



Report of the Subcommittee on  
General Government

(Senate Bills 29 and 30,  
as Introduced)

Senate Finance Committee  
Virginia General Assembly

February 17, 2002



SENATE OF VIRGINIA  
**Senate Finance Committee**

Mr. Chairman:

The General Government Subcommittee has met several times during the session to consider the two broad areas for which it has responsibility – General Government and Employee Compensation. The issues before us have been difficult ones – without a doubt some of the most difficult faced during our careers in the General Assembly.

As with all of the subcommittees reporting today, the challenge before us has been one of finding a way to responsibly reduce state expenditures while at the same time continuing essential programs and services. In meeting this challenge, our guiding principle has been the restoration of structural balance to the state budget.

Let me briefly address the most significant of these items.

### **COMPENSATION**

The effect of the present budget problems on our state employees has been very much on our minds. We feel that our state employees are valued and dedicated to carry out service to the public and to the Commonwealth. State programs are not inanimate, but exist and function effectively only to the extent those state employees make them do so.

Unfortunately, it has not been possible for your subcommittee to recommend a salary increase in the next biennium -- although we recognize the pressing need. In recognition of this need we are recommending three important actions:

1. **State Employee Bonus:** All full-time salaried state employees will receive a one-time bonus of 2.5 percent on November 25, 2002 and 2.0 percent on November 25, 2003. In lieu of this bonus most classified state employees may opt to take an additional two weeks of paid leave. At our colleges and universities, faculty will be eligible for similar retention payments.
2. **Employee Health Insurance.** The introduced budget contained proposals for major reductions in health benefits for state employees – along with an increase in premiums. Working closely with the administration and the House we have crafted a program that will have minimal impact on employees for the upcoming year. All of the major benefit reductions contained in the introduced budget have been restored and the employee premium increase has been slightly reduced.

The increase in the cost of our health benefits program will continue. We can not sit by and let costs spiral out of control. For this reason we are recommending the creation of a Commission to redesign the health benefits program. Modeled on the highly successful commission that redesigned the compensation plan for classified employees, this commission will bring together the Administration, the Senate, the House, state employees and human resource professionals to give us a health benefits program that provides good coverage that we and the employees can afford.

3. **State Employee Retirement.** We are very much aware of the impact that the salary freeze embodied in these recommendations will have on future retirement benefits for state employees. For this reason our recommendations include provisions that offset the negative impact of the present salary freeze on state employees' retirement benefits by increasing average final compensation (AFC) for the purpose of calculating VRS retirement benefits by a factor that varies by retirement date. These provisions are identical to those contained in the committee substitute for SB 79.

Now, let me move on to General Government.

## **GENERAL GOVERNMENT**

Most of the subcommittee's recommendations in General Government are limited in scope. Among these are such items as:

- 1) Restoration of a total of \$22 million for operation of the Courts. There is possibly no better example of a fundamental government service than the court system. A well functioning court system is one of the cornerstones of a free society and we must not allow ours to fall into disrepair.
- 2) Restoration of \$0.6 million in targeted cuts to community service grants for public broadcasting – this leaves public television and radio subject to the same 7 and 8 percent cuts as all other government programs.
- 3) Funding of \$23.8 million for per diem payment for state prisoners in local jails, and
- 4) Funding of \$7.3 million for an additional 119 law enforcement duties, as required by law

Mr. Chairman, I must now focus my comments on an area that has been carefully considered by your subcommittee -- "downsizing". At the beginning of this session you charged us with the responsibility to review our area of government and bring forward proposals for responsible reductions in state programs. This subcommittee has not taken this charge lightly. We will not recite all of our reduction actions now – they are contained in the amendments for all to see. We would like to highlight several actions that we think are especially significant:

1. Elimination of funding for three state agencies -- the Virginia Liaison Office, the Commission on Local Government, and the State Internal Auditor. The functions of all three can be performed in alternative ways.

2. Consolidation of staff support for a number of legislative study commissions within the Division of Legislative Services.
2. A 10 percent decrease in state reimbursements for locally elected constitutional officers – including sheriffs. Localities must bear more of the cost of these programs.

We hope these actions set an example of restructuring that will be repeated in the coming months. It must be repeated: if Virginia's fiscal stability is to be restored.

Our recommendations result in a net decrease of \$146 million in proposed state spending. The limited additional appropriations recommended to you, including the employee bonus, represent programs designed to maintain the foundation upon which the recovery of state government will be based in the months ahead. The recommended reductions responsibly reduce state expenditures while at the same time continuing essential programs and services.

We hope it will be your pleasure to adopt them.

Respectfully Submitted,

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The Honorable Malfourd W. Trumbo, Chairman

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The Honorable Benjamin J. Lambert III

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The Honorable Madison E. Marye

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The Honorable Walter A. Stosch

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The Honorable Kevin G. Miller

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The Honorable Janet D. Howell

## SB 29 General Government Subcommittee Recommendations

		2002 GF	2002 NGF	TOTAL	FTE
<b>LEGISLATIVE DEPARTMENT</b>					
<b>General Assembly Of Virginia</b>					
1 #1s:	Continue Jt Subcmte on HE Funding	Language	0	0	0.00
1 #2s:	Transportation Oversight Commission	Language	0	0	0.00
1 #xs:	Unbudgeted Redistricting costs (Senate Clerk)	135,000	0	0	0.00
1 #xs:	DGS Service Charge for Capitol/GAB	151,410	0	0	0.00
<b>Legislative Department Reversion Clearing Account</b>					
22.1 #1s:	Legislative Balances per Joint Rules Committee	Language	0	0	0.00
<b>TOTAL: LEGISLATIVE DEPARTMENT</b>		<b>286,410</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>JUDICIAL</b>					
<b>Judicial Department Reversion Clearing Account</b>					
	Restore Across-the-Board Cuts	3,197,856	0	0	0.00
<b>TOTAL: FINANCE</b>		<b>3,197,856</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>ADMINISTRATION</b>					
<b>Secretary Of Administration</b>					
55 #1s:	Remove Long-Term Care Study	Language	0	0	0.00
55 #2s:	Study Alternative Sources of Steam Heat	Language	0	0	0.00
<b>Compensation Board</b>					
60 #1s:	Local Salary Supplements for Clerks	Language	0	0	0.00
61 #1s:	Adjust VRS Rates for Sheriffs	(988,973)	0	(988,973)	0.00
62 #1s:	Adjust VRS Rates for Commonwealth Attorneys	(128,440)	0	(128,440)	0.00
63 #1s:	Adjust VRS Rates for Clerks	(37,315)	0	(37,315)	0.00
66 #1s:	Adjust VRS Rates for Treasurers	(55,042)	0	(55,042)	0.00
67 #1s:	Adjust VRS Rates for Commisioners	(50,831)	0	(50,831)	0.00
67.10 #1s:	Additional VRS Savings	(1,566,791)	0	(1,566,791)	0.00
<b>Department Of General Services</b>					
75 #2s:	Delete Fees for Conducting Business with the Commonwealth	Language	0	0	0.00
<b>TOTAL: ADMINISTRATION</b>		<b>(2,827,392)</b>	<b>0</b>	<b>(2,827,392)</b>	<b>0.00</b>
<b>FINANCE</b>					
<b>Department Of Taxation</b>					
280 #1s:	Consolidate Tax Forecasting Functions	Language	0	0	0.00
281 #1s:	Accelerated Tax Collections	Language	0	0	0.00
281 #3s:	Shift Car Tax Administration	Language	0	0	0.00
<b>TOTAL: FINANCE</b>		<b>(4,665,811)</b>	<b>0</b>	<b>(4,665,811)</b>	<b>0.00</b>

## SB 29 General Government Subcommittee Recommendations

	2002 GF	2002 NGF	TOTAL	FTE
<b>CENTRAL APPROPRIATIONS</b>				
<b>Across-the-Board Reductions</b>				
543.07 #2s: Across-the-board Reduction for Executive Branch Agencies	(28,836,891)	0	(28,836,891)	0.00
543.07 #4s: Restore cut to VSDB's	99,781	0	99,781	0.00
543.07 #5s: CA Add NSU and VSU to ATB Reductions	(1,324,235)	0	(1,324,235)	0.00
543.07 #6s: Eliminate At-will Positions	(157,025)	0	(157,025)	0.00
543.07 #7s: FY 2002 Balance - Compensation Board Language	Language	0	0	0.00
<b>Personal Property Tax Relief</b>				
546 #1s: Personal Property Tax Relief Language	Language	0	0	0.00
<b>Compensation Supplements</b>				
547 #1s: VRS Rates for VaLORS, SPORS, and JRS	(21,206,253)	0	(21,206,253)	0.00
547 #2s: Collection of VRS Unclaimed Property	(21,159,323)	0	(21,159,323)	0.00
547 #3s: Restore Authorization for Long-term Care Coverage Language	Language	0	0	0.00
547 #4s: VRS Dormant Accounts - Additional FY 2002 Savings	(11,534,029)	0	(11,534,029)	0.00
<b>TOTAL: CENTRAL APPROPRIATIONS</b>	<b>(51,424,623)</b>	<b>0</b>	<b>(51,424,623)</b>	<b>0.00</b>
<b>INDEPENDENT AGENCIES</b>				
<b>State Corporation Commission</b>				
561.10 #1s: Executive Management Savings - State Corporation Commission	0	(328,483)	(328,483)	0.00
<b>State Lottery Department</b>				
563.10 #1s: Executive Management Savings - State Lottery	0	(382,040)	(382,040)	0.00
<b>Virginia College Savings Plan</b>				
565.10 #1s: Executive Management Savings - Virginia College Savings Plan	0	(111,448)	(111,448)	0.00
<b>Virginia Workers' Compensation Commission</b>				
570.10 #1s: Executive Management Savings - Workers' Compensation Commission	0	(473,451)	(473,451)	0.00
<b>TOTAL: INDEPENDENT AGENCIES</b>	<b>0</b>	<b>(710,523)</b>	<b>(710,523)</b>	<b>0.00</b>
<b>MODIFICATIONS AND ADJUSTMENTS TO TAXES AND FEES</b>				
<b>Accelerated Sales and Tax Collections</b>				
3-5.02 #1g: Revised Sales Tax Acceleration Language	Language	0	0	0.00
<b>Deconform State Tax Law from the Federal Internal Revenue Service Code</b>				
3-5.01 #1g: Deconform State Tax Code from Federal IRS Code Language	Language	0	0	0.00
<b>TRANSFERS</b>				
<b>Interfund Transfers</b>				
3-1.01 #2s: VRS Rate Reductions from NGF Agencies Language	Language	0	0	0.00
3-1.01 #3s: NGF Across-the-board Reductions. Language	Language	0	0	0.00
3-1.01 #5s: Revise Lottery Fund Transfer Language	Language	0	0	0.00



## SB 29 General Government Subcommittee Recommendations

		2002 GF	2002 NGF	TOTAL	FTE
3-1.01 #6s:	3% Across-the-board Reduction to DIT	Language	0	0	0.00
3-1.01 #8s:	VRS Dormant Accounts (NGF)	Language	0	0	0.00
3-1.01 #9s:	VASAP Transfer	Language	0	0	0.00
3-1.01 #14s:	Eliminate At-will positions	Language	0	0	0.00
3-1.01 #16s:	VRS Dormant Accounts - Additional NGF Savings	Language	0	0	0.00
3-1.01 #17s:	Executive Management Savings - State Lottery Department	Language	0	0	0.00
3-1.01 #18s:	Executive Management Savings - Workers' Compensation Commissio	Language	0	0	0.00
3-1.01 #19s:	Executive Management Savings - Virginia College Savings Plan	Language	0	0	0.00
3-1.01 #20s:	Executive Management Savings - State Corporation Commission	Language	0	0	0.00
<b>POSITIONS AND EMPLOYMENT</b>					
<b>Employee Compensation</b>					
4-6.01 #2s:	Modernization of Positions and Employment Section	Language	0	0	0.00
<b>Employee Benefits</b>					
4-6.03 #1s:	VaLORS Retirement Eligibility	Language	0	0	0.00
<b>TOTAL: GNERAL GOVERNMENT</b>		<b>(55,433,560)</b>	<b>(710,523)</b>	<b>(59,628,349)</b>	<b>0.00</b>

**SB 30 General Government Subcommittee Recommendations**

	GF RECOMMENDATION			NGF RECOMMENDATION			FTE	
	FY 2003	FY 2004	TOTAL	FY 2003	FY 2004	TOTAL		
<b>LEGISLATIVE DEPARTMENT</b>								
<b>General Assembly Of Virginia</b>								
1 #1s: Continue Jt Subcmte on HE Funding	Language	0	0	0	0	0	0.00	
1 #6s: State Police Study	Language	0	0	0	0	0	0.00	
1 #7s: Transportation Oversight	Language	0	0	0	0	0	0.00	
1 #xs: Senate Clerk-DGS Service Charge for Capitol/GAB		162,013	162,013	0	0	0	0.00	
1 #xs: Senate Clerk-SB 337		75,000	75,000	0	0	0	0.00	
1 #xs: House Clerk-SB 337		75,000	75,000	0	0	0	0.00	
<b>Division of Legislative Services</b>								
Base Adjustment: Salary Increase		100,000	100,000	0	0	0	18.00	
Base Adjustment: Redistricting Activities		(36,963)	(36,963)	0	0	0	18.00	
Base Adjustment: General Services Building Service Charge		27,800	27,800	0	0	0	18.00	
<b>Commission on Intergovernmental Cooperation</b>								
22 #1s: Move SREB Dues from SCHEV		157,315	157,315	0	0	0	18.00	
<b>Virginia Crime Commission</b>								
18 #1s: Crime Commission Definition	Language	0	0	0	0	0	0.00	
<b>Capitol Police</b>								
Homeland Security		1,000,000	800,000	1,800,000	0	0	18.00	
<b>Legislative Department Reversion Clearing Account</b>								
Commission Consolidation	Language	0	0	0	0	0	0.00	
<b>TOTAL: LEGISLATIVE DEPARTMENT</b>		<b>1,560,165</b>	<b>1,360,165</b>	<b>2,920,330</b>	<b>0</b>	<b>0</b>	<b>90.00</b>	
<b>JUDICIAL DEPARTMENT</b>								
<b>Supreme Court</b>								
ICJS Grant and Match		800,000	800,000	1,600,000	3,200,000	3,200,000	6,400,000	0.00
<b>District Courts</b>								
Transfer from Criminal Justice Services		1,281,250	1,281,250	2,562,500	0	0	0	0.00
<b>Circuit Courts</b>								
Criminal Fund Offset - Montgomery County Pubic Defender (SB		(363,554)	(353,534)	(717,088)	0	0	0	0.00
Criminal Fund Offset - Capital defense Units (SB 317)		(1,800,000)	(1,946,000)	(3,746,000)	0	0	0	0.00
Criminal Fund - Foster Care Hearings (SB 538)		167,680	167,680	335,360	0	0	0	0.00
Criminal Fund - Appointmen of Counsel (SB 537)		61,152	61,152	122,304	0	0	0	0.00
<b>Public Defender Commission</b>								
Public Defender Office - Montgomery County (SB 106)		363,554	353,534	717,088	0	0	0	0.00
Public Defender Office - Capital defense Units (SB 317)		1,800,000	1,946,000	3,746,000	0	0	0	0.00
<b>Judicial Department Reversion Clearing Account</b>								
Restore Across-the-Board Cuts		9,733,412	9,733,412	19,466,824	0	0	0	0.00
Across-the-Board Cuts		(250,000)	(250,000)	(500,000)	0	0	0	0.00
<b>TOTAL: JUDICIAL DEPARTMENT</b>		<b>11,793,494</b>	<b>11,793,494</b>	<b>23,586,988</b>	<b>3,200,000</b>	<b>3,200,000</b>	<b>6,400,000</b>	<b>0.00</b>
<b>EXECUTIVE OFFICES</b>								
<b>Attorney General And Department Of Law</b>								
49 #2s: Domestic Violence		0	0	0	3,000,000	3,000,000	6,000,000	4.00
49 #xs: Delay Sexual Predator Program		0	(364,416)	0	0	0	0	0.00
49 #xs: Expand Debt Collection Unit		0	0	0	150,000	150,000	300,000	2.00
<b>Secretary of the Commonwealth</b>								

**SB 30 General Government Subcommittee Recommendations**

	GF RECOMMENDATION			NGF RECOMMENDATION			FTE
	FY 2003	FY 2004	TOTAL	FY 2003	FY 2004	TOTAL	
Eliminate Proposed Budget increase	(90,000)	(90,000)	(180,000)	0	0	0	0.00
<b>Virginia Liaison Office</b>							
56 #1s: Eliminate Funding for the Virginia Liason Office	(233,698)	(233,698)	(467,396)	(117,083)	(117,083)	(234,166)	(4.00)
<b>TOTAL: EXECUTIVE OFFICES</b>	<b>(323,698)</b>	<b>(688,114)</b>	<b>(647,396)</b>	<b>3,032,917</b>	<b>3,032,917</b>	<b>6,065,834</b>	<b>2.00</b>
<b>ADMINISTRATION</b>							
<b>Secretary Of Administration</b>							
59.10 #1s: Executive Management Savings - Secretary of Administration	(69,942)	(79,933)	(149,875)	0	0	0	0.00
<b>Charitable Gaming Commission</b>							
60.10 #1s: Executive Management Savings - Charitable Gaming Commiss	0	0	0	(187,963)	(216,730)	(404,693)	0.00
<b>Commission On Local Government</b>							
61 #1s: Eliminate Funding for the Commission on Local government	(681,697)	(683,776)	(1,365,473)	0	0	0	(7.00)
<b>Commonwealth Competition Council</b>							
62 #1s: Nongeneral Fund Support for the Competition Council	(301,637)	(302,317)	(603,954)	301,637	302,317	603,954	0.00
<b>Compensation Board</b>							
63 #1s: Local Salary Supplements for Clerks	Language	0	0	0	0	0	0.00
63 #4s: Moratorium on Appeals	Language	0	0	0	0	0	0.00
64 #8g: Adjust VRS Rates for Sheriffs	(905,366)	(905,366)	(1,810,732)	0	0	0	0.00
65 #2g: Adjust VRS Rates for Commonwealth Attorneys	(142,988)	(142,988)	(285,976)	0	0	0	0.00
66 #1g: Adjust VRS Rates for Clerks	(44,762)	(44,762)	(89,524)	0	0	0	0.00
66 #3s: Deputy Clerks' Carer Development Program	Language	0	0	0	0	0	0.00
67 #1g: Federal Inmate Jail Cost Recovery	(4,500,000)	(4,500,000)	(9,000,000)	0	0	0	0.00
67 #2g: Clarify Definition of State-Responsible Inmates	Language	0	0	0	0	0	0.00
67 #xs: Jail per diem Payments - Current Out-of-Compliance Backlog	6,843,750	6,843,750	13,687,500	0	0	0	0.00
69 #1g: Adjust VRS Rates for Treasures	(61,769)	(61,769)	(123,538)	0	0	0	0.00
70 #1g: Adjust VRS Rates for Commissioners	(53,812)	(53,812)	(107,624)	0	0	0	0.00
70.10 #1s: Budget Reductions	(43,331,947)	(47,813,803)	(91,114,140)	0	0	0	0.00
70.10 #2s: Offset Reimbursement Roll-forward	3,870,584	0	3,870,584	0	0	0	0.00
<b>Department Of Employment Dispute Resolution</b>							
71.10 #1s: Executive Management Savings - Dept. of Employee Dispute R	(75,647)	(86,453)	(162,100)	0	0	0	0.00
<b>Department Of General Services</b>							
74 #1g: User Fees for Drinking Water Tests	(1,020,000)	(1,020,000)	(2,040,000)	0	0	0	0.00
75 #1s: Capital Outlay Review as an Internal Service Fund	(1,810,984)	(1,810,984)	(3,621,968)	0	0	0	0.00
Homeland Security - Consolidated Labs Emergency Response	600,000	400,000	1,000,000	0	0	0	0.00
Homeland Security - Screen Incoming Mail	200,000	200,000	400,000	0	0	0	0.00
Security Enhancements at Capitol Square	2,270,000	1,530,000	3,800,000	0	0	0	0.00
81.10 #1s: Executive Management savings - Dept. of General Services	(853,584)	(975,524)	(1,829,108)	0	0	0	0.00
<b>Department Of Human Resource Management</b>							
82 #1s: Commuting Expense account	Language	0	0	0	0	0	0.00
83 #1s: Study Constitutional Officers' Compensation	Language	0	0	0	0	0	0.00
84.10 #1s: 7% & 8% Management Savings - Human Resource Managemen	(375,283)	(428,895)	(804,178)	0	0	0	0.00
<b>Department For The Rights Of Virginians With Disabilities</b>							
86 #1g: Eliminates Department Rights of Virginians with Disabilities	(211,733)	(211,957)	(423,690)	(709,558)	(709,558)	(1,419,116)	0.00
87 #1g: Eliminates Department Rights of Virginians with Disabilities	0	0	0	(1,013,426)	(1,013,426)	(2,026,852)	0.00
88 #1g: Eliminates Department Rights of Virginians with Disabilities	0	0	0	(240,301)	(240,301)	(480,602)	0.00
89 #1g: Eliminates Department Rights of Virginians with Disabilities	0	0	0	0	0	0	(25.00)

**SB 30 General Government Subcommittee Recommendations**

	GF RECOMMENDATION			NGF RECOMMENDATION			FTE
	FY 2003	FY 2004	TOTAL	FY 2003	FY 2004	TOTAL	
<b>Department Of Veterans' Affairs</b>							
90.10 #1s: Executive Management Savings - Veteran's Affairs	(186,286)	(212,899)	(399,185)	0	0	0	0.00
<b>Human Rights Council</b>							
91.1 #1s: Executive Eanagement Savings - Human Rights Council	(25,720)	(29,395)	(55,115)	0	0	0	0.00
<b>State Board Of Elections</b>							
92.10 #1s: Executive Management Savings - Board of Elections	(711,242)	(812,848)	(1,524,090)	0	0	0	0.00
<b>Virginia Public Broadcasting Board</b>							
93 #3s: Restore 10% Reduction in Public TV	379,848	379,848	759,696	0	0	0	0.00
94.10 #1s: Executive Management Savings - Va. Public Broadcasting Boar	(551,780)	(630,605)	(1,182,385)	0	0	0	0.00
<b>TOTAL: ADMINISTRATION</b>	<b>(41,751,997)</b>	<b>(51,454,488)</b>	<b>(93,174,875)</b>	<b>(1,849,611)</b>	<b>(1,877,698)</b>	<b>(3,727,309)</b>	<b>(32.00)</b>
<b>FINANCE</b>							
<b>Secretary Of Finance</b>							
271.10 #1s: Executive Management Savings - Secretary of Finance	(35,818)	(40,935)	(76,753)	0	0	0	0.00
<b>Department Of Accounts</b>							
281.10 #1s: Executive Management Savings - Department of accounts	(650,981)	(743,979)	(1,394,960)	0	0	0	0.00
<b>Department Of Planning And Budget</b>							
282.10 #1s: Executive Management Savings - Planning and Budget	(397,844)	(454,679)	(852,523)	0	0	0	0.00
<b>Department Of Taxation</b>							
284 #2s: Consolidate Revenue Forecasting Process	315,000	400,000	715,000	0	0	0	0.00
284 #3s: CAR Tax Forecast Reporting Language		0	0	0	0	0	0.00
285 #8s: Move PPTRA Administration to Tax	991,308	991,308	1,982,616	0	0	0	0.00
285 #9s: Optimize DMV & Tax Telephone Customer Service	880,105	1,760,210	2,640,315	0	0	0	0.00
285 #10s: Acceleration of Taxes & Credit Adjustments Language		0	0	0	0	0	0.00
287 #1s: Public/Private Partnership Funding	0	3,710,062	3,710,062	0	(7,420,123)	(7,420,123)	0.00
288.10 #1s: Executive Management Savings - Department of Taxation	(656,628)	(750,432)	(1,407,060)	0	0	0	0.00
<b>Department Of The State Internal Auditor</b>							
289 #1s: Eliminate Funding ffor the State Internal auditor	(756,418)	(757,600)	(1,514,018)	0	0	0	(9.00)
<b>Department Of The Treasury</b>							
292.10 #1s: Executive Management Savings - Department of the Treasury	(389,114)	(444,701)	(833,815)	0	0	0	0.00
292.10 #2s: Correct Technical Error in Reductions on Treasury	102,895	117,595	220,490	0	0	0	0.00
<b>Treasury Board</b>							
295 #1s: Treasury Board - Debt Service for IDA Lease	(450,000)	(450,000)	(900,000)	0	0	0	0.00
Treasury Board - Student Fee for Debt Service (Education Subc	(5,250,000)	(5,250,000)					
296 #1s: Correct Treasury Board NGF	0	0	0	(238,810)	1,617,968	1,379,158	0.00
296 #2s: Treasury Board - Debt Service for BVF Package	2,100,623	16,319,322	18,419,945	0	0	0	0.00
296 #3s: Treas Bd. Increase Debt Svc for HEETF	0	995,000	995,000	0	0	0	0.00
296 #5s: Eliminate Bond Authorization for Industrtial Site Development Language		0	0	0	0	0	0.00
297 #1s: Authorize Cost of Issuance for GOB Language		0	0	0	0	0	0.00
<b>TOTAL: FINANCE</b>	<b>(4,196,872)</b>	<b>15,401,171</b>	<b>21,704,299</b>	<b>(238,810)</b>	<b>(5,802,155)</b>	<b>(6,040,965)</b>	<b>(9.00)</b>
<b>TECHNOLOGY</b>							
<b>Secretary Of Technology</b>							
464 #1s: CIT Land & Property Study Language		0	0	0	0	0	0.00
464.10 #1s: Executive Management Savings - Secretary of Technology	(39,568)	(45,220)	(84,788)	0	0	0	0.00
<b>Department Of Technology Planning</b>							

