

# Governor's Proposed Amendments 2010-2012 Appropriation Act (HB 1500, as Adopted)

## Amendment No. 1 Item 0 - Revenues Revenue Adjustments

**General Assembly Action:** Adopted the “front page” revenue adjustments reflected in the General Assembly’s amendments to House Bill 1500 as introduced, including the mid-Session revenue reforecast.

**Governor's Action:** The proposed amendment reflects increases to the revenue forecast totaling \$20.7 million, offset by a net reduction in transfers and additions to balances of \$24.8 million. The additions to revenues include an upward adjustment in the recordation tax forecast of \$7.0 million in FY 2012, a decrease in assumed income tax refunds of \$5.0 million, and an increase in the assumed revenues generated by the sale of the Brunswick Correctional Facility of \$8.75 million. The majority of the reduction in balance adjustments -- \$23.2 million -- results from shifting VRS payments to a monthly from a quarterly basis. In combination, these actions result in a net reduction of \$4.0 million in available resources.

## Amendment No. 2 Item 30 – Joint Legislative Audit and Review Technical - Correct the Director’s Salary

**General Assembly Action:** Adopted an amendment to reflect the salary of the new Director of the Joint Legislative Audit and Review Commission. The salary included in the amendment was not correct.

**Governor's Action (Technical):** The proposed amendment is a technical correction to reflect the actual salary.

**Amendment No. 3**  
**Item 49 – Virginia Criminal Sentencing Commission**  
**Language – Deferral and Dismissal of Criminal Cases**

**General Assembly Action:** House passed HB 2513 (Gilbert), but it was passed by indefinitely in the Senate Courts of Justice Committee. The Senate Committee referred the matter to the Virginia Crime Commission by letter.

**Governor's Action:** The proposed amendment requires the Virginia Criminal Sentencing Commission to collect information about the number and nature of criminal cases deferred by each circuit court and maintain a database including the cases where a circuit court judge deferred a judgment of conviction at the conclusion of the evidence or deferred the case upon the completion of terms and conditions. The circuit court judge who issued the deferral is required to file a report at the time of the deferral and at the conclusion of the case on forms developed by the Virginia Criminal Sentencing Commission and to provide a written explanation about the reasons for the deferral. The language exempts capturing information about deferrals based upon statutory provisions previously adopted by the General Assembly.

**Note:**

- The amendment's purpose is to capture data necessary for the Virginia State Crime Commission to examine the implications of the Virginia Supreme Court's ruling in *Hernandez v. Commonwealth*.

**Amendment No. 4**  
**Item 51 – Virginia State Bar**  
**Language - Create Plan for Reduction in Dues**

**General Assembly Action:** Eliminated the proposal to transfer \$5.0 million in cash balances from the Virginia State Bar to the General Fund. Also adopted language requiring the State Bar to review its fee structure and make adjustments as appropriate.

**Governor's Action:** The proposed amendment replaces the language adopted by the General Assembly with more specific language requiring the State Bar to develop a plan to reduce its fees. The language requires the Bar to submit its plan to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2011.

## Amendment No. 5

### Item 52 – Judicial Department Reversion Clearing Account Technical - Judgeship Vacancy Resulting from Appointment to Another Court

**General Assembly Action:** Adopted language authorizing the filling of 21 vacant judgeships. Language also stated that the judicial vacancy freeze would not apply to any vacancies that arose as a result of a judge being appointed to a judgeship on a higher court.

**Governor's Action (Technical):** The proposed amendment modifies the language to state that if the vacancy occurs as a result of the judge being appointed to another judgeship regardless of whether or not it is a higher court. This would allow for the transfer of judges between juvenile and domestic relations court and general district court.

## Amendment No. 6

### Item 67.20 – Compensation Board Language – Contingent Appropriation for Sheriffs

**General Assembly Action:** Included additional funding totaling \$8.3 million GF in FY 2011 and \$14.3 million GF in FY 2012 for sheriffs.

**Governor's Action:** The proposed amendment permits using up to \$7.4 million from the portion of any year-end general fund balance designated for nonrecurring purposes to provide additional funding for sheriffs. A companion amendment to Item 470.10 sets out the priority order of the use of the FY 2011 year-end surplus.

#### Notes:

- The designation of any year-end general fund surplus for nonrecurring purposes first requires that the full amount of the existing delegations for the Revenue Stabilization Fund, the Water Quality Improvement Fund, capital outlay appropriations, operating expense reappropriations, and the reappropriation of certain higher institution funds must be made. Following those designations, two-thirds of any remaining year-end general fund balance is reserved for transportation and one-third is reserved for non-recurring expenditures.
- Under current policies, non-recurring expenditures may only be used for one-time spending.
- Prior to any additional funding for sheriffs, Amendment 59 provides for BRAC-related payments to the City of the Virginia Beach to be made first.

**Amendment No. 7**  
**Item 79 – State Board of Elections**  
**Collect Federal HAVA Funding**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment would provide \$367,235 GF in the first year to enable the State Board of Elections to draw down \$6.97 million in federal HAVA funds. The \$6.97 million represents Virginia's remaining allocation of "Help America Vote Act" funds. There is a 5% state match required to access the federal funds. Funds would be used to update and provide continued maintenance to the computerized statewide voter registration system and to update its voting systems and provide more accessible voting equipment to localities. Funds also could be used to invest in technology such as Ballot on Demand that is intended to aide in absentee voting.

**Amendment No. 8**  
**Item 96 – Economic Development Incentives**  
**Motion Picture Opportunity Fund**

**General Assembly Action:** Increased the FY 2012 appropriation for the Motion Picture Opportunity Fund by \$500,000 GF, resulting in a total appropriation of \$1.5 million GF and \$375,000 NGF in FY 2012 for film incentives. This increase would fund an incentive that has been offered to attract the filming of Spielberg's Lincoln to Virginia.

**Governor's Action:** The proposed amendment adds an additional \$1.5 million GF in FY 2012, bringing the total GF appropriation to \$3.0 million in the second year. These additional amounts are intended to fund incentives for 15 other films.

**Amendment No. 9**  
**Item 96 – Economic Development Incentives**  
**Language - Contingent Appropriation BRAC Oceana**

**General Assembly Action:** Removed a proposed FY 2012 appropriation of \$7.5 million for the purchase of property surrounding the Oceana Navy Master Jet Base. Chapter 874 eliminated the proposed FY 2012 appropriation for BRAC Oceana last year.

**Governor's Action:** The Governor's proposed amendment provides a contingent appropriation of \$7.5 million for purchase of properties to reduce the encroachment of development surrounding the Oceana Navy Master Jet Base. This amount would be the first call on the portion of any FY

2011 revenue surplus set aside for “non-recurring” activities under existing Code provisions. A companion amendment to Item 470.10 sets out the priority designation of these amounts, as well as providing contingent appropriations for two other purposes.

**Notes:**

- Both the House and Senate budgets removed the Governor’s proposed appropriation of BRAC included in HB 1500 as introduced this year.
- In total, \$75.0 million in state and local funding has been provided for the purchase of property surrounding Oceana since FY 2007.
- The city and Navy have recently provided additional information supporting the need for additional funding in APZ-1.

**Amendment No. 10**  
**Item 96 – Economic Development Incentives**  
**Language - Remove Mandatory Set Aside for Research Funding**

**General Assembly Action:** Provided a total of \$10.0 million in FY 2012 for the Commonwealth Research Commercialization Fund (CRCF) and the CIT Gap Funds for the purposes set forth in HB 2324 as adopted by the 2011 General Assembly. Language was included requiring that \$2.0 million of the \$6.0 million provided for the CRCF would be dedicated to the Small Business Innovation Research (SBIR) Matching Fund.

**Governor's Action:** The Governor’s proposed amendment would remove the language requiring that \$2.0 million be set aside for SBIR grants. These types of projects would continue to be eligible to receive grants under the program; only the cap itself is removed. The amendment explanation notes that the number of SBIR grants awarded in recent years has been small and the intent is to ensure that all funding is used for critical research activities.

**Amendment No. 11**  
**Item 100 - Department of Housing and Community Development**  
**Supplant Industrial Site Redevelopment Funding**

**General Assembly Action:** HB 1500, as introduced, included a proposal to provide \$4.0 million GF to recapitalize the industrial site redevelopment fund. The Conference Report (and the House budget) included \$1.0 million GF as well as \$2.0 million NGF from the sale of state surplus property to fund this activity as well as providing \$1.0 million GF for Brownfields Redevelopment.

