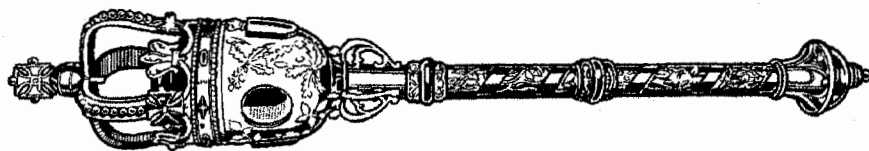


*Report of the
House Appropriations
Subcommittee*

on

*General Government
& Capital Outlay*



House Bill 1400

February 8, 2015

REPORT OF THE SUBCOMMITTEE
on
GENERAL GOVERNMENT and CAPITAL OUTLAY

Mr. Chairman and Members of the Committee:

I am pleased to present to you today the recommendations of the General Government and Capital Outlay Subcommittee. Consistent with the principles that have been consistently espoused by Chairman Jones, the Subcommittee's recommendations were developed with the goal of keeping Virginia's budget in structural balance; limiting our future financial commitments to the greatest extent possible while identifying proposals to make our government more efficient and responsive to our citizens.

Mr. Chairman, in the area of capital, the Subcommittee's recommendations are mindful of the need to minimize the use of debt while continuing to move forward using the process established in 2008 which brought sound business practices to the capital outlay area. In fact, our recommendations reduce debt by \$42.5 million from the Introduced Budget.

Therefore, the Subcommittee recommends allocating \$112.3 million from the general fund as follows:

- \$95.1 million is recommended in a capital renovation pool for seven previously authorized, fully planned, dare I say, "shovel-ready" projects. These projects will allow the six institutions to fully utilize substandard and inhabitable space or improve operations in current space;
- \$5.6 million along with \$5.0 million NGF is recommended to supplement the Rotunda renovation at UVA;

- \$2.8 million to correct a fund split error in the introduced budget for the acquisition of the East Campus Chiller Plant at JMU; and,
- \$8.5 million to supplement the Maintenance Reserve program. The Subcommittee was also able to eliminate the proposed \$5 million in tax-supported bonds for this program.

By using general funds we not only move these projects forward expeditiously but we also positively contribute to structural soundness in our budget for the next biennium.

The Subcommittee recommends allowing 12 projects to begin preplanning with their own nongeneral fund resources. This was contemplated in the process established in 2008 and has been utilized by most agencies and institutions to some degree. The Subcommittee also recommends the reimbursement of Prince William - Manassas and Pamunkey Regional Jails. As required by Code, both projects have been approved by the Board of Corrections.

Mr. Chairman, as our remaining capital recommendations are modest and in several cases purely technical, I will move on to General Government.

Thanks to the hard work of the Chairman and fellow Committee members, the Subcommittee is able to recommend setting aside \$99.5 million for future deposits in the Rainy Day Fund. This deposit will allow us to continue to ensure the fiscal stability of our Commonwealth in future years, and is indicative of the long-standing prudent fiscal stewardship of this Committee.

The Subcommittee also recommends sufficient funds to support 402 total judgeships through eliminating \$1 million in reductions proposed in the Governor's budget. We began the process of reverting funding for judgeship in 2010 during the middle of the "Great Recession" and feel strongly that the time has come to end

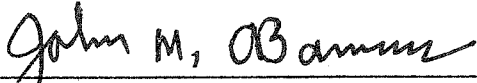
this practice. This will support our goal of swift and efficient operation of our court system, and ensure that the citizens and businesses of our Commonwealth continue to have reliable and expedient access to our courts.

To further ensure the fair and efficient operation of the Commonwealth's courts, the Subcommittee and its members have recommended an additional \$6 million to the Criminal Fund in FY 2015. These funds help support many critical resources for our court system, including indigent defense, court interpreters, expert witnesses, and other critical court functions.

The Subcommittee and its members also recommend eliminating language requiring localities to acquire voting equipment from a single vendor to be selected by the state Department of Elections. The administration of elections, including the purchase of voting equipment, is, and should continue to be, a local responsibility. Therefore, the Subcommittee recommends eliminating the \$28.0 million in bonds the Governor proposed be used for the purchase of local voting equipment, as well as eliminating the proposal for \$1.6 million in general funds to reimburse localities that have recently purchase voting equipment.

