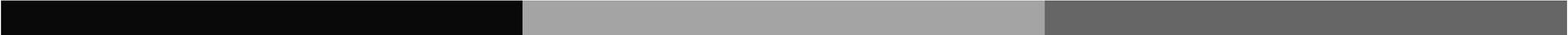


Comparison of House and Senate Budget  
Amendments to  
House Bill 29 and Senate Bill 29 &  
House Bill 30 and Senate Bill 30



House Appropriations Committee Staff

March 3, 2006

# Comparison of House and Senate General Fund Resources – HB/SB 29

	<b>House</b>	<b>Senate</b>
<b>Additions to Balance</b>		
DOE Carryover Balances	\$ 3,829,916	
<b>Additional Revenues</b>		
January Reforecast of Corporate Income Taxes	\$ 53,100,000	\$ 53,100,000
Governor’s Mid-Session Reforecast	\$ 124,000,000	\$ 124,000,000
Eliminate AST FY 2006	\$ -26,000,000	\$ -26,000,000
Purchase of Norfolk Health Bldg (spending offset)	\$ 1,060,000	\$ 1,060,000
Federal Tax Conformity	\$ -207,000	\$ -207,000
ABC Taxes		\$ 7,500,000
<b>Transfers</b>		
Revised Sale of ABC Building (2007 revenue)	\$ - 7,500,000	\$ - 7,500,000
Excess Rainy Day fund Deposit	\$ -16,303,363	
ABC Profits		\$ 5,500,000
<b>TOTAL COMMITTEE ACTIONS</b>	<b>\$ 131,979,553</b>	<b>\$ 157,453,000</b>

# Comparison of House and Senate General Fund Resources HB 30 / SB 30

	House	Senate
<b>Additions to Balance</b>		
Legislative Balances	\$ 1,094,000	
<b>Additional Revenues</b>		
Federal Conformity	\$ -503,000	\$ -503,000
Indirect Costs for Sponsored Programs	\$ 1,421,899	
Higher Ed Interest Earnings	\$ 12,199,684	\$ 16,600,000
Interest on Reserve FY 07 Rainy Day Fund Payment	\$ 14,627,280	
Interest on Reserve FY 08 Rainy Day Fund Payment	\$ 8,010,400	
SFC Interest Adjustments (Largely RDF)		\$ 10,500,000
SFC Estimate Fines, Forfeiture & Delinquent Accts.		\$ 25,000,000
SFC Estimate ABC Taxes		\$ 15,000,000
Governor's Mid-Session Reforecast	\$ 39,000,000	\$ 39,000,000
SFC Corporate Reforecast		\$ 20,600,000
SFC Refund Reforecast		\$ 17,800,000
SFC Recordation Reforecast		\$-35,000,000
Racing Commission Transfer Reduction		\$ -200,000
School Efficiency Review Cost Recoveries	\$ 295,625	

## House & Senate GF Resources – HB/SB 30

	House	Senate
<b>Transfers</b>		
Eliminate Transfer Transportation to GF	\$ - 1,148,533	\$ - 1,148,533
Charitable Gaming Excess Balances	\$ 587,000	\$ 587,000
Increase Game Fund	\$ - 220,390	\$ -220,390
Revised Sale of ABC Building in Alexandria	\$ 15,000,000	\$ 15,000,000
Hold TTF Harmless from Sales Tax Holiday	\$ - 800,000	
Restore Interest Earnings from Higher Educ.	\$ 4,420,748	
ABC Profits Understated		\$ 9,000,000
<b>Legislation</b>		
Estate Tax Repeal	\$ - 98,600,000	\$ -52,000,000
Long-Term Care Tax Credit	\$ - 10,150,000	\$ -12,000,000
Back to School Sales Tax Holiday	\$ - 6,000,000	\$ -5,100,000
Coal Tax Credit		\$ -29,000,000
Neighborhood Assistance Tax Credit to \$12 m.		\$ -8,000,000
Senate Abuser Fees		\$ 50,000,000
Transfer Auto Insurance Premium to NGF		\$-228,900,000
Land Preservation Tax Credit Cap		\$ 37,000,000
Subtraction for Tobacco Quota Payment		\$ -2,100,000
<b>TOTAL COMMITTEE ACTIONS</b>	<b>\$ - 20,765,287</b>	<b>\$ -94,700,000</b> 4

# Transportation



# Transportation – House Proposal

- ❑ House provides a total of \$1.26 billion in additional funding for transportation over the biennium
  - \$636.5 million more than proposed in the introduced budget
- ❑ House package contains no tax increases
- ❑ Additional fees limited to abuser penalties, which generate about \$230 million over biennium
- ❑ \$600 million of the total is from the one-time dedication of general fund surpluses to transportation; the remainder is on-going

	Revenue Sources				
	2006-2008 Biennium		2008-2010 Biennium		4-Year Total
	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	
General Fund for Specific Projects	600.00	-	-	-	600.00
1/3 Insurance License Tax Revenues	\$ 138.80	\$ 146.70	\$ 146.70	\$ 146.70	\$ 578.90
Redirect \$40 m/yr Recordation for Transportation	30.00	40.00	40.00	40.00	150.00
GF Commitment to 2003 FRAN Debt Service	37.40	37.40	37.40	37.40	149.60
Civil Penalties from "Abusers" bill	93.90	136.81	179.72	179.72	590.15
<b>New Revenues</b>	<b>900.10</b>	<b>360.91</b>	<b>403.82</b>	<b>403.82</b>	<b>2,068.65</b>
<b>Existing Transportation Revenues</b>	<b>4,426.36</b>	<b>4,469.05</b>	<b>4,603.12</b>	<b>4,741.21</b>	<b>18,239.74</b>
<b>Grand Total</b>	<b>5,326.46</b>	<b>4,829.96</b>	<b>5,006.94</b>	<b>5,145.03</b>	<b>20,308.39</b>

# Transportation – House Proposal

- ❑ Uses of the funds are outlined in table below
- ❑ New funding sources (abuser penalties, portion of recordation tax) used for new programs, including:
  - Creation of regional bond funds for Northern Virginia and Hampton Roads
  - Funding of partnership programs between state and local governments and state and private sector
- ❑ Existing funding streams dedicated to supplementing core funding for maintenance, transit capital and FRAN debt service
- ❑ Package contains no changes to the core transportation funding formula