**Governor's Action:** Proposes to supplant the amounts provided from the sale of surplus property with a general fund appropriation, resulting in \$3.0 million GF being dedicated to this purpose in FY 2012.

**Amendment No. 12**  
**Item 100 - Department of Housing and Community Development**  
**Increase Main Street Program**

**General Assembly Action:** The Conference Report removed a proposal included in HB 1500 to increase funding for the Main Street Program by \$500,000 in FY 2012. Currently, \$139,000 is provided for this program each year.

**Governor's Action:** The proposed amendment would provide a \$500,000 GF increase for this program in FY 2012. These funds would be used to add 4 new communities to the program and to increase technical assistance to those jurisdictions already participating.

**Amendment No. 13**  
**Item 111 – Department of Mines, Minerals and Energy (DMME)**  
**Technical - Clarifying Language Regarding Energy Contract Charges**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The Governor's amendment adds clarifying language authorizing DMME to continue to assess surcharges to agencies for its work to administer statewide energy contracts. These charges already are being made but the language provides clear legal authorization.

**Amendment No. 14**  
**Item 114 – Virginia Economic Development Partnership**  
**Clarifying Language – Location of Funding for Virginia Commercial Space**  
**Flight Authority**

**General Assembly Action:** The General Assembly transferred authority for the Virginia Commercial Space Flight Authority (VCSFA) from the Virginia Economic Development Partnership to the Transportation Secretariat in FY 2012.

**Governor's Action:** The Governor's proposed amendment includes language within VEDP directing readers of the budget bill to the Transportation Secretariat to ensure there is no misconception that funding for the VCSFA had been eliminated.

**Amendment No. 15**  
**Item 120 - Virginia Tourism Authority**  
**Increase Funding for Regional Grant Program**

**General Assembly Action:** Directed up to \$1.0 million of the additional amounts provided for the expanded regional tourism grant program to be used to fund international outreach.

**Governor's Action:** The Governor's proposed amendment would provide an additional \$1.0 million in FY 2012 for the existing regional tourism grant program at the VTA.

**Amendment No. 16**  
**Item 121 - Secretary of Education**  
**Language - Release of Higher Education Funding**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment would delay release of new general funds for higher education until the Secretary of Education has certified the successful completion of the six-year plans required under the Top Jobs legislation.

**Note:**

- The submission and review of institutional academic and financial six-year plans is expected to be completed by October 1<sup>st</sup>.

**Amendment No. 17**  
**Item 123 - Public Broadcasting Services**  
**Reduction to Public Broadcasting**

**General Assembly Action:** The introduced budget, as adopted by the House, reduced the FY 2012 allocation by 50%, or \$2.1 million. The conference budget reduced the allocation in current adopted budget (Chapter 874) by 10%, or (\$413,708) in FY 2012.

**Governor's Action:** The Governor's proposed amendment would reinstitute the 50% reduction in FY 2012 to public broadcasting (\$2,068,540) that was included in HB 1500 as introduced and adopted by the House.

**Amendment No. 18**  
**Item 132 – Direct Aid to Public Education**  
**Language – Remove Language Limiting K-12 Virtual Schools Program**

**General Assembly Action:** Added language that would limit the FY 2011 state payment for out-of-division students enrolled in the full-time Virtual School programs to 350 students. Currently, Carroll County is the only school division that offers a full-time Virtual Virginia program. The language further directed the Department of Education to base all future state payments, beginning in FY 2012, for all out-of-division students who enroll in a full-time Virtual School program on the composite index of the student's residential school division rather than the composite index of the school division operating the Virtual School program.

**Governor's Action:** The Governor's proposed amendment would eliminate all of the new language approved by the General Assembly action and continue the current funding methodology for the Virtual Schools.

**Note:**

- The General Assembly approved the language for the Virtual School funding in order to ensure that the state's allocation for an enrolled student would not exceed what is included in the budget if that student elects to enroll in the Virtual School program operated by another division that has a lower composite index than the student's residential school division.

**Amendment No. 19**  
**Item 225 – Frontier Culture Museum**  
**Provide Operating Funds for FY 2011**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment provides an additional \$500,000 GF in fiscal year 2011 to cover anticipated operating costs for the remainder of the fiscal year. In addition, the amendment requires the museum to develop an operating and marketing plan that maximizes museum revenue generation and ensures operational viability.



**Amendment No. 20**  
**Item 236 – Eastern Virginia Medical School**  
**Provide Additional Appropriation**

**General Assembly Action:** Provided \$3.0 million GF in new funding for the Eastern Virginia Medical School (EVMS). General Assembly action was based on two criteria – (1) state funding policy and (2) general fund support per in-state student.

**State funding policy:** As determined by funding guidelines, the General Assembly action would bring EVMS to 92 percent of its funding guideline. The funding guideline amount is based on the state policy approved in January 2004 by the Joint Subcommittee Studying Higher Education Funding Policy and adopted by SCHEV. This policy was also confirmed by SCHEV in its November 2008 review of EVMS and subsequent funding recommendations. By comparison, UVA medical school is funded at about 51 percent of its funding guideline and VCU medical school is funded at about 41 percent of its funding guideline from all fund sources. Overall funding for our two public medical schools is about 46 percent of funding guideline.

**General fund support per in-state student:** General Assembly action provides EVMS with almost \$43,000 GF per in-state student. By comparison, UVA receives about \$44,000 GF per in-state medical student while VCU receives about \$22,000 per in-state medical student. Overall, funding per in-state medical student at our two public medical schools is about \$33,000.

**Governor's Action:** The Governor's proposed amendment requests an additional \$1.1 million GF in FY 2012 for EVMS.

**Notes:**

- The proposed amendment would increase EVMS to 100 percent (full-funding) of its funding guidelines. This would be twice the level of the two public medical schools.
- Under the current class size, the proposed amendment would increase general fund support per in-state student to \$47,000. The proposed amendment includes a parenthetical explanation which states that the additional funding is needed for a projected increase in class size. Assuming the increase in class size occurs, the resulting general fund support per in-state would be about \$42,300. This still compares favorably to UVA (\$44,000) and is almost twice that of VCU (\$22,000).
- VCU has also committed to increasing its class size. However, since no new funding for VCU medical school was provided the estimated GF support per in-state student can be expected to decrease at VCU.

**Amendment No. 21**  
**Item 258 – Department of Accounts Transfer Payments**  
**Language Provide Line of Duty Benefits for Fort Pickett Firefighters**

**General Assembly Action:** The House failed to pass Senate Bill 1407 (Ruff) which would have expanded eligibility for the Line of Duty Program to include fire company personnel employed by the Virginia National Guard or the Virginia Air National Guard.

**Governor's Action:** The proposed amendment would expand the eligibility for the Line of Duty Program to include fire company personnel employed by the Virginia National Guard or the Virginia Air National Guard. There are currently 20 individuals employed in a fire company at Fort Pickett, 16 full-time employees and 4 part-time.

**Note:**

- Firefighters employed within the Department of Forestry are covered under the Line of Duty Act.

**Amendment No. 22**  
**Item 258 – Department of Accounts Transfer Payments**  
**Language - Expeditious Payment of Line of Duty Benefit for Funeral Costs**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment would allow for a partial expedited payment from the Line of Duty Act to pay funeral expenses. This expedited payment is limited to deaths which are a direct and proximate result of the performance of their duty. Under the Line of Duty Act there is a \$100,000 benefit if the death is determined to be a direct and proximate result of their duty, but the benefit is not provided until after the State Police complete an investigation and determine the benefit is appropriate. The proposed amendment would allow a partial advance to be paid directly to a funeral service provider. The language allows for the recovery of the advance, from VRS benefit payments to the deceased's beneficiary, if it is later determined that the death is not subject to the Line of Duty benefit.

**Amendment No. 23**  
**Item 273 – Secretary of Health and Human Resources**  
**Restore Funding for Independent Management Audits**

**General Assembly Action:** Eliminated \$1.4 million GF in FY 2012 contained in the introduced budget for independent operational and programmatic reviews of the Departments of Medical Assistance Services, Health, Social Services and Behavioral Health and Developmental Services.

**Governor's Action:** Proposes to restore \$700,000 GF to conduct up to four operational and programmatic reviews of these agencies.

**Notes:**

- The House budget provided \$650,000 for these reviews.
- Funding would be consistent with House Bill 485, passed by the 2010 General Assembly which directed the Governor to initiate operational and programmatic performance reviews of state agencies and programs.

