

2006 SPECIAL SESSION I

VIRGINIA ACTS OF ASSEMBLY—CHAPTER 2

An Act to amend Chapter 951, Acts of Assembly, 2005, relating to the appropriation of funds for the 2004-06 biennium, for the two years ending respectively on the thirtieth day of June 2005 and the thirtieth day of June 2006 and the provision of a portion of such funds.

[H 5012]

Approved June 9, 2006

Be it enacted by the General Assembly of Virginia:

1. That Items 1, 3, 32, 33, 42, 64, 111,123, 136, 137, 141, 144, 145, 146, 147, 149, 247, 248, 280, 282, 283, 290, 296, 297, 299, 322, 323, 324, 325, 326, 329, 338, 340, 343, 344, 354, 356, 357, 359, 362, 365, 382, 388, 395, 409, 420, 433, 434, 439, 450, 456, 468, 483, 502, 503, 505, 506, 527, 531, C-1.10, C-4.10, C-11.10, C-15.55, C-119.10, C-197, C-199, § 3-1.01, § 3-2.03 and § 4-6.01 of Chapter 951 of the Acts of Assembly of 2005 be hereby amended and reenacted and that the cited chapter be further amended by adding Item Nos. 468.10, 503.10, C-1.05, C-4.25, C-34.50, C-34.60, C-34.70, C-38.10, C-116.10, C-117.25, C-139.30, C-143.10, C-147.08, C-194.05, § 3-3.04, § 3-5.07 and by adding a third enactment clause.

2. § 1. The following are hereby appropriated, for the current biennium, as set forth in succeeding parts, sections and items, for the purposes stated and for the years indicated:

A. The balances of appropriations made by previous acts of the General Assembly which are recorded as unexpended, as of the close of business on the last day of the previous biennium, on the final records of the State Comptroller; and

B. The public taxes and arrears of taxes, as well as moneys derived from all other sources, which shall come into the state treasury prior to the close of business on the last day of the current biennium. The term "moneys" means nontax revenues of all kinds, including but not limited to fees, licenses, services and contract charges, gifts, grants, and donations, and projected revenues derived from proposed legislation contingent upon General Assembly passage.

§ 2. Such balances, public taxes, arrears of taxes, and monies derived from all other sources as are not segregated by law to other funds, which funds are defined by the State Comptroller, pursuant to § 2.2-803, Code of Virginia, shall establish and constitute the general fund of the state treasury.

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

	First Year	Second Year	Total
Unreserved Balance, June 30, 2004	\$677,089,000	\$0	\$677,089,000
Additions to Balance	(\$116,279,221)	\$570,014,609	\$1,247,103,609
Official Revenue Estimates	\$13,142,749,323	\$37,966,694	(\$78,312,530)
Lottery Proceeds Fund	\$423,500,000	(\$30,343,406)	(\$152,672,627)
Transfers	\$316,323,678	\$13,313,511,116	\$26,456,260,439
Total General Fund Resources Available for Appropriation	\$314,642,916	\$14,687,284,275	\$27,830,033,598
	\$423,500,000	\$441,800,000	\$865,300,000
	\$316,323,678	\$433,500,000	\$857,000,000
	\$314,642,916	\$397,307,422	\$713,631,100
	\$14,443,382,780	\$391,649,436	\$706,292,352
	\$14,435,652,018	\$14,190,585,229	\$28,633,968,009
		\$16,052,104,914	\$30,487,756,932

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

	First Year	Second Year	Total
Balance, June 30, 2004	\$2,596,134,796	\$0	\$2,596,134,796
Official Revenue Estimates	\$16,442,920,277	\$17,215,696,998	\$33,658,617,275
Bond Proceeds	\$1,208,894,290	\$16,851,496,840	\$33,294,417,117
Total Nongeneral Fund Revenues Available for Appropriation	\$20,247,949,363	\$217,928,770	\$1,426,823,060
		\$17,365,919,598	\$37,613,868,961
		\$17,069,425,610	\$37,317,374,973
TOTAL PROJECTED REVENUES	\$34,691,332,143	\$31,556,504,827	\$66,247,836,970
	\$34,683,601,381	\$33,121,530,524	\$67,805,131,905

§ 4. Nongeneral fund revenues which are not otherwise segregated pursuant to this act shall be segregated in accordance with the acts respectively establishing them.

§ 5. The sums herein appropriated are appropriated from the fund sources designated in the respective items of this act.

§ 6. When used in this act the term:

A. "Current biennium" means the period from the first day of July two thousand four, through the thirtieth day of June two thousand six, inclusive.

B. "Previous biennium" means the period from the first day of July two thousand two, through the thirtieth day of June two thousand four, inclusive.

C. "Next biennium" means the period from the first day of July two thousand six, through the thirtieth day of June two thousand eight, inclusive.

D. "State agency" means a court, department, institution, office, board, council or other unit of state government located in the legislative, judicial, or executive departments or group of independent agencies, or central appropriations, as shown in this act, and which is designated in this act by title and a three-digit agency code.

E. "Nonstate agency" means an organization or entity as defined in § 2.2-1505 C, Code of Virginia.

F. "Authority" sets forth the general enabling statute, either state or federal, for the operation of the program for which appropriations are shown.

G. "Discretionary" means there is no continuing statutory authority which infers or requires state funding for programs for which the appropriations are shown.

H. "Appropriation" shall include both the funds authorized for expenditure and the corresponding level of full-time equivalent employment.

I. "Sum sufficient" identifies an appropriation for which the Governor is authorized to exceed the amount shown in the Appropriation Act if required to carry out the purpose for which the appropriation is made.

J. "Item Details" indicates that, except as provided in § 6 H above, the numbers shown under the columns labeled Item Details are for information reference only.

K. Unless otherwise defined, terms used in this act dealing with budgeting, planning and related management actions are defined in the instructions for preparation of the Executive Budget.

§ 7. The total appropriations from all sources in this act have been allocated as follows:

BIENNIUM 2004-06

	General Fund	Nongeneral Fund	Total
OPERATING EXPENSES	\$28,414,056,848	\$32,433,267,714	\$60,847,324,562
	\$28,893,148,459	\$32,355,975,036	\$61,249,123,495
LEGISLATIVE DEPARTMENT	\$107,481,400	\$6,400,513	\$113,881,913
	\$107,631,400	-	\$114,031,913
JUDICIAL DEPARTMENT	\$621,869,206	\$29,124,689	\$650,993,895
	\$627,103,753	\$30,186,741	\$657,290,494
EXECUTIVE DEPARTMENT	\$27,649,972,999	\$31,943,437,461	\$59,593,410,460
	\$28,128,180,063	\$31,865,075,685	\$59,993,255,748
INDEPENDENT AGENCIES	\$588,494	\$454,305,051	\$454,893,545
		\$454,312,097	\$454,900,591
STATE GRANTS TO NONSTATE AGENCIES	\$34,144,749	\$0	\$34,144,749
	\$29,644,749		\$29,644,749
CAPITAL OUTLAY EXPENSES	\$209,637,918	\$2,033,161,759	\$2,242,799,677
	\$217,787,918	\$2,115,367,929	\$2,333,155,847
TOTAL	\$28,623,694,766	\$34,466,429,473	\$63,090,124,239
	\$29,110,936,377	\$34,471,342,965	\$63,582,279,342

§ 8. This chapter shall be known and may be cited as the "2006 Amendments to the 2005 Appropriation Act."

ITEM 1.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

PART 1: OPERATING EXPENSES

LEGISLATIVE DEPARTMENT

§ 1-1. GENERAL ASSEMBLY OF VIRGINIA (101)

1.	Enactment of Laws (78200) a sum sufficient, estimated at			\$26,761,233	\$26,899,316 \$27,049,316
	Committee Activities (78203)	\$2,391,197	\$2,391,197		
	Legislative Sessions (78204)	\$24,370,036	\$24,508,119 \$24,658,119		
	Fund Sources: General	\$26,761,233	\$26,899,316 \$27,049,316		

Authority: Article IV, Constitution of Virginia.

A. Out of this appropriation, the House of Delegates is funded \$17,422,669 the first year and ~~\$17,422,199~~ \$17,521,266 the second year from the general fund. The Senate is funded \$9,338,564 the first year and ~~\$9,338,376~~ \$9,528,050 the second year from the general fund.

B. Out of the amounts for Legislative Sessions shall be paid:

1. The salaries of the Speaker of the House of Delegates and other members, and personnel employed by each House; the mileage of members, officers and employees, including salaries and mileage of members of legislative committees sitting during recess; public printing and related expenses required by or for the General Assembly; and the incidental expenses of the General Assembly (§§ 30-19.11 through 30-19.20, inclusive, and § 30-19.4, Code of Virginia). The salary of the Speaker of the House of Delegates shall be \$36,321 per year. The salaries of other members of the House of Delegates shall be \$17,640 per year. The salaries of the members of the Senate shall be \$18,000 per year.

2. The annual salary of the Clerk of the House of Delegates, \$123,953 from July 1, 2004, to November 24, 2004, \$127,672 from November 25, 2004, to November 24, 2005, and \$133,290 from November 25, 2005, to June 30, 2006.

3. The annual salary of the Clerk of the Senate, \$121,342 from July 1, 2004, to November 24, 2004, \$124,982 from November 25, 2004, to November 24, 2005, and \$130,481 from November 25, 2005, to June 30, 2006.

4. Expenses of the Speaker of the House of Delegates not otherwise reimbursed, \$16,200 each year, to be paid in equal monthly installments during the year.

5. In accordance with § 30-19.4, Code of Virginia, and subject to all other conditions of that section except as otherwise provided in the following paragraphs:

ITEM 1.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
a.	<p>\$61,683 per calendar year for the compensation of one or more secretaries of the Speaker of the House of Delegates. Salary increases shall be governed by the provisions of Item 505 of this act.</p>			
b.	<p>\$92,526 per calendar year for the compensation of one or more legislative assistants of the Speaker of the House of Delegates. Salary increases shall be governed by the provisions of Item 505 of this act.</p>			
c.	<p>\$30,842 per calendar year for the compensation of legislative assistants of each member of the General Assembly. Salary increases granted shall be governed by the provisions of Item 505 of this act.</p>			
d.	<p>The per diem for each legislative assistant of each member of the General Assembly, including the Speaker of the House of Delegates. Such per diem shall equal the amount authorized per session day for General Assembly members in paragraph B 7, if such legislative assistant maintains a temporary residence during the legislative session or an extension thereof and if the establishment of such temporary residence results from the person's employment by the member. The per diem for a legislative assistant who is domiciled in the City of Richmond or whose domicile is within twenty miles of the Capitol shall equal thirty-five percent of the amount paid to a legislative assistant who maintains a temporary residence during such session. For purposes of this paragraph, (i) a session day shall include such days as shall be established by the Rules Committee of each respective House and (ii) a temporary residence is defined as a residence certified by the member served by the legislative assistant as occupied only by reason of employment during the legislative session or extension thereof. Notwithstanding the provisions of (i) of the preceding sentence, if the House from which the legislative assistant is paid is in adjournment during a regular or special session, he must show to the satisfaction of the Clerk that he worked each day during such adjournment for which such per diem is claimed.</p>			
e.	<p>A mileage allowance as provided in § 2.2-2823 A, Code of Virginia, and as certified by the member. Such mileage allowance shall be paid to a legislative assistant for one round trip between the City of Richmond and such person's home each week during the legislative session or an extension thereof when such person is maintaining a temporary residence.</p>			
f.	<p>Per diem and mileage shall be paid only to a person who is paid compensation pursuant to § 30-19.4, Code of Virginia.</p>			
g.	<p>Not more than one person shall be paid per diem or mileage during a single weekly pay period for serving a member as legislative assistant during a legislative session or extension thereof.</p>			
h.	<p>No person, by virtue of concurrently serving more than one member, shall be paid mileage or per diem in excess of the daily rates specified in this Item.</p>			

