

Overview of the Governor's Proposed Amendments to the 2008-10 Budget and Recommendations for the 2010-12 Budget

House Bill/Senate Bill 29

The budget for FY 2010 covered by HB/SB 29 (amendments to the 2008-10 biennial budget) reflects the continued downward revision in general fund revenues that began since the budget was originally introduced in December 2007. Including the December 2009 reforecast, cumulative general fund revenue reductions for the 2008-10 biennium total over \$6.6 billion.

The budget reduction strategies proposed by the Governor for fiscal year 2010 are designed to specifically address a revenue shortfall of approximately \$1,843.4 million. The shortfall is comprised of (1) the actual FY 2009 general fund shortfall of \$299.2 million; (2) a downward revision to the FY 2010 general fund forecast of \$1,209.1 million issued in August of 2009; and (3) an additional downward revision of \$335.1 million forecast by the Governor in December 2009 as part of his budget submission.

Additional net new spending requirements for FY 2010 -- largely for growth in Medicaid -- total \$159.5 million. The impact of the revenue shortfall and additional spending requirements on the FY 2010 budget, when offset by \$109.5 million in American Recovery and Reinvestment Act (ARRA) federal stimulus funding set aside by the General Assembly during the 2009 Session, results in a cumulative budgetary shortfall for FY 2010 of \$1,893.4 million.

To address this shortfall, the Governor proposes \$1,920.1 million in budget savings strategies through a combination of general fund agency budget reductions; general and nongeneral fund cash balance reversions; a withdrawal from the Revenue Stabilization Fund; and several tax policy adjustments. Approximately \$1,350.0 million of the Governor's FY 2010 budget savings strategies were proposed in September 2009 and are contained as amendments in HB/SB 29 as introduced. Beyond the savings proposed in September, the Governor has proposed an additional \$344.6 million in net savings actions which are also reflected in HB/SB 29. Finally, the Governor proposes several tax policy adjustments totaling \$176.8 million.

A number of the Governor's strategies for FY 2010 are achieved through the use of one-time or non-recurring actions. While the use of these one-time actions achieves the goal of balancing the FY 2010 budget, it also results in a structurally imbalanced budget that will need to be corrected in fiscal years 2011 and 2012. One-time actions proposed include: the withdrawal of \$292.9 million from the Revenue Stabilization Fund; \$154.7 million through two actions involving the Virginia Retirement System, \$134.9 million by deferring the 4th quarter

payments to the Virginia Retirement System and \$19.8 million by lagging the payment of the employee five percent contribution until July; and, the use of an additional \$97.0 million in enhanced federal Medicaid payments.

For the most part, agency-specific and targeted reductions carry forward into the 2010-12 biennium and are noted in each individual section of this document.

House Bill/Senate Bill 30

The HB/SB 30 general fund revenue estimate for the 2010-12 biennium reflects the ripple effect of the \$1.5 billion revenue reduction required for FY 2010. In total, general fund revenues, excluding transfers, are estimated to be \$14,451.4 million in FY 2011, and \$15,181.4 million in FY 2012. This represents growth rates of 3.8 percent and 5.1 percent, respectively for each year of the biennium. These revenue estimates reflect several tax policy actions, which are discussed further in the **Resources Section** of this document.

Virginia's revenue outlook is based on Global Insight's standard forecast which assumes that employment will bottom out in the first half of calendar year 2010 and the recovery will be a prolonged U-shaped recovery, rather than a V-shaped recovery, due to lackluster consumer demand. While Virginia's general fund tax revenue forecast reflects growth over FY 2010, the rate of growth is still well below historical trend-lines, and annual general fund revenues are forecast to be below the actual collections of FY 2007.

Prior to any budgetary adjustments, general fund revenues for the 2010-12 biennium are insufficient to support the current level of spending by nearly \$4.5 billion. This is due primarily to three factors. First, not all of the actions proposed by the Governor to balance the FY 2010 budget are on-going reductions. As a result, the 2010-12 base operating budget is structurally out of balance. Second, the use of federal stimulus money to help defray Medicaid spending in FY 2010 and two-quarters of FY 2011 is expected to end, resulting in the need to backfill federal dollars with about \$1.2 billion in general funds. Third, there is approximately \$1.7 billion in additional spending pressures in Medicaid, public education, debt service, and employee health care and retirement rates. These spending items are detailed below.

The Governor's budget proposes several strategies for closing the budget shortfall:

- 1) savings of \$950.0 million in each year by eliminating state support for local personal property tax relief;
- 2) tax policy and non-general fund fee proposals of about \$359.8 million for the biennium, including elimination of the sales tax dealer discount;

- 3) across-the-board and targeted reductions to general fund agencies and programs totaling \$715.9 million continued from agency plans submitted in September 2009; and,
- 4) an additional \$1,531.5 million in savings actions included in the budget bill as introduced.

Proposed Actions to Close Budget Shortfall HB/SB 30, 2010-12 Biennium			
	<u>FY 2011</u>	<u>FY 2012</u>	<u>Biennial Total</u>
Total Budget Shortfall	\$2,206.4	\$2,279.0	\$4,485.4
Actions to Balance Budget			
Tax Policy Changes/NGF Transfers	189.7	170.1	359.8
Budget Reductions - September 09	279.9	436.0	715.9
Additional Targeted Reductions	798.0	733.5	1,531.5
Remove Personal Property Tax Relief	<u>950.0</u>	<u>950.0</u>	<u>1,900.0</u>
Total Actions	\$2,217.6	\$2,289.6	\$4,507.2
Balance	\$11.2	\$10.6	\$21.8

Proposed Budget Savings

The Governor's proposed amendments to Chapter 781, as contained in HB/SB 29 reflect general fund budget savings of approximately \$1.2 billion. Net general fund savings contained in HB/SB 30, the introduced budget, includes about \$4,147.0 million in proposed budget savings. Major proposed savings are highlighted in the table below.

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Judicial Department		
Reduce Criminal Fund Due to Impact of Three New Public Defender Offices	-	(\$18.4)
Administration		
Secretary of Administration		
Reduce Funding for Grants for Public Television and Radio	(\$0.6)	(\$1.7)
Department of General Services		
Improve Efficiency in Director's Office	(\$0.6)	(\$1.2)
State Board of Elections		
Reduce Assistance for General Registrar Salaries	(\$0.6)	(\$1.2)
Agriculture and Forestry		
Department of Agriculture and Consumer Services		
Eliminate 57 FTE Positions/Reduce Admin. Expenses	(\$2.3)	(\$4.9)
Transfer Interstate Meat Inspection to USDA	-	(1.2)
Department of Forestry		
Eliminate 8 FTE Positions/Reduce Administrative Expenses	(\$1.6)	(\$3.0)
Commerce and Trade		
Department of Business Assistance		
September 2009 Reductions	(\$0.3)	(\$1.0)
Department of Housing and Community Development		
September 2009 Reductions	(\$3.3)	-
Reduce Enterprise Zone Program Grant	-	(2.0)
Reduce Southwest Water Grants and SERCAP	-	(1.7)
Reduce Homeless Prevention and Shelter Imp. Grants	-	(1.2)
Reduce PDC and Supplemental PDC Grants	-	(1.2)
Reduce Indoor Plumbing Rehabilitation Grant	-	(1.0)
Department of Mines, Minerals and Energy		
Supplant GF with New Fees and Administrative Efficiencies	(\$0.6)	(\$1.8)