Mr. Chairman and fellow Committee members, I will ask staff to take you through our detailed recommendations, and then I hope it will be your pleasure to adopt our Subcommittee report.

Respectfully Submitted by the House Appropriations Subcommittee
on General Government:



John M. O'Bannon, III, Chairman



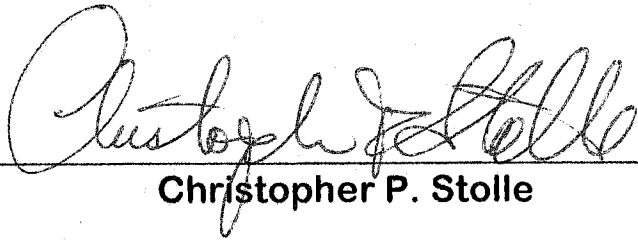
Riley E. Ingram



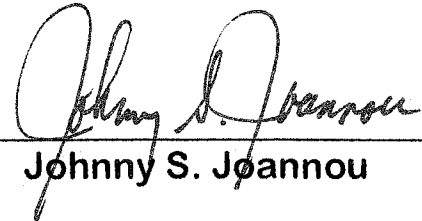
L. Scott Lingamfelter



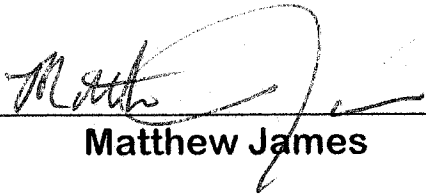
Charles D. Pointdexter



Christopher P. Stolle



Johnny S. Joannou



Matthew James

House Bill 1400
CAPITAL OUTLAY
Amendment

<u>General</u> <u>Fund</u>	<u>Nongeneral</u> <u>Fund</u>
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Department of General Services

Remove Study Language		Language
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Treasury Board

Technical Correction to Out-of-State Student Capital Charge	(276,907)	276,907
Prince William - Manassas Regional Jail		Language
Pamunkey Regional Jail Authority		Language

College of William and Mary

Wellness Center	0	10,000,000
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James Madison University

Correct Fund Split for Chiller Plant	2,800,000	(2,800,000)
Construct Student Housing	0	55,000,000

University of Virginia

Supplement Rotunda	5,638,013	4,995,338
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Virginia Military Institute

Stonewall Jackson House Technical Changes		208,000
Improve Post Facilities, Phase III Technical Changes		0

Department Of Behavioral Health and Developmental Services

Remove Proposed Sweep of Bonds from CVTC		Language
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Virginia Museum of Natural History

Waynesboro Interpretive Center		Language
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Central Capital Outlay

Maintenance Reserve	8,500,000	(5,000,000)
Equipment for New Buildings (Rotunda & New Cabins)	0	Language
Project Planning	0	Language
Remove Redundant Language	0	Language
Capital Renovation Pool	95,100,000	0
Eliminate Proposed Debt	0	(28,000,000)

GRAND TOTAL

	111,761,106	34,680,245
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HB 1400 Amendment

2014-16 Biennium		
General Fund	Nongeneral Fund	FTE

General Government

Division of Legislative Services

Committee to Develop Legislation Reorganizing VIIA's Responsibilities

Language

Virginia Conflict of Interest and Ethics Advisory Council

Transfer Funding for Ethics Advisory Council

500,000

3.00

Comm. - Centennial of Women's Right to Vote

Comm. - 100 Yr Anv. Of Women's Vote

20,000

Joint Legislative Audit and Review Commission

HJ 637 - JLARC Medicaid Study

300,000

Legislative Department Reversion Clearing Account

Correct Funding for Cap Guides Program

Language

Set Out Detail of Legislative Reversion

Language

Circuit Courts

Criminal Fund - Reflect Updated Forecast

6,000,000

Adjust Lang. Regarding Special Prosecutors

Language

Judicial Department Reversion Clearing Account

Funded Judgeships

Language

Office of the Attorney General

Legal Support for the Soil and Water Conservation Districts

Language

Executive Offices

OSIG Study of Geriatric Hospitals

(150,000)

Compensation Board

Restore Lang. Regarding Fines and Fees

Language

Department of Elections

Eliminate Funding for Local Voting Equipment

(1,810,333)

