 million
- Financial aid
 - House:
 - \$7.0 million for undergraduates at public institutions to maintain need
 - \$3.5 million for TAG
 - Senate:
 - \$6.7 million for undergraduates at public institutions
 - \$2.2 million for TAG
- Faculty Salaries
 - House: Average 3.0 percent increase effective November 2005
 - Senate: Average 4.2 percent increase effective November 2005

Enrollment Growth and Base Operating Support Detail

(GF \$ in Millions)

	<u>House</u>	<u>Senate</u>		<u>House</u>	<u>Senate</u>
CNU	\$0.2	\$0.0	UVAW	\$1.1	\$1.1
CWM	0.3	0.0	VCU	0.8	0.3
GMU	4.7	3.4	VMI	0.0	0.0
JMU	0.9	0.0	VSU	0.0	0.0
LU	1.3	1.5	VT	1.3	0.9
MWC	0.4	0.1	RBC	0.1	0.0
NSU	0.1	0.1	VCCS	3.3	0.0
ODU	2.2	2.2	Totals	19.0	11.2
RU	0.3	0.0			
UVA	1.9	1.6			

Higher Education – Other Base Operating Support

- ❑ O & M for New Facilities
 - House: \$2.5 million for new facilities
 - Senate: \$3.0 million for new facilities
- ❑ Northern Virginia Medical Education
 - House: \$2.4 million to expand enrollment
 - Senate: \$2.1 million to expand enrollment
- ❑ Extension
 - House: \$2.0 million for 38 additional positions
 - Senate: No new funding
- ❑ Institute for Advanced Learning and Research
 - House: No new funding
 - Senate: \$2.1 million for operations
- ❑ Southern Virginia Higher Education Center
 - House: \$1.2 million for continued operations (includes transfer of current budget from Longwood)
 - Senate: \$0.4 million transfer of current budget from Longwood

Higher Education

- Research
 - Both House and Senate removed \$2.5 million proposed research funding
- Unique Military Programs
 - House: No new funding
 - Senate: \$0.3 million for the Virginia Tech Corps of Cadets
- Family Practice
 - House: \$0.3 million for residency programs at VCU
 - Senate: \$0.4 million for residency programs at VCU
- VIVA
 - House: \$0.4 million to support research activity
 - Senate: No new funding

Higher Education

□ Reduction Actions

■ Graduate Financial Aid

- House: Save \$2.5 million by requiring nongeneral fund for out-of-state financial aid
- Senate: Also requires use of nongeneral fund for out-of-state financial aid. No savings but reallocation of aid from comprehensive to doctoral institutions

■ New Initiatives

- Both House and Senate:
 - Save \$1.7 million by eliminating new senior year initiatives in the introduced budget
 - Save \$0.2 million by eliminating new program development at UVA
 - Save \$0.1 million by eliminating new public service center at VCU

Higher Education

- House: Higher education spending of about \$45.1 million excluding faculty salary increase
 - \$11.7 million for faculty salary increase
 - Grand total of \$56.8 million

- Senate: Higher education spending of about \$36.8 million excluding faculty salary increase
 - \$16.6 million for faculty salary increase
 - Grand total of \$53.5 million

Higher Education – Central Accounts and Secretary of Education

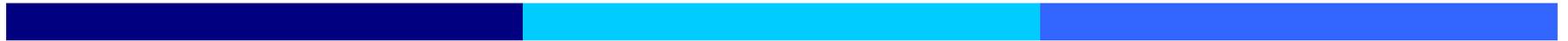
- House: Removes \$1.5 million in central accounts proposed to develop postsecondary opportunity in southside
 - House budget includes \$100,000 to conduct a program needs assessment based on recommendations of SCHEV and public and private institutions
- Senate: Leaves funding proposed by the Governor but changes the language to clarify use of funds and requires reporting to money committees prior to their use
- Senate: Adds \$300,000 to Secretary of Education to conduct a higher education affordability study

Other Education Agencies

- House: About \$3.1 million in other education areas
 - \$2.0 million for Jamestown
 - \$0.3 million total for local library aid
 - \$0.9 million for state museums and arts grants

- Senate: About \$2.3 million in other education areas
 - \$0.5 million for Jamestown
 - \$0.5 million total for local library aid
 - \$1.3 million for state museums and arts grants

General Government



General Government: Judicial Branch Spending

Indigent Criminal Defense Services:

- ❑ House budget includes \$3.3 million to improve representation for indigent criminal defendants
 - Increase court-appointed attorney compensation: \$3.0 million
 - Provide on-line legal research for public defenders: \$342,862
- ❑ Senate budget does not address indigent criminal defense services