**Amendment No. 24**  
**Item 274 - Comprehensive Services Act**  
**Reduce Funding for Comprehensive Services Act**

**General Assembly Action:** Restored \$7.5 million GF in FY 2012 to reverse the action contained in the introduced budget, which reclassified therapeutic foster care services provided through the Comprehensive Services Act (CSA) as a residential service, resulting in an increase in the match rate for localities. The General Assembly also adopted budget language requiring the Office of Comprehensive Services to report annually on the funding for therapeutic foster care services including the number of children served, average cost, the type of service provided, the length of stay in services, the referral source and the case disposition. Further the State Executive Council is required to authorize guidelines for better utilization of these services and authorize the use of regional contracts with a goal of decreasing the cost of these services, while increasing the quality and effectiveness of the services.

**Governor's Action:** Proposes to reinstate the increase in the local match rate on therapeutic foster care services to make it equal to the rate for residential services in FY 2012 thereby achieving general fund savings of \$7.5 million in FY 2012

## Notes:

- Historically, therapeutic foster care services were considered a residential service and were subject to the same local match rate as residential services.
- The 2008 General Assembly modified the local share of funding for community and residential services provided through the Comprehensive Services Act (CSA) as part of a system of financial incentives to localities to use community-based services in lieu of residential services for children in CSA. The local share of funding for community-based services was lowered by 50 percent from the base rate beginning in FY 2009 and the local share of funding for residential services was increased by 15 percent from the base rate beginning January 1, 2009, and by an additional 10 percent beginning in fiscal year 2010. The General Assembly also directed the State Executive Council to monitor the implementation of the changes in match rates, provide technical assistance and recommend best practices to assist localities in providing appropriate services. During this time, the State Executive Council reclassified therapeutic foster care services, thus lowering the local match rate from an average statewide rate of 46 percent to 34 percent.
- During the Session, data presented by the Office of Comprehensive Services Act indicated that the total costs of therapeutic foster care services has grown by 38 percent for the period 2007 through 2010 and the average cost per child has increased by 35 percent.
- A Governor's explanatory note indicates that the average gross cost of caring for a child in therapeutic foster care has now surpassed the cost of providing care in a residential or group home setting.
- The House budget did not restore the funding, thus raising the local match rate for these services.

### **Amendment No. 25 Item 286 - Department of Health Provide Funding for Federal Abstinence Grant**

**General Assembly Action:** Eliminated funding contained in the introduced bill of \$382,688 GF and \$507,285 NGF in FY 2012 for the federal Title V State Abstinence Education Grant Program.

**Governor's Action:** Proposes to reinstate the funding for the federal Title V State Abstinence Education Grant Program providing \$382,688 GF and \$507,285 NGF in FY 2012.

## Notes:

- The budget adopted by the House provided funding for the federal abstinence education grant.

- The budget adopted by the Senate eliminated funding for this program and instead provided \$1.3 million in federal funding that required no state general fund match for the State Personal Responsibility Education Program (PREP). The PREP program includes both abstinence education and education on contraception to prevent pregnancy and sexually transmitted diseases, as well as other topics.
- Neither program was funded in the adopted budget.

**Amendment No. 26**  
**Item 327 - Department of Health**  
**Eliminate TANF Support for CHIP of Virginia**

**General Assembly Action:** Provided \$500,000 in Temporary Assistance to Needy Families (TANF) in FY 2012 for the Comprehensive Health Investment Project (CHIP) of Virginia.

**Governor's Action:** Proposes to eliminate the allocation of \$500,000 from TANF funds for CHIP of Virginia. Companion amendments numbered 36 and 37 contain similar actions to reduce allocations of federal TANF funds for Healthy Families Virginia and Community Action Agencies. An explanatory note indicates that the TANF block grant will have a structural deficit beginning in the 2012-14 biennium since ongoing funding exceeds the block grant amount by \$14.9 million.

**Notes:**

- The House budget did not allocate additional funds from the TANF block grant for CHIP of Virginia, Healthy Families or Community Action Agencies.
- The adopted budget provided \$500,000 for each of these programs from existing TANF funds which were allocated as a reserve in the event that the TANF caseload grew above forecasted levels. With the allocation of TANF funds to these three organizations, \$500,000 in TANF funding remains in reserve in FY 2012 for unexpected caseload growth.
- The 2011 General Assembly passed Senate Bill 1223 (Barker) establishing a TANF funding pool for expanded TANF programs comprised of up to 12 percent of the annual TANF block grant after funding for all core TANF services are allocated. The bill provides a process for planning, prioritizing and awarding funding on a competitive basis to organizations such as CHIP of Virginia, Healthy Families Virginia and Community Action Agencies that provide services that meet the purposes of the TANF program. These grants would only be awarded in the future if TANF funding is available.

**Amendment No. 27**  
**Item 297 - Department of Medical Assistance Services**  
**Restore Medicaid Funding Related to Plan First**

**General Assembly Action:** The General Assembly provided \$500,000 in FY 2011 for the Department of Health to increase outreach efforts to enroll more eligible individuals in the Plan First Family Planning Waiver program and reduced \$1.5 million GF and \$1.5 million in federal Medicaid matching funds in FY 2012 based on estimated savings from these enrollment efforts.

**Governor's Action:** Restores funding for the Medicaid program of \$1.5 million GF and \$1.5 million in federal matching funds in FY 2012. An explanatory note indicates that while enrollment growth in Plan First will likely result in Medicaid program savings, the outreach efforts to enroll additional individuals may take more time to be effective and it is unlikely the program will achieve these savings in FY 2012.

**Notes:**

- The introduced budget provided \$500,000 GF in FY 2012 for the Virginia Department of Health (VDH) to expand outreach efforts to enroll more eligible individuals in the Medicaid Plan First Family Planning Waiver services, thereby reducing the incidence of pregnancy and the rate and number of intentional pregnancy terminations.
- The adopted budget moved this outreach funding from the second year to the current fiscal year, so the VDH could begin to expand enrollment as soon as possible in order to begin achieving savings in the Medicaid program from reduced hospital costs associated with deliveries.
- Savings of \$1.5 million GF in FY 2012 were estimated based on six months of savings in the Medicaid program in FY 2012. The estimates were based on earlier experiences the program had when the family planning waiver program was first implemented. The VDH estimates that approximately 92,000 adult women meet the eligibility criteria for Plan First Family Planning Services; however, only 9,000 are currently receiving those services.

**Amendment No. 28**  
**Item 297 - Department of Medical Assistance Services**  
**Suspension of Medicaid Payment Delays**

**General Assembly Action:** No action.

**Governor's Action:** Proposes Medicaid savings of almost \$18.0 million GF in FY 2012 by temporarily suspending Medicaid payment delays for FY 2011 that are included in the 2010

Appropriation Act. An explanatory note indicates that the fourth quarter lump sum hospital payment, the June managed care organization capitation payment and the final weekly Medicaid claims remittance in June 2011 that would be paid in FY 2012, will be advanced to FY 2011 in order to claim the enhanced federal Medical Assistance Percentage (FMAP) rate available under the federal stimulus legislation. The enhanced FMAP rate of 56.88 percent expires on June 30, 2011. The FMAP rate for FY 2012 is 50 percent.

**Note:**

- Chapter 781 of the 2009 Acts of Assembly changed the payment schedule for Medicaid provider payments to delay FY 2009 year-end payments until July of FY 2010 to achieve budgetary savings.

**Amendment No. 29**

**Item 297 - Department of Medical Assistance Services  
Technical - Correct Respite Care Limit for Assistive Technology Waiver**

**General Assembly Action:** Provided \$13.4 million GF and \$13.4 million in federal Medicaid matching funds to restore the number of hours of respite care that can be provided to the caregiver of a waiver recipient from 240 to 480 hours per year in FY 2012.

**Governor's Action (Technical):** Proposes a technical language change to eliminate the Technology Assisted Waiver from list of waiver programs which would be affected by the restoration of respite care hours from 240 to 480 per year beginning in FY 2012. An explanatory note indicates that the Technology Assisted Waiver originally had a limit of 360 hours and it was an oversight to increase the limit to 480 hours. The Technology Assisted Waiver will continue to limit respite care hours to 360 hours per year with this action.