ITEM 1.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
i. \$15,000 per calendar year additional allowance for secretaries or legislative assistants to the Majority and Minority Leaders of the House of Delegates and the Senate and for secretaries or legislative assistants to the President Pro Tempore of the Senate. Salary increases shall be governed by the provisions of Item 505 of this act.				
6. Compensation to members of the General Assembly, pursuant to § 30-19.12, Code of Virginia, and subject to the limitations and conditions stated therein, at a rate of \$200 per day, or for any part thereof, for the time actually engaged in the discharge of their duties. All other members of any legislative committee, commission or council established by the General Assembly, or a committee or subcommittee thereof shall receive compensation at the rate of \$50 per day, or for any part thereof. The Clerk of the House of Delegates and the Clerk of the Senate are authorized to provide reimbursements to legislative commissions for per diem payments made for studies requested by the chairmen of standing committees of the respective bodies.				
7. Allowances for expenses of members of the General Assembly, either (a) an amount not exceeding \$75 per day for expenses which are vouchered or (b) an amount equaling the maximum daily amount permitted by the Internal Revenue Service.				
8. Allowance for office expenses and supplies of members of the General Assembly, in the amount of \$1,250 for each month of each calendar year. An additional \$500 for each month of each calendar year shall be paid to the Majority and Minority Leaders of the House of Delegates and the Senate and to the President Pro Tempore of the Senate.				
C. A legislative assistant of a member of the General Assembly regularly employed on a twelve (12) consecutive month salary basis receiving 60 percent or more of the salary allotted pursuant to paragraph A 5, may, for the purposes of §§ 51.1-124.3 and 51.1-152, Code of Virginia, be deemed a "state employee" and as such will be eligible for participation in the Virginia Retirement System, the group life insurance plan, the VRS short and long term disability plans, and the state health insurance plan. Upon approval by the Joint Rules Committee, legislative assistants shall be eligible to participate in the short and long-term disability plans sponsored by the Virginia Retirement System pursuant to Chapter 11 of Title 51.1, Code of Virginia. Such legislative assistants shall not receive sick leave and family and personal leave benefits under this plan. Short-term disability benefits shall be payable from the Legislative Reversion Clearing Account.				
D. Out of this appropriation the Clerk of the House of Delegates shall pay the routine maintenance and operating expenses of the General Assembly Building as apportioned to the Senate, House of Delegates, Division of Legislative Services, Joint Legislative Audit and Review Commission, or other legislative agencies. The funds appropriated to each agency in the				

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Item Details(\$)		Appropriations(\$)	
First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

Legislative Department for routine maintenance and operating expenses during the current biennium shall be transferred to the account established for this purpose.

E. An amount of up to \$10,000 per year shall be transferred from Item 24 of this act, to reflect equivalent compensation allowances for the Lieutenant Governor as were authorized by the 1994 General Assembly. The Lieutenant Governor shall report such increases to the Speaker of the House and the Chairman of the House Appropriations Committee and the Chairman of the Senate Finance Committee.

F.1. The Chairmen of the House Appropriations and Senate Finance Committees shall each appoint four members from their respective committees to a joint subcommittee to review public higher education funding policies and to make recommendations to their respective committees. The objective of the review is to develop policies and formulas to provide the public institutions of higher education with an equitable funding methodology that: (a) recognizes differences in institutional mission; (b) provides incentives for achievement and productivity; (c) recognizes enrollment growth; and (d) establishes funding objectives in areas such as faculty salaries, financial aid, and the appropriate share of educational and general costs that should be borne by resident students. In addition, the review shall include the development of comparable cost data concerning the delivery of higher education through an analysis of the relationship of each public institution to its national peers. The public institutions of higher education and the staff of the State Council of Higher Education for Virginia are directed to provide technical assistance, as required, to the joint subcommittee.

2. The Joint Subcommittee on Higher Education Funding Policies shall conduct an assessment of the adequacy of the current educational and general funding levels for Virginia's public institutions of higher education. The assessment shall be used to develop guidelines against which to measure funding requests for higher education. The assessment shall include, but not be limited to, the following components:

- a) Updated student-to-faculty ratios based on current practice or industry norms.
- b) Consideration of support staff needs and the changing requirements of support staff due to technology and privatization of services previously performed by the institutions.
- c) Costs of instruction, such as equipment, utilities, facilities maintenance, and other nonpersonal services expenses.
- d) Recognition of the individual mission of the institution, student characteristics, location, or other factors that may influence the costs of instruction.
- e) Benchmarking of the funding guidelines against a group of peer institutions, or other appropriate

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Item Details(\$)		Appropriations(\$)	
First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

comparator group, to assess the validity of the guidelines.

f) Means by which measures of institutional performance can be assessed and incorporated into funding and policy guidelines for higher education.

3. The Joint Subcommittee on Higher Education Funding Policies shall develop a more precise methodology for determining funding needs at Virginia's public institutions of higher education related to enrollment growth. The methodology should take into consideration that support staff and operations may need to be expanded when enrollment growth reaches certain levels.

4. The Joint Subcommittee may seek support from the staff of the Senate Finance and House Appropriations Committees, the public institutions of higher education, or other higher education or state agency representatives, as requested by the Joint Subcommittee. At its discretion, the Joint Subcommittee may contract for consulting services.

5. The Joint Subcommittee is hereby continued to provide direction and oversight of higher education funding policies. The Joint Subcommittee shall review and articulate policies and funding methodologies on: (a) the appropriate share of educational and general costs that should be borne by students; (b) student financial aid; (c) undergraduate medical education funding; (d) the mix of full-time and part-time faculty; (e) the mix of in-state and out-of-state students as it relates to tuition policy; and (f) the viability of statewide articulation agreements between four-year and two-year public institutions.

6. a. It is the objective of the General Assembly that funding for Virginia's public colleges and universities shall be based primarily on the funding guidelines outlined in the November, 2001 report of the Joint Subcommittee on Higher Education Funding Policies.

b. Based on the findings and recommendations of its November, 2001 report, the Joint Subcommittee shall coordinate with the State Council of Higher Education, the Secretary of Education, and the Department of Planning and Budget in incorporating the higher education funding guidelines into the development of budget recommendations.

c. As part of its responsibilities to ensure the fair and equitable distribution and use of public funds among the public institutions of higher education, the State Council of Higher Education shall incorporate the funding guidelines established by the Joint Subcommittee into its budget recommendations to the Governor and the General Assembly.

Total for General Assembly of Virginia.....			\$26,761,233	\$26,899,316
				\$27,049,316
General Fund Positions.....	217.00	217.00		
Position Level	217.00	217.00		

ITEM 1.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Fund Sources: General.....	\$26,761,233	\$26,899,316 \$27,049,316		
2. Not set out.				
§ 1-2. COMMISSION ON THE VIRGINIA ALCOHOL SAFETY ACTION PROGRAM (413)				
3. Ground Transportation System Safety (60500).....			\$1,864,089	\$1,864,089
Ground Transportation Safety Promotion (60503).....	\$1,864,089	\$1,864,089		
Fund Sources: Special.....	\$1,364,089	\$1,364,089		
Federal Trust.....	\$500,000	\$500,000		
Authority: §§ 18.2-271.1 and 18.2-271.2, Code of Virginia.				
A. Out of the amounts for Ground Transportation System Safety shall be paid the salary of the Executive Director, \$90,298 from July 1, 2004, to November 24, 2004, \$93,007 from November 25, 2004, to November 24, 2005, and \$97,099 from November 25, 2005, to June 30, 2006.				
B. On or before June 15, 2006, the Commission on the Virginia Alcohol Safety Action Program shall review all of its accounts receivable and take action as it deems appropriate concerning their collection and report the results of these actions to the Auditor of Public Accounts.				
Total for Commission on the Virginia Alcohol Safety Action Program.....			\$1,864,089	\$1,864,089
Nongeneral Fund Positions.....	11.50	11.50		
Position Level.....	11.50	11.50		
Fund Sources: Special.....	\$1,364,089	\$1,364,089		
Federal Trust.....	\$500,000	\$500,000		
4. Not set out.				
5. Not set out.				
6. Not set out.				
7. Not set out.				
8. Not set out.				
9. Not set out.				
9.05. Not set out.				
10. Not set out.				
11. Not set out.				
12. Not set out.				
13. Not set out.				
14. Not set out.				

ITEM 15.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
15.	Not set out.				
16.	Not set out.				
17.	Not set out.				
18.	Not set out.				
19.	Not set out.				
20.	Not set out.				
21.	Not set out.				
22.	Not set out.				
23.	Not set out.				
24.	Not set out.				
	TOTAL FOR LEGISLATIVE DEPARTMENT.....			\$56,882,478	\$56,999,435 \$57,149,435
	General Fund Positions.....	577.50	577.50		
	Nongeneral Fund Positions.....	34.50	34.50		
	Position Level	612.00	612.00		
	Fund Sources: General	\$53,604,219	\$53,877,181 \$54,027,181		
	Special	\$2,553,792	\$2,397,787		
	Enterprise	\$20,000	\$20,000		
	Trust and Agency	\$99,701	\$99,701		
	Federal Trust.....	\$604,766	\$604,766		

ITEM 25.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

JUDICIAL DEPARTMENT

§ 1-3. SUPREME COURT (111)

25. Not set out.
 26. Not set out.
 27. Not set out.
 28. Not set out.
 29. Not set out.
 30. Not set out.
 31. Not set out.

Circuit Courts (113)

32.	Pre-Trial, Trial, and Appellate Processes (32100).....			\$71,959,520	\$75,518,598 \$80,654,941
	Trial Processes (32103)	\$35,738,539	\$36,631,688		
	Other Court Costs and Allowances (Criminal Fund) (32104)	\$36,220,981	\$38,886,910 \$44,023,253		
	Fund Sources: General	\$71,659,520	\$75,218,598 \$80,354,941		
	Special.....	\$300,000	\$300,000		

Authority: Article VI, Section 1, Constitution of Virginia; Title 17.1, Chapter 5; § 19.2-163, Code of Virginia.

A. Out of the amounts for Pre-Trial, Trial and Appellate Processes shall be paid:

1. The annual salaries of Circuit Court judges, each at \$125,795 from July 1, 2004, to November 24, 2004, \$132,211 from November 25, 2004, to November 24, 2005, and \$138,028 from November 25, 2005, to June 30, 2006. Such salaries shall represent the total compensation from all sources for Circuit Court judges.

