

Comparison of House and Senate Budget Amendments House Bill 29/30 and Senate Bill 29/30

House Appropriations Committee Staff
February 26, 2014

House and Senate Budgets

- Adopted structurally balanced budgets
- Both Reflected Mid-Session Revenue Reforecast
 - Governor reduced FY 2014 forecast by \$125.0 million and FY 2015 forecast by \$15.0 million
 - Impact largely felt in FY 2015 because assumed carry-forward of balances – required identification of additional savings in HB 30
- Both Provide for a Reserve Fund to protect against future downward forecast adjustments
 - House included a reserve of \$137 million and allocates it for employee compensation and VRS
 - Senate allocates \$49.2 million for employee compensation

Committee Objectives: House Budget

- Both Identified Savings for the Foregoing Items
 - Limited new initiatives and program expansions
 - Looked at technical adjustments/recalculations
 - Allocated additional Literary Fund and Lottery resources
 - Examined agency balances
- Similar Spending Priorities
 - Employee Compensation
 - Mental Health Package
 - Restoring Hospital Inflation
 - Domestic Violence Prevention and Services
 - Higher Education and K-12 Funding

Revenue Changes: HB/SB 29

	House	Senate
<u>ADDITIONS TO BALANCES</u>		
SCC Recovery	1,200,000	1,200,000
Legislative Agency Balances	7,356,129	6,883,169
Productivity Fund	239,964	
Indigent Defense Commission Balances	350,000	
School Efficiency Review Balances	75,900	
Judicial Balances	1,099,447	
Revert OEI Balance		450,000
FACT Fund Balance	HB 30	5,288,411
Student Assistance Authority Balance	1,820,000	1,820,000
Governor's Opportunity Fund Balances	10,700,000	9,000,000
VJIP Balance	500,000	500,000
College Lab Schools Balance	800,000	200,000
<u>CHANGES TO REVENUES</u>		
Mid-Session Reforecast	(125,000,000)	(125,000,000)
Tax Compliance from Additional Audit Positions	700,000	
Recently Reported Tax Settlement		980,000
<u>CHANGES TO TRANSFERS</u>		
Increased Estimate Firearms Transaction Fee to GF		1,196,139
Transfer Disaster Recovery Fund to GF		677,161
VASAP Balances	600,000	
ABC Profits Adjustment	2,986,145	500,000
Total: Revenue Adjustments	(\$96,572,415)	(\$96,305,120)

Revenue Changes: HB/SB 30

	House	Senate
<u>ADDITIONS TO BALANCES</u>		
Judicial Vacancy Savings	2,000,000	967,494
Indigent Defense Commission Balances	600,000	
FACT Fund Balance Reversion	5,288,411	HB 29
Subtotal-Balances	\$7,888,411	\$967,494
<u>ADDITIONAL REVENUES</u>		
Mid-Session Revenue Reforecast	(15,000,000)	(15,000,000)
Tax Collections from Mobile Audit Devices	2,000,000	2,000,000
Tax Compliance from Additional Audit Positions	3,200,000	
Compliance from Accelerated Withholding Statements	702,000	702,000
APA Outside Collection Agency Recommendation	1,000,000	
Standardization of Circuit Court Excess Fee Policy	1,878,000	
Enhanced Compliance SB 611/HB 829 “Zapper” Bill		16,120,000
Adjust Forecast for Ed. Scholarship Tax Credits		10,000,000
Adjust Amazon Sales Tax Forecast		12,600,000
SB 100: Sales Not Use Tax on Satellite TV Equipment		17,120,000
HB 460: Motion Picture Tax Credit	(20,000,000)	
HB1220/SB 623: R and D Tax Credit	(2,000,000)	(2,000,000)
SB 608: Lifetime Concealed Handgun Permits		8,737,500
Subtotal-Additional Revenues	(\$28,220,000)	\$50,279,500

House and Senate Revenue Changes HB/SB 30

	House	Senate
<u>CHANGES TO TRANSFERS</u>		
Adjust Amazon Sales Tax – K-12 Component		1,200,000
SB 100 K-12 Component		2,120,000
SB 611 K-12 Component		1,620,000
Increased Firearms Transaction Fee to GF		1,871,642
ABC Profits Adjustment	5,997,672	10,100,000
SCC Balances	6,000,000	
Subtotal-Transfers	\$11,997,672	\$16,911,642
Total Changes: Revenues/Resources	(\$8,333,917)	\$68,158,636

Health and Human Resources

Major Differences Between House and Senate Budgets (GF \$ in millions)

Major Spending Actions	House	Senate
Medicaid & Other Provider Rates	\$44.6	\$24.4
Medicaid Waiver Slots	\$3.9	(\$7.8)
Other Medicaid Services	\$0	\$9.4
Health Safety Net Services	\$7.2	\$1.1
Mental Health Bills (ECO, TDO, Bed Reg., etc.)	\$5.2	\$9.0
Community MH Services to Support MH Bills	\$4.6	\$12.3
Children's Mental Health Services	\$0	\$1.5
Community Rehab. Services (CILs, LTESS, BI Svs.)	\$0	\$2.5
Domestic Violence Services	\$2.2	\$0.5
Other Social Services	\$0	\$2.9
Total:	\$67.7	\$55.8

Medicaid Program

- Medicaid Provider Rates (biennial amounts)
 - Hospitals
 - ✓ House: Inflation 2.5% increase in FY 15 (\$35.3 million GF)
 - ✓ House: Prior year inflation adjustment for teaching hospitals (\$9.3 million GF)
 - ✓ Senate: Inflation 1.25% increase in FY 15 (\$17.6 million GF) no prior year adjustment for teaching hospitals
 - ✓ Senate: Removes \$2.7 million GF for Children's Hospital of the King's Daughters supplemental physician payments in introduced budget
 - Personal Care
 - ✓ Senate: 2% Increase in FY 16 (\$6.8 million GF) and directs DMAS to review feasibility and cost to provide paid sick days for consumer-directed personal care providers