**SB 30 General Government Subcommittee Recommendations**

	GF RECOMMENDATION			NGF RECOMMENDATION			FTE
	FY 2003	FY 2004	TOTAL	FY 2003	FY 2004	TOTAL	
468 #1s: Geographic Information System	Language	0	0	0	0	0	0.00
468 #1s: Reduce Funding of Electronic Government	0	0	0	(1,731,793)	(1,731,793)	(3,463,586)	(2.00)
468 #2s: Remove Discretionary Grant Funding	(93,000)	(92,000)	(185,000)	0	0	0	0.00
469.10 #1s: Executive Management Savings - Department of Technology F	(134,781)	(154,036)	(288,817)	0	0	0	0.00
<b>Innovative Technology Authority</b>							
470 #1s: CIT Funding	(2,000,000)	(3,000,000)	(5,000,000)	0	0	0	0.00
470.10 #1s: Executive Management Savings - Innovative Technology Authc	(875,471)	(1,000,538)	(1,876,009)	0	0	0	0.00
<b>TOTAL: TECHNOLOGY</b>	<b>(3,142,820)</b>	<b>(4,291,794)</b>	<b>(7,434,614)</b>	<b>(1,731,793)</b>	<b>(1,731,793)</b>	<b>(3,463,586)</b>	<b>(2.00)</b>
<b>CENTRAL APPROPRIATIONS</b>							
<b>Reversion Clearing Account</b>							
503 #4s: VRS Rates for VaLORS, SPORS, and JRS	3,214,611	3,354,380	6,568,991	0	0	0	0.00
503 #5s: VRS Unclaimed Property	1,223,980	0	1,223,980	0	0	0	0.00
503 #6s: Eliminate At Will Positions	(1,934,711)	(1,934,711)	(3,869,422)	0	0	0	(53.00)
<b>Employee Health Insurance</b>							
504 #1s: State Employee Health Insurance	17,051,600	19,296,939	36,348,539	0	0	0	0.00
<b>Workforce Transition Act Payments</b>							
504.10 #1s: Workforce Transition Payments	511,273	0	511,273	0	0	0	0.00
504.10 #2s: Workforce Tansition Payments - Virginia Liason Office	175,274	0	175,274	0	0	0	0.00
504.10 #3s: Workforce Tansition Payments - Internal Auditor	567,314	0	567,314	0	0	0	0.00
<b>Across-the-Board Reductions</b>							
506 #2s: Strikes Priorities for Additional GF Revenues.	Language	0	0	0	0	0	0.00
506 #5s: Across-the-board Reduction for Executive Branch Agencies	(30,744,453)	(59,811,310)	(90,555,763)	0	0	0	0.00
506 #10s: Transfer 7% and 8% Cuts to Administration Agencies	10,170,355	14,823,263	24,993,618	0	0	0	0.00
506 #11s: Correct Technical Error in Reductions on Treasury	102,895	117,595	220,490	0	0	0	0.00
506 #12s: Transfer 7% and 8% Cuts to Finance Agencies	2,183,250	2,495,143	4,678,393	0	0	0	0.00
506 #13s: Transfer 7% and 8% Cuts to Technology Agencies	1,049,820	1,199,794	2,249,614	0	0	0	0.00
<b>Personal Property Tax Relief</b>							
510 #1s: Freeze at 70% Reimbursement	0	(118,826,165)	(118,826,165)	0	0	0	0.00
<b>Compensation Supplements</b>							
511 #2s: Eliminate Salary Increases for State and Local Employees	(30,748,690)	(55,741,789)	(86,490,479)	0	0	0	0.00
511 #3s: Group Life Contribution Rate Reduction	(12,900,062)	(13,460,937)	(26,360,999)	0	0	0	0.00
511 #4s: FY 2003 Bonus	90,125,000	71,125,000	161,250,000	0	0	0	0.00
511 #4s: Change VRS Contributions to Quarterly	Language	0	0	0	0	0	0.00
511 #9s: Restore Cut - Long-term Care for VSDP Participants	3,516,553	3,669,446	7,185,999	0	0	0	0.00
511 #10s: Executive Management Savings - Virginia Retirement System	(563,662)	(644,185)	(1,207,847)	0	0	0	0.00
<b>TOTAL: CENTRAL APPROPRIATIONS</b>	<b>53,000,347</b>	<b>(134,337,537)</b>	<b>(81,337,190)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(53.00)</b>
<b>INDEPENDENT AGENCIES</b>							
<b>State Corporation Commission</b>							
522.10 #1s: Executive Management Savings - State Corporation Commissic	0	0	0	(766,461)	(875,956)	(1,642,417)	0.00
<b>State Lottery Department</b>							
524.10 #1s: Executive Management Savings - Lottery	0	0	0	(891,427)	(1,018,773)	(1,910,200)	0.00
<b>Virginia College Savings Plan</b>							
526.10 #1s: Executive Management Savings - Virginia College Savings Pla	0	0	0	(260,045)	(298,259)	(558,304)	0.00
<b>Virginia Retirement System</b>							

**SB 30 General Government Subcommittee Recommendations**

	GF RECOMMENDATION			NGF RECOMMENDATION			FTE
	FY 2003	FY 2004	TOTAL	FY 2003	FY 2004	TOTAL	
527 #1g: Change VRS Contributions to Quarterly	0	0	0	0	0	0	0.00
527 #2g: Remove Requirement for Annual Valuations	Language	0	0	0	0	0	0.00
527 #3: Systems and Communications Costs - SB 79	0	0	0	250,000	0	250,000	0.00
529.10 #1s: Executive Management Savings - Virginia Retirement System	0	0	0	(1,127,324)	(1,288,370)	(2,415,694)	0.00
<b>Virginia Workers' Compensation Commission</b>							
531.10 #1s: Executive Management Savings - workers' Compensation Comn	0	0	0	(1,104,718)	1,262,535	157,817	0.00
<b>Virginia Office for Protection and Advocacy</b>							
531.1 #1g: Create Virginia Office for Protection and Advocacy	211,733	211,957	423,690	709,558	709,558	1,419,116	0.00
531.2 #1g: Create Virginia Office for Protection and Advocacy	523,833	514,600	1,038,433	1,030,482	1,030,482	2,060,964	0.00
531.3 #1g: Create Virginia Office for Protection and Advocacy	0	0	0	240,301	240,301	480,602	0.00
531.4 #1s: Create Virginia Office for Protection and Advocacy	0	0	0	0	0	0	32.00
531.50 #2s: Executive Management Savings - Va. Office for Protection and	(14,783)	(16,895)	(31,678)	0	0	0	0.00
<b>TOTAL: INDEPENDENT AGENCIES</b>	<b>720,783</b>	<b>709,662</b>	<b>1,430,445</b>	<b>(1,919,634)</b>	<b>(238,482)</b>	<b>(2,158,116)</b>	<b>32.00</b>
<b>INTERFUND TRANSFERS</b>							
3-1.01 #8s: Use of COVANET Savings	Language	0	0	0	0	0	0.00
3-1.01 #10g Group Life Rate Reduction	Language	0	0	0	0	0	0.00
3-1.01 #11s: Revise Transfer from Lottery Fund	Language	0	0	0	0	0	0.00
3-1.01 #12s: NGF Portion of VRS Rate Reductions	Language	0	0	0	0	0	0.00
3-1.01 #13s: Remove NGF Across-the-board Reductions.	Language	0	0	0	0	0	0.00
3-1.01 #14s: Seven and eight Percent Across-the-board Reductions	Language	0	0	0	0	0	0.00
3-1.01 #17s: VRS Dormant Accounts	Language	0	0	0	0	0	0.00
3-1.01 #20s: Transfer from Uninsured Motorists Fund	Language	0	0	0	0	0	0.00
3-1.01 #21s: Reduce NGF Central Service Agency Recoveries	Language	0	0	0	0	0	0.00
3-1.01 #24s: Eliminate NGF At-will positions	Language	0	0	0	0	0	0.00
3-1.01 #25s: Executive management savings - VRS	Language	0	0	0	0	0	0.00
3-1.01 #26s: Executive Management Savings - lottery	Language	0	0	0	0	0	0.00
3-1.01 #27s: Executive Management Savings - Va. College Savings Plan	Language	0	0	0	0	0	0.00
3-1.01 #28s: Executive Management Savings - Workers' Compensation Comr	Language	0	0	0	0	0	0.00
3-1.01 #29s: Executive Management Savings - SCC	Language	0	0	0	0	0	0.00
3-1.01 #32s: Executive Management Savings - Charitable Gaming Comissio	Language	0	0	0	0	0	0.00
3-1.01 #34s: Tax Public-Private Partnership	Language	0	0	0	0	0	0.00
3-1.01 #36s: Eliminate At Will Employees - NGF	Language	0	0	0	0	0	0.00
3-1.01 #37s: Transportation Pool Services	Language	0	0	0	0	0	0.00
<b>LINES OF CREDIT</b>							
3-2.03 #1s: Line of Credit - State Employee Health Insurance program	Language	0	0	0	0	0	0.00
<b>Deconform State Tax Law from the Federal Internal Revenue Service Code</b>							
3-5.03 #1s: Deconform State Tax Code from Federal IRS Code	Language	0	0	0	0	0	0.00
<b>TREASURY LOANS</b>							
4-3.02 #1s: Treasury Loan For Capital	Language	0	0	0	0	0	0.00
<b>POSITIONS AND EMPLOYMENT</b>							
<b>Employee Benefits</b>							
4-6.03 #1s: VRS Retirement	Language	0	0	0	0	0	0.00
4-6.03 #2s: VaLORS Retirement	Language	0	0	0	0	0	0.00
4-6.03 #3s: Retirement Benefits for State Employees	Language	0	0	0	0	0	0.00
<b>Positions and Employment</b>							

**SB 30 General Government Subcommittee Recommendations**

	GF RECOMMENDATION			NGF RECOMMENDATION			FTE
	FY 2003	FY 2004	TOTAL	FY 2003	FY 2004	TOTAL	
4-6.01 #2s: Modernization of Positions and Employment Section	Language	0	0	0	0	0	0.00
<b>Goods and Services</b>							
4-5.06 #2s: Electronic Payments	Language	0	0	0	0	0	0.00

**Legislative Department**

Legislative Department Reversion  
Clearing Account

Language

**Language:**

Page 19, line 39, following "\$953,118." insert:

"The amount of \$1,070,680 from fiscal year 2001 legislative agency balances that was reappropriated per § 4-1.06 of this Act, shall be unallotted in accordance with the report on FY 2001 Legislative Agency Balances approved by the Joint Rules Committee on December 18, 2001. Said amount shall be applied to offset the reduction contained in this item."

**Explanation:**

(This amendment implements a recommendation of the Joint Rules Committee.)



**Administration**

Secretary Of Administration

Language

**Language:**

Page 38, after line 14, insert:

"D. The Secretary of Administration, with the assistance of the Secretary of Public Safety, the Secretary of Education and the Secretary of Finance, shall evaluate alternative steam and hot water supply sources for the Virginia School for the Deaf and the Blind at Staunton and recommend a funding source for the creation of an on-going steam and hot water production facility for the School. An interim report shall be presented to the Chairmen of the Senate Finance and House Appropriations Committees by May 1, 2002.)

**Explanation:**

(This amendment directs the Secretary of Administration to study alternative sources of steam heat for the Virginia School for the Deaf and Blind at Staunton.)

**Administration**

Department Of General Services

Language

**Language:**

Page 59 line 43, following "system", strike "or fees levied upon vendors conducting business with the Commonwealth electronically"

**Explanation:**

(This amendment deletes proposed language that would allow the Department of General Services to charge vendor a fee to sell goods or services to the Commonwealth over the new automated purchasing system.)

**Finance**

Department Of Taxation

Language

**Language:**

Page 242, after line 8, insert:

"By June 30, 2002, the Department of Taxation shall assume the staffing and responsibility for the revenue forecasting of the Commonwealth Transportation Funds, including the DMV Special Fund, as provided in §2.2-1503 of the Code of Virginia. The Director of the Department of Planning and Budget shall effectuate the transfer of three full-time equivalent positions and sufficient funding to ensure the successful consolidation of this function.

**Explanation:**

(This amendment consolidates the revenue forecasting process and staffing into one unit at the Department of Taxation. Currently, both the Tax Department and the Department of Motor Vehicles have revenue forecasting staff and processes.)

**Finance**

Department Of Taxation

Language

**Language:**

Page 244, strike lines 1 through 45.

Page 244, line 1, insert:

"H.1. Notwithstanding the provisions of § 58.1-615, Code of Virginia, every dealer, as defined by §58.1-612, Code of Virginia, or direct payment permit holder pursuant to §58.1-624, Code of Virginia, with taxable sales and purchases of \$1.3 million or greater for the period July 1, 2000, to June 30, 2001, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2001 as the estimated amount of sales and use tax liability for the month of June 2002. Such tax payments shall be made on or before the 30th day of June, 2002, if payment is made by electronic funds transfer, as defined in § 58.1-202.1, Code of Virginia. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June, 2002. Payments under this paragraph shall be made in accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue. For purposes of this provision, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. Every dealer or direct payment permit holder shall be entitled to a credit for the payment under this paragraph on the June 2002 return due July 20, 2002. In addition, the distribution of the payment to revenue code 01088 by the Comptroller shall also occur after the return has been filed. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer User Tax Return.

2. In lieu of the penalties provided in §58.1-635, Code of Virginia, except with respect to fraudulent returns, failure to make a timely payment or full payment on the sales and use tax liability as provided in paragraph 1 above shall subject the dealer to a penalty of six percent of the amount of tax that should have been properly paid to the Tax Commissioner. Interest will accrue as provided in §58.1-15, Code of Virginia. The payment required by paragraph 1 above shall become delinquent on the first day following the due date set forth in paragraph 1 if not paid.

3. Notwithstanding any provision of law, any cash balance resulting from such

collections shall not be subject to reporting as reservations or designations of fund balance of the General Fund, or liabilities of the General Fund, as of June 30 for purposes of cash basis financial reporting as reflected in the Comptroller's annual financial report presented in accordance with §2.2-813 of the Code of Virginia.

4. It is the intent of the General Assembly that the payment requirement contained herein be phased out beginning in Fiscal Year 2006. The payment amount for June 2006 should be reduced to 85 percent of the sales and purchases for the previous June and the payment amount should continue to be reduced until fully eliminated not later than June 2012."

**Explanation:**

(This amendment modifies the acceleration of the collection of sales and use tax and eliminates the acceleration of withholding tax revenue.)

**Finance**

Department Of Taxation

Language

**Language:**

Page 244, after line 45, insert:

"J.1. In accordance with §58.1-202 of the Code of Virginia, it is the intent of the General Assembly that the administration and execution of the Personal Property Tax Relief Act shall be conducted by the Department of Taxation beginning no later than January 1, 2003. Prior to June 30, 2002, the Department of Taxation and the Department of Motor Vehicles shall develop a migration plan that will transfer in administration of the Act, including any changes necessary in the *Code of Virginia* to facilitate the transfer. The Director of the Department of Planning and Budget shall transfer the required positions and funding to effectuate this purpose.

2. Further, the plan shall include the establishment of an audit unit that will identify those individuals who have received personal property tax relief for vehicles that do not meet the "Used for nonbusiness purposes" criteria as defined in §58.1-3523 of the *Code of Virginia*. The plan will also recommend uniform procedures and processes for certifying the "used for nonbusiness purposes" criteria by vehicle owners. The Department of Motor Vehicles, the Department of Accounts and all local Treasurers, Commissioners of the Revenue and Directors of Finance, or officials acting in that capacity, shall cooperate with the Department and shall provide all information and assistance necessary, upon request, to fulfill this responsibility."

**Explanation:**

(This amendment begins the process of changing the administration of the PPTRA to the Department of Taxation. Section 58.1-202 of the *Code* outlines the duties and powers of the Tax Commissioner including the "supervision of all tax laws of the Commonwealth." )

<b>Central Appropriations</b>	<b>FY 00-01</b>	<b>FY 01-02</b>	
Central Appropriations	\$0	(\$157,025)	GF

**Language:**

Page 430, line 16, strike "\$57,236,460" and insert "\$57,393,485".

Page 362, after line 29, insert:

"D. On and after April 25, 2002, no agency of the Commonwealth shall employ, or continue to employ any person whose position is exempt from Title 2.2, Chapter 29, Code of Virginia, the Personnel Act, pursuant to §2.2-2905.20, code of Virginia. Persons currently employed in such positions shall be provided four weeks salary as a severance benefit. No such person shall be reemployed in a classified position without first making application for such position in a competitive process open to all qualified individuals."

**Explanation:**

(This amendment eliminates funding for at-will employees effective April 25, 2002. A companion amendment in Part 3 captures the nongeneral fund savings.)

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 432, line 35, strike "a sum".

Page 432, line 36, strike "sufficient, estimated at".

Page 432, line 41 after "A.", insert "1."

Page 432, after line 46, insert:

"2. Localities shall be reimbursed at the 70 percent level for the first six months of tax year 2002.

3. In addition to the amount shown above for the first year, \$31,791,152 of the amount shown in the second year was transferred from the second year to the first year, for a total expenditure in the first year of \$604,183,666."

Page 433, strike lines 8 through 12.

**Explanation:**

(This amendment 1) recognizes that the cost of car tax relief in FY 01 was \$31.8 million more than the appropriation and 2) inserts language clarifying that the reimbursement rate for the personal property tax on vehicles shall be 70 percent in tax year 2002. The reference to the first six months indicates the portion of tax year 2002 that falls under the authority of House Bill/Senate Bill 29.)



**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 22, insert:

"FF. Prior to June 30, 2002, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$9,747,125 for the reduction in retirement contributions resulting from the application of actuarially calculated rates for fiscal year 2002. Appropriated funds from federal sources are exempt from this transfer."

**Explanation:**

(This amendment captures the nongeneral fund portion of savings attributed to a reduction in Virginia Retirement System contribution rates.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 526, line 40, strike "\$4,919,837" and insert "\$1,306,031".

Page 526, strike lines 44 through 46.

Page 526, line 47, strike "\$606,293" and insert "\$1,204,796".

Page 526, strike lines 48 through 57.

Page 527, strike lines 1 through 5.

Page 527, line 6, strike entire line and insert "186 Secretary of Transportation 0400 \$15,518".

Page 527, line 7, strike entire line and insert "506 Motor Vehicle Dealer Board 0400 \$49,301".

Page 527, line 8, strike "\$57,139" and insert "\$14,735".

Page 527, strike line 9.

Page 527, line 10, strike "\$14,453" and insert "\$21,680".

Page 527, strike line 11.

Page 528, line 12, strike "\$4,919,837" and insert "\$1,306,031."

**Explanation:**

(This amendment removes the across-the-board reductions for nongeneral fund agencies except those identified in the transportation agencies.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the State Comptroller shall transfer to the general fund special fund balances of \$170,393 from the Department of Mental Health, Mental Retardation and Substance Abuse Services."

**Explanation:**

(This amendment transfers 2001 special fund balances from the Department of Mental Health, Mental Retardation and Substance Abuse Services to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 524, line 42, strike "323,000,000" and insert "329,000,000".

**Explanation:**

(This amendment increases the estimated transfer from the State Lottery Fund to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the Department of Information Technology shall transfer \$156,203 to the general fund. This amount is a result of across-the-board reductions to Administrative and Support Services. All funds from the Virginia Retirement System and federal sources are excluded from these transfers."

**Explanation:**

(This amendment applies the three percent across-the-board reduction to the administrative services function in the Department of Information Technology.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the Comptroller shall transfer \$332,000 from the Department of Motor Vehicles to the general fund. This amount represents the estimated revenues to be derived from a two-dollar increase on fees related to motor vehicles records transaction.

HH. On or before June 30, 2002, the Comptroller shall transfer \$2,462,503 from the Department of Motor Vehicles to the general fund. This amount represents the estimated revenues to be derived from a two-dollar increase on fees related to motor vehicle registrations.

II. On or before June 30, 2002, the Comptroller shall transfer \$5,000,000 from the Department of Motor Vehicle's Uninsured Motorists Fund to the general fund."

**Explanation:**

(This amendment provides for increased fees and the resulting estimated revenues being transferred to the general fund for public safety and other expenses. A companion amendment is in Item 514.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 22, insert:

"GG. Prior to June 30, 2002, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$17,844,777 for the reduction in retirement contributions resulting from the identification and resolution of dormant retirement accounts pursuant to a study to be completed by the Board of Trustees of the Virginia Retirement System. Appropriated funds from federal sources are exempt from this transfer."

**Explanation:**

(This amendment captures the nongeneral fund savings associated with retirement contribution rate reductions attributed to VRS dormant accounts.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the State Comptroller shall transfer \$4,000,000 to the general fund from the special fund balance of the Commission on the Virginia Alcohol Safety Action Program."

**Explanation:**

(This amendment provides for a transfer of \$4,000,000 in fiscal year 2002 from the Commission on the Virginia Alcohol Safety Action Program to the general fund.)



**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the State Comptroller shall transfer to the general fund \$1,000,000 from the Virginia Economic Development Revolving Fund at the Department of Business Assistance."

**Explanation:**

(This amendment transfers \$1.0 million from the Virginia Economic Development Revolving Fund to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the State Comptroller shall transfer to the general fund \$100,000 from the Capital Access Fund for Disadvantaged Businesses at the Virginia Small Business Financing Authority."

**Explanation:**

(This amendment transfers \$100,000 from the Capital Access Fund for Disadvantaged Businesses to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the State Comptroller shall transfer to the general fund \$800,000 from the Small Business Environmental Compliance Assistance Fund at the Department of Environmental Quality."

**Explanation:**

(This amendment transfers \$800,000 from the Small Business Environmental Compliance Assistance Fund to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the State Comptroller shall transfer \$177,622 to the general fund from the such nongeneral fund accounts as are affected by the restriction on employment of any person whose position is exempt from Title 2.2, Chapter 29, Code of Virginia, the Personnel Act, pursuant to §2.2-2905.20, Code of Virginia."

**Explanation:**

(This amendment eliminates nongeneral fund support for at-will employees effective April 25, 2002 and transfers the savings to the general fund. A companion amendment in item 543.07 captures the general fund savings.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 22, insert:

"GG. Prior to June 30, 2002, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$5,017,475 for the reduction in retirement contributions resulting from the identification and resolution of dormant retirement accounts pursuant to a study to be completed by the Board of Trustees of the Virginia Retirement System. Appropriated funds from federal sources are exempt from this transfer."

**Explanation:**

(This amendment captures the nongeneral fund savings associated with retirement contribution rate reductions attributed to VRS dormant accounts.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. Prior to June 20, 2002, the State Comptroller shall transfer from nongeneral fund accounts of the State Lottery Department an amount estimated at \$382,040 representing savings resulting from 3 percent reductions in administrative expenses of the State Lottery Department for fiscal year 2002."

**Explanation:**

(This amendment captures administrative budget savings of 3% in FY 2002 from the State Lottery Department.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. Prior to June 20, 2002, the State Comptroller shall transfer from nongeneral fund accounts of the Workers' Compensation Commission an amount estimated at \$473,451 representing savings resulting from 3 percent reductions in administrative expenses of the State Lottery Department for fiscal year 2002."

**Explanation:**

(This amendment captures administrative budget savings of 3% in FY 2002 from the Workers' Compensation Commission.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. Prior to June 20, 2002, the State Comptroller shall transfer from nongeneral fund accounts of the Virginia College Savings Plan an amount estimated at \$111,448 representing savings resulting from 3 percent reductions in administrative expenses of the State Lottery Department for fiscal year 2002."

**Explanation:**

(This amendment captures administrative budget savings of 3% in FY 2002 from the Virginia College Savings Plan.)



**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. Prior to June 20, 2002, the State Comptroller shall transfer from nongeneral fund accounts of the State Corporation Commission an amount estimated at \$ 328,483 representing savings resulting from 3 percent reductions in administrative expenses of the State Corporation Commission for fiscal year 2002."