2. Expenses necessarily incurred for the position of judge of the Circuit Court, including clerk hire not exceeding \$1,500 a year for each judge.

3. The state's share of expenses incident to the prosecution of a petition for a writ of habeas corpus by an indigent petitioner, including payment of counsel fees as fixed by the Court; the expenses shall be paid upon receipt of an appropriate order from a Circuit Court.

B. The Chief Circuit Court Judge shall restrict the appointment of special justices to conduct involuntary mental commitment hearings to those unusual instances when no General District Court or Juvenile and Domestic Relations District Court Judge can be made available or when the volume of the hearings would require more than eight hours a week.

ITEM 32.	Item Details(\$)		Appropriations(\$)		
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006	
<p>C. There is hereby reappropriated the unexpended balance remaining at the close of business on June 30, 2004, in the appropriation made in Item 32, Chapter 1042, Acts of Assembly of 2003, in the subprogram Other Court Costs and Allowances (Criminal Fund) and the balance remaining in this subprogram on June 30, 2005.</p> <p>D. The appropriation in this Item for Other Court Costs and Allowances shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.</p>					
Total for Circuit Courts			\$71,959,520	\$75,518,598 <i>\$80,654,941</i>	
General Fund Positions.....			162.00	163.00	
Position Level			162.00	163.00	
Fund Sources: General			\$71,659,520	\$75,218,598 <i>\$80,354,941</i>	
Special.....			\$300,000	\$300,000	
General District Courts (114)					
33.	Pre-Trial, Trial, and Appellate Processes (32100).....			\$77,758,040	\$78,161,845 <i>\$78,260,049</i>
	Trial Processes (32103)		\$61,613,301	\$62,946,919	
	Other Court Costs and Allowances (Criminal Fund) (32104)		\$12,944,210	\$12,014,397 <i>\$12,112,601</i>	
	Involuntary Mental Commitments (32105).....		\$3,200,529	\$3,200,529	
	Fund Sources: General		\$77,758,040	\$78,161,845 <i>\$78,260,049</i>	
<p>Authority: Article VI, Section 8, Constitution of Virginia; §§ 16.1-69.1 through 16.1-137, 19.2-163 and 37.1-67.1 et seq., Code of Virginia.</p> <p>A. Out of the amounts for Pre-Trial, Trial and Appellate Processes shall be paid:</p> <p>1. The annual salaries of all General District Court judges, \$113,214 from July 1, 2004, to November 24, 2004, \$118,988 from November 25, 2004, to November 24, 2005, and \$124,223 from November 25, 2005, to June 30, 2006. Such salary shall be 90 percent of the annual salary fixed by law for judges of the Circuit Courts and shall represent the total compensation for General District Court Judges and incorporate all supplements formerly paid by the various localities.</p> <p>2. The salaries of substitute judges and court personnel.</p> <p>B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2004, in the appropriation made in Item 33, Chapter 1042 Acts of Assembly of 2003, in the subprograms Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these subprograms on June 30, 2005.</p> <p>C. Any balance, or portion thereof, in the subprogram Involuntary Mental Commitments, may be transferred</p>					

ITEM 33.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
between Items 33, 34, 35, and 323, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.				
D. The appropriation in this Item for Other Court Costs and Allowances shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.				
Total for General District Courts			\$77,758,040	\$78,161,845 \$78,260,049
General Fund Positions.....			989.10	990.10
Position Level			989.10	990.10
Fund Sources: General.....			\$77,758,040	\$78,161,845 \$78,260,049
34.	Not set out.			
35.	Not set out.			
36.	Not set out.			
Grand Total for Supreme Court			\$276,148,631	\$282,006,473 \$287,241,020
General Fund Positions.....			2,508.71	2,531.71
Nongeneral Fund Positions.....			1.00	1.00
Position Level			2,509.71	2,532.71
Fund Sources: General			\$275,313,060	\$280,188,645 \$285,423,192
Special.....			\$509,118	\$474,375
Trust and Agency			\$25,000	\$25,000
Dedicated Special Revenue			\$0	\$1,017,000
Federal Trust.....			\$301,453	\$301,453
37.	Not set out.			
38.	Not set out.			
39.	Not set out.			
40.	Not set out.			
§ 1-4. VIRGINIA STATE BAR (117)				
41.	Not set out.			
42.	Regulation of Professions and Occupations (56000)		\$8,698,817	\$8,812,317 \$9,874,369
Lawyer Regulation (56019).....			\$8,698,817	\$8,812,317 \$9,874,369
Fund Sources: Dedicated Special Revenue			\$8,698,817	\$8,812,317 \$9,874,369
Authority: Title 54.1, Chapter 39, Article 2 and §§ 54.1-3935 through 54.1-3938, Code of Virginia.				
It is the intention of the General Assembly that the Virginia State Bar strictly direct its activities toward the purposes of regulating the legal profession and				

ITEM 42.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
improving the quality of legal services available to the people of the Commonwealth, and that, insofar as reasonably possible, the Virginia State Bar shall refrain from commercial or other undertakings not necessarily or reasonably related to the above stated purposes.				
Total for Virginia State Bar			\$14,122,332	\$14,557,332 \$15,619,384
Nongeneral Fund Positions.....	85.00	85.00		
Position Level	85.00	85.00		
Fund Sources: General.....	\$2,145,015	\$2,145,015		
Special.....	\$3,278,500	\$3,600,000		
Dedicated Special Revenue.....	\$8,698,817	\$8,812,317 \$9,874,369		
43. Not set out.				
TOTAL FOR JUDICIAL DEPARTMENT			\$320,007,648	\$330,986,247 \$337,282,846
General Fund Positions.....	2,985.71	3,026.71		
Nongeneral Fund Positions.....	91.00	91.00		
Position Level	3,076.71	3,117.71		
Fund Sources: General.....	\$306,151,932	\$315,717,274 \$320,951,821		
Special.....	\$4,830,446	\$5,113,203		
Trust and Agency.....	\$25,000	\$25,000		
Dedicated Special Revenue.....	\$8,698,817	\$9,829,317 \$10,891,369		
Federal Trust.....	\$301,453	\$301,453		

ITEM 44.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
EXECUTIVE DEPARTMENT					
EXECUTIVE OFFICES					
44.	Not set out.				
45.	Not set out.				
46.	Not set out.				
47.	Not set out.				
48.	Not set out.				
49.	Not set out.				
50.	Not set out.				
51.	Not set out.				
52.	Not set out.				
53.	Not set out.				
54.	Not set out.				
55.	Not set out.				
56.	Not set out.				
57.	Not set out.				
	TOTAL FOR EXECUTIVE OFFICES.....			\$30,637,350	\$34,237,825
	General Fund Positions.....	271.17	273.17		
	Nongeneral Fund Positions.....	86.83	92.83		
	Position Level	358.00	366.00		
	Fund Sources: General.....	\$21,286,593	\$23,186,785		
	Special.....	\$6,813,396	\$6,823,616		
	Commonwealth Transportation	\$119,837	\$119,837		
	Federal Trust.....	\$2,417,524	\$4,107,587		

ITEM 58.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

OFFICE OF ADMINISTRATION

- 58. Not set out.
- 59. Not set out.
- 60. Not set out.
- 61. Not set out.
- 62. Not set out.

§ 1-5. COMPENSATION BOARD (157)

63.	Administrative and Support Services (74900).....			\$1,996,157	\$1,991,651
	General Management and Direction (74901).....	\$1,996,157	\$1,991,651		
	Fund Sources: General.....	\$1,996,157	\$1,991,651		

Authority: Title 15.2, Chapter 16, Articles 2, 3, 4 and 6.1; Title 17.1, Chapter 2, Article 7, Code of Virginia.

A.1. In determining the salary of any officer specified in Items 64, 65, 66, 69, 69.10, and 70 of this act, the Compensation Board shall use the most recent provisional population estimate from the United States Bureau of the Census or the Weldon Cooper Center for Public Service of the University of Virginia available when fixing the officer's annual budget and shall adjust such population estimate, where applicable, for any annexation or consolidation order by a court when such order becomes effective. There shall be no reduction in salary by reason of a decline in population during the terms in which the incumbent remains in office.

2. In determining the salary of any officer specified in Items 64, 65, 66, 69, 69.10, and 70 of this act, nothing herein contained shall prevent the governing body of any county or city from supplementing the salary of such officer in such county or city for additional services not required by general law; provided, however, that any such supplemental salary shall be paid wholly by such county or city.

B.1. Notwithstanding any other provision of law, the Compensation Board shall authorize and fund permanent positions for the locally elected constitutional officers, including the principal officer, at the following levels:

	FY 2005	FY 2006
Sheriffs	9,699	9,848
Block Grants	721	725
Commissioners of the Revenue	791	791
Treasurers	797	797
Directors of Finance	354	354
Commonwealth's Attorneys	916	988
Clerks of the Circuit Court	1,080	1,080
TOTAL	14,358	14,583

2. The Compensation Board is authorized to provide funding for 506 temporary positions the first year and 549 temporary positions the second year.

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Item Details(\$)		Appropriations(\$)	
First Year	Second Year	First Year	Second Year
FY2005	FY2006	FY2005	FY2006

3. The Board is authorized to adjust the expenses and other allowances for such officers to maintain approved permanent and temporary manpower levels.

4. Paragraphs B 1 and B 2 of this Item shall not apply to the clerks of the circuit courts and their employees specified in § 17.1-288, Code of Virginia, or those under contract pursuant to § 17.1-290, Code of Virginia.

C.1. Reimbursement by the Compensation Board for the use of vehicles purchased or leased with public funds used in the discharge of official duties shall be at a rate equal to that approved by the Joint Legislative Audit and Review Commission for Central Garage Car Pool services. No vehicle purchased or leased with public funds on or after July 1, 2002 shall display lettering on the exterior of the vehicle that includes the name of the incumbent sheriff.

2. Reimbursement by the Compensation Board for the use of personal vehicles in the discharge of official duties shall be at a rate equal to that established in § 4-5.04 f 2. of this act. All such requests for reimbursement shall be accompanied by a certification that a publicly owned or leased vehicle was unavailable for use.

D.1. Compensation Board payments of, or reimbursements for, the employer paid contribution to the Virginia Retirement System, or any system offering like benefits, shall not exceed the Commonwealth's proportionate share of the following, whichever is less: (a) the actual retirement rate for the local constitutional officer's office or regional correctional facility as set by the Board of the Virginia Retirement System or (b) the employer rate established for the general classified workforce of the Commonwealth covered under the Virginia Retirement System.

2. The rate specified in paragraph D 1 shall exclude the cost of any early retirement program implemented by the Commonwealth.

3. Any employer paid contribution costs for rates exceeding those specified in paragraph D 1 shall be borne by the employer.

E. The Compensation Board is directed to examine the current level of crowding of inmates in local jails among the several localities and to reallocate or reduce temporary positions among local jails as may be required, consistent with the provisions of this act.

F. Any new positions established in Item 63 of this act shall be allocated by the Compensation Board upon request of the constitutional officers in accordance with staffing standards and ranking methodologies approved by the Compensation Board to fulfill the requirements of any court order occurring from proceedings under § 15.2-1636.8, Code of Virginia, in accordance with the provisions of Item 64 of this act.

