



Committee-Adopted Amendments to the 2014-2016 Biennial Budget: House Bill 1400

House Appropriations Committee

February 10, 2015



Key Features – HAC Budget Amendment Package

- Committee amendment package reflects net resource increases of \$369.4 million over the biennium
 - Includes additional revenues assumed pursuant to the preliminary Mid-Session revenue reforecast totaling \$408 million
 - These amounts are offset by reductions resulting from the removal of tax policy proposals that were not introduced in the House or failed in the Finance Committee
 - Also reflects reduction of \$10.2 million resulting from increasing the threshold for accelerated sales tax remittance to \$3.5 million, \$2.4 million from restoring the petroleum storage tank fund, and \$2.8 billion from restoring interest earnings to the state employee Health Insurance Fund and Local Choice plan

Key Features – HAC Budget Amendment Package

- Committee principles used to guide spending decisions were:
 - Make no reduction in public education basic aid
 - Work to improve structural integrity of the base budget heading into next biennium
 - Making investments in mental health, higher education and the environment
 - Providing a compensation package for all employee groups

Key Features – HAC Budget Amendment Package

- The major items the additional resources afforded include:
 - Setting aside \$99.5 million as an advance deposit to the Rainy Day Fund
 - Reducing \$42 million in debt and providing \$112 million of general fund cash for capital projects
 - Reducing the unfunded liability of the Teacher Retirement Plan and accelerating by two years the movement from 80% to 90% of the VRS Board certified rates for the State Employee Retirement Plan
 - Provide \$125.7 million for mental health services to over 29,000 individuals
 - Add \$31 million in additional higher education funding to restore cuts, pay for enrollment growth for schools with graduation rates above 60% and to incentivize the remaining schools to increase transfers from the community college system
 - Provide a total increase of \$17 million for Ag BMPs and land conservation efforts



Health and Human Resources



Plan to Address Critical Needs for Behavioral Health Services & Health Care Safety Net

- Builds on previous House efforts to provide services for individuals with serious mental illness and substance use disorder
- Provides targeted behavioral health and substance abuse treatment services to 29,200 individuals with serious mental illness (SMI) and substance use disorders with incomes at or below 80% of the federal poverty level
 - Consistent with current Medicaid eligibility for aged, blind and disabled individuals (80% FPL)
- Expands funding for community behavioral health services
 - Programs for Assertive Community Treatment (PACT)
 - Crisis intervention therapeutic drop-off centers
 - Children's psychiatry and crisis response services
- Expands access to the health safety net through community health centers and free clinics

Services for Individuals with Serious Mental Illness (SMI)

- Provides \$77.4 million GF and \$80.5 million NGF over the biennium for targeted Medicaid behavioral health services for low-income adults with SMI at or below 80% of the federal poverty level
 - Case management and care coordination
 - Psychiatric evaluation, management and treatment
 - Crisis line
 - Crisis intervention and stabilization
 - Psychosocial rehabilitation
 - Outpatient psychiatric and substance abuse treatment services
 - Substance abuse intensive outpatient treatment
 - Methadone and opioid treatment
 - Peer support services
- Adds coverage for prescription medications for low-income adults with SMI

Services for Individuals with Serious Mental Illness

- Adds \$6.1 million GF in FY 2016 for community behavioral health services
 - \$2.0 million GF for 2 additional PACT teams, bringing the total to 25 in FY 2016
 - PACT teams served about 1,650 individuals last year
 - Each team serves between 80-100 individuals each year
 - \$1.6 million GF for 5 additional therapeutic drop-off centers, bringing total to 29 centers in FY 2016
 - FY 2014 state funded sites served on average 420 individuals per site
 - Adds \$2.5 million GF to expand children's psychiatry and crisis services in five regions to serve more localities
 - Funding for these services in FY 2014 resulted in:
 - 9,410 children receiving emergency psychiatry and crisis services
 - 24,541 children receiving outpatient mental health services
 - 2,189 children benefiting from additional psychiatry services
 - Reduced wait times to see a child psychiatrist from 12 weeks to 1-2 weeks (sooner in crisis)