**Amendment No. 30**

**Item 297 - Department of Medical Assistance Services  
Technical - Modify Children's Mental Health Assessment Language**

**General Assembly Action:** Adopted language to require the Department of Medical Assistance Services to develop five regional pilot programs in coordination with community services boards to improve care, utilization, outcomes, and cost effectiveness of community mental health rehabilitative services for children enrolled in the Medicaid and FAMIS programs. The pilot programs are required to include provisions for children to be evaluated by a licensed or licensed-eligible mental health professional of the community services boards in order to access community mental health rehabilitative services. The adopted budget includes savings of \$9.4 million GF and

\$9.4 million from federal Medicaid matching funds, estimated to accrue through the implementation of these pilot programs.

**Governor's Action (Technical):** Proposes language to provide the Department of Medical Assistance Services (DMAS) with the authority to move funding from the medical to the administrative budget in order to pay fees associated with contracts between DMAS and community services boards and/or their organization providing assessment services for Medicaid and FAMIS children in need of community mental health rehabilitative services. An explanatory note indicates that this action is necessary to limit independent assessments to CSBs and comply with federal requirements.

### **Amendment No. 31**

#### **Item 297 - Department of Medical Assistance Services Technical – Correct Personal Care Language**

**General Assembly Action:** Adopted language limiting personal care hours to 56 hours per week, 52 weeks per year for a total of 2,920 per year in Medicaid waiver programs, with allowances for exceptions based on dependency in activities of daily living, level of care, and taking into account risk of institutionalization if additional hours are not provided. The adopted budget includes savings of \$700,000 GF and \$700,000 from federal Medicaid matching funds, estimated to accrue through the implementation of this limitation.

**Governor's Action (Technical):** Proposes a technical language change to remove references to the Children's Mental Health demonstration grant and the Alzheimer's Assisted Living Waiver in the language that applies a limit on personal care hours. An explanatory note indicates that these two waivers do not offer personal care as a service and the language should not reference them.

### **Amendment No. 32**

#### **Item 301 - Department of Behavioral Health & Developmental Services Upgrade Licensing System**

**General Assembly Action:** The Senate budget included \$50,000 to fund the impact of SB 1451 (Deeds) which would have required the Department to upgrade the Department of Behavioral Health and Developmental Services (DBHDS) licensing system for children's residential facilities. The bill was tabled in the Appropriations subcommittee.

**Governor's Action:** Proposes an amendment to appropriate \$50,000 and adds language for the DBHDS to upgrade the existing licensing system to allow for expedited posting of inspection and investigations reports of children's residential facilities on the agency's web site.



### **Amendment No. 33**

#### **Item 304 - Department of Behavioral Health & Developmental Services Language - Promulgate Early Intervention Case Management Regulations**

**General Assembly Action:** No action.

**Governor's Action:** Proposes an amendment to require the Department of Behavioral Health and Developmental Services (DBHDS), in consultation with the Department of Medical Assistance Services (DMAS) to promulgate emergency regulations to certify providers of early intervention case management services provided under Part C of the Individuals with Disabilities Education Act (IDEA) of 2004.

### **Amendment No. 34**

#### **Item 319 - Department of Behavioral Health & Developmental Services Provide Funds to Operate Sexually Violent Predator Facility**

**General Assembly Action:** The General Assembly provided an additional \$10.1 million GF and 41 positions in FY 2012 for the operations of the Virginia Center for Behavioral Rehabilitation (VCBR) in Nottoway County for the commitment and treatment of sexually violent predators. The General Assembly also adopted budget language requiring the Department of Behavioral Health and Developmental Services (DBHDS) to implement a plan to double bunk up to 150 sexually violent predators expected to be committed to the VCBR and prohibited the reopening of a temporary facility at the Southside Virginia Training Center or a capital project to expand or construct additional units or facilities for the housing, confinement and treatment of these individuals until a comprehensive review of the current program is completed.

**Governor's Action:** Proposes an amendment to appropriate \$2.5 million GF in FY 2012 to provide additional funding needed for operations of the VCBR. An explanatory note indicates that this additional funding will enable the VCBR to continue its current operations through April 2012 in order to reconsider this issue in the caboose budget during the 2012 General Assembly Session, when review of additional operational strategies have been reviewed by DBHDS and a JLARC report on the program is complete.

## Amendment No. 35

### Item 319 - Department of Behavioral Health & Developmental Services Language – Allow Flexibility to Retrofit Existing Facility for Additional Capacity

**General Assembly Action:** The General Assembly provided an additional \$10.1 million GF and 41 positions in FY 2012 for the operations of the Virginia Center for Behavioral Rehabilitation (VCBR) in Nottoway County for the commitment and treatment of sexually violent predators. The General Assembly also adopted budget language requiring the Department of Behavioral Health and Developmental Services (DBHDS) to implement a plan to double bunk up to 150 sexually violent predators expected to be committed to the VCBR and prohibited the reopening of a temporary facility at the Southside Virginia Training Center or a capital project to expand or construct additional units or facilities for the housing, confinement and treatment of these individuals until a comprehensive review of the current program is completed.

**Governor's Action:** Proposes an amendment to provide DBHDS with flexibility to accommodate additional commitments to the VCBR in FY 2012, including double bunking dormitory-style, repurposing existing space or adding new housing units at the current VCBR site, but continues the prohibition of building a new facility for the commitment of sexually violent predators.

## Amendment No. 36

### Item 333 - Department of Social Services Eliminate TANF Support for Healthy Families of Virginia

**General Assembly Action:** Provided \$500,000 in Temporary Assistance to Needy Families (TANF) in FY 2012 for Healthy Families Virginia.

**Governor's Action:** Proposes to eliminate the allocation of \$500,000 from TANF funds for Healthy Families Virginia. Companion amendments numbered 26 and 37 contain similar actions to reduce allocations of federal TANF funds for the Comprehensive Health Investment Project (CHIP) of Virginia and Community Action Agencies. An explanatory note indicates that the TANF block grant will have a structural deficit beginning in the 2012-14 biennium since ongoing funding exceeds the block grant amount by \$14.9 million.

#### Notes:

- The House budget did not contain additional spending from the TANF block grant for CHIP of Virginia, Healthy Families or Community Action Agencies.
- The adopted budget provided \$500,000 for each of these programs from existing TANF funds which were allocated as a reserve in the event that the TANF caseload grew above

forecasted levels. With the allocation of TANF funds to these three organizations, \$500,000 in TANF funding remains in reserve in FY 2012 for unexpected caseload growth.

- The 2011 General Assembly passed Senate Bill 1223 (Barker) establishing a TANF funding pool for expanded TANF programs comprised of up to 12 percent of the annual TANF block grant after funding for all core TANF services are allocated. The bill provides a process for planning, prioritizing and awarding funding on a competitive basis to organizations such as CHIP of Virginia, Healthy Families Virginia and Community Action Agencies that provide services that meet the purposes of the TANF program. These grants would only be awarded in the future if TANF funding is available.

**Amendment No. 37**  
**Item 333 - Department of Social Services**  
**Eliminate TANF Support for Community Action Agencies**

**General Assembly Action:** Provided \$500,000 in Temporary Assistance to Needy Families (TANF) in FY 2012 for Healthy Families Virginia.

**Governor's Action:** Proposes to eliminate the allocation of \$500,000 from TANF funds for Community Action Agencies. Companion amendments numbered 26 and 36 contain similar actions to reduce allocations of federal TANF funds for the Comprehensive Health Investment Project (CHIP) of Virginia and Community Action Agencies. An explanatory note indicates that the TANF block grant will have a structural deficit beginning in the 2012-14 biennium since ongoing funding exceeds the block grant amount by \$14.9 million.

**Notes:**

- The House budget did not contain additional spending from the TANF block grant for CHIP of Virginia, Healthy Families or Community Action Agencies.
- The adopted budget provided \$500,000 for each of these programs from existing TANF funds which were allocated as a reserve in the event that the TANF caseload grew above forecasted levels. With the allocation of TANF funds to these three organizations, \$500,000 in TANF funding remains in reserve in FY 2012 for unexpected caseload growth.
- The 2011 General Assembly passed Senate Bill 1223 (Barker) establishing a TANF funding pool for expanded TANF programs comprised of up to 12 percent of the annual TANF block grant after funding for all core TANF services are allocated. The bill provides a process for planning, prioritizing and awarding funding on a competitive basis to organizations such as CHIP of Virginia, Healthy Families Virginia and Community Action Agencies that provide services that meet the purposes of the TANF program. These grants would only be awarded in the future if TANF funding is available.

**Amendment No. 38**  
**Item 351 – Department of Conservation and Recreation**  
**Language – Governor’s Use of Water Quality Improvement Fund Reserve**

**General Assembly Action:** Reallocated \$5.5 million GF to the Water Quality Improvement Fund (WQIF) Reserve from the statutorily-required \$36.4 million GF deposit into the WQIF.

