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# VIRGINIA STATE BUDGET

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2006 Special Session I

## Budget Bill - HB5001 (Introduced)

Bill Order » Central Appropriations » Item 506

Central Appropriations

Item 506	First Year - FY2005	Second Year - FY2006
<b>Economic Contingency and Unallocated Amounts (75800)</b>	<b>\$27,399,555</b>	<b>\$36,516,615</b> <b>\$44,134,000</b>
Fund Sources:		
General	\$27,399,555	<del>\$36,516,615</del> <b>\$44,134,000</b>

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Authority: Discretionary Inclusion.

A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an amount not to exceed \$2,000,000 from the unappropriated balance derived by subtracting the general fund appropriations from the projected general fund revenues in this act, to provide for supplemental funds pursuant to paragraph B hereof. Transfers from this Item shall be made only when (1) sufficient funds are not available within the agency's appropriation and (2) additional funds must be provided prior to the end of the next General Assembly Session.

B. This appropriation includes \$2,200,000 the first year, and \$2,200,000 the second year to be used by the Governor as he may determine to be needed for the following purposes:

1. To address the six conditions listed in § 4-1.03 c 5 of this act.
2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential commodities and services which cannot be absorbed within agency appropriations to include unbudgeted benefits associated with Workforce Transition Act requirements.
3. To secure federal funds in the event that additional matching funds are needed for Virginia to participate in the federal Superfund program.

C. The Department of Planning and Budget shall submit a quarterly report of any disbursements made from, commitments made against, and requests made for such sums authorized for allocation pursuant to paragraph B to the Chairmen of the House Appropriations and Senate Finance Committees. This report shall identify each of the conditions specified in paragraph B for which the transfer is made.

D. Any unexpended balance remaining in this Item on June 30, 2005, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the second year of the current biennium. Any unexpended balance remaining in this Item on June 30, 2006, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium.

E.1. This appropriation includes \$13,877,758 the first year and \$9,000,000 the second year from the general fund to be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance Committees, to attract economic development prospects to locate or expand in

Virginia. Funds appropriated for the purposes of this paragraph shall be deposited to the Governor's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia.

2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans shall be approved by the Governor and made in accordance with procedures established by the Virginia Economic Development Partnership and approved by the State Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid to the general fund of the state treasury. The Governor may establish the interest rate to be charged, otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the State Comptroller as required.

3. Funds may be used for public and private utility extension or capacity development on and off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and other activity required to prepare a site for construction; construction or build-out of publicly-owned buildings; grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision pursuant to their duties or powers; training; or anything else permitted by law. In accordance with Chapters 1019 and 1044 of the Acts of Assembly of 2000, the project list is amended to include state road improvements for the APM terminal to address costs beyond the funding capability of existing programs. In accordance with Chapter 655 of the Acts of Assembly of 2005, the Commonwealth Transportation Board is authorized to provide funding for state road improvements for the State Fair of Virginia to address costs beyond the funding capability of existing programs and private contributions.

4. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

5. It is the intent of the General Assembly that the Virginia Economic Development Partnership shall work with localities awarded grants from the Governor's Development Opportunity Fund to recover such moneys when the economic development projects fail to meet minimal agreed-upon capital investment and job creation targets. All such recoveries shall be deposited and credited to the Governor's Development Opportunity Fund.

6. Out of the first year appropriation for the Governor's Development Opportunity Fund, \$1,877,758 shall be unallotted and reserved for the solar photovoltaic manufacturing incentive grant program in accordance with § 45.1-392, Code of Virginia. These funds shall not be released by the Department of Planning and Budget until the Secretary of Commerce and Trade and the Auditor of Public Accounts certify to the Governor and to the Chairmen of the Senate Finance and House Appropriations Committees that the applicant for the funds met the program's statutory requirements. If the Secretary and Auditor certify that the applicant did not meet the requirements, then the funds shall be allotted for the purposes set out in § 2.2-115, Code of Virginia.

F. Omitted.

G. Included in this appropriation is \$50,000 the first year and \$50,000 the second year to pay for private legal services. Transfers for private legal services shall be made by the Director, Department of Planning and Budget upon prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510, Code of Virginia.

H. Out of the amounts in this Item shall be provided an amount estimated at \$890,000 the first year and \$900,000 the second year from the general fund for the Virginia Horse Center Foundation (Title 3.1, Chapter 4.6, Code of Virginia).

I.1. The Governor is authorized to allocate from the unappropriated general fund balance in this act such amounts as are necessary to provide for unbudgeted cost increases to state agencies incurred as a result of actions to

enhance homeland security, combat terrorism, and to provide for costs associated with the payment of a salary supplement for state classified employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard. Any salary supplement provided to state classified employees ordered to active duty, shall apply only to employees who would otherwise earn less in salary and other cash allowances while on active duty as compared to their base salary as a state classified employee. Guidelines for such payments shall be developed by the Department of Human Resource Management in conjunction with the Departments of Accounts and Planning and Budget.

2. The Governor shall submit a report within thirty days to the Chairmen of House Appropriations and Senate Finance Committees which itemizes any disbursements made from this Item for such costs.