Medicaid Services

■ Medicaid Waivers

- House: Adds 50 intellectual disability (ID) and 15 developmental disability (DD) waiver slots over biennium (\$3.9 million GF) for total of 750 ID and 65 DD slots
 - ✓ Conditioned on use of coordinated care model
- Senate reduces ID waiver slots by 225 and DD waiver slots by 10 in FY 2015 saving \$7.8 million GF
 - ✓ DOJ allows Commonwealth to count slots added above annual required number towards following year's requirement
 - ✓ Senate adds language requiring DMAS review of waiver cost increase
 - ✓ Senate adds \$23,314 and language to allow for payment of 1st month's rent for individuals transitioning from training centers to community

■ Other Medicaid/FAMIS Services

- Senate adds \$9.4 million GF over biennium for other services
 - ✓ \$3.7 million GF for Medicaid dental services for pregnant women
 - ✓ \$5.0 million GF to restore funds for FAMIS Moms
 - ✓ \$196,564 GF to restore funding for Plan First (family planning waiver)
 - ✓ \$399,935 GF for SB 647 Teledentistry Pilot Program

DMAS Language

■ House

- Recommends language requiring DMAS and DBHDS to work with stakeholders to develop and implement improved care coordination models for all individuals receiving ID and DD waiver services no later than July 1, 2016

■ Senate

- DMAS report on Mental Health Skill Building Services
- DMAS review of nonemergency transportation services
- DMAS review of nursing homes with 100 or more beds and Medicaid utilization
- DMAS review of cost and feasibility of providing paid sick days for consumer-directed personal care providers
- DMAS review of ID and DD rate of growth since 2000
- DMAS develop pilot project for telepsychiatry

Health Safety Net

- House provides \$6.0 million GF over the biennium for the free clinics and community health centers
- Comprehensive Health Investment Project of Virginia
 - House: Adds \$800,000 over biennium in TANF funds
 - Senate: Adds \$900,000 over biennium (half GF and half TANF)
- Both House and Senate restore \$600,000 GF over biennium to operate 3 Poison Control Centers
- House adds \$632,252 GF for public guardianship and conservator programs

Mental Health Services

Services (GF Biennial \$ in Millions)	House	Senate
HB 293/HB 1232 and SB 260 Use of State Hospitals for TDOs, Bed Registry	\$8.4	\$5.9
HB 293/SB 260 Extend TDOs from 48 to 72 hrs.	(\$3.1)	\$3.1
HB 478/SB 260 Extend ECO (H:8 hrs. / S:24 hrs.)	\$0.2	\$0.5
Crisis Intervention “Drop-off” Cntrs. (H: 17 / S: 24)	\$2.7	\$5.4
Programs of Assertive Comm. Treatment (PACT)	\$1.9	\$0
Discharge Assistance Program	\$0	\$2.3
Local Inpatient Purchase of Services (LIPOS) Beds	\$0	\$2.3
Permanent Supportive Housing (Adds 2 programs)	\$0	\$2.4
Children’s Mental Health Svs. (Psychiatry & Crisis)	\$0	\$1.5
Additional Security Staff at CCCA	\$0.7	\$0.7
Total:	\$10.8	\$24.1

DBHDS - Language

■ House

- Language requires the agency to monitor and annually report on community services boards (CSBs) use of state hospital psychiatric beds, including excessive utilization and to work with CSBs to improve bed utilization
- Language requires the agency to review and make recommendations to improve CSBs with an interim report due by December 1, 2014, and a final report by December 1, 2015
- Language authorizes the agency to use balances in community funding up to \$2.8 million in FY 2015 to provide for one-time expenses to transition individuals from Northern Virginia Training Center into the community or to assist in maintaining the community placement
- Language requires that any review and report of the configuration of services provided by the Commonwealth's state mental health hospitals shall provide for the continued operation of Hiram Davis Medical Center

■ Senate

- Language prohibits funding for methadone clinics located near schools or day care centers, with certain exceptions

Social Services

- Foster Care and Adoption Services
 - House saves \$1.4 million GF over biennium by adjusting the inflation rate for foster care services from 3% to 1.47% (CPI)
 - House eliminates new initiative to expand programs to 19 to 21-year olds (saves \$1.9 million GF over biennium)
 - Senate adopts new initiative and assumes a higher Title IV-E eligibility rate for children ages 19-21 in CSA (saves \$1.4 million GF)
- Domestic Violence Services
 - House spends \$2.2 million GF and \$2.7 million in TANF funds over the biennium
 - Senate provides \$500,000 in TANF funds in FY 2015 and \$500,000 GF in FY 2016
- Senate spends \$2.9 million GF on other Social Services
 - \$1.0 million for Caregivers Grant Program
 - \$750,000 for Northern Virginia Family Services
 - \$500,000 NGF in FY 2015 and \$500,000 GF in FY 2016 for Community Action Agencies
 - \$425,708 GF to increase TANF payments by 2.5% in FY 2015
 - \$138,000 for new child advocacy center in Fairfax County

HHR Savings Differences

Savings Actions (GF Biennial \$ in millions)	House	Senate
Medicaid GF Offset –VHCF Tobacco Taxes Revenue	(\$5.4)	(\$11.8)
Use of DBHDS Trust Fund (H: Offset DOJ Costs / S: Spends on NVTC Transition Costs)	(\$5.4)	(\$5.8)
Medicaid Savings from Prepaid Funeral Plans	(\$4.0)	\$0
Eliminate Medicaid Supplemental Physician Payment for CHKD Hospital	\$0	(\$2.8)
Foster Care & Adoption Expansion ages 19 to 21 (House: Eliminates/Senate: Assumes Higher Title IV-E Participation)	(\$1.9)	(\$1.4)
Adjust Foster Care Maintenance Inflation Rate	(\$1.4)	\$0
Savings from Negotiated Adoption Agreements	(\$0.7)	(\$1.2)
TANF for GF in CHIP of Virginia, Healthy Families	(\$1.1)	\$0
Delay Medicaid Participation in ConnectVirginia	(\$0.5)	\$0
Eliminate Funds for Greater Richmond ARC Accessible Park	\$0	(\$0.3)
Eliminate Youth for Tomorrow	(\$0.2)	\$0
Total:	(\$20.6)	(\$23.3)