**Governor's Action:** The proposed amendment would permit the Governor to use any portion of the Water Quality Improve Fund Reserve for implementation of the Virginia Watershed Implementation Plan that was submitted to the U.S Environmental Protection Agency.

**Notes:**

- The Governor’s introduced budget had included language prohibiting any allocation to the WQIF Reserve. The General Assembly rejected this language to ensure there would always be funding available in the event a surplus does not occur.
- The Secretary of Natural Resources requested this amendment to provide additional funding for addressing the first two-year environmental improvement milestone required by Virginia’s Watershed Implementation Plan and the U.S. Environmental Protection Agency’s (EPA) Chesapeake Bay TMDL.
- That first two-year milestone has yet to be developed. It will not be submitted to EPA until January 2012. The first milestone will cover 2012–2014. Consequently, the 2012 Session will be convening at the same time as the two-year milestone is finalized and submitted to EPA.
- Even after reallocating \$5.5 million to the WQIF Reserve, the Department of Conservation and Recreation (DCR) will spend \$27.9 million on agricultural best management practices across Virginia and the Department of Environmental Quality will be able to spend \$3.1 million.

**Amendment No. 39**  
**Item 351 – Department of Conservation and Recreation**  
**Reduce Additional Funding for Natural Heritage Program**

**General Assembly Action:** Provided \$800,000 GF in FY 2012 and 5 positions to address the short-term needs for conservation officers and operational stewards for natural areas in the Shenandoah Valley and Mountains region, the Southeast region, and for the Crow’s Nest preserve in Stafford County.

**Governor's Action:** The proposed amendment reduces the additional funding by \$400,000 (50 percent) and eliminates 2 of the 5 positions included by the General Assembly.

**Amendment No. 40**  
**Item 351 - Department of Conservation and Recreation**  
**Language – Modify “Impounding Structure” to Exclude Certain Dams**

**General Assembly Action:** The proposed language was originally included in SB 1406 (Vogel), but that language was rejected by the Senate Committee on Agriculture, Conservation, and Natural Resources.

**Governor's Action:** The proposed amendment redefines the definition of an “impounding structure” to increase the height of those dams exempted from regulation due to their use primarily for agriculture or agricultural preservation and conservation from 25 feet to 30 feet. The maximum impoundment capacity would remain smaller than 100 acre-feet.

**Notes:**

- The existing language in the Code of Virginia defines dams used primarily for agricultural purposes as less than 25 feet in height with a maximum impoundment capacity smaller than 100 acre-feet. This statutory language has existed since the 2001 Session.
- While a definition of dams that are “primarily used for agriculture” exists based upon the definition of an agricultural commodity found in § 3.2-3900, Code of Virginia, there is no definition of “agricultural preservation and conservation” either in the Code of Virginia or in the Department of Conservation and Recreation’s dam safety regulations.
- This new height requirement would exempt 326 additional dams from regulation, including 20 high hazard dams and 86 significant dams.

**Amendment No. 41**  
**Item 351 – Department of Conservation and Recreation**  
**Language – Evaluate Repair Costs for Dams**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment requires the Department of Conservation and Recreation, in cooperation with other agencies, to evaluate the costs of repairing regulated dams owned by the Commonwealth, soil and water conservation districts, local governments, and the private sector to state safety standards. DCR is also to consider prioritizing the repairs for known

high hazard dams based upon hazards to life and property from a dam failure. This evaluation is to be submitted to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by September 30, 2011.

**Amendment No. 42**  
**Item 352 – Department of Conservation and Recreation**  
**Reduce Additional Funding for State Park Operations**

**General Assembly Action:** Provided \$1.2 million GF and 15 positions for state park operations.

**Governor's Action:** The proposed amendment reduces the additional funding by \$600,000 (50 percent) and eliminates 7 of the 15 positions included by the General Assembly.

**Amendment No. 43**  
**Item 352 – Department of Conservation and Recreation**  
**Provide Funding for Land Conservation**

**General Assembly Action:** Provided \$1.0 million GF for the preservation of Civil War historic sites in FY 2012 and eliminated a proposed \$1.0 million GF for land conservation.

**Governor's Action:** The amendment would restore \$1.0 million GF for land conservation in FY 2012.

**Notes:**

- The Governor has a goal of preserving 400,000 acres of open space during his term of office.
- Other programs exist for land conservation – the Land Preservation Tax Credit is available to individuals or corporations that donate permanent easements on their land, the purchase of development rights program is used to pay for easements to keep land in agricultural production, the Virginia Land Conservation Fund, which currently receives \$500,000 per year makes grants to organizations interested in land preservation or state agencies for purchasing land, and the Civil War Historic Site Preservation Fund provides matching grants to nonprofit organizations preserving endangered Civil War battlefields.

**Amendment No. 44**  
**Item 358 – Department of Environmental Quality**  
**Fund Additional Legal Costs for Environmental Regulations and Other Laws**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment provides \$60,000 GF in FY 2011 and \$240,000 GF in FY 2012 for additional legal costs for enforcement of, and compliance with, environmental regulations and other applicable laws. This funding may be transferred to other state agencies with approval from the affected secretaries.

**Note:**

- The funding will be used to address future legal issues arising from new regulations or laws developed as components of the Watershed Implementation Plan, coal and natural gas mining environmental and water quality permits, transportation plans, and the Department of Environmental Quality's programs. This funding may also be needed to respond to the U.S Environmental Protection Agency rulings or U.S. Army Corps of Engineers rulings.

**Amendment No. 45**  
**Item 380 – Department of Corrections**  
**Funding for Payments in Lieu of Taxes**

**General Assembly Action.** No action.

**Governor's Action:** Includes \$1.2 million GF in FY 2011 to restore payments in lieu of taxes for the nine localities that assess service fees on the Department of Corrections' prisons and correctional field units.

**Notes:**

- The Department of Corrections maintains prisons and correctional field units in 29 localities. Only nine impose payments in lieu of taxes. These localities include: Brunswick County, Buckingham County, Fluvanna County, Greensville County, Lunenburg County, Richmond County, Southampton County, Sussex County, and Wise County.
- During the 2010 Session, Governor Kaine's introduced budget eliminated the payment of payments in lieu of taxes by the Department of Corrections. The General Assembly agreed with that policy, yielding savings of \$1.4 million GF each year.

- During the 2011 Session, when information was requested about the local impact of losing payments in lieu of taxes and how localities calculated those payments, only three localities responded – Greenville County, Sussex County, and Wise County.

**Amendment No. 46**  
**Item 408 – Department of State Police**  
**Increase Funding for State Police Overtime Compensation**

**General Assembly Action:** Included \$3.0 million GF to provide partial compensation to State Police officers for overtime hours worked between 40 and 43 hours instead of compensatory leave.

**Governor's Action:** The proposed amendment includes an additional \$3.0 million to fully compensate State Police officers for the overtime hours worked between 40 and 43 hours. This amendment would provide the full amount of the State Police Association's request for overtime compensation.

**Notes:**

- Presently, State Police officers receive compensatory leave for the overtime worked between 40 and 43 hours. This creates a situation where certain officers must take leave and other officers then accrue leave that must subsequently be taken. Payment for the overtime worked by State Police officers would end this compensatory leave cycle.
- Full funding of the request would result in about 82 additional State Police officers on Virginia's highways and interstates.

**Amendment No. 47**  
**Item 408 – Department of State Police**  
**Technical – Permit Movement of Committed Trooper School**  
**Funding to Second Year**

**General Assembly Action:** Approved \$575,208 GF in FY 2011 and \$1.8 million GF in FY 2012 to begin the 117<sup>th</sup> Basic Trooper School, beginning May 2011.

**Governor's Action (Technical):** The proposed amendment authorizes the Director of the Department of Planning and Budget (DPB) to carry forward up to \$575,208 GF from FY 2011 into FY 2012 to support the 117<sup>th</sup> Basic Trooper School if that school is delayed for any reason. The Department of State Police will identify any commitments for which funding is necessary when making its carry forward request to DPB's Director.



**Amendment No. 48**  
**Item 436 – Secretary of Transportation**  
**Language Regarding Federal Regional STP Funds**

**General Assembly Action:** No action.

**Governor's Action:** Amends language included in Chapter 874 which authorizes the Commonwealth Transportation Board to rescind the state match for federal regional Surface Transportation Program (STP) provided to large urban areas if the funds are not obligated within 12 months and expended within 36 months. HB 1500 stated that the state match “shall” be rescinded. The proposed amendment would make the language permission, replacing “shall” with “may”.