New Judgeships:

- ❑ House and Senate budgets both create three new judgeships
 - House budget includes \$139,399 for deputy sheriffs and clerks staffing
 - Senate budget does not include these support costs

Restoration of Across-the-Board Reductions:

- ❑ House and Senate budgets both restore judicial branch reductions
 - House budget includes \$500,000 to offset these reductions
 - Senate budget includes \$1.0 million

General Government: Other Actions

Constitutional Officers:

- ❑ House budget fully staffs Commonwealth's Attorney offices over six-year period, as recommended by the Governor
- ❑ Senate budget fully staffs Commonwealth's Attorney offices over three year period: \$1.3 million

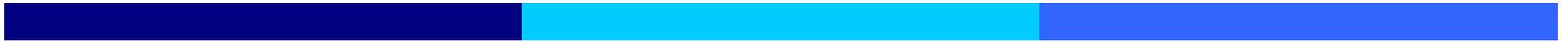
Veterans Benefit Funding:

- ❑ House budget includes six additional veterans benefit coordinators: \$276,672
- ❑ Senate budget does not include new funding to assist veterans

Savings from New Initiatives:

- ❑ House budget captures savings from adjustments to new initiatives: \$769,974
- ❑ Senate budget does not include savings from these new initiatives

Natural Resources



Natural Resources

Water Quality Actions:

- ❑ House budget provides \$50.0 million to reduce nutrient pollution from wastewater treatment plants
 - House commits to ten-year plan for improvement of wastewater treatment plants
 - House budget reallocates \$6.5 from the year-end surplus to improve funding for nonpoint source pollution control
- ❑ Senate budget includes \$57.0 for wastewater treatment plant upgrades
 - Includes no adjustments to support nonpoint source pollution control
- ❑ Senate budget also includes \$8.0 million for the combined sewer overflow projects in Richmond and Lynchburg

State Parks and Soil and Water Conservation Districts:

- ❑ House budget provides \$1.8 million for 30 additional park positions and \$500,000 for a \$2.3 million equipment lease
 - \$2.4 million for maintenance and \$5.0 million for capital cost overruns in Capital Outlay
- ❑ Senate budget provides equipment and maintenance funding: \$3.0 million

Land Conservation:

- ❑ Senate budget provides \$20.0 million to the Virginia Land Conservation Foundation

Natural Resources

Natural Area Preserves:

- ❑ House budget includes \$200,000, as recommended by the Governor
- ❑ Senate budget includes an additional \$200,000
 - Does not restore positions necessary to perform work

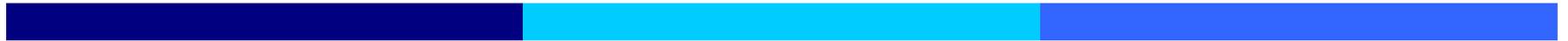
Historic Resources:

- ❑ House budget includes \$96,000 for an additional position
- ❑ Senate budget includes \$211,140 for four additional positions
 - Eliminates \$100,000 for improving project review coordination between the Historic Resources and the Department of Defense

Marine Resources:

- ❑ House budget includes funding for five marine police officers, as recommended by the Governor
- ❑ Senate budget adds five additional marine police officers: \$350,000
 - In total, adds 10 marine police officers
- ❑ Senate budget adds funding for oyster replenishment: \$1.0 million

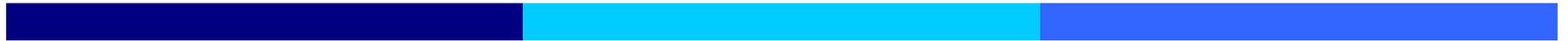
Nonstate Agencies



Nonstate Agencies

- House budget includes grants to 133 cultural, historic, and service organizations: \$43.7 million
 - \$38.3 million provided for 24 capital construction projects
 - \$5.4 million included for 109 operating grants
- Senate budget includes 102 projects: \$20.2 million
 - Includes only \$13.0 million for 18 of House capital construction projects
- House and Senate budgets both funded 55 similar projects

Health and Human Resources



Health & Human Resources

<u>(GF \$ in millions)</u>	<u>House</u>	<u>Senate</u>
Medicaid Utilization & Inflation	\$182.7	\$175.1
Va. Health Care Fund (VHCF) Shortfall	\$37.9	\$42.7
Medicaid provider rate increases (GF only)	\$19.7	\$33.6
Auxiliary Grant rate increase	\$1.3	\$8.2
House: \$16/mo. Senate: \$85/mo.		
FAMIS expansion for pregnant women	\$0	\$3.3
Other Health Care Related Services	\$1.6	\$5.3
Services for Mentally & Physically Disabled	\$19.5	\$21.5
Child Welfare Services	\$2.7	\$5.7
Various Social Services Programs	\$0.1	\$4.0