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Virginia Economic Development Partnership		
September 2009 Reductions	(\$1.5)	(\$3.0)
Virginia Tourism Authority		
September 2009 Reductions	(\$1.6)	(\$3.2)
Education		
Direct Aid (DA) to Public Education		
September 2009 Reductions: Supplant GF with ARRA	(\$68.9)	-
September 2009 Reductions: Suspend 4th Quarter Benefit Payments	(59.4)	-
September 2009 Reductions: Supplant GF with Literary Funds for VRS	(55.0)	-
September 2009 Reductions: Update Net Sales Tax	(37.6)	-
September 2009 Reductions: FY2009 Lottery Proceeds & Supplemental Program Adjustments	(10.2)	-
Supplant Portion of Basic Aid GF Payment with ARRA	(150.1)	-
Eliminate Textbook Funding	(79.6)	-
Eliminate Nonpersonnel Inflation Factor Costs	(61.3)	(9.5)
Supplant GF with Literary Funding for VRS Payments	(17.0)	-
Additional Benefit Savings not Reflected in Governor's September Reduction Plan	(9.8)	-
Delay 4th Qtr Reimbursements for State Operated Programs	(8.2)	-
Technical - Update Remedial Summer School Enrollment	(3.1)	-
Technical - Update ESL Enrollment	(2.9)	-
Technical - Update Incentive & Categorical Accounts	(2.0)	-
Adjust Health Care Costs for Actual Plan Participation	-	(269.2)
Eliminate From SOQ Model Certain Personnel & Capital Expenses	-	(174.2)
Supplant Portion of Basic Aid GF Payment with ARRA	-	(126.4)
Technical - Adjust Net Sales Tax for December 2009 Reforecast	-	(33.9)
Eliminate Literary VPSA Grants & Supplant GF VRS Payments	-	(17.0)
Proposed Closure of Two State Operated Facilities	-	(3.8)
Reduce Variety of Supplemental Programs	-	(0.9)

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Department of Education (DOE), Central Office Operations		
September 2009 Reductions	(\$3.0)	-
Reduce Personnel & Capture Benefit Savings from Central Appropriations	-	(2.4)
Supplant Academic Reviews & PASS Costs with NGF	-	(1.5)
Virginia School for the Deaf and the Blind		
September 2009 Reductions	(\$1.0)	-
Reduce Personnel & Capture Benefit Savings from Central Appropriations	-	(1.6)
Higher Education		
Colleges and Universities		
Governor's Higher Education Reduction Plan	(\$44.9)	(\$234.3)
Remove One-time Procurement Support for IT and Equipment	-	(2.3)
Miscellaneous Reductions	-	(1.5)
Affiliated Institutions and Higher Education Centers		
Reduce GF Support	(\$3.9)	(\$13.5)
Reduce Funding for Jefferson Lab Research Facility	-	(9.0)
Reduce Eminent Scholars	(0.6)	(1.2)
Miscellaneous Reductions	-	(1.0)
State Museums		
Reduce GF Support	(\$5.3)	(\$10.7)
Reduce Aid to Local Libraries	(0.9)	(3.5)
Miscellaneous Reductions	-	(1.3)
Finance		
Department of Accounts		
Supplant GF Support for Line of Duty Act	(\$2.9)	(\$20.2)
Treasury Board		
Reduce Funding for Debt Service Requirements	(\$27.8)	-
Department of Taxation		
Turnover and Vacancy Savings	(\$0.5)	(\$4.0)

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Health and Human Resources		
Comprehensive Services Act for At-Risk Youth and Families		
Reduce Forecasted Program Growth	(\$31.6)	(\$63.3)
Recover Excess Funding for Parental Agreements	(5.0)	(10.0)
Reduce GF to Reflect Increased Medicaid Revenue	-	(3.8)
Eliminate Hold Harmless Clause for Residential Services	-	(1.6)
Reduce Appropriation Due to Increased Outcome Monitoring	-	(1.3)
Department of Health		
Reduce GF for Environmental Health Services with Fee Increases	-	(\$7.6)
Reduce GF for OCME with Increased Vital Records Fees	-	(5.0)
Reduce funding for Poison Control Centers	(0.2)	(2.1)
Supplant GF with NGF for Central Mgmt & Administration	(0.9)	(1.7)
Contract for Lab Services in Ten Health Districts	-	(1.4)
Eliminate Funding for Six Health District Pharmacies	(0.1)	(1.3)
Supplant GF with NGF from Licensing Fee Increases	-	(1.0)
Reduce State & Local Match for Health Districts	(0.5)	(1.0)
Fund Family Planning Services with NGF Resources	(0.5)	(1.0)
Department of Medical Assistance Services		
Enhanced Medicaid Match from ARRA	(\$97.0)	-
Eliminate Inflation Adjustment - Hospital Operating Rates	-	(76.0)
Reduce Income Eligibility Limits for Long-Term Care Services from 300% to 275% of Supplemental Security Income (SSI)	-	(53.3)
Postpone Statutory Increase in MR/DD Waiver Slots	-	(39.2)
Reduce Rates for Home & Community-based Waivers by 5%	-	(36.1)
Maintain Nursing Facility Rates at FY 2010 Funding Level	-	(29.5)
Reduce Respite Care from 720 to 240 Hours Per Year	-	(26.4)
Maintain DSH Payments at FY 2010 Funding Level	-	(20.5)
Reduce Rates for Intensive In-Home Services by 14% to \$60/hour Effective February 1, 2010	(3.4)	(19.8)
Freeze Enrollment in Community-Based Waivers in CY 2011	-	(17.1)
Reduce Indigent Care Costs by 3%	(7.0)	(15.0)
Implement a Provider Tax on ICF-MR Facilities	-	(12.7)

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Eliminate 200 MR Waivers Slots Slated for January 1, 2010	(2.5)	(11.7)
Implement Pharmacy Management Savings	-	(8.6)
Enhanced Medicaid Match for CSA services	(7.5)	-
Adjust Virginia Health Care Fund (Repeal of Dealer Discount on Tobacco)	-	(7.2)
Adjust Funding for FAMIS Utilization & Inflation	(5.2)	-
Impose Stricter Requirements on DHS payments to Out of State Hospitals	-	(5.1)
Withhold Inflation Adjustment - GME and IME payments	-	(4.8)
Eliminate Inflation Adjustment - Residential Psych. Facilities	-	(4.0)
Supplant GF for FAMIS with NGF from Virginia Tobacco Settlement Fund	-	(4.0)
Modify Durable Medical Equipment Incontinence Limits	-	(3.0)
Reduce Clinical Laboratory Rates by 5%	-	(3.0)
Eliminate Regular and Assisted Living Payment Programs	(0.4)	(2.9)
Add Antidepressants, Antianxiety & Atypical Antipsychotics to Preferred Drug List	-	(2.1)
Change Eligibility for Children's MH Demonstration Waiver	-	(2.0)
Eliminate Disease Management Program	(0.4)	(2.0)
Eliminate Indirect Medical Education Payments to Hospitals	-	(1.9)
Increase Audits of Intensive In-Home MH Services	-	(1.5)
Replace GF with Federal Funding for Legal Alien Children	-	(1.4)
Reduce Rates for Therapeutic Behavioral Services	-	(1.1)
Reduce Long-Stay Hospital Rates to Average Medicaid Costs	-	(1.0)
Department of Behavioral Health & Developmental Services		
Reduce Funding for Community-Based Services	(\$12.2)	(\$24.4)
Close Commonwealth Center for Children and Adolescents	-	(13.3)
Reduce Census at Training Centers Statewide by 57 beds	-	(10.0)
Reduce Expenses not Associated with Direct Care	(6.5)	(15.8)
Reduce Number of Support Positions at MH Facilities	(3.2)	(8.0)
Implement Recommendations of Pharmacy Management Study	-	(7.0)
Supplant GF With NGF Balances to Support CSB Services	(4.5)	-
Eliminate Additional Central Office Positions	(0.8)	(4.3)