Health Safety Net Programs

- \$29.2 million GF and \$36.3 million NGF for health care safety net programs over the biennium
 - \$18.4 million GF to enroll up to 35,000 children in the Virginia's children's health insurance programs, Medicaid and FAMIS
 - \$5.6 million GF to meet the health care needs of indigent patients at free clinics and community health centers
 - 60 Free Clinics served 7,500 patients with state funds in FY 2014
 - 27 community health centers served 3,621 patients with state funds in FY 2014
 - Additional funding will serve about 12,400 more patients
 - \$1.9 million GF to expand dental services for up to 45,000 low-income pregnant women enrolled in Medicaid or FAMIS Moms program
 - \$2.4 million GF to provides low-income state employees with the option to enroll their children in FAMIS
 - Projected to serve 5,000 children
 - A parent with one child may be eligible to enroll their child if his or her annual income is less than \$31,860
 - \$500,000 GF to expand grants for medication assistance through the Virginia Health Care Foundation
 - In FY 2014, 39 medication assistance coordinators helped 16,450 uninsured from 67 localities obtain \$85.2 million in free medicines
 - This funding will add 13 medication assistance coordinators statewide
 - \$400,000 GF to support Pharmacy Connect and the Health Wagon in SWVA

Services for Physically Disabled and Aged

- Provides \$2.6 million GF in FY 2016 to restore and expand services for individuals with physical disabilities
 - \$1.0 million GF for the vocational rehabilitation program to address the waiting list for services
 - Funding will be matched with federal dollars
 - \$750,000 GF to restore funding for community-based brain injury services
 - \$500,000 for public guardianship services
 - \$442,767 GF to restore funding reductions for the Centers for Independent Living
 - \$364,943 GF to restore funding for long-term employment support services

Funding for Other HHR Programs

- \$17.2 million NGF in FY 2016 in federal child care block grant funds to fund the fiscal impact of HB 1570 to bolster the licensing and inspection process for child day care homes
- \$3.7 million GF in FY 2016 to rollback the proposed restaurant inspection fee from \$285 to \$40
- \$500,000 GF in FY 2016 for proton beam therapy
- \$225,000 GF and 3 positions for Shellfish Sanitation Program at the Health Department
- \$221,568 GF and a reduction of \$221,568 NGF in FY 2016 to eliminate a proposed increase in the tobacco stamp tax which would have been deposited into the Virginia Health Care Fund to offset Medicaid costs
- \$200,000 GF in FY 2016 for the Department of Medical Assistance Services to implement a statewide contract for preadmission screening of children potentially eligible for Medicaid long-term care services
- \$198,872 GF over the biennium to restore funding to the Office of Comprehensive Services for data analytics and program evaluation
- \$25,000 GF in FY 2016 for the All Payer Claims Database analysis

HHR Proposed Savings of \$33.6 Million

(GF \$ in millions)

Amendments	FY 2015	FY 2016
Medicaid Technical Forecast Adjustments	-	(\$21.8)
Eliminate New Initiative Extending Foster Care to Age 21	-	(\$3.2)
Supplant GF for Child Day Care Licensing with Federal Block Grant	-	(\$2.7)
Eliminate Funding for 93 Local Eligibility Workers in FY 2015 (maintains funding for these positions in FY 2016)	(\$2.0)	-
Eliminate Day Support Waiver Redesign – New Slots & Services	-	(\$1.9)
Reduce Funding for Medicaid Central Processing Unit	-	(\$1.0)
Supplant GF for CHIP of Virginia with TANF	-	(\$1.0)
Subtotal Targeted and Technical Adjustments	(\$2.0)	(\$31.6)

Language Changes

- Eliminates language authorizing Medicaid Expansion
- Eliminates language authorizing a hospital provider tax
 - Language is added to direct the Secretary of Health and Human Resources to conduct an analysis of provider assessment options and report back to the money committees prior to the 2016 Session
- Adds language requiring the Secretary to convene a workgroup on the COPN process and report back to the General Assembly prior to the 2016 Session
- Adds language directing the Department of Behavioral Health and Developmental Services to develop a plan for the redesign of the comprehensive Medicaid Intellectual and Developmental Disability waiver programs



Compensation and Retirement



Recommended Salary Actions

- Committee recommendations include \$87.8 million GF in FY 2016 for employee salary adjustments including:
 - \$29.8 million for a 1.5% across the board salary increase for state employees effective July 25th
 - \$34.7 million for a salary compression adjustment for state employees effective July 25th
 - College Faculty and judges are authorized a 2% salary adjustment
 - \$14.8 million for a 2% salary adjustment for state supported local employees effective August 1st
 - \$8.5 million for additional targeted salary actions for public safety personnel
- The across the board and compression increases are included in a revenue reserve

Salary Compression Adjustment

- Committee recommends salary compression adjustment effective July 25, 2015 as follows
 - Sworn Officers of the State Police with 3 or more years of service receive a salary adjustment of \$95 per year of service
 - Other State Employees with 5 or more years of service receive a salary adjustment of \$80 per year of service
 - Compression adjustment capped at 30 years of service