**Explanation:**

(This amendment captures administrative budget savings of 3% in FY 2002 from the State Corporation Commission.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, following line 30, insert:

"GG. On or before June 30, 2002, the State Comptroller shall transfer to the general fund, the balance estimated at \$5,000,000 in the Intensive Drug Enforcement Assistance (IDEA) Fund of the Department of Criminal Justice. No interest earnings shall be credited to the fund for the fourth quarter of FY 2002."

**Explanation:**

(This amendment transfers an estimated balance of \$5,000,000 from the Intensive Drug Enforcement Assistance Fund to the general fund by June 30, 2002.)

**Transfers**

Interest Earnings

Language

**Language:**

Page 529, after line 20, insert:

“§ 3-5.00 MODIFICATIONS AND ADJUSTMENTS TO INTEREST EARNINGS

§ 3-5.01 INTEREST EARNINGS.

Notwithstanding any other provision of law, for the period April 1, 2002 through June 30, 2002, interest earnings on all funds held by the State Treasurer normally allocated to specific nongeneral fund funds shall not be allocated to such nongeneral funds until July 15, 2002. It is hereby acknowledged that this provision shall not apply to those specific nongeneral funds to which interest earnings must be allocated as mandated by the Constitution of Virginia or by federal law. Notwithstanding any provision of law, any cash balance resulting from such action shall not be subject to reporting as reservations or designations of fund balance of the General Fund, or liabilities of the General Fund, as of June 30 for purchases of cash basis financial reporting as reflected in the Comptroller's annual financial report presented in accordance with §2.2-813 of the Code of Virginia.”

**Explanation:**

(This amendment specifies that the interest earnings normally allocated to nongeneral funds shall not be allocated until July 15, 2002.)

**Transfers**

ACCELERATED SALES AND USE TAX  
COLLECTIONS

Language

**Language:**

Page 529, after line 20, insert:

§ 3-5.01 ACCELERATED SALES AND USE TAX COLLECTIONS

A. Notwithstanding the provisions of § 58.1-615, Code of Virginia, every dealer, as defined by §58.1-612, Code of Virginia, or direct payment permit holder pursuant to §58.1-624, Code of Virginia, with taxable sales and purchases of \$1.3 million or greater for the period July 1, 2000, to June 30, 2001, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2001 as the estimated amount of sales and use tax liability for the month of June 2002. Such tax payments shall be made on or before the 30th day of June, 2002, if payment is made by electronic funds transfer, as defined in § 58.1-202.1, Code of Virginia. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June, 2002. Payments under this paragraph shall be made in accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue. For purposes of this provision, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. Every dealer or direct payment permit holder shall be entitled to a credit for the payment under this paragraph on the June 2002 return due July 20, 2002. In addition, the distribution of the payment to revenue code 01088 by the Comptroller shall also occur after the return has been filed. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer User Tax Return.

B. In lieu of the penalties provided in §58.1-635, Code of Virginia, except with respect to fraudulent returns, failure to make a timely payment or full payment on the sales and use tax liability as provided in paragraph 1 above shall subject the dealer to a penalty of six percent of the amount of tax that should have been properly paid to the Tax Commissioner. Interest will accrue as provided in §58.1-15, Code of Virginia. The payment required by paragraph 1 above shall become delinquent on the first day following the due date set forth in paragraph 1 if not paid.

C. Notwithstanding any provision of law, any cash balance resulting from such collections shall not be subject to reporting as reservations or designations of fund balance of the General Fund, or liabilities of the General Fund, as of June 30 for purposes of cash basis financial reporting as reflected in the Comptroller's annual financial report presented in accordance with §2.2-813 of the Code of Virginia.

D. It is the intent of the General Assembly that the payment requirement contained herein be phased out beginning in Fiscal Year 2006. The payment amount for June 2006 should be reduced to 85 percent of the sales and purchases for the previous June and the payment amount should continue to be reduced until fully eliminated not later than June 2012."

**Explanation:**

(This amendment provides for the acceleration of certain sales and use tax revenues.)

**Transfers**

Limits on Tax Credits

Language

**Language:**

Page 529, after line 20, insert:

“§ 3-5.00 MODIFICATIONS AND ADJUSTMENTS TO TAXES AND FEES

§ 3-5.01 LIMIT THE TAX CREDIT FOR RETALIATORY COSTS PAID TO OTHER STATES

Notwithstanding any other provision of law, for license years beginning on July 1, 2002, the amount of the Tax Credit for Retaliatory Costs to Other States available under § 58.1-2510 of the Code of Virginia shall be limited to eighty percent of the retaliatory costs paid to other states for those companies or groups having more than 100 qualified full-time employees in this Commonwealth during the entire license year and who met the definition of "qualified investment" on or after January 1, 2001.

§ 3-5.02 LIMIT THE QUALIFIED EQUITY AND SUBORDINATED DEBT INVESTMENTS TAX CREDIT

Notwithstanding any other provision of law, for taxable years beginning on January 1, 2002, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under § 58.1-339.4 of the Code of Virginia shall be limited to \$4,000,000 for a calendar year.

**Explanation:**

(This amendment specifies limits on certain tax credits.)

**Transfers**

Limits on Tax Credits

Language

**Language:**

Page 529, after line 20, insert:

"§ 3-5.00 MODIFICATIONS AND ADJUSTMENTS TO INTEREST EARNINGS  
§3-5.01 INTEREST EARNINGS

Notwithstanding any other provision of law, for the period April 1, 2003 through June 30, 2003, interest earnings on all funds held by the State Treasurer normally allocated to specific nongeneral fund accounts shall not be allocated to such nongeneral fund accounts until July 15, 2003. It is hereby acknowledged that this provision shall not apply to those specific nongeneral funds to which interest earnings must be allocated as mandated by the Constitution of Virginia or by federal law. Notwithstanding any provision of law, any cash balance resulting from such action shall not be subject to reporting as reservations or designations of fund balance of the General Fund, or liabilities of the General Fund, as of June 30 for purposes of cash basis financial reporting as reflected in the Comptroller's annual financial report presented in accordance with §2.2-813 of the Code of Virginia."

**Explanation:**

(This amendment specifies that the interest earnings normally allocated to nongeneral funds shall not be allocated until July 15, 2003.

**Modifications and Adjustments to Taxes and Fees**

Deconform State Tax Law from the Federal Internal Revenue Service Code

Language

**Language:**

Page 529, after line 20 insert:

“§ 3-5.00 MODIFICATIONS AND ADJUSTMENTS TO TAXES AND FEES  
§ 3-5.01 DECONFORM STATE TAX LAW FROM THE FEDERAL  
INTERNAL REVENUE SERVICE CODE

Notwithstanding the provisions of § 58.1-301 of the Code of Virginia, any reference in Chapter 3 of title 58.1 of the United States Code relating to federal income taxes shall mean the provisions of the Internal Revenue Code, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, as they existed on June 8, 2001, unless the General Assembly enacts legislation after December 31, 2001, specifying otherwise.”

**Explanation:**

(This amendment deconforms the Commonwealth's tax code from the federal tax code so as to preclude any adverse impact on revenues, due to pending federal legislation. The date of deconformity is June 8, 2001, unless the General Assembly enacts legislation after December 31, 2001, specifying otherwise.)



**Revenues**

General Fund Revenue

Language

**Language:**

Page 539, line 31, after "settlement" insert "or notification".

**Explanation:**

(This amendment clarifies that electronic transaction notifications delivered to the Comptroller or Tax Commissioner on or before the first business day in July should also be considered June revenue.

**Positions and Employment**

Employee Compensation

Language

**Language:**

- Page 554, strike line 42 through line 51.
- Page 555, strike line 1 through line 56.
- Page 556, strike line 1 through line 64.
- Page 557, strike line 1 through line 66.
- Page 558, strike line 1 through line 65.
- Page 559, strike line 1 through line 67.
- Page 560, strike line 1 through line 65.
- Page 561, strike line 1 through line 53.
- Page 562, strike line 1 through line 59.
- Page 563, strike line 1 through line 55.
- Page 564, strike line 1 through line 56
- Page 565, strike line 1 through line 15.
- Page 454, following line 15, insert:

"§ 4-6.00 POSITIONS AND EMPLOYMENT

§ 4-6.01 EMPLOYEE SALARIES AND WAGES

a. Executive Branch Employees:

1. Classified Compensation Plan:

a. The compensation of classified employees in the Executive Branch shall be governed by the Classified Compensation Plan authorized by §4-7.02 of Chapter 1073, 2000 Acts of Assembly, including applicable geographic and shift differentials. This plan shall be administered by the Department of Human Resource Management.

1. Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role contained in the Classified Compensation Plan shall be effective beginning with the first pay period, defined as the pay period from June 25

through July 9, of the fiscal year if:

a) The agency certifies to the Secretary of Finance that funds are available within the agency's appropriation to cover the cost of the increase for the remainder of the current biennium and presents a plan for covering the subsequent biennial costs, and the Secretary concurs, or

b) Such funds are appropriated by the General Assembly.

2. If at any time the Secretary of Administration shall certify that such change in the salary band assignment for a job role is of an emergency nature and the Secretary of Finance shall certify that funds are available to cover the cost of the increase for the remainder of the biennium within the agency's appropriation, such change in compensation may be effective on a date agreed upon by these two Secretaries. The Secretary of Administration shall provide a monthly report of all such emergency changes in accordance with §4-8.00, Reporting Requirements.

b. Salary adjustments for any employee through a promotion, role change exceptional recruitment and retention incentive options, or in-range adjustment shall occur only if:

1. The agency has sufficient funds within its appropriation to cover the cost of the salary adjustment for the remainder of the current biennium, or

2. Such funds are appropriated by the General Assembly.

c. No changes to the salary band assignment of individual career group roles administered under the new pay plan that is authorized by the 2000 session of the General Assembly, or similar actions, shall be implemented at the option of affected agencies. Further, no changes in salary band assignments affecting classified employees of more than one agency shall become effective unless the Secretary of Finance certifies that sufficient funds are available to provide such increase or plan to all affected employees supported from the general fund.

2. The compensation of Executive Branch Employees (other than faculty at institutions of higher education) not covered by the provisions of the Classified Compensation plan shall be administered in a manner consistent with that plan.

3. Faculty: Reserved for future use.

4. Cabinet Officers: Annual salaries of persons appointed to positions listed below shall be paid in the amounts shown.

**April 10, 2002  
to  
June 30, 2002**

Chief of Staff	\$128,479
Secretary of Administration	\$128,479
Secretary of Commerce and Trade	\$128,479
Secretary of the Commonwealth	\$128,479
Secretary of Education	\$128,479
Secretary of Finance	\$128,479
Secretary of Health and Human Resources	\$128,479
Secretary of Natural Resources	\$128,479
Secretary of Public Safety	\$128,479
Secretary of Technology	\$128,479
Secretary of Transportation	\$128,479

5. Executive Branch Agency Heads:

a. Incumbents: The annual salaries listed below shall be paid to the individual(s) who held the listed position on December 20, of the fiscal year listed.

April 10, 2002 to  
June 30, 2002

**Level I Range**

**\$93,469**

**-\$147,778**

Commissioner, Department of Motor Vehicles	\$121,522
Commissioner, Department of Social Services	\$116,977
Commissioner of Mental Health, Mental Retardation and Substance Abuse Services	\$116,973
Commonwealth Transportation Commissioner	\$118,718
Director, Department of Corrections	\$123,879
Director, Department of Environmental Quality	\$116,977
Director, Department of Information Technology	\$116,977
Director, Department of Medical Assistance Services	\$124,658
Director, Department of Planning and Budget	\$116,977
Director, Department of Technology Planning	\$116,977
State Health Commissioner	\$147,778
State Tax Commissioner	\$116,977
Superintendent of Public	\$143,311

Instruction	
Superintendent of State Police	\$122,589
Director, State Council of Higher Education for Virginia	\$144,804

April 25, 2002 to  
June 30, 2002

<b>Level II Range</b>	<b>\$81,278</b>
	<b>-\$128,503</b>

Alcoholic Beverage Control Commissioners (two)	\$85,166
Chairman, Alcoholic Beverage Control Board	\$99,361
Commissioner, Department of Agriculture and Consumer Services	\$90,327
Commissioner, Virginia Employment Commission	\$116,979
Director, Department of Business Assistance	\$106,435
Director, Department of General Services	\$101,720
Director, Department of Mines, Minerals and Energy	\$117,297
Director, Department of Human Resource Management	\$116,003
Director, Department of Juvenile Justice	\$101,719
Executive Director, Motor Vehicle Dealer Board	\$92,453
Executive Director, Virginia Port Authority	\$119,105
Executive Secretary, Charitable Gaming Commission	\$92,925
State Comptroller	\$116,314

State Treasurer \$116,314

April 10, 2002 to  
june 30, 2002

**Level III Range** **\$70,678**  
**-\$111,744**

Adjutant General \$98,070

Chairman, Virginia Parole Board \$105,199

Members (three), Virginia Parole Board \$88,451

Member, Virginia Parole Board \$95,441

Commissioner, Department of Labor and Industry \$105,748

Commissioner, Department of Rehabilitative Services \$111,744

Commissioner, Marine Resources Commission \$97,443

Coordinator, Department of Emergency Management \$87,611

Director, Department of Aviation \$90,698

Director, Department of Conservation and Recreation \$108,043

Director, Department of Criminal Justice Services \$103,231

Director, Department of Employment Dispute Resolution \$99,830

Director, Department of Historic Resources \$88,451

Director, Department of Housing and Community Development \$99,573

Director, Department of Rail \$108,366

and Public Transportation	
Director, The Science Museum of Virginia	\$103,121
Director, Virginia Liaison Office	\$85,297
Director, Virginia Museum of Fine Arts	\$107,089
Director, Virginia Museum of Natural History	\$88,451
Executive Director, Chesapeake Bay Local Assistance Department	\$92,298
Executive Director, Department of Game and Inland Fisheries	\$106,217
Executive Director, Jamestown-Yorktown Foundation	\$102,460
Executive Secretary, Virginia Racing Commission	\$86,193
Librarian of Virginia	\$102,088
State Forester, Department of Forestry	\$94,200
Superintendent, Department of Correctional Education	\$108,366

April 10, 2002 to  
July 1, 2002

<b>Level IV Range</b>	<b>\$61,460</b>
	<b>-\$97,178</b>

Administrator, Commonwealth's Attorneys' Services Council	\$78,652
Administrator, Milk Commission	\$76,915
Commissioner, Department for the Aging	\$94,240





Director, Department for Rights of Virginians with Disabilities	\$78,814
Director, Department of Veteran's Affairs	\$72,263
Director, Gunston Hall	\$69,012
Director, Virginia Department for the Deaf and Hard-of-Hearing	\$66,925
Executive Director, Department of Fire Programs	\$82,023
Executive Director, Virginia Commission for the Arts	\$69,097
Executive Secretary, Virginia Veterans Care Center Board of Trustees	\$71,138
Chairman, Compensation Board	\$18,452

b. New Appointees: The annual salaries of persons appointed to positions listed in this subsection shall be established at:

- 1) No more than 15 percent above the appointee's pre-appointment salary, not to exceed the maximum for the salary range, or
- 2) The minimum for the salary range.
- 3) The basis for calculation of a new appointee's salary shall be the last full-time salary, or annualized wage, paid to such individual. If such salary or wage was in compensation for serving in an acting or otherwise temporary capacity, then the calculation shall be based upon the salary or wage of the last permanent position held by the appointee.
- 4) In proposing the salary for a new appointee as authorized in this subsection, it is the intent of the General Assembly that the maximum set out in §4-6.01.a.5.b.1) not be viewed as the normal increase for new appointees. The Governor shall be guided by criteria which provide a reasonable limit on the increase, considering the

incumbent's potential contribution to the Commonwealth, and such other criteria as he may find useful.

c. Annual Salary Increases: In his budget proposals to the General Assembly, the Governor shall propose increases or decreases, if any, to the salaries of incumbents in the positions listed in this subsection.

1) Such proposals shall be:

a) Based on his evaluation of their individual performance,

b) No more than the maximum of the range of performance increases granted in that fiscal year for classified employees under the Classified Employee Pay Plan as set out in Item 511, of this Act,

c) No more than the maximum for the salary range, and

d) Shall be effective on the first day of the pay period next following the Governor's signature of the budget bill.

2) In making his proposals in the budget, the Governor shall provide the Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification of any increase that deviates from the average increase recommended for classified state employees under the Classified Employee Pay Plan as set out in Item 511, of this Act. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

3) Incumbents with less than six months tenure in the position listed in this subsection shall not be eligible for the salary increase authorized by this subsection.

4) In proposing the annual salary increase authorized in this subsection, it is the intent of the General Assembly that the maximum set out in §4-6.01.a.5.c.1) b) above should be reserved for those agency heads who made an exceptional contribution to the operation of their agency. The Governor shall be guided by criteria which provide a reasonable limit on the increase, considering the

incumbent's service to the Commonwealth, and such other criteria as he may find useful.

d. Competitive Salary Increases: At any time, the Governor may approve a salary increase for the incumbent in a position listed in this subsection, in response to a bona fide job offer from another employer.

1) Such competitive salary increase shall be:

a) Based on his evaluation of their individual performance,

b) No more than the maximum of the salary range,

c) No more than 15 percent for any single competitive offer or for a combination of competitive offers in a single fiscal year, and

d) Temporary and provisional until the first day of the pay period next following the Governor's signature of the budget bill.

2) In approving a competitive offer, the Governor should be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's service to the Commonwealth and the relative difficulty of finding a qualified replacement, and such other criteria as he may find useful.

3) In authorizing a competitive salary increase, the Governor shall provide the Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification for such increase. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

e. Performance Bonuses: At any time, the Governor may approve a performance bonus for the incumbent in a position listed in this subsection.

1) Such performance bonus shall be:

- 1) Based on his evaluation of their individual performance,
  - 2) No greater than five percent of the annual salary for the incumbent, as listed in this Act, and
- 2) Performance bonuses shall not be granted to any individual more than once in a twelve month period.
- 3) In authorizing a performance bonus, the Governor shall provide:
- a) The Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.
  - b) Notification of performance bonuses to the Department of Human Resource Management for retention in its records.

f. Special Provisions for Executive Branch Agency Heads:

- 1) Except as may be otherwise provided in this Act, all incumbents holding positions listed in this § 4-6.01 shall be eligible for all fringe benefits provided to full-time classified state employees and, notwithstanding any provision to the contrary, the annual salary paid pursuant to this § 4-6.01 shall be included as creditable compensation for the calculation of such benefits.
- 2) If at any time the Administrator of the Commonwealth's Attorneys' Services Council serves on the faculty of a state-supported institution of higher education, the faculty appointment must be approved by the Council. Such institution shall pay one-half of the salary listed in § 4-6.01 c 6 of this act.
  - a) Further, such institution may provide compensation in addition to that listed in § 4-6.01 c 6; provided, however, that such additional compensation must be approved by the Council.

b) If the Administrator ceases to be a member of the faculty of a state-supported institution of higher education, the total salary listed in § 4-6.01 c 6 shall be paid from the Council's appropriation.

6. Presidents of Institutions of Higher Education:

a. Annual salaries of the presidents of the senior institutions of higher education, the President of Richard Bland College, the Chancellor of the University of Virginia's College at Wise, the Superintendent of the Virginia Military Institute, the Director of the Southwest Virginia Higher Education Center and the Chancellor of Community Colleges, as listed in this paragraph, shall be paid in the amounts shown.

April 10, 2002 to  
July 1, 2002

**SOUTHWEST VIRGINIA HIGHER  
EDUCATION CENTER**

Director, Southwest Virginia  
Higher Education Center                      \$82,277

**VIRGINIA COMMUNITY COLLEGE SYSTEM**

Chancellor of Community  
Colleges    \$140,631

**SENIOR COLLEGE PRESIDENTS' SALARIES**

Chancellor, University of  
Virginia's College at Wise                      \$109,663

President, Christopher  
Newport University                              \$109,991

President, The College of  
William and Mary in Virginia                \$132,228

President, George Mason  
University    \$124,788

President, James Madison  
University    \$122,675

President, Longwood College                \$117,825

President, Mary Washington  
College    \$116,833

President, Norfolk State University	\$120,772
President, Old Dominion University	\$116,970
President, Radford University	\$120,770
President, Richard Bland College	\$103,467
President, University of Virginia	\$146,768
President, Virginia Commonwealth University	\$148,089
President, Virginia Polytechnic Institute and State University	\$143,428
President, Virginia State University	\$120,770
Superintendent, Virginia Military Institute	\$119,655

b. The annual salaries of the presidents of the community colleges shall be fixed by the State Board for Community Colleges within a salary structure submitted to the Governor prior to June 1 each year for approval.

#### 7. Salary Supplements:

a. No supplement to the salary of a state agency head, however titled, shall be paid except as specifically authorized in this subsection.

b. The appointing authority shall report approved supplements to the Department of Human Resource Management for retention in its records.

#### c. Higher Education:

1) The board of visitors shall report approved supplements to the Department of Human Resource Management for retention in its records.

2) The board of visitors of each institution of higher education may supplement the salary of its president from private gifts, endowment funds, or income from endowments and gifts. Supplements paid

from other than the cited sources prior to June 30, 1997, may continue to be paid. In approving a supplement, the board of visitors shall be guided by criteria which provide a reasonable limit on the total additional income of a president. The criteria should include a consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services.

3) The State Board for Community Colleges may supplement the salary of the Chancellor from any available appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community Colleges shall be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The criteria should include consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services.

c. Other Education Institutions: With the prior annual written approval of the Governor, the Board of Trustees of the Virginia Museum of Fine Arts, The Science Museum of Virginia, the Jamestown-Yorktown Foundation, and The Library Board may supplement the salary of the Director of each museum and the Librarian of Virginia from non-state funds. In approving a supplement, the Governor should be guided by criteria which provide a reasonable limit on the total additional income of the Director or Librarian of Virginia. The criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable museums and libraries of other states.

d. Virginia Port Authority: With the prior annual written approval of the Governor, the Board of Commissioners of the Virginia Port Authority may supplement the salaries of its Executive Director, its Senior Managing Director of Marketing Services and its marketing staff from nonstate funds provided by any nonstock, nonprofit corporation which is authorized by the Virginia Port Authority to operate port facilities of the Commonwealth under its jurisdiction. In approving such supplements, the Governor should be guided by criteria which provide a reasonable limit on the total additional income of the Executive Director, the Senior Managing Director of Marketing Services and the marketing staff. The criteria should include, without limitation, a consideration of the salaries paid to similar officials at



comparable ports of other states.

b. Legislative, Judicial and Independent Agency Employees:

1. The compensation of employees of Legislative, Judicial and Independent Agencies shall be administered in accordance with such pay plans as may be adopted by their respective appointing authorities.

a) No funds appropriated by this Act shall be expended for the implementation of a pay plan for employees of the judicial or independent agencies that has not been reviewed and approved by the compensation subcommittees of the House Appropriations Committee and the Senate Finance Committee.

b) No funds appropriated by this Act shall be expended for the implementation of a pay plan for employees of Legislative agencies that are under the jurisdiction of the Joint Rules Committee until such plan has been reviewed and approved by the Committee. Such plan shall be provided to the compensation subcommittees of the House Appropriations Committee and the Senate Finance Committee.

2. Judges and Elected Agency Heads:

a) Annual salaries of persons appointed to positions listed below shall be paid in the amounts shown.

**April 10, 2002**  
**to**  
**July 1, 2002**

**Supreme Court**

Chief Justice	\$141,286
Associate Justice (six)	\$132,523

**Court of Appeals**

Chief Judge, Court of Appeals	\$126,899
Judge, Court of Appeals (ten)	\$125,899

**Circuit Courts**

Judges	\$123,027
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**General District Courts**

Judges	\$110,723
<b>Juvenile and Domestic Relations District Courts</b>	
Judges	\$110,723
<b>Combined District Courts</b>	
Judges	\$110,723
<b>Corporation Commission</b>	
Chairman, State Corporation Commission	\$127,294
Members, State Corporation Commission (4)	\$125,899
<b>Workers' Compensation Commission</b>	
Chairman, Virginia Workers' Compensation Commission	\$125,610
Members, Virginia Workers' Compensation Commission (2)	\$123,028
<b>General Assembly</b>	
Clerk of the House	\$121,225
Clerk of the Senate	\$118,672

b) Salaries of the judges in the Court of Appeals are to be 95 percent of the salaries of justices of the Supreme Court except for the Chief Judge, who shall receive an additional \$1,000 annually.

### 3. Agency Heads:

a) Incumbents. The annual salaries listed below shall be paid to the individual(s) who held the listed position on December 20, of the fiscal year listed.