**Amendment No. 49**  
**Item 436 – Secretary of Transportation**  
**Amend Transportation Funding for Commercial Space Flight Authority**

**General Assembly Action:** Transferred funding and authority for the Virginia Commercial Space Flight Authority from the Virginia Economic Development Partnership – where it was treated like a pass-through grant – to the Secretary of Transportation’s office to recognize space flight’s connection with our aviation system and its growing role in the Commonwealth. The Conference report provided the funding for the VCSFA from the Department of Aviation’s budget.

**Governor's Action:** The proposed amendment would provide funding for the VCSFA from the Transportation Trust Fund instead of from the Department of Aviation’s nongeneral funds. No change is made in the amount of funding provided.

**Amendment No. 50**  
**Item 447 – Department of Rail and Public Transportation**  
**Language – State Appointment to WMATA Board of Directors**

**General Assembly Action:** No action taken. However, identical language was included in the House budget and in stand-alone legislation adopted by the House but defeated in the Senate.

**Governor's Action:** The Governor’s proposed language amendment would provide that there shall be a state representative among Virginia’s principal members on the Washington Metropolitan Transit Authority’s Board of Directors. Currently all of Virginia’s principal members are representatives of local government.

**Note:**

- The state now provides \$50.0 million each year in state support for the “Metro Matters” program to refurbish the Metrorail System, providing about 1/3 of the nonfederal costs for the system.

**Amendment No. 51**  
**Item 448 – Department of Rail and Public Transportation**  
**Authorize Funding for Rail Improvements**

**General Assembly Action:** The Conference Report included language directing the Department of Rail and Public Transportation and CSX to develop a plan for limiting the amount of time that hazardous or explosive materials can be stored on rail properties to no longer than 24 hours.

**Governor's Action:** The Governor’s proposed amendment would rewrite language and authorize the use of rail industrial access funds to support infrastructure improvements to reduce the average dwell times of hazardous materials at rail yards and depots owned by CSX Transportation in the City of Fredericksburg.

**Notes:**

- The Senate budget included far more stringent language that would have eliminated funding for projects in the region if CSX did not address the issues immediately.
- No language was included in the House budget.

**Amendment No. 52**  
**Item 455 – Department of Transportation**  
**Technical - Maintenance Payments to Localities**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The Governor’s proposed amendment would remove language in the budget bill that stipulates how adjustments to maintenance payments to localities are to be calculated each year. This pre-existing language conflicts with, and would override, HB 2233 (Anderson) and SB 1004 (Watkins), legislation adopted by the 2011 General Assembly setting out the methodology for determining maintenance payments to be made to jurisdictions in VDOT’s urban system (cities and towns) as well as the two counties that maintain their own roadways. The new Code language eliminates a base payment that has been in effect since 1986 and

eliminates the need for budget language to address this issue going forward. The legislation would provide that rates be inflated at the same rate that VDOT increases its own maintenance expenditures.

**Amendment No. 53**  
**Item 466 – Central Appropriations**  
**Restore Funding for Productivity Investment Fund**

**General Assembly Action:** Reverted \$500,000 in uncommitted general fund balances from the Productivity Investment Fund. Also eliminated \$250,000 GF in FY 2012 that was to have been used by state agencies and institutions of higher education to evaluate suggested savings and service improvement proposals – evaluations they could have performed as part of their normal activities.

**Governor's Action:** The proposed amendment restores the \$500,000 in uncommitted general fund balances to the Productivity Investment Fund.

**Notes:**

- According to the Department of Planning and Budget's official tracking log for the Productivity Investment Fund, the actual uncommitted and unspent balance as of June 30, 2010 is \$514,953.
- In addition to the uncommitted and unspent June 30, 2010 balance, the program had an additional year-end general fund balance of \$1.3 million, which the Department of Planning and Budget indicates is committed to 12 projects. However, only two projects have received any funding.
- Many of the committed projects that have not received any funding were originally authorized by some person or group within the Executive Branch between 2006 and 2009.
- There has never been any report to the General Assembly about the success or failure of these projects.

**Amendment No. 54**  
**Item 469 – Central Appropriations**  
**Language - Make Monthly Payments to VRS**

**General Assembly Action:** Eliminated the policy of recording the 4<sup>th</sup> quarter VRS payment in the next fiscal year effective FY 2012.

**Governor's Action:** The proposed amendment requires the State Comptroller to pay the VRS contribution payments on behalf of state employees to the VRS on a monthly basis. All other employers pay the VRS on a monthly basis. The state went from paying the VRS on a monthly basis to a quarterly basis in 2002. Returning to a monthly basis will result in reduced interest revenues for the General Fund of approximately \$400,000 per year, but will generate approximately \$1.7 million in additional earnings for the VRS each year. Amendment #62 is a companion amendment in the VRS section of the budget.

**Amendment No. 55**  
**Item 469 – Central Appropriations**  
**Language - Increase Employer Retirement Contributions to Chapter 874**  
**Rates**

**General Assembly Action:** Increased the portion of the VRS contribution rates for all state employee plans paid to the VRS, and decreases the amount transferred to the GF, by 1.71% for the fourth quarter of FY 2012. This action reduced the amount of cash transferred to the General Fund by \$10.9 million.

**Governor's Action:** The proposed amendment would increase the VRS contribution rates for the 4<sup>th</sup> quarter of FY 2012 resulting in reduced savings of \$27.8 million.

**Amendment No. 56**  
**Item 469 – Central Appropriations**  
**Language - Provide Flexibility to Localities for Employee Retirement**  
**Contributions**

**General Assembly Action:** Deleted language included in the introduced budget allowing localities or school boards to reinstate the 5% employee contribution for their Plan 1 employees contingent on the locality or school board providing the employees a salary offset of at least 3%.

**Governor's Action:** The proposed amendment would give localities or school boards the option of reinstating the 5% employee contribution, or any portion thereof (in whole percentages), but does not mandate any specific salary offset.

**Amendment No. 57**  
**Item 469 – Central Appropriations**  
**Technical - Correction to Existing “5 and 5” Language**

**General Assembly Action:** Reinstated the 5% employee contribution for Plan 1 state employees and provided a 5% salary offset for the affected employees.

**Governor's Action (Technical):** The proposed amendment clarifies that state employees includes those covered under the State Police Officers’ Retirement System and the Virginia Law Officers’ Retirement System.

**Amendment No. 58**  
**Item 470 – Central Appropriations**  
**Technical - Change Comprehensive IT Assessment Due Date**

**General Assembly Action:** Provided \$26.6 million GF in FY 2011 and \$28.7 million GF in FY 2012 to assist state agencies with the cost of VITA-provided information technology services. Concurred with language contained in the introduced budget requiring state agencies to conduct a comprehensive information technology assessment to determine if their VITA-provided information technology service costs could be further minimized. This assessment was to be submitted to the Chief Information Officer by July 1, 2011.

**Governor's Action (Technical):** The proposed amendment delays submission of the comprehensive information technology assessment to the Chief Information Officer until September 1, 2011. State agencies complained they could not complete the necessary evaluations of their information technology costs in time for a July 1, 2011, submission date.

**Amendment No. 59**  
**Item 470.10 – Central Appropriations**  
**Language - Provide Language for Use of Year End Surplus**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment provides for the designation of any FY 2011 general fund revenue surplus available after designations are made to the Water Quality Improvement fund and to transportation as required by existing law. The three designations, listed in order of priority depending on the size of any revenue surplus are as follows: First, \$7.5 million in payments for BRAC Oceana; second, \$7.4 million as a supplemental payment to support

sheriffs and third, any remaining amounts shall be used to increase the employer contribution rate to the Virginia retirement system for the fourth quarter of FY 2012. Also includes language appropriating amounts of the FY 2011 surplus for transportation and the Water Quality Improvement Fund. Currently, the Comptroller designates and sets aside amounts for these purposes but they are not appropriated until approved by the General Assembly.

**Amendment No. 60**  
**Item 473 – Central Appropriations**  
**Technical - Eliminate Double Count of Southern Governors’ Association**  
**Savings**

**General Assembly Action:** Adopted an amendment included in the introduced budget which realized \$20,439 in savings under “Interstate Organization Contributions” (Item 66) from withdrawing from the Southern Governors’ Association (SGA). In addition, accepted \$426,829 in savings under Central Appropriations related to reduced expenditures for the payment of dues. This amount assumed savings from withdrawing from the Southern Governor’s Association, as a result the savings is counted twice.

