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# VIRGINIA STATE BUDGET

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2008 Session

## Budget Bill - HB29 (Chapter 847)

Bill Order » Central Appropriations » Item 462

Central Appropriations

Item 462	First Year - FY2007	Second Year - FY2008
<b>Payments for Special or Unanticipated Expenditures (75800)</b>	<b>\$55,857,985</b>	<b><del>\$54,445,884</del> \$67,287,406</b>
Miscellaneous Contingency Reserve Account (75801)	\$4,600,000	<del>\$3,472,069</del> \$15,563,591
Governor's Opportunity Fund (75803)	\$15,100,000	\$0 \$750,000
Economic Development Assistance (75804)	\$23,657,985	\$38,473,815
Base Realignment and Closure Assistance (75805)	\$12,500,000	\$12,500,000
Fund Sources:		
General	\$55,857,985	<del>\$54,445,884</del> \$67,287,406

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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 E 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.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.

C. The Governor is authorized to expend from the unappropriated general fund balance in this act such amounts as are necessary, up to \$1,500,000, to provide for indemnity payments to growers, producers, and owners for losses sustained as a result of an infectious disease outbreak or natural disaster in livestock and poultry populations in the Commonwealth. These indemnity payments will compensate growers, producers, and owners for a portion of the difference between the appraised value of each animal destroyed or slaughtered or animal product destroyed in order to control or eradicate an animal disease outbreak and the total of any salvage value plus any compensation paid by the federal government.

D. Out of the appropriation for the Miscellaneous Contingency Reserve Account is included \$3,000,000 the first year, and \$1,200,000 the second year from the general fund 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.

4. 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 this paragraph to the Chairmen of the House Appropriations and Senate Finance Committees. This report shall identify each of the conditions specified in this paragraph for which the transfer is made.

5. In addition, if the amounts appropriated in this item are insufficient to meet the unanticipated events enumerated, the Governor may utilize up to \$1,000,000 in the first year and \$1,000,000 in the second year from the general fund amounts appropriated for the Governor's Opportunity Fund for the unanticipated purposes set forth in paragraph D.1. through paragraph D.4. of this item.

6. To make additional payments to public institutions of higher education pursuant to Item 455.20 of this Act, up to a maximum of \$1,000,000, in the event that amounts appropriated for that purpose are insufficient.

E. Included in this appropriation is \$100,000 the first year and \$300,000 the second year to pay for private legal services and the general fund share of unbudgeted costs for enforcement of the 1998 Tobacco Master Settlement Agreement. 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 or Item 48, Paragraph D of this act. Transfers for enforcement of the Master Settlement Agreement shall be made by the Director, Department of Planning and Budget at the request of the Attorney General, pursuant to Item 48, Paragraph B of this act.

F. Any unexpended balance remaining in this Item on June 30, 2007, 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, 2008, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium.

G.1. Out of the amounts in this item, \$15,100,000 the first year *and \$750,000 the second year* from the general fund shall be deposited to the Governor's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds shall 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.

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.

H. 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.

I. Out of the appropriation for Economic Development Assistance \$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.

J. Out of the appropriation for Economic Development Assistance \$10,500,000 the first year and \$19,250,000 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 and 59.1-284.15:1, Code of Virginia.

K. Out of the appropriation for Economic Development Assistance \$425,000 the first year and \$1,145,000 the second year from the general fund shall be deposited to the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia.

L. Out of the appropriation for Economic Development Assistance \$3,000,000 the first year from the general fund shall be provided to Virginia Commonwealth University's School of Engineering in support of the Infineon Technologies major expansion. The funds may be used for scholarships, endowed professorships in microelectronics, curriculum development, and other related needs of the microelectronics industry.

M. Out of the appropriation for Economic Development Assistance \$2,000,000 the second year from the general fund shall be provided for semiconductor manufacturing education in support of the Micron Technology, Inc. major expansion. Of the \$2,000,000, \$1,000,000 shall be used to establish a Northern Virginia Community College training program and \$1,000,000 shall be provided to the Virginia Microelectronics Consortium.

N. Out of the appropriation for Economic Development Assistance, \$1,250,000 the first year from the general fund shall be deposited to the Governor's Motion Picture Opportunity Fund, as established in § 2.2-2320, Code of Virginia. Such funds shall be used at the discretion of the Governor to attract film industry production activity to the Commonwealth.

O.1. Out of the appropriation for Economic Development Assistance \$3,120,485 the first year and from the general fund is provided for the update of Virginia's aerial photography for the purpose of producing a new statewide imagery base that will be distributed to state and local governments allowing them to update and ensure the viability of their critical geospatial products and services.

2. Out of the appropriation for Economic Development Assistance, \$542,500 the first year from the general fund is provided for the Virginia Information Technologies Agency to contract with a private sector firm to assess the quality of the process for updating the agency's high resolution digital orthophotographic images of Virginia prior to the distribution of a database of those images to state and local government agencies.