Salary Actions for Public Safety Personnel

- Committee recommendations:
 - Includes \$721,772 GF to provide an additional 4.63% salary adjustment for entry level, grade 7, deputy sheriffs resulting in a total salary adjustment of 6.63%
 - Recommendations set minimum starting salary for deputies at \$31,009
 - Committee recommends striking language mandating localities fund automatic future salary increases
 - Includes \$7.3 GF million to provide a \$1,000 adjustment in the annual salary for entry level correctional officers at DOC
 - Combined with 1.5% salary adjustment, increases the starting salary to \$29,455
 - Includes \$500,000 for the state police to address salary compression issues remaining after the \$95 per year of service adjustment

VRS Contributions

- Committee recommends, as part of the revenue reserve, \$41.8 million GF in FY 2016 to fund 90% of the VRS Board certified rates for the four state employee plans (VRS, SPORS, VaLORS and JRS)
- Included in the Elementary and Secondary Education Committee recommendations is \$190.0 million NGF, from the Literary Fund, in FY 2016 to fund a lump-sum payment to the VRS for the teacher retirement program
 - Language states payment shall be applied as an accelerated repayment of the 2010-12 biennium deferred contributions
 - Amendment captures \$12.8 million GF in savings in FY 2016 from decreasing the regular VRS retirement contribution rate for the teacher system from 14.50% to 14.07% in FY 2016 based on the accelerated repayment

Other Benefit Actions

- Committee recommendations adjust funding pursuant to the passage of legislation:
 - Includes \$171,000 GF for HB 2277 (Ingram) - Minimum life insurance benefit for retirees
 - Includes \$250,000 GF for HB 1940 (Greason) – Autism coverage up to age 10
 - Captures savings of \$1.4 million from HB 1984 (Leftwich) – Increase mandatory retirement age for judges up to age 73
- Other Committee amendments include:
 - Restores \$1.4 million interest earnings to the state employee health insurance fund and the local choice health fund each year
 - Introduced budget assumed transfer of interest earnings to the general fund
 - Reject proposal to increase annual out-of-pocket maximums for state employee health plan



Elementary and Secondary Education



Direct Aid -- Biennial Budget \$14.3 Billion

- The Elementary and Secondary Education budget package and recommendations to the 2014-16 biennial budget for Direct Aid to Public Education total up to \$10.9 billion GF and \$3.4 billion NGF

Summary of Proposed Revenues for Direct Aid to Public Education			
(\$ in million)			
Chapter 3 Total	\$7,030.8	\$7,086.1	\$14,116.9
	<u>FY 2015</u>	<u>FY 2016</u>	<u>Biennium</u>
General Fund	\$5,402.2	\$5,542.4	\$10,944.4
Special Fund	0.9	0.9	1.8
Commonwealth Transportation	0.9	0.8	1.7
Trust & Agency (Lottery & Literary)	743.8	893.1	1,636.9
Federal Trust	<u>870.9</u>	<u>870.9</u>	<u>1,741.8</u>
HB1400 TOTAL	\$7,018.7	\$7,308.1	\$14,326.6
Difference	(\$12.1)	\$222.0	\$209.7

Technical Updates to SOQ, Incentive, Categorical and Lottery Accounts

- The Committee's recommendations reflects a net savings over the biennium from the routine technical updates that include:
 - Student membership projections that reflect a slower growth in ADM and saves \$14.2 million
 - Incentive and Categorical accounts – saves \$2.6 million
 - Corrections related to data submission errors from prior year - adds \$668,918 in FY 2015
 - Sales tax forecast update and updating the sales tax distributions based on current school-aged population census data – saves \$4.4 million over the biennium
- Recommends using updated Lottery revenues to fund a like amount of general fund programs costs and generates an equal GF savings:
 - Revised forecast of \$26.1 million increase over the biennium
 - Technical adjustments for lower student participation in \$16.3 million over the biennium
 - Carry-over balance of \$3.0 million from FY 2014 into FY 2015

\$55 Million for 1.5% Salary Incentive

- The Committee's highest priority was to provide a salary incentive for all school employees:
 - Provides \$55.0 million (11 months) in FY 2016 for the state's share of a 1.5% salary incentive for all funded SOQ instructional and support positions
 - Participation is optional and requires a local match – must provide at least a 1.5% increase by January 1, 2016, and would be eligible for the 11 months of funding from the state
 - School divisions cannot count the phase-in of the VRS swap as its local match

