

Resolution of Differences Between House and Senate Amendments to 2004-06 Biennial Budget (Caboose Bill)



House Appropriations Committee Staff

May 10, 2006

General Fund Resources

- Few differences in revenue and resource amendments adopted by both bodies
 - Agreed to pick up Senate increases in revenues from ABC Taxes and ABC Profits
- Tax Policy Action – Both budgets and compromise includes language eliminating the Accelerated Sales Tax Collection effective May 31, 2006

	House	Senate	Conference
Additional Revenues			
January Reforecast of Corporate Income Taxes	\$ 53,100,000	\$ 53,100,000	\$ 53,100,000
Governor's Mid-Session Reforecast	\$ 124,000,000	\$ 124,000,000	\$ 124,000,000
Eliminate AST FY 2006	\$ -26,000,000	\$ -26,000,000	\$ -26,000,000
Norfolk Health Bldg (spending offset)	\$ 1,060,000	\$ 1,060,000	\$ 1,060,000
Federal Tax Conformity	\$ -207,000	\$ -207,000	\$ -207,000
ABC Taxes	\$ 0	\$ 7,500,000	\$ 7,500,000
Transfers			
Revised Sale of ABC Bldg (2007 revenue)	\$ -7,500,000	\$ -7,500,000	\$ -7,500,000
Excess Rainy Day fund Deposit	\$ -16,303,363	\$ 0	\$ 0
ABC Profits	\$ 0	\$ 5,500,000	\$ 5,500,000

Revenue Stabilization Fund

- Senate adopted proposal in introduced budget to pre-pay the required FY 2007 Rainy Day Fund deposit
 - Appropriation of \$402.2 million GF
 - Because the proposed amount puts the RDF balance above the Constitutionally set fund cap, this appropriation requires an accompanying transfer back to the general fund of \$16.3 million
 - Remainder above the APA certified deposit of \$354.1 million GF would be applied as a prepayment for the required FY 2008 payment
- House chose to make the APA certified payment of \$354.1 million GF in FY 2007, as set out in Constitution
- Compromise is to make the \$402.2 million GF payment in FY 2006, along with the transfer back to the general fund
 - The amount in excess of required deposit -- \$31.8 million GF -- to be applied to the required FY 2008 payment
 - Actual amount of the FY 2008 set aside will be discussed as part of the agreement on 2006-08 budget

Public Education

Resolution of Issues

- FY 2005 Carryforward balance savings of \$2.8 million GF
 - Both budgets contained same amount from Direct Aid - \$1.9 million GF
 - Split the difference from DOE Central Office - \$937,721 GF
- Triennial School Census savings of \$415,253 GF
 - House agreed to use of current methodology for the sales tax distribution
 - Due to the lateness of the fiscal year, the House did not want to undo the distributions to school divisions for basic aid and sales tax
 - Prospectively, both agreed to adjust the language in the 2006-08 budget to use census data for an entire fiscal year
- Agreed to School Efficiency Review contract savings of \$300,000 GF in Central Accounts

Health & Human Resources

Resolution of Differences

- Agreed to Additional Spending:
 - \$9.0 million GF for projected shortfall in the Virginia Health Care Fund due to revised tobacco tax forecast
 - \$500,000 GF for the Uninsured Medical Catastrophe Fund administered by the Dept. of Medical Assistance Services
 - \$85,000 GF to reimburse Central Virginia Training Center for purchasing a specially-equipped ambulance
 - \$50,000 GF for a Task Force to examine ways to expedite adoptions

- Agreed to Additional Savings:
 - \$7.6 million GF for Medicare Part D “Clawback” payment
 - Based on an April 2006 revised federal calculation
 - House had \$6.7 million GF in savings
 - Senate had \$6.9 million GF in savings from Governor’s revised March calculation

- Agreed to Senate language to suspend certain Assisted Living Facility (ALF) emergency regulations adopted in December which exceeded legislative intent and relieve smaller facilities from certain regulations

Capital Outlay Issues Resolved in Caboose Bill

- Senate proposed language to begin planning for the demolition and replacement of the 8th Street Office Building and renovation of 9th Street Office Building with planning funds provided in the 2006-08 biennium
 - House agreed to provided \$4.5 million GF to demolish 8th Street Office Building and grade site
- House agreed to provide \$1.9 million GF to supplement Kilbourne Hall project at VMI
- House proposed \$1.2 million GF for water and sewer systems at Woodrow Wilson Rehabilitation Center. Senate proposed to split fund with the locality.
 - House and Senate agreed to provide \$750,000 GF to match \$750,000 NGF from the locality for the upgrades
- Senate proposed to eliminate the PPEA authority for the construction of the Hancock Geriatric Hospital with funding provided in the 2006-08 budget
 - Senate agreed to leave the PPEA in place

Capital Outlay Issues

To Be Resolved in 2006-08 Budget Bill

- ❑ House proposed to expand the PPEA approved in 2005 for the SVP Facility to provide a total of 300 beds
 - Current PPEA remains in place
- ❑ Senate proposed \$11.3 million GF to plan for the consolidation of School for Deaf and Blind and replacement of Western State Hospital. House provided funding and PPEA authorization for both projects in 2006-08 budget.
- ❑ Senate proposed replacement and renovation of 8th Street/9th Street Office Buildings
- ❑ House proposed PPEA for a new Northern Virginia Forensic Lab. Senate proposed planning in the 2006-08 budget.
- ❑ House proposed language to allow the Virginia Biotechnology Authority to develop a new biotech facility

Resolution of Other Issues

- The House and Senate both provided \$1.3 million GF for National Guard re-enlistment bonuses
- The House and Senate both reduced a previously awarded nonstate agency grant to the Richmond Performing Arts Foundation by \$4.5 million GF
- The House budget contained savings from delayed jail openings
 - The Senate agreed to savings of \$1.5 million GF from these delayed jail openings
- Both House and Senate budgets contained savings from the Enterprise Architecture Public-Private Partnership project
 - Both House and Senate agreed to eliminate all funding for this project (\$3.1 million GF)
 - Costs associated with the project will be handled in the 2006-08 biennial budget
- Agreed to language to modify audit requirements for nonprofit organizations seeking to qualify for a sales and use tax exemption
 - In lieu of a full audit, the Dept. of Taxation shall accept a review of the financial statements performed by an independent CPA if the entity's gross annual revenue was less than \$500,000 in the previous year