Public Education

HB 29: Amendments in Public Education

- House and Senate both adjust for four technical amendments
 - Adds \$228,977 to reflect corrections to pupil transportation data submitted by Radford City school division
 - Saves \$1.3 million from the updated sales tax distributions for the most recent changes in the school-age population estimates
 - Adds \$15.5 million NGF in Lottery Proceeds Fund revenues from the reforecast projection and saves a like amount of GF
 - Adds a net \$10.9 million NGF in Literary Fund revenues from FY13 carry forward balances and FY14 reforecast projection and saves a like amount of GF
- Both budgets capture \$600,000 in balances for the College Lab Schools
- Senate budget included several other amendments:
 - Virginia School for the Deaf & Blind: Adds \$300,000 to help offset unrealized revenues in facility rental income
 - Opportunity Educational Institution: Reverts \$450,000 in FY13 balances from DOE administrative funds that were transferred to OEI
 - Department of Education: Adds \$50,375 to offset prior year budget reduction

HB 30: Major Actions in Direct Aid

- House and Senate both provide \$5.2 million GF over the biennium for technical corrections
 - K-3 Class Size Reduction: Increase of \$4.5 million
 - Transportation update from Radford: Increase of \$563,599
 - Real Estate Property True Value updates from Charlotte and Richmond County and Hampton: Increase of \$131,225
- Both budgets provide funding for the Cost of Competing Adjustment for support positions in the first year
 - House: \$5.4 million GF
 - Senate: \$5.0 million GF
- Both budgets recognize an additional \$20.0 million in Lottery Proceeds Fund revenues from the reforecast estimate and saves a like amount of GF
- Strategic Compensation Grants
 - House reduces the second year allocation by \$1.5 million GF
 - Senate cuts the first year by \$3.0 million GF and eliminates all of the funding, \$7.5 million GF, in the second year

HB 30: Major Actions in Direct Aid

- Both budgets recognize an additional \$25.0 million in Literary Fund revenues from the sale of unclaimed stocks and property
 - House uses \$20.0 million for VRS retirement payments; allocates the remaining \$5.0 million for additional school construction loans
 - Senate uses all \$25.0 million for VRS retirement
 - Senate eliminates \$12.5 million in Literary Fund allocations for school construction loans and redirects revenue to pay for VRS retirement payments
- Achievable Dream
 - House establishes a new school in Virginia Beach school division and adds \$554,000 the first year
 - Senate adds \$2.0 million GF over the biennium for the existing school operating in Newport News in lieu of using tax credits for donations
- Project Discovery
 - House saves \$425,000 each year
 - Senate increases funding by \$1.0 million each year

HB30: Direct Aid - Senate Amendments

- Senate adds \$57.7 million GF over the biennium to provide funding that can be used for any school expense
 - Funding is based on 75% of non-personal inflation amount
- Pre-K Initiative
 - Adds \$7.2 million GF over the biennium for hold harmless provision for number of student slots funded
 - Adds \$1.4 million GF to increase the PPA by \$98 in FY16
 - Directs DOE to update Head Start data annually
- Adds \$6.2 million GF over the biennium from additional sales tax revenues generated from SB100, SB611, and adjustment to the 'Amazon' sales tax bill
- Adds \$4.8 million GF over the biennium for start-up grants for extended school year models
- Adds \$1.7 million GF over the biennium for School Services Agreement and Tuition Contract between Chesterfield and Petersburg

HB30: Direct Aid - Senate Amendments

- Senate budget provides a net amount of \$2.5 million GF over the biennium for a number of smaller projects as follows:
 - \$650,000 for Early Childhood STEM Pilots in 5 divisions
 - \$584,000 to expand Teaching Scholarship Loan program
 - \$400,000 to increase the number of Virtual Virginia on-line courses offered
 - \$328,747 to eliminate the funding cap on the number of Governor's School student slots
 - \$302,700 in first year for Governor's School funding formula pending outcome of review by SOE
 - \$300,000 in first year for phase 2 of STEAM Academy planning
 - \$250,000 in second year to expand e-Learning Backpack initiative
 - \$100,000 for VA STAR initiative
 - \$50,000 in first year for Western Virginia Consortium
 - Saves \$500,000 from staffing teachers at the Juvenile Detention facility current FY14 level
- Language amendment directs DOE to evaluate Teach for America

Department of Education -- Central Office

- Both budgets include about \$181,000 for Education Commission for the States
- Both budgets realize savings from SOL testing consolidations
 - House saves \$6.0 million by eliminating 5 tests
 - Senate saves \$1.8 million by eliminating 1 test
- House budget saves a total of \$896,000 by level funding Positive Behavioral Intervention and Excellence in Teaching Center at FY 2014 amounts
- Senate budget adds \$150,000 in the second year for planning the design of a Statewide IEP database

Secretary of Education and Opportunity Educational Institution

- Secretary of Education
 - Both budgets eliminate the College Lab Partnership program: saves \$600,000 the first year
 - Senate adds \$200,000 the second year for three public broadcasting stations
 - House language:
 - ✓ Adds a reporting requirement for the Governor's School Funding Formula review
 - ✓ Directs Secretary to review value and cost for Program for International Student Assessments

- Opportunity Educational Institution (OEI)
 - House saves \$900,000 by funding OEI at the FY 2014 amount
 - Senate eliminates OEI and saves \$1.2 million