	Uses				
	2006-2008 Biennium		2008-2010 Biennium		4-Year Total
	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	
Expedite Critical Highway & Transit Projects	\$ 489.90	\$ -	\$ -	\$ -	\$ 489.90
Match for Federally Designated Projects	110.40	-	-	-	110.40
Pay FRAN Debt Service	37.40	37.40	37.40	37.40	149.60
Expand Transit Capital Program Support	27.50	29.10	29.10	29.10	114.80
Maintain Assets	42.98	45.72	45.72	45.72	180.14
NOVA Revolving Bond Fund	57.48	64.61	64.61	64.61	251.31
Hampton Roads Revolving Bond Fund	40.54	47.27	47.27	47.27	182.35
Local Revenue Sharing Program to \$50.0 m/yr	35.00	35.00	35.00	35.00	140.00
Transportation Partnership Opportunity Fund	25.00	25.00	25.00	25.00	100.00
Local Congestion Relief Fund	33.90	76.81	119.72	119.72	350.15
<b>Total Uses By Source</b>	<b>\$ 900.10</b>	<b>\$ 360.91</b>	<b>\$ 403.82</b>	<b>\$ 403.82</b>	<b>\$ 2,068.65</b>

# Transportation – Senate Proposal

- ❑ Senate includes a total of \$2.29 billion in additional funding for transportation
- ❑ Senate package includes \$1.7 billion in new taxes and fees over the biennium
- ❑ SB 708, the transportation tax proposal, is included in Part 5 of the budget
- ❑ Package also includes \$598.5 million from existing GF sources - \$26 million less than introduced budget

	Revenue Sources				
	2006-2008 Biennium		2008-2010 Biennium		4-Year Total
	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	
One-Time GFs for Transportation	\$ 162.70	\$ 132.10	\$ -	\$ -	\$ 294.80
GF Commitment to 2003 FRAN Debt Service	37.40	37.40	-	-	74.80
Auto Insurance Premiums Only (27%)	111.30	117.60	117.60	117.60	464.10
Motor Vehicle Sales and Use Tax (phased 1/4%/year)	42.40	98.30	151.20	158.40	450.30
Civil Penalties from "Abusers" bill	48.40	48.40	48.40	48.40	193.60
Sales and Use Tax Applied to Gasoline (5%)	513.30	533.60	553.30	569.20	2,169.40
Refund on Gasoline Sales and Use Tax	(125.10)	(259.30)	(268.20)	(275.00)	(927.60)
Equalize Diesel Tax (Increase 16 c. to 17.5 c.)	20.30	21.30	22.30	23.20	87.10
\$10 Increase Vehicle Registration Fee	70.30	71.71	73.14	74.60	289.75
Double Heavy Vehicle Registration Fee	90.00	90.00	90.00	90.00	360.00
Liquidated Damages/Overweight Vehicles	5.60	5.60	5.60	5.60	22.40
<b>State Revenues</b>	<b>976.60</b>	<b>896.71</b>	<b>793.34</b>	<b>812.00</b>	<b>3,478.65</b>
Grantor Tax Increased 10 to 30 cents for local	210.90	210.90	210.90	210.90	843.60
<b>Grand Total</b>	<b>\$ 1,187.50</b>	<b>\$ 1,107.61</b>	<b>\$ 1,004.24</b>	<b>\$ 1,022.90</b>	<b>\$ 4,322.25</b>

# Transportation – Senate Proposal

- ❑ Senate tax proposal directs the new funding to the existing highway and transit formula programs
  - Does not change any of the formulas to reflect changes in distribution of needs since 1986
  - For example, Northern Virginia continues to receive 65 cents on each \$1.00 contribution for highway construction
- ❑ About 80 percent is dedicated to highways, 20 percent to transit and rail
  - Commits \$50.0 million year to rail projects, \$5.0 million of which is set aside for the shortline rail preservation fund

	Uses				
	2006-2008 Biennium		2008-2010 Biennium		4-Year Total
	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	
Expedite Critical Highway and Transit Projects	\$ 119.45	\$ 102.65	\$ -	\$ -	\$ 222.10
Match for Federally Designated Projects	43.25	29.45	-	-	72.70
GF Commitment to 2003 FRAN Debt Service	37.40	37.40	-	-	74.80
Intermodal Planning	3.50	3.64	-	-	7.14
Transit Capital Funding	106.80	99.50	109.30	112.00	427.60
Rail Funding	50.00	50.00	50.00	50.00	200.00
Highway Formula Construction Funding	616.20	574.06	634.07	649.99	2,474.32
<b>Total State Uses</b>	<b>976.60</b>	<b>896.70</b>	<b>793.37</b>	<b>811.99</b>	<b>3,478.66</b>
Local Transportation Funding	210.90	210.90	210.90	210.90	843.60
<b>Grand Total</b>	<b>\$ 1,187.50</b>	<b>\$ 1,107.60</b>	<b>\$ 1,004.27</b>	<b>\$ 1,022.89</b>	<b>\$ 4,322.26</b>

# House & Senate Transportation Spending – Items of Similarity

- FRAN Debt Service:
  - Both bodies dedicate \$37.4 million GF each year to continue paying debt service on 2003 FRAN issuance
- Match for federally-designated projects:
  - House provides \$110.4 million GF to provide 80 percent of the match required over the 5-year life of the bill
  - Senate provides \$72.2 million GF to provide about 50 percent of the match required over the 5-year life of the bill
- Insurance Premiums:
  - House dedicates 1/3 insurance premiums to transportation
    - 6 percent difference between House and Senate amounts dedicated to transit capital as included in introduced budget
  - Senate dedicates auto insurance premium share to transportation (27 percent) – legislation declares it a nongeneral fund source

# House & Senate Project Specific Funding

- One-time Funding for transit, rail and port projects

<b>Project</b>	<b>House</b>	<b>Senate</b>
WMATA	\$20.0 million	\$20.0 million
Virginia Railway Express	\$15.0 million	\$15.0 million
Route 460 Intermodal Project	\$ 9.0 million	\$ 9.0 million
Craney Island Design	\$14.0 million	\$15.0 million
Statewide Bus Purchase	\$ 0.0 million	\$10.0 million
I-81 Rail upgrade	\$45.0 million	On-going rail \$\$
VRE Haymarket-Gainesville	In rail funding	\$ 1.5 million
CSX Line Improvements I-95	\$17.6 million	On-going rail \$\$
Garrisonville Park and Ride	\$ 1.8 million	\$ 0.0 million
Norfolk Hybrid Buses	\$ 3.1 million	\$ 0.0 million <sub>11</sub>