Literary Fund – Updates and Policy Changes

- The Committee recommended making a \$190.0 million payment in FY 2016 to VRS into the teacher retirement account to decrease the deferred contribution portion of the unfunded liability
 - Additional Literary Fund revenues came from the sale of unclaimed stocks
 - Based on the lowered unfunded liability balance, the retirement rate would decrease to 14.07%, down from the 14.50% rate in the current adopted budget, and generates \$12.8 million GF savings in FY 2016
 - This lower rate also reduces school divisions' share of VRS costs – general statewide estimate is about twice the state's projected savings
- Adds \$50.0 million for new School Construction loans
- Recommends \$75.0 million to offset a like amount of general fund spending for teacher retirement costs
 - Redirecting \$25.0 million for teacher retirement costs from Interest Rate Subsidy grants from the introduced budget

Program, Policy and Language Changes

- Recommends adding \$2.7 million GF over the biennium, to backfill the loss of DMV generated revenues that occurred from the extension of driver licenses renewal period from 5 to 8 years for the remaining transition period
- Recommends increasing the School Breakfast program by \$537,297 GF in FY 2016
 - School divisions may apply for additional reimbursement for current breakfast program
 - Elementary schools may apply for funding for a new School 'Breakfast After the Bell' incentive program
- Committee recommends \$300,000 GF to expand Virtual Virginia for additional courses and address the student waiting list for existing courses in second year

Program Savings and Language Changes

- Allows DOE to coordinate with divisions to provide guidance for VPSA technology equipment initiative to maximize flexibility of eligible purchases
- Recommends expanding VPSA equipment eligibility purchases to include laptops and tablets
- Updates the PreK program to use the 2015 kindergarten enrollment estimate in the second year and capture \$2.8 million in savings
- Removes the one-time hold-harmless allocation for PreK slots and language for unused slots and increases non-participation savings by \$3.5 million in second year
- Adds clarifying language for the definition of at-risk used in PreK to be consistent with the free lunch initiative eligibility
- Recommends a Joint Committee to review the state's role and policy relating to preschool for students in low-income families
- Adjusts the allocation to Project Discovery to \$425,000 in second year

Language Amendments

- Recommends new language for an extended year planning or start-up grants:
 - Require a 20% local match, except for divisions with schools that are in Denied Accreditation status
 - Allow remaining balances from funding received to be carried over to next fiscal year
- Recommends flexibility that will allow DOE to use available balances from year-round school grants to other types of submitted proposals for extended day or other alternative instructional models
- Adds flexibility to Teach For America program to carry-over remaining balances to next fiscal year
- Reaffirms the Commonwealth's commitment to the Standards of Learning for student academic assessments

DOE Central Office

- The Committee recommends adding \$1.3 million to help underperforming and academically struggling schools
 - \$713,000 to establish a program of professional development for principals
 - \$572,976 for five new positions to help support those schools
- Adds funding for two initiatives that will help support professional development
 - \$366,000 for school principals and teachers to assist with issues that are unique to high-needs students
 - \$100,000 for school board members with a focus on policy development, leadership and strategic planning
- Provides \$1.0 million to UVA to start a statewide kindergarten readiness program that assesses social skill and self-regulation

DOE Central Office

- Recommends adding \$732,000 in one-time funding to transition the 7th and 8th grade SOL mathematics tests to a Computer Adaptive Testing (CAT) platform
- Provides \$200,000 to cover the estimated cost of expedited SOL retakes for 3rd through 8th graders that have failed within a narrow window of a pass rate
- Adds \$200,000 for competitive grants for planning the implementation of systemic High School Program Innovation
- Recommends \$75,000 to redesign the School Performance Report Card
- New language expands the use and scope of the Information Technology Academy funding to include additional IT credentials and certifications



Higher Education



Criteria for Higher Education Recommendations

- Funding recommendations are consistent with TJ 21 legislation
- Improve Access and Affordability
- Allocations Reflect Both New Enrollment Growth & Transfers
 - Utilize recent graduation rate
- Address High Priority Items in Higher Education

Allocations to Colleges and Universities

- \$19.8 million GF in FY 2016
 - Funds allocated using three factors:
 - Budget relief for all institutions from proposed \$45 million cuts in HB 1400 as introduced
 - Enrollment growth in new in-state undergraduate students at 4-year institutions with graduation rates above 65 percent
 - Represents about 1,300 in-state undergraduates
 - Transfer student growth for remaining 4-year institutions and 2-year colleges
 - Represents about 800 new transfer students
 - Language permits funds to also be used to address institution-specific initiatives submitted by House members
- \$12.0 million GF for a two percent faculty salary increase July 25 at colleges & universities, VIMS and Extension
- \$5.0 million GF to expand research efforts including:
 - Cancer research at UVA & VCU
 - Brain Disorder at VT
 - Biomedical at ODU
- \$1.5 million in new financial aid
 - \$0.6 million GF at UMW and \$0.3 million GF at GMU to reach 30 percent of student need floor
 - \$0.6 million to increase the number of Two-year College Transfer Grant students at the six institutions with graduation rates below 65 percent
 - These funds are in addition to the transfer growth monies identified above
 - Funds will provide a \$1,000 grant for each student eligible under the Two-year College Transfer Grant program on top of the base grant of \$1,000 to \$2,000 for STEM-H