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Reduce Direct Care Positions at MH Facilities	(1.5)	(4.0)
Consolidate Support and Administrative Functions	(1.6)	(2.6)
Close One Living Unit at Central Virginia Training Center	-	(2.3)
Close Adolescent Unit at Southwestern VA Mental Health Institute	-	(2.1)
Transfer Geriatric Patients from Southwestern VA Mental Health Institute to Piedmont Geriatric Hospital	-	(2.0)
Reduce Special Hospitalization Funding	(0.2)	(1.5)
Reduce Pharmaceutical Costs	(0.7)	(1.5)
Reduce Funding for MR Waiver Start-Up	-	(1.4)
Reduce Jail Diversion Services	(0.3)	(1.4)
Consolidate Physician Coverage	(0.3)	(1.2)
Terminate Direct Management of Community Resource Pharmacy	(0.3)	(1.2)
Reduce 24 beds at Southeastern Virginia Training Center	-	(1.0)
Prepay FY 2010 Expenses in FY 2009	(2.8)	-
Department of Rehabilitative Services		
Reduce Vacant and Filled Classified and Wage Positions	(\$1.9)	(\$4.7)
Department of Social Services		
Reduce Local Employee Training Contract at VCU by 50%	-	(\$2.8)
Foster Care and Adoption Subsidies Caseload Estimate	(2.8)	-
Reduce Local DSS Operating Reimbursements by 1 Percent	-	(2.3)
Reorganize and Reduce Central Office Admin. Functions	(0.7)	(2.2)
Establish Daily Supervision Rate for Special Needs Foster & Adoptive Kids	(0.4)	(1.8)
Reduce GF for Various Services Provided through Local DSS	(0.4)	(1.6)
Reduce Chore and Companion Program at Local DSS	(0.7)	(1.4)
Natural Resources		
Department of Conservation and Recreation		
Reduce Funding for State Parks	(\$2.3)	(\$4.2)
Reduce Funding for Soil and Water Conservation Districts	(0.7)	(1.8)
Department of Environmental Quality		
Supplant GF with Indirect Cost Recoveries	(\$1.5)	-

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Reduce Match for Wastewater Revolving Loan Fund	(0.2)	(1.7)
Eliminate Fish Tissue Analysis Funding	(0.4)	(0.7)
Marine Resources Commission		
Supplant GF for Marine Police and Habitat Management	(\$0.8)	(\$1.6)
Public Safety		
Compensation Board		
Implement Reductions for Sheriffs and Regional Jails	(\$19.5)	-
Implement Reductions for Clerks of Circuit Court	(4.2)	(9.5)
Implement Reductions for Commonwealth's Attorneys	(2.5)	(5.0)
Implement Reductions for Commissioners of Revenue	(1.6)	(1.1)
Implement Reductions for Treasurers	(1.6)	(1.1)
Implement Reductions for Directors of Finance	(0.9)	(0.6)
Liability Insurance and Bond Premium Payments	(3.3)	-
Adjust Funding for Delayed Jail Opening	(2.4)	-
Eliminate One Day of Funding for Constitutional Officers	(1.9)	-
Eliminate Retirement and Life Insurance Payments for Constitutional Officers	(7.8)	(61.6)
Adjust Jail Per Diem Payment Rates	-	(38.8)
Adjust Law Enforcement Deputy Ratio to 1:2,000	-	(24.7)
Eliminate Operating Funds for Commissioners	-	(18.0)
Eliminate Operating Funds for Treasurers	-	(16.9)
Supplant Law Enforcement GF with Public Safety Fund	-	(15.0)
Supplant Court Security GF with Public Safety Fund	-	(15.0)
Suspend Career Development Program Funding	-	(11.4)
Eliminate Operating Funds for Directors of Finance	-	(10.3)
Supplant GF for Dispatchers with E-911 Funds	(2.0)	(4.0)
Supplant GF for Clerks with Technology Trust Funds	-	(3.0)
Achieve Savings for Early Prison Inmate Release	-	(2.6)
Department of Correctional Education		
Eliminate Staffing Due to DOC Prison Closings	-	(\$4.7)

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Department of Corrections		
Close Brunswick Correctional Center	(\$10.4)	(\$40.2)
Defer Institutional Equipment Purchases	(9.0)	-
House Additional Out-of-State Inmates	-	(19.7)
Capture Information System Development Balances	-	(10.3)
Close Botetourt Correctional Center	-	
Eliminate Payments in Lieu of Taxes for Prisons	-	(2.9)
Capture Vacancy Savings	(1.5)	-
Replace Prison Operations Funding with NGF	(1.3)	-
Department of Criminal Justice Services		
Reduce HB 599 (State Aid to Localities w/ Police Departments)	(\$16.5)	(\$88.4)
Reduce Victim-Witness Grants	-	(0.9)
Reduce Regional Criminal Justice Academy Funding	(0.6)	(0.9)
Reduce School Resource Officer Funding	(0.1)	(0.9)
Department of Forensic Science		
Delay Year-End Payments and Prepayments	(\$1.0)	-
Department of Juvenile Justice		
Reduce Court Service Unit Staffing and Support Costs	(\$1.3)	(\$2.6)
Close Natural Bridge Juvenile Correctional Center	(1.2)	(5.6)
Reduce Funding for Local Detention and Court Services Units	(2.5)	(5.0)
Capture Turnover and Defer Equipment Purchases	(3.0)	-
Reduce Juvenile Probation Contract Services Funding	(0.5)	(1.1)
Eliminate Central Office Positions	(0.5)	(1.3)
Department of State Police		
Supplant GF for Counter-Terrorism with Public Safety Fund	-	(\$9.6)
Supplant GF for Law Enforcement with NGF Balances	(6.2)	-
Defer Purchase of Patrol Vehicles	(1.3)	(2.5)
Supplant GF for State Police Med-Flight Operations	(1.0)	(2.0)
Reduce State Police Aviation Fleet	(1.8)	(0.7)
Supplant GF STARS Funding with E-911 Funds	(2.0)	-
Postpone 116th Basic Trooper School	(1.3)	(5.4)
Postpone 117th Basic Trooper School	-	(2.1)

**Major Spending Reductions Proposed in
HB/SB29 and HB/SB30, as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Postpone 118th Basic Trooper School	-	(1.3)
Eliminate Wage Positions	(1.2)	(3.2)
Transportation		
Department of Transportation		
Reduce GF for Route 58 Corridor Program Debt Service	(\$13.2)	-
Technology		
Virginia Information Technologies Agency		
Reduce IT Services and Overhead Charges	(\$1.8)	(\$6.8)
Central Appropriations		
Eliminate Personal Property Tax Relief Program	-	(\$1,900.0)
Employee VRS Retirement Contribution (1% FY2011/ 2% FY 2012)	-	(55.7)
Suspend 4 th Quarter VRS Contributions	(36.1)	-
Record 4 th Quarter VRS Contributions in June	-	(33.9)
Suspend Deferred Compensation Match	-	(23.7)
Delay 4 th Quarter Employees Contributions	(19.8)	-
Suspend 4 th Quarter Benefit Contributions	(13.2)	-
Employee ORP Retirement Contribution (1% FY2011/ 2% FY 2012)	-	(10.5)
State Employee Furlough	(9.3)	-
Higher Education Interest	-	(8.1)
Purchase & Supply System Rates	(3.2)	-
Suspend Deferred Compensation Match	(2.5)	-
Other Employee Benefit Contribution Rates	-	(2.0)
Additional Agency Reductions	(1.7)	-
State-supported Local Employee Furlough	(1.3)	-
Other CA Reductions	(0.9)	(1.5)

Proposed Spending Increases

The proposed spending amendments contained in HB/SB 29 total approximately \$180.0 million and primarily reflect increases in Medicaid utilization and other caseload increases in Health and Human Resources.

The budget, as introduced, proposes net new spending of \$2,966.3 million GF above Chapter 781 for the 2010-12 biennium. The majority of major proposed spending items include programs driven by federal and state mandates, enrollment growth, and caseload increases:

- \$1,191.5 million GF to backfill Medicaid due to the loss of federal stimulus funds;
- \$777.7 million GF to address the increased cost to Medicaid from increased utilization and inflation;
- \$204.7 million GF to address the cost of re-benchmarking and composite index changes in public education.
- \$165.7 million for debt service requirements;
- \$89.5 million GF for Virginia Retirement System contribution increase; and
- \$84.6 million GF for increases in employee health insurance.

The proposed spending for both HB/SB 29 and 30 are detailed in the table below.

