

# 2014 SPECIAL SESSION I

ENROLLED

ENROLLED

HB5010ER

## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact Chapter 2 of the Acts of Assembly of 2014, Special Session I, which appropriated the public revenues and provided a portion of such revenues for the two years ending, respectively, on the thirtieth day of June, 2015, and the thirtieth day of June, 2016.*

[H 5010]

Approved

**Be it enacted by the General Assembly of Virginia:**

**1. That § 3 of the first enactment (Total Projected Revenues available for the period ending June 30, 2015, and June 30, 2016, page 1) of Chapter 2 of the Acts of Assembly of 2014, Special Session I, be hereby amended and reenacted and that the cited chapter be further amended by adding in § 1-130 of Part 1 Items 471.10, 471.20, 471.30, and 471.40 as follows:**

§ 3. The appropriations made in this act from the general fund are based upon the following:

	First Year	Second Year	Total
Unreserved Balance, June 30, 2014	<del>\$478,643,378</del>	\$0	<del>\$478,643,378</del>
	\$40,843,378		\$40,843,378
Additions to Balance	<del>\$147,375,013</del>	\$800,000	<del>\$148,175,013</del>
	\$253,925,013		\$254,725,013
Official Revenue Estimates	<del>\$17,721,905,909</del>	<del>\$18,448,628,910</del>	<del>\$36,170,534,819</del>
	\$16,894,205,909	\$17,347,328,910	\$34,241,534,819
Revenue			
Stabilization Fund	\$470,000,000	\$235,000,000	\$705,000,000
Transfers	<del>\$616,168,307</del>	<del>\$524,066,980</del>	<del>\$1,140,235,287</del>
	\$618,118,307	\$525,066,980	\$1,143,185,287
Total General Fund Resources Available for Appropriation	<del>\$18,964,092,607</del>	<del>\$18,973,495,890</del>	<del>\$37,937,588,497</del>
	\$18,277,092,607	\$18,108,195,890	\$36,385,288,497

The appropriations made in this act from nongeneral funds are based upon the following:

	First Year	Second Year	Total
Balance, June 30, 2014	\$4,708,335,881	\$0	\$4,708,335,881
Official Revenue Estimates	<del>\$25,652,980,255</del>	\$26,248,075,807	<del>\$51,901,056,062</del>
	\$25,667,980,255		\$51,916,056,062
Lottery Proceeds Fund	<del>\$525,000,000</del>	\$510,000,000	<del>\$1,035,000,000</del>
	\$553,100,000		\$1,063,100,000
Internal Service Fund	\$1,595,861,216	\$1,612,651,825	\$3,208,513,041
Bond Proceeds	\$632,144,586	\$105,000,000	\$737,144,586
Total Nongeneral Fund Revenues Available for Appropriation	<del>\$33,114,321,938</del>	\$28,475,727,632	<del>\$61,590,049,570</del>
	\$33,157,421,938		\$61,633,149,570
TOTAL PROJECTED REVENUES	<del>\$51,845,287,081</del>	<del>\$47,480,608,416</del>	<del>\$99,325,895,497</del>
	\$51,434,514,545	\$46,583,923,522	\$98,018,438,067

Item Details(\$)		Appropriations(\$)	
First Year	Second Year	First Year	Second Year
FY 2015	FY 2016	FY 2015	FY 2016

53 Item 471.10.  
 54 Reversion Clearing Account -  
 55 State Agency Savings (\$92,400,000) (\$100,000,000)  
 56 Fund Sources: General (\$92,400,000) (\$100,000,000)

57 Authority: Discretionary Inclusion.  
 58 A. To accomplish savings estimated at \$92,400,000 the first year and \$100,000,000 the second year,  
 59 the Department of Planning and Budget is hereby authorized to transfer amounts to this Item from the  
 60 general fund appropriation for operating expenses of the executive branch agencies.

61 B. Notwithstanding the amounts appropriated in any item in Part 1, appropriation reductions  
 62 required on the part of agencies to implement the savings enumerated in this Item are hereby authorized  
 63 provided that such reductions do not conflict with the provisions of § 4-1.02 of this act.

64 C. Any nongeneral fund appropriation change or changes in the appropriation of agency authorized  
 65 positions required to implement the savings enumerated in this Item are hereby authorized.