Allocations to Colleges and Universities

Institution	GF Amount \$ in millions	Institution	GF Amount \$ in millions
CNU	\$0.7	UVA	2.6
CWM	0.5	UVA-W	0.4
GMU	5.5	VCU	4.4
JMU	2.7	VMI	0.4
LU	0.6	VT	3.2
UMW	1.8	VSU	0.9
NSU	0.9	RBC	0.3
ODU	4.2	VCCS	6.4
RU	1.4	Total	\$36.8

Other Major Higher Education Budget Recommendations

- \$600,000 GF at SCHEV for 2-Year Transfer Grant growth related to the new grant incentive provided to institutions
- \$1.2 million GF for VT Extension to correct employee benefits allocation error in the budget as introduced
- \$250,000 GF at EVMS to partially restore budget reductions contained in the second year if the introduced budget
- Provides authority to expend \$4.2 million from the GOF for the Jeff Labs Electron Collider
- \$250,000 GF at UVA Medical Center for costs associated with a their medical emergency helipad in Buckingham County
- Jamestown-Yorktown Foundation
 - \$232,000 in FY 2015 for the Yorktown Museum
 - \$150,000 in FY 2016 for the 2019 Commemoration

Major Language Items

- Several language items are related to encouraging innovation
 - GMU Online Course Offerings
 - GMU Research Hub
 - VCU Advance Logistics Center (CCALS)
 - Richard Bland New Educational Delivery Initiative
 - SCHEV Equipment Sharing
- Financial aid flexibility at NSU, UMW, VSU and the VCCS
- Carry forward clarification for TAG, VMSDEP & Transfer Grant
- Strategic Planning
- JLARC Recommendations



Capital Outlay and General Government



Capital Outlay Principles

- Use general fund and eliminate tax-supported debt where possible
- Address previously approved renovation projects that have completed planning and are ready to go
- Continue to utilize the framework started with the 2008 legislation

Use General Fund for Capital Projects

- \$95.1 million GF the second year is provided for a capital renovation pool
 - JMU: Madison Hall
 - Longwood: Biomass Boiler
 - Radford: Whitt Hall
 - VCU: Raleigh Building
 - VCU: Sanger Hall, Phase II
 - Virginia Tech: Renovate / Renew Three Academic Buildings
 - Virginia Tech Extension: Improve Kentland Facilities
- \$5.6 million GF and \$5.0 million NGF to supplement the Rotunda Renovation at UVA
- \$2.8 million GF at JMU to correct the fund split for the steam / chiller plant acquisition
- \$8.5 million GF to supplement maintenance reserve projects
 - \$5.0 million of proposed bonds were eliminated as part of this recommendation

Other Capital Outlay Recommendations

- Authorizes two nongeneral fund projects
 - JMU Student Housing
 - CWM Wellness Center
- Technical update to out-of-state student revenues for capital fee saves \$276,907 GF
- Technical project changes for two projects at VMI

Capital Language Actions

- Project planning
 - Authorizes 12 new projects to begin preplanning with their own funds following the process from 2008
 - Agencies / institution are reimbursed upon project receiving construction funding
 - Previously approved projects are authorized to move to detailed planning through use of the planning pool and their own funds
- Authorizes reimbursement for Prince William - Manassas Regional Jail and Pamunkey Regional Jail projects
- Eliminates the proposed sweep of funds from the Central Virginia Training Center project for a grants to private entities to construct community housing
- Removes language made redundant by passage of HB 1275 and HB 1276 regarding the veterans care centers
- Eliminates DGS study language regarding acquisition of Midrise Building
- Authorizes Virginia Museum of Natural History to conduct a financial feasibility on developing an Interpretive Center in Waynesboro

Revenue Stabilization Fund Deposit

- The Committee recommends reserving \$99.5 million GF in FY 2015 in anticipation of constitutionally-required deposit to the Rainy Day Fund in FY 2017

Judicial Department

- Criminal Fund
 - Committee recommends \$11.2 million GF the first year and \$8.2 million GF the second year for increased costs associated with the Criminal Fund
- Judgeships
 - Recommendations increase the transfer to the general fund the first year by \$500,000 to reflect the current estimate of judicial vacancy savings
 - Committee amendment eliminates the \$1.0 million reversion in FY 2016 from judicial vacancies
 - Budget would include resources sufficient to fund 402 circuit and district court judgeships in FY 2016
 - There are currently 392 full-time circuit and district court judges