# House & Senate Project Specific Funding

## □ One-time Funding for highway projects

<b>Project</b>	<b>House</b>	<b>Senate</b>
Route 164 Rail Relocation	\$15.0 million	\$ 30.0 million
I-264/64 Interchange	\$30.0 million	\$ 15.0 million
I-66	\$95.0 million	\$ 16.0 million
Coalfields Connector	\$ 0.0 million	\$ 36.0 million
Route 58/Hillsville Bypass	\$ 0.0 million	\$ 45.0 million
Route 58/Abingdon to Damascus	\$ 0.0 million	\$ 9.0 million
Sycolin Road (Leesburg)	\$ 6.0 million	\$ 0.0 million
Route 1 - Prince William County	\$ 15.0 million	\$ 0.0 million
Route 7/Reston Pkwy to Tyco Rd	\$ 25.0 million	\$ 0.0 million

# House & Senate Project Specific Funding

- One-time Funding for highway projects

<b>Project</b>	<b>House</b>	<b>Senate</b>
Complete I-95 4th Lane Funding	\$ 7.5 million	\$ 0.0 million
Quantico Back Gate Improve.	\$ 5.6 million	\$ 0.0 million
I-264/Lynnhaven Interchange	\$ 10.0 million	\$ 0.0 million
Route 460 Improvements	\$ 25.0 million	\$ 0.0 million
Fort Eustis Blvd Improvements	\$ 10.0 million	\$ 0.0 million
Route 17 - Route 134 to Rte. 630	\$ 15.0 million	\$ 0.0 million
Route 64 - Broad St to 288	\$ 30.0 million	\$ 0.0 million
I-81 Road Improvements	\$ 75.0 million	\$ 0.0 million

# Commerce and Agriculture



# Agriculture and Forestry

- ❑ House provides a biennial increase of \$5.0 million GF above the levels proposed in the introduced budget
- ❑ Senate provides a biennial increase of \$3.1 million GF above the levels proposed in the introduced budget

<b>Initiative</b>	<b>House</b>	<b>Senate</b>
Virginia Horse Center	\$4,500,000	\$ 890,000*
Farmland Preservation	\$ 0	\$2,305,000
Reforestation of Timberlands	\$ 233,622	\$ 467,244
Hydrilla Removal	\$ 300,000	\$ 100,000
Dangerous Dog Register	\$ 0	\$ 278,449
Forestry Portable Devices	\$ 0	(\$100,000)

\* Senate Horse Center funding included in Non-states

# Commerce and Trade

- ❑ House provides a biennial reduction of \$3.0 million GF compared to the levels proposed in the introduced budget
- ❑ Senate provides a biennial increase of \$7.9 million GF above the levels proposed in the introduced budget
- ❑ Substantial share of funding differences between 2 budgets relate to different prioritization of proposed new spending
- ❑ Major Senate proposals not funded in House budget include:
  - \$4.8 million Senate set aside for clean water programs in Southwest Virginia
  - \$2.0 million to increase funding available for Enterprise Zone grant program
  - \$1.0 million for Virginia National Defense Industrial Authority
  - \$1.0 million to increase funding for the major urban Planning District Commissions

# Commerce and Trade

- ❑ Other Senate funding not included in House budget includes:
  - \$310,000 for a statewide energy plan
  - \$200,000 for Southeast Rural Community Assistance
  - \$200,000 for Shenandoah region broadband
  - \$150,000 for the Southwest Virginia Economic Development Alliance
  
- ❑ Programs funded in House but not Senate budget include:
  - \$1.0 million for the New River Valley Center for Excellence training center
  - \$600,000 for regional tourism grants
  - \$300,000 for Appomattox River dredging
  
- ❑ Funding included in both budgets:
  - Southside Planning District Commission building (\$125,000 in House, \$250,000 in Senate)
  - Commonwealth Regional Council start-up costs (\$250,000 in House, \$200,000 in Senate)

# Commerce and Trade – Savings Items

- Both House and Senate eliminated or reduced new initiatives proposed in the introduced budget as follows:
  - Eastern Shore and Middle Peninsula Broadband – House eliminated \$3.2 million
  - Alleghany Economic Development Initiative – House eliminated funding, Senate reduced funding by \$200,000
  - Regional Research Centers – House eliminated funding, Senate reduced year 2 funding by \$660,000
  - VEDP Corporate Advertising – both bodies reduced year 1 funding by \$500,000
  - VEDP International Programs – House eliminated year 2 currency adjustment of \$200,000, Senate reduced international marketing by \$100,000
  - Motor Sports Incentives – Senate reduced funding by \$125,000 each year
  - VTA Marketing – Senate reduced funding by \$250,000 each year

# Commerce and Trade Central Appropriations

- House provided funding for two specific economic development projects
  - \$5.0 million GF in the first year for a biotech wet lab initiative in the Roanoke Valley Area
  - Authorization for the Governor to use up to \$2.0 million to attract a research related entity to the I-81 corridor
- Senate provided \$500,000 GF for the creation of a biosciences seed investment fund
- House generated savings by:
  - Reducing proposed Opportunity Fund appropriation (in Central Appropriations) by \$9.5 million
    - Maintains FY 2006 funding level of \$11.5 million
  - Reducing by \$1.0 million GF each year the proposed appropriation for economic contingency
- Motion Picture Opportunity Fund
  - House increased the proposed appropriation by \$1.0 million to \$1.6 million GF in the first year
  - Senate generated savings by reducing the proposed appropriation to \$300,000

# Natural Resources



# Natural Resources

## Water Quality Actions:

- ❑ Both bodies provide \$200.0 million to upgrade wastewater treatment plants in the Chesapeake Bay region
- ❑ Senate also includes \$35.1 in additional spending – primarily Southern Rivers wastewater treatment plant grants and funding for combined sewer overflow projects