Compensation and Retirement

Revenue Reserves

- Both budgets include a revenue reserve to provide a cushion in case of any further downward revisions to the 2014-16 biennium's revenue forecast
- House reserve includes \$137.3 million which, if not required to meet revenue reductions, appropriated as follows
 - \$61.0 million for employee compensation actions
 - ✓ All compensation actions proposed in House budget (except 2nd year of Asst. Commonwealth's Attorneys salary adjustment) are tied to revenue reserve
 - \$76.3 million to increase the VRS contributions for the 4 state employee retirement plans to 100% of the VRS Board certified rates in FY 2016
- Senate budget includes revenue reserve of \$49.2 million for a 1% salary increase for state and state-supported local employees on January 1, 2015
 - Senate budget also includes significant compensation expenditures not included in revenue reserve

VRS Funding Amendments

Phase in of VRS Board Certified Rates

- House budget includes an additional \$76.3 million GF, above the introduced budget, in FY 2016 to increase the VRS contributions for the 4 state employee retirement plans to 100% of the VRS Board certified rates in FY 2016
- Senate budget funds the VRS rates for the state employee retirement plans using the rates in the introduced budget
 - 78.02% of the Board certified rate for the state employee plan

Other VRS Amendments

- House budget includes language transferring \$18.0 million from the Commonwealth's Attorney Services Council to the VRS for SPORs and VaLORs (HB 29)
- House budget includes \$170,000 GF each year to fund impact of HB 1105 which sets a minimum life insurance benefit for retirees with 30 years of service of \$8,000
- Senate budget assumes \$1.1 million GF in savings each year to reflect proposed increase in mandatory retirement age for judges from 70 to 73 years of age pursuant to SB 170

State Employee Compensation

- House budget includes, in the revenue reserve, \$38.4 million GF for state employee compensation actions
 - \$5.1 million GF in FY 2015 and \$10.3 million GF in FY 2016 for 2% salary increase (January 1, 2015 paycheck) for 19 specific state employee job roles
 - \$22.9 million GF in FY 2016 for a 2% bonus for all state employees on July 1, 2015, excluding the employee groups who received the 2% salary adjustment
 - ✓ Funding for all higher education employees is included in the universities' budgets
- Senate budget includes \$55.3 million for state employee compensation
 - \$708,078 GF in FY 2015 and \$809,232 GF in FY 2016 for a 2% salary increase for grade 6, 7, and 8 district court clerks (effective August 16, 2014 paycheck)
 - ✓ Funding for targeted salary increases for 16 other job roles is eliminated
 - \$11.4 million GF in FY 2015 and \$22.5 million GF in FY 2016, in revenue reserve, for 1% salary increase (January 1, 2015 paycheck) for all state employees
 - ✓ Funding for higher education faculty is included in the universities' budgets
 - \$19.5 million GF in FY 2016 for a 1% bonus for all state employees on December 1, 2015

State-Supported Local Employees Compensation

- House budget includes \$25.7 million GF for targeted salary increases and bonuses for state-supported local employees
 - \$2.1 million GF each year to provide a \$3,308 salary increase for all Assistant Commonwealth's Attorneys
 - \$2.3 million GF in FY 2015 and \$4.7 million GF in FY 2016 for 2% salary adjustment for entry level deputy sheriff positions effective January 1, 2015
 - \$215,394 GF in FY 2015 and \$430,789 GF in FY 2016 for a 4% salary increase for Circuit Court Deputy Clerk I positions, and a 2% salary increase for Circuit Court Deputy Clerk II positions effective January 1, 2015
 - \$13.9 million GF in FY 2016 for a 2% bonus for all state-supported local employees on July 1, 2015, excluding the employee groups who received a targeted salary increase in budget
- Senate budget includes \$29.3 million for targeted salary increases and bonuses for state-supported local employees
 - \$2.1 million GF each year to provide a \$3,308 salary increase for all Assistant Commonwealth's Attorneys
 - \$4.7 million GF each year for 2% salary adjustment for entry level deputy sheriff positions effective July 1, 2014
 - \$430,789 GF in each year for a 4% salary increase for Circuit Court Deputy Clerk I positions, and a 2% salary increase for Circuit Court Deputy Clerk II positions effective July 1, 2014
 - \$5.0 million GF in FY 2015 and \$9.9 million GF in FY 2016, in revenue reserve, for 1% salary increase (January 1, 2015 paycheck) for all state-supported local employees

Career Development Programs

- House budget includes \$1.2 million GF to support increased participation in the Career Development Programs
 - House amendments transfer funding included in introduced budget to revenue reserve and defers funding until January 1, 2015 to ensure revenues are available
 - ✓ 6-month deferral results in savings of \$385,257 GF compared to introduced budget
- Senate budget includes \$3.0 million GF to support increased participation in the Career Development Programs
 - Senate budget adopts funding in introduced budget of \$770,514 GF each year for increased participation effective July 1, 2014
 - Recommends an additional \$441,801 GF each year for the Master Deputy program and funding each year of \$123,778 GF for the Career Prosecutors program
 - Includes \$303,342 GF in FY 2016 to fund, for the first time, a career development program for deputy circuit court clerks

General Government

Funding for Judicial Vacancies

- House budget includes funding for approximately 397 circuit or district court judgeships
 - House amendment includes \$1.0 million in reversions, in both FY 2015 and FY 2016 from judicial vacancies
 - ✓ Amendment includes language which releases funding for judgeships filled specifically in Appropriation Act Language or filled during a special session of the 2014 General Assembly
 - Amendment included in HB 29 reflects \$1.1 million in additional savings in the current year based on actual experience
- Senate budget assumes 401 judgeships in FY 2015 and 400 judgeships in FY 2016
 - Senate amendment includes a reversion of \$586,516 GF in FY 2015 and \$398,978 GF in FY 2016 from judicial vacancies