Legislative and Executive Offices

- Legislative Department

- Committee recommends \$500,000 GF in FY 2016 to fund the Ethics Advisory Council
- Amendments include \$300,000 for JLARC pursuant to HJ 637 (Landes) authorizing a comprehensive review of the Medicaid program
 - The funding provided is in addition to \$1.0 million in prior year balances available to support the cost of the study
- Includes funding of \$20,000 pursuant to HB 2281 (Carr) which establishes the Commission for the Commemoration of the Centennial of Women's Right to Vote

- Executive Offices

- Attorney General and Department of Law
 - The Committee recommends \$1.3 million NGF in the second year to align appropriation for the Medicaid Fraud Control Unit with the approved federal grant for the Unit
- Office of the State Inspector General
 - The Committee recommends eliminating \$150,000 GF the second year for a study of Catawba Hospital and Piedmont Geriatric Hospital

Other General Government Spending and Savings

- State Board of Elections
 - The Committee recommends eliminating \$1.6 million GF the second year to reimburse localities for replacement of voting equipment
 - Committee also recommends eliminating authorization to issue \$28.0 million in VPBA bonds to purchase and replace voting equipment statewide
- Department of Treasury
 - Provides \$264,000 GF in FY 2016 pursuant to HB 1286 (Ware) which requires the Tax Department to offer taxpayers the option of receiving their state tax refund by check
- Compensation for Victims of Sterilization
 - Recommends \$400,000 GF to compensate individuals who were involuntarily sterilized pursuant to the Virginia Eugenical Sterilization Act
 - Reimbursement limited to \$25,000 per verified claim and contingent on funding being available
- Central Appropriations
 - The Committee recommends the reversion of \$2.0 million GF from state agencies relating to estimated fuel savings

Significant Language Amendments

- The Committee strikes language amendment allowing local treasurers to contract with Commonwealths Attorney's on a contingency basis to collect overdue fines and fees
- The Committee recommends several amendments relating to the Virginia Information Technologies Agency and Chief Information Officer, including:
 - Requiring the CIO to review and approve any contractual agreements between agencies and CGI Technologies and Solutions, Inc.
 - Creating a technical working group led by the Division of Legislative Services to develop legislation that reorganizes, clarifies, and codifies VITA's existing responsibilities
 - Directing the Information Technology Advisory Council (ITAC) to implement a proposal to involve state agencies in planning for the expiration of the state's contract with Northrup Grumman
 - Requiring ITAC to develop a proposal for improving agency involvement in key central IT decisions



Public Safety



Department of State Police

- The Committee recommends providing \$4.0 million GF in the first year to restore funding for overtime compensation for state troopers
- Includes \$263,200 GF in FY 2016 pursuant to HB 2029 (Wilt) for background investigations relating to concealed handgun permit applications
 - Offset by estimated \$370,000 GF in fee collections

Department of Alcoholic Beverage Control

- The Committee recommends increased transfer of net profits to the general fund of \$4.5 million in FY 2015 and \$6.0 million in FY 2016
 - Total increase in revenues resulting from ABC pricing actions is expected to be \$5.4 million in first year and \$9.5 million in second year
- Information Technology and Marketing Initiatives
 - The Committee recommends \$850,000 NGF in FY 2015 and \$3.5 million NGF in FY 2016 for IT upgrades and marketing initiatives
 - Includes language creating advisory committee chaired by the Secretary of Finance to review and report on the progress of IT projects

Department of Corrections

- The Committee recommends \$11.0 million GF in the first year and \$23.0 million GF the second year for increased inmate medical costs
 - Second year amount includes \$500,000 and 6 positions to increase recruitment efforts for DOC medical staff and administration
 - Amendment reduces NGF appropriation by \$200,000 each year
 - \$2.6 million GF in the second year is provided for Hepatitis C treatment
 - A language amendment directs DOC to issue a Request for Information for comprehensive management of inmate health services
- Includes \$650,000 in FY 2016 for the “Woodrum” impacts from proposed criminal sentencing legislation