3. The governing authority of the agencies listed in this subparagraph may, at its discretion and from existing appropriations, provide such payments to their employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard, as are necessary to provide comparable pay supplements to its employees.

a. Agencies in the Legislative and Judicial Departments;

b. The State Corporation Commission, the Virginia Workers' Compensation Commission, the Virginia Retirement System, the State Lottery Department, Virginia College Savings Plan, and the Virginia Office for Protection and Advocacy;

c. The Office of the Attorney General and the Department of Law; and

d. State-supported institutions of higher education.

J. Out of the amounts in this Item, \$3,720,000 the first year and \$3,720,000 the second year from the general fund shall be deposited to the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Fund to be used to pay semiconductor memory or logic wafer manufacturing performance grants in accordance with § 59.1-284.14, Code of Virginia.

K. Out of the amounts in this Item, \$3,000,000 the first year and \$3,000,000 the second year from the general fund shall be deposited to the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Fund II to be used to pay semiconductor manufacturing performance grants in accordance with § 59.1-284.15, Code of Virginia.

L. Out of this appropriation, \$238,500 the first year and \$281,200 the second year from the general fund is provided for the Department of General Services rent plan for unanticipated utility cost increases at the seat of government.

M. Out of this appropriation, \$1.0 million the second year from the general fund is provided to support the coordinated and cooperative development of postsecondary education opportunities in Southside Virginia. Of this amount, \$100,000 shall be allocated to the State Council of Higher Education for Virginia in order to conduct or contract for an assessment of the postsecondary enrollment and program needed of Southside Virginia. The Director, Department of Planning and Budget, shall allocate the remaining funds in accordance with recommendations from the Secretary of Education, in consultation with the State Council of Higher Education for Virginia and the Secretary of Commerce and Trade. Recommendations by the Secretary of Education shall identify funding opportunities that will: i) allow for the continued coordinated expansion of workforce training and higher education opportunities in the Southside region; ii) benefit all communities in the Southside region; iii) leverage existing resources within the region, including, but not limited to, the community colleges, private colleges and universities, higher education learning and research centers, and private sector assets; and iv) enhance elementary and secondary education to ensure that students are adequately prepared to take advantage of postsecondary education opportunities. Prior to allocating these funds, the Director, Department of Planning and Budget, shall inform the chairmen of the Senate Finance Committee and House Appropriations Committee of their use.

N.1. Out of this appropriation, \$2,000,000 the second year from the general fund shall be provided to Virginia Commonwealth University's School of Engineering in support of the Infineon Technologies, Inc. major expansion. The funds may be used for scholarships, endowed professorships in microelectronics, curriculum development, and other related needs of the microelectronics industry.

2. Out of this appropriation, \$100,000 the second year from the general fund is designated for the ~~Grace E. Harris Leadership Institute at Virginia Commonwealth University's Center for Public Policy~~ *Minority Political Leadership Institute* to provide training for the development of aspiring leaders.

O. Out of this appropriation, \$223,397 the first year and \$334,945 the second year from the general fund is provided for the general fund costs associated with an increase in telecommunication rates paid by state agencies. The Director, Department and Planning and Budget shall transfer these funds to the impacted state agencies based upon information provided by the Virginia Information Technologies Agency.

P. Out of this appropriation, \$928,920 the second year from the general fund is provided for the review of enterprise-wide information technology components of Public-Private Education Facilities and Infrastructure Act (PPEA) proposals submitted to the Virginia Information Technologies Agency. The Director, Department and Planning and Budget is authorized to transfer these funds to state agencies involved with reviewing these proposals.

Q.1. The Virginia Biotechnology Research Park Authority is hereby authorized to enter into land option agreements for acquisition of lands to carry out its overall Master Development Plan and strategic initiatives.

2. Out of this appropriation, \$3,200,000 the first year from the general fund shall be provided to the Virginia Biotechnology Research Park Authority to compensate the Authority for land acquisition and related costs pursuant to economic development activity.

R. Out of this appropriation, \$500,000 the second year from the general fund shall be provided to the City of Petersburg for the Appomattox River Dredging Project.

S.1. Notwithstanding the provisions of paragraph A of Item 64 and paragraph Q of Item 505 of this act, the base salary and related employee benefits of sheriffs, deputy sheriffs, and regional jail officers shall be increased by 4.4 percent on December 1, 2005.

2. Notwithstanding the provisions of paragraph Q of Item 505 of this act, the base salary and related employee benefits of sworn officers of the Virginia Department of State Police who have five years or more of continuous state service, and sworn officers and communications operators of the Division of Capitol Police, who have five years or more of continuous state service, shall be increased by \$50 for each full year of service effective November 25, 2005. The Department of Human Resource Management shall develop guidelines and procedures for implementation of this compensation adjustment.

3. Notwithstanding the provisions of paragraph Q of Item 505 of this act, the base salary and related employee benefits of the Superintendent of State Police and the Chief, Division of Capitol Police, shall be increased by 4.4 percent on November 25, 2005.