## Interest Earnings:

- ❑ House leaves interest earnings for Water Quality Improvement Fund (WQIF) in fund to finance wastewater treatment plant upgrades and nonpoint source pollution control
- ❑ Senate uses interest earnings from WQIF to fund other initiatives
  - Total interest used equals \$6.1 million the first year and \$1.5 million the second
  - Interest used for additional staff for DCR and the Soil and Water Conservation Districts, to capitalize the Brownfields Restoration Fund, to augment CSO project funds, and for clean-up projects in the Elizabeth River
  - Proposed uses of interest earnings and balances in WQIF inconsistent with Code of Virginia

## State Parks and Soil and Water Conservation Districts:

- ❑ House provides funding included in introduced budget and includes \$150,000 to replace water tanks in Breaks Interstate Park
- ❑ Senate provides additional \$1.0 million each year for state parks and \$1.5 million each year for the Soil and Water Conservation Districts

# Natural Resources

## Game and Inland Fisheries:

- ❑ Senate provides language directing agency to assess whether more law enforcement is needed at Smith Mountain Lake and along the Rappahannock and Rapidan Rivers near Fredericksburg.
  - Directed to request additional appropriations if current resources do not meet assessed need
  - Does not state whether resources are to come from general fund or agency's nongeneral fund sources

## Historic Resources:

- ❑ House provides \$1.8 million to preserve Civil War historic sites, support the on-going renovation of Montpelier, and to care for additional confederate graves
- ❑ Senate includes \$72,000 each year to review historic sites on military installations

## Marine Resources:

- ❑ Senate provides an additional \$240,000 for oyster replenishment and support of the Potomac River Fisheries Commission

# Capital Outlay



# HB/SB 29: Capital Outlay

- House: \$884,000 GF and \$71.2 million NGF
- Senate: \$14.4 million GF and \$51.4 million NGF
  - Senate amendments include \$11.3 million to plan for the consolidation of School for Deaf and Blind and replacement of Western State Hospital
    - Combined total future project commitment of \$142.5 million

# HB/SB 30: Project Cost Overruns

## □ House:

- Provides \$126.2 million GF for cost overruns on previously approved projects
  - VCCS - \$46.5 million
  - Remaining colleges & state agencies - \$79.7 million using institution estimates

## □ Senate:

- Provides \$165.0 million GF for cost overruns on previously approved projects
  - VCCS - \$59.2 million
  - Remaining colleges & state agencies - \$105.8 million
    - Senate redirected \$15.6 million of its savings to cost overruns
- Creates a study committee to review cost overruns

# Maintenance and Equipment

## □ Capital Maintenance

### ■ House:

- Provides \$150.0 million GF to address major building systems repairs and replacement

### ■ Senate:

- Provides \$184.7 million GF to address major building systems repairs and replacement
  - Includes \$34.7 million to create a Deferred Maintenance Trust Fund
  - Funds are only provided to six institutions
  - Creates several reporting requirements and approvals

## □ Equipment

### ■ House:

- Provides \$32.9 million GF to equip projects scheduled to open in the upcoming biennium

### ■ Senate:

- Provides \$47.7 million GF to equip projects scheduled to open in the upcoming biennium

# Renovations, Construction and Acquisitions

- House: Including Part V, provides about \$555.8 million for renovations, construction and acquisitions
  - UVA Cancer Center - \$25.0 million
  - JMU Property Acquisition - \$24.0 million
  - VCCS Projects - \$122.4 million
  - VMI Barracks - \$46.8 million
  - Western State Hospital - \$80.5 million
  - GMU Research II - \$25.0 million
  - State Parks - \$20.4 million
  - VT Research - \$13.5 million
  - VCU MSB II - \$12.4 million NGF
  - Northern Va. Forensics Lab - PPEA
- Senate: Provides about \$394.8 million GF for renovations, construction and acquisitions
  - UVA Cancer Ctr. - \$15.0 million
  - JMU Property Acq. - \$24.0 million
  - VCCS Projects - \$19.7 million
  - VMI Barracks - \$46.8 million
  - Western State Hospital – Planning (HB/SB 29)
  - Replace PPEA for Hancock Geriatric and SVP - \$54.1 million
  - VT Research – Planning in HB 30
  - Longwood Bedford Hall - \$18.4 million
  - VCU MSB II - \$12.4 million
  - Forest Land - \$9.8 million
  - Old City Hall - \$5.6 million
  - Northern Va. Forensics Lab - \$7.4 million planning
  - Mt. Rogers Correction - \$1.5 million in DOC operating (PPEA) <sup>27</sup>

# Other Capital Outlay

- Planning and Studies
  - House: \$18.0 million GF for planning primarily for mental health facilities
    - Future project commitment of \$321.5 million
  - Senate: \$68.1 million GF for planning
    - Future project commitment of \$1.1 billion of which about \$400 million is related to seat of government and \$352 million is related to higher education
  
- Savings Actions
  - House: \$326.6 million GF of savings were redirected to higher priorities
    - Eliminating projects not included in six-year plan or justified by SCHEV guidelines
    - Shift higher education / parks to Part V bond package in lieu of mental health
    - Eliminating duplication of funding from previous biennia
    - Shifting costs to NGF where justified by state policy and practice
  - Senate: Net savings of \$68.7 million GF
    - Use planning in lieu of fully funding project – saves \$192.0 million
    - Eliminated GMU research (use PPEA) - \$25.0 million
    - Other project eliminations - \$91.7 million
    - Savings were offset by new spending for planning (\$46.7 million), buy-down certain PPEA (\$54.1 million), create a deferred maintenance pilot (\$34.7 million), other renovation and construction projects (\$104.5 million)

# Higher Education



# Higher Education

- Enrollment Growth and Base Operating Support at Colleges and Universities
  - House: \$224.9 million GF
  - Senate: \$290.6 million GF
  
- Research (excluding graduate aid)
  - House: \$74.1 million GF and \$68.7 million of HEETF allocations
  - Senate: \$66.4 million GF and \$26.5 million of HEETF allocations

# Higher Education Research

- House - \$125.1 million of state support
  - \$52.7 million GF for doctoral research institutions
  - \$68.7 million of HEETF allocation for doctoral research institutions
    - \$13.3 million for lease payments provided under Treasury Board
  - \$3.7 million for EVMS
  - Funding includes on-going component and accountability through Virginia Academic Research Corporation
  