66 Item Details(\$)

67 Appropriations(\$)

	First Year	Second Year	First Year	Second Year
	FY 2015	FY 2016	FY 2015	FY 2016

70 Item 471.20.  
 71 Reversion Clearing Account -  
 72 Higher Education Savings (\$45,000,000) (\$45,000,000)  
 73 Fund Sources: General (\$45,000,000) (\$45,000,000)

74 Authority: Discretionary Inclusion.  
 75 A. To accomplish savings estimated at \$45,000,000 each year, the Department of Planning and  
 76 Budget is hereby authorized to transfer amounts to this Item from the general fund appropriation for  
 77 educational and general programs of public colleges and universities as follows:

Institution	Annual Reduction
78 Christopher Newport University	\$601,975
79 College of William and Mary	2,338,873
80 George Mason University	4,705,571
81 James Madison University	3,113,308
82 Longwood University	542,707
83 Norfolk State University	550,089
84 Old Dominion University	2,230,669
85 Radford University	1,113,249
86 University of Mary Washington	635,447
87 University of Virginia	8,160,065
88 University of Virginia at Wise	126,330
89 Virginia Commonwealth University	5,377,759
90 Virginia Military Institute	441,825
91 Virginia State University	637,174
92 Virginia Tech	6,133,525
93 Richard Bland College	64,754
94 Virginia Community College System	8,226,680
95 Total	\$45,000,000

96 B. It is the intent of the General Assembly that these savings are to be achieved through productivity  
 97 and operating efficiencies and not through new rate increases on tuition, fees, or other nongeneral fund  
 98 enhancements imposed by the Boards of Visitors after September 1, 2014.

100 C. Notwithstanding the amounts appropriated in any item in Part 1, appropriation reductions  
 101 required on the part of agencies to implement the savings enumerated in this Item are hereby authorized  
 102 provided that such reductions do not conflict with the provisions of § 4-1.02 of this act.

103 D. Any nongeneral fund appropriation change or changes in the appropriation of agency authorized  
 104 positions required to implement the savings enumerated in this Item are hereby authorized.

105 Item Details(\$) Appropriations(\$)

	First Year	Second Year	First Year	Second Year
	FY 2015	FY 2016	FY 2015	FY 2016

108 Item 471.30.  
 109 Reversion Clearing Account -  
 110 Aid to Local Government (\$30,000,000) (\$30,000,000)

111 Fund Sources: General (\$30,000,000) (\$30,000,000)

112 Authority: Discretionary Inclusion.

113 A. To accomplish savings estimated at \$30,000,000 the first year and \$30,000,000 the second year,  
 114 the Department of Planning and Budget is hereby authorized to transfer to this Item from the general  
 115 fund appropriation for state aid to local government programs or receive reimbursement payments in a  
 116 manner that provides localities flexibility in how such savings are implemented.

117 B. The Director of the Department of Planning and Budget shall provide the chief operating officer  
 118 of each city and county in the Commonwealth a list of certain state aid to local government programs  
 119 along with an estimate of the general fund amount for each program that each county and city could  
 120 expect to receive from the state during each year of the biennium. The total amount listed for these  
 121 programs will serve as the basis for calculating the savings apportioned to each city and county for this  
 122 Item. The pro rata savings apportionment will be equal to the percentage of the aggregate general fund  
 123 amount for all of these state aid programs in each city and county, with such savings totaling  
 124 \$30,000,000 the first year and \$30,000,000 the second year.

125 C. Each city and county in the Commonwealth shall have flexibility in determining how it will  
 126 implement the savings apportioned to it. Each city and county can choose to (i) take the total savings  
 127 out of one program included on the list provided by the Department of Planning and Budget, (ii) reduce  
 128 multiple state aid programs on a proportional basis or by a specified percentage reduction, or (iii)  
 129 reimburse the Commonwealth in aggregate for its share of the savings, thereby keeping the state aid  
 130 programs at an unreduced level. Each locality may also use option (iii) in combination with option (i)  
 131 or (ii). The governing body of each city and county shall make its selection and certify its choice to the  
 132 Director, Department of Planning and Budget, within 30 days of receipt of the savings amount  
 133 apportioned to it from the Department of Planning and Budget. Within 10 days of receipt, the Director  
 134 of the Department of Planning and Budget shall review such certification for accuracy to ascertain that  
 135 the required savings amount apportioned to the city or county is obtainable using the selected option(s)  
 136 submitted on the certification. Unless the Director of the Department of Planning and Budget finds a  
 137 certification to include savings that are not obtainable or sustainable, the certification shall be approved  
 138 and implemented without further delay. In the event that a city or county has not submitted or obtained  
 139 an approved certification by January 1, 2015, the Director of the Department of Planning and Budget is  
 140 hereby authorized to withhold an amount equivalent to the savings amount apportioned to the affected  
 141 city or county from the aid to local government programs that the Director determines are most  
 142 discretionary and represent general purpose aid to the local government in question before he begins to  
 143 withhold any funds from categorical grants serving a particular functional area or public service.