Provider Rate Increases

- House and Senate provide for increased rates for obstetrical services by \$16.6 million GF (34% increase) and dental services by \$2.8 million GF (10% increase)
- House provides \$250,000 GF in second year for neonatal intensive care units serving a disproportionate number of Medicaid infants
- Senate also provides GF for rate increases in FY 2006 for :

Inpatient hospitals	\$3.5 million GF	1% increase
MR Waiver providers	\$5.8 million GF	3.5% increase
Emergency Room Physicians	\$0.8 million GF	8% increase
Pharmacy Dispensing Fee	\$0.5 million GF	From \$3.75 to \$4.00 per prescription for brand name drugs

Provider Rate Increases (continued)

- House earmarks revenues from HB 2918/SB 1332 for Medicaid provider rate increases
- Senate appropriates \$17.4 million in revenues from HB 2918/SB 1332 and \$17.3 in matching federal Medicaid funds for providers – payments would begin July 1, 2005
 - Revenues are not expected to be available until last quarter of FY 2006
 - Amount of tobacco escrow assignments are estimates

Use of Revenue from HB 2918/SB 1332

House

Primary care, pediatric care and emergency care and other physicians

Dental services

Personal care providers

Adult day health care providers

MR Waiver providers

Hospital trauma centers

Pharmacy dispensing fees

Senate

Obstetrical and pediatric care by physicians (\$10.4 million, 5% increase)

Dental services (\$11.1 million, 20% increase)

Personal care providers (\$6.6 million, 5% increase)

Nursing homes (\$6.6 million, increase of \$1 per day)

Health & Human Resources

Other Health Related Activities

- Senate adds GF for several health care programs:
 - Health safety net programs (Va. Health Care Foundation) - \$1.5 million
 - Free clinics - \$1.0 million
 - Electronic medical records pilot project - \$240,000
 - Area Health Education Centers (AHECs) - \$200,000
 - Roanoke Health Dept. rent increase - \$187,500
 - TB Drugs in Health Dept. - \$80,000
 - Virginia Transplant Council - \$40,000

- House and Senate provide funding for expanded newborn screening (HB1824/SB 1184)
 - House - \$952,807 NGF from test kit fee increase
 - Senate - \$25,000 GF and language directing remainder to come from test kit fee increase

Health & Human Resources

Other Health Related Activities

	<u>House</u>	<u>Senate</u>
<u>Transition costs for leaving nursing homes</u>	\$0	\$370,000
<u>Staff for Office of the Chief Medical Examiner</u>	\$306,117	\$0
<u>Uninsured Medical Catastrophe Fund</u>	\$0	\$250,000
HIV premium assistance program	\$0	\$100,000

Health & Human Resources

Services for Mentally Disabled

<u>(\$ in millions)</u>	<u>House</u>	<u>Senate</u>
Crisis stabilization services	\$2.9	\$2.2
Substance abuse services	\$0	\$1.5
Two demonstration projects for children's services	\$0	\$1.0
Regional community support centers at SWVTC and CVTC	\$0	\$0.4
Office of the Inspector General	\$0.5	\$0.3

Health & Human Resources

Services for Mentally Disabled

- Senate and House provide \$150,000 for the Virginia Public Guardian and Conservator Program
 - House earmarks \$18,000 for statutorily required evaluation
 - Senate earmarks this funding for adults with mental illness or mental retardation
- Senate adds \$100,000 for legal and medical exams for 50 mentally disabled individuals in need of guardianship services
- Senate adds language appropriating up to \$2.0 million upon receipt of private funds to provide housing and services to aged individuals with mentally retardation

Health & Human Resources

Other Funding for Disabled

- Senate adds:
 - \$250,000 GF for long-term employment support services
 - \$250,000 GF for Centers for Independent Living
 - \$250,000 GF for technology assistance services for hard-of-hearing individuals
 - \$50,000 GF for NFB-Newsline[®] services for blind and vision impaired

- House adds \$84,475 GF for licensing of brain injury services (HB 2826/SB 1237)

Health & Human Resources Other Social Services

- Senate adds \$3.0 million GF to enhance child welfare services proposed in the Dept. of Social Services' Performance Improvement Plan
 - Language also requires future federal matching funds received for Title IV-E claims made by local departments of social services be used for these purposes
- Senate adds \$1.3 million GF for the Secretary of Health & Human Resources to expand child advocacy services statewide to centers accredited or developing services based on standards set by the National Children's Alliance