G. Any funds appropriated in this act for performance

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Item Details(\$)		Appropriations(\$)	
First Year	Second Year	First Year	Second Year
FY2005	FY2006	FY2005	FY2006

pay increases for designated deputies or employees of constitutional officers shall be allocated by the Compensation Board upon certification of the constitutional officer that the performance pay plan for that office meets the minimum standards for such plans as set by the Compensation Board. Nothing herein, and nothing in any performance pay plan set by the Compensation Board or adopted by a constitutional officer, shall change the status of employees or deputies of constitutional officers from employees at will or create a property or contractual right to employment. Such deputies and employees shall continue to be employees at will who serve at the pleasure of the constitutional officers.

H. The Compensation Board shall apply the current fiscal stress factor, as determined by the Commission on Local Government, to any general fund amounts approved by the Board for the purchase, lease or lease purchase of equipment for constitutional officers. In the case of equipment requests from regional jail superintendents and regional special prosecutors, the highest stress factor of a member jurisdiction will be used.

I. The Compensation Board shall not approve or commit additional funds for the operational cost, including salaries, for any local or regional jail construction, renovation, or expansion project which was not approved for reimbursement by the State Board of Corrections prior to January 1, 1996, unless: (1) the Secretary of Administration certifies that such additional funding results in an actual cost savings to the Commonwealth or (2) an exception has been granted as provided for in Item 416 of this act.

J. Out of this appropriation \$118,110 the first year and \$118,110 the second year from the general fund is designated for executive management, lawful employment practices, and new deputy and jail management training for constitutional officers, their employees, and regional jail superintendents.

K. Any local or regional jail that receives funding from the Compensation Board shall report inmate populations to the Compensation Board, through the local inmate data system, no less frequently than weekly. Each local or regional jail that receives funding from the Compensation Board shall use the Virginia Crime Codes (VCC) in identifying and describing offenses for persons arrested and/or detained in local and regional jails in Virginia.

L.1. The Compensation Board shall provide the Chairmen of the Senate Finance and House Appropriations Committees and the Secretaries of Finance and Administration with an annual report, on December 1 of each year, of jail revenues and expenditures for all local and regional jails and jail farms which receive funds from the Compensation Board. Beginning with the collection of data for fiscal year 2002, such information is to include an audited statement of revenues and expenses for inmate canteen accounts, telephone commission funds, inmate medical

ITEM 63.

Item Details(\$)		Appropriations(\$)	
First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

co-payment funds, any other fees collected from inmates and investment/interest monies for inclusion in the report.

2. Local and regional jails and jail farms and local governments receiving funds from the Compensation Board shall, as a condition of receiving such funds, provide such information as may be required by the Compensation Board, necessary to prepare the annual jail cost report.

3. If any sheriff, superintendent, county administrator or city manager fails to send such information within five working days after the information should be forwarded, the Chairman of the Compensation Board shall notify the sheriff, superintendent, county administrator or city manager of such failure. If the information is not provided within ten working days from that date, then the Chairman shall cause the information to be prepared from the books of the city, county, or regional jail and shall certify the cost thereof to the State Comptroller. The Comptroller shall issue his warrant on the state treasury for that amount, deducting the same from any funds that may be due the sheriff or regional jail from the Commonwealth.

M. In the event of the transition of a city to town status pursuant to the provisions of Chapter 41 (§ 15.2-4100 et seq.) of Title 15.2, Code of Virginia, subsequent to July 1, 1999, the Compensation Board shall provide funding from Items 64, 65, 66, 69, and 70 of this act, consistent with the requirements of § 15.2-1302, Code of Virginia. Notwithstanding the provisions of paragraph F of this Item, any positions in the constitutional offices of the former city which are available for reallocation as a result of the transition shall be first reallocated in accordance with Compensation Board staffing standards to the constitutional officers in the county in which the town is situated, without regard to the Compensation Board's priority of need ranking for reallocated positions. The salary and fringe benefit costs for these positions shall be deducted from any amounts due the county, as provided in § 15.2-1302, Code of Virginia.

N. There is hereby reappropriated the unexpended Technology Trust Fund balance from amounts authorized in Item 63, paragraph N. of Chapter 1042 of the Acts of Assembly of 2003 that were provided for the redevelopment of the Compensation Board's reimbursement system (SNIP). Any funds reappropriated under this authority shall only be used to complete the redevelopment of the Compensation Board's reimbursement system.

O. Notwithstanding the provisions of § 15.2-1636.9 A, Code of Virginia, no appeal of any decision of the Compensation Board shall lie to any circuit court from the date of enactment of this act until July 1, 2006, at which time a circuit court may consider appeals for subsequent fiscal years. Nothing herein shall prevent a Constitutional Officer from appealing any decision of its local governing body; however, upon motion of either the Compensation Board or the Constitutional

ITEM 63.	Item Details(\$)		Appropriations(\$)	
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Officer, the action shall be dismissed with prejudice as to the Compensation Board.

P. Notwithstanding any other provisions of § 15.2-1605, Code of Virginia, the Compensation Board shall provide no reimbursement for accumulated vacation time for employees of Constitutional Officers.

Q. The Compensation Board and the Auditor of Public Accounts shall develop options for a revised cost recovery methodology to recover all costs reimbursed by the Commonwealth, including capital costs, associated with housing federal inmates, District of Columbia inmates or inmates from other states. The Compensation Board shall submit options for a revised methodology and estimated recovery amounts by source to the Governor and Chairmen of the House Appropriations and Senate Finance Committees no later than October 15, 2005.

64.	Crime Detection, Investigation, and Apprehension (30400)		\$323,503,000	\$333,784,422 \$332,230,453
	Financial Assistance to Local Law Enforcement Officials (30405).....	\$9,486,236	\$9,726,325	
	Financial Assistance to Regional Jail Authorities (30410)	\$69,494,302	\$73,757,329	
	Financial Assistance for Operations of Local Law Enforcement (30412)	\$244,522,462	\$250,300,768 \$248,746,799	
	Fund Sources: General.....	\$323,503,000	\$333,784,422 \$332,230,453	

Authority: Title 15.2, Chapter 16, Articles 3 and 6.1; and §§ 53.1-83.1 and 53.1-85, Code of Virginia.

A. The annual salaries of the sheriffs of the several counties and cities of the Commonwealth shall be as hereinafter prescribed, according to the population of the city or county served and whether the sheriff is charged with civil processing and courtroom security responsibilities only, or the added responsibilities of law enforcement or operation of a jail, or both. Execution of arrest warrants shall not, in and of itself, constitute law enforcement responsibilities for the purpose of determining the salary for which a sheriff is eligible.

	July 1, 2004 to November 30, 2004	December 1, 2004 to November 30, 2005	December 1, 2005 to June 30, 2006
Law Enforcement and Jail Responsibility			
Less than 10,000	\$54,746	\$57,385	\$59,107
10,000 to 19,999	\$62,926	\$65,959	\$67,938
20,000 to 39,999	\$69,150	\$72,483	\$74,657
40,000 to 69,999	\$75,162	\$78,785	\$81,149
70,000 to 99,999	\$83,514	\$87,539	

ITEM 64.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
			\$90,165	
100,000 to 174,999	\$92,794	\$97,267	\$100,185	
175,000 to 249,999	\$97,677	\$102,385	\$105,457	
250,000 and Above	\$108,530	\$113,761	\$117,174	
Law Enforcement or Jail				
Less than 10,000	\$53,651	\$56,237	\$57,924	
10,000 to 19,999	\$61,667	\$64,639	\$66,578	
20,000 to 39,999	\$67,767	\$71,033	\$73,164	
40,000 to 69,999	\$73,660	\$77,210	\$79,526	
70,000 to 99,999	\$81,843	\$85,788	\$88,362	
100,000 to 174,999	\$90,937	\$95,320	\$98,180	
175,000 to 249,999	\$95,724	\$100,338	\$103,348	
250,000 and Above	\$106,902	\$112,055	\$115,417	
No Law Enforcement or Jail Responsibility				
Less than 10,000	\$50,410	\$52,840	\$54,425	
10,000 to 19,999	\$56,011	\$58,711	\$60,472	
20,000 to 39,999	\$62,234	\$65,234	\$67,191	
40,000 to 69,999	\$69,150	\$72,483	\$74,657	
70,000 to 99,999	\$76,834	\$80,537	\$82,953	
100,000 to 174,999	\$85,370	\$89,485	\$92,170	
175,000 to 249,999	\$89,862	\$94,193	\$97,019	
250,000 and Above	\$100,933	\$105,798	\$108,972	

B. Out of the amounts for Financial Assistance to Local Law Enforcement Officials, no expenditures shall be made to provide security devices such as magnetometers in standard use in major metropolitan airports. Personnel expenditures for operation of such equipment incidental to the duties of courtroom and courthouse security deputies may be authorized, provided that no additional expenditures for personnel shall be approved for the principal purpose of operating these devices.

C. Notwithstanding the provisions of § 53.1-120, or any other section of the Code of Virginia, unless a judge provides the sheriff with a written order stating that a substantial security risk exists in a particular case, no courtroom security deputies may be ordered for civil cases, not more than one deputy may be ordered for

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First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

criminal cases in a district court, and not more than two deputies may be ordered for criminal cases in a circuit court. In complying with such orders for additional security, the sheriff may consider other deputies present in the courtroom as part of his security force.

D. Should the scheduled opening date of any facility be delayed for which funds are available in this Item, the Director, Department of Planning and Budget, shall allot such funds as the Compensation Board may request to allow the employment of staff for training purposes not more than 45 days prior to the rescheduled opening date for the facility.

E. Consistent with the provisions of paragraph B of Item 63, the Board shall allocate the additional jail deputies provided in this appropriation using a ratio of one jail deputy for every 3.0 beds of operational capacity. Operational capacity shall be determined by the Department of Corrections. No additional deputy sheriffs shall be provided from this appropriation to a local jail in which the present staffing exceeds this ratio unless the jail is overcrowded. Overcrowding for these purposes shall be defined as when the average annual daily population exceeds the operational capacity. In those jails experiencing overcrowding, the Board may allocate one additional jail deputy for every five average annual daily prisoners above operational capacity. Should overcrowding be reduced or eliminated in any jail, the Compensation Board shall reallocate positions previously assigned due to overcrowding in accordance with the Board's staffing standards for alternatives to incarceration programs or court services within the sheriff's office or among other jails in the Commonwealth.

F. Two-thirds of the salaries set by the Compensation Board of medical, treatment and inmate classification positions approved by the Compensation Board for local correctional facilities shall be paid out of this appropriation.

G. The Compensation Board shall allocate positions for alternative incarceration programs approved pursuant to Item 67, paragraph F 2 of this act, at a ratio of one position for every 16 inmates in such programs.

H.1. The Compensation Board shall provide for a Master Deputy pay grade to those sheriffs' offices which had certified, on or before January 1, 1997, having a career development plan for deputy sheriffs that meets the minimum criteria set forth by the Compensation Board for such plans. The Compensation Board shall allow for additional grade 9 positions, at a level not to exceed one grade 9 Master Deputy per every five Compensation Board grade 7 and 8 deputy positions in each sheriff's office.