Department of Accounts Transfer Payments

Reserve - 2017 Rainy Day Fund Deposit

99,500,000

Department of Treasury

HB 1286 - Paper Checks for Income Tax Refunds

264,000

Department of Behavioral Health and Developmental Services

Compensation for Victims of Sterilization

400,000

Virginia Information Technology Agency

ITAC, VITA - Planning for Contract Expiration

Language

Improve Agency Involvement with VITA

Language

CIO Contract Approval

Language

Central Appropriations

HB 1286 - Allow Paper Checks for Tax Refunds

Language

Allow Tax Dept. to Contract for Refund Analysis

Language

Adjust Judicial Central Account Reversion

Language

Transfer Funding for Ethics Reform

(500,000)

Reversion from Fuel Savings

(2,000,000)

Adjust Savings Strategies for Treasury Dept.

Language

Revert Additional FYE 2014 Year GF Balances

Language

Part 3

InterFund Transfers

Revert Excess Balances from SCC

DGS - Transfer of NGF Balances

Part 4

Operating Policies

General Assembly Members - Standing in Court Actions

Language

Total - Spending Actions

102,723,667

0

3

Legislative Department

Division Of Legislative Services

Language

Language:

Page 12, after line 28, insert:

"E. The Division of Legislative Services is hereby directed to lead a technical staff working group, including staff of the Joint Commission on Technology and Science, the Joint Legislative Audit and Review Commission (JLARC), the Office of the Secretary of Technology, the Virginia Information Technologies Agency (VITA), and the Office of the Attorney General, and any other to review VITA's existing responsibilities, as set forth in the Code of Virginia, in uncodified Acts of Assembly, and in the Appropriations Act. The working group shall develop legislation that reorganizes, clarifies, and codifies, but does not substantively amend, such responsibilities. The technical working group shall present its proposal to JLARC no later than November 1, 2015, so that it may be considered for introduction at the 2016 Session of the General Assembly."

Explanation:

(This amendment would implement Recommendation #7 from the September 2014 JLARC report "Virginia's Information Technology Governance Structure.")

Legislative Department

FY 14-15

FY 15-16

Virginia Conflict Of Interest And

\$0

\$500,000 GF

Ethics Advisory Council

0.00

3.00 FTE

Language:

Page 17, line 32, strike "\$300,000" and insert "\$800,000".

Explanation:

(This amendment appropriates \$500,000 from the general fund for the Ethics Advisory Council. A companion amendment in central appropriations strikes the \$500,000 that was included in central appropriations for ethics reform in the introduced budget.)

General Government - Independent Subcommittee

Item 25.2 #1h

Legislative Department	FY 14-15	FY 15-16	
Division Of Legislative Services	\$0	\$20,000	GF

Language:

Page 18, after line 3, insert:

"25.2. Commission for the Commemoration of the Centennial of Women's Right to Vote" \$20,000

Human Relations Management (14600)"

Fund Sources: General \$20,000."

Explanation:

(This amendment establishes an appropriation for the Commission for the Commemoration of the Centennial of Women's Right to Vote established pursuant to HB 2281 of the 2015 General Assembly session.)

General Government - Independent Subcommittee

Item 30 #1h

Legislative Department	FY 14-15	FY 15-16	
Joint Legislative Audit And Review Commission	\$0	\$300,000	GF

Language:

Page 19, line 15, strike "\$3,600,645" and insert "\$3,900,645".

Page 21, after line 24, insert:

"J. Out of this appropriation, in addition to expected year-end balances, \$300,000 in the second year from the general fund shall be used for the costs resulting from the use of consultants to assist pursuant to House Joint Resolution 637 (2015), which directs JLARC to study Virginia's Medicaid Program."

Explanation:

(This amendment provides \$300,000 in the second year from the general fund to be used for the cost of consultants to assist in JLARC's study of the Commonwealth's Medicaid program as directed by House Joint Resolution 637 (2015). The funding provided would be used in addition to expected year-end balances at the agency.)

General Government - Independent Subcommittee

Item 33 #1h

Legislative Department

Legislative Department Reversion
Clearing Account

Language

Language:

Page 22, line 28, strike "\$190,000" and "\$190,000" and insert:
"\$200,000 and "\$200,000".