3. Out of the appropriation for this item, \$258,815 the second year from the general fund is provided to state agencies for costs incurred from new geospatial rates introduced by the Virginia Information Technologies Agency for ongoing support of the Commonwealth's base mapping and digital centerline files.

P.1. Out of the appropriation for Base Realignment and Closure Assistance is included \$12,500,000 in the first year and \$12,500,000 the second year from the general fund to assist impacted localities in funding needs associated with the implementation of and response to the recommendations of the 2005 Base Realignment and Closure Commission (BRAC) which were subsequently agreed to by the President and the United States' Congress. Grants allocated from this appropriation shall be aimed at fostering collaborative efforts among state agencies, local governments and regional entities to address quantifiable costs or impacts resulting from specific actions to implement the recommendations of the BRAC or to protect the Commonwealth's strategic, homeland security, and economic interests in response to such implementation and similar actions. Individual grants may be for either operating or capital expenses but shall be matched by either cash or in-kind contributions. Moreover, no grant shall be used to supplant funding currently provided by other levels of government or by private sources.

2. The Governor shall approve all grants from this appropriation based on a written evaluation of the proposals received. The evaluation shall be prepared by staff from the Office of Commonwealth Preparedness, the Office of the Secretary of Commerce and Trade, the Office of the Secretary of Finance and the Virginia National Defense Industrial Authority, and among other factors, shall consider the significance of the impact being addressed, the likelihood that the proposal will achieve its intended objective, and the amount and type of commitment to match

state funds. In allocating state funds, priority shall be given to proposals which have regional impact. The Governor shall notify the chairmen of the House Appropriations Committee and the Senate Finance Committee of the recipient and the purpose of each approved grant at least 15 days prior to the actual distribution of funds.

Q. Out of the appropriation for Economic Development Assistance \$1,000,000 the first year from the general fund shall be provided to the Russell County Industrial Development Authority for construction of the Southwest Virginia Technology Development Center.

R. Out of the appropriation for Economic Development Assistance, the Governor is authorized to expend \$12,000,000 the second year from the general fund to provide an incentive for the location of a research-related entity along the Interstate 81 corridor.

S. Out of the appropriation for this item, \$1,800,000 the first year from the general fund shall be available for additional security and other costs associated with the Jamestown 2007 commemoration. Any balances available on June 30, 2007 shall not revert to the general fund, but shall be carried forward on the books of the Comptroller for these purposes. The balances shall remain available until June 30, 2008, at which time any unspent funds shall revert to the general fund.

T. It is acknowledged that HB 2749 and SB 1071, passed during the 2007 Session of the General Assembly, have a fiscal impact of \$1,672,069. Included in the appropriation for this Item is \$472,069 in the second year from the general fund. This amount includes \$433,600 in the second year from the general fund for the Department of State Police to address the impact on that agency from the implementation of the legislation and \$38,469 in the second year from the general fund to address a portion of the impact attributable to an increase in the cost of operating state prisons. This latter amount, along with the \$1,200,000 identified in paragraph N of Item 387, shall constitute the appropriation required by § 30-19.4:1, Code of Virginia, and the total shall be transferred to the Corrections Special Reserve Fund, to be used for planning and site acquisition of a new prison in Charlotte County.

*U.1. Out of the appropriation for this Item, \$4,659,522 the second year from the general fund is provided to state agencies for costs incurred as the result of new decentralized rates for information technology services charged by the Virginia Information Technologies Agency. The Director, Department of Planning and Budget, is authorized to transfer these funds to the impacted state agencies based upon information provided by the Virginia Information Technologies Agency. Also, the Director, Department of Planning and Budget, is authorized to transfer funds between Executive Branch agencies based on these new decentralized rates approved by the Joint Legislative Audit and Review Commission. Transfers may be made if current funding exceeds actual charges.*

*2. This amount reflects and was reduced by the general fund portion of an operational efficiencies based rebate from the Virginia Information Technologies Agency. For second year, the agency shall absorb a total of \$1,250,000, all funds, for this rebate resulting from savings achieved by the agency's continued efforts to reduce its overhead and indirect costs. The general fund portion of the rebate is \$368,577 and the remainder reflects nongeneral fund and federally funded savings. Agencies receiving a nongeneral fund rebate may retain that funding to offset any increased costs of decentralized rates.*

*V. The amounts provided in this Item include funding to the Virginia Information Technologies Agency. The Director, Department of Planning and Budget, is authorized to distribute \$4,932,000 the second year from the general fund to the agency to protect it against the loss of unattainable savings required in Item 422 of Chapter 857, 2007 Acts of Assembly. The savings are factored into the public-private agreement with Northrop Grumman, Inc., thus the agency no longer has control over these savings, the ability to track them, nor the right to claim them.*

*W. Out of the appropriation for this item, \$2,500,000 the second year from the general fund is provided to cover the costs associated with the 2008 presidential primary. Out of this amount, up to \$2,280,000 may be used by the State Board of Elections to reimburse localities for their presidential primary expenditures and up to \$220,000 may*

*be used to cover costs incurred directly by the State Board of Elections.*