2. Each sheriff who desires to participate in the Master Deputy Program who had not certified a career development plan on or before January 1, 1997, may elect to participate by certifying to the Compensation Board that the career development plan in effect in his office meets the minimum criteria for such plans as set

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by the Compensation Board. Such election shall be made by July 1 for an effective date of participation the following July 1.

3. Funding shall be provided by the Compensation Board for participation in the Master Deputy Program to sheriffs' offices electing participation after January 1, 1997, according to the date of receipt by the Compensation Board of the election by the sheriff, subject to appropriations by the General Assembly.

I. There is hereby reappropriated the unexpended balance in this program on June 30, 2004, and June 30, 2005.

J. The Compensation Board shall estimate biannually the number of additional law enforcement deputies which will be needed in accordance with § 15.2-1609.1, Code of Virginia. Such estimate of the number of positions and related costs shall be included in the Board's biennial budget request submission to the Governor and General Assembly. The allocation of such positions, established by the Governor and General Assembly in Item 63 of this act, shall be determined by the Compensation Board on an annual basis. The annual allocation of these positions to local Sheriff's offices shall be based upon the most recent final population estimate for the locality that is available to the Compensation Board at the time when the agency's annual budget request is completed. The source of such population estimates shall be the Weldon Cooper Center for Public Service of the University of Virginia or the United States Bureau of the Census. For the first year of the biennium, the Compensation Board shall allocate positions based upon the most recent provisional population estimates available at the time the agency's annual budget is completed.

K. Any amount in the program Crime, Detection, Investigation, and Apprehension, may be transferred between Items 64 and 67, as needed, to cover any deficits incurred in the programs Financial Assistance for Confinement in Local Facilities, and Crime, Detection, Investigation, and Apprehension.

L. The Compensation Board is authorized to use up to \$3,550,000 in the first year and \$1,150,000 the second year from projected general fund balances in Items 64, 65, 66, 69 and 70 to address constitutional officer local retirement rate increases and salary annualization costs. The Compensation Board shall receive approval from the Department of Planning and Budget prior to spending or allocating any portion of the projected amount.

M.1. Out of the amounts included in this Item is \$240,089 the second year from the general fund for the Compensation Board to establish a Sheriffs' Career Development Program. The Compensation Board shall adopt minimum criteria for the Sheriffs' Career Development Program by August 1, 2005. The minimum criteria shall include initial and continuing education requirements for the sheriffs, the adoption of certain administrative and human resources management

ITEM 64.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
	<p>policies, audit requirements and other matters deemed relevant by the Compensation Board. The Compensation Board shall also include accreditation by the Virginia Law Enforcement Professional Standards Commission, the American Correctional Association, or the Commission on Accreditation for Law Enforcement Agencies as an alternative to some of the established minimum criteria for the Sheriffs' Career Development Program. The Compensation Board shall submit the minimum criteria for Sheriffs' Career Development Program to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than August 15, 2005.</p>			
	<p>2. Following receipt of a sheriff's certification that the minimum requirements of the Sheriffs' Career Development Program have been met, and provided that such certification is received by the Compensation Board on or before November 1, 2005, the Compensation Board shall increase the annual salary shown in Paragraph A of this Item by the percentage shown below for a seven-month period effective December 1, 2005. Subsequent certifications shall be submitted by sheriffs as part of their annual budget request to the Compensation Board by February 1 of each year, with the salary increase becoming effective on the following July 1 for a 12-month period.</p>			
	<p>a. 9.3 percent increase for all sheriffs who certify their compliance with the established minimum criteria for the Sheriffs' Career Development Program and have achieved accreditation from the Virginia Law Enforcement Professional Standards Commission, or the Commission on Accreditation of Law Enforcement agencies, or the American Correctional Association, or,</p>			
	<p>b. For sheriffs that have not achieved one of the above accreditations,</p>			
	<p>(i) 3.1 percent for all sheriffs who certify their compliance with the established minimum criteria for the Sheriffs' Career Development Program; and</p>			
	<p>(ii) 3.1 percent additional increase for sheriffs who certify their compliance with the established minimum criteria for the Sheriffs' Career Development Program and operate a jail; and</p>			
	<p>(iii) 3.1 percent additional increase for all sheriffs who certify their compliance with the established minimum criteria for the Sheriffs' Career Development Program and provide primary law enforcement services in the county.</p>			
65.	Not set out.			
66.	Not set out.			
67.	Not set out.			
68.	Not set out.			

ITEM 69.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
69.	Not set out.				
69.10.	Not set out.				
70.	Not set out.				
	Total for Compensation Board.....			\$521,183,409	\$543,848,255 \$542,294,286
	General Fund Positions.....	24.00	24.00		
	Nongeneral Fund Positions.....	1.00	1.00		
	Position Level	25.00	25.00		
	Fund Sources: General	\$516,181,064	\$532,122,290		
	Trust and Agency	\$5,002,345	\$530,568,321 \$11,725,965		
71.	Not set out.				
72.	Not set out.				
73.	Not set out.				
74.	Not set out.				
75.	Not set out.				
76.	Not set out.				
77.	Not set out.				
78.	Not set out.				
79.	Not set out.				
80.	Not set out.				
81.	Not set out.				
82.	Not set out.				
83.	Not set out.				
84.	Not set out.				
85.	Not set out.				
86.	Not set out.				
87.	Not set out.				
88.	Not set out.				
89.	Not set out.				
90.	Not set out.				
91.	Not set out.				
92.	Not set out.				
93.	Not set out.				
94.	Not set out.				

ITEM 94.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
TOTAL FOR OFFICE OF ADMINISTRATION			\$785,884,816	\$780,290,429 \$778,785,460
General Fund Positions.....	469.50	477.50		
Nongeneral Fund Positions.....	690.50	690.50		
Position Level	1,160.00	1,168.00		
Fund Sources: General	\$562,902,674	\$580,705,041 \$579,200,072		
Special.....	\$19,345,000	\$19,525,561		
Enterprise	\$146,328,699	\$146,496,913		
Trust and Agency	\$51,279,387	\$27,533,858		
Federal Trust.....	\$6,029,056	\$6,029,056		

ITEM 94.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

OFFICE OF AGRICULTURE AND FORESTRY

94.10. Not set out.

TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY.....			\$118,000	\$540,000
General Fund Positions.....	3.00	3.00		
Position Level	3.00	3.00		
Fund Sources: General.....	\$118,000	\$540,000		

ITEM 95.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

OFFICE OF COMMERCE AND TRADE

- 95. Not set out.
- 96. Not set out.
- 97. Not set out.
- 98. Not set out.
- 99. Not set out.
- 100. Not set out.
- 101. Not set out.
- 102. Not set out.
- 103. Not set out.
- 104. Not set out.
- 105. Not set out.
- 106. Not set out.
- 107. Not set out.
- 108. Not set out.

§ 1-6. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (165)

- 109. Not set out.
- 110. Not set out.

111. Economic Development Research, Planning, and Coordination (53300).....			\$45,077,706	\$40,689,160
				\$41,749,160
Regional and Community Developmental Planning (53301)	\$3,028,772	\$3,078,772		
Financial Assistance for Substate Planning (53303).....	\$2,284,859	\$2,796,313		
Financial Assistance for Community Development (53305)	\$39,764,075	\$34,814,075		
				\$35,874,075
Fund Sources: General.....	\$14,795,960	\$10,407,414		
				\$11,467,414
Special.....	\$150,000	\$150,000		
Federal Trust.....	\$30,131,746	\$30,131,746		

Authority: Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11; and Title 59.1, Chapters 22 and 22.2, Code of Virginia.

A. This appropriation includes annual membership dues to the Appalachian Regional Commission, \$128,091 the first year and \$128,091 the second year, from the general fund. These dues are payable from the amounts for Regional and Community Developmental Planning.

B.1. Out of the amounts provided to the Department shall be provided \$2,880,000 the first year and

ITEM 111.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
<p>\$2,880,000 the second year from the general fund for the Indoor Plumbing Program. In addition, an annual allocation of federal dollars will be made available to this program dependent upon the level of federal support each year. Any unexpended balance in this program at the close of business on June 30, 2005, and June 30, 2006, shall not revert to the general fund, but shall be carried forward and reappropriated.</p>				
<p>2. The Department and local program administrators shall make every reasonable effort to provide participants basic financial counseling to enhance their ability to benefit from the Indoor Plumbing Program and to foster their movement to economic self-sufficiency.</p>				
<p>C. Out of the amounts for Financial Assistance for Substate Planning shall be paid from the general fund in four equal quarterly installments each year:</p>				
<p>1. To the Lenowisco Planning District Commission, \$89,812 the first year and \$89,812 the second year, which includes \$38,610 the first year and \$38,610 the second year for responsibilities originally undertaken and continued pursuant to § 15.2-4207, Code of Virginia, and the Virginia Coalfield Economic Development Authority.</p>				
<p>2. To the Cumberland Plateau Planning District Commission, \$92,446 the first year and \$92,446 the second year which includes \$42,390 the first year and \$42,390 the second year for responsibilities originally undertaken and continued pursuant to § 15.2-4207, Code of Virginia, and the Virginia Coalfield Economic Development Authority.</p>				
<p>3. To the Mount Rogers Planning District Commission, \$59,611 the first year and \$59,611 the second year.</p>				
<p>4. To the New River Valley Planning District Commission, \$59,611 the first year and \$59,611 the second year.</p>				
<p>5. To the Roanoke Valley-Alleghany Regional Commission, \$72,824 the first year and \$72,824 the second year.</p>				
<p>6. To the Central Shenandoah Planning District Commission, \$67,367 the first year and \$67,367 the second year.</p>				
<p>7. To the Northern Shenandoah Valley Regional Commission, \$59,611 the first year and \$59,611 the second year.</p>				
<p>8. To the Northern Virginia Regional Commission, \$303,499 the first year and \$303,499 the second year.</p>				
<p>9. To the Rappahannock-Rapidan Regional Commission, \$59,611 the first year and \$59,611 the second year.</p>				
<p>10. To the Thomas Jefferson Planning District Commission, \$59,611 the first year and \$59,611 the</p>				

ITEM 111.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
second year.				
11. To the Region 2000 Regional Commission, \$63,778 the first year and \$63,778 the second year.				
12. To the West Piedmont Planning District Commission, \$70,023 the first year and \$70,023 the second year.				
13. To the Southside Planning District Commission, \$59,611 the first year and \$59,611 the second year.				
14. To the Piedmont Planning District Commission, \$59,611 the first year and \$59,611 the second year.				
15. To the Richmond Regional Planning District Commission, \$165,277 the first year and \$165,277 the second year.				
16. To the RADCO Planning District Commission, \$59,611 the first year and \$59,611 the second year.				
17. To the Northern Neck Planning District Commission, \$59,611 the first year and \$59,611 the second year.				
18. To the Middle Peninsula Planning District Commission, \$59,611 the first year and \$59,611 the second year.				
19. To the Crater Planning District Commission, \$59,611 the first year and \$59,611 the second year.				
20. To the Accomack-Northampton Planning District Commission, \$59,611 the first year and \$59,611 the second year.				
21. To the Hampton Roads Planning District Commission \$293,995 the first year, and \$293,995 the second year.				
22. In addition to the amounts provided in paragraph C of this item, \$511,454 the second year from the general fund shall be provided to supplement funding made available to the planning district commissions in conformance with the Regional Cooperation Act. The Department shall distribute these additional funds in such a manner as to bring each planning district commission's appropriation to a minimum level of \$90,000 in the second year.				
D. Out of the amounts provided to the Department shall be provided \$1,463,112 the first year and \$1,463,112 the second year from the general fund for the Southeast Rural Community Assistance Project (formerly known as the Virginia Water Project) operating costs and water and wastewater grants. The Department shall disburse the total payment each year in twelve equal monthly installments.				
E. This appropriation includes annual membership dues in the DELMARVA Advisory Council, \$7,500 the first year and \$7,500 the second year from the general fund.				