- Senate - \$83.8 million of state support
  - \$44.7 million GF for doctoral research institutions
  - \$26.4 million of HEETF allocation for doctoral research institutions
    - \$4.6 million of lease payments provided under Treasury Board
  - \$2.8 million for EVMS
  - \$10.0 million for CTRF and VEDP
  - Reporting requirements on use of funds
  - Three-year commitment

# Enrollment Growth, Base Operating and Research Support Detail

*(GF \$ in Millions)*

	<u>House</u>	<u>Senate</u>		<u>House</u>	<u>Senate</u>
CNU	\$3.3	\$2.4	UVAW	\$5.5	\$4.8
CWM	7.3	5.4	VCU	28.6	53.0
GMU	38.7	40.8	VMI	2.4	1.9
JMU	12.6	9.2	VSU	5.7	6.2
LU	6.9	5.7	VT	27.7	26.3
MWC	5.8	11.2	RBC	1.9	1.6
NSU	4.6	6.0	VCCS	54.8	89.6
ODU	44.4	37.2	Totals	283.1	344.2
RU	10.1	15.4	<b>Note: Amounts exclude \$164 million for financial aid, faculty salary, and central account adjustments</b>		
UVA	22.8	27.5			

# Higher Education

- Financial aid
  - House:
    - \$21.7 million GF for undergraduates at public institutions
    - \$17.3 million GF for TAG to bring undergraduate award to \$3,100 by FY 2008
    - \$11.9 million GF for graduate aid as part of research package
  - Senate:
    - \$21.7 million GF for undergraduates at public institutions
    - \$13.3 million GF for TAG to bring undergraduate award close to \$3,000 by FY 2008
    - \$10.0 million GF for graduate aid as part of research package
- Faculty Salaries
  - House: \$48.4 million for an average 4.0 percent increase effective November 2006
    - Approximately \$9.2 million included in central appropriations for a 2 percent increase effective November 2007
  - Senate: \$44.1 million for an average 3.65 percent increase effective November 2006
    - Approximately \$12.9 million included in central appropriations for a 3 percent increase effective November 2007

# Higher Education – Other Base Operating Support

- Virginia Institute for Marine Science
  - House: \$2.2 million GF for base operating support and new facilities
  - Senate: \$1.4 million GF for base operating support and new facilities
- VT - Extension
  - House: \$1.0 million GF for nine additional positions
  - Senate: \$1.6 million GF for 19 new positions
- Eastern Virginia Medical School
  - House: \$12.2 million GF for base operating support and research
  - Senate: \$11.2 million GF for base operating support and research
- Martinsville Higher Education Center
  - House: \$2.5 million GF for operations (includes \$1.3 million to initiate a Visiting Faculty Program with Longwood, Radford and UVA to deliver teacher education, nursing and computer science programs)
  - Senate: \$1.4 million GF for operations

# Higher Education

## □ Reduction Actions

### ■ Middle College

- House: Save \$9.6 million GF by eliminating new initiative to create counseling program at every community college
- Senate: Save \$5.2 million GF by allowing the program to expand to nine community colleges

### ■ Eminent Scholars Program

- House: Saves \$1.3 million GF by level funding the program
- Senate: No action

### ■ New Initiatives, both House and Senate

- Save \$5.0 million GF by eliminating expansion of military tuition waiver reimbursements to colleges
  - House saves an additional \$4.0 million GF through passage of HB 695 (Suit) which designates military dependents as in-state students

# Higher Education

- House: Higher education spending of about \$521.8 million GF over Chapter 951
  - About a 17 percent increase over Chapter 951
- Senate: Higher education spending of about \$581.5 million GF over Chapter 951
  - About a 19.5 percent increase over Chapter 951

# Other Education Agencies

- House: About \$18.8 million GF in other education areas
  - \$6.5 million for Jamestown
  - \$1.5 million for local library aid
  - \$4.1 million for arts grants
  - \$5.3 million for other state museums
  - \$1.3 million for Library of Virginia
  
- Senate: About \$20.3 million GF in other education areas
  - \$3.7 million for Jamestown
  - \$4.5 million total for local library aid
  - \$4.1 million for arts grants
  - \$5.1 million for other state museums
  - \$2.8 million for Library of Virginia

# Compensation



# Employee Compensation

- ❑ Both House and Senate budgets provide higher salary increases in 2006 than proposed in introduced budget – 4% vs. 3%
- ❑ Both budgets include funds for a second year salary reserve

	<b>House</b>	<b>Senate</b>
State Employees <i>(11/25/2006)</i>	4 %	4 %
Higher Education Faculty	4 %	3.65 %
State-Supported Local Employees <i>(12/1/2006)</i>	4 %	4 %
Second Year Salary Reserve <i>(state, state-supported local, and faculty)</i>	\$41.0 million <i>(2% November 2007)</i>	\$61.4 million <i>(3% November 2007)</i>

# Other Employee Compensation

- Virginia Retirement System adjustments
  - House
    - Group life insurance employer savings based on 30-year amortization which reduces employer contribution rates (\$5.6 million)
    - Retiree health care credit savings based on 8% investment assumption which reduces employer contribution rates – (\$8.9 million)
    - House Bill 59 (state retiree health care credit) -- \$1.9 million
  - Senate
    - Reduce amortization period for VRS retirement systems from 30-years to 26 which increases employer contribution rates
      - State employees, SPORS, VaLORS, & JRS -- \$11.4 million
      - Teachers retirement -- \$20.1 million

# Public Safety



# Public Safety: Sexually Violent Predator Monitoring

- Both budgets provide similar amounts for monitoring sexually violent predators
  - House \$19.9 million
  - Senate \$20.9 million
- Primary difference is \$1.6 million in Senate budget for community containment program in Corrections

<i>(GF \$\$ in millions)</i>	<b>House</b>	<b>Senate</b>
State Police	\$10.4	\$9.4
Corrections	\$6.1	\$9.0
Corrections Reserve Fund	\$3.0	\$2.5
Total:	\$19.9	\$20.9

# Public Safety

## □ Department of Corrections

### ■ Senate

- Delay opening of St. Brides Phase II six months – (\$6.0 million)
- Restore 15 psychologist positions -- \$1.8 million

### ■ House

- Delay opening Tazewell prison 1 month and Chatham prison 2 months -- (\$5.0 million)
- Phase-in staffing and programming -- (\$0.3 million)