April 10, 2002 to  
July 1, 2002

<b>Legislative and Judicial Level I</b>	<b>\$93,469</b>
	<b>-\$147,778</b>
Auditor of Public Accounts	\$134,462
Director, Division of Legislative Automated Systems	\$119,219

Director, Division of Legislative Services	\$118,785
Director, Joint Legislative Audit and Review Commission	\$135,313
Executive Secretary, Supreme Court of Virginia	\$125,280
Director, Judicial Inquiry and Review Commission	\$123,027
Director, Virginia State Bar	\$147,743
Director, Public Defender Commission	\$123,027

**Legislative and Judicial Level II**      **\$70,678**  
**-\$128,503**

Chief, Division of Capitol Police	\$77,837
Executive Director, Virginia Alcohol Safety Action Program	\$83,311
Director, Virginia Criminal Sentencing Commission	\$95,502
Director, Board of Bar Examiners	\$75,000

**Independent Range**      **\$81,278**  
**-\$128,503**

Director, State Lottery Department	\$122,170
Executive Director, Virginia College Savings Plan	\$124,918
Director, Virginia Retirement System	\$124,918

b. New Appointees: The annual salaries of persons appointed to positions listed in this subsection of this Act shall be established at:

- 1) No more than 15 percent above the appointee's pre-appointment

salary, not to exceed the maximum for the salary range, or

2) The minimum for the salary range.

3) The basis for calculation of a new appointee's salary shall be the last full-time salary, or annualized wage, paid to such individual. If such salary or wage was in compensation for serving in an acting or otherwise temporary capacity, then the calculation shall be based upon the salary or wage of the last permanent position held by the appointee.

4) In proposing the salary for a new appointee as authorized in this subsection, it is the intent of the General Assembly that the maximum set out in §4-6.01.a.5.b.1) not be viewed as the normal increase for new appointees. The appointing authority shall be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's potential contribution to the Commonwealth, and such other criteria as he may find useful.

c. Annual Salary Increases: The appointing authority shall annually provide to the Department of Planning and Budget proposals for such increases or decreases as are deemed appropriate for the annual salaries of incumbents appointed to positions listed in this subsection. The Governor shall include such increases or decreases in his budget proposals to the General Assembly.

1) Such proposals shall be:

a) Based on his evaluation of their individual performance,

b) No more than the maximum of the range of performance increases granted in that fiscal year for classified employees under the Classified Employee Pay Plan as set out in Item 511, of this Act,

c) No more than the maximum for the salary range and

d) Shall be effective on the first day of the pay period next

following the Governor's signature of the budget bill.

2) In proposing the annual salary increase authorized in this subsection, it is the intent of the General Assembly that the maximum set out in §4-6.01.b.3.c.1) b) above should be reserved for those agency heads who made an exceptional contribution to the operation of their agency. The appointing authority should be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's service to the Commonwealth, and such other criteria as he may find useful.

3) In making his proposals to the Department of Planning and Budget the appointing authority in the Judicial and Independent Agencies shall provide written justification of any increase that deviates from the average increase recommended for classified state employees under the Classified Employee Pay Plan as set out in Item 511, of this Act. Copies of these justifications shall be provided by the appointing authority to the Chairmen of the House Appropriations Committee and the Senate Finance Committee. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

4) Incumbents with less than six months tenure in the position listed in this subsection and in §1-1 through §1-15 of this Act shall not be eligible for the salary increase authorized by this subsection.

d. Competitive Salary Increases: At any time the appointing authority may approve a salary increase for the incumbent in a position listed in this subsection, in response to a bona fide job offer from another employer.

1) Such competitive salary increase shall be:

a) Based on his evaluation of their individual performance,

b) No more than the maximum of the salary range,

c) No more than 15 percent for any single competitive offer or for a combination of competitive offers in a single fiscal year,

and

d) Temporary and provisional until the first day of the pay period next following the Governor's signature of the budget bill.

2) In approving a competitive offer, the appointing authority should be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's service to the Commonwealth and the relative difficulty of finding a qualified replacement, and such other criteria as he may find useful.

3) In authorizing a competitive salary increase, the appointing authority in the Judicial Branch and Independent Agencies shall provide the Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification for such increase. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

e. Performance Bonuses: At any time the appointing authority may approve a performance bonus for the incumbent in a position listed in this subsection.

1) Such performance bonus shall be:

a) Based on his evaluation of their individual performance,

b) No greater than five percent of the annual salary for the incumbent, as listed in this Act, and

2) Performance bonuses shall not be granted to any individual more than once in a twelve month period.

3) In authorizing a performance bonus, the appointing authority shall provide;

a) The Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification. Such justification shall be confidential and shall not be subject to the

provisions of the Freedom of Information Act.

b) Notification of performance bonuses to the Department of Human Resource Management for retention in its records.

c. Provisions Applicable to All Employees:

1. No lump sum appropriation for personal service shall be regarded as advisory or suggestive of individual salary rates or of salary schedules to be fixed under law by the Governor payable from the lump sum appropriation.

2. Full-time employees of the Commonwealth, including faculty members of state institutions of higher education, who are appointed to a state-level board, council, commission or similar collegial body set forth in §§ 2.1-20.4 and 15.2-1636.5, Code of Virginia, shall not receive any compensation for their services as members or chairmen except for reimbursement of reasonable and necessary expenses.

#### § 4-6.02 EMPLOYEE BENEFITS

a. General Application

Notwithstanding any other provision of law, employees holding full-time, academic-year classified positions at public institutions of higher education shall be considered "state employees" as defined in § 51.1-124.3, Code of Virginia, and shall be considered for medical/hospitalization, retirement service credit, and other benefits on the same basis as those individuals appointed to full-time, 12-month classified positions.

b. Employee Training

1. Subject to uniform rules and regulations established by the appointing authority, the head of any state agency may authorize, from any funds appropriated to such department, institution or other agency in this act or subsequently made available for the purpose, compensation or expenses or both compensation and expenses for employees pursuing approved training courses or academic studies for the purpose of becoming better equipped for their employment in

the state service.

2. The rules and regulations shall include reasonable provision for the return of any employee receiving such benefits for a reasonable period of duty, or for reimbursement to the state for expenditures incurred on behalf of the employee should he not return to state service.

c. Health Benefits

1. Any medical/hospitalization benefit program provided for state employees shall include the following provision: any state employee, as defined in §2.2-2818, Code of Virginia, shall have the option to accept or reject coverage.

3. Any hospital with fewer than 105 beds and which has a minority patient population in excess of 75 percent shall be allowed to participate in the Employee Health Insurance Program pursuant to §2.2-2818, Code of Virginia, provided that such hospital enters into a written agreement to accept the same level of reimbursement as the participating hospitals in the same geographic region.

4. Any hospital that serves as the primary medical facility for state employees may be allowed to participate in the State Employee Health Insurance Program pursuant to §2.2-2818, Code of Virginia, provided that:

a) Such hospital is not a participating provider in the network, contracted by the Department of Human Resource Management, that serves state employees, and

b) such hospital enters into a written agreement with the Department of Human Resource Management as to the rates of reimbursement.

c) The Department shall accept the lowest rates offered by the hospital from among the rates charged by the hospital to:

1) Its largest purchaser of care,



2) Any state or federal public program, or

3) Any special rate developed by the hospital for the state employee health benefits program which is lower than either of the rates above.

d) If the Department and the hospital cannot come to an agreement, the Department shall reimburse the hospital at the rates contained in its final offer to the hospital until the dispute is resolved.

e) Any dispute shall be resolved through arbitration or through the procedures established by the Administrative Process Act, as the hospital may decide, without impairment of any residual right to judicial review.

d. Retirement Benefits:

1. Except as provided for sworn personnel of the Department of State Police, no payment of, or reimbursement for, the employer paid contribution to the State Police Officers' Retirement System, or any system offering like benefits, shall be made by the Compensation Board of the Commonwealth at a rate greater than the employer rate established for the general classified workforce of the Commonwealth covered under the Virginia Retirement System. Any cost for benefits exceeding such general rate shall be borne by the employee or, in the case of a political subdivision, by the employer.

2. Any classified employee of the Commonwealth who (i) is compensated on a salaried basis and (ii) works at least twenty hours per week shall be considered a full-time employee for the purposes of participation in the Virginia Retirement System's group life insurance and retirement programs. Any part-time magistrate hired prior to July 1, 1999, shall have the option of participating in the programs under this provision.

3. Notwithstanding any other provision of law, the board of visitors or other governing body of any public institution of higher education is

authorized to establish age and service eligibility criteria for faculty participating in voluntary early retirement incentive plans for their respective institutions pursuant to § 23-9.2:3.1 B and the cash payment offered under such compensation plans pursuant to § 23-9.2:3.1 D, Code of Virginia. The total cost in any fiscal year for any compensation plan established under § 23-9.2:3.1 D, Code of Virginia, shall be set forth by the governing body in the compensation plan for approval by the Governor and review for legal sufficiency by the Office of the Attorney General.

e. Severance Benefits

1. Severance benefits as provided for under the provisions of the Workforce Transition Act of 1995, §2.2-3200 to §2.2-3206 of the Code of Virginia, shall be provided to all employees granted benefits under that Act.

2. Notwithstanding the provisions of §2.2-3202 of the Code of Virginia, full-time employees appointed by the Governor, whether or not confirmed by the General Assembly, shall be entitled to severance benefits equal to one month salary, provided that they meet the standard of a terminated employee set out in §2.2-3200 of the Code of Virginia.

§ 4-6.03 CHARGES

a. FOOD SERVICES:

1. Except as exempted by the prior written approval of the Director, Department of Human Resource Management, and the provisions of § 2.1-558 A, Code of Virginia, state employees shall be charged for meals served in state facilities.

a) Charges for meals will be determined by the agency. Such charges shall be not less than the value of raw food and the cost of direct labor and utilities incidental to preparation and service.

b) Each agency shall maintain records as to the calculation of

meal charges and revenues collected.

c) Except where appropriations for operation of the food service are from nongeneral funds, all revenues received from such charges shall be paid directly and promptly into the general fund.

2. The provisions of this subsection shall not apply to on-duty employees assigned to correctional facilities operated by the Departments of Corrections, Juvenile Justice, and Correctional Education.

b. HOUSING SERVICES:

1. Each agency will collect a fee from state employees who occupy state-owned housing, subject to guidelines provided by the Director, Department of General Services. Each agency head is responsible for establishing a fee for state-owned housing and for documenting in writing why the rate established was selected. In exceptional circumstances, which shall be documented as being in the best interest of the Commonwealth by the agency requesting an exception, the Director, Department of General Services may waive the requirement for collection of fees.

2. All revenues received from housing fees shall be promptly deposited in the state treasury. For housing for which operating expenses are financed by general fund appropriations, such revenues shall be deposited to the credit of the general fund. For housing for which operating expenses are financed by nongeneral fund appropriations, such revenues shall be deposited to the credit of the nongeneral fund. Agencies which provide housing for which operating expenses are financed from both general fund and nongeneral fund appropriations shall allocate such revenues, when deposited in the state treasury, to the appropriate fund sources in the same proportion as the appropriations. However, without exception, any portion of a housing fee attributable to depreciation for housing which was constructed with general fund appropriations shall be paid into the general fund.

c. VEHICLE PARKING SPACES:

1. Agencies with parking space for employees in state-owned facilities shall, when required by the Director, Department of General Services, charge employees for such space on a basis approved by the Governor. All revenues received from such charges shall be paid directly and promptly into a special fund in the state treasury to be used, as determined by the Governor, for payment of costs for the provision of vehicle parking spaces. Interest shall be added to the fund as earned. In the case of any agency with central administrative offices occupying leased or rental space in the metropolitan Richmond area, not including institutions of higher education, the Director shall require that a fee be charged employees for vehicle parking spaces which are assigned to them or which are otherwise available incidental to the lease or rental agreement. In such cases the individual employee fee scale shall not be less than that provided for employees at the Seat of Government, provided that if, in the opinion of the Director good cause is shown, this portion of the requirement may be amended or waived. Revenues derived from employees paying for parking spaces in leased facilities will be retained by the leasing agency to be used to offset the cost of the lease to which it pertains.

2. Agencies assigned to a Governor's Secretary, excluding institutions of higher education, which are located in the metropolitan Richmond area shall not use public funds to lease private parking spaces for employees. Payments for such leases shall be derived from charges to employees for parking space or from other nonpublic funds, or both. Any lease for private parking space must be approved by the Director, Department of General Services.

§ 4-6.04 SELECTION PROCESS FOR FILLING POSITIONS

a. In filling all state positions, all provisions relative to competitive hiring outlined in Title 2.2, Chapter 29, Code of Virginia (the Virginia Personnel Act), shall be strictly observed by state agency heads. Neither the Governor, a member of the Governor's staff, nor the Cabinet Secretaries and their deputies shall exercise authority with respect to, or otherwise seek

to influence the selection or tenure in office of any individual for a position subject to the Virginia Personnel Act.

b. In keeping with the provisions of Title 2.2, Chapter 29, Code of Virginia (the Virginia Personnel Act) all appointments and promotions to and tenure in positions in the service of the Commonwealth shall be based upon merit and fitness, to be ascertained, as far as possible, by the competitive rating of qualifications by the respective appointing authorities."

**Explanation:**

(This amendment updates the positions and employment section of the General Provisions to: consolidate all agency heads compensation in one location in the budget, provide for uniform treatment of agency head compensation and assure that, with the exception of college presidents, the salaries listed are those actually paid to incumbents.)

**Positions and Employment**

Employee Benefits

Language

**Language:**

Page 564, following line 28, insert:

"h. Notwithstanding any other provision of law, no agency head compensated by funds appropriated in this Act may be a member of the Virginia Law Officers' Retirement System created under Title 51.1, Chapter 2.1, Code of Virginia. The provisions of this paragraph are retroactive to October 1, 1999."

**Explanation:**

(This amendment is self explanatory.)

**Legislative Department**

General Assembly Of Virginia

Language

**Language:**

Page 7, following line 37, insert:

G. The Subcommittees on Public Safety and General Government of the Senate Finance Committee and the Subcommittees on Public Safety and Compensation and General Government of the House Appropriations Committee shall conduct a critical needs assessment of the Department of State Police. This study shall consider the issues affecting manpower retention, compensation and retirement benefits, career progression and training, and the adequacy of facilities and equipment. As part of this assessment, the committees shall also identify the revenues necessary to provide stability in supplying the resources needed by the Department of State Police. The Chairmen of the respective subcommittees shall report their preliminary findings to the Chairmen of the Senate Finance and House Appropriations Committees by November 15, 2002."

**Explanation:**

(This amendment is self-explanatory.)

**Legislative Department**

Legislative Department Reversion  
Clearing Account

Language

**Language:**

Page 14, strike lines 40-44.

Page 15, strike lines 1-3, and insert:

"A. Support for legislative commissions that have an authorized staffing level of five or fewer full time equivalent positions shall be consolidated in the Division of Legislative Services no later than June 30, 2003. Said consolidation shall result in a 50 percent reduction in the staffing level and funding in the consolidated support unit, with a FY 2004 savings estimated at \$591,000.

B. In apportioning reduction amounts contained in this item, the allocation base shall be adjusted to exclude those cost factors that are specifically required by language in this Act, and unspent agency balances in the Legislative Department from the prior fiscal year shall be applied against the total reduction amount before determining specific percentage reductions for individual agencies."

**Explanation:**

(This amendment is self-explanatory.)



**Judicial Department**

General District Courts

Language

**Language:**

Page 20, after line 38, insert:

"E. Notwithstanding the provisions of § 16.1-69.48:1 of the Code of Virginia, the fee for processing a case of a misdemeanor or a traffic violation shall be thirty-two dollars.

F. Notwithstanding the provisions of § 16.1-69.48:2 of the Code of Virginia, the fee for filing civil actions shall be sixteen dollars.

G. Notwithstanding the Traffic Infractions and Uniform Fine Schedule set forth under the Rules of Virginia Supreme Court, as authorized by §16.1-69.40:1, the Supreme Court of Virginia, by July 1, 2002, shall adopt prepayment fines for violations of §§46.2-870 through 46.2-876, §46.2-878 and §46.2-881 of the Code of Virginia, on a per violation basis, that are greater by at least \$1 per mile over the speed limit than the applicable fines as set forth in the Traffic Infractions and Uniform Fine Schedule adopted on January 1, 2001."

**Explanation:**

(This amendment increases the processing and filing fees for general district courts by \$4 and the speeding fine by \$1.)

**Judicial Department**

Juvenile And Domestic Relations  
District Courts

Language

**Language:**

Page 21, after line 33, insert:

"E. Notwithstanding the provisions of § 16.1-69.48:1 of the Code of Virginia, the fee for processing a case of a misdemeanor or a traffic violation shall be thirty-two dollars.

F. Notwithstanding the provisions of § 16.1-69.48:2 of the Code of Virginia, the fee for filing civil actions shall be sixteen dollars.

G. Notwithstanding the Traffic Infractions and Uniform Fine Schedule set forth under the Rules of Virginia Supreme Court, as authorized by §16.1-69.40:1, the Supreme Court of Virginia, by July 1, 2002, shall adopt prepayment fines for violations of §§46.2-870 through 46.2-876, §46.2-878 and §46.2-881 of the Code of Virginia, on a per violation basis, that are greater by at least \$1 per mile over the speed limit than the applicable fines as set forth in the Traffic Infractions and Uniform Fine Schedule adopted on January 1, 2001."

**Explanation:**

(This amendment increases the processing and filing fees for Juvenile and Domestic Relations Courts by \$4 and the speeding fine by \$1.)

**Judicial Department**

Combined District Courts

Language

**Language:**

Page 22, after line 19, insert:

"E. Notwithstanding the provisions of § 16.1-69.48:1 of the Code of Virginia, the fee for processing a case of a misdemeanor or a traffic violation shall be thirty-two dollars.

F. Notwithstanding the provisions of § 16.1-69.48:2 of the Code of Virginia, the fee for filing civil actions shall be sixteen dollars.

G. Notwithstanding the Traffic Infractions and Uniform Fine Schedule set forth under the Rules of Virginia Supreme Court, as authorized by §16.1-69.40:1, the Supreme Court of Virginia, by July 1, 2002, shall adopt prepayment fines for violations of §§46.2-870 through 46.2-876, §46.2-878 and §46.2-881 of the Code of Virginia, on a per violation basis, that are greater by at least \$1 per mile over the speed limit than the applicable fines as set forth in the Traffic Infractions and Uniform Fine Schedule adopted on January 1, 2001."

**Explanation:**

(This amendment increases the processing and filing fees for Combined District Courts by \$4 and the speeding fine by \$1.)

**Executive Offices**

Secretary Of The Commonwealth

Language

**Language:**

Page 29, after line 41, insert:

“Notwithstanding the provisions of § 2.2-409, Code of Virginia, or any other law to the contrary, the Secretary of the Commonwealth shall charge a fee of \$35.00 for issuing a commission to a notary for the Commonwealth at large, including seal tax.”

**Explanation:**

(This authorizes a \$10.00 increase in the fee charged for issuance of a notary commission.)

<b>Executive Offices</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Virginia Liaison Office	(\$233,698)	(\$233,698)	GF
	(\$117,083)	(\$117,083)	NGF
	-4.00	-4.00	FTE

**Language:**

Page 30, line 11, strike "\$350,781" and insert "\$0".

Page 30, line 11, strike "\$350,781" and insert "\$0".

Page 33, following line 25, insert:

"Except as provided for in Item 504.10 of this Act; severance benefits as guaranteed under Title 2.2, Chapter 32, Code of Virginia, the Workforce Transition Act of 1995, no funds shall be expended for the operation of the Virginia Liason Office. It is the intent of the General Assembly that legislation be submitted to the 2003 session to codify this action."

**Explanation:**

(This amendment Eliminates funding for the Virginia Liason Office. A companion amendment to new item 504.10 provides funding for severance benefits as guaranteed under Title 2.2, Chapter 32, Code of Virginia, the Workforce Transition Act of 1995.)

<b>Administration</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Commission On Local Government	(\$681,697)	(\$683,776)	GF
	-7.00	-7.00	FTE

**Language:**

Page 33, line 20, strike "\$681,697" and insert "\$0".

Page 33, line 20, strike "\$683,776" and insert "\$0".

Page 33, following line 25, insert:

"Except as provided for in Item 504.10 of this Act; severance benefits as guaranteed under Title 2.2, Chapter 32, Code of Virginia, the Workforce Transition Act of 1995, no funds shall be expended for the operation of the Commission on Local Government. It is the intent of the General Assembly that legislation be submitted to the 2003 session to codify this action."

**Explanation:**

(This amendment Eliminates funding for the Commission on Local Government. A companion amendment to new item 504.10 provides funding for severance benefits as guaranteed under Title 2.2, Chapter 32, Code of Virginia, the Workforce Transition Act of 1995.)

<b>Administration</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Commonwealth Competition	(\$301,637)	(\$302,317)	GF
Council	\$301,637	\$302,317	NGF

**Language:**

Page 33, following line 34, insert:

"No later than April 1 of each year the Auditor of Public Accounts shall certify to the Comptroller the total new savings realized by state agencies in the preceding fiscal year as a result of recommendations from the Commonwealth Competition Council. The Comptroller shall transfer not more than ten percent of such savings to a nonreverting special fund account for support of the Council's operations. The total transfer shall not exceed the amount of the appropriation to this item.

**Explanation:**

(This amendment provides for continuation of the Commonwealth Competition Council with nongeneral fund support.)

**Administration**

Compensation Board

Language

**Language:**

page 37, following line 44, insert:

“O. Notwithstanding the provisions of § 15.2-1636.9 subsection A, no appeal of any decision of the Compensation Board shall lie to the circuit court from the date of enactment of this Act until July 1, 2004 at which time the circuit court may consider appeals for subsequent fiscal years.”

**Explanation:**

(This amendment places a temporary moratorium on Constitutional Officer appeals of Compensation Board and local budget decisions.)



<b>Administration</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Compensation Board	(\$4,500,000)	(\$4,500,000)	GF

**Language:**

Page 44, line 10, strike "\$58,589,593" and insert "\$54,089,593".

Page 44, line 10, strike "\$58,589,593" and insert "\$54,089,593".

Page 46, strike lines 35 through 60.

Page 47, strike lines 1 through 21.

Page 46, line 35, insert:

"H.1. The Compensation Board shall recover the state-funded personnel costs associated with housing federal inmates, District of Columbia inmates or contract inmates from other states. The Compensation Board shall determine, by individual jail, the amount to be recovered by the Commonwealth by multiplying the jail's current inmate days for this population by the proportion of the jail's per inmate day salary funds provided by the Commonwealth, as identified in the most recent Jail Cost Report prepared by the Compensation Board. If a jail is not included in the most recent Jail Cost Report, the Compensation Board shall use the statewide average of per inmate day salary funds provided by the Commonwealth.

2. The Compensation Board shall deduct the amount to be reimbursed to the Commonwealth from the facility's next quarterly per diem payment for state-responsible and local-responsible inmates. Should the next quarterly per diem payment owed the locality not be sufficient against which to net the total amount owed the Commonwealth, the locality shall remit the remaining amount not recovered to the Compensation Board.

3. In conducting the calculations, the Compenstation Board shall not reduce state funds for facilities where the federal government provided direct appropriations for capital construction to house such detainees and inmates."

**Explanation:**

(This amendment modifies the methodology used to determine the amount local jails are to reimburse the state for housing federal and out-of-state inmates. The new methodology applies individual jail costs and average daily population figures for this population as reported in the most current Jail Cost Report. This change will ensure that the state's portion of salary costs used for housing these nonlocal-responsible and nonstate-responsible inmates are recovered out of the contracted per diem the jails receive for housing these inmates.)

**Administration**

Compensation Board

Language

**Language:**

Page 44, line 40, after "years." strike the remainder of the line.

Page 44, strike lines 41 through 45.

Page 44, line 40, after "years.", insert:

"Any person convicted of more than one felony offense and sentenced to consecutive terms for those offenses shall also be deemed a state-responsible inmate if the sum of the effective consecutive felony sentences exceeds twelve months."

**Explanation:**

(This amendment clarifies that inmates receiving more than one sentence which are to be served consecutively are state-responsible inmates only if those sentences are felonies and the summation of the sentences exceed 12 months. This eliminates misdemeanor sentences from being included.)

**Administration**

Department Of General Services

**FY 02-03**

(\$1,810,984)

**FY 03-04**

(\$1,810,984) GF

**Language:**

Page 52, line 40, strike "\$2,795,667" and insert "\$984,683".

Page 52, line 40, strike "\$2,795,667" and insert "\$984,683".

"A. Included in the subprogram Engineering and Architectural Review, Design, and Advisory Services (72703) is an internal service fund for operation of the Bureau of Capital Outlay Management. The amount for the Bureau of Capital Outlay Management shall be paid from revenues derived from service charges assessed 1) on future and ongoing capital projects, or 2) when direct assessment against the project is not possible due to restrictions on the use of certain bond proceeds, against the agency. The estimated cost for the Bureau of Capital Outlay Management is \$2,812,095 the first year and \$2,812,095 the second year."