General Government Significant Spending Amendments

Total GF Impact HB/SB 29 and 30

	House	Senate
Legislative: Funding for Va. Conflict of Interest and Ethics Advisory Council	\$600,000	\$140,000 (Transferred from Sec. of Commonwealth)
Legislative: Crime Comm. Loss of Federal Funding	\$0	\$200,000
Legislative: JLARC Funding for Consultants	\$300,000	\$0
Judicial: Reinstate Judicial Evaluation Program	\$240,000	\$0
Judicial: Additional State GF Support for Legal Aid	\$0	\$2,000,000
Judicial: Community Tax law Project	\$0	\$50,000
Compensation for Victims of Sterilization	\$500,000	\$0
Finance: Fund Sec of Finance Office	\$314,513	\$316,000
Finance: Paper Checks for Tax Refunds	\$0	\$400,000

General Government Savings

- House included a reduction of \$950,000 GF each year from the Economic Contingency Fund
 - Adjusts funding to \$1.5 million each year
- House saves \$662,660 GF over the biennium from 3 proposals related to the Criminal Fund within the Judicial Department
 - Savings generated by replacing contract employees with 2 in-house foreign language interpreters (Korean and Vietnamese)
 - Cap on reimbursement for court appointed attorneys for individuals already incarcerated
 - Require special prosecutors to be neighboring Commonwealths Attorneys
- House saves \$125,000 GF each year in reduced expenditures for school efficiency reviews

Senate Budget - Other Items

- Senate budget includes language requiring the Secretary of Finance to facilitate a workgroup including the Chairmen of the House Appropriations, House Finance, and Senate Finance Committees to assess the timing of the current biennial appropriations process
 - Requires report to the General Assembly by October 15, 2014
- Senate budget amends language in Part 3 regarding the calculation of fines and fees collected in General District Courts performed by the Auditor of Public Accounts
 - Current language returns to the general fund 1/2 of local fines and fees that are in excess of 50% of the total fines and fees collected by the localities General District Court
 - Amended language includes total fines and forfeitures in the calculation (not fees) and increases threshold to 65%
 - ✓ It is estimated this would increase revenue to literary fund by \$1.5 million per year
 - ✓ Senate budget does not adjust literary fund to reflect new language

Higher Education

Operating & Research Funds

Colleges, Universities, VIMS & Ext (Excluding Compensation)

■ House

- Provides \$153.8 million for 8 major items
 - ✓ \$6.2 million for new seats at UVA, CWM, JMU & VT
 - Completes funding to provide about 1,700 new seats begun in 2011 Session
 - ✓ \$50.9 million for additional full-time faculty
 - ✓ \$20.0 million to moderate increase of in-state tuition
 - ✓ \$21.8 million for targeted research
 - ✓ \$11.8 million for degree incentive funding
 - Another \$22.4 million is reflected as compensation
 - ✓ \$14.0 million for retention and graduation improvements
 - ✓ \$21.5 million for the operations and maintenance of new buildings
 - ✓ \$7.6 million for institution-specific initiatives or other spending

■ Senate

- Provides \$76.0 million for 5 major items
 - ✓ \$13.5 million for base operations at ODU & NSU
 - ✓ \$14.8 million for targeted research
 - ✓ \$28.3 million for degree incentive funding
 - ✓ \$2.3 million for operations and maintenance of new buildings
 - ✓ \$17.1 million for institution-specific initiatives or other spending

Comparison of Operating and Research

H: \$153.8 million / S: \$76.0 million

(GF \$ in Millions)

<u>Institution</u>	<u>House</u>	<u>Senate</u>		<u>Institution</u>	<u>House</u>	<u>Senate</u>
CNU	\$3.9	\$1.2		UVA	\$9.6	\$6.2
CWM	1.1	1.7		UVA-Wise	1.5	0.4
GMU	14.5	5.2		VCU	14.2	7.2
JMU	8.0	3.2		VMI	1.7	1.1
LU	3.6	0.8		VSU	3.5	0.5
UMW	3.6	1.1		VT	15.2	6.6
NSU	5.8	4.7		RBC	1.8	0.6
ODU	25.6	16.5		VCCS	30.8	12.5
RU	5.7	2.2		VIMS / Extension	3.8	4.3

Compensation Actions

Colleges, Universities, VIMS & Extension

■ House

- Provides \$23.6 million in FY 2016 for a two percent bonus for faculty and classified
 - ✓ Authority for executing the bonus is contingent upon meeting certain revenue triggers outlined in central accounts
 - ✓ Dollars allocated using degree incentive formula and remain with the institution

■ Senate

- Provides \$25.0 million for a one percent mid-year faculty salary increase in the first year and a one percent bonus in the second year
 - ✓ Amounts are allocated to each institution
- Provides \$10.3 million for a one percent mid-year classified salary increase in the first year and a one percent bonus in the second year
 - ✓ Amounts are allocated in the central appropriations and are contingent upon meeting revenue forecast

Financial Aid

H: \$12.1 million / S: \$58.8 million

■ House

- Provides \$3.9 million for graduate financial aid at research institutions
- \$8.2 million for Tuition Assistance Grants
 - ✓ Increases award from \$3,100 to \$3,300
 - ✓ Provides growth for enrollment

■ Senate

- Provides \$3.9 million for graduate financial aid at research institutions
- \$3.1 million for Tuition Assistance Grants
 - ✓ Provides growth for enrollment only
- Provides \$42.4 million for undergraduate financial aid
- Provides \$5.4 million for the Two-Year College Transfer Grant related to SB 429

Other Higher Education

	House	Senate	Difference
EVMS	7,000,000	3,200,000	3,800,000
NCI	1,460,074	1,458,270	1,804
IALR	1,637,869	1,637,869	0
RHEA	686,000	686,000	0
SVHEC	600,000	775,000	(175,000)
SWVHEC	550,654	365,654	185,000
Jeff Labs	4,600,000	3,400,000	1,200,000
Subtotal Centers	\$16,534,597	\$11,522,793	\$5,011,804
FCM	321,300	320,000	1,300
Gunston Hall	0	0	0
JYF	1,388,700	1,758,700	(370,000)
LOV	700,000	1,000,000	(300,000)
SMV	544,794	544,794	0
Comm for Arts	137,000	387,000	(250,000)
VMFA	715,888	543,606	172,282
Subtotal Other Educ.	\$3,807,682	\$4,554,100	\$(746,418)