Other Public Safety

- Department of Criminal Justice Services
 - The Committee recommends \$50,000 GF in FY 2016 for training of local law enforcement relating to individuals with dementia and Alzheimer's disease.
- Commonwealth's Attorneys Services Council
 - The Committee recommends GF reductions of \$188,026 in FY 2015 and \$183,194 in FY 2016 and includes language enabling the Council to draw down \$200,000 each year from the Abbott Pharmaceuticals settlement to support training
- Department of Forensic Science
 - The Committee recommends \$282,000 GF in FY 2016 to restore reductions in the Governor's proposed budget
 - Restoration for video enhancement, trace evidence, and controlled substances services
 - Includes \$101,200 GF in FY 2016 for the costs of additional DNA testing pursuant to HB 1928 (Bell, R. B.)
 - Offset by estimated revenue increase of \$168,950 GF from fee collections

Local and Regional Jails

- The Committee recommends \$13.8 million GF in FY 2015 to fund the projected cost of per diem payments to regional and local jails
- Includes \$200,000 GF the second year for 11 additional positions to support Phase 1 of the Central Virginia Regional Jail expansion project

Veterans Services

- The Committee recommends additional funding for the Virginia Values Veterans (V3) and Virginia Transition Assistance Program (VTAP)
 - Adds \$474,000 GF and \$100,000 NGF the second year to support hiring of veterans by companies certified by V3 program, and to support transition of veterans to civilian workforce in the VTAP program
- Includes \$67,090 GF and \$42,000 NGF and 1 position the second year to conduct eligibility and certification for Virginia Military Survivors and Dependents Education Program
- The Committee recommends \$1.8 million GF and 8 positions the second year to enhance services provided through agency's field offices
- Adds \$180,000 GF the second year for three local Housing Resource Specialist positions for Virginia Wounded Warrior Program
- The Committee recommends \$107,333 GF and 2 positions in FY 2016 for the Virginia War Memorial



Agriculture, Commerce, Technology and Natural Resources



Water Quality and Land Conservation

- HB 1400 as introduced included \$8.2 million the second year from the Water Quality Improvement Fund Reserve Fund
 - There is no statutorily required deposit to the WQIF because of the FY 2014 shortfall thus the appropriation included the full amount in the Reserve Fund
- Amendments provide an additional \$10.7 million in general fund support in FY 2016 to the Natural Resources Commitment Fund to ensure funding levels for agricultural BMP cost share and technical assistance programs of the Soil and Water Conservation Districts are maintained
- In combination, this will provide for the following distributions:
 - \$16.5 million for the Natural Resources Commitment Fund for agricultural best management practices
 - \$1.6 million for Soil and Water Conservation District for technical assistance
 - \$0.7 million for Conservation Reserve Enhancement Program
 - \$0.1 million for golf course nutrient management

Water Quality and Land Conservation

- In the area of land conservation, the Committee amendments provide an increase of \$6.25 million above levels proposed in HB1400:
 - \$1.0 million increase in FY 2016 for the Office of Farmland Preservation at VDACS, bringing total funding to \$1.75 million in the second year
 - \$1.25 million increase in GF support for Civil War Historic Site Preservation in FY 2016, bringing total funding at the Department of Historic Resources for this purpose to \$2.0 million in the second year
 - \$4.0 million increase for the Virginia Land Conservation Fund, bringing the total appropriation from GF and NGF sources to \$7.0 million in FY 2016
- The amendments also include an additional \$0.7 million in the first year and \$1.1 million in the second year for operating expenses at Department of Conservation and Recreation
- Capital Outlay includes authorization for the use \$2.2 million NGF the second year to allow for the opening of the Seven Bends Park on a limited use basis

Elimination of Fees and Balance Reversions

- Eliminates the new \$10 per device annual weights and measures registration fee at VDACS proposed in HB 1400
 - Committee action restores the \$500,000 in general fund savings assumed to have been generated by the fee
- Removes a proposed increase in the \$40.00 per non-restaurant food establishment's annual inspection fee
 - HB 1400 would have established a tiered-fee, up to \$375
 - Restores the \$400,000 GF support that would have been supplanted by the fee
- Eliminates the proposal to increase the deductible for claims under the Petroleum Storage Tank Fund from \$500 to \$2,500 and restores the \$2.4 million in the second year that had been proposed to be transferred from the Fund
 - Language is included directing DEQ to work with industry groups to evaluate the program over the next year
- Restores the VDACS Commodities Board funding in both FY 2015 and FY 2016
 - Chapter 3/HB 1400 captured \$75,637 in FY 2015 and \$65,234 from these industry self-assessments

Agriculture and Natural Resources Program Funding

- Restores state support for the federally funded coyote control program in the second year, totaling \$190,000
- Restores funding to support 4-H and FFA Scholarships, totaling \$32,900 each year
- Provides \$200,000 and 2 FTE positions at DCR to support shoreline erosion advisory services