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<p>F. Any remaining balances in the Virginia Enterprise Initiative and the Virginia Removal or Rehabilitation of Derelict Structures Fund shall not revert to the general fund, but shall be carried forward and reappropriated.</p>				
<p>G. Any unexpended balance in the Industrial Site Development fund at the close of business on June 30, 2005, and June 30, 2006, shall not revert to the general fund, but shall be carried forward and reappropriated.</p>				
<p>I VETO THIS ITEM. /s/ Mark R. Warner (6/25/04) (Vetoed item is enclosed in brackets.)</p>				
<p>[H. Out of the amounts in this item shall be provided \$50,000 the first year and \$100,000 the second year from the general fund for the Center for Rural Virginia. The department shall report periodically to the Chairmen of the Senate Finance and House Appropriations Committees on the status, needs and accomplishments of the Center.]</p>				
<p>I. As part of its mission, the Center for Rural Virginia shall monitor the implementation of the budget initiatives approved by the 2005 Session of the General Assembly for rural Virginia and shall report periodically to the Chairmen of the Senate Finance and House Appropriations Committees on the effectiveness of these various programs in addressing rural economic development problems. Any unexpended balance for the Center for Rural Virginia at the close of business on June 30, 2005, and June 30, 2006, shall not revert to the general fund but shall be carried forward and reappropriated.</p>				
<p>J. Out of the appropriation for this item, \$5,000,000 the first year from the general fund shall be provided to pay the capital costs for safe drinking water and wastewater treatment in the Lenowisco, Cumberland Plateau, or Mount Rogers planning districts. The Department shall leverage the appropriation with other state moneys, federal grants or loans, local contributions, and private or nonprofit resources. Any unexpended balance in the item for this purpose on June 30, 2005, and June 30, 2006, shall not revert to the general fund but shall be carried forward, reappropriated, and allotted.</p>				
<p><i>K. Out of the amounts for Economic Development Research, Planning, and Coordination shall be provided \$1,060,000 in the second year from the general fund to the City of Norfolk to assist a local economic development effort.</i></p>				
112.	Not set out.			
112.10.	Not set out.			
113.	Not set out.			
114.	Not set out.			
Total for Department of Housing and Community Development.....			\$100,042,307	\$113,857,425 <i>\$114,917,425</i>

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	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
General Fund Positions.....	109.50	113.50		
Nongeneral Fund Positions.....	17.50	22.50		
Position Level	127.00	136.00		
Fund Sources: General.....	\$28,718,516	\$42,539,134 \$43,599,134		
Special.....	\$3,238,500	\$3,233,000		
Dedicated Special Revenue.....	\$400,000	\$400,000		
Federal Trust.....	\$67,685,291	\$67,685,291		
115. Not set out.				
116. Not set out.				
117. Not set out.				
118. Not set out.				
119. Not set out.				
§ 1-7. DEPARTMENT OF MINES, MINERALS AND ENERGY (409)				
120. Not set out.				
121. Not set out.				
122. Not set out.				
123. Resource Management Research, Planning, and Coordination (50700).....			\$1,038,362	\$1,038,362 \$1,067,960
Energy Conservation Advisory Services (50703).....	\$1,038,362	\$1,038,362 \$1,067,960		
Fund Sources: General.....	\$38,362	\$38,362 \$67,960		
Federal Trust.....	\$1,000,000	\$1,000,000		
Authority: Title 45.1, Chapter 26, Code of Virginia.				
Out of the amounts for Energy Conservation Advisory Services shall be provided \$38,362 the first year and \$38,362 the second year from the general fund for dues and expenses for the Southern States Energy Board.				
124. Not set out.				
Total for Department of Mines, Minerals and Energy.....			\$27,390,519	\$27,390,538 \$27,420,136
General Fund Positions.....	165.62	163.62 164.62		
Nongeneral Fund Positions.....	71.38	71.38		
Position Level	237.00	235.00 236.00		
Fund Sources: General.....	\$9,545,182	\$9,545,201 \$9,574,799		
Special.....	\$5,403,575	\$5,403,575		
Trust and Agency.....	\$525,000	\$525,000		
Dedicated Special Revenue.....	\$441,400	\$441,400		
Federal Trust.....	\$11,475,362	\$11,475,362		
125. Not set out.				

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		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006		
126.	Not set out.						
127.	Not set out.						
128.	Not set out.						
129.	Not set out.						
130.	Not set out.						
131.	Not set out.						
132.	Not set out.						
133.	Not set out.						
134.	Not set out.						
TOTAL FOR OFFICE OF COMMERCE AND TRADE.....						\$866,422,158	\$862,436,611 \$863,526,209
General Fund Positions.....		994.11	999.11				
Nongeneral Fund Positions.....		1,682.77	1,654.77				
Position Level		2,676.88	2,653.88				
			2,654.88				
Fund Sources: General		\$122,638,690	\$141,920,447				
Special.....		\$27,509,548	\$27,588,937				
Commonwealth Transportation		\$1,065,924	\$1,065,924				
Trust and Agency		\$601,927,186	\$576,633,882				
Dedicated Special Revenue		\$21,109,459	\$22,923,353				
Federal Trust.....		\$92,171,351	\$92,304,068				

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OFFICE OF EDUCATION

135. Not set out.

§ 1-8. DEPARTMENT OF EDUCATION, CENTRAL OFFICE OPERATIONS (201)

136.	Administrative and Support Services (19900).....			\$52,759,532	\$52,955,019
	General Management and Direction (19901).....	\$7,527,308	\$7,542,695		
	Computer Services (19902).....	\$2,938,774	\$2,938,774		
	Planning and Evaluation Services (19916).....	\$912,205	\$1,092,305		
	Grant and Loan Administration (19928).....	\$41,381,245	\$41,381,245		
	Fund Sources: General.....	\$10,137,491	\$10,332,978		
	Special.....	\$1,047,184	\$1,047,184		
	Trust and Agency.....	\$193,613	\$193,613		
	Federal Trust.....	\$41,381,244	\$41,381,244		

Authority: Title 22.1, Chapters 1, 2, and 3, Code of Virginia; Chapter 1 - Elementary and Secondary Education Act of 1965 Title 1, Chapter 1, Part E, Section 1404 and Part F, Subpart 2; Chapter 2 P.L. 100-297; Special Education - P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; Vocational Education, P.L. 101-392, Carl D. Perkins Vocational and Applied Technology Education Act, Title II; Emergency Immigrant, P.L. 100-297; and Drug Free Schools - P.L. 102-170, Civil Rights Act of 1964.

A. Out of this appropriation, \$70,500 the first year and \$70,500 the second year from the general fund, is designated to support annual membership dues to the Education Commission of the States.

B. Out of this appropriation, \$9,000 the first year and \$9,000 the second year from the general fund, is designated to support annual membership dues to the Southern Regional Education Board.

C. Administrative costs funded by the Federal Block Grant for Education (Chapters 1 and 2) are appropriated in subprogram 1992800 (Grant and Loan Administration) in each year of the biennium.

D.1. In order to provide improved services through up-to-date facilities as well as to achieve long-term cost savings, notwithstanding other provisions of the Code of Virginia, the Virginia School for the Deaf and the Blind at Staunton and the Virginia School for the Deaf, Blind, and Multi-disabled at Hampton shall be consolidated into one school upon completion of any renovations, additions, or new facility construction at a site as determined by the State Board of Education with assistance from the Department of General Services.

2.a. The State Board of Education, assisted by the Department of General Services, shall consider, among other options, Public-Private Education Act (PPEA) proposals to plan and design the consolidation of the Virginia School for the Deaf and the Blind at Staunton and the Virginia School for the Deaf, Blind and Multi-disabled at Hampton into a single campus and the transfer of students, programs and services to a single campus, the location of which shall be incorporated

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into a PPEA proposal or a conventional capital construction project proposal that will be accepted, reviewed and adopted by the State Board of Education no later than July 31, 2005.

b. In the event that the State Board of Education selects a PPEA proposal, the Department of General Services is authorized to enter into an agreement for construction of the new school at a total cost not to exceed \$61.5 million.

3. The Departments of Education and General Services shall provide an update on the final location selected by the State Board of Education and on the planning and construction process to the Governor and the Chairmen of the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health by October 1, 2005. At a minimum, the report shall address:

a. Revised cost estimates and proposed timelines for construction of the new facility for consolidating services for the students served by Virginia's two schools at Staunton and Hampton;

b. In cooperation with the Department of Planning and Budget, revised projected operating budgets for fiscal years 2007 through 2010, including any one-time transition costs;

c. The status of proposed mechanisms to assist school divisions with programs for children transferring into local school divisions rather than continuing enrollment at the new school location;

d. Detailed cost estimates of possible program enhancements, including specialized technology, expanding services to include deaf children with emotional disabilities; and

e. Potential alternative uses of the existing campuses in Hampton and Staunton.

E. Out of this appropriation, \$274,573 each year from the general fund is designated to support the Partnership for Achieving Successful Schools initiative.

F. This appropriation includes \$81,000 the second year from the general fund to fund the establishment of the Commission on Civics Education pursuant to House Bill 1769, 2005 Session. The three main purposes of the advisory commission will be to further the education of students on the importance of citizen involvement in a representative democracy, to promote the study of state and local government among the citizens, and to enhance communication and collaboration among organizations that conduct civic education programs.