Major Spending Increases Proposed in HB/SB29 and HB/SB30 as Introduced (General Fund \$ in Millions)		
	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Judicial Department		
Indigent Defense Commission		
Establish Three New Public Defender Offices - Corresponding Savings From Criminal Fund	-	\$17.5

**Major Spending Increases Proposed in
HB/SB29 and HB/SB30 as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Commerce and Trade		
Secretary of Commerce and Trade/Incentive Payments		
Transfer BRAC for Oceana from Central Appropriations	-	\$15.0
Fund SRI International Incentive	2.0	3.0
Fund Ignite Institute - New Incentive	-	5.5
Swap ARRA funds with GF for GOF and VIP Grants	1.6	-
Rolls Royce Incentive Payments (HB/SB 29 ARRA Swap)	9.4	20.3
Semiconductor Grant Incentive Payments	-	5.4
VIP and MEE Grant Incentive Payments	-	9.6
Department of Housing and Community Development		
Swap ARRA Funds with GF for FMFADA	\$1.6	-
Provide GF to Backfill TANF Removed from Homeless Progs.	-	7.6
Fund Fort Monroe Federal Area Development Authority	-	2.2
Virginia Economic Development Partnership		
Operating Funds for Commercial Space Flight Authority	-	\$2.6
Education		
Direct Aid (DA) to Public Education		
Technical - Update Student Enrollment Projections	\$14.5	-
Rebenchmarking Update Costs:		
Standards of Quality	-	104.4
VRS, Group Life, RHCC Rate Adjustments	-	91.2
Enrollment Projections and Correct 2008 Census Data	-	40.1
Composite Index Update in FY 2012 only	-	39.0
Categorical Program Accounts	-	3.1
National Board Certification Teacher Bonuses	-	1.0
Higher Education		
Colleges and Universities		
Include Program Enhancements at Longwood, UMW & VSU	-	\$1.3

**Major Spending Increases Proposed in
HB/SB29 and HB/SB30 as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Finance		
Department of Accounts		
Revenue Reserve	-	\$40.0
Transfer Payments to Localities	1.0	3.0
Treasury Board		
Debt Service for Current Authorizations	-	\$165.8
Restore Jail Reimbursement (Arlington & Chesapeake)	2.6	-
Health and Human Resources		
Department of Health		
Restore GF for Drinking Water State Revolving Fund	-	\$5.2
Increase Funding for OCME Due to Melendez-Diaz Ruling	-	1.9
Replace GF for Reduction in TANF for CHIP	-	1.4
Department of Medical Assistance Services		
Backfill Medicaid Due to Phase-Out of ARRA Funds	-	\$1,191.5
Fund Medicaid Utilization and Inflation	80.1	777.7
Adjust funding for Virginia Health Care Fund	14.8	32.6
Additional Funding for MHMR Facility Medicaid Costs	-	31.9
Fund Medical Assistance Services for Low-Income Children (SCHIP)	3.1	26.6
Fund FAMIS Enrollment and Utilization	-	12.0
Fund Medical Services for Involuntary Mental Commitments	-	6.1
Modify Medicaid Coverage for Pregnant Women (CHIPRA)	-	1.3
Fund Transition Costs to New Medicaid Managed Information System (MMIS)	2.0	-
Claims & Fiscal Agent Costs Due to Higher Enrollment	1.5	-
Department of Behavioral Health and Developmental Services		
Fund Acute Mental Health Care for Children and Adolescents	-	\$4.2
Department of Social Services		
Fund Unemployed Parents Cash Assistance Program Growth	\$5.5	\$7.3
Restore GF for Healthy Families of Virginia to Offset Reduction in TANF funding	-	6.3

**Major Spending Increases Proposed in
HB/SB29 and HB/SB30 as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Fund Foster Care and Adoption Subsidies Caseload Estimate	-	3.7
Restore GF for Local Domestic Violence Grants to Offset Reduction in TANF Funding	-	1.8
Fund VITA Costs for Increased Use of Eligibility Systems	1.8	-
Provide Funding for Virginia Food Banks	-	1.0
Fund Loss of Operating Revenue for Child Support program	1.4	-
Natural Resources		
Department of Conservation and Recreation		
Provide Funding for Agricultural Best Management Practices (HB/SB 29 ARRA Swap)	\$15.2	\$10.0
Restore Funding for Virginia Land Conservation Fund	2.0	2.0
Restore Conservation Reserve Enhancement Program (CREP)	-	0.9
Department of Environmental Quality		
Restore FY 2010 Budget Reduction	\$1.5	-
Public Safety		
Compensation Board		
Annualize Funding for New Jails Opened During FY 2010	-	\$11.8
Provide Staffing for New Jails	-	4.8
Reverse Technology Trust Fund GF Supplant	-	3.0
Provide Funding for Increases in Reimbursement Costs for Constitutional Officer Group Retirement	-	2.8
Provide Funding for Housing State-Responsible Inmates	-	2.4
Department of Corrections		
Replace Out-of-State Inmate Revenue	-	\$17.4
Increase Funding for Inmate Medical Costs	-	9.3
Department of Forensic Science		
Increase Funding for Court Testimony to Comply with Melendez-Diaz Supreme Court Ruling	\$0.2	\$1.6

**Major Spending Increases Proposed in
HB/SB29 and HB/SB30 as Introduced (cont'd)**
(General Fund \$ in Millions)

	<u>HB/SB 29</u>	<u>HB/SB 30</u>
Capital Outlay		
Restore Planning for Previously Approved Chapter 1 Projects	-	\$16.7
Restore Maintenance Reserve Balances for 8 State Agencies	-	15.0
Restore Planning for 5 Projects Advanced to Full Planning	-	6.6
Central Appropriations		
Central Appropriations		
Eliminate Aid to Localities Reduction	-	\$100.0
Provide Funding for State Employee Health Insurance	-	84.6
Fund Increases in VRS Retirement Contribution Rates	-	14.7
Fund Increases in State Employees Workers Compensation Premiums	-	6.8
Add Supplemental Funding for VITA Rate Charges	19.4	-

A summary of significant general fund spending increases and savings actions proposed in each major area follows.

Public Education. The Governor's September 2009 reductions of \$231.1 million GF, along with proposed reductions of \$319.0 million GF in Direct Aid for Public Education in HB/SB 29, result in a total reduction of \$550.1 million GF or 10.3 percent, compared to Chapter 781 (2009 Appropriation Act). This reduction is offset by an additional \$219.0 million in federal stabilization dollars (this brings the total use of federal stabilization dollars for public education in FY 2010 to \$584.2 million); \$72.0 million Literary Fund revenue; and, \$9.9 million Lottery proceeds, for a net reduction of \$249.2 million or 3.5 percent, compared to Chapter 781.

The Governor's September 2009 reduction plan reflected estimated state savings of \$59.4 million GF from suspension of the employer's share of retirement and other benefits contribution rates in the 4th quarter of FY 2010. In addition, the proposed amendments to the FY 2010 budget eliminate, for one year, \$79.6 million GF for the state's share of textbooks and removes \$61.3 million GF for inflation costs, which is continued as an ongoing policy through the 2010-12 biennium.

The Governor's proposed 2010-12 budget for Direct Aid for Public Education results in a net biennial decrease of \$392.9 million GF. The proposed budget includes a net increase of \$273.3 million GF for technical re-benchmarking updates, which includes \$91.2 million GF for updated retirement and benefits contribution rates. Although the proposed rates are significantly less than those approved by the Virginia Retirement System (VRS) Board of Trustees, they are consistent with the funding methodology previously approved by the General Assembly. The budget does not propose funding of \$754.3 million GF that would be needed for the 2010-12 biennium to reverse the FY 2010 (Chapter 781) cap on the funding for support positions. The Governor also proposes delaying the updates to the Composite Index until FY 2012 for a net state savings of \$32.7 million GF in FY 2011.

In addition, the proposed budget captures state savings of \$269.2 million GF by funding health care premiums based on statewide actual participation rates and \$174.3 million GF due to eliminating certain school expenditures from SOQ Basic Aid calculations.

Finally, HB/SB 30 reflects the allocation of \$126.4 million in federal stabilization funds to offset a portion of the general fund reductions.

Higher Education. For FY 2010, Virginia's public institutions of higher education and their affiliated agencies originally received general fund reductions of \$214.6 million as adopted in Chapter 781. HB/SB 29 proposes additional reductions of \$46.7 million GF, or a total of \$261.3 million GF. This reduction is partially offset by proposed federal stimulus funding of \$75.0 million in FY 2010. (These amounts differ from what was originally proposed in the Governor's September 2009 actions).