**Explanation:**

(This amendment self explanatory.)

**Administration**

Department Of Human Resource  
Management

Language

**Language:**

Page 56, following line 23, insert:

"C. Subject to applicable federal statutes and regulations, the Department of Human Resource Management shall expand the flexible spending accounts available to state employees to include parking, mass transit and other commuting expenses."

**Explanation:**

(This amendment is self-explanatory.)

**Administration**

Department Of Human Resource  
Management

Language

**Language:**

Page 56, following line 23, insert:

"C. The Department of Human Resource Management and the Compensation Board shall jointly conduct a compensation study of the employees of officers funded pursuant to Items 64, 65, 66, 69 and 70 of this Act. The study shall include, but not be limited to, a comparison of the salaries and fringe benefits of such employees with those provided to employees in comparable state and local government agencies. The Department and the Board shall report their findings and recommendations to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2002."

**Explanation:**

(This amendment requires a study of constitutional officers' compensation.)

<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Department Of Taxation	\$315,000	\$400,000	GF

**Language:**

Page 213, line 42, strike "\$396,317" and insert "\$711,317".

Page 213, line 42, strike "\$396,317" and insert "\$796,317".

Page 213, after line 43 insert:

"The Department of Taxation shall assume the staffing and responsibility for the revenue forecasting of the Commonwealth Transportation Funds, including the DMV Special Fund, as provided in §2.2-1503 of the Code of Virginia. The Department of Planning and Budget shall effectuate the transfer of three full-time equivalent positions and sufficient funding to ensure the successful consolidation of this function."

**Explanation:**

(This amendment consolidates the revenue forecasting process and staffing into one unit at the Department of Taxation. Currently, both the Tax Department and the Department of Motor Vehicles have revenue forecasting staff and processes.)

**Finance**

Department Of Taxation

Language

**Language:**

Page 213, after line 43, insert:

"The Secretary of Finance and the Commissioner of the Department of Taxation shall report to the Chairmen of the Senate Finance and House Appropriations Committees by November 1 of each year on the actual and projected disbursements under the Commonwealth's Personal Property Tax Relief (PPTR) Act program. Such report shall include the actual reimbursements by locality from the program through the most recent fiscal year, its variance from the official estimate, and the projected disbursements by locality for the upcoming three fiscal years and tax years. In addition, the report shall also include the methodology used in developing the projection for the upcoming three fiscal years and such other data as may be requested."

**Explanation:**

(This amendment moves existing language from DMV to Tax as a result of the moving the PPTRA function to the Department.)

<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Department Of Taxation	\$991,308	\$991,308	GF

**Language:**

Page 214, line 1, strike "\$44,878,284" and insert "\$45,869,592".

Page 214, line 1, strike "\$44,878,284" and insert "\$45,869,592".

Page 215, after line 51 insert:

"H.1. Notwithstanding Chapter 35.1 Title 58 of the Code of Virginia, the Department of Taxation shall administer the Personal Property Tax Relief of 1998 beginning no later than January 1, 2003.

2. Further, the Department shall establish of an audit unit that will identify those individuals who have received personal property tax relief for vehicles that do not meet the "Used for nonbusiness purposes" criteria as defined in §58.1-3523 of the *Code of Virginia*. The Department of Motor Vehicles, the Department of Accounts and all local Treasurers, Commissioners of the Revenue and Directors of Finance, or officials acting in that capacity, shall cooperate with the Department and shall provide all information and assistance necessary, upon request, to fulfill this responsibility.

3. The Department shall develop a Uniform Personal Property Tax Relief Qualification Certificate for the use of local assessment officials who shall incorporate such certificate in every return of tangible personal property tax due to be filed or after January 1, 2003. Such certificate shall be designed to allow a taxpayer to attest to the qualification for reduced assessment of each motor vehicle owned by such taxpayer, both for the current tangible personal property assessment year, and for the immediately prior year. Failure by a taxpayer to return an executed certificate with the return of tangible personal property shall disqualify the subject motor vehicle(s) for tax relief for both years for which certification is required. The personal property tax records of localities shall periodically be audited by the Department for the purpose of ascertaining the level of compliance with this provision. Local Treasurers, Commissioners of the Revenue and Directors of Finance also shall include with personal property tax bills a prominent and clear notice of a) the limitation in the personal property tax relief program on the use of personal vehicles for business purposes, and b) the statutory conditions under which the personal property tax relief program will not be advanced to the next level. The Department of Motor Vehicles shall include such notices with all motor vehicle registrations or renewals.



4. Local Treasurers, Commissioners of the Revenue and Directors of Finance shall not bill the state for personal property tax on any vehicle(s) that lacks the duly executed certificate filed with the return of tangible personal property. Local Treasurers, Commissioners of the Revenue and Directors of Finance shall notify the State Comptroller of the dollar amount that the state paid in the immediately prior year for any vehicle that is not certified for tax relief, said amount representing an overpayment by the state, and the State Comptroller shall withhold that amount from subsequent payments to the local treasurer for personal property tax relief. Localities may re-bill responsible taxpayers for the amounts of overpayment that have been withheld by the state.

5. In addition, the Department shall develop and assist local assessment officials with the implementation of data matching programs designed to aid in the identification of individuals who improperly receive the benefit of reduced assessments of motor vehicles. Data sources which should be considered for these programs shall include, but need not be limited to, local business licensing records, Department of Motor Vehicle records, employer travel expense records, and the most recent tax year business expense data submitted by Virginia taxpayers with their Virginia tax returns.

6. Personal property tax payments to any county, city or town whose Treasurer, Commissioner of the Revenue, Director of Finance, or officials acting in that capacity, fail to reasonably cooperate in the implementation of the audit program established by this item shall have personal property tax relief payments withheld until such time as the Tax Commissioner certifies that cooperation has been obtained.

7. The Department shall report to the Chairmen of the Senate Finance and House Appropriations Committees by November 1st of each year on total overpayments by the state that have been identified for the prior calendar year."

**Explanation:**

(This amendment transfers the responsibility of the PPTRA to the Department of Taxation and creates an audit program and process. Section 58.1-202 of the *Code* outlines the duties and powers of the Tax Commissioner including the "supervision of all tax laws of the Commonwealth." )

<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Department Of Taxation	\$880,105	\$1,760,210	GF

**Language:**

Page 214, line 1, strike "\$44,878,284" and insert "\$45,758,389".

Page 214, line 1, strike "\$44,878,284" and insert "\$46,638,494".

Page 215, after line 51 insert:

"H.1. The Department of Taxation and the the Department of Motor Vehicles shall optimize the delivery of telephone customer service to the citizens of the Commonwealth through the consolidation, cross-training, and enhancement of their customer service units. The Departments shall establish or expand the utilization of "1-800" technology as part of the optimization. The Director of the Department of Planning and Budget shall transfer the required number of positions between the Departments to effectuate this optimization.

2. The Departments shall report to the Chairmen of the Senate Finance and House Appropriations Committeess on the service delivery optimization by November 1, 2002."

**Explanation:**

(This amendment directs the Department of Taxation and Department of Motor Vehicles to optimize the delivery of telephone customer service for their various functions.)

**Finance**

Department Of Taxation

Language

**Language:**

Page 215, strike lines 5 through 51.

Page 215, after line 4, insert:

"F.1. Notwithstanding the provisions of § 58.1-615, Code of Virginia, every dealer, as defined by §58.1-612, Code of Virginia, or direct payment permit holder pursuant to §58.1-624, Code of Virginia, with taxable sales and purchases of \$1.3 million or greater for the period July 1, 2001, to June 30, 2002, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2002 as the estimated amount of sales and use tax liability for the month of June 2003. Such tax payments shall be made on or before the 30th day of June, 2003, if payment is made by electronic funds transfer, as defined in § 58.1-202.1, Code of Virginia. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June, 2003. Payments under this paragraph shall be made in accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue. For purposes of this provision, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. Every dealer or direct payment permit holder shall be entitled to a credit for the payment under this paragraph on the June 2003 return due July 20, 2003. In addition, the distribution of the payment to revenue code 01088 by the Comptroller shall also occur after the return has been filed. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer User Tax Return.

2. Notwithstanding the provisions of § 58.1-615, Code of Virginia, every dealer, as defined by §58.1-612, Code of Virginia, or direct payment permit holder pursuant to §58.1-624, Code of Virginia, with taxable sales and purchases of \$1.3 million or greater for the period July 1, 2002, to June 30, 2003, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2003 as the estimated amount of sales and use tax liability for the month of June 2004. Such tax payments shall be made on or before the 30th day of June, 2004, if payment is made by electronic funds transfer, as defined in § 58.1-202.1, Code of Virginia. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June, 2004. Payments under this paragraph shall be made in

accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue. For purposes of this provision, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. Every dealer or direct payment permit holder shall be entitled to a credit for the payment under this paragraph on the June 2004 return due July 20, 2004. In addition, the distribution of the payment to revenue code 01088 by the Comptroller shall also occur after the return has been filed. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer User Tax Return.

3. In lieu of the penalties provided in §58.1-635, Code of Virginia, except with respect to fraudulent returns, failure to make a timely payment or full payment on the sales and use tax liability as provided in paragraph 1 above shall subject the dealer to a penalty of six percent of the amount of tax that should have been properly paid to the Tax Commissioner. Interest will accrue as provided in §58.1-15, Code of Virginia. The payment required by paragraph 1 above shall become delinquent on the first day following the due date set forth in paragraph 1 if not paid.

4. Notwithstanding any provision of law, any cash balance resulting from such collections shall not be subject to reporting as reservations or designations of fund balance of the General Fund, or liabilities of the General Fund, as of June 30 for purposes of cash basis financial reporting as reflected in the Comptroller's annual financial report presented in accordance with §2.2-813 of the Code of Virginia.

5. It is the intent of the General Assembly that the payment requirement contained herein be phased out beginning in Fiscal Year 2006. The payment amount for June 2006 should be reduced to 85 percent of the sales and purchases for the previous June and the payment amount should continue to be reduced until fully eliminated not later than June 2012."

G. Notwithstanding any other provision of law, for purchases made between July 1, 2002, and June 30, 2003, any exemption from the retail sales and use tax applicable to production, distribution, and other equipment used to provide Internet-access services by providers of Internet service, as defined in § 58.1-602 of the Code of Virginia, shall apply to only eighty percent of the cost of purchases otherwise qualifying for exemption. For purchases made between July 1, 2003, and June 30, 2004, any exemption from the retail sales and use tax applicable to production, distribution, and other equipment used to provide Internet-access services by providers of Internet service, as defined in § 58.1-602 of the Code of Virginia, shall occur as a refund

request to the Tax Commissioner and apply to only sixty percent of the cost of purchases otherwise qualifying for exemption. The Tax Commissioner shall develop procedures for such refunds.

H. Notwithstanding any other provision of law, for taxable years beginning on January 1, 2001, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under § 58.1-339.4 of the Code of Virginia shall be limited to \$4,000,000 for a calendar year. For taxable years beginning on or after January 1, 2002, the amount of the Credit available under § 58.1-339.4 shall be limited to \$3,000,000 for calendar year.

I. Notwithstanding any other provision of law, for license years beginning on July 1, 2003, the amount of the Tax Credit for Retaliatory Costs to Other States available under § 58.1-2510 of the Code of Virginia shall be limited to eighty percent of the retaliatory costs paid to other states for those companies or groups having more than 100 qualified full-time employees in this Commonwealth during the entire license year and who met the definition of "qualified investment" on or after January 1, 2001. For license years beginning on July 1, 2004, the amount of the Tax Credit shall be limited to 60 percent to these same companies or groups.

J. In addition to the state recordation tax collected pursuant to § 58.1-801 A of the Code of Virginia, there is hereby assessed a ten dollar fee on every deed admitted to record on or after July 1, 2002.”

**Explanation:**

(This amendment modifies the sales and use tax acceleration language included the proposed budget and adjusts several other tax credits.)

<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Department Of Taxation	\$0	\$3,710,062	GF
	\$0	(\$7,420,123)	NGF

**Language:**

Page 216, line 15, strike "\$35,100,000" and insert "\$31,389,939".

Page 216, line 54, after "\$3,510,000" strike rest of the line.

Page 216, strike all of line 55 through the word "of".

Page 217, line 1, after "Partnership." insert:

"In the second year, the 30 percent percent share of moneys in the Fund to support Department expenses shall be transferred to the general fund. The Department is authorized to expend up to \$3,710,062 in the second year from the general fund to support its expenses related to the Partnership.

**Explanation:**

(This amendment reduces the NGF share of the Partnership and authorizes the expenditure of NGF. A companion amendment is in Part III of the Act.)

<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Department Of The State Internal Auditor	(\$756,418) -9.00	(\$757,600) -9.00	GF FTE

**Language:**

Page 217, line 34, strike "\$756,418" and insert "\$0".

Page 217, line 34, strike "\$757,600" and insert "\$0".

Page 33, following line 25, insert:

"Except as provided for in Item 504.10 of this Act; severance benefits as guaranteed under Title 2.2, Chapter 32, Code of Virginia, the Workforce Transition Act of 1995, no funds shall be expended for the operation of the Department of the State Internal Auditor. It is the intent of the General Assembly that legislation be submitted to the 2003 session to codify this action.

The Auditor of Public Accounts will assume the responsibilities for the operations of the State Employee Fraud, Waste, and Abuse Hotline ("Hotline"). In connection with the assumption of this responsibility the Auditor of Public Accounts will develop guidelines for the operation of the Hotline and will use an advisory group consisting of one representative of each branch of government appointed by the Governor, the Joint Rules Committee, and the Chief Justice of the Supreme Court for their respective branch of government. This advisory group will review and approve the Auditor of Public Accounts' guidelines for the operation of the hotline. The Hotline will continue to operate within the statutory guidelines for the disclosure and privacy of information obtained by the Hotline."

**Explanation:**

(This amendment Eliminates funding for the Department of the State Internal Auditor. A companion amendment to new item 504.10 provides funding for severance benefits as guaranteed under Title 2.2, Chapter 32, Code of Virginia, the Workforce Transition Act of 1995.)

**Finance**

Treasury Board

**FY 02-03**

(\$450,000)

**FY 03-04**

(\$450,000) GF

**Language:**

Page 221, line 14, strike "\$5,740,684" and insert "\$5,290,684".

Page 221, line 14, strike "\$5,742,809" and insert "\$5,292,809".

Page 221, line 19, delete "A."

Page 221, delete lines 27 through 37.

**Explanation:**

(This amendment deletes funding for debt service to be disbursed to the Pulaski County industrial development authority for a worker training "center of excellence." The General Assembly recognizes the Commonwealth's responsibility under the October 21, 1999 Memorandum of Agreement to construct the center.)



<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Treasury Board	(\$238,810)	\$1,617,968	NGF

**Language:**

Page 221, line 38, strike "\$259,335,695" and insert "\$259,096,885".

Page 221, line 38, strike "\$261,603,658" and insert "\$263,221,626".

**Explanation:**

(This amendment corrects the Special Funds included in the introduced budget for Bond and Loan Retirement and Redemption.)

<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Treasury Board	\$2,100,623	\$16,319,322	GF

**Language:**

Page 221, line 38, strike "\$259,335,695" and insert "\$261,436,318".

Page 221, line 38, strike "\$261,603,658" and insert "\$277,922,980".

Page 222, after line 16, insert:

"2. Out of the amounts for General Obligation Bond Redemption and Interest, \$14,380,352 the second year is hereby appropriated from the general fund for debt service on general obligation bonds issued pursuant to Article X, Section 9(b), of the Constitution of Virginia, which are authorized during the 2002 Session and approved at referendum on November 5, 2002."

Page 222, line 17, strike "2" and insert "3".

Page 222, strike lines 33 through 40 and insert:

"2. Out of the amounts for Amortization Payments, and contingent upon authorization of additional projects in the 2002 Session, shall be paid from the general fund to the Virginia College Building Authority the following estimated amounts for use by the Authority for payments on obligations issued under the 21st Century College Program: \$2,640,512 the first year and \$6,481,908 the second year."

Page 223, line 36, strike "\$1,102,540" and insert "\$900,000".

Page 223, line 37, strike "\$4,356,994" and insert "\$1,961,950".

Page 223, after line 38, insert:

"3. Out of the amounts for Amortization Payments the following estimated amounts are hereby appropriated to the Virginia Public Building Authority for use by the Authority for projects authorized in the 2002 Session: \$676,564 the first year and \$3,135,364 the second year."

Page 223, line 39, strike "3" and insert "4".

Page 224, line 20, strike "4" and insert "5".

Page 224, line 26, strike "\$1,140,000,000" and insert \$1,235,000,000".

Page 224, line 27, strike "5" and insert "6".

Page 224, line 33, strike "6" and insert "7".

Page 225, strike lines 1 through 8.

**Explanation:**

(This amendment adjusts the Treasury Board budget to reflect projected debt service requirements for the Building Virginia's Future capital package, as reflected in SB 29, SB 31, SB 672, and SB 673. The amendment also deletes debt service for a

research project.)

<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Treasury Board	\$0	\$995,000	GF

**Language:**

Page 221, line 38, strike "\$261,603,658" and insert "\$262,598,658".

Page 223, line 4, strike "\$21,077,113" and insert "\$22,072,113".

**Explanation:**

(This amendment provides debt service to cover the issuance of an additional \$10.0 million in FY 2003 for instructional equipment purchases through the Higher Education Equipment Trust Fund.)

<b>Finance</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Treasury Board	(\$5,250,000)	(\$5,250,000)	GF
	\$5,250,000	\$5,250,000	NGF

**Language:**

Page 221, line 48, after "A." insert "1."

Page 221, after line 52, insert :

"2. Out of this appropriation \$5,250,000 the first year and \$5,250,000 the second year from nongeneral funds is provided to support the debt service costs of bonds issued under the Building Virginia's Future Capital program. The source of the nongeneral funds shall be the Capital Construction Fee authorized in Section 4-2.01 c of this Act. The Director, Department of Planning and Budget shall transfer the nongeneral funds collected through the fee from the institutions of higher education to the Treasury Board."

**Explanation:**

(This amendment offsets general funds provided for debt service with a fee to be assessed in support of the Building Virginia Future's Capital program.)

**Finance**

Treasury Board

Language

**Language:**

Page 224, strike lines 27 through 32.

Page 224, line 33, strike "6" and insert "5".

Page 225, line 1, strike "7" and insert "6".

**Explanation:**

(This amendment eliminates language in the introduced budget which would have authorized the Virginia Public Building Authority to issue bonds for Industrial Site Development Grants.)

**Finance**

Treasury Board

Language

**Language:**

Page 226, after line 46, insert:

"C. In the event the voters approve the referendum for general obligation bonds on November 5, 2002, a portion of any unexpended balance in this act will be used for general obligation bond issuance costs incurred by the Treasury Board."

**Explanation:**

(This amendment is self-explanatory.)

**Technology**

Secretary Of Technology

Language

**Language:**

Page 334, after line 7, insert:

"The Secretary of Technology shall prepare a report on the land and property owned or controlled by the Innovative Technology Authority or its nonstock corporation or foundation. The focus of the report shall be threefold: (1) assess the value of the land and property in terms of dollar values and of current use and potential uses including economic development; (2) identify obstacles to these potential uses; and (3) determine if the mission of CIT can be fulfilled elsewhere in Northern Virginia or in another setting outside of Northern Virginia. The report shall be submitted by November 6, 2002, to the Chairman of the Senate Finance Committee and to the Chairman of the House Appropriations Committee. To that end, the Innovative Technology Authority, the Department of Planning and Budget, and the Virginia Economic Development Partnership shall cooperate with the Secretary in developing the report."

**Explanation:**

(This amendment directs the Secretary of Technology to assess the value of the CIT land and property and to determine if CIT can carry out its programs in another location.)



<b>Technology</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Department Of Technology	(\$1,731,793)	(\$1,731,793)	NGF
Planning	-2.00	-2.00	FTE

**Language:**

Page 335, line 18, strike "\$11,679,308" and insert "\$9,947,515".

Page 335, line 18, strike "\$3,679,756" and insert "\$1,947,963".

Page 335, line 51, strike lines 50 through 52.

Page 336, line 51, strike lines 1 through 5.

Page 336, line 46, strike "18.00" and "18.00" and insert "16.00" and "16.00".

**Explanation:**

(This amendment reduces the funding provided for the electronic government initiative.)

<b>Central Appropriations</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Central Appropriations	(\$1,934,711)	(\$1,934,711)	GF
	-53.00	-53.00	FTE

**Language:**

Page 358, line 3, strike "\$54,513,013" and insert "\$56,447,724".

Page 358, line 3, strike "\$30,768,632" and insert "\$32,703,343".

Page 362, after line 29, insert:

"D. No agency of the Commonwealth shall employ, or continue to employ any person whose position is exempt from Title 2.2, Chapter 29, Code of Virginia, the Personnel Act, pursuant to §2.2-2905.20, code of Virginia. Persons currently employed in such positions shall be provided four weeks salary as a severance benefit. No such person shall be reemployed in a classified position without first making application for such position in a competitive process open to all qualified individuals."

**Explanation:**

(This amendment eliminates funding for at-will employees. A companion amendment in Part 3 captures the nongeneral fund savings.)

<b>Central Appropriations</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Central Appropriations	\$17,051,600	\$19,296,939	GF

**Language:**

Page 359, line 17, strike "\$24,530,099" and insert "\$41,581,699".

Page 359, line 17, strike "\$23,966,422" and insert "\$43,263,361".

Page 359, line 24, strike "24,530,099" and insert "40,742,896".

Page 359, line 24, strike "23,966,422" and insert "42,669,482".

Page 359, following line 39, insert:

"3.a. There is hereby established the Commission on Health Benefits Reform. The Commission shall be comprised of four members of the Senate Finance Committee to be appointed by the Chairman of the Senate Finance Committee; four members of the House Appropriations Committee to be appointed by the Chairman of the House Appropriations Committee; one member to be appointed by the Chief Justice of the Supreme Court; and four members to be appointed by the Governor including the Secretary of Administration, the Secretary of Finance and two health benefit experts from large private sector employers.

1. A technical advisory committee comprised of the chief human resource officers of the University of Virginia; Virginia Polytechnic Institute and State University; Virginia Commonwealth University; George Mason University; the Department of Mental Health, Mental Retardation and Substance Abuse Services; the Department of Corrections; the Department of State Police; the Department of Transportation; the Department of Taxation; the Director of the Department of Human Resource Management, or his designee; the Director of the Department of Planning and Budget, or his designee; and the staff of the Senate Finance and House Appropriations Committees.

2. At least one employee advisory committee, the composition of which shall be based on the Commission's assessment of its requirements for advice and assistance.

3. Such consultants as may be deemed necessary by the Commission, provided that any cost associated with such services shall be reasonable and incidental to the administration of the state health benefits program.

c. With the assistance of the technical advisory committee, the Commission shall implement a communications program to inform state employees, and provide such employees an opportunity to comment on its work.

2. The health benefits plan recommended by the Commission shall provide for:

a. A health benefits program to meet state workforce needs;

b. Other modern health benefit features, as deemed appropriate for a large, multi-site employer.

3. The Commission shall report its findings and recommendations to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2002.

**Explanation:**

(This amendment adds funding to the state employee health insurance program and creates a joint commission to review and make recommendations on future funding requirements and options for the health benefits program.)

<b>Central Appropriations</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Central Appropriations	\$511,273	\$0	GF

**Language:**

Page 359, following line 39

"504.10. \$511,273

Fund Sources: General \$511,273."

Page 359, following line 39, insert:

"504.10 Personnel Management Services (70400)..... \$511,273      \$0

Workforce Transition Payments (704XX)..... \$511,273      \$0

Fund Sources: General..... \$511,273      \$0

Authority: Title 2.2 Chapter 32, Code of Virginia

A. Out of the amounts for this program shall be paid those severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia, the Workforce Transition Act of 1995.

B. Nongeneral funds required to pay severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia are hereby appropriated."

**Explanation:**

(This amendment provides general funds to pay those severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia, the Workforce Transition Act of 1995, to former employees of the Commission on Local Government. Funding for the Commission is eliminated in a separate amendment to item 61.)

<b>Central Appropriations</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Central Appropriations	\$175,274	\$0	GF

**Language:**

Page 359, following line 39

"504.10. \$175,274

Fund Sources: General \$175,274."

Page 359, following line 39, insert:

"504.10 Personnel Management Services (70400)..... \$175,274      \$0

Workforce Transition Payments (704XX)..... \$175,274      \$0

Fund Sources: General..... \$175,274      \$0

Authority: Title 2.2 Chapter 32, Code of Virginia

A. Out of the amounts for this program shall be paid those severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia, the Workforce Transition Act of 1995.

B. Nongeneral funds required to pay severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia are hereby appropriated."