Health & Human Resources

Other Social Services

□ Senate adds:

- \$750,000 for one-time funding for Healthy Families for claims for federal Title IV-E matching funds which were delayed due to federal review of Virginia's program criteria
- \$500,000 GF for Community Action Agencies
- \$400,000 GF for Caregiver Grant Program
- \$250,000 GF for Birmingham Green Adult Care Residence for construction of a new 250-bed facility
- Language requiring TANF applicants be screened to identify victims of domestic violence and referral to services
- Language authorizing any excess TANF funds to be used to increase child support supplemental payments to TANF recipients

Health & Human Resources Aging Services

- House adds \$50,000 for Alzheimer's research
- Senate adds \$90,000 for the Bay Aging Area Agency on Aging for aging services

Public Education



Public Education

Secretary of Education

- Consolidation Plan and Site Selection for Two Schools for the Deaf, Blind and Multi-Disabled
 - House adds language to consider the use of Public-Private Education Act (PPEA) proposals for the consolidation of the two schools at a new location
 - Senate:
 - Eliminates \$198,200 for the consolidation
 - Adds \$2 million in capital projects for the consolidation at the Woodrow Wilson Rehabilitation Center in Fishersville

Public Education

Department of Education: Central Office Operations

- New pilot program to train school board members from divisions with low academic performance
 - House eliminates funding contained in the introduced budget
 - Senate earmarks \$274,573 each year for the program

- Expansion of Turnaround Specialists initiative and addition of new career planning on-line system
 - Both House and Senate eliminate \$959,811 second year funding
 - Senate:
 - Adds language to transfer funds in the second year from direct aid for this initiative

Public Education

Department of Education: Central Office Operations

- Expansion of “Race to the GED” initiative
 - House eliminates all funding - \$643,200
 - Senate reduces funding by \$300,000

- House:
 - Adds \$81,000 for Civics in Education Commission
 - Adds \$350,000 to reimburse divisions for Industry Certification testing fees

- Senate:
 - Captures \$107,500 in savings from lower teacher participation in National Board Certification

Public Education

Direct Aid

- Technical Adjustments for Sales Tax
 - Both budgets:
 - Adds net \$800,000 from corrected Sales Tax revenues
 - Adds language for updated adjustments for Sales Tax estimates
 - House adds net \$100,041 in FY 2006 from new legislation
- Technical Corrections in Direct Aid Accounts
 - House:
 - Eliminates the partial funding of \$10.2 million in FY 2005
 - Adds \$3.4 million in FY 2006 to fully fund
 - Senate
 - Adds \$5.2 million to fully fund both years
- Senate adds \$658,578 to fund various other calculation errors

Public Education

Direct Aid

□ Lottery Distributions

- House adds technical correction in language
- Senate takes \$22.7 million FY 2004 Lottery from local distributions to fund state's share of basic aid costs
 - Localities receive \$8.8 million less in incentive-based lottery

□ Incentive-based At-Risk Add-on program

- Senate adds \$4.5 million in FY 2006 to restore 8% from prior biennium reduction

Public Education

Direct Aid

- New state supported Breakfast Initiative
 - Both budgets eliminate \$1.5 million funding
- New funding initiative of \$150,000 for Virginia Career Education Foundation
 - House eliminates funding
 - Senate eliminates \$100,000
- Additional \$100,000 for Virginia Adult Learning Resource Center is eliminated by House
- Additional \$2.3 million for expansion of “Race to the GED” initiative is eliminated by House

Public Education

Direct Aid

- ❑ House provides \$1.2 million for Vocational Education curriculum for equipment and supplemental instructional materials
- ❑ House provides \$150,000 in FY 2006 for defibrillators in high schools
- ❑ House provides \$200,000 in FY 2006 for Jobs for Virginia Graduates
- ❑ House provides carryover language for Leadership Development grants
- ❑ Both budgets provide language adjustment for participation changes to Virginia Public School Authority

Public Education

Direct Aid

□ Teacher Pay Raise

- House provides 2.5% salary increase effective December 1, 2005 for a savings of \$9.1 million
- Senate delays 3% salary increase until January 1, 2006 for a \$7.7 million savings

- House redirects \$8.3 million of salary savings for retiree health care credit rate increase

Public Education

Direct Aid

- ❑ Senate adds \$15 million GF to supplant Literary funds NGF used to pay for a portion of VRS payments
- ❑ House adds language that funds calculated in basic aid support costs for school nurses will be used for that purpose