Commerce and Trade

- The largest new spending item is an increase of \$9.9 million in FY 2015 and \$10.8 million in FY 2016 for the Governor's Opportunity Fund
 - Brings the total to \$19.9 million GF in the first year and \$20.7 million GF in the second year
- With one exception, funding for all other economic development incentive payments proposed in the Virginia Economic Development Incentives Payment Item, which totals \$62.1 million in FY 2015 and \$79.1 million in FY 2016, remain unchanged
 - Legislation creating a new tourism incentive fund was not adopted by the House, and the associated appropriation of \$500,000 in FY 2016 is removed
- Adds \$1.5 million in the first year to complete planning for the new apprentice academy at the Commonwealth Center for Advanced Manufacturing
- Adds \$500,000 in the second year to supplement funding for site redevelopment through DHCD

Commerce and Trade

- The area of economic development contains a number of funding amendments intended to address the impacts of federal defense spending contractions and BRAC, as well as related needs of Virginia's veterans
- \$1.0 million is provided to the Department of Veteran's Services to implement a pilot program to provide grants to companies to incentivize the hiring of veterans
- \$500,000 of rapid rehousing funding at DHCD is focused at combatting homelessness among Virginia's veterans
- \$350,000 is provided to the VEDP to continue for a second year a Federal Action Contingency Trust (FACT) Fund grant to connect national security agency research and development programs and project managers with entrepreneurs in Northern Virginia
- \$250,000 is provided to address encroachment at Langley Air Force Base from the remaining balances in the Federal Action Contingency Trust (FACT) Fund
- An additional NGF appropriation of \$2.3 million is included in the second year from monies generated by property sales to further address encroachment issues at the auxiliary landing field in Chesapeake

Commerce and Trade: Tourism

- The proposed 50% reduction in FY 2015 and elimination of funding in FY 2016 for the See Virginia First cooperative advertising program is fully restored
 - Amendments in Central Accounts eliminate the proposed reductions of \$313,778 in FY 2015 and \$627,556 in FY 2016
- Tourism spending is supplemented by an additional \$300,000 for the Spearhead Trails initiative in southwest Virginia
- Also included is \$400,000 in FY 2016 to promote tourism with China, part of an incentive package used to attract Air China to Dulles Airport
 - This is year 1 of a three-year commitment under that package
- Restoration of \$550,000 in general fund support for the Southwest Virginia Cultural Heritage Foundation in the second year at DHCD



Transportation



Transportation Agencies

- VDOT revenues are adjusted downward by \$1.7 million NGF in the first year and \$50.6 million in the second year to reflect the revised revenue forecast and to mirror the distributions included in the six-year financial plan adopted by the Commonwealth Transportation Board in November
 - Offsetting the lower revenue forecast is a 7% reduction in VDOT administration costs
 - The savings are reprogrammed to supplement the agency's maintenance and construction programs. None are transferred from the agency
- At DRPT, the budget includes a \$68.1 million increase in the nongeneral fund appropriation in FY 2016, largely from increased federal grants
- At DMV, the nongeneral fund appropriation is increased \$650,000 in the first year and \$350,000 in the second year to reflect the revenues generated and program administration needs associated with the Transportation Network Companies legislation

Programmatic Reviews and Oversight

- Amendment package includes a number of language items intended to ensure funds are utilized in an efficient fashion, and recipients of state transportation dollars act in an accountable fashion
 - Stipulates that if WMATA's annual audit identifies any shortcomings, funding could be withheld until the Director of DRPT determines that any material deficiencies in the audit have been addressed
 - Requires that WMATA addresses all the recommendations cited in the Federal Transit Administration of the U. S. Department of Transportation's "Full Scope of Systems Review of the Washington Metropolitan Transit Authority"
 - Directs DRPT to undertake a review of the uses of monies that have flowed to the Rail Enhancement Fund since its creation in 2005
 - Requires VDOT to report on the usage of funding to improve and maintain Secondary roadways across the Commonwealth
 - Directs the CTB to consider both state and municipally owned bridges in selecting projects for funding in the Six Year Program

Port of Virginia

- The amendments for the Virginia Port Authority reflect the ongoing consolidation of the VPA and Virginia International Terminals operations
 - Increases the VPA's maximum employment level by 69.0 FTE positions and \$16.3 million NGF
 - This reflects the transfer of existing positions from the Port's VIT operating arm, which is not included in the Appropriation Act
- Language authorizes the modification of the existing Portsmouth Terminal Lease language to allow the VPA to extend or renew its operating lease on by 50 years and/or convert from an operating lease to a capital lease arrangement
- Additional language allows use of previously authorized Commonwealth Port Fund Bonds issued for Craney Island improvements to be used for the construction or expansion of other port facilities