**Explanation:**

(This amendment provides general funds to pay those severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia, the Workforce Transition Act of 1995, to former employees of the Virginia Liason Office. Funding for the Office is eliminated in a separate amendment to item 56.)

<b>Central Appropriations</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Central Appropriations	\$567,314	\$0	GF

**Language:**

Page 359, following line 39

"504.10. \$567,314

Fund Sources: General \$567,314."

Page 359, following line 39, insert:

"504.10 Personnel Management Services (70400)..... \$567,314      \$0

Workforce Transition Payments (704XX)..... \$567,314      \$0

Fund Sources: General..... \$567,314      \$0

Authority: Title 2.2 Chapter 32, Code of Virginia

A. Out of the amounts for this program shall be paid those severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia, the Workforce Transition Act of 1995.

B. Nongeneral funds required to pay severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia are hereby appropriated."

**Explanation:**

(This amendment provides general funds to pay those severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia, the Workforce Transition Act of 1995, to former employees of the State Internal Auditor. Funding for the Internal Auditor is eliminated in a separate amendment to item 289.)

<b>Central Appropriations</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Central Appropriations	\$6,800,000	\$0	GF

**Language:**

Page 359, following line 39

"504.10. \$6,800,000

Fund Sources: General \$6,800,000."

Page 359, following line 39, insert:

"504.10 Personnel Management Services (70400)..... \$6,800,000      \$0

Workforce Transition Payments (704XX)..... \$6,800,000      \$0

Fund Sources: General..... \$6,800,000      \$0

Authority: Title 2.2 Chapter 32, Code of Virginia

A. Out of the amounts for this program shall be paid those severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia, the Workforce Transition Act of 1995.

B. Nongeneral funds required to pay severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia are hereby appropriated."

**Explanation:**

(This amendment provides general funds to pay those severance benefits guaranteed under the provisions of Title 2.2 Chapter 32, Code of Virginia, the Workforce Transition Act of 1995, to former employees of the Department of Corrections.)



**Central Appropriations**

**FY 02-03**

**FY 03-04**

Central Appropriations

\$0 (\$118,826,165) GF

**Language:**

Page 364, line 28, strike "\$966,738,254" and insert "\$847,912,089".

Page 364, line 28, strike "a sum sufficient, estimated at"

Page 364, line 32, strike "\$966,738,254" and insert "\$847,912,089".

Page 364, line 31, after "A." insert "1."

Page 364, after line 35, insert:

"2. Localities shall be reimbursed at the 70 percent level for tax year 2002, tax year 2003, and tax year 2004."

Page 364, line 44, strike "sum sufficient".

**Explanation:**

(This amendment captures savings from freezing car tax relief at the 70 percent level through fiscal year 2004. The amendment also inserts language clarifying that the reimbursement rate shall be 70 percent in tax years 2002, 2003, and 2004. )

<b>Central Appropriations</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Central Appropriations	\$90,125,000	\$71,125,000	GF

**Language:**

Page 364, line 49, strike "\$44,644,486" and insert "\$134,769,486".

Page 364, line 49, strike "\$70,241,747" and insert "\$141,366,747".

Page 368, following line 52, insert:

" J.1. On November 25, 2002 and November 25, 2003 full-time salaried employees of the Commonwealth shall receive the compensation increases set out below:

2.a. Except as provided for in paragraph J.2.d of this Item, full-time classified employees, agency heads, cabinet secretaries, judges, and employees of the Legislative and Judicial branches shall each elect in writing to receive either:

b. A one-time bonus payment equal to 2.5 percent of base compensation for FY 2003 and 2.0 percent of base compensation for FY 2004, or

c. Ten days of compensatory time off with pay. Such compensatory time must be used no later than June 30, 2003 and shall not carry forward into the next fiscal year.

d. All employees who are covered by Title 51.1, Chapter 2 or Title 51.1, Chapter 2.1, and Title 51.1, Chapter 3 shall receive a one-time bonus payment equal to 2.5 percent of base compensation.

3.a. Each institution of higher education shall receive an amount equal to 2.5 percent of the base general fund compensation of teaching and research, and administrative faculty the first year and 2.0 percent of the base general fund compensation of teaching and research, and administrative faculty the second year. These funds shall be used to provide, at the discretion of the institution:

b. A one-time bonus payment equal to no more than 2.5 percent of base compensation the first year and 2.0 percent of base compensation the second year. These bonus payments shall be issued as a separate check for each employee, or

c. Such other monetary or non-monetary incentives and awards as each institution shall deem appropriate for the retention of teaching and research faculty.

d. These incentive payments shall not be included in base compensation for purposes of retirement.

4. The bonus payments authorized by this paragraph shall be issued as a separate check for each employee, payable on the next payday following July 10."

**Explanation:**

(This amendment provides for a one-time bonus payment to all state employees equal to 2.5 percent of base compensation for FY 2003 and 2.0 percent of base compensation for FY 2004.)

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 368, after line 52 insert:

"J. State agencies and institutions of higher education shall make payments to the Virginia Retirement System for retirement contributions on a quarterly basis."

**Explanation:**

(This amendment changes the schedule used to pay the Virginia Retirement System for retirement contributions from a monthly basis to a quarterly basis.)

**Independent Agencies**

Virginia Retirement System

Language

**Language:**

Page 380, strike line 56.

Page 381, strike line 1 through 10.

**Explanation:**

(This amendment strikes language requiring the Virginia Retirement System Board of Trustees to perform annual valuations of the systems assets and liabilities. The Code of Virginia requires biennial valuations.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Contingent upon passage of Senate Bill 124 by the 2002 General Assembly, and as such bill becomes law, the State Comptroller shall transfer to the general fund, on or before June 30, 2003 and on or before June 30, 2004, from the University of Virginia Medical Center the actual amount of interest income earned by the investment of the University of Virginia Medical Center's nongeneral operating cash balances pursuant to Section 23-77.4.C., Code of Virginia, or \$2,500,000 whichever is less."

**Explanation:**

(This amendment allows the University of Virginia Medical Center to retain the interest earned on balances in the general account, consistent with SB 124, but requires a transfer to the general fund in a like amount for fiscal years 2003 and 2004.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 418, strike lines 6 through 10 and insert:

“R. The State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$1,731,793, each year, resulting from savings pursuant to a telecommunications contract signed between a new vendor and the Department of Information Technology effective July 1, 2000. The Director, Department of Planning and Budget, shall provide the Comptroller with the specific amount to be transferred from each nongeneral fund account in the affected agencies.”

**Explanation:**

(This amendment adjusts the COVANET savings language to transfer the savings to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 20, 2003, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$7,115,687 for the reduction in state employee group life contributions for fiscal year 2003. Prior to June 20, 2004, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$7,425,066 for the reduction in state employee group life contributions for fiscal year 2004. Appropriated funds from federal sources are exempt from this transfer."

**Explanation:**

(This amendment captures the nongeneral fund savings associated with a reduction in group life contribution rates.)



**Transfers**

Interfund Transfers

Language

**Language:**

Page 416, line 26, strike "320,000,000" and "320,000,000" and insert "329,000,000" and "329,000,000".

**Explanation:**

(This amendment increases the estimated transfer from the State Lottery Fund to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 20, 2003, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$7,619,310 for the reduction in retirement contributions resulting from the application of actuarially calculated rates for fiscal year 2003. Prior to June 20, 2004, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$7,950,579 for the reduction in retirement contributions resulting from the application of actuarially calculated rates for fiscal year 2004. Appropriated funds from federal sources are exempt from this transfer."

**Explanation:**

(This amendment captures the nongeneral fund portion of savings attributed to a reduction in Virginia Retirement System contribution rates.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 418, line 16, strike "\$14,788,244" and insert: "\$22,312,117".

Page 418, line 17, strike "\$14,788,244" and insert "\$25,724,707".

Page 418, strike lines 20-22.

Page 418, line 23, strike "\$1,870,945" in both places and insert "\$11,064,645" and "\$12,682,377".

Page 418, strike lines 24-37.

Page 418, line 38, strike entire line and insert: "186 Secretary of Transportation \$36,659 \$41,896".

Page 418, line 39, strike "\$6,499,698" in both places and insert "\$10,804,523" and "\$12,535,172".

Page 418, line 41, strike "\$171,958" in both places and insert "\$235,241" and "\$269,778"

Page 418, line 42, strike entire line and insert: "506 Motor Vehicle Dealer Board \$117,263 \$134,014".

Page 418, line 43, strike "46,102" in both places and insert "\$53,786" and "\$61,469".

Page 418, strike line 44.

Page 418, line 45, strike "\$14,788,244" in both places and insert "\$22,312,417" and "\$25,724,707".

**Explanation:**

(This amendment transfers the 7 and 8 percent reductions in the transportation agencies to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. On or before June 30, the Department of Information Technology shall transfer \$364,473 the first year and \$416,541 the second year to the general fund. These amounts are a result of across-the-board reductions to Administrative and Support Services. All funds from the Virginia Retirement System and federal sources are excluded from these transfers."

**Explanation:**

(This amendment applies the seven and eight percent across-the-board reductions to the administrative services function in the Department of Information Technology.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, line 1, strike "25,081,679" and insert "32,250,303".

**Explanation:**

(This amendment increases the amount of nongeneral fund saving attributed to a rate reduction resulting from the identification and resolution of VRS dormant accounts.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. On or before June 30, the Comptroller shall transfer \$6,511,636 in the first year and \$7,182,041 from the Department of Motor Vehicle's Uninsured Motorists Fund to the general fund. Of that amount in each year, \$5,000,000 shall be from the share transferred to the State Corporation Commission.

BB. On or before June 30 of each year, the Comptroller shall transfer \$15,000,000 from the Department of Motor Vehicles from increased motor vehicle registration fees. If SB 3 during the 2002 General Assembly Session is enacted, as passed by the Senate, its requirements shall apply.

CC. On or before June 30 of each year, the Comptroller shall transfer \$10,000,000 from the Department of Motor Vehicles from the increased motor vehicle records fees.

**Explanation:**

(This amendment provides the authority to transfer funds from a variety of DMV fees to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 416, line 16, strike "442,735" and "442,735" and insert:  
"85,755" and "85,755".

Page 416, line 25, strike "7,848,744" and "7,848,744" and insert:  
"7,491,764" and "7,491,764".

**Explanation:**

(This amendment reduces the amount of special fund dollars captured in Part III (3-1.01 F.) by \$356,980 each year to account for unintentionally captured federal dollars.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, line 5, after "June 30", strike "each".

Page 419, line 6, before "the State", strike "year".

Page 419, line 6, after "first", strike "year and \$335,600,000 the second".

Page 419, line 10, after "Paragraph" strike "D" and insert "H.2.".

**Explanation:**

(This amendment removes authority to transfer \$335,600,000 from the Transportation Trust Fund to the general fund for the second year.)



**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. On or before June 30, 2003 and June 30, 2004 respectively, the State Comptroller shall transfer \$1,941,928 the first year and \$1,941,928 the second year to the general fund from the such nongeneral fund accounts as are affected by the restriction on employment of any person whose position is exempt from Title 2.2, Chapter 29, Code of Virginia, the Personnel Act, pursuant to §2.2-2905.20, Code of Virginia."

**Explanation:**

(This amendment captures the nongeneral fund portion of savings attributed to a reduction in Virginia Retirement System contribution rates.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 20, 2003, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$563,662 representing savings in VRS retirement contributions resulting from 7 percent reductions in administrative expenses of the Virginia Retirement System for fiscal year 2003. Prior to June 20, 2004, the State Comptroller shall transfer from agency nongeneral fund accounts an amount estimated at \$644,185 representing savings in VRS retirement contributions resulting from 7 percent reductions in administrative expenses of the Virginia Retirement System for fiscal year 2004. Appropriated funds from federal sources are exempt from this transfer."

**Explanation:**

(This amendment captures the nongeneral fund portion of savings attributed to a reduction in Virginia Retirement System contribution rates.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 20, 2003, the State Comptroller shall transfer from nongeneral fund accounts of the State Lottery Department an amount estimated at \$891,427 representing savings resulting from 7 percent reductions in administrative expenses of the State Lottery Department for fiscal year 2003. Prior to June 20, 2004, the State Comptroller shall transfer from nongeneral fund accounts of the State Lottery Department an amount estimated at \$1,018,773 for fiscal year 2004."

**Explanation:**

(This amendment captures administrative budget savings of 7% the first year and 8% the second year from the State Lottery Department.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 20, 2003, the State Comptroller shall transfer from nongeneral fund accounts of the Virginia College Savings Plan an amount estimated at \$260,045 representing savings resulting from 7 percent reductions in administrative expenses of the Virginia College Savings Plan for fiscal year 2003. Prior to June 20, 2004, the State Comptroller shall transfer from nongeneral fund accounts of the State Lottery Department an amount estimated at \$298,259 for fiscal year 2004."

**Explanation:**

(This amendment captures administrative budget savings of 7% the first year and 8% the second year from the Virginia College Savings Plan.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 20, 2003, the State Comptroller shall transfer from nongeneral fund accounts of the Workers' Compensation Commission an amount estimated at \$1,104,718 representing savings resulting from 7 percent reductions in administrative expenses of the Workers' Compensation Commission for fiscal year 2003. Prior to June 20, 2004, the State Comptroller shall transfer from nongeneral fund accounts of the State Lottery Department an amount estimated at \$1,262,535 for fiscal year 2004."

**Explanation:**

(This amendment captures administrative budget savings of 7% the first year and 8% the second year from the Workers' Compensation Commission.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 20, 2003, the State Comptroller shall transfer from nongeneral fund accounts of the State Corporation Commission an amount estimated at \$766,461 representing savings resulting from 7 percent reductions in administrative expenses of the State Corporation Commission for fiscal year 2003. Prior to June 20, 2004, the State Comptroller shall transfer from nongeneral fund accounts of the State Corporation Commission an amount estimated at \$875,956 for fiscal year 2004."

**Explanation:**

(This amendment captures administrative budget savings of 7% the first year and 8% the second year from the State Corporation Commission.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 417, line 10, strike "K.1." and insert "K.".

Page 417, line 12, strike "\$4,970,325" and insert "\$3,653,552".

Page 417, line 12, strike "\$5,318,247" and insert "\$3,858,126".

Page 417 delete lines 14 through 17

**Explanation:**

(This amendment reduces the amount of general fund revenue to be transferred to the Game Protection Fund under § 58.1-1402, Code of Virginia. The reduction responds to the decrease in tax collections.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 417, line 53, strike "Q.1." and insert "Q."

Page 417, line 55, strike "\$12,266,639 the first year and \$12,266,639" and insert:  
"\$9,016,875 the first year and \$8,898,841".

Page 418, strike lines 1 through 5.

**Explanation:**

(This amendment reduces the amount of general fund revenue to be transferred to the Game Protection Fund under § 58.1-638 E, Code of Virginia. The reduction responds to the decrease in tax collections.)



**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 20, 2003, the State Comptroller shall transfer from nongeneral fund accounts of the Charitable Gaming Commission an amount estimated at \$187,963 representing savings resulting from 7 percent reductions in administrative expenses of the Workers' Compensation Commission for fiscal year 2003. Prior to June 20, 2004, the State Comptroller shall transfer from nongeneral fund accounts of the Charitable Gaming Commission an amount estimated at \$216,730 for fiscal year 2004."

**Explanation:**

(This amendment captures administrative budget savings of 7% the first year and 8% the second year from the Workers' Compensation Commission.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 415, line 11, strike "\$6,416,469 \$6,416,469" and insert:  
"\$7,416,469 \$7,416,469".

**Explanation:**

(This amendment increases the amount of funds transferred from unrefunded marine motor fuel taxes to the general fund for improvements to the Chesapeake Bay.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 415, line 18, after "year". Insert:

"The Department of Taxation shall transfer to the general fund by June 30, 2004 \$7,420,123 from the Technology Partnership Fund."

**Explanation:**

(This amendment transfers the Department's Technology Partnership Fund share to the general fund. A companion amendment in Part II appropriates a portion of this money to the Department's Partnership's activities.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. On or before June 30, 2003, the State Comptroller shall transfer to the general fund \$100,000 from the Special Unemployment Compensation Administration Fund at the Virginia Employment Commission."

**Explanation:**

(This amendment transfers \$100,000 from the Special Unemployment Compensation Administration Fund to the general fund.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 527, after line 30, insert:

"GG. On or before June 30, 2002, the State Comptroller shall transfer \$1,941,928 the first year and \$1,941,928 the second year to the general fund from the such nongeneral fund accounts as are affected by the restriction on employment of any person whose position is exempt from Title 2.2, Chapter 29, Code of Virginia, the Personnel Act, pursuant to §2.2-2905.20, Code of Virginia."

**Explanation:**

(This amendment eliminates nongeneral fund support for at-will employees and transfers the savings to the general fund. A companion amendment in item 503 captures the general fund savings.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, after line 24, insert:

"AA. Prior to June 30, 2003, the State Comptroller shall transfer to the general fund \$4,000,000 from the Central Car Pool Internal Service Fund. The transfer reflects no new car purchases by the Division of Fleet management."

**Explanation:**

(This amendment is self-explanatory.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 414, line 16, strike "\$23,175,070" in both places.

Page 414, line 16, insert "\$25,675,070" and "\$26,475,070".

**Explanation:**

(This amendment brings the transfer to the Department of Mental Health, Mental Retardation & Substance Abuse Services from the ABC Fund in line with the sales projection.)

**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, following line 24, insert:

"AA. On or before June 30 of each year, the State Comptroller shall transfer to the general fund, the balances estimated at \$3,000,000 each year in the Intensive Drug Enforcement Assistance (IDEA) Fund of the Department of Criminal Justice Services. No interest earnings shall be credited to the fund during fiscal years 2003 and 2004."

**Explanation:**

(This amendment transfers estimated balances of \$3,000,000 by June 30 of each year from the Intensive Drug Enforcement Assistance Fund to the general fund.)



**Transfers**

Interfund Transfers

Language

**Language:**

Page 419, following line 24, insert:

"AA. On or before June 30 of each year, the State Comptroller shall transfer to the general fund from the Alcoholic Beverage Control Fund, the Executive Management Savings associated with the Department of Alcoholic Beverage Control, equal to \$1,000,000 the first year and \$1,180,000 the second year."

**Explanation:**

(This amendment transfers the Executive Management Savings from the Department of Alcoholic Beverage Control to the general fund.)

**Working Capital Funds and Lines of Credit**

Lines of Credit

Language

**Language:**

Page 420, line 37, strike "\$25,000,000" and insert "\$50,000,000".

**Explanation:**

(This amendment increases the line of credit available to the state employee health insurance program to reflect the growth in the size of the program.)

**General Fund Deposits**

Payment by the Virginia Public School Authority

Language

**Language:**

Page 420, line 43, before "The" insert "A."

Page 420, after line 45, insert:

"B. The Virginia Public School Authority shall transfer to the general fund an amount estimated at \$250,000 on or before June 30, 2003 and an amount estimated at \$250,000 on or before June 30, 2004."

**Explanation:**

(This amendment is self-explanatory.)

**Transfers**

Interest Earnings

Language

**Language:**

Page 421, after line 14, insert:

"§ 3-5.00 MODIFICATIONS AND ADJUSTMENTS TO INTEREST EARNINGS  
§3-5.01 INTEREST EARNINGS

Notwithstanding any other provision of law, for the period April 1, 2003 through June 30, 2003, interest earnings on all funds held by the State Treasurer normally allocated to specific nongeneral fund accounts shall not be allocated to such nongeneral fund accounts until July 15, 2003. It is hereby acknowledged that this provision shall not apply to those specific nongeneral funds to which interest earnings must be allocated as mandated by the Constitution of Virginia or by federal law. Notwithstanding any provision of law, any cash balance resulting from such action shall not be subject to reporting as reservations or designations of fund balance of the General Fund, or liabilities of the General Fund, as of June 30 for purposes of cash basis financial reporting as reflected in the Comptroller's annual financial report presented in accordance with §2.2-813 of the Code of Virginia."

**Explanation:**

(This amendment specifies that the interest earnings normally allocated to nongeneral funds shall not be allocated until July 15, 2003.

**Modifications and Adjustments to Taxes and Fees**

Limit the Tax Credit for Retaliatory Costs Paid to  
Other States

Language

**Language:**

Page 421, after line 14, insert:

“§ 3-5.00 MODIFICATIONS AND ADJUSTMENTS TO TAXES AND FEES  
§ 3-5.01 LIMIT THE TAX CREDIT FOR RETALIATORY COSTS PAID TO  
OTHER STATES

Notwithstanding any other provision of law, for license years beginning on July 1, 2003, the amount of the Tax Credit for Retaliatory Costs to Other States available under § 58.1-2510 of the Code of Virginia for companies not heretofore claiming said credit shall be limited to eighty percent of the retaliatory costs paid to other states for those companies or groups having more than 100 qualified full-time employees in this Commonwealth during the entire license year and who met the definition of "qualified investment" on or after January 1, 2001. For license years beginning on July 1, 2004, the amount of the Tax Credit shall be limited to 60 percent to these same companies or groups.”

**Explanation:**

(This amendment limits the amount of the tax credit for retaliatory cost paid to other states to 80 percent of the retaliatory costs paid for the license year beginning July 1, 2003 and to 60 percent for the license year beginning July 1, 2004 for those companies not currently receiving the credit.)

**Modifications and Adjustments to Taxes and Fees**

Assess Recordation Fee

Language

**Language:**

Page 421, after line 14, insert:

§ 3-5.02 ASSESS RECORDATION FEE

In addition to the state recordation tax collected pursuant to § 58.1-801 A. of the Code of Virginia, there is hereby assessed a ten dollar fee on every deed admitted to record on or after July 1, 2002.”

**Explanation:**

(This amendment assesses a fee, in addition to the state recordation tax collected pursuant to § 58.1-801 A. of the Code of Virginia, on each deed admitted to record on or after July 1, 2002. The estimated revenue impact is \$15 million each year.)

**Modifications and Adjustments to Taxes and Fees**

Deconform State Tax Law from the Federal Internal Revenue Service Code

Language

**Language:**

Page 421, after line 14, insert:

§ 3-5.03 DECONFORM STATE TAX LAW FROM THE FEDERAL INTERNAL REVENUE SERVICE CODE

Notwithstanding the provisions of § 58.1-301 of the Code of Virginia, any reference in Chapter 3 of Title 58.1 of the United States relating to federal income taxes shall mean the provisions of the Internal Revenue Code, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, as they existed on June 8, 2001, unless the General Assembly enacts legislation after December 31, 2001, specifying otherwise."

**Explanation:**

(This amendment deconforms the Commonwealth's tax code from the federal tax code so as to preclude any adverse impact on revenues due to pending federal legislation. The date of deconformity is June 8, 2001, unless the General Assembly enacts legislation after December 31, 2001, specifying otherwise.)

## **Modifications and Adjustments to Taxes and Fees**

### Accelerated Sales and Use Tax Collections

Language

#### **Language:**

Page 421, after line 14, insert:

#### **§ 3-5.04 ACCELERATED SALES AND USE TAX COLLECTIONS**

1. Notwithstanding the provisions of § 58.1-615, Code of Virginia, every dealer, as defined by §58.1-612, Code of Virginia, or direct payment permit holder pursuant to §58.1-624, Code of Virginia, with taxable sales and purchases of \$1.3 million or greater for the period July 1, 2001, to June 30, 2002, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2002 as the estimated amount of sales and use tax liability for the month of June 2003. Such tax payments shall be made on or before the 30th day of June, 2003, if payment is made by electronic funds transfer, as defined in § 58.1-202.1, Code of Virginia. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June, 2003. Payments under this paragraph shall be made in accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue. For purposes of this provision, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. Every dealer or direct payment permit holder shall be entitled to a credit for the payment under this paragraph on the June 2003 return due July 20, 2003. In addition, the distribution of the payment to revenue code 01088 by the Comptroller shall also occur after the return has been filed. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer User Tax Return.

2. Notwithstanding the provisions of § 58.1-615, Code of Virginia, every dealer, as defined by §58.1-612, Code of Virginia, or direct payment permit holder pursuant to §58.1-624, Code of Virginia, with taxable sales and purchases of \$1.3 million or greater for the period July 1, 2002, to June 30, 2003, shall be required to make a payment equal to 90 percent of the sales and use tax liability for June 2003 as the estimated amount of sales and use tax liability for the month of June 2004. Such tax payments shall be made on or before the 30th day of June, 2004, if payment is made by electronic funds transfer, as defined in § 58.1-202.1, Code of Virginia. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June, 2004. Payments under this paragraph shall be made in accordance with procedures established by the Tax



Commissioner and shall be considered general fund revenue. For purposes of this provision, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. Every dealer or direct payment permit holder shall be entitled to a credit for the payment under this paragraph on the June 2004 return due July 20, 2004. In addition, the distribution of the payment to revenue code 01088 by the Comptroller shall also occur after the return has been filed. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer User Tax Return.