## □ Department of Juvenile Justice

### ■ House

- Delay opening units at Culpeper & Hanover JCC – (\$2.1 million)
- Reintegration program -- \$0.3 million

### ■ Senate

- Delay opening units at Culpeper & Hanover JCC – (\$2.1 million)
- Reintegration program -- \$0.4 million

# Public Safety

## □ Criminal Justice Services

### ■ Senate

- Eliminates funding for anti-gang programs – (\$3.6 million)
- HB 599 program hold harmless -- \$3.5 million
- Crime Victim/Witness program -- \$1.0 million
- Other: campus security, CASA, Project Exile, Crime Prevention Assoc., and Chesterfield Community Corrections -- \$2.4 million

### ■ House

- Eliminates funding for anti-gang programs – (\$3.6 million)
- Campus security standards -- \$0.4 million

## □ Department of Fire Programs

### ■ Senate

- Eliminate general fund match program – (\$12.0 million)
- Bloxom Fire Department -- \$0.6 million

### ■ House

- Eliminate general fund match program – (\$12.0 million)

# Public Safety

- Compensation Board (Sheriffs and Jails)
  - House
    - Fund additional law enforcement deputies -- \$0.8 million
    - Eliminate additional court services deputies – (\$1.7 million)
    - Victim notification -- \$0.5 million
  - Senate
    - Fund additional law enforcement deputies -- \$0.8 million
    - Master deputy program -- \$0.3 million
    - Victim notification -- \$0.5 million
- State Police
  - House budget
    - \$500,000 for targeted traffic enforcement on I-81
    - \$170,000 for D.A.R.E. activities and support
- BRAC
  - House – reduce grant program (\$5.0 million)

# Health and Human Resources



# HB 29: Health & Human Resources

(GF \$ in millions)

	<u>House</u>	<u>Senate</u>
<b>Mandatory Programs:</b>	\$30.8	\$29.8
Senate reduces funding for Adoption Subsidy program by \$1.0 million		
<b>Additional Spending:</b>	\$0	\$1.0
Uninsured Medical Catastrophe Fund		
Ambulance for CVTC		
Judicial & attorney training on SVP changes		
Task Force on Adoptions		
<b>Savings:</b> Enrollment and forecast changes, pharmacy rebates, prior authorization contract savings, Medicare Part D savings	(\$26.1)	(\$26.1)

# Health & Human Resources

<u>(GF \$ in millions)</u>	<u>House</u>	<u>Senate</u>
Medicaid Utilization & Inflation	\$483.5	\$483.5
Impact of Medicare Part D (net of savings)	\$49.5	\$49.5
Comprehensive Services Act (CSA)	\$48.4	\$48.4
- CSA Community Infrastructure Grants	\$0	\$1.5
Adoption Subsidy Program	\$29.0	29.0
MHMR facility and community pharmacy	\$15.0	\$15.0
TANF shortfall and VIEW day care	\$14.8	\$14.8
FAMIS & SCHIP (Medicaid low-income kids)	\$11.7	\$11.7
- FAMIS expansion for pregnant women	\$0	\$4.3
Mental health facility revenue shortfall	\$6.8	\$6.8

# Provider Rate Increases

- Inpatient hospital services
  - House provides \$15.9 million GF for hospital trauma centers
  - Senate provides \$15.9 million GF for a Medicaid payment adjustment from 76% to 78% of allowable inpatient costs
- Medicaid rates for pediatric and other physician services
  - House: 5% increase in pediatric services rates in FY 2007 - \$7.9 million GF
  - House: 3% increase for all physician services (except OB/GYN) in FY 2008 - \$6.9 million GF
  - Senate: 15% increase in pediatric services rates in FY 2008 - \$10.6 million GF
  - Senate: Eliminates 3% rate increase for all physician services in FY 2008
- Medicaid personal care and skilled nursing services
  - House: 5% rate increase for skill nursing services beginning in FY 2007 - \$1.5 million GF
  - House: 5% rate increase for personal care providers in FY 2008 - \$4.3 million GF
- Auxiliary Grants rate for assisted living facilities
  - Senate: Increases grant from \$982 to \$1,010 per month in FY 2008 - \$2.0 million GF
- House and Senate provide:
  - Medicaid adult day health care rate increase: \$139,673 (effective January 1, 2007)
  - Rate increase for death investigations: \$1.3 million

# Health & Human Resources

## Services for Mentally Disabled

<u>(GF \$ in millions)</u>	<u>House</u>	<u>Senate</u>
MHMRSAS Restructuring	\$125.9	\$125.9
Added 65 MR Waiver Slots	\$4.3	\$0
Pilot Projects for Opiate Addiction	\$0	\$2.1
MH Services for Jail Diversions	\$0	\$2.0
Involuntary Mental Commitments	\$0	(\$2.0)
MH Services in Free Clinics & Community Health Centers	\$0	\$1.4

# Health & Human Resources

## Sexually Violent Predators

- ❑ House provides \$14.4 million GF and Senate provides \$6.1 million GF for sexually violent predator program
- ❑ Other actions on SVP services contained in Public Safety

<u>(GF \$ in millions)</u>	<u>House</u>	<u>Senate</u>
Conditional Release Treatment & Monitoring, including GPS	\$0.5	\$0.5
SVP Office Staffing & Operations	\$0.5	\$0.5
Clinical Evaluations & Testimony	\$1.0	\$0.8
Facility Operating Costs:		
VCBR in Dinwiddie - double bunk to 90 beds	\$3.4	\$0
VCBR in Nottoway - 100 beds	\$8.9	\$4.3

# Health & Human Resources

## Other Funding for Disabled

- Senate adds:
  - \$2.6 million GF for 100 developmentally disabled waiver slots
  - \$897,384 GF to implement a Medicaid Buy-In Program for disabled individuals to receive Medicaid while working
- Medicaid personal maintenance allowance (PMA) for certain waiver program recipients
  - House: \$1.0 million GF to increase PMA from 100% to 150% of SSI payment
  - Senate: \$2.0 million GF to increase PMA from 100% to 180% of SSI payment
- Brain injury services
  - House: Adds \$1.2 million GF and redirects \$570,000 from S.W. Virginia to meet statewide unmet needs through an established funding formula
  - Senate: Provides \$570,000 GF for S.W. Virginia and \$600,000 in Planning District 6 for case management services
  - Senate: Adds \$1.6 million for services through Centers for Independent Living