T. Out of this appropriation, \$350,220 the second year from the general fund is designated to pay the employee share of the \$250,000 service members' group life insurance premium for all deployed Virginia National Guard soldiers. The Secretary of Finance, in cooperation with the Secretary of Public Safety, shall develop guidelines for administering the premium payments.

U. Out of this appropriation, \$1,453,288 the second year from the general fund is designated to reimburse school

divisions and community colleges for career and technical training, testing, and certification costs. The objective of the funding is to increase the number of high school students working toward and achieving certifications that will expand their employment opportunities and meet local industry needs.

V. Out of this appropriation, \$5,100,000 the second year from the general fund shall be provided to support rural and cultural economic development and tourism activities. The funding may be used for, but is not limited to: regional consortium grants in distressed regions of the state; a New Virginia Trails program; an artisan network organization; a Virginia Artisan Trail; at least one additional regional artisan center; the Virginia Small Manufacturing Assistance Program; acquisition and redevelopment of closed industrial sites in rural areas of Virginia; and further development of the rails to trails network in Southside Virginia. The Governor is authorized to transfer to the appropriate agencies such amounts as are necessary to provide for this support, however, he shall report in writing on the specific use of any allocation of this funding to the Chairmen of the House Appropriations Committee and the Senate Finance Committee prior to the actual distribution or disbursement of the funds from this Item.

W.1. Out of this appropriation, ~~\$1,172,020~~ \$611,839 the second year from the general fund is included for the purpose of establishing a state funded incentive program to maximize federal school nutrition revenues and increase student participation in the school breakfast program. These funds are available to any school division as a reimbursement for breakfast meals served that are in excess of the baseline established by the Department of Education. The per meal reimbursement shall be \$0.20; however, the Department is authorized to reduce this amount proportionately in the event that the actual number of meals to be reimbursed exceeds the number on which this appropriation is based so that this appropriation is not exceeded.

2. In order to receive these funds, school divisions must certify that these funds will be used to supplement existing funds provided by the local governing body and that local funds derived from sources that are not generated by the school nutrition programs have not been reduced or eliminated. The funds shall be used to improve student participation in the school breakfast program. These efforts may include, but are not limited to, reducing the per meal price paid by students, reducing competitive food sales in order to improve the quality of nutritional offerings in schools, increasing access to the school breakfast program, or providing programs to increase parent and student knowledge of good nutritional practices. In no event shall these funds be used to reduce local tax revenues below the level appropriated to school nutrition programs in the prior year. Further, these funds must be provided to the school nutrition programs and may not be used for any other school purpose.

X. Out of this appropriation \$1,450,000 the second year from the general fund shall be provided to expand activities associated with the Virginia Modeling, Analysis and Simulation Center. The funding may be used to provide for additional faculty, high-speed data communications connections, development of modeling and simulation training programs, enlarged facilities, and related efforts, connected to homeland security and crisis management. The Governor shall report in writing on the specific use of any allocation of this funding to the Chairmen of the House Appropriations Committee and the Senate Finance Committee prior to the actual distribution or disbursement of the funds from this Item.

Y.1. The State Comptroller shall revert an unexpended general fund appropriation, estimated at \$4,000,000, in the Treasury Board on June 30, 2005 representing anticipated savings in fiscal year 2005 debt service costs, and an unexpended general fund appropriation, estimated at \$750,000, in the Treasury Board on June 30, 2006 representing anticipated savings in fiscal year 2006 debt service costs.

2. The State Comptroller shall revert an unexpended general fund appropriation estimated at \$6,500,000, in Item 326 on June 30, 2006, representing anticipated savings resulting from additional monies collected in the Virginia Health Care Fund and used to fund Medicaid expenditures.

Z. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or portion thereof, of any public facility pursuant to

§ 58.1-608.3, Code of Virginia, shall be entitled to all sales tax revenues generated by transactions taking place in such public facility.

*AA.1. Out of this appropriation an amount estimated at \$46,787 the second year from the general fund shall be transferred to state agencies budgets to cover the overall cost increase associated with adjustments in rent charges resulting from changes in office space utilization at the seat-of-government.*

*2. Agencies under the Department of General Services rent plan that have increased their utilization of office space shall receive funding for 50 percent of the required general fund increase and agencies that have decreased their office space utilization will retain 50 percent of the general fund savings associated with the resulting rent charge reductions.*

*BB. Out of this appropriation an amount estimated at \$358,641 the second year from the general fund shall be transferred to state agency budgets to cover the general fund share of increased fixed costs associated with building operations at the seat of government due in part of occupancy of the Old State Library and the Finance Buildings, higher operational costs, and increased steam and natural gas costs.*

*CC. Out of this appropriation an amount estimated at \$ 7,772,138 the second year from the general fund shall be transferred to affected state agency budgets to partially offset the general fund share of increases in energy costs for gasoline, fuel oil, and natural gas.*

~~*DD. Out of this appropriation an amount estimated at \$ 914,000 the second year from the general fund is provided for preliminary activities involved with the implementation of the Enterprise Architecture improvement effort created under the Public Private Educational Facilities and Infrastructure Act of 2002. These funds will be used for phase one of the redesign of state business processes and systems.*~~