3. In lieu of the penalties provided in §58.1-635, Code of Virginia, except with respect to fraudulent returns, failure to make a timely payment or full payment on the sales and use tax liability as provided in paragraph 1 above shall subject the dealer to a penalty of six percent of the amount of tax that should have been properly paid to the Tax Commissioner. Interest will accrue as provided in §58.1-15, Code of Virginia. The payment required by paragraph 1 above shall become delinquent on the first day following the due date set forth in paragraph 1 if not paid.

4. Notwithstanding any provision of law, any cash balance resulting from such collections shall not be subject to reporting as reservations or designations of fund balance of the General Fund, or liabilities of the General Fund, as of June 30 for purposes of cash basis financial reporting as reflected in the Comptroller's annual financial report presented in accordance with §2.2-813 of the Code of Virginia.

5. It is the intent of the General Assembly that the payment requirement contained herein be phased out beginning in Fiscal Year 2006. The payment amount for June 2006 should be reduced to 85 percent of the sales and purchases for the previous June and the payment amount should continue to be reduced until fully eliminated not later than June 2012."

**Explanation:**

(This amendment changes the proposed accelerated sales and use tax collections. A companion amendment has similar language in the Department of Taxation, Item 285.)

**Modifications and Adjustments to Taxes and Fees**

Limit the Qualified Equity and Subordinated Debt  
Investments Tax Credit

Language

**Language:**

Page 421, after line 14, insert:

§ 3-5.05 LIMIT THE QUALIFIED EQUITY AND SUBORDINATED DEBT  
INVESTMENTS TAX CREDIT

Notwithstanding any other provision of law, for taxable years beginning on January 1, 2001, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under § 58.1-339.4 of the Code of Virginia shall be limited to \$4,000,000 for a calendar year. For taxable years beginning on or after January 1, 2002, the amount of the Credit available under § 58.1-339.4 shall be limited to \$3,000,000 for calendar year.”

**Explanation:**

(This amendment limits the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit to \$4 million in the first year and \$3 million in the second year.)

**Modifications and Adjustments to Taxes and Fees**

Limit the Sales and Use Tax Credit for Internet Service Providers

Language

**Language:**

Page 421, after line 14, insert:

§ 3-5.06 LIMIT THE SALES AND USE TAX CREDIT FOR INTERNET SERVICE PROVIDERS

Notwithstanding any other provision of law, for purchases made between July 1, 2002, and June 30, 2003, any exemption from the retail sales and use tax applicable to production, distribution, and other equipment used to provide Internet-access services by providers of Internet service, as defined in § 58.1-602 of the Code of Virginia, shall apply to only eighty percent of the cost of purchases otherwise qualifying for exemption. For purchases made between July 1, 2003, and June 30, 2004, no exemption from the retail sales and use tax applicable to production, distribution, and other equipment used to provide Internet-access services by providers of Internet service, as defined in § 58.1-602 of the Code of Virginia, shall be provided. Rather, a request for a refund of sales taxes paid shall be submitted to the Tax Commissioner and said refund shall apply to only sixty percent of the cost of qualifying purchases. The Tax Commissioner shall develop procedures for such refunds."

**Explanation:**

(This amendment limits the amount of the sales tax exemption for Internet service providers to 80 percent of the price of purchases otherwise qualifying for exemption in FY 2003 and 60 percent in FY 2004 and turns the exemption into a refund for 2004. The estimate revenue impact is \$520,000 in FY 2003 and \$2.6 million in FY 2004.

**Modifications and Adjustments to Taxes and Fees**

Repeal Reduction In Withholding of Individual  
Income Taxes

Language

**Language:**

Page 421, after line 14, insert:

§ 3-5.07 REPEAL REDUCTION IN WITHHOLDING OF INDIVIDUAL  
INCOME TAXES

The second enactment of Chapter 289 of the 1989 Acts of Assembly, as amended and reenacted by Chapter 888 of the 1990 Acts of Assembly, Chapters 385 and 401 of the 1992 Acts of Assembly, Chapters 139 and 147 of the 1994 Acts of Assembly, Chapters 375 and 458 of the 1996 Acts of Assembly, Chapter 464 of the 1998 Acts of Assembly, and Chapters 501 and 553 of the 2000 Acts of Assembly, is hereby repealed."

**Explanation:**

(This amendment repeals legislation on withholding tax changes, which were slated to go into effect in Fiscal Year 2004. These provisions were originally enacted in 1989 and have never been implemented.)

**General Fund Deposits**

Payment by the Department of Corrections

Language

**Language:**

Page 421, after line 5, insert:

"The Department of Corrections shall pay into the general fund of the state treasury, on or before June 30, 2003, all proceeds from the sale of surplus property, notwithstanding the provisions of § 2.2-1125 B, Code of Virginia. The estimated amount of the payment to be received is \$9,565,895."

**Explanation:**

(This amendment directs that all proceeds related to the sale of surplus property owned by the Department of Corrections be deposited to the general fund. The amendment overrides statutes in the Code of Virginia requiring that 50 percent of the proceeds from the sale of surplus property be allocated to the Conservation Resources Fund.)

**Revenues**

Nongeneral Fund Revenues

Language

**Language:**

Page 429, after line 42 insert:

"10. In the development of tuition and fee rates for FY 2003 and FY 2004, the Boards of Visitors shall implement a Capital Construction Fee of 50 cents per credit hour at the Virginia Community College System and Richard Bland College, and a fee of \$1.00 per credit hour at the four-year institutions of higher education. The fee shall be used to defray a portion of the cost of the debt service for the Building Virginia's Future Capital Program."

**Explanation:**

(This amendment establishes a Capital Construction fee to be used to defray a portion of a the cost of debt service associated with the Building Virginia's Future capital program. A companion amendment to Item 496 directs the transfer of the fee revenue from the institutions of higher education to the Treasury Board.)

**Revenues**

Nongeneral Fund Revenues

Language

**Language:**

Page 429, strike lines 12 through 14 and insert:

"a) Increases in tuition and mandatory educational and general fees for Virginia resident undergraduate students in fiscal year 2003 and fiscal year 2004 shall be in accordance with the language set forth in Item 136 of this act, except for additional tuition and fees in conformity with the policy set forth in Section 4-2.01 c. of this act."

**Explanation:**

(This amendment clarifies that the tuition policy in place for the 2002-2004 biennium is set forth in Item 136, the Secretary of Education. A companion amendment to Item 136 sets out the new guidance.)

**Revenues**

General Fund Revenue

Language

**Language:**

Page 431, line 13, after "settlement" insert "or notification".

**Explanation:**

(This amendment clarifies that bank or other notification of a deposit into the state general account on or before the first business day in July shall be considered June revenue.)



**Debt**

Treasury Loans

Language

**Language:**

Page 433, strike lines 6 through 11, and insert:

"1.a) When the payment of authorized obligations for operating expenses are required prior to the collection of nongeneral fund revenues, any state agency may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or his designee as to the amount, terms and sources of such funds; such loans shall not exceed the amount of the anticipated collections of such revenues and shall be repaid only from such revenues when collected.

b) When the payment of authorized obligations for capital expenses are required prior to the collection of proceeds from authorized debt, any state agency or body corporate and politic, constituting a public corporation and government instrumentality, may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or his designee as to the amount, terms and sources of such funds; such loans shall not exceed the amount of the anticipated proceeds from debt authorized by the General Assembly and shall be repaid only from such proceeds when collected."

**Explanation:**

(This amendment clarifies that the only time a "body corporate and politic, constituting a public corporation and instrumentality" may receive a treasury loan is in anticipation of General Assembly approved bond proceeds.)

**Special Conditions and Restrictions on Expenditures**

Services and Clients

Language

**Language:**

Page 550, strike lines 10 through 17 and insert:

"No state institution of higher education shall plan for or establish any off-campus location without the prior approval of the State Council of Higher Education for Virginia. For the colleges of the Virginia Community College System, the State Board for Community Colleges shall be responsible for approving off-campus locations. Activities governed by this requirement are those at any locations not contiguous to the main campus of the institution, including locations outside Virginia, where credit or noncredit offerings are provided and for which full-time or part-time faculty or staff are employed. Planning shall not be initiated for any new locations nor any operations begin at a new locations without first referring the matter to the State Council of Higher Education for Virginia for information, consideration, and recommendation to the Governor and General Assembly and without subsequent prior approval of the General Assembly."

**Explanation:**

(This amendment revises language regarding approval of off-campus locations of Virginia's public colleges and universities.)

**Special Conditions and Restrictions on Expenditures**

Goods and Services

Language

**Language:**

Page 442, line 15, after "institutions of higher education" insert "except for the Virginia Community College System".

**Explanation:**

(This amendment provides an exception for the Virginia Community College System from the requirement to perform a Total Cost of Ownership evaluation prior to the acquisition of any desktop computers. Since the VCCS is responsible for some 22,000 desktops, performing a TCO study would be costly and burdensome.)

**Special Conditions and Restrictions on Expenditures**

Goods and Services

Language

**Language:**

Page 443, line 38, following "CARD" insert "AND ELECTRONIC DATA INTERCHANGE".

Page 443, line 40, following "card" strike "program" and insert "and/or Electronic Data Interchange programs"

**Explanation:**

(This amendment adds failure to use the State's electronic data interchange program for the payment of small expenses to the authorization for charging state agencies a \$1 processing fee.)

**Positions and Employment**

Employee Compensation

Language

**Language:**

Page 448, line 43, after "members", strike "three", and insert "two".

Page 448, strike lines 45 and 46.

**Explanation:**

(This amendment adjusts the number of positions in the Parole Board to reflect a decrease in workload. The reduction consists of two board members, and is consistent with a proposed change in Item 463.)

**Positions and Employment**

Employee Compensation

Language

**Language:**

- Page 446, strike line 4 through line 55.
- Page 447, strike line 1 through line 62.
- Page 448, strike line 1 through line 65.
- Page 449, strike line 1 through line 66.
- Page 450, strike line 1 through line 61.
- Page 451, strike line 1 through line 54.
- Page 452, strike line 1 through line 55.
- Page 453, strike line 1 through line 56.
- Page 453, strike line 1 through line 20.
- Page 454, following line 20, insert:

"§ 4-6.00 POSITIONS AND EMPLOYMENT

§ 4-6.01 EMPLOYEE SALARIES AND WAGES

a. Executive Branch Employees:

1. Classified Compensation Plan:

a. The compensation of classified employees in the Executive Branch shall be governed by the Classified Compensation Plan authorized by §4-7.02 of Chapter 1073, 2000 Acts of Assembly, including applicable geographic and shift differentials. This plan shall be administered by the Department of Human Resource Management.

1. Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role contained in the Classified Compensation Plan shall be effective beginning with the first pay period, defined as the pay period from June 25 through July 9, of the fiscal year if:

a) The agency certifies to the Secretary of Finance that funds are available within the agency's appropriation to

cover the cost of the increase for the remainder of the current biennium and presents a plan for covering the subsequent biennial costs, and the Secretary concurs, or

b) Such funds are appropriated by the General Assembly.

2. If at any time the Secretary of Administration shall certify that such change in the salary band assignment for a job role is of an emergency nature and the Secretary of Finance shall certify that funds are available to cover the cost of the increase for the remainder of the biennium within the agency's appropriation, such change in compensation may be effective on a date agreed upon by these two Secretaries. The Secretary of Administration shall provide a monthly report of all such emergency changes in accordance with §4-8.00, Reporting Requirements.

b. Salary adjustments for any employee through a promotion, role change exceptional recruitment and retention incentive options, or in-range adjustment shall occur only if:

1. The agency has sufficient funds within its appropriation to cover the cost of the salary adjustment for the remainder of the current biennium, or

2. Such funds are appropriated by the General Assembly.

c. No changes to the salary band assignment of individual career group roles administered under the new pay plan that is authorized by the 2000 session of the General Assembly, or similar actions, shall be implemented at the option of affected agencies. Further, no changes in salary band assignments affecting classified employees of more than one agency shall become effective unless the Secretary of Finance certifies that sufficient funds are available to provide such increase or plan to all affected employees supported from the general fund.

2. The compensation of Executive Branch Employees (other than faculty at institutions of higher education) not covered by the provisions of the Classified Compensation plan shall be administered in a manner consistent with that plan.

3. Faculty: Reserved for future use.

4. Cabinet Officers: Annual salaries of persons appointed to positions listed below shall be paid in the amounts shown.

	<b>July 1, 2002 to April 24, 2003</b>	<b>April 25, 2003 to April 24, 2004</b>	<b>April 25, 2004 to June 30, 2004</b>
Chief of Staff	\$128,479	\$128,479	\$128,479
Secretary of Administration	\$128,479	\$128,479	\$128,479
Secretary of Commerce and Trade	\$128,479	\$128,479	\$128,479
Secretary of the Commonwealth	\$128,479	\$128,479	\$128,479
Secretary of Education	\$128,479	\$128,479	\$128,479
Secretary of Finance	\$128,479	\$128,479	\$128,479
Secretary of Health and Human Resources	\$128,479	\$128,479	\$128,479
Secretary of Natural Resources	\$128,479	\$128,479	\$128,479
Secretary of Public Safety	\$128,479	\$128,479	\$128,479
Secretary of Technology	\$128,479	\$128,479	\$128,479



Secretary of Transportation	\$128,479	\$128,479	\$128,479
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5. Executive Branch Agency Heads:

a. Incumbents: The annual salaries listed below shall be paid to the individual(s) who held the listed position on December 20, of the fiscal year listed.

	July 1, 2002 to April 24, 2003	April 25, 2003 to April 24, 2004	April 25, 2004 to June 30, 2004
<b>Level I Range</b>	<b>\$93,469</b> <b>-\$147,778</b>	<b>\$93,469</b> <b>-\$147,778</b>	<b>\$93,469</b> <b>-\$147,778</b>
Commissioner, Department of Motor Vehicles	\$121,522	\$121,522	\$121,522
Commissioner, Department of Social Services	\$116,977	\$116,977	\$116,977
Commissioner of Mental Health, Mental Retardation and Substance Abuse Services	\$116,973	\$116,973	\$116,973
Commonwealth Transportation Commissioner	\$118,718	\$118,718	\$118,718
Director, Department of Corrections	\$123,879	\$123,879	\$123,879
Director, Department of Environmental Quality	\$116,977	\$116,977	\$116,977
Director, Department of Information Technology	\$116,977	\$116,977	\$116,977

Director, Department of Medical Assistance Services	\$124,658	\$124,658	\$124,658
Director, Department of Planning and Budget	\$116,977	\$116,977	\$116,977
Director, Department of Technology Planning	\$116,977	\$116,977	\$116,977
State Health Commissioner	\$147,778	\$147,778	\$147,778
State Tax Commissioner	\$116,977	\$116,977	\$116,977
Superintendent of Public Instruction	\$143,311	\$143,311	\$143,311
Superintendent of State Police	\$122,589	\$122,589	\$122,589
Director, State Council of Higher Education for Virginia	\$140,804	\$140,804	\$140,804
	July 1, 2002 to April 24, 2003	April 25, 2003 to April 24, 2004	April 25, 2004 to June 30, 2004
<b>Level II Range</b>	<b>\$81,278</b> <b>-\$128,503</b>	<b>\$81,278</b> <b>-\$128,503</b>	<b>\$81,278</b> <b>-\$128,503</b>
Alcoholic Beverage Control Commissioners (two)	\$85,166	\$85,166	\$85,166
Chairman, Alcoholic Beverage Control Board	\$99,361	\$99,361	\$99,361
Commissioner, Department of Agriculture and Consumer Services	\$90,327	\$90,327	\$90,327
Commissioner, Virginia	\$116,979	\$116,979	\$116,979

Employment Commission			
Director, Department of Business Assistance	\$106,435	\$106,435	\$106,435
Director, Department of General Services	\$101,720	\$101,720	\$101,720
Director, Department of Mines, Minerals and Energy	\$117,297	\$117,297	\$117,297
Director, Department of Human Resource Management	\$116,003	\$116,003	\$116,003
Director, Department of Juvenile Justice	\$101,719	\$101,719	\$101,719
Executive Director, Motor Vehicle Dealer Board	\$92,453	\$92,453	\$92,453
Executive Director, Virginia Port Authority	\$115,356	\$115,356	\$115,356
Executive Secretary, Charitable Gaming Commission	\$92,925	\$92,925	\$92,925
State Comptroller	\$116,314	\$116,314	\$116,314
State Treasurer	\$116,314	\$116,314	\$116,314
	July 1, 2002 to April 24, 2003	April 25, 2003 to April 24, 2004	April 25, 2004 to June 30, 2004
<b>Level III Range</b>	<b>\$70,678 - \$111,744</b>	<b>\$70,678 - \$111,744</b>	<b>\$70,678 - \$111,744</b>
Adjutant General	\$98,070	\$98,070	\$98,070
Chairman, Virginia Parole Board	\$105,199	\$105,199	\$105,199
Members (three), Virginia Parole Board	\$88,451	\$88,451	\$88,451

Member, Virginia Parole Board	\$95,442	\$95,442	\$95,442
Commissioner, Department of Labor and Industry	\$105,748	\$105,748	\$105,748
Commissioner, Department of Rehabilitative Services	\$111,744	\$111,744	\$111,744
Commissioner, Marine Resources Commission	\$97,443	\$97,443	\$97,443
Coordinator, Department of Emergency Management	\$87,611	\$87,611	\$87,611
Director, Department of Aviation	\$90,698	\$90,698	\$90,698
Director, Department of Conservation and Recreation	\$108,043	\$108,043	\$108,043
Director, Department of Criminal Justice Services	\$103,231	\$103,231	\$103,231
Director, Department of Employment Dispute Resolution	\$99,830	\$99,830	\$99,830
Director, Department of Historic Resources	\$88,451	\$88,451	\$88,451
Director, Department of Housing and Community Development	\$99,573	\$99,573	\$99,573
Director, Department of Rail and Public Transportation	\$108,366	\$108,366	\$108,366
Director, The Science Museum of Virginia	\$103,121	\$103,121	\$103,121
Director, Virginia	\$74,000	\$74,000	\$74,000

Liaison Office			
Director, Virginia Museum of Fine Arts	\$107,089	\$107,089	\$107,089
Director, Virginia Museum of Natural History	\$88,451	\$88,451	\$88,451
Executive Director, Chesapeake Bay Local Assistance Department	\$92,298	\$92,298	\$92,298
Executive Director, Department of Game and Inland Fisheries	\$106,217	\$106,217	\$106,217
Executive Director, Jamestown-Yorktown Foundation	\$102,460	\$102,460	\$102,460
Executive Secretary, Virginia Racing Commission	\$86,193	\$86,193	\$86,193
Librarian of Virginia	\$111,744	\$111,744	\$111,744
State Forester, Department of Forestry	\$94,200	\$94,200	\$94,200
Superintendent, Department of Correctional Education	\$108,366	\$108,366	\$108,366
	July 1, 2002 to April 24, 2003	April 25, 2003 to April 24, 2004	April 25, 2004 to June 30, 2004
<b>Level IV Range</b>	<b>\$61,460 - \$97,178</b>	<b>\$61,460 - \$97,178</b>	<b>\$61,460 - \$97,178</b>
Administrator, Commonwealth's Attorneys' Services Council	\$78,652	\$78,652	\$78,652
Administrator, Milk Commission	\$76,915	\$76,915	\$76,915

Commissioner, Department for the Aging	\$94,240	\$94,240	\$94,240
Commissioner, Virginia Department for the Blind and Vision Impaired	\$84,916	\$84,916	\$84,916
Director, Department of Health Professions	\$92,263	\$92,263	\$92,263
Director, Department of Minority Business Enterprise	\$94,229	\$94,229	\$94,229
Director, Office of Substance Abuse Prevention	\$90,860	\$90,860	\$90,860
Director, Department of Professional and Occupational Regulation	\$89,411	\$89,411	\$89,411
Director, Virginia-Israel Advisory Board	\$65,000	\$65,000	\$65,000
Executive Director, Board of Accountancy	\$75,000	\$75,000	\$75,000
Executive Director, Commission on Local Government	\$92,416	\$92,416	\$92,416
Executive Director, Commonwealth Competition Council	\$91,626	\$91,626	\$91,626
Executive Director, Frontier Culture Museum of Virginia	\$79,441	\$79,441	\$79,441
Human Rights Director, Human Rights Council	\$76,915	\$76,915	\$76,915
Secretary, State Board of Elections	\$82,600	\$82,600	\$82,600

July 1, 2002 to

April 25, 2003 to

April 25, 2004

	April 24, 2003	April 24, 2004	to June 30, 2004
<b>Level V Range</b>	<b>\$53,443 - \$84,580</b>	<b>\$53,443 - \$84,580</b>	<b>\$53,443 - \$84,580</b>
Director, Department for Rights of Virginians with Disabilities	\$78,814	\$78,814	\$78,814
Director, Department of Veteran's Affairs	\$72,263	\$72,263	\$72,263
Director, Gunston Hall	\$69,012	\$69,012	\$69,012
Director, Virginia Department for the Deaf and Hard-of-Hearing	\$66,925	\$66,925	\$66,925
Executive Director, Department of Fire Programs	\$82,023	\$82,023	\$82,023
Executive Director, Virginia Commission for the Arts	\$69,097	\$69,097	\$69,097
Executive Secretary, Virginia Veterans Care Center Board of Trustees	\$71,138	\$71,138	\$71,138
Chairman, Compensation Board	\$18,452	\$18,452	\$18,452

b. New Appointees: The annual salaries of persons appointed to positions listed in this subsection shall be established at:

- 1) No more than 15 percent above the appointee's pre-appointment salary, not to exceed the maximum for the salary range, or
- 2) The minimum for the salary range.

3) The basis for calculation of a new appointees salary shall be the last full-time salary, or annualized wage, paid to such individual. If such salary or wage was in compensation for serving in an acting or otherwise temporary capacity, then the calculation shall be based upon the salary or wage of the last permanent position held by the appointee.

4) In proposing the salary for a new appointee as authorized in this subsection, it is the intent of the General Assembly that the maximum set out in §4-6.01.a.5.b.1) not be viewed as the normal increase for new appointees. The Governor shall be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's potential contribution to the Commonwealth, and such other criteria as he may find useful.

c. Annual Salary Increases: In his budget proposals to the General Assembly, the Governor shall propose increases or decreases, if any, to the salaries of incumbents in the positions listed in this subsection.

1) Such proposals shall be:

a) Based on his evaluation of their individual performance,

b) No more than the maximum of the range of performance increases granted in that fiscal year for classified employees under the Classified Employee Pay Plan as set out in Item 511, of this Act,

c) No more than the maximum for the salary range, and

d) Shall be effective on the first day of the pay period next following the Governor's signature of the budget bill.

2) In making his proposals in the budget, the Governor shall provide the Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification of any increase that deviates from the average increase recommended for classified state employees under the Classified Employee Pay Plan as set out in Item



511, of this Act. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

3) Incumbents with less than six months tenure in the position listed in this subsection shall not be eligible for the salary increase authorized by this subsection.

4) In proposing the annual salary increase authorized in this subsection, it is the intent of the General Assembly that the maximum set out in §4-6.01.a.5.c.1) b) above should be reserved for those agency heads who made an exceptional contribution to the operation of their agency. The Governor shall be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's service to the Commonwealth, and such other criteria as he may find useful.

d. Competitive Salary Increases: At any time, the Governor may approve a salary increase for the incumbent in a position listed in this subsection, in response to a bona fide job offer from another employer.

1) Such competitive salary increase shall be:

a) Based on his evaluation of their individual performance,

b) No more than the maximum of the salary range,

c) No more than 15 percent for any single competitive offer or for a combination of competitive offers in a single fiscal year, and

d) Temporary and provisional until the first day of the pay period next following the Governor's signature of the budget bill.

2) In approving a competitive offer, the Governor should be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's service to the Commonwealth and the relative difficulty of finding a qualified replacement, and such other

criteria as he may find useful.

3) In authorizing a competitive salary increase, the Governor shall provide the Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification for such increase. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

e. Performance Bonuses: At any time, the Governor may approve a performance bonus for the incumbent in a position listed in this subsection.

1) Such performance bonus shall be:

1) Based on his evaluation of their individual performance,

2) No greater than five percent of the annual salary for the incumbent, as listed in this Act, and

2) Performance bonuses shall not be granted to any individual more than once in a twelve month period.

3) In authorizing a performance bonus, the Governor shall provide;

a) The Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

b) Notification of performance bonuses to the Department of Human Resource Management for retention in its records.

f. Special Provisions for Executive Branch Agency Heads:

1) Except as may be otherwise provided in this Act, all incumbents holding positions listed in this § 4-6.01 shall be eligible for all fringe benefits provided to full-time classified state employees and, notwithstanding any provision to the contrary, the annual salary paid pursuant to this § 4-6.01 shall be included as creditable compensation

for the calculation of such benefits.