144 D. The savings in state aid to local government programs identified by each city or county on its  
 145 approved certification (or by the Director of the Department of Planning and Budget in absence of an  
 146 approved certification) shall be transferred from the other items where such amounts are appropriated  
 147 in this act to offset the reversion amount listed in this Item. Payments from local governments electing  
 148 to use option (iii) in Paragraph C. shall be deposited to a suspense account which shall be administered  
 149 pursuant to § 3-1.03 Part 3.

	Item Details(\$)		Appropriations(\$)	
	First Year	Second Year	First Year	Second Year
	FY 2015	FY 2016	FY 2015	FY 2016

153	Item 471.40.			
154	Reversion Clearing Account -			
155	Miscellaneous		(\$40,620,360)	(\$284,881,274)

156 Fund Sources: General (\$40,620,360) (\$284,881,274)

157 Authority: Discretionary Inclusion.

158 A. The Director of the Department of Planning and Budget shall withhold and transfer to this Item  
 159 amounts estimated at \$46,300,000 the first year and \$23,000,000 the second year from the general fund  
 160 appropriations included in this act as described in Paragraphs 1 through 8 of this Paragraph A.  
 161 reflecting savings generated by utilizing nongeneral fund resources to offset general fund expenses and  
 162 from other actions to reduce spending.

163 1. In recognition of additional fiscal year 2014 Lottery Proceeds Funds and Literary Funds, and to  
 164 accomplish general fund savings estimated at \$43,100,000 the first year, the Department of Planning  
 165 and Budget is hereby authorized to transfer amounts to this Item from the general fund appropriation  
 166 for Direct Aid to Public Education, Agency 197, Item 136 of this general appropriation act as follows:  
 167 a) \$26,200,288 from Textbooks, b) \$1,899,712 from Remedial Summer School, and c) \$15,000,000 from  
 168 payment of teacher retirement costs. There is hereby appropriated \$28,100,000 of additional Lottery  
 169 Fund proceeds to Direct Aid to Public Education, Agency 197, Item 136, as follows: a) \$26,200,288 for  
 170 Textbooks, and b) \$1,899,712 for Remedial Summer School. There is hereby appropriated \$15,000,000

171 from additional Literary Fund revenues to Direct Aid to Public Education, Agency 197, Item 136 of this  
 172 general appropriation act for the appropriation set out for the payment of teacher retirement costs in  
 173 FY 2015.

174 2. To accomplish savings estimated at \$3,200,000 the first year and \$23,000,000 the second year, the  
 175 Department of Planning and Budget is hereby authorized to transfer amounts to this Item from the  
 176 general fund appropriation for debt service payments in Item 276 of this general appropriation act.  
 177 These savings reflect reduced payment requirements due to bond refinancings.

178 3. Notwithstanding the provisions of § 10.1-2128.1 of the Code of Virginia, to accomplish savings  
 179 estimated at \$1,000,000 the first year and \$1,000,000 the second year, the Department of Planning and  
 180 Budget is hereby authorized to transfer amounts to this Item from the nongeneral funds deposited into  
 181 the Natural Resources Commitment Fund in Item 357 D.2.

182 4. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert  
 183 an amount estimated at \$102,000,000 to the general fund from unobligated balances from executive  
 184 branch agencies.

185 5. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert  
 186 an amount estimated at \$700,000 from Judicial agency balances.

187 6. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert  
 188 an amount estimated at \$2,850,000 from legislative agency balances, \$500,000 from the House of  
 189 Delegates, and \$500,000 from the Senate of Virginia.

190 7. On or before June 30, 2015, the Director of the Department of Planning and Budget shall transfer  
 191 to the general fund an amount estimated at \$950,000 from balances of the Virginia Alcohol Safety  
 192 Action Program.

193 8. Notwithstanding the provisions of § 3-5.09 of Part 3 or any other contrary provision of law, the  
 194 increase in the portion of the general sales and use tax deposited into the Highway Maintenance and  
 195 Operating Fund pursuant to the provisions of § 58.1-638 G.2. shall be deferred until fiscal year 2016.

196 B. Notwithstanding the amounts appropriated in any item in Part 1, appropriation reductions  
 197 required on the part of agencies to implement the savings enumerated in this Item are hereby authorized  
 198 provided that such reductions do not conflict with the provisions of § 4-1.02 of this act.