# Health & Human Resources

## Other Health Related Activities

<u>(GF \$ in millions)</u>	<u>House</u>	<u>Senate</u>
Organ & Tissue Donor Registry	\$0.1	\$0.2
Rx Partnership	\$0	\$0.1
Piedmont Access to Health Services	\$0	\$0.1
Prenatal, OB & Pediatric Pilot Projects	\$0	\$0.2
Prostate Cancer Awareness	\$0	\$0.2
HB 760 Outpatient Data Reporting System	\$0.3	\$0
Death Investigators for Office of the Chief Medical Examiner	\$0	\$0.4
Tdap Booster for Children	\$0.5	\$0.3
HB 413/SB 370 Cord Blood Bank	\$0.5	\$0.4
State Pharmacy Assist. for HIV/AIDS	\$0	\$0.6
Build New Community Health Centers	\$0	\$1.9
PACE Program Start-up costs	\$0	\$1.5

# Health & Human Resources Other Programs

<u>(GF \$ in millions)</u>	<u>House</u>	<u>Senate</u>
Drinking water construction projects - Senate provides \$4.8 million in DHCD for drinking water and waste water grants	\$7.2	\$5.2
Community Action Agencies - House replaces GF with \$1.8 million in federal NGF	(\$1.0)	\$2.2
Tri-County Community Action Agency	\$0	\$0.3
Staff for Medicaid long-term care integration	\$0.2	\$0.2

# Health & Human Resources

## Other Social Services

- Senate adds:
  - \$1.0 million for home-delivered meals
  - \$1.0 million GF for implementation of the 2-1-1 System
  - \$780,000 for Bay Aging Area Agency on Aging
  - \$685,800 GF for SB 32 to extend TANF for certain children
  - \$350,000 GF to increase coordination for emergency services
  - \$230,186 GF for SB 534 Putative Father Registry
  - \$150,000 GF for the Caregivers Grant Program
- Local leased space costs
  - Our Health in Winchester:
    - Senate provides \$295,000 for state and local share of local health department and local social services lease in phase II construction in FY 2008
    - Senate provides \$30,000 GF for 100% lease costs of Access Independence (Center for Independent Living) in FY 2008
    - House provides \$250,000 GF in FY 2007 for one-time grant
  - Suffolk Human Services Building
    - Senate provides \$200,000 GF for 100% of local health department and local social services
    - Senate language requires feasibility study of building in Capital Outlay

# Savings, Funding Reductions and Elimination of New Initiatives

- ❑ House and Senate budgets include \$58.7 million GF in savings
  - DMAS/DMHMRSAS – Facility savings from restructuring initiatives : \$21.6 million
  - DMAS – Prior authorization contract savings: \$2.4 million
  - DMAS – Specialty drug program: \$1.4 million
  - DMAS – Outsource compliance audits: \$1.1 million
- ❑ Early Childhood Foundation
  - House: Reduces initiative by \$6.6 million GF
  - Senate: Reduces initiative by \$5.6 million GF
- ❑ Electronic Health Records
  - House: Eliminates initiative (\$6.8 million GF)
  - Senate: Reduces grants by \$3.6 million GF
- ❑ House and Senate eliminate earmarked funding
  - Greater Richmond ARC - \$750,000
  - Celebrating Special Children - \$100,000
- ❑ House also eliminates earmarks for:
  - Olmstead Advisory Committee - \$466,796
  - Child obesity pilot in S.W. Virginia - \$404,200
  - St. Mary's Health Wagon - \$200,000
- ❑ Senate budget also includes savings for:
  - Medicaid family planning waiver - \$2.4 million GF
  - Reduction of supplemental Assisted Living payments - \$425,904

# Elementary and Secondary Education



# HB29: Public Education

## □ Capture FY 2005 Carry Forward Balances

- House: \$3.8 million GF
  - \$1,875,441 from Central Office
  - \$1,954,475 from Direct Aid
- Senate: \$1,954,475 GF from Direct Aid

## □ Triennial Census

- House: Technical adjustment to use 2002 census data for full 12 months - saved \$2.0 million GF
- Senate: Uses blended census data and captures \$415,000 GF savings for data submission correction from Portsmouth City

# HB30: Public Education

## □ Teacher Pay Raise

### ■ House:

- Changes effective date to January 1, 2007
- Redirects \$8.7 million GF toward funding portion of RHCC
- \$15.8 million GF in biennium to increase the monthly Retiree Health Care Credit (RHCC)
  - \$2.50/month up to \$4.00/month
  - Removes the cap on years of service credit

### ■ Senate:

- Adds additional 1% effective December 1, 2006 - \$39.6 million GF in biennium
- Reduces VRS amortization period from 30 to 26 years - \$20.1 million GF in biennium
  - Action increases VRS rate from 9.20% to 9.58%
  - Increases local spending for all VRS positions

# Public Education

## □ Literary Fund

- Senate: Adds \$30.0 million GF to reduce portion VRS payment from Literary Fund
  - Reduces general fund transfer of \$30.0 million NGF from Literary Fund

## □ Career and Vocational Education

- House:
  - Restores \$400,000 GF each year for Henrico Resource Center
  - Adds \$300,000 GF each year for equipment
  - Adds \$200,000 GF the second year for planning of Regional Center for Middle Peninsula area divisions

## □ Commission on Civics Education

- House: Adds \$100,000 GF each year

## □ Tuition Assistance Grant for Disabled Students

- House:
  - Adds language to allow parental choice for private school placement for students with an IEP and allows state share of funding allocated to division to follow student

# Public Education

## □ Federal Revenue Deduction

### ■ House:

- Adds \$1.7 million GF in biennium to correct calculation error
- Begins phase-out of linear weighted average cap
  - 10% in FY 2007 - \$2.0 million GF savings
  - 20% in FY 2008 - \$3.8 million GF savings

## □ At-Risk Four-Year-Olds Program

### ■ Senate:

- Increases per pupil amount from current \$5,400 to \$5,700 in FY 2007 - \$3.3 million GF
- Increases per pupil amount from proposed \$5,700 to \$6,000 in FY 2008 - \$6.6 million GF