For the 2010-12 biennium, the proposed budget for all higher education agencies result in a GF decrease of \$301.0 million GF or 8.8 percent when compared to Chapter 781. General fund reductions of \$46.7 million in FY 2011 and \$196.8 million in FY 2012 are recommended for public colleges and universities and directly affiliated agencies for the biennium. Federal stimulus funding of \$198.3 million is included for FY 2011, and more than offsets reductions in that year. However, no stimulus funding is available for FY 2012, leaving general fund reductions of 13 to 15 percent. This action is in addition to several rounds of general fund reductions since FY 2008, leaving higher education with cumulative reductions of almost 25 percent over this five-year period.

Health and Human Resources. In Health and Human Resources, proposed amendments to HB/SB 29 include general fund spending increases of \$113.2 million that are offset by spending reductions of \$223.8 million. Most new spending within HHR is due to mandatory spending on Medicaid to address rising caseloads and costs and the cost of administering the health and long-term care services program as well as other social services programs where demand for services has increased substantially due to the current economic recession.

Many of the general fund reductions in HB/SB 29 were implemented in September 2009 and carried forward into the 2010-12 biennium. Additional measures have been taken in Medicaid to restrain the growth of spending for intensive in-home mental health services and reduce provider rates for therapeutic behavioral health services and clinical laboratories. In addition, the introduced budget eliminates the remaining 100 MR waivers that were slated to be distributed on January 1, 2010 (the Governor had withheld 100 MR waivers in September 2009).

The Governor's introduced budget (HB/SB 30) for the 2010-12 biennium in Health and Human Resources (HHR) provides a net increase of \$1,420.0 million GF and a reduction of \$62.6 million NGF compared to Chapter 781. Almost all of the new general fund spending within HHR will be used to restore funding for Medicaid that was temporarily supplanted with enhanced federal Medicaid funding; address rising costs of providing health and long-term care services to low-income families with children and the aged, blind, and disabled; and comply with federal and state mandates including the recent Melendez-Dias Supreme Court decision that will affect workloads within the Office of the Chief Medical Examiner. Discretionary general fund spending has been kept to a minimum such as restoring funding to several providers previously receiving Temporary Assistance to Needy Families funding (TANF), and one-time support for Virginia's food banks.

Along with the approximate \$107.0 million GF annually in reductions proposed in September 2009 (FY 2010), additional general fund spending reductions for the 2010-12 biennium for HHR total approximately \$453.0 million. Two-thirds of the spending reductions within HHR come from Medicaid including maintaining or reducing provider reimbursement rates, restricting benefit levels, reducing services or paring back eligibility levels. Other substantive reductions within HHR come from community-based or facility based services for persons with mental illness, intellectual disabilities or substance abuse disorders and lower service costs to care for children and youth through the CSA program.

Public Safety. The proposed amendments in HB/SB 29 for FY 2010 include reductions totaling \$68.3 million from the implementation of the Governor's September 2009 budget reductions. These reductions include: closing Brunswick and Botetourt Correctional Centers and eliminating related programs operated by the Department of Correctional Education; closing Natural Bridge Juvenile Correctional Center; technical reductions in the HB 599 program of \$16.5 million due to general fund revenue reductions; reductions in various special grants for local criminal justice programs funded through the Department of Criminal Justice Services; a five percent reduction in juvenile crime control grants and state aid for local juvenile detention facilities; eliminating 23.5 positions in local juvenile court services units; closing National Guard armories in Richmond and Roanoke; postponement of the 116th Basic Trooper School and the layoff of 104 wage positions at State Police; and, a reduction in the State Police aviation fleet from the elimination of an aircraft and helicopter. In addition, the proposed budget transfers

\$26.0 million in nongeneral fund revenues dedicated to the Fire Programs Fund to the general fund. The nongeneral funds are replaced by a line credit.

In the 2010-12 biennium, proposed reductions in Public Safety include the continuation of most of the Governor's September 2009 budget reductions. Other actions include language within the Department of Corrections authorizing a 90-day early release initiative for nonviolent offenders and a series of language amendments implementing the recommendations of the Task Force on Non-Violent Offenders, including expanded use of electronic incarceration. Language is also proposed that would modify the process for approval of local and regional requests for jail construction assistance. In addition, the budget also reflects an additional general fund reduction of \$1.2 million each year based on the level of contract prisoners expected during the biennium and the collection of slightly more than \$10.0 million each year in revenue from out-of-state prisoners. The introduced budget also eliminates \$1.4 million in payments in lieu of taxes to localities in which state correctional facilities are located. An additional \$4.7 million each year is provided for inmate medical costs.

The budget proposes a 27 percent reduction in the HB 599 program by 2012, however, part of that amount is offset by supplanting general fund dollars with proceeds from the Virginia Public Safety Fund, which is supported by proposed legislation to raise taxes on property and casualty insurance premiums by 0.5 percent. Proceeds from this proposed tax increase would also be used to supplant general funds for STARS operating costs and counter-terrorism operations in State Police, and courtroom security and law enforcement services provided by local Sheriffs' offices. In addition, the introduced budget postpones each of the State Police basic trooper schools (116th, 117th, and 118th) by one year, creating vacancies which may be filled by transferring sworn personnel from other State Police operations, including the Bureau of Criminal Investigation. General fund support for the Medevac program is proposed to be supplanted with \$1.0 million each year from \$4 for Life. Finally, the introduced budget proposes transferring the Compensation Board and Towing and Recovery Operations Board to Public Safety from other secretariats.

Compensation. Proposed amendments in HB/SB 29 for FY 2010 for employee compensation and benefits include: a reduction of \$69.1 million GF from suspension and deferral of employer retirement and employee benefit contribution rates in the 4th quarter of FY 2010, \$10.6 million GF by implementing a one day furlough of Executive Branch state employees and state-supported local employees, and \$2.5 million GF by suspending the employer cash match on the state employee deferred compensation plan.

For the 2010-12 biennium, HB/SB 30 proposed actions for employee compensation and benefits includes: \$66.2 million GF from reinstatement of an employee retirement contribution by state and local employees, \$33.9 million GF by recording the employee retirement contributions for the 4th quarter of FY 2011 on July 1, 2011 (FY 2012) instead of June 30, 2011; \$23.7 million GF

from suspending the employer cash match on state employee deferred compensation plan accounts; and, \$2.0 million GF from reductions in the employer premiums for employee benefits.

Central Appropriations. General fund decreases in Central Appropriations for HB/SB 29 include a reduction of \$3.2 million by lowering agency service charges for use of the state purchasing system (eVA), and \$2.6 million from other actions. The Governor also proposes restoring general funds of \$30.9 million for assistance to localities impacted by the recommendations of the federal Base Realignment and Closure (BRAC) Commission, and economic development incentive payments to SRI International and Rolls Royce. Chapter 781 originally assumed that federal stimulus funding would be used for these payments, but the Governor is instead proposing to use the federal stimulus funds to offset cuts in FY 2010 in the Compensation Board. Finally, the Governor proposes \$19.4 million GF for a one-time correction in the decentralized service rates charged by VITA.

For the 2010-12 biennium, HB/SB 30 proposed general fund appropriations for Central Appropriations result in a net reduction of \$1,934.3 million. This includes decreases of \$2,035.4 million and increases of \$100.9 million. General fund decreases in Central Appropriations for the 2010-12 biennium include: reductions of \$125.8 million GF in employee compensation and benefit programs, and \$8.4 million from elimination of payments to institutions of higher education for interest on NGF balances and a prorated share of rebates received on credit card purchases in FY 2012.

Proposes to save \$950.0 million GF in FY 2011 and \$950.0 million GF in FY 2012 by elimination of funding for the Personal Property Tax Relief Program (Car Tax). The Governor proposes, through separate legislation, to implement a statewide 1 percent income tax surcharge phased in over two years. The revenues, while not assumed within the budget, when fully implemented are estimated to generate \$1.9 billion annually which would flow back to local governments under the existing Personal Property Tax Relief Program formula. In order to receive their portion of the revenue, local governments must agree to fully eliminate the property tax on personal vehicles.