**Governor's Action (Technical):** The proposed amendment adjusts the savings in Central Appropriations to reflect the fact that the \$20,439 in savings from the SGA dues is captured elsewhere in the budget.

**Amendment No. 61**  
**Item 473 – Central Appropriations**  
**Remove Ohio River Valley Water Sanitation Commission from Savings**

**General Assembly Action:** Accepted \$426,829 in savings in FY 2012 under Central Appropriations related to reduced expenditures for the payment of dues. This amount assumed savings of \$48,500 from withdrawing from the Ohio River Valley Water Sanitation Commission.

**Governor's Action:** The proposed amendment restores \$48,500 in funding for FY 2012 to pay the membership dues for the Ohio River Valley Water Sanitation Commission. The commission is an interstate compact and Virginia cannot withdraw without congressional approval.

**Amendment No. 62**  
**Item 483 – Virginia Retirement System**  
**Language - Make Monthly Payments to VRS**

**General Assembly Action:** Eliminated the policy of recording the 4<sup>th</sup> quarter VRS payment in the next fiscal year effective FY 2012.

**Governor's Action:** The proposed amendment requires the State Comptroller to pay the VRS contribution payments on behalf of state employees to the VRS on a monthly basis. All other employers pay the VRS on a monthly basis. The state went from paying the VRS on a monthly basis to a quarterly basis in 2002. Returning to a monthly basis will result in reduced interest revenues for the General Fund of approximately \$400,000 per year, but will generate approximately \$1.7 million in additional earnings for the VRS each year. Amendment #54 is a companion amendment in the Central Appropriations section of the budget.

**Amendment No. 63**  
**Item 484 – Virginia Retirement System**  
**Language - Evaluate Options for VRS to Invest Funds**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment requires the VRS to evaluate the potential benefits to the Commonwealth of the VRS working with other public entities to help manage and invest other public funds. Potential funds would include the Virginia College Savings Plan and the funds for the Virginia School for the Deaf and Blind Foundation. The language requires the VRS to submit a report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by November 15, 2012.

**Amendment No. 64**  
**Item C-0 – Capital Outlay General Conditions**  
**Technical - Revert Unobligated Balances**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The Governor's proposed amendment would revert \$234,456 of unobligated general fund balances from central capital repairs fund.

**Amendment No. 65**  
**Item C-0 – Capital Outlay General Conditions**  
**Technical - Revert Unexpended Prior year Maintenance Reserve Balances**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The Governor's proposed amendment would revert \$239,822 of unexpended general fund balances from central capital maintenance reserve fund. The amounts are from 8 agencies from a prior biennium with reversion amounts ranging from \$231 to \$85,402. The current budget contains more than \$120 million in new capital maintenance reserve.

**Amendment No. 66**  
**Item C-0 - Capital Outlay General Conditions**  
**Technical - Remove Duplicative Bond Authorization**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The Governor's proposed amendment rescinds \$7.9 million in Virginia Public Building Authority (VPBA) bonds provided for the Woodrow Wilson Rehabilitation Center kitchen and dining hall renovation project in Chapter 1 and Chapter 2 of the 2008 Special Session I. The authorization is no longer required since it was approved as a stand-alone item in 2009 Appropriation Act (Chapter 781).

**Amendment No. 67**  
**Item C-24.50 – George Mason University**  
**Enhance Fairfax Dining Hall**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment would provide \$17.0 million in 9(d) NGF revenue bond authority for renovations and improvements to the dining facilities on the GMU Fairfax Campus. These bonds do not impact state debt capacity and debt service is funded through nongeneral revenues generated by the dining facilities.



**Amendment No. 68**  
**Item C-50.05 – University of Virginia**  
**Rotunda Roof and Dome Repairs**

**General Assembly Action:** No action.

**Governor's Action:** The Governor's amendments propose \$2.7 million in Virginia College Building Authority tax-supported bonds and \$2.0 million in nongeneral fund authority to address roof and dome repairs related to water leakage at the Rotunda.

**Note:**

- The proposed amendment addresses immediate repair requirements for the Rotunda. The House rejected the broader project of about \$26 million in tax-supported bonds and \$29 million in nongeneral fund authority. The broader project was not part of the state's six-year capital outlay plan.

**Amendment No. 69**  
**Item C-76.15 – Dept. of Behavioral Health and Developmental Services**  
**Include SVP Facility Under Life Safety Project**

**General Assembly Action:** No action.

**Governor's Action:** The Governor's proposed amendment would allow up to \$7 million from the VPBA bonds authorized for Life Safety and Major Mechanical Repairs project provided under Chapter 1 of the 2008 Special Session 1 bond program to be used to address capital costs associated with any expansion of the SVP facility in Nottoway.

**Note:**

- A related Amendment # 35 provides authority to retrofit the existing SVP to include double-bunking, dormitory-style bunking, the addition of a new housing unit, the expansion of food service and the expansion of treatment space.

**Amendment No. 70**  
**Item C-76.81 – Natural Resources**  
**Utilize Bond Authority to Purchase Easements**

**General Assembly Action:** In 2008 the General Assembly approved \$30 million in bond funding for the acquisition of property for land conservation purposes. Priority was given to acquire land for state parks, state forest and open space, however the General Assembly rejected the use of Bond proceeds for the purchase of easements or development rights.

**Governor's Action:** The Governor's proposed amendment would allow the remaining bond authority provided in Item C-110 of Chapter 879, 2008 Session and Chapter 781, 2009 Session to be used to purchase conservation easements or development rights.

**Notes:**

- This policy was first proposed by Governor Kaine in the introduced budget (HB 30) of the 2008 Session. The House rejected the acquisition of easements or development rights especially with VPBA tax-supported bonds.
- Instead, a priority was placed on the acquisition of land for state parks, state forests, and open space.
- The Commonwealth already has several land conservation programs such as the Land Preservation Tax Credit, the Purchase of Development Rights program, the Virginia Land Conservation Foundation, the Virginia Outdoors Foundation, and the Civil War Historic Site Preservation Fund.
- There is no tangible asset with the purchase of an easement. In addition, the Commonwealth would be paying 100 percent of the land's value when the Land Preservation Tax Credit provides only 40 percent of the land's value.

**Amendment No. 71**  
**Item C-78 – Department of Corrections**  
**Construct Wastewater Treatment Plan to Support Augusta Prison**

**General Assembly Action:** In 2008, authorized a capital project providing the Commonwealth's share of the capital costs for renovating an existing wastewater treatment facility operated by the Town of Craigsville. The Commonwealth's share included a \$2.7 million Water Quality Improvement Fund grant, a \$2.4 million loan from the Department of Environmental Quality, and \$1.0 million in Virginia Public Building Authority (VPBA) bonds. The local share consisted of a

\$1.7 million grant and \$1.5 million loan from Rural Development as well as balances and \$250,000 from Augusta County. The project was to cost \$10.5 million at that time.

**Governor's Action:** The proposed amendment recognizes a \$1.0 million increase in the total cost of original project. The amendment also provides for a greater share of the construction of the wastewater treatment plant to be paid for by the Commonwealth through the Department of Corrections, and authorizes an additional \$1.3 million in VPBA bonds for the facility's construction. Associated language describes conditions regarding property and operating permit conveyances by the town and the use of the existing wastewater treatment plant until the new facility is completed.

**Note:**

- The Town of Craigsville's existing wastewater treatment plant has been out-of-compliance with the Department of Environmental Quality's standards for about 14 years.

**Amendment No. 72  
Item C-78.30 – Department of Corrections  
Replace Windows and Mechanical Systems**

**General Assembly Action.** No action.

**Governor's Action:** The Governor proposes the creation of a new capital project to replace windows and mechanical systems at Keen Mountain and Greenville Correctional Centers with a total project cost estimated at \$6,031,000.

**Notes:**

- The project funding is derived by transferring a portion of previously authorized VPBA bond authority from five projects:
  - Construct New Kitchen and Dining Hall at Halifax Field Unit \$3,500,000
  - Replace Windows (Field units, detention and diversion centers) \$881,000
  - Upgrade Electrical Systems \$628,000
  - Install Railings and Mesh at Greenville \$622,000
  - Replace Plumbing and Heating Systems (Field units) \$400,000

**Amendment No. 73**  
**Item C-78.30 – Department of State Police**  
**Construct New Castlewood BCI Office Building**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment provides \$350,000 GF and \$190,000 NGF in fiscal year 2012 to construct a Bureau of Criminal Investigation (BCI) Building.