G. By June 30, 2006, the Director, Department of Planning and Budget, is directed to unallot \$937,721 from the general fund appropriations of the Department of Education, Central Office Operations and

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	<i>\$1,954,475 from the general fund appropriations of the Direct Aid to Public Education at the end of fiscal year 2005. Such amounts shall revert to the general fund.</i>			
137.	State Education Services (19100).....		\$43,557,470	\$47,029,450
	State Education Services for Special Education (19102)..	\$11,551	\$11,551	
	State Education Services for Vocational Education (19103)	\$1,131,178	\$1,131,178	
	State Education Services for Adult Education (19104)	\$470,135	\$470,135	
	State Education Services for General Education (19105)	\$3,389,317	\$3,389,317	
	State Education Services for Research, Testing, and Evaluation (19107).....	\$26,326,402	\$29,020,278	
	State Education Services for Public School Support (19108)	\$12,034,233	\$12,812,337	
	State Education Regional Services (19112).....	\$194,654	\$194,654	
	Fund Sources: General.....	\$39,724,660	\$45,904,916	
	Special.....	\$226,809	\$226,809	
	Federal Trust.....	\$3,606,001	\$897,725	
	Authority: State Education Services for Adult Education (1910400): §§ 22.1-223 through 22.1-236, Code of Virginia; Part B., P.L. 100-297, as amended, P.L. 102-73, Adult Education Act.			
	State Education Services for Research, Testing and Evaluation (1910700): § 22.1-19, Code of Virginia; Article VIII, Section 2, Constitution of Virginia.			
	State Education Services for Public School Support (1910800): §§ 22.1-16, 22.1-138 through 22.1-141, 22.1-186, 22.1-238 through 22.1-253, 22.1-346 through 22.1-357, Code of Virginia.			
	State Education Services for Early Childhood (1910900): §§ 22.1-199 through 22.1-221, Code of Virginia.			
	State Education for Preadolescent (1911000): §§ 22.1-200 through 22.1-221, Code of Virginia.			
	State Education Services for Adolescent (1911100): §§ 22.1-200 through 22.1-221; §§ 22.1-228 through 22.1-237, Code of Virginia.			
	State Education Services for Regional Services (1911200): §§ 22.1-213 through 22.1-221, Code of Virginia.			
	Virginia Business-Education Partnership Program (1911700): §§ 9-325 through 9-329, Chapter 41, Code of Virginia.			
	A. The Superintendent of Public Instruction is encouraged to implement school/community team training.			
	B. The appropriation for State Education Regional Services includes \$20,000 the first year and \$20,000 the second year from the general fund to provide technical assistance to localities in developing a comprehensive, coordinated, quality preschool program for serving at-risk four-year-old children.			

ITEM 137.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C. Out of the amounts for State Education Services, \$296,000 the first year and \$296,000 the second year from the general fund is provided for the Virginia VIEWS Program.				
D. The Superintendent of Public Instruction shall provide direction and technical assistance to local school divisions in the revision of their Vocational Education curriculum and instructional practices.				
E. Out of the amounts for State Education Services, \$23,721,759 the first year and \$26,415,635 the second year from the general fund is provided for the development and administration of assessment materials and tests related to the Standards of Learning.				
F. The Superintendent of Public Instruction, in cooperation with the Commissioner of Social Services, shall encourage local departments of social services and local school divisions to work together to develop cooperative arrangements for the use of school resources, especially computer labs, for the purpose of training Temporary Assistance for Needy Families (TANF) recipients for the workforce.				
H. Notwithstanding § 4-1.05 b 3 of this act, the Superintendent of Public Instruction may apply for grant funding to be used by local school divisions consistent with the provisions of Chapter 447, 1999 Session of the General Assembly. The nongeneral fund appropriation for this agency shall be adjusted by the amount of the proceeds of any such grant awards.				
I. The Department of Education, in collaboration with the Office of Comprehensive Services, shall provide training to local staff serving on Family Assessment and Planning Teams and Community Policy and Management Teams. Training shall include, but need not be limited to, the federal and state requirements pertaining to the provision of the special education services funded under § 2.2-5211, Code of Virginia. The training shall also include written guidance concerning which services remain the financial responsibility of the local school divisions. In addition, the Department of Education shall provide ongoing local oversight of its federal and state requirements related to the provision of services funded under § 2.2-5211, Code of Virginia.				
J. The Department of Education shall collect annually, as part of the financial section of the Annual School Report, data on the expenditures of local school divisions for educational technology, to include hardware, software, and required infrastructure modifications.				
K. Notwithstanding any contrary provisions of law, effective July 1, 2003, the Department of Education shall not be required to administer the Stanford 9 norm-referenced test.				
L. The Board of Education shall consider the caseload standards for speech-language pathologists as part of its review of the Standards of Quality, pursuant to				

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	§ 22.1-18.01, Code of Virginia.			
	M. Out of the amounts for Public School Support, \$356,512 the first year and \$356,512 the second year from the general fund is designated for administrative and contractual services for the support of Project Graduation.			
	N. Out of this appropriation, \$404,961 the first year and \$469,071 the second year from the general fund is designated to support the state's portion of the contract for the turnaround specialist credential program. In addition, nongeneral funds of \$124,200 the first year and \$43,200 the second year also support the contract. Included in the amount for Item 144 of this act is \$306,720 the first year and \$613,439 the second year from the general fund for salary incentives for 10 principals each year for a period of three years.			
	O. In the event that existing funds are not available, additional nongeneral funds do not become available, and/or the contracts are not re-negotiated to lower amounts, the Department of Education is authorized to transfer up to \$150,890 the second year from the general fund appropriation for Item 144 in E. 5. a. to this Item for the contract with the University of Virginia Partnership for Leaders in Education - The Darden School Foundation for the turnaround specialists program and up to \$500,000 the second year from the general fund appropriation for Item 144 in E. 5. a. to this item for the on-line career planning services. The potential transfer for the on-line career planning services existing or a re-negotiated contract shall be subordinate to the funding requirements that are necessary to fulfill the existing or a re-negotiated contract for the turnaround specialists program.			
	<i>P. Notwithstanding the provisions of § 2.2-1502.1, Code of Virginia, the Board of Education, in cooperation with the Department of Planning and Budget, is authorized to invite a school division to participate in the school efficiency review program described in § 2.2-1502.1, Code of Virginia, as a component of a division level academic review pursuant to § 22.1-253.13:3, Code of Virginia. Commencing in FY2006, when a school division elects to undergo a school efficiency review pursuant to this provision, the school division shall not be charged the 25 percent for the costs of such review. However, a school division shall pay a separate 25 percent of the total costs of such review if the school division's superintendent or superintendent's designee has not certified that at least half of the recommendations have been initiated within 24 months after the completion of the review.</i>			
138.	Not set out.			
139.	Not set out.			
140.	Not set out.			

ITEM 140.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
141.			\$8,050,646	\$9,018,753 \$8,733,753
	Elementary and Secondary Teacher, Counselor, and Administrator Regulation (56011).....	\$8,050,646		\$9,018,753 \$8,733,753
	Fund Sources: General.....	\$3,857,451		
	Special.....	\$1,538,347		
	Federal Trust.....	\$2,654,848		

Authority: §§ 22.1-298 and 22.1-299, Code of Virginia.

A. Proceeds from the fee schedule for the issuance of teaching certificates shall be utilized to defray all, or any part of, the expenses incurred by the Department of Education in issuing or accounting for teaching certificates. The fee schedule shall take into account the actual costs of issuing certificates. Any portion of the general fund appropriation for this Item may be supplemented by such fees.

B. This appropriation includes \$558,000 the first year and \$558,000 the second year from the general fund for the Virginia Teaching Scholarship Loan Program. These scholarships shall be for undergraduate students at or beyond the sophomore year in college with a cumulative grade point average of at least 2.7 who are nominated by their college and students at the graduate level, who are nominated by their college and who meet the criteria and qualifications, pursuant to § 22.1-290.01, Code of Virginia. Awards shall be made to students who are enrolled full-time or part-time in approved undergraduate or graduate teacher education programs for (i) critical teacher shortage disciplines, such as special education, chemistry, physics, earth and space science, foreign languages, or technology education or (ii) as students meeting the qualifications in § 22.1-290.01, Code of Virginia, who have been identified by a local school board to teach in any discipline or at any grade level in which the school board has determined that a shortage of teachers exists; however, such persons shall meet the qualifications for awards granted pursuant to this item. Minority students may be enrolled in any content area for teacher preparation and male students may be enrolled in any approved elementary or middle school teacher preparation program; therefore, this provision shall satisfy the requirements for the Diversity in Teaching Initiative and Fund, pursuant to Chapters 570, 597, 623, 645, and 719 of the Acts of Assembly of 2000. Scholarship recipients may fulfill the teaching obligation by accepting a teaching position (i) in one of the critical teacher shortage disciplines; or (ii) regardless of teaching discipline, in a school with a high concentration of students eligible for free or reduced price lunch; or (iii) in any discipline or at grade levels with a shortage of teachers; or (iv) in a rural or urban region of the state with a teacher shortage. For the purposes of this item, "critical teacher shortage area and discipline" means subject areas and grade levels identified by the Board of Education in which the demand for classroom teachers exceeds the supply of teachers, as defined in the Board of

ITEM 141.	Item Details(\$)		Appropriations(\$)	
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Education's Regulations Governing the Determination of Critical Teacher Shortage Areas. Scholarship amounts are based on \$3,720 per year for full-time students, and shall be prorated for part-time students based on the number of credit hours. The Board of Education is authorized to recover total funds awarded as scholarships or the appropriate proportion thereof in the event that scholarship recipients fail to honor the stipulated teaching obligation. The Department of Education shall report annually on the critical shortage teaching areas in Virginia.				
C. The Board of Education is authorized to recover total funds awarded prior to July 1, 1992, as scholarships, or the appropriate portion thereof, in the event that scholarship recipients fail to honor the stipulated teaching obligation. Any funds collected by the Board on behalf of this program shall revert to the general fund on June 30 each year. Such reversion shall be the net of any administrative or legal fees associated with the collection of these funds.				
D. This appropriation includes \$75,000 the first year and \$75,000 the second year from the general fund for incentive grants for Virginia teachers seeking certification from the National Board for Professional Teaching Standards.				
E. It is the intent of the General Assembly that the Department of Education provide bonuses from state funds to classroom teachers in Virginia's public schools who hold certification from the National Board of Professional Teaching Standards. Such bonuses shall be \$5,000 the first year of the certificate and \$2,500 annually thereafter for the life of the certificate. This appropriation includes an amount estimated at \$1,500,000 the first year and \$2,285,000 \$1,997,500 the second year from the general fund for the purpose of paying these bonuses. By September 30 of each year, school divisions shall notify the Department of Education of the number of classroom teachers under contract for that school year who hold such certification.				
F. This appropriation includes \$307,285 the first year and \$307,285 the second year from the general fund to establish an alternative licensure program as prescribed by the Board of Education.				
G. This appropriation includes \$1,267,398 from the general fund and \$200,000 from federal funds the first year and \$1,450,505 from the general fund and \$200,000 from federal funds the second year is provided to assist schools that do not meet the Standards of Accreditation as prescribed by the Board of Education.				
142. Not set out.				
143. Not set out.				
Total for Department of Education, Central Office Operations.....			\$107,397,910	\$112,033,484 <i>\$111,748,484</i>