Proposed general fund increases in Central Appropriations for the 2010-12 biennium include \$98.5 million for increases in the cost of state employee benefit programs, and \$2.4 million for the Governor's Miscellaneous Contingency Reserve.

Judicial Department. For fiscal year 2010, proposed amendments to HB/SB 29 recommend an increase of \$300,000 GF for the Involuntary Mental Commitment Fund.

HB/SB 30 for the 2010-12 biennium recommends using \$9.0 million each year from the Criminal Fund to establish three new public defender offices and generating net savings to the

general fund of \$0.2 million the first year and \$0.7 million the second year. The budget also provides for an increase of \$150,000 each year for the Involuntary Mental Commitment Fund.

Statewide Executive Offices. In the Governor's Office, the Senior Advisor for Workforce Development and two other positions are abolished in the 2010-12 biennium (HB/SB 30). The proposed 2010-12 budget for the Attorney General continues the hiring freeze and one-day furlough initiated in FY 2010, supplants general funds by shifting positions to the Medicaid fraud control unit, and expands that unit and the Division of Debt Collection to increase recoveries for the general fund.

Finance. HB/SB 29 includes savings of \$27.8 million in FY 2010 from a reduction in debt service funding based on updated estimates. HB/SB 30 proposes a \$40.0 million reserve fund in anticipation of a FY 2013 deposit into the revenue stabilization fund and \$165.7 million in additional debt service requirements. Significant general fund savings actions for 2010-12 include supplanting \$18.9 million for the Line of Duty program with revenues from a new E-911 surcharge.

Administration. HB/SB 29 includes a proposal to supplant \$109.5 million general fund support for sheriff's offices with federal stimulus funds. Other significant FY 2010 savings within the Compensation Board include \$30.4 million in across-the-board reductions for constitutional officers included in the September 2009 budget reductions, and \$7.8 million in savings from deferring the 4th quarter payments for retirement and group life insurance for employees of constitutional offices.

For the 2010-12 biennium, HB/SB 30 includes a proposal to transfer the Compensation Board from the Office of Administration to the Public Safety Secretariat. Other significant actions proposed include a \$1.7 million general fund reduction in grants for public television and radio, the transfer of the remaining funding for public television and radio grants from the Secretary of Administration to the Secretary of Education and Workforce, and the merger of the Department of Employment Dispute Resolution into the Department of Human Resources Management.

Technology. HB/SB 29 includes savings of \$1.3 million from reduced information technology costs and \$0.4 million from reductions proposed in the September reduction plans. These savings are continued in HB/SB 30 at the levels of \$2.4 million and \$1.1 million respectively each year. In addition, the Governor's proposed amendments redirect nongeneral funds of \$3.7 million in FY 2010, \$3.0 million in FY 2011, and \$2.6 million in FY 2012 to offset general fund costs. These include the transfer of \$8.0 million each year from the Wireless E-911 Fund to support sheriff's dispatchers, and the elimination of \$1.7 million in expenses for the Virginia Election and Registration System (VERIS). The VERIS system is being reassigned to the State Board of Elections for completion.

Agriculture and Forestry. Proposed general fund amendments in HB/SB 29 for the Agriculture and Forestry Secretariat total \$3.9 million and reflect the Governor's September 2009 Reduction Plan. For the Department of Agriculture and Consumer Services, these reductions equal 7 percent of the FY 2010 general fund appropriation in Chapter 781. At the Department of Forestry, the general fund reduction represents 9 percent of the FY 2010 budget as adopted by the 2009 General Assembly.

For the 2010-12 biennium, HB/SB 30 includes a total appropriation for Agriculture and Forestry of \$82.3 million GF and \$87.3 million NGF, a reduction of \$10.2 million GF and \$276,710 NGF compared to Chapter 781. This reflects the continuation of most of the September 2009 Reduction Plan as well as additional general fund reductions totaling \$2.2 million. Other actions include the imposition of a new \$17.50 per device fee to supplement funding for the weights and measures program, and the partial transfer of meat and poultry processing plant inspections back to the U.S. Department of Agriculture, which is expected to generate annual general fund savings of \$1.0 million, once fully implemented. At the Department of Forestry, changes generally are limited to the September 2009 reduction actions, the most significant of which is a \$400,000 reduction to the general fund match for the reforestation of timberlands program in FY 2011 and a \$250,000 reduction in FY 2012.

Natural Resources. The proposed FY 2010 amendments in HB/SB 29 for the Natural Resources Secretariat include a general fund reduction of \$7.8 million from the Governor's September 2009 budget reductions. In addition, the Governor restores \$17.2 million in general funds for land conservation and agricultural best management practices. Chapter 781 originally assumed that federal stimulus funding would be used for these payments, but the Governor is proposing to use the federal stimulus funds to offset cuts in FY 2010 in the Compensation Board.

HB/SB 30 includes a decrease of \$28.5 million GF and \$88.7 million NGF in the 2010-12 biennium compared to the adjusted appropriation for current operations. This total includes reductions of \$40.1 million GF offset by new spending of \$11.6 million GF. The only significant new spending item proposed for Natural Resources is \$10.0 million GF and \$18.2 million NGF for implementation of agricultural best management practices. This increase to the nongeneral fund appropriation is offset by removing the appropriation of \$55.7 million NGF each year for cash expenditures of previous WQIF deposits.

Commerce and Trade. HB/SB 29 amendments for Commerce and Trade reflect a net decrease of \$4.4 million GF in FY 2010 when compared to Chapter 781. This net total includes \$7.6 million in savings included in the Governor's September 2009 plan offset by the replacement of \$3.2 million in federal stimulus funding with a like amount of general fund resources.

HB/SB 30 includes \$279.3 million GF and \$2,132.0 million NGF for the 2010-12 biennium. This is an increase of \$43.7 million GF compared to the adjusted appropriation for current operations. Much of the net general fund increase in the Secretariat can be accounted for by the proposed creation of a new agency, Economic Development Incentive Payments, which is a holding account for all economic incentive funds, which were previously appropriated in Central Appropriations.

Transportation. HB/SB 30 includes reductions of \$14.3 million GF and \$155.6 million NGF for the 2010-12 biennium. The NGF reduction represents the August and December forecast adjustments of Commonwealth Transportation Fund revenues. The general fund reductions reflect the Governor's September 2009 Reduction Plan and include using \$13.2 million in balances in the Route 58 Corridor Development Fund to supplant a like amount of GF resources that had been dedicated to the debt service.

HB/SB 30 provides a total of \$8.8 billion for Transportation agencies, which includes \$81.9 million GF and \$8.0 billion NGF for the 2010-12 biennium. This represents a total reduction of \$851.0 million over the Chapter 781 base budget. The majority of these adjustments reflect the reforecast of nongeneral fund transportation revenues -- both in August and December 2009 -- which mirror the reductions in general fund revenues as a result of the current recession. Also included in this reduction is \$519.0 million that had been appropriated for the Dulles Corridor Metrorail Project. With the transfer of the project to the Metropolitan Washington Airports Authority, these amounts are no longer included in the Department of Rail and Public Transportation's budget. Exclusive of this accounting transfer, the reduction totals \$332.0 million.