199 C. Any nongeneral fund appropriation change or changes in the appropriation of agency authorized  
 200 positions required to implement the savings enumerated in this Item are hereby authorized.

201 D. Included in this appropriation is \$5,679,640 the first year and \$10,118,726 the second year to be  
 202 transferred by the Director of the Department of Planning and Budget to Items 39, 40, and 41 to  
 203 effectuate the filling of judgeships. The amounts appropriated in this paragraph for each year of the  
 204 biennium to effectuate the filling of judgeships shall be the maximum amounts transferred to Items 39,  
 205 40, and 41 for such purposes notwithstanding any relevant provision to the contrary. In addition, all  
 206 conditions and restrictions relating to the filling of judgeships shall be as provided in Items, 39, 40, and  
 207 41.

208 E.1. For purposes of determining a transfer from the Revenue Stabilization Fund to the general fund  
 209 as a result of a downward revision in general fund revenues, the term "total general fund revenues  
 210 appropriated" shall mean the general fund operating and capital appropriations for each year of the  
 211 biennium contained in the Appropriation Act which is in effect at the time when such downward revision  
 212 in general fund revenues is made.

213 2. In accordance with Article 10, § 8, Virginia Constitution, and § 2.2-1830, Code of Virginia, the  
 214 amount of the transfer shall not exceed the lesser of one-half of the balance of the Revenue Stabilization  
 215 Fund or one-half of the forecasted shortfall in revenues.

216 3. The anticipated shortfalls in general fund revenues for fiscal years ending June 30, 2015, and  
 217 June 30, 2016, shall be computed by comparing the revised forecast for "Total General Fund Resources  
 218 Available for Appropriation" as shown in § 3 of the first enactment to the total general fund revenues  
 219 appropriated for each year of the biennium as contained in the general appropriation act as it became  
 220 effective on July 1, 2014 (Chapter 2 of the Acts of Assembly of 2014, Special Session I).

221 4. One-half of the shortfall in revenues is estimated at \$648,650,000, which is more than one-half of  
 222 the balance in the Revenue Stabilization Fund as of September 15, 2014. Of this shortfall amount,  
 223 \$470,000,000 is hereby appropriated in FY 2015, pursuant to § 2.2-1830, Code of Virginia. Upon  
 224 completion of the Auditor of Public Accounts' report on certified tax revenues for FY 2014 pursuant to  
 225 § 2.2-1829, Code of Virginia, the State Comptroller shall deposit this sum into the general fund of the  
 226 state treasury on or before June 30, 2015.

227 5. One-half of the balance of the Revenue Stabilization Fund, estimated at \$235,000,000, is hereby  
 228 appropriated in FY 2016, pursuant to § 2.2-1830, Code of Virginia. Upon completion of the Auditor of  
 229 Public Accounts' report on certified tax revenues for FY 2015 pursuant to § 2.2-1829, Code of Virginia,  
 230 the State Comptroller shall deposit this sum into the general fund of the state treasury on or before  
 231 June 30, 2016.

232 F. To accomplish savings estimated at \$272,000,000 in fiscal year 2016, the Governor shall develop  
233 budget reduction plans and other strategies for submission to the 2015 General Assembly as part of the  
234 requirements of § 2.2-1509, Code of Virginia. In developing these plans, the Governor shall take into  
235 consideration any further adjustments to the revenues pursuant to § 2.2-1503, Code of Virginia.

236 G.1. The Governor is hereby authorized to reallocate up to \$5,000,000 from existing appropriations  
237 from programs in the Executive Department that foster economic development during each year of the  
238 current biennium to enhance economic development efforts in the Commonwealth if he determines that  
239 all or a portion of that amount is needed and better used to take advantage of the availability of job  
240 creation or workforce development opportunities in order to further diversify and grow the economy of  
241 Virginia.

242 2. At least five days prior to any action to implement the provisions contained in paragraph 1, the  
243 Governor shall submit a notice of his intended action to the Chairmen of the House Appropriations and  
244 Senate Finance Committees which itemizes the source or sources of such funding and the specific  
245 purposes or uses of any disbursements he intends to authorize pursuant to the provisions of this item.

246 **2. That Paragraph K. of Item 468 is repealed.**

247 **3. That Paragraph GG.1. of § 3-1.01 of Part 3 is repealed.**

248 **4. That all provisions of this act amending Chapter 2 of the Acts of Assembly of 2014, Special**  
249 **Session I, including the second and third enactments of this act, shall become effective on passage**  
250 **of this act as provided in § 1-214 of the Code of Virginia.**