**Notes:**

- There is a companion amendment #79 which transfers \$350,000 from the Department of State Police nongeneral fund balances to the general fund in order to offset the general fund in the proposed amendment.
- The source of the \$190,000 of special revenue is a court award with a restriction that the funds be used to construct a new BCI office.
- Language also authorizes the department to accept a land parcel on which the facility will be built.
- The House rejected the original proposal which was financed with tax-supported debt.

**Amendment No. 74**  
**Item C-82.10 – Virginia Department of Transportation**  
**Construct Chemical Domes**

**General Assembly Action:** No action.

**Governor's Action:** The Governor's proposed language amendment would provide \$15 million in nongeneral fund authority to construct 15 chemical storage domes around the state to address winter weather conditions. The source of the nongeneral fund is the Commonwealth Transportation fund.

**Amendment No. 75**  
**Item C-84 – Central Capital Outlay**  
**Technical – Correct Maintenance Reserve Allocation**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The Governor's proposed amendment corrects the distribution of maintenance reserve for each fiscal year.

**Amendment No. 76  
Item C-84 – Central Capital Outlay  
Roanoke Higher Education Center Maintenance Reserve**

**General Assembly Action:** No action.

**Governor's Action:** The Governor's proposed amendment provides \$436,000 from the capital maintenance reserve program to make emergency repairs related to water intrusions issues at the Roanoke Higher Education Center.

**Note:**

- The House had a similar amendment in its approved budget.

**Amendment No. 77  
Item C-86 - Central Capital Outlay  
Reduce Debt Authorization**

**General Assembly Action:** No action.

**Governor's Action:** The Governor's proposed amendment would reduce debt authorized for energy conservation projects by \$15.2 million.

**Note:**

- The House had a similar amendment in its approved budget.

**Amendment No. 78  
Item C-86 - Central Capital Outlay  
Technical – Adjustment to 9(d) Bond Table**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The Governor's proposed amendment makes a technical change to the 9(d) NGF revenue bond table related to Amendment # 67, the GMU dining hall project.

**Amendment No. 79**  
**Item 3-1.01**  
**Transfer of Additional NGF Cash Balances**

**General Assembly Action:** No action.

**Governor's Action:** The Governor's proposed amendment captures a total of \$533,074 in FY 2010 nongeneral fund carryover balances. These amounts represent unencumbered balances from a number of accounts ranging from \$23 to \$342,411.

**Note:**

- Includes three transfers from the State Police totaling \$350,000

**Amendment No. 80**  
**Item 4-1.05 – Reversion of Appropriations and Reappropriations**  
**Language – Gubernatorial Authority for**  
**Unexpended Appropriations**

**General Assembly Action:** Adopted language providing that all year-end general fund balances be reverted unless the reappropriation of the funding is required by the Code of Virginia or to make payment for previously purchased goods or services. The only exceptions to this reversion of year-end general fund balances were for agencies in the Legislative and Judicial Departments, the Independent Agencies, and institutions of higher education.

**Governor's Action:** The proposed amendment provides that reappropriations may also be made where the Governor determines they are desirable to address any of six conditions listed in § 4-1.03 c.5 of the General Provisions or to provide financial incentives to reduce spending to effect current or future cost savings.

**Notes:**

- The language adopted by the General Assembly was in response to the Governor's elimination of nearly all reappropriation language in the budget.

- The six conditions listed in § 4-1.03 c.5 of the General Provisions include:
  - (1) addressing threats to life, safety, health, or property;
  - (2) providing for unbudgeted cost increases for statutorily required services or federally mandated services, in order to continue those services at the present level;
  - (3) providing for payment of overtime salaries and wages, when the obligations for payment of such overtime were incurred during a situation deemed threatening to life, safety, health, or property;
  - (4) providing for payments to the beneficiaries of certain public safety officers killed in the line of duty or National Guard and U.S. military reserves killed in action in any armed conflict after October 7, 2001;
  - (5) continuing a program at the present level of service or at an increased level of service when required to address unanticipated increases in workload such as enrollment, caseload, or like factors, or unanticipated costs; and
  - (6) addressing unanticipated business or industrial development opportunities which will benefit the state's economy, provided that any such appropriations be used in a manner consistent with the purposes of the program as originally appropriated.

### **Amendment No. 81**

#### **Item 4-5.04 – Special Conditions and Restrictions on Expenditures**

#### **Language – Address Security Concerns Involving Sale of Surplus Computers**

**General Assembly Action:** Adopted language permitting agencies that do not receive computer services from VITA to develop policies and procedures governing the sale of surplus computers or laptops to their employees or officials. Any proceeds from the sale of those surplus computers or laptops were to be deposited to the general fund.

**Governor's Action:** The proposed amendment includes two distinct provisions. The first requires that any policies and procedures developed for the sale of surplus computers or laptops to agency employees and officials comply with state standards for removing Commonwealth data and information security. The second requires that the agencies developing these policies and procedures for the sale of surplus computers or laptops have those policies and procedures approved by the Chief Information Officer.

**Note:**

- Under existing law, the Chief Information Officer has no authority over these agencies. If approved, the second provision would extend the authority of the Chief Information Officer of these agencies on the use of surplus computers.

**Amendment No. 82**

**Item 4-5.04 – Special Conditions and Restrictions on Expenditures  
Technical – Direct Revenues from Sale of Surplus Computers  
to Appropriate Funds**

**General Assembly Action:** Adopted language permitting agencies that do not receive computer services from VITA to develop policies and procedures governing the sale of surplus computers or laptops to their employees or officials. Any proceeds from the sale of those surplus computers or laptops were to be deposited to the general fund.

**Governor's Action (Technical):** The proposed amendment strikes the requirement that all proceeds from the sale of surplus computers or laptops be deposited into the general fund and instead requires that all deposits be made to the appropriate fund or funds originally used to purchase the equipment.

**Amendment No. 83**

**Item 4-5.04 – Special Conditions and Restrictions on Expenditures  
Language – Provide for Alternative Procurement**

**General Assembly Action:** No action.

**Governor's Action:** The proposed amendment provides that if any payment is declared unconstitutional or if the Attorney General issues a formal, written opinion that a payment is unconstitutional, the administering agency is authorized to use the affected appropriation for the purchase of another good or service that can be constitutionally purchased to achieve the original legislative intent.

**Notes:**

- If the General Assembly provides funding for a purpose, but does not directly specify an organization or organizations to which that appropriation must be made, the administering agency would have the flexibility to determine if the procurement of another good or service could meet the original legislative intent.



- However, if the General Assembly provides funding for specific organization or organizations and that payment is determined unconstitutional, then the administering agency has no discretion to determine if the procurement of another good or service could meet the original legislative intent.
- The amendment seeks to address the second example, and provide a limited authorization to permit the administering agency to determine if there is another means to address the original legislative intent.

**Amendment No. 84**  
**Item 4-6.01 – Positions and Employment**  
**Technical - Move July 1, 2012 Pay Date to July 2, 2012**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The proposed amendment moves the payday scheduled for July 1, 2012 to July 2, 2012. July 1, 2012 falls on a Sunday and if normal policy is followed this payday would occur on the Friday prior to the weekend. This would result in the payment being recorded in FY 2012 and would result in 25 pay periods for the fiscal year. The language amendment places the payday correctly in FY 2013.

**Amendment No. 85**  
**Item 4-9.02 – Higher Education Restructuring**  
**Technical - Changes Related to HB 2510, Top Jobs Legislation**

**General Assembly Action:** No action.

**Governor's Action (Technical):** The Governor's proposed amendment would provide for an exemption to the requirements of assessment of institutional performance to be consistent with the provisions of HB 2510/SB 1459, the "Top Jobs" legislation.

**Amendment No. 86**  
**Item 5-0 – Additional Enactments**  
**Language - Authorize an Optional Defined Contribution Plan for State Employees**

**General Assembly Action:** The House passed HB 2410 which authorized the establishment of an optional defined contribution plan for all VRS covered employees who are not currently eligible for an optional defined contribution plan.

**Governor's Action:** The proposed amendment would establish an optional defined contribution program for those state employees who are not currently eligible for one of the optional defined contribution programs. The provisions of the defined contribution plan are identical to the plan design included in HB 2410 as it passed the House.

**Note:**

- The language excludes teachers and local employees from the proposed optional defined contribution plan.