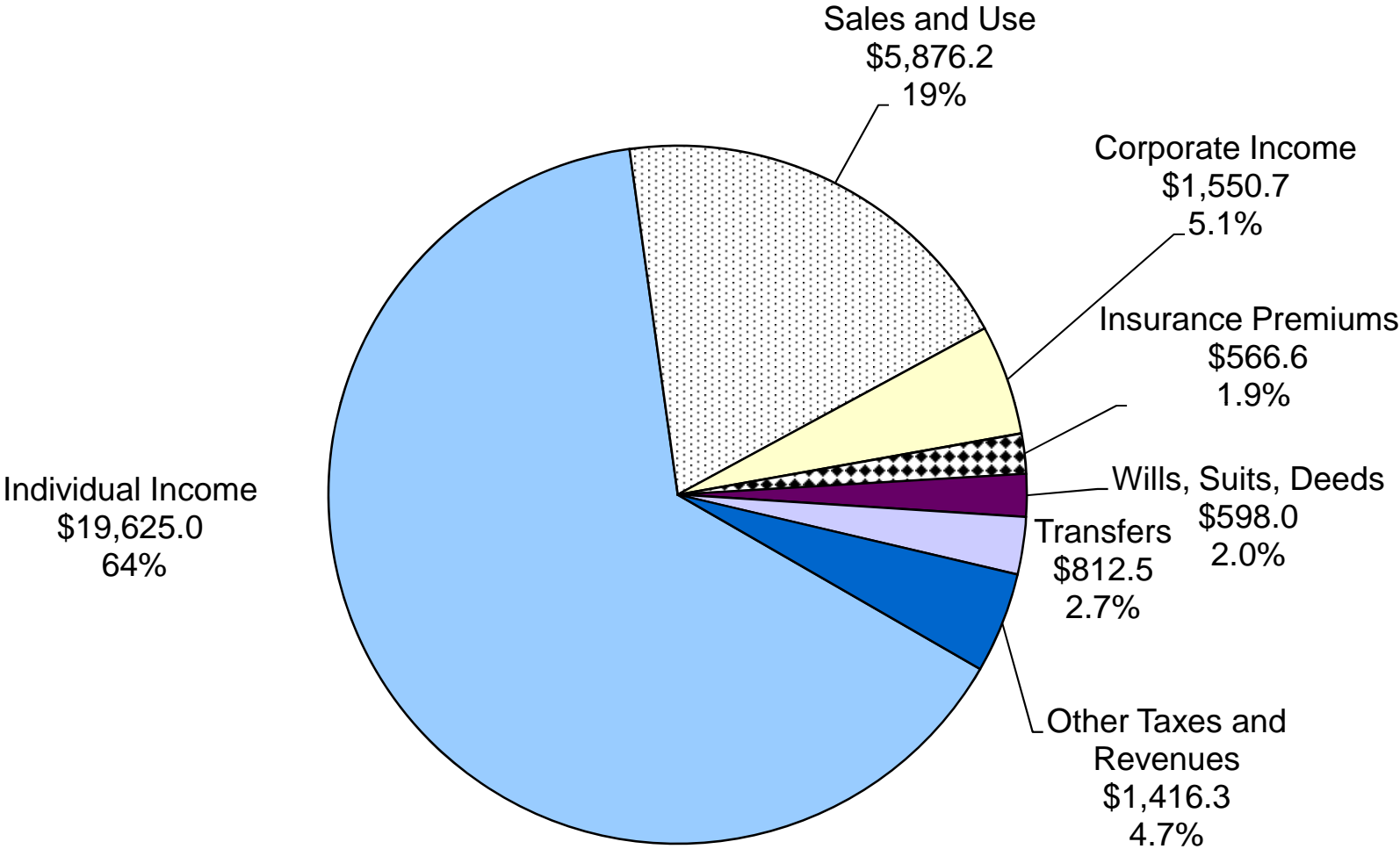
Capital Outlay. HB/SB 29 and HB/SB 30 include a total of \$1,940.8 million (all funds) for the proposed capital outlay program. Capital projects are proposed to be funded either directly by general funds or by general fund supported bonds issued by the Virginia Public Building Authority (VPBA) and the Virginia College Building Authority (VCBA). Of this amount \$39.2 million is supported by general fund cash and \$1,248.5 million supported by VCBA and VPBA bonds. Language would limit the ability of these projects to move forward at the beginning of the biennium, subject to the development of a plan by the Secretary of Finance. This plan will recommend debt issuance that maintains debt capacity at or under levels identified by the most recent Debt Capacity Advisory Committee report.

A total of \$653.2 million in nongeneral fund capital projects is also recommended, with \$72.4 million proposed in HB/SB 29 and \$580.8 in HB/SB 30. Of this amount, \$236.6 million is to be funded directly with nongeneral fund cash, an additional \$206.9 million in 9(c) bond authority, and \$209.7 million in 9(d) bond authority for auxiliary enterprise and other nongeneral fund revenue-supported projects at the colleges and universities.

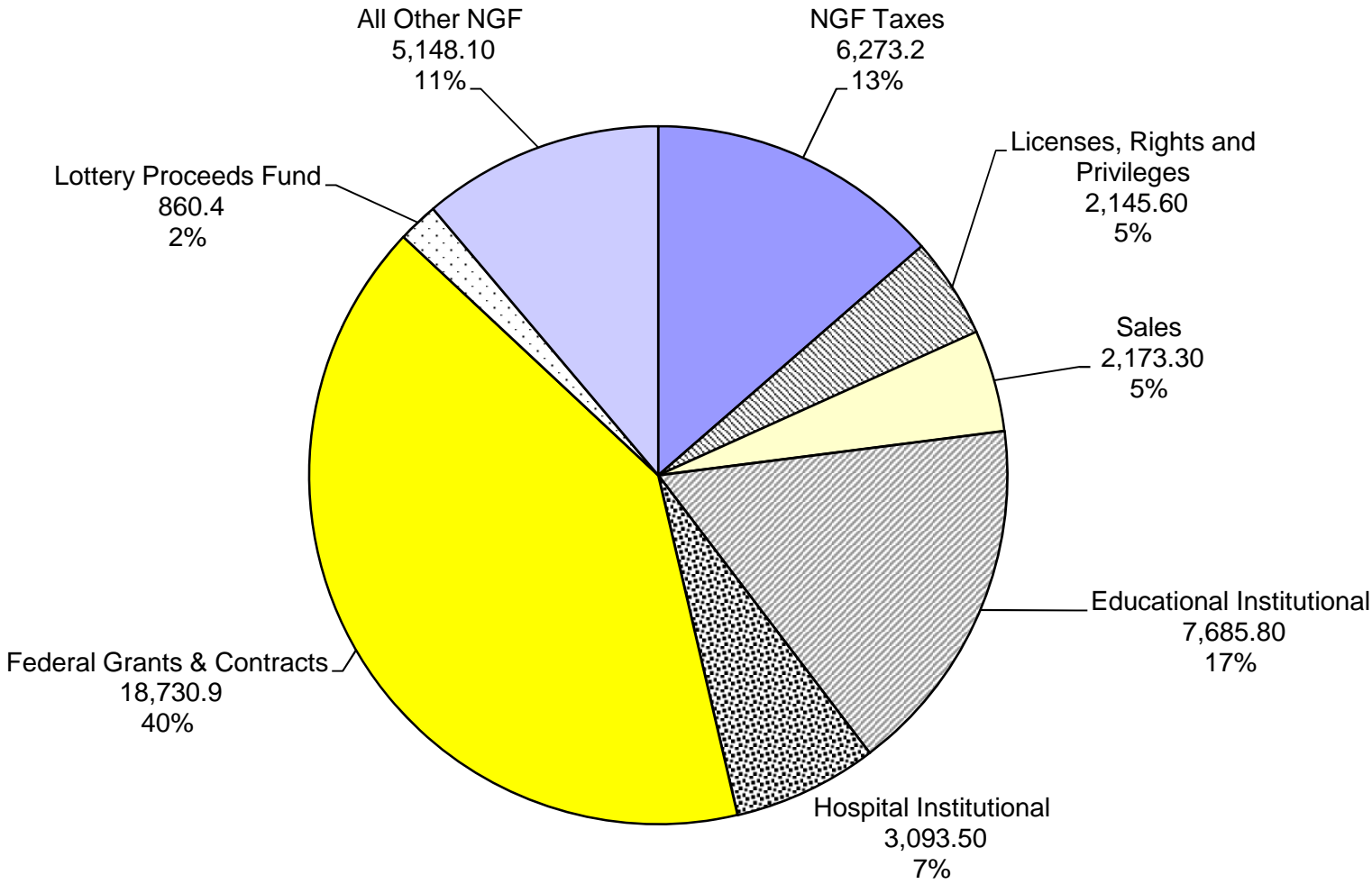
FY 2010-12 General Fund Revenues = \$30,445.3

HB/SB30, as Introduced

(\$ in millions)