ITEM 143.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
General Fund Positions.....	175.50	168.50		
Nongeneral Fund Positions.....	145.50	168.50		
Position Level	321.00	337.00		
Fund Sources: General	\$53,921,136	\$61,264,986 \$60,979,986		
Special.....	\$2,812,340	\$2,812,340		
Commonwealth Transportation	\$218,904	\$218,904		
Trust and Agency	\$193,613	\$193,613		
Federal Trust.....	\$50,251,917	\$47,543,641		
Direct Aid to Public Education (197)				
144. Financial Assistance for Public Education (Categorical) (17100)			\$484,226,127	\$498,008,268 \$496,334,642
Financial Assistance for Instruction (17101).....	\$148,284,699	\$148,284,699		
Financial Assistance for Special Education Instruction (17102)	\$207,690,580	\$215,289,207 \$215,372,417		
Financial Assistance for Vocational Education Instruction (17103).....	\$31,798,829	\$33,198,829		
Financial Assistance for Adult Education Instruction (17104)	\$3,299,381	\$2,237,275		
Financial Assistance for General Education Instruction (17105)	\$71,001,003	\$73,745,008 \$71,988,937		
Financial Assistance for Cultural Transition (17106)	\$8,988,805	\$8,988,805		
Financial Assistance for Educational Telecommunications (17111).....	\$2,289,158	\$2,256,908		
Financial Assistance From Federal Land Use (17113).....	\$1,200,000	\$1,200,000		
Financial Assistance for Individual Student Alternative Education Program (17114).....	\$300,765	\$2,548,346 \$2,547,581		
Financial Assistance for Foster Children Educational Payments (17115)	\$9,372,907	\$10,259,191		
Fund Sources: General	\$111,629,927	\$125,412,068 \$123,738,442		
Trust and Agency	\$129,100	\$129,100		
Federal Trust.....	\$372,467,100	\$372,467,100		
Authority: Financial Assistance for Individual Student Alternative Education (1710100):				
Discretionary Inclusion; P.L. 97-35, P.L. 98-211 and P.L. 100-297, Federal Code.				
Financial Assistance for Special Education (1710200): §§ 22.1-213 through 22.1-222, Code of Virginia; P.L. 91-230, P.L. 98-199, P.L. 99-457, P.L. 101-476 and P.L. 102-119, Federal Code.				
Financial Assistance for Vocational Education (1710300): § 22.1-227, Code of Virginia; P.L. 98-524, Federal Code.				
Financial Assistance for Adult Education (1710400): §§ 22.1-223 through 22.1-226, Code of Virginia; P.L. 95-561 and P.L. 100-297, Federal Code.				
Financial Assistance for General Education (1710500): Discretionary Inclusion; and P.L. 99-570, Federal Code.				

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Financial Assistance for Cultural Transition (1710600): Treaty of 1677 between Virginia and the Indians; P.L. 100-297, Federal Code.				
Financial Assistance for Research and Testing (1710700): Discretionary Inclusion.				
Financial Assistance for Educational Telecommunications (1711100): Discretionary Inclusion.				
Financial Assistance from Federal Land Use (1711300): § 22.1-108, Code of Virginia; P.L. 94-588, Federal Code.				
Financial Assistance for Individual Student Alternative Education (1711400): Discretionary Inclusion.				
Financial Assistance for Foster Children Education Payments (1711500): § 22.1-101, Code of Virginia.				
A. Instruction Payments				
Aid to localities provided by the Federal Block Grant for Education is appropriated in this subprogram.				
B. Special Education Instruction Payments				
1. The Department of Education shall establish rates for all elements in this subprogram.				
2. Out of the amounts for special education payments, the Department of Education shall make available, subject to implementation by the Superintendent of Public Instruction, an amount estimated at \$47,322,518 the first year and \$52,550,159 \$52,633,369 the second year from the general fund for the purpose of the state's share of the tuition rates for approved public school regional programs. Notwithstanding any contrary provision of law, the state's share of the tuition rates shall be based on the composite index of local ability-to-pay.				
3. Out of the amounts for Financial Assistance for Special Education, \$24,437,045 the first year and \$26,350,276 the second year from the general fund is appropriated to permit the Department of Education to contract with selected local school boards for the provision of educational services to children residing in certain hospitals, clinics, and detention homes by employees of the local school boards. The selection and employment of instructional and administrative personnel under such contracts will be the responsibility of the local school board in accordance with procedures as prescribed by the local school board.				
C. Vocational Education Instruction Payments				
1. It is the intention of the General Assembly that the Department of Education explore initiatives that will encourage greater cooperation between jurisdictions and the Virginia Community College System in meeting the needs of public school systems.				

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2.	This appropriation includes \$700,000 the first year and \$1,500,000 the second year from the general fund for secondary vocational-technical equipment. A base allocation of \$1,000 the first year and \$2,000 the second year shall be available for all divisions, with the remainder of the funding distributed on the basis of student enrollment in secondary vocational-technical courses. State funds received for secondary vocational-technical equipment must be used to supplement, not supplant, any funds currently provided for secondary vocational-technical equipment within the locality.			
3.	Out of the amounts for Financial Assistance for Vocational Education Instruction, the Department of Education shall provide \$200,000 the first year and \$400,000 the second year from the general fund for the Jobs for Virginia Graduates initiative.			
4.	Out of this appropriation, \$400,000 in the second year from the general fund shall be allocated for the Career and Technical Education Resource Center to provide vocational curriculum and resource instructional materials free of charge to all school divisions.			
D. Adult Education Payments				
State funds shall be used to reimburse general adult education programs on a fixed cost per pupil or cost per class basis. No state funds shall be used to support vocational noncredit courses.				
E. General Education Payments				
1.a.	Out of the amounts for Financial Assistance for General Education shall be paid \$800,000 the first year and \$800,000 the second year from the general fund for Project Discovery. These funds are to fund approximately one-half of the cost of the program in Abingdon, Accomack/Northampton, Alexandria, Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, Cumberland, Danville/Pittsylvania, Fairfax, Franklin/Patrick, Goochland/Powhatan, Lynchburg, Newport News, Norfolk, Richmond City, Roanoke City, Smyth, Surry/Sussex, Tazewell, Williamsburg/James City, and Wythe and the salary of a fiscal officer for Project Discovery.			
b.	The Board of Education shall determine the Project Discovery funding distributions to each community action agency. The contract with Project Discovery, Inc. should specify the allocations to each local Project Discovery program. Allocations shall be on a per pupil basis for students enrolled in the program.			
2.	Out of the amounts for Financial Assistance for General Education, the Board of Education shall provide \$200,000 the first year and \$200,000 the second year from the general fund for the Southwest Virginia Public Education Consortium at the University of Virginia's College at Wise. From these funds, the Consortium shall provide \$97,750 the first year and \$97,750 the second year from the general fund to			

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<p>continue the Van Gogh Outreach program with Lee and Wise County Public Schools and expand the program to the twelve school divisions in Southwest Virginia.</p>				
<p>3. The appropriation for Financial Assistance for General Education includes \$100,000 the first year and \$100,000 the second year from the general fund for the Southside Virginia Regional Technology Consortium to expand the research and development phase of a technology linkage.</p>				
<p>4. The appropriation for Financial Assistance for General Education includes \$2,774,478 the first year and \$2,774,478 the second year from the general fund to support Project Graduation.</p>				
<p>5.a.1. This appropriation includes \$2,664,375 the first year and \$6,593,854 the second year from the general fund for targeted education initiatives to improve student achievement and teacher quality, including a mentoring program for teachers with no experience working in schools that are at-risk of not meeting adequate yearly progress, a middle school math teacher initiative in at-risk schools, turnaround specialists to enhance the leadership in schools that have consistently failed to show improvement in student progress, virtual Advanced Placement courses, and GED tests as required by the No Child Left Behind Act.</p>				
<p>2. In the event that existing funds are not available, additional nongeneral funds do not become available, and/or the contracts are not re-negotiated to lower amounts, the Department of Education is authorized to transfer up to \$150,890 the second year from the general fund appropriation for this item in E. 5. a. to Item 137 for the contract with the University of Virginia Partnership for Leaders in Education - The Darden School Foundation for the turnaround specialists program and up to \$500,000 the second year from the general fund appropriation for this item in E. 5. a. to Item 137 for the on-line career planning services. The potential transfer for the on-line career planning services existing or a re-negotiated contract shall be subordinate to the funding requirements that are necessary to fulfill the existing or a re-negotiated contract for the turnaround specialists program.</p>				
<p>b.1. In addition, the appropriation includes \$500,000 the first year and \$500,000 the second year from the general fund for competitive grants of \$100,000 each to be awarded to school divisions which demonstrate a partnership agreement with a Virginia institution of higher learning and/or other entity for a defined leadership development training program that addresses the leadership standards established for such training as defined by the Board of Education. The Department of Education shall establish the guidelines for school divisions to apply for these grants. These grants shall be allocated over the biennium.</p>				
<p>2. School divisions that are awarded a competitive leadership grant in either fiscal year shall be allowed to retain any unspent balances at the end of that fiscal year in which the grant was awarded and shall be</p>				

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permitted to spend any remaining balances for the intended purposes during the ensuing two fiscal years.

c. The Department of Education shall continue to work with the school divisions to estimate the cost impacts of the federal No Child Left Behind Act. The Superintendent of Public Instruction shall provide an update on the effort to determine expected local cost impacts, as well as state costs, to the Chairmen of the House Appropriations and Senate Finance Committees by July 31, 2004, and subsequent updates as needed.

I VETO THIS ITEM. /s/ Mark R. Warner (6/25/04)
(Vetoed item is enclosed in brackets.)

[6. The appropriation for Financial Assistance for General Education includes \$250,000 the first year and \$250,000 the second year from the general fund for the Wolf Trap Institute for Early Learning Through the Arts to support reading and other educational skills in pre-school children and to support professional development opportunities for educators.]

F. Educational Telecommunications Payments

1. Out of the amounts for Financial Assistance for Educational Telecommunications, the Board of Education shall provide assistance for electronic classrooms.

2. The local share of costs associated with operation of electronic classrooms shall be computed using the local composite index of ability-to-pay.

G. Individual Student Alternative Education Program

Out of this appropriation, \$2,247,581 the first year and \$2,247,581 in the second year from the general fund shall be provided for the secondary schools' Individual Student Alternative Education Program (ISAEP), pursuant to Chapter 488 and Chapter 552 of the 1999 Session of the General Assembly. The Department of Education shall report the status of this program along with any recommendations for determining the cost of this program to the Governor and the Chairmen of the Senate Finance, Senate Education and Health, House Appropriations, and House Education Committees and the Department of Planning and Budget no later than October 15 of each year.

H. Foster Children Education Payments

1. An additional state payment is provided from the general fund for the prior year's local operations costs, as determined by the Department of Education, for each pupil not a resident of the school division providing his education (a) who has been placed in foster care or other custodial care within the geographical boundaries of such school division by a Virginia agency, whether state or local, which is authorized under the laws of this Commonwealth to place children; (b) who has been placed in an orphanage or children's home which exercises legal guardianship rights; or (c) who is a resident of Virginia and has been placed, not solely for

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school purposes, in a child-caring institution or group home.

2. This appropriation also provides \$6,301,818 the first year and \$6,897,693 the second year from the general fund to support disabled children attending public school who have been placed in foster care or other such custodial care across jurisdictional lines, as provided by subsection B of § 22.1-101.1, Code of Virginia. To the extent these funds are not adequate to cover the full costs specified therein, the Department is authorized to expend unobligated balances in this Item and Item 146 for this support.

1. By June 30, 2006, the Director, Department of Planning and Budget, is directed to unallot \$937,721 from the general fund appropriations of the Department of Education, Central Office Operations and \$1,954,475 from the general fund appropriations of the Direct Aid to Public Education at the end of fiscal year 2005. Such amounts shall revert to the general fund.

145.	Financial Assistance for Public School Employee Benefits (17