2) If at any time the Administrator of the Commonwealth's Attorneys' Services Council serves on the faculty of a state-supported institution of higher education, the faculty appointment must be approved by the Council. Such institution shall pay one-half of the salary listed in § 4-6.01 c 6 of this act.

a) Further, such institution may provide compensation in addition to that listed in § 4-6.01 c 6; provided, however, that such additional compensation must be approved by the Council.

b) If the Administrator ceases to be a member of the faculty of a state-supported institution of higher education, the total salary listed in § 4-6.01 c 6 shall be paid from the Council's appropriation.

6. Presidents of Institutions of Higher Education:

a. Annual salaries of the presidents of the senior institutions of higher education, the President of Richard Bland College, the Chancellor of the University of Virginia's College at Wise, the Superintendent of the Virginia Military Institute, the Director of the Southwest Virginia Higher Education Center and the Chancellor of Community Colleges, as listed in this paragraph, shall be paid in the amounts shown.

July 1, 2002 to April 24, 2003	April 25, 2003 to April 24, 2004	April 25, 2004 to June 30, 2004
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**SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER**

Director, Southwest Virginia Higher Education Center	\$82,277	\$82,277	\$82,277
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**VIRGINIA COMMUNITY COLLEGE SYSTEM**

Chancellor of Community Colleges	\$140,631	\$140,631	\$140,631
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**SENIOR COLLEGE PRESIDENTS' SALARIES**

Chancellor, University of Virginia's College at Wise	\$109,663	\$109,663	\$109,663
President, Christopher Newport University	\$109,991	\$109,991	\$109,991
President, The College of William and Mary in Virginia	\$132,228	\$132,228	\$132,228
President, George Mason University	\$120,788	\$120,788	\$120,788
President, James Madison University	\$122,675	\$122,675	\$122,675
President, Longwood College	\$117,825	\$117,825	\$117,825
President, Mary Washington College	\$116,833	\$116,833	\$116,833
President, Norfolk State University	\$116,970	\$116,970	\$116,970
President, Old Dominion University	\$132,761	\$132,761	\$132,761
President, Radford University	\$120,770	\$120,770	\$120,770
President, Richard Bland College	\$103,467	\$103,467	\$103,467
President, University of Virginia	\$146,768	\$146,768	\$146,768
President, Virginia Commonwealth University	\$148,089	\$148,089	\$148,089
President, Virginia Polytechnic Institute and State University	\$143,428	\$143,428	\$143,428
President, Virginia State University	\$120,770	\$120,770	\$120,770
Superintendent, Virginia Military Institute	\$119,655	\$119,655	\$119,655

b. The annual salaries of the presidents of the community colleges shall be fixed by the State Board for Community Colleges within a salary structure submitted to the Governor prior to June 1 each year for approval.

#### 7. Salary Supplements:

a. No supplement to the salary of a state agency head, however titled, shall be paid except as specifically authorized in this subsection.

b. The appointing authority shall report approved supplements to the Department of Human Resource Management for retention in its records.

#### c. Higher Education:

1) The board of visitors shall report approved supplements to the Department of Human Resource Management for retention in its records.

2) The board of visitors of each institution of higher education may supplement the salary of its president from private gifts, endowment funds, or income from endowments and gifts. Supplements paid from other than the cited sources prior to June 30, 1997, may continue to be paid. In approving a supplement, the board of visitors shall be guided by criteria which provide a reasonable limit on the total additional income of a president. The criteria should include a consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services.

3) The State Board for Community Colleges may supplement the salary of the Chancellor from any available appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community Colleges shall be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The criteria should include consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services.

c. Other Education Institutions: With the prior annual written approval of the Governor, the Board of Trustees of the Virginia Museum of Fine Arts, The Science Museum of Virginia, the Jamestown-Yorktown Foundation, and The Library Board may supplement the salary of the Director of each museum and the Librarian of Virginia from non-state funds. In approving a supplement, the Governor should be guided by criteria which provide a reasonable limit on the total additional income of the Director or Librarian of Virginia. The criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable museums and libraries of other states.

d. Virginia Port Authority: With the prior annual written approval of the Governor, the Board of Commissioners of the Virginia Port Authority may supplement the salaries of its Executive Director, its Senior Managing Director of Marketing Services and its marketing staff from nonstate funds provided by any nonstock, nonprofit corporation which is authorized by the Virginia Port Authority to operate port facilities of the Commonwealth under its jurisdiction. In approving such supplements, the Governor should be guided by criteria which provide a reasonable limit on the total additional income of the Executive Director, the Senior Managing Director of Marketing Services and the marketing staff. The criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable ports of other states.

b. Legislative, Judicial and Independent Agency Employees:

1. The compensation of employees of Legislative, Judicial and Independent Agencies shall be administered in accordance with such pay plans as may be adopted by their respective appointing authorities.

a) No funds appropriated by this Act shall be expended for the implementation of a pay plan for employees of the judicial or independent agencies that has not been reviewed and approved by the compensation subcommittees of the House Appropriations Committee and the Senate Finance Committee.

b) No funds appropriated by this Act shall be expended for the implementation of a pay plan for employees of Legislative agencies that are

under the jurisdiction of the Joint Rules Committee until such plan has been reviewed and approved by the Committee. Such plan shall be provided to the compensation subcommittees of the House Appropriations Committee and the Senate Finance Committee.

2. Judges and Elected Agency Heads:

a) Annual salaries of persons appointed to positions listed below shall be paid in the amounts shown.

	<b>July 1, 2002 to April 24, 2003</b>	<b>April 25, 2003 to April 24, 2004</b>	<b>April 25, 2004 to June 30, 2004</b>
<b>Supreme Court</b>			
Chief Justice	\$141,286	\$141,286	\$141,286
Associate Justice (six)	\$132,523	\$132,523	\$132,523
<b>Court of Appeals</b>			
Chief Judge, Court of Appeals	\$126,899	\$126,899	\$126,899
Judge, Court of Appeals (ten)	\$125,899	\$125,899	\$125,899
<b>Circuit Courts</b>			
Judges	\$123,027	\$123,027	\$123,027
<b>General District Courts</b>			
Judges	\$110,723	\$110,723	\$110,723
<b>Juvenile and Domestic Relations District Courts</b>			
Judges	\$110,723	\$110,723	\$110,723
<b>Combined District Courts</b>			
Judges	\$110,723	\$110,723	\$110,723
<b>Corporation Commission</b>			
Chairman, State Corporation Commission	\$127,294	\$127,294	\$127,294
Members, State Corporation Commission (4)	\$125,899	\$125,899	\$125,899
<b>Workers' Compensation Commission</b>			
Chairman, Virginia	\$125,610	\$125,610	\$125,610

Workers' Compensation Commission Members, Virginia	\$123,028	\$123,028	\$123,028
Workers' Compensation Commission (2)			
<b>General Assembly</b>			
Clerk of the House	\$121,225	\$121,225	\$121,225
Clerk of the Senate	\$118,672	\$118,672	\$118,672

b) Salaries of the judges in the Court of Appeals are to be 95 percent of the salaries of justices of the Supreme Court except for the Chief Judge, who shall receive an additional \$1,000 annually.

### 3. Agency Heads:

a) Incumbents. The annual salaries listed below shall be paid to the individual(s) who held the listed position on December 20, of the fiscal year listed.

	July 1, 2002 to April 24, 2003	April 25, 2003 to April 24, 2004	April 25, 2004 to June 30, 2004
<b>Legislative and Judicial Level I</b>	<b>\$93,469 -\$147,778</b>	<b>\$93,469 -\$147,778</b>	<b>\$93,469 -\$147,778</b>
Auditor of Public Accounts	\$134,462	\$134,462	\$134,462
Director, Division of Legislative Automated Systems	\$119,219	\$119,219	\$119,219
Director, Division of Legislative Services	\$118,785	\$118,785	\$118,785
Director, Joint Legislative Audit and Review Commission	\$135,313	\$135,313	\$135,313
Executive Secretary, Supreme Court of	\$125,280	\$125,280	\$125,280



Virginia			
Director, Judicial inquiry and Review Commission	\$123,027	\$123,027	\$123,027
Director, Virginia State Bar	\$147,743	\$147,743	\$147,743
Director, Public Defender Commission	\$123,027	\$123,027	\$123,027
<b>Legislative and Judicial Level II</b>	<b>\$70,678</b>	<b>\$70,678</b>	<b>\$70,678</b>
	<b>-\$128,503</b>	<b>-\$128,503</b>	<b>-\$128,503</b>
Chief, Division of Capitol Police	\$77,837	\$77,837	\$77,837
Executive Director, Virginia Alcohol Safety Action Program	\$83,311	\$83,311	\$83,311
Director, Virginia Criminal Sentencing Commission	\$95,502	\$95,502	\$95,502
Director, Board of Bar Examiners	\$75,000	\$75,000	\$75,000
<b>Independent Range</b>	<b>\$81,278</b>	<b>\$81,278</b>	<b>\$81,278</b>
	<b>-\$128,503</b>	<b>-\$128,503</b>	<b>-\$128,503</b>
Director, State Lottery Department	\$122,170	\$122,170	\$122,170
Executive Director, Virginia College Savings Plan	\$124,918	\$124,918	\$124,918
Director, Virginia Retirement System	\$124,918	\$124,918	\$124,918

b. New Appointees: The annual salaries of persons appointed to positions listed in this subsection of this Act shall be established at:

1) No more than 15 percent above the appointee's pre-appointment salary, not to exceed the maximum for the salary range, or

2) The minimum for the salary range.

3) The basis for calculation of a new appointee's salary shall be the last full-time salary, or annualized wage, paid to such individual. If such salary or wage was in compensation for serving in an acting or otherwise temporary capacity, then the calculation shall be based upon the salary or wage of the last permanent position held by the appointee.

4) In proposing the salary for a new appointee as authorized in this subsection, it is the intent of the General Assembly that the maximum set out in §4-6.01.a.5.b.1) not be viewed as the normal increase for new appointees. The appointing authority shall be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's potential contribution to the Commonwealth, and such other criteria as he may find useful.

c. Annual Salary Increases: The appointing authority shall annually provide to the Department of Planning and Budget proposals for such increases or decreases as are deemed appropriate for the annual salaries of incumbents appointed to positions listed in this subsection. The Governor shall include such increases or decreases in his budget proposals to the General Assembly.

1) Such proposals shall be:

a) Based on his evaluation of their individual performance,

b) No more than the maximum of the range of performance increases granted in that fiscal year for classified employees under the Classified Employee Pay Plan as set out in Item 511, of this Act,

c) No more than the maximum for the salary range and

d) Shall be effective on the first day of the pay period next following the Governor's signature of the budget bill.

2) In proposing the annual salary increase authorized in this subsection, it is the intent of the General Assembly that the maximum set out in §4-6.01.b.3.c.1) b) above should be reserved for those agency heads who made an exceptional contribution to the operation of their agency. The appointing authority should be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's service to the Commonwealth, and such other criteria as he may find useful.

3) In making his proposals to the Department of Planning and Budget the appointing authority in the Judicial and Independent Agencies shall provide written justification of any increase that deviates from the average increase recommended for classified state employees under the Classified Employee Pay Plan as set out in Item 511, of this Act. Copies of these justifications shall be provided by the appointing authority to the Chairmen of the House Appropriations Committee and the Senate Finance Committee. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act in the budget, with.

4) Incumbents with less than six months tenure in the position listed in this subsection and in §1-1 through §1-15 of this Act shall not be eligible for the salary increase authorized by this subsection.

d. Competitive Salary Increases: At any time the appointing authority may approve a salary increase for the incumbent in a position listed in this subsection, in response to a bona fide job offer from another employer.

1) Such competitive salary increase shall be:

a) Based on his evaluation of their individual performance,

b) No more than the maximum of the salary range,

c) No more than 15 percent for any single competitive offer or

for a combination of competitive offers in a single fiscal year,  
and

d) Temporary and provisional until the first day of the pay period next following the Governor's signature of the budget bill.

2) In approving a competitive offer, the appointing authority should be guided by criteria which provide a reasonable limit on the increase, considering the incumbent's service to the Commonwealth and the relative difficulty of finding a qualified replacement, and such other criteria as he may find useful.

3) In authorizing a competitive salary increase, the appointing authority in the Judicial Branch and independent Agencies shall provide the Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification for such increase. Such justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

e. Performance Bonuses: At any time the appointing authority may approve a performance bonus for the incumbent in a position listed in this subsection.

1) Such performance bonus shall be:

a) Based on his evaluation of their individual performance,

b) No greater than five percent of the annual salary for the incumbent, as listed in this Act, and

2) Performance bonuses shall not be granted to any individual more than once in a twelve month period.

3) In authorizing a performance bonus, the appointing authority shall provide;

a) The Chairmen of the House Appropriations Committee and the Senate Finance Committee with written justification. Such

justification shall be confidential and shall not be subject to the provisions of the Freedom of Information Act.

b) Notification of performance bonuses to the Department of Human Resource Management for retention in its records.

c. Provisions Applicable to All Employees:

1. No lump sum appropriation for personal service shall be regarded as advisory or suggestive of individual salary rates or of salary schedules to be fixed under law by the Governor payable from the lump sum appropriation.

2. Full-time employees of the Commonwealth, including faculty members of state institutions of higher education, who are appointed to a state-level board, council, commission or similar collegial body set forth in §§ 2.1-20.4 and 15.2-1636.5, Code of Virginia, shall not receive any compensation for their services as members or chairmen except for reimbursement of reasonable and necessary expenses.

## § 4-6.02 EMPLOYEE BENEFITS

### a. General Application

Notwithstanding any other provision of law, employees holding full-time, academic-year classified positions at public institutions of higher education shall be considered "state employees" as defined in § 51.1-124.3, Code of Virginia, and shall be considered for medical/hospitalization, retirement service credit, and other benefits on the same basis as those individuals appointed to full-time, 12-month classified positions.

### b. Employee Training

1. Subject to uniform rules and regulations established by the appointing authority, the head of any state agency may authorize, from any funds appropriated to such department, institution or other agency in this act or subsequently made available for the purpose, compensation or expenses or both compensation and expenses for employees pursuing approved training courses or academic studies

for the purpose of becoming better equipped for their employment in the state service.

2. The rules and regulations shall include reasonable provision for the return of any employee receiving such benefits for a reasonable period of duty, or for reimbursement to the state for expenditures incurred on behalf of the employee should he not return to state service.

### c. Health Benefits

1. Any medical/hospitalization benefit program provided for state employees shall include the following provision: any state employee, as defined in §2.2-2818, Code of Virginia, shall have the option to accept or reject coverage.

3. Any hospital with fewer than 105 beds and which has a minority patient population in excess of 75 percent shall be allowed to participate in the Employee Health Insurance Program pursuant to §2.2-2818, Code of Virginia, provided that such hospital enters into a written agreement to accept the same level of reimbursement as the participating hospitals in the same geographic region.

4. Any hospital that serves as the primary medical facility for state employees may be allowed to participate in the State Employee Health Insurance Program pursuant to §2.2-2818, Code of Virginia, provided that:

a) Such hospital is not a participating provider in the network, contracted by the Department of Human Resource Management, that serves state employees, and

b) such hospital enters into a written agreement with the Department of Human Resource Management as to the rates of reimbursement.

c) The Department shall accept the lowest rates offered by the hospital from among the rates charged by the hospital to:

1) Its largest purchaser of care,

2) Any state or federal public program, or

3) Any special rate developed by the hospital for the state employee health benefits program which is lower than either of the rates above.

d) If the Department and the hospital cannot come to an agreement, the Department shall reimburse the hospital at the rates contained in its final offer to the hospital until the dispute is resolved.

e) Any dispute shall be resolved through arbitration or through the procedures established by the Administrative Process Act, as the hospital may decide, without impairment of any residual right to judicial review.

d. Retirement Benefits:

1. Except as provided for sworn personnel of the Department of State Police, no payment of, or reimbursement for, the employer paid contribution to the State Police Officers' Retirement System, or any system offering like benefits, shall be made by the Compensation Board of the Commonwealth at a rate greater than the employer rate established for the general classified workforce of the Commonwealth covered under the Virginia Retirement System. Any cost for benefits exceeding such general rate shall be borne by the employee or, in the case of a political subdivision, by the employer.

2. Any classified employee of the Commonwealth who (i) is compensated on a salaried basis and (ii) works at least twenty hours per week shall be considered a full-time employee for the purposes of participation in the Virginia Retirement System's group life insurance and retirement programs. Any part-time magistrate hired prior to July 1, 1999, shall have the option of participating in the programs under this provision.

3. Notwithstanding any other provision of law, the board of visitors or other governing body of any public institution of higher education is authorized to establish age and service eligibility criteria for faculty participating in voluntary early retirement incentive plans for their respective institutions pursuant to § 23-9.2:3.1 B and the cash payment offered under such compensation plans pursuant to § 23-9.2:3.1 D, Code of Virginia. The total cost in any fiscal year for any compensation plan established under § 23-9.2:3.1 D, Code of Virginia, shall be set forth by the governing body in the compensation plan for approval by the Governor and review for legal sufficiency by the Office of the Attorney General.

e. Severance Benefits

1. Severance benefits as provided for under the provisions of the Workforce Transition Act of 1995, §2.2-3200 to §2.2-3206 of the Code of Virginia, shall be provided to all employees granted benefits under that Act.

2. Notwithstanding the provisions of §2.2-3202 of the Code of Virginia, full-time employees appointed by the Governor, whether or not confirmed by the General Assembly, shall be entitled to severance benefits equal to one month salary, provided that they meet the standard of a terminated employee set out in §2.2-3200 of the Code of Virginia.

§ 4-6.03 CHARGES

a. FOOD SERVICES:

1. Except as exempted by the prior written approval of the Director, Department of Human Resource Management, and the provisions of § 2.1-558 A, Code of Virginia, state employees shall be charged for meals served in state facilities.

a) Charges for meals will be determined by the agency. Such charges shall be not less than the value of raw food and the cost of direct labor and utilities incidental to preparation and



service.

b) Each agency shall maintain records as to the calculation of meal charges and revenues collected.

c) Except where appropriations for operation of the food service are from nongeneral funds, all revenues received from such charges shall be paid directly and promptly into the general fund.

2. The provisions of this subsection shall not apply to on-duty employees assigned to correctional facilities operated by the Departments of Corrections, Juvenile Justice, and Correctional Education.

**b. HOUSING SERVICES:**

1. Each agency will collect a fee from state employees who occupy state-owned housing, subject to guidelines provided by the Director, Department of General Services. Each agency head is responsible for establishing a fee for state-owned housing and for documenting in writing why the rate established was selected. In exceptional circumstances, which shall be documented as being in the best interest of the Commonwealth by the agency requesting an exception, the Director, Department of General Services may waive the requirement for collection of fees.

2. All revenues received from housing fees shall be promptly deposited in the state treasury. For housing for which operating expenses are financed by general fund appropriations, such revenues shall be deposited to the credit of the general fund. For housing for which operating expenses are financed by nongeneral fund appropriations, such revenues shall be deposited to the credit of the nongeneral fund. Agencies which provide housing for which operating expenses are financed from both general fund and nongeneral fund appropriations shall allocate such revenues, when deposited in the state treasury, to the appropriate fund sources in the same proportion as the appropriations. However, without exception, any portion of a housing fee attributable to depreciation for housing

which was constructed with general fund appropriations shall be paid into the general fund.

c. VEHICLE PARKING SPACES:

1. Agencies with parking space for employees in state-owned facilities shall, when required by the Director, Department of General Services, charge employees for such space on a basis approved by the Governor. All revenues received from such charges shall be paid directly and promptly into a special fund in the state treasury to be used, as determined by the Governor, for payment of costs for the provision of vehicle parking spaces. Interest shall be added to the fund as earned. In the case of any agency with central administrative offices occupying leased or rental space in the metropolitan Richmond area, not including institutions of higher education, the Director shall require that a fee be charged employees for vehicle parking spaces which are assigned to them or which are otherwise available incidental to the lease or rental agreement. In such cases the individual employee fee scale shall not be less than that provided for employees at the Seat of Government, provided that if, in the opinion of the Director good cause is shown, this portion of the requirement may be amended or waived. Revenues derived from employees paying for parking spaces in leased facilities will be retained by the leasing agency to be used to offset the cost of the lease to which it pertains.

2. Agencies assigned to a Governor's Secretary, excluding institutions of higher education, which are located in the metropolitan Richmond area shall not use public funds to lease private parking spaces for employees. Payments for such leases shall be derived from charges to employees for parking space or from other nonpublic funds, or both. Any lease for private parking space must be approved by the Director, Department of General Services.

§ 4-6.04 SELECTION PROCESS FOR FILLING POSITIONS

a. In filling all state positions, all provisions relative to competitive hiring outlined in Title 2.2, Chapter 29, Code of Virginia (the Virginia Personnel Act), shall be strictly observed by state agency heads. Neither the

Governor, a member of the Governor's staff, nor the Cabinet Secretaries and their deputies shall exercise authority with respect to, or otherwise seek to influence the selection or tenure in office of any individual for a position subject to the Virginia Personnel Act.

b. In keeping with the provisions of Title 2.2, Chapter 29, Code of Virginia (the Virginia Personnel Act) all appointments and promotions to and tenure in positions in the service of the Commonwealth shall be based upon merit and fitness, to be ascertained, as far as possible, by the competitive rating of qualifications by the respective appointing authorities."

**Explanation:**

(This amendment updates the positions and employment section of the General Provisions to: consolidate all agency heads compensation in one location in the budget, provide for uniform treatment of agency head compensation and assure that, with the exception of college presidents, the salaries listed are those actually paid to incumbents.)

## **Positions and Employment**

Employee Benefits

Language

### **Language:**

Page 453, following line 33, insert:

“f.1. Any member of the Virginia Retirement System who is retired under the provisions of §51.1-155.1 of the Code of Virginia who: 1) returns to work in a position that is covered by the provisions of §51.1-155.1 of the Code of Virginia after a break of not less than four years, 2) receives no other compensation for service to a public employer than that provided for the position covered by §51.1-155.1 of the Code of Virginia during such period of reemployment, 3) retires within one year of commencing such period of reemployment, and 4) retires directly from service at the end of such period of reemployment may either:

2. Revert to the previous retirement benefit received under the provisions of §51.1-155.1 of the Code of Virginia, including any annual cost of living adjustments granted thereon. This benefit may be adjusted upward to reflect the effect of such additional months of service and compensation received during the period of reemployment, or

3. Retire to the provisions of Title 51.1 in effect at the termination of his or her period of reemployment, including any purchase of service that may be eligible for purchase under the provisions of §51.1-142.2 of the Code of Virginia.”

4. The Virginia Retirement System shall establish procedures for verification by the employer of eligibility for the benefits provided for in this section.

### **Explanation:**

(This amendment clarifies the options available to individuals who retire under the provisions of §51.1-155.1 of the Code of Virginia and who later return to employment covered by the Virginia Retirement System.)

**Positions and Employment**

Employee Benefits

Language

**Language:**

Pagee 453, following line 33, insert:

"f. Notwithstanding any other provision of law, no agency head compensated by funds appropriated in this Act may be a member of the Virginia Law Officers' Retirement System created under Title 51.1, Chapter 2.1, Code of Virginia. The provisions of this paragraph are retroactive to October 1, 1999."

**Explanation:**

(This amendment is self explanatory.)

## **Positions and Employment**

Employee Benefits

Language

### **Language:**

Page 453, following line 33, insert:

“f. If a member served in a position as a state employee as defined in §51.1-124.3, Code of Virginia, and also including members of the State Police Officers' Retirement System pursuant to Chapter 2 (§ 51.1-200 et seq.) of this title, the Virginia Law Officers' Retirement System pursuant to Chapter 2.1 (§ 51.1-211 et seq.) of this title and the Judicial Retirement System pursuant to Chapter 3 (§ 51.1-300 et seq.) of this title, between December 1, 2001, and November 30, 2003, inclusive, then his average final compensation shall be adjusted as follows:

1. Any member who retires on an immediate annuity with an effective retirement date between December 1, 2001, and November 30, 2002, inclusive, shall have his average final compensation multiplied by 1.01011 prior to the calculation of the retirement allowance payable under Title 51.1. The Retirement System shall recalculate the retirement allowance payable to those members who retired between December 1, 2001, and June 30, 2002, inclusive, and shall apply the increase prospectively.
2. Any member who has been in continuous service since July 1, 2002, and who retires on an immediate annuity with an effective retirement date between December 1, 2002, and November 30, 2003, inclusive, shall have his average final compensation multiplied by 1.0303 prior to the calculation of the retirement allowance payable under Title 51.1.
3. Any member who has been in continuous service since July 1, 2002, and who retires on an immediate annuity with an effective retirement date on or after December 1, 2003, shall have his average final compensation multiplied by 1.06121 prior to the calculation of the retirement allowance payable under Title 51.1. "

### **Explanation:**

(This amendment increases the average final compensation for retirement of state employees who are subject to the current salary freeze.)