Other Higher Education

■ Advanced Manufacturing Advisory Council

- House creates an eight-person, industry-led advisory council for advanced manufacturing
- House provides \$25 million treasury loan for apprenticeship academy contingent on receipt of federal grant
- Senate: No action

■ Higher Education Equipment Trust

- House: \$8.1 million increased allocation for research equipment at UVA, VCU and VT in first year
- Senate: \$8.8 million increased allocation for research and workforce in each year

Significant Language

■ Reallocations

- House requires up to a two percent reallocation linked to 2nd year bonus NGF component
- Senate does not require any reallocation

■ SCHEV & Auditor of Public Accounts

- House:
 - ✓ Requires evaluation of faculty salary peer groups (SCHEV)
 - ✓ Requires evaluation of instructional technologies (SCHEV)
 - ✓ Standardization of athletics reporting (APA)
 - ✓ Workforce metrics (SCHEV)
- Senate:
 - ✓ Study of TAG as need-based aid
 - ✓ Work with DOE in evaluation of K-12 college access programs
 - ✓ Update space planning guidelines
 - ✓ Review VCCS land acquisition and site prep local requirements

Research Details

(\$ in Million)	House	Senate
GMU - Modeling & Simulation	\$1.0	\$1.0
GMU - Lyme Disease	0.25	0.25
ODU - Center for Bioelectrics	2.95	1.95
UVA - Cancer Research	2.0	2.0
UVA - Focused Ultrasound	2.0	2.0
UVA - Economic Accelerator	2.0	0.0
VCU - Cancer Research	4.0	2.0
VCU - Parkinson's Disease	1.3	1.3
VT - Brain Disorder	5.3	3.3
VIMS - Chesapeake Bay Fisheries	1.0	1.0
Total:	\$21.8	\$14.8

Capital Outlay

HB 29

- Treasury Board
 - House: Saves \$1.5 million related to Build America Bonds GF Subsidy
 - Senate: No action
- Capital Project Pool
 - House:
 - ✓ GMU Academic / Research Building NGF gift requirement
 - ✓ VSU Water Tank and Piping fund split
 - ✓ Elimination of Alexandria CSO
 - Senate: No actions
 - Both House and Senate supplement pool for DGS projects
- Capital Planning Pool
 - Senate:
 - ✓ Adds \$1.7 million NGF for Curie and Reed Hall at Radford
 - ✓ Substitutes two projects at NVCC for the Annandale Phase VII Building
 - House: No action
 - Both House and Senate substitute ODU Chemistry Building for Joint Policing Facility
- All other items in HB 29 are identical

HB 30

- Treasury Board
 - House:
 - ✓ \$2.8 million savings related to Build America Bonds GF Subsidy
 - ✓ \$16.0 million savings related to VCBA spring issuance timing
 - Senate:
 - ✓ \$0.8 million savings for River North Correctional Facility from Woodrum Impact on Senate Bills
- Maintenance Reserve
 - House adds \$5.0 million for DGS, VSU, Jamestown & Frontier Culture Museum
 - Senate adds \$27 million across all agencies
- Both House and Senate eliminate \$100 million in NGF revenue bonds
- Both House and Senate save \$2.9 million GF by moving Gunston Hall and Waller Depot projects to capital pool

Capital Project Pool

- Both House and Senate adjust project pool by \$4 million
- Both House and Senate add authority for five projects in the pool for Gunston Hall, Va. Museum of Fine Arts, UVA, Waller Depot, and Roanoke Higher Education Center
- House adds Water Tank Phase III project at Department of Corrections to replace Fire Alarm Systems
 - Senate: No action
- House adjusts projects related to Department of Forestry and Department of State Police
 - Senate: No action
- Stormwater grants
 - House adds \$38 million contingent on digital mapping
 - Senate adds \$20 million contingent on digital mapping

Project Planning

Agency	Project Title	House	Senate
DBHDS	Replace Central State Hospital	✓	✓
DBHDS	Construct SVP Expansion	✓	✓
Department of Forensic Science	Expand Central Forensic Lab / CME	✓	✓
Virginia Community College System	Construct Academic Building, Fauquier Campus, Lord Fairfax	✓	✓
Department for the Blind and Vision Impaired	Renovate the Departmental Headquarters Building		✓
Department of Conservation and Recreation	Renovate Historic Buildings, Walnut Valley Farm, Chippokes		✓
Department of Corrections	Renovate Buckingham Wastewater Treatment Plant		✓
Department of Corrections	Replace Generators Multiple Facilities		✓
Southwest Virginia Higher Education Center	Construct Service Corridor, Storage Area, Replace Generator		✓
Woodrow Wilson Rehabilitation Center	Life Safety Improvements, Anderson Vocational Training Building		✓

Transportation

HB 29: Transportation

- Both budgets utilize balances from the 2007-2008 appropriation for the Transportation Partnership Opportunity Fund for specific projects
- House utilizes \$10.0 million for port dredging projects and \$20.0 million for rail grade crossing projects in Suffolk
- Senate utilizes a total of about \$25.0 million for a series of projects as follows:
 - \$10.0 million for planning and environmental studies associated with expansion of light rail to Norfolk Naval Station and potential light rail in Hampton/NN
 - \$4.0 million for Route 1 corridor study
 - \$2.0 million for study of expanded VRE Service
 - \$4.0 million for a dedicated runway on Wallops Island for UAS test range
 - \$4.5 million for rural road needs around Powhatan State Park