Explanation:

(This amendment is technical and reflects the actual funding for the Capitol Guides program. The funds come from existing appropriations.)

General Government - Independent Subcommittee

Item 39 #1h

Judicial Department

Circuit Courts

FY 14-15
\$6,000,000

FY 15-16
\$0 GF

Language:

Page 27, line 10, strike "\$106,513,304" and insert "\$112,513,304".
Page 27, line 45, strike "\$118,723,148" and insert "\$124,723,148".

Explanation:

(This amendment provides \$6,000,000 from the general fund in the first year to cover the estimated shortfall in Criminal Fund resources in fiscal year 2015.)

General Government - Independent Subcommittee

Item 39 #2h

Judicial Department

Circuit Courts

Language

Language:

Page 28, line 55, strike "neighboring" and insert "another".

Explanation:

(This amendment clarifies that when a circuit court judge appoints a special prosecutor due to a conflict the special prosecutor should be an Commonwealth Attorney or Assistant Commonwealth Attorney but it does not have to be one from a neighboring jurisdiction.)

Executive Offices

Attorney General And Department
Of Law

Language

Language:

Page 38, line 11, after "E." insert "1."

Page 38, line 14, after "charge" insert:

", inclusive of all fees, expenses, or other costs associated with litigation, excluding the payments of damages".

Page 38, after line 14, insert:

"2. If the Office of Attorney General is unable to provide legal services to the soil and water conservation districts and as a result the districts incur costs from retaining other counsel the Director of the Department of Planning and Budget shall transfer general fund appropriation from the Office of the Attorney General to the Department of Conservation and Recreation an appropriation equal to the cost incurred by the soil and water conservation district to be used to reimburse the district for costs incurred."

Explanation:

(This amendment reaffirms the statutory requirement that the Office of Attorney General is required to provide legal support to the soil and water conservation districts.)

Executive Offices

Office Of The State Inspector
General

FY 14-15
(\$150,000)

FY 15-16
\$0 GF

Language:

Page 41, line 10, strike "\$6,499,841" and insert "\$6,349,841".

Page 42, strike lines 18 through 26.

Explanation:

(This amendment eliminates language directing the Office of the State Inspector General to conduct a study of Catawba Hospital and Piedmont Geriatric Hospital.

This amendment reduces costs to the general fund by \$150,000 in the first year.)

General Government - Independent Subcommittee

Item 83 #1h

Administration	FY 14-15	FY 15-16	
Department Of Elections	\$0	(\$1,610,333)	GF

Language:

Page 70, line 29, strike "\$12,018,927" and insert "\$10,408,594".

Page 71, strike lines 26 through 40.

Explanation:

(This amendment removes authorization for the Department of Elections to establish and administer a program in the second year to require localities to replace existing voting equipment with approved voting equipment, using bond proceeds. This amendment also eliminates reimbursement to localities that have already replaced existing equipment with compliant equipment, and reduces costs to the general fund by \$1,610,333 in the second year.)

General Government - Independent Subcommittee

Item 274 #1h

Finance	FY 14-15	FY 15-16	
Department Of The Treasury	\$0	\$264,000	GF

Language:

Page 230, line 22, strike "\$11,408,136" and insert "\$11,672,136".

Explanation:

(This amendment provides \$264,000 from the general fund each year to fund the impact of House Bill 1286, which requires the state to provide citizens the option of receiving their income tax refund by paper check. A companion amendment in central appropriations deletes language that prohibits paper checks. A companion amendment in central appropriations deletes language requiring the Tax Department to issue refunds through direct deposits or debit cards.)

General Government - Independent Subcommittee

Item 307 #4h

Health and Human Resources	FY 14-15	FY 15-16	
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Department Of Behavioral Health
And Developmental Services

\$0 \$400,000 GF

Language:

Page 284, line 51, strike "\$76,160,382" and insert "\$76,560,382".

Page 287, after line 3 insert:

"N.1. Out of this appropriation, \$400,000 the second year from the General Fund is included to provide compensation to individuals who were involuntarily sterilized pursuant to the Virginia Eugenical Sterilization Act and who were living as of February 1, 2015.

