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VINCENT F. CALLAHAN, JR., CHAIRMAN

**House Floor Comments by Delegate Vincent F. Callahan, Jr.
on the Conference Report to House Bill 1650**

Mr. Speaker and Members of the House:

On behalf of my fellow budget conferees -- Delegates Putney, Hamilton, Cox, Wardrup and Joannou I am very pleased to present the conference committee report on House Bill 1650.

Forty-six days ago we started this process. The Appropriations Committee took the lead and charged ahead to produce what I consider a very good budget.

We began the session knowing that the task that lied ahead was to craft amendments to the current 2006-08 biennial budget that was fiscally structured to protect our future flexibility to meet our core services of education, public safety, and human services.

I want to say thank you to the Members of the Appropriations Committee and to the Subcommittee Chairmen that worked so hard as a team in bringing back some much needed fiscal discipline.

At the same time that the House was deliberating its budget, the Senate of Virginia was also examining and developing a budget that reflects the views of its membership.

As we began our conference, it was fortunate that the House and Senate budgets were going in the same general direction on key issues, although our paths were a little different. It is much easier to bring about an agreeable conference report when we are talking about shades of gray rather than black and white.

The conference committee report, like our respective budgets, reflects a commitment to public education, the health and safety of our citizens, and the discipline of focusing our limited resources on the core responsibilities of state government.

Mr. Speaker, I am happy to report that the House conferees were successful in upholding the hard work of the Appropriations Committee in the area of transportation, cleaning up the Chesapeake Bay, adding mental health and mental retardation services through more waiver slots, increasing access to health care through provider reimbursements, and providing additional compensation adjustments for our state employees, teachers, and state-supported local employees.

I am also pleased to bring to you a conference report that reflects a commitment to maintain the educational quality of our institutions of higher education, while mitigating the impact of tuition increases. Additional \$22 million in funding is provided for both base adequacy and enrollment growth along with an extra allocation that is designed to provide an incentive for our institutions to keep tuition increases below 6 percent this upcoming academic year.

Finally, the conference report also provides \$500 million in one-time general fund surplus dollars to be allocated for transportation projects approved by the Commonwealth Transportation Board. The funding will be used as follows:

\$305 million will be deposited into the Transportation Partnership Opportunity Fund for PPTA and design-build projects.

\$65 million will be deposited to the Rail Enhancement Fund to be used to complete funding for on-going rail improvements in the Richmond-DC corridor and begin Phase 1 of the I-81 rail corridor project.

\$60 million in transit capital funding for Metro, VRE, the Norfolk Light Rail project and \$15 million for statewide distribution.

\$50 million for Port-related improvements in Hampton Roads, including \$40 million for the Route 164 rail relocation and the design and engineering for the Craney Island expansion.

Major features of the conference report include:

\$9.3 million for an additional 330 Medicaid Mental Retardation waiver slots and start up funds, and an additional 100 DD waiver slots to reduce the current waiting list for services.

- \$5.3 million for a 15 percent waiver rate differential in Northern Virginia.
- \$7.6 million for substance abuse treatment through the Community Services Boards or for individuals who are eligible for Medicaid.

- \$26.1 million for upgrading our wastewater treatment facilities as part of the state's commitment to cleaning up the Chesapeake Bay, including \$6.1 million in state grants to Richmond and Lynchburg for their combined sewer overflow projects pursuant to Senate Bill 1301.
- \$12 million in incentive payments to attract SRI, a major research entity to the I-81 corridor.
- \$11.9 million dollars to implement House Bill 2370 that increases the monthly health insurance credit for retired teachers from \$2.50 per month to \$4.00 per month for every year of service effective July 1, 2007.
- \$21.2 million for an additional 1 percent pay raise, bring the total to 4 percent for state employees, college faculty and state-supported local employees.
- \$63.9 million to provide the state's share of a 3 percent teacher pay raise.
- \$9.2 million for increased reimbursement for court appointed attorneys pursuant to House Bill 2361.
- \$2.0 million to be given equally to UVa and VCU for cancer research.

While this year's budget conference consumed a lot of time and energy -- as it always does -- and extended a bit beyond our deadline -- as it sometimes does -- I think this conference has produced a report that redirects funds to established priorities of the House and the General Assembly and one that maintains and reaffirms our previous commitments to the citizens of the Commonwealth.

I thank all of the budget negotiators for their good work and good humor.

With that, Mr. Speaker and Members of the House, I ask that you accept the conference report on House Bill 1650.