HB 30: Transportation Funding

- Port Dredging
 - House switched fund source for Port dredging projects from \$6.5 million GF to \$10.0 million of TPOF balances (as mentioned in HB 29)
 - Senate also removed the \$6.5 million GF and authorized \$3.5 million from highway construction share of the TTF
 - Increase included in the House budget intended to fully cover costs, which includes amount relating to previous dredging to 50 feet and amounts owed to the federal government
- Port Economic Development Zone Grant Fund
 - House swapped the fund source for the proposed grants of \$1.5 million in FY 2015 and \$2.0 million in FY 2016 to the GOF
 - Senate reduced the GF appropriation to \$1.0 million each year – mirroring the FY 2014 amounts
- Port Capital Projects
 - Both House and Senate removed the two projects included in HB 30 in error and removed the \$90.0 million NGF in Capital Outlay
 - House included the language changes relating to the equipment project

Common Language Items

- Both included language calling for a report on methods to provide additional assistance for local roads
- Both authorize an increase in the use of planning funds from \$4.5 million to \$7.0 million each year for project prioritization
- Both include language directing VDOT to assess maintenance conditions and expenditures in the Richmond District
 - Senate language calls for a report only
 - House language requires use of data for funding allocations in FY 2016
- Both authorize use of FY 2014 appropriation balances for the High Rise Bridge to continue that project to preliminary engineering

Senate Transportation Items

- Senate provided \$10,800 each year to support an I-73 Study Resolution
 - House Rules tabled similar resolution
- Senate includes language directing the VCSFA to negotiate with NASA on lease/ownership terms of a proposed UAS runway, funding for which is included in HB 29
- Senate directs use of \$200,000 NGF each year for the Richmond Petersburg Express Route service
 - Contrary to 2012 conference agreement/language in Ch. 806
- Includes language making dedication of funds for rail preservation from the REF mandatory instead of permissive
- Provides \$187,443 in the first year and \$55,717 in the second year for air quality monitoring at the terminus of the I-395 Express Lanes
- Senate includes Part 4 language authorizing a reduction in the registration fee for diesel passenger vehicles in lieu of refund

House Transportation Items

- House includes language directing the Transportation Accountability Commission to report annually on the uses of HB 2313 revenues
- House includes language clarifying the NOVA regional funds can only be used in FY 2015 and beyond on projects that have been prioritized
- House includes language directing VDOT to develop a list of project priorities along the I-81 corridor
- House prohibits VDOT from using state funds to promote or advocate for particular projects
- House includes 2 items to help DMV expand access to EZ Passes and to ensure program costs are reduced by entering into reciprocal toll collection agreements
- House earmarks a total of \$190,000 from Transportation Alternatives Program funds for 2 projects
- House includes Governor McDonnell's technical correction which eliminates a vetoed item related to use of surpluses

Agriculture and Forestry and Commerce and Trade

HB 30: Agriculture and Forestry

- Neither House nor Senate included any dollar amendments in the Secretariat
- House budget appropriates \$300,000 each year to VDACS for hydrilla control from DGIF watercraft sales revenues, Senate provides \$500,000 each year but includes actual funding in DGIF
- House budget reflects legislation moving Racing Commission from Secretariat of Commerce and Trade to Secretariat of Agriculture and Forestry
 - This action adopted pursuant to HB 1074 – Legislation is pending in the Senate

Commerce and Trade

- House budget included net reductions of \$44.2 million inclusive of balance captures in the caboose bill
- Senate budget included net reductions of \$21.4 million inclusive of balance captures in the caboose bill
- The largest reductions reflected in both budgets are as follows:
 - Both captured GOF balances in 2014 – House recouped \$10.7 million and Senate \$9.0 million
 - Both reduced the Rolls Royce grant by \$5.5 million in FY 2016
 - Both captured the undesignated FACT Fund amounts of \$5.3 million in FY 2015 (Senate shows action in General Government subcommittee)
 - Both saved \$2.5 million by eliminating first year funding for the Life Sciences Consortium
 - Both captured \$2.0 million from eliminating a proposed site planning fund deposit in FY 2016
 - Both eliminated DHCD accelerator initiative of \$250,000 each year
 - Both capture VJIP balances of \$500,000 in FY 2014

Commerce and Trade

- Spending included in both budgets:
 - Both bodies include funding for the Biofuels Production Fund although amounts differ slightly to reflect changes made in the legislation which was introduced only in the House (\$1.5 million year House, \$1.6 million year in Senate)
 - Both provide \$35,000 to review local fiscal impacts of mandates pursuant to legislation adopted by both bodies
 - Both restore the outdoor advertising program at \$75,000 each year
- Senate provides \$500,000 in the second year for an accessible housing grant
- House included \$100,000 each year to supplement the Virginia Israel Advisory Board
- House also provides \$140,000 to restore reductions to the Planning District Commissions at DHCD

Other House Reductions Commerce and Trade

- House removed \$7.75 million from the Motion Picture Opportunity Fund to reflect an increase of tax credits from \$5.0 million biennium to \$12.5 million year
 - Senate struck legislation (Watkins) but has House legislation under consideration
- House eliminated \$4.0 million GF each year for the Housing Trust Fund
- House saved \$9.0 million over biennium for the Slave Heritage Site based on assumed project timelines and performance goals - Senate retained full amounts, spread across biennium
- House reduced CRCF \$1.8 million each year – Senate did not change amount
- House saved \$1.0 million year by eliminating the wind energy incentive funding
- House saved \$500,000 by eliminating funding for birthplace of country music and saved \$350,000 by reducing first year amounts for the Southwest Cultural Heritage Foundation
- House saving \$581,500 each year by eliminating a VEDP international defense contractors initiative started last year

Natural Resources and Technology

Natural Resources

Similarities Between House and Senate Budgets

- Both allocate bonds in FY 2015 to assist localities with stormwater improvements
 - House provides \$18 million more in bonds than Senate
 - Both require improvement in the resolution of Virginia's digital map
 - Senate requires reports on local and state stormwater management program fees
- Both restore dues for the Interstate Commission on the Potomac River Basin
- Both implement rainfall, stream & water quality gauges on the Rappahannock River