2. A claim may be submitted on behalf of an individual by a person lawfully authorized to act on the individual's behalf. A claim may be submitted by the estate of or, personal representative of, an individual who dies on or after February 1, 2015.

3. Reimbursement shall be contingent on the individual or their representative providing appropriate documentation and information to verify the claim under guidelines established by the Department.

4. Reimbursement per verified claim shall be \$25,000 and shall be contingent on funding being available, with disbursements being prioritized based on the date at which sufficient documentation is provided.

5. Should the funding provided for compensation be exhausted prior to the end of fiscal year 2016 the Department shall continue to collect applications. The Department shall provide a report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on a quarterly basis on the number of additional individuals who have been applied.

6. The Department of Medical Assistance Services shall seek federal authority to ensure that funds received through this act shall not be counted in determination of Medicaid eligibility.

7. In order for the Department of Behavioral Health and Developmental Services, and the Department of Medical Assistance Services to implement the provisions of this act, both departments shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act."

Explanation:

(This amendment provides \$400,000 from the general fund in fiscal year 2016 to reimburse individuals who were victims of forced sterilization. The amendment provides for a reimbursement of \$25,000 per individual.)

Technology

Virginia Information Technologies
Agency

Language

Language:

Page 367, after line 46, insert:

"E. The Information Technology Advisory Council shall develop, and the Virginia Information Technologies Agency (VITA) shall implement, a specific proposal for involving agencies served by VITA in planning for the replacement of information technology services currently provided by Northrup Grumman."

Explanation:

(This amendment would implement Recommendation #13 from the September 2014 JLARC report "Virginia's Information Technology Governance Structure.")

General Government - Independent Subcommittee

Item 424 #1h

Technology

Virginia Information Technologies
Agency

Language

Language:

On page 393, after line 3, insert:

"E. The Information Technology Advisory Council shall make written recommendations to the Joint Legislative Audit and Review Commission as to how to improve agency involvement in the information technology decision making process. In making such recommendations, the Information Technology Advisory Council shall consider the appropriate level of agency involvement in decisions regarding governance, and shall balance the need to involve multiple stakeholders with the need to make timely decisions. Such recommendations may be policy recommendations that could be implemented immediately, or may be legislative recommendations concerning the statutory governance structure. The Information Technology Advisory Council shall submit its recommendations to the Joint Legislative Audit and Review Commission no later than November 1, 2015."

Explanation:

(This amendment would implement Recommendation #14 from the September 2014 JLARC report "Virginia's Information Technology Governance Structure.")

Technology

Virginia Information Technologies
Agency

Language

Language:

Page 369, after line 45, insert:

"3. The Chief Information Officer of the Commonwealth shall be required to review and approve any contractual agreements made pursuant to the Enterprise Applications Master Services Agreement with CGI Technologies and Solutions, Inc. before any such contract may go into effect."

Explanation:

(This amendment would implement Recommendation #3 from the September 2014 JLARC report "Virginia's Information Technology Governance Structure.")

Central Appropriations

Central Appropriations

Language

Language:

Page 426, strike lines 41 through 45.

Explanation:

(This amendment deletes language that prohibits paper checks as a method of receiving tax refunds consistent with the provisions of House Bill 1286. A companion amendment provides \$264,000 from the general fund each year to fund the impact of allowing citizens the option of receiving their income tax refund by paper check.)

Central Appropriations

Central Appropriations

Language

Language:

Page 426, strike lines 32 through 33 and insert:

"A. There is hereby established a special fund in the state treasury to be known as

the Refund Suspense Fund, hereinafter referred to as the Fund. The Tax Commissioner is hereby authorized to contract with nongovernmental entities for review of requests for refunds of taxes to enhance, expand and/or modify the administration of the refund review program, and to perform analysis of refund processing techniques. The amount of any refund identified by the nongovernmental entity as potentially erroneous shall be deposited to the Fund pending review of the refund request. Amounts in the Fund may be used to pay refunds subsequently determined to be valid, to pay the contracted nongovernmental entity for its services, to perform oversight of their operations, to upgrade necessary refund processing systems and data interfaces to facilitate the contractor's work, to offset any administrative or other costs related to any contracts authorized under this provision, and to retain experts to perform analysis of refund processing techniques. Any balance in the fund remaining after such payments, or provision therefore, shall be deposited into the appropriate general, nongeneral, or local fund."