## □ Cost of Competing Adjustment

- Senate: Phases in 10% cost for Spotsylvania & Fredericksburg in second year - \$1.1 million GF

## □ National Board Certification Bonus Awards

- Senate: Adds \$647,402 GF to fully fund 100% of eligible teachers

# Public Education

- ❑ Standardized Testing Contract Cost
  - House: \$5.2 million GF in savings
  - Senate: \$5.0 million GF in savings
- ❑ Career Planning On-line System
  - Both budgets eliminate \$487,200 GF each year of new funding
- ❑ Race to GED Initiative
  - Both budgets eliminate \$204,795 GF each year of additional funding
    - ❑ Funding level at \$3.8 million GF
- ❑ Path to Industry Certification
  - House: Eliminates new funding of \$100,000 GF each year
    - ❑ Funding level at \$2.0 million GF
- ❑ Turnaround Specialists Initiative
  - Both budgets eliminate \$71,844 GF each year of additional funding
    - ❑ Funding level at \$2.2 million GF

# Public Education

- Advanced Placement Testing
  - House: Reduces all new funding in biennium - \$4.4 million GF
  - Senate: Reduces \$3.8 million GF in biennium
- School Breakfast Program
  - House: Captures savings of \$560,000 GF for each year based on participation
  - Senate: Reduces by \$280,000 GF in first year and \$140,000 GF second year based on participation
- Project Discovery
  - Both budgets eliminate \$100,000 GF each year of new funding
  - House: Reduces base funding by \$400,000 GF or 50% each year
- Correction to K-3 Class Size Reduction and 2005 Census Data
  - Both budgets capture total biennial savings of \$165,750 GF
- Hard-to-Staff Schools
  - House: Eliminates new initiative funding \$6.1 million GF in biennium

# Public Education

## □ Inflation Factors

- Senate: Reduces funding by adding 'soft cap' - \$33.6 million GF in biennium

## □ SOQ Prevention, Intervention, and Remediation

- Senate:
  - Eliminates using lottery to fund portion
  - Redirects portion lottery to fund school construction grants
  - Reduces the per pupil amount of lottery funds to divisions – savings of \$6.6 million GF in biennium

## □ Teacher Mentor and Teacher Corps

- Senate: Captures 50% of base year savings the first year - \$900,000 GF and 25% savings the second year - \$450,000 GF

## □ Communities-in-Schools Grant

- Senate: Eliminates \$500,000 one-time funding in the first year for use as match for Gates Foundation

# Public Education

- ❑ Caseload requirement for special education teachers for visually impaired (VI) students
  - House: Language that allows DOE to consider adding positions in its biennial review of the SOQ rebenchmarking cost
    - ❑ Upon subsequent recommendation from the State Board of Education – General Assembly may consider next step in process
  - Senate: Mandates DOE to include positions for VI teachers in the 2008-2010 rebenchmarking costs
    - ❑ Projected one year cost of \$3.1 million in FY 2008
- ❑ School Efficiency Reviews
  - House: Language in Central Accounts requires participating divisions to pay:
    - ❑ 25% of the total cost of the review
    - ❑ An additional 25% payment if at least 50% of recommendations are not initiated within 24 months
  - Senate: Language in Caboose and Introduced Budget that authorizes the Department of Education to require a school division to participate in an efficiency review as a part of an academic review
    - ❑ Divisions not charged for a mandated efficiency review

# Public Education

- Virginia Schools for the Deaf, Blind, and Multi-disabled (VSDB) at Staunton and Hampton
  - House: Adds language to direct State Board of Education to determine location for the consolidation of both campuses
    - Directs Board and Department of General Services to develop necessary construction plans through a PPEA not to exceed \$61.5 million
  - Senate: Other action contained in capital outlay in Caboose budget
    - Sites Staunton as location for consolidation
    - Adds \$7.3 million GF in second year for planning of renovation or new construction
- Review Trends and Projected Rebenchmarking Costs
  - Senate: Adds language to create a technical workgroup

# General Government and Technology



# General Government

## Judicial Branch Agencies:

- ❑ House includes \$2.6 million to permit circuit courts to increase compensation for court-appointed attorneys when defending indigents accused of crimes carrying penalties of 20 or more years in prison
  - Maximum waiver is \$850
- ❑ Senate provides an additional \$6.8 million to:
  - Augment court-appointed compensation for all cases - \$1.8 million
  - Pay for independent evaluations of sexually violent predators - \$880,000
  - Increase payments for forensic evaluations - \$964,200, and
  - Provide for 32 more public defenders - \$3.0 million
- ❑ Senate also includes language directing the Supreme Court to assess the costs and procedures for eliminating statutory caps on court-appointed attorney compensation and to examine expanding the public defender system
- ❑ Both bodies include additional funding for the creation of new judgeships, to increase staffing for district court clerks, and to augment the Supreme Court's technical services staff

# General Government

## Office of the Attorney General:

- ❑ House provides \$3.4 million from the general fund for 26 additional attorneys, paralegals, and support positions
  - \$976,511 is provided from nongeneral fund sources for five more positions
- ❑ Senate includes only \$1.6 million 10 additional general fund positions
  - \$1.2 million is included for seven more nongeneral fund positions

## Commonwealth's Attorneys:

- ❑ House proposes no reductions in position staffing for Commonwealth's attorneys – full staffing achieved over six-year period, as recommended by Governor
- ❑ Senate provides \$14.3 million over the introduced budget for staffing Commonwealth's attorney offices within the biennium

## Other Constitutional Officers:

- ❑ House level funds commissioners of the revenue, treasurers, directors of finance, and circuit court clerks
- ❑ Senate includes funding for additional positions as proposed in introduced budget

# General Government

<u>Veterans Benefits</u>	<u>House</u>	<u>Senate</u>
Veterans Benefit Coordinators	\$577,256	\$929,591
Field Office Renovations	\$110,000	\$110,000
Financial Management Software	NGF	\$118,400 GF and NGF

## Technology:

- ❑ Both bodies provide additional funding for aerial photography necessary for the Virginia Base Mapping Program
- ❑ House also includes \$542,500 to provide for an independent assessment of the accuracy of the information produced by this program

## Other Items:

- ❑ Senate includes \$300,000 to support an electronic voting machine pilot project, \$100,000 to provide additional public radio grants, and \$40,000 to support Alleghany Mountain radio