Differences in House and Senate Budgets

- Senate adds \$2.0 million to upgrade soil and water conservation district dams
- Senate includes \$2.8 million in increased funding for state parks
- Senate reduces funding for agricultural best management practices by \$6.4 million in FY 2015 and \$10.8 million in FY 2016
- House adds \$1.0 million GF in FY 2015 for the Civil War Historic Preservation Fund
- House captures \$1.1 million GF each year from specific dam projects
- Senate requires that DEQ's Waste Management Board increase registration fees and that such fees be adjusted annually by the CPI
- House includes \$100,000 GF per year to reestablish shoreline erosion service (SEAS)
- House provides \$127,600 each year to fill two vacant marine police positions

Technology

Similarities Between House and Senate Budgets

- Both eliminate new funding for modeling and simulation
- Both eliminate new funding for cyber-security data analytics
- Both reduce new funding for “broadband” assistance
 - House eliminates all \$2.1 million; Senate cuts in half (\$1.1 million)

Differences in House and Senate Budgets

- Senate includes \$1.0 million GF per year to support a multi-agency work group to identify regulatory challenges to the development, testing, and use of unmanned technologies
- Senate reduces funding for CIT’s GAP Fund by \$200,000 per year
- Senate language requires CIT to report an itemized monthly report of all spending on unrelated lobbyists, lawyers, consultants, or any entity providing such services
- House includes \$773,464 in FY 2015 and \$917,953 in FY 2016 to create 7 new positions for VITA to service state agency needs and protect Commonwealth data
- Senate requires CIO to provide report on progress toward eliminating used of Unisys mainframe by September 15 annually until usage of the mainframe is discontinued
- Senate includes language imposing additional limitations on CGI Enterprise Applications Master Services Agreement
 - Only TAX uses agreement; used for debt recovery – contract expires at end of FY 2015

Public Safety

Public Safety: HB 29

Differences in House and Senate Budgets:

- Compensation Board: Senate adds \$4.8 million for jail per diems
- Juvenile Justice: House adds \$250,000 GF to assist the agency with year-end close, Senate includes \$900,000 GF
- Emergency Management: Senate captures a year-end balance of \$677,161 from the Disaster Recovery Fund
- State Police: Senate includes \$3.0 million NGF for the purchase of vehicles and helicopter maintenance as requested by Governor
- State Police: Senate captures \$1.2 million in additional firearms transaction fees based on 2014 projections

Major GF Spending Differences Between House and Senate Budgets

Major Spending Actions	House	Senate
Lifetime Concealed Weapon Permit Operation	\$0	\$6.0 million
Sexual Assault and Domestic Violence Funding	See HHR	\$4.0 million
Additional Funding for State Police	\$0	\$2.8 million
CSU Mental Health Treatment for Juveniles	\$0	\$2.4 million
State Police Funding for Firearms Checks	\$0	\$1.1 million
VDEM Disaster Response Plans Review	514,302	\$775,170
Forensic Scientists for PERK Test Examinations	\$600,000	\$612,500
Human Trafficking Training and Policy	Language	\$164,000
Additional Funding for CASA	\$0	\$200,000
Additional MELP for DMA STARS Radios	\$0	\$720,000
Reimbursement for Med-Flight Paramedics	\$800,000	\$200,000
Veterans Funding	\$300,000	\$700,000
Encroachment on Langley AFB	\$500,000	\$0
Total:	\$2.7 million	\$19.6 million

Senate Has Additional Revenues

HB 30 Revenues	House	Senate
Lifetime Concealed Handgun Permits	\$0	\$8.7 million
Additional Firearm Transaction Fees	\$0	\$1.9 million
Total:	\$0.0	\$20.7 million

- One reason the Senate spends more in Public Safety than the House is the use of additional revenue
 - Revenue generated from Public Safety related agencies or legislation provides \$14.7 million more than is generated by the House
 - For example, \$8.0 million in spending is supported by \$8.7 million in revenue from the creation of lifetime concealed weapons permits
 - ✓ 15 new positions for State Police at a cost of \$6.0 million for biennium
 - ✓ \$2.8 million is provided to augment State Police in FY 2016

Public Safety Savings Differences

(Biennial GF)

Savings Actions	House	Senate
Level Fund HB 599 Aid to Police Departments	(\$7.2 million)	\$0
Jail Overcrowding Positions Only at 150 percent	(\$2.3 million)	\$0
Level Funding SRO-SSO Grants	(\$1.5 million)	\$0
Use of NGF Balances for State Police Vehicles	(\$1.4 million)	\$0
Use of Abbott Labs Interest for CASC	\$0	(\$500,000)
Level Fund Correctional Officer Positions	(\$487,660)	\$0
Eliminate Use of GF for Citizen Corps Program	(\$391,956)	\$0
Eliminate of Public Safety Deputy Position	(\$311,554)	\$0
Eliminate Nonviolent Rights Restoration	(\$320,221)	\$0
Use of Sentencing Legislation Funding Elsewhere	(\$561,933)	(\$788,309)
Total:	(\$14.5 million)	(\$1.3 million)

Public Safety : Language

ABC

- Senate includes language requiring revocation of mixed beverage licenses if licensee fails to meet food-beverage ratios twice in a 5-year span

DOC

- Senate requires DOC to review the private contract for operation of Lawrenceville Correctional Center
- House eliminated all language regarding Lawrenceville Correctional Center from introduced budget

DCJS

- House requires DCJS to develop model policy for law-enforcement identifying human trafficking offenses and identification of victims of human trafficking

Emergency Management

- House directs VDEM to report on the creation, funding, and coordination of various existing disaster response funds

Juvenile Justice

- Senate includes language regarding the conveyance of Culpeper Juvenile Correctional Center to DOC
- House makes no changes to language included in introduced budget
- Senate creates task force to examine juvenile justice system and develop recommendations for fiscally sound, data-driven policies to improve public safety, youth outcomes, and effective use of resources
 - Includes representatives from all three branches of government

State Police

- Senate directs State Police and DHRM to review the department's career progression program and report by October 15th