Explanation:

(This amendment establishes a Refund Suspense Fund for the Department of Taxation. It also authorizes the Tax Commissioner to contract with a private company to perform analysis of refund processing techniques.)

General Government - Independent Subcommittee

Item 468 #2h

Central Appropriations

Central Appropriations

Language

Language:

Page 436, line 25, strike "\$1,000,000" and insert "\$1,500,000".

Page 436, line 25, after "2015" insert "."

Page 436, strike line 26.

Explanation:

(This amendment increase the Judicial reversion amount from \$1,000,000 to \$1,500,000 to the general fund in the first year, and eliminates the \$1,000,000 reversion to the general fund in the second year.)

General Government - Independent Subcommittee

Item 468 #3h

Central Appropriations

Central Appropriations

FY 14-15

\$0

FY 15-16

(\$500,000) GF

Language:

Page 433, line 27, strike "\$10,283,298" and insert "\$9,783,298".

Explanation:

(This amendment, along with a companion amendment in the Legislative Department, transfers \$500,000 in funding included in the introduced budget from Central Appropriations to the Virginia Conflict of Interest and Ethics Advisory Council.)

General Government - Independent Subcommittee

Item 471.10 #13h

Central Appropriations

FY 14-15

FY 15-16

Central Appropriations

(\$1,000,000)

(\$1,000,000) GF

Language:

Page 441, line 19, strike "(\$60,072,307)" and insert "(\$61,072,307)".

Page 441, line 19, strike "(\$90,459,489)" and insert "(\$91,459,489)".

Page 441, line 23, strike "\$60,072,307" and insert "\$61,072,307".

Page 441, line 24, strike "\$90,459,489" and insert "\$91,459,489".

Page 454, after line 31, insert:

"E. The Director, Department of Planning and Budget, shall withhold and transfer to this item, an amount estimated at \$1,000,000 the first year and \$1,000,000 the second year from the general fund appropriations of state agencies representing savings from reduced expenditures on motor vehicle fuels. The Secretary of Finance shall establish the procedures to be used in determining the amounts to be reverted from impacted agencies."

Explanation:

(This amendment establishes a central accounts reversion for state agency fuel savings totaling \$1.0 million in each of fiscal year 2015 and fiscal year 2016.)

General Government - Independent Subcommittee

Item 471.10 #17h

Central Appropriations

Central Appropriations

Language

Language:

Page 446, line 40, strike "Consolidate financial accounting and management".

Page 446, line 41, strike "services", strike "\$0" and strike "\$145,637".

Page 446, line 46, strike "\$273,251" and insert "\$418,888".

Explanation:

(This amendment offsets a reduction of \$145,637 in fiscal year 2016 for financial accounting and management services with equal additional reduction in appropriation for banking services fees.)

General Government - Independent Subcommittee

Item 471.10 #18h

Central Appropriations

Central Appropriations

Language

Language:

Page 454, after line 31, insert:

"E. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert \$300,000 to the general fund from the Department of General Services, Agency 194, Program 799, Fund 0100, representing unobligated balances from prior year appropriation.

F. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert \$210,745 to the general fund from the Office of the Attorney General, Agency 141, Program 552 and 704, Fund 0100, representing unobligated balances from prior year appropriation."

Explanation:

(This amendment authorizes the reversion to the general fund of \$300,000 from DGS and \$210,745 from the OAG from fiscal year 2014 year end balances that were not previously revert.)

General Government - Independent Subcommittee

Item 4-0.01 #1h

General Provisions

Operating Policies

Language

Language:

Page 519, after line 14, insert:

"e. In fulfillment of his duties as a constitutional officer, any sitting member of the General Assembly, where the member has reason to believe that the Governor or an agency is acting contrary to its authority or to the laws of the Commonwealth, shall

have standing to bring suit against any agency of the Commonwealth in order to compel the agency to comply with the laws of the Commonwealth. Any suit filed pursuant to this section shall be immediately dismissed in the event that the member leaves or is removed from the General Assembly for any reason prior to the resolution of the suit."

Explanation:

(This amendment clarifies that members of the General Assembly have standing to bring suit against agencies that act in contrary to the Code of Virginia.)