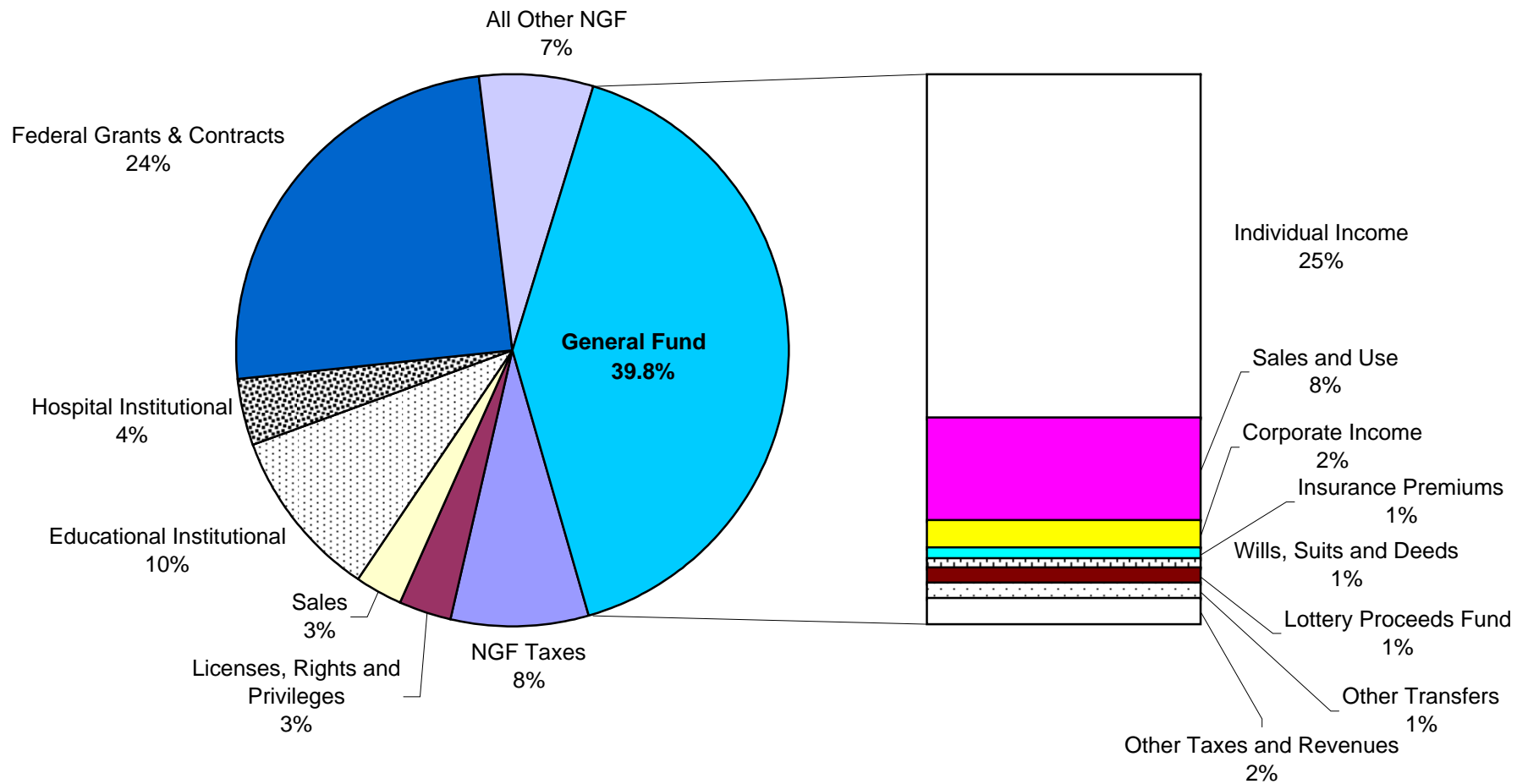
FY 2010-12 Nongeneral Fund Revenues = \$46,110.8
HB/SB30, as Introduced
(\$ in millions)



FY 2010-12 Total Revenues = \$76,556.1

HB/SB30, as Introduced

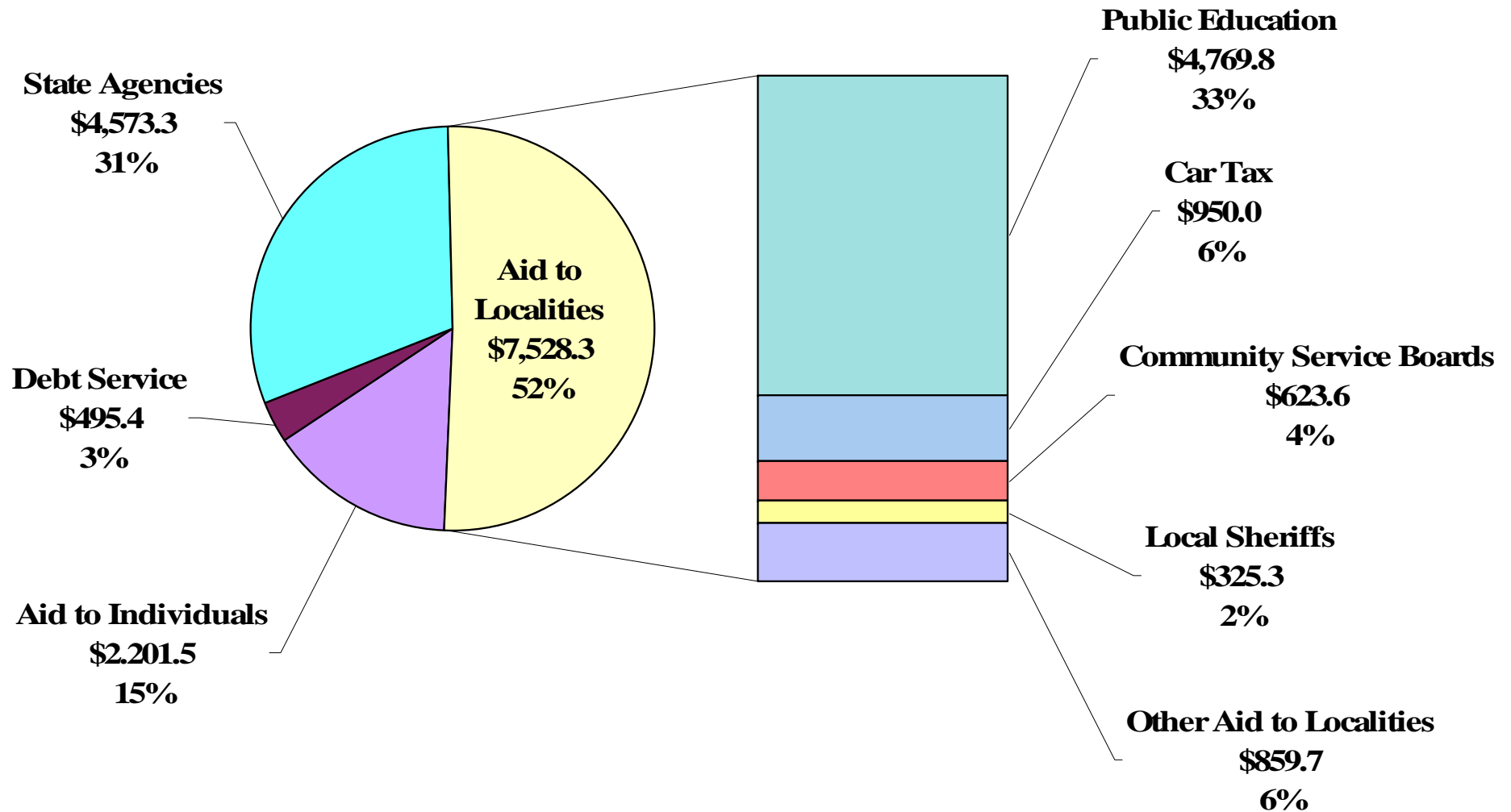
(\$ in millions)



FY 2010 GF Operating Budget = \$14,799.2*

HB/SB 29

(\$ in millions)



*General Fund reductions may be partially or fully restored with federal funds available under the American Recovery and Reinvestment Act of 2009.

2010-2012 GF Operating Budget = \$30,422.7

HB/SB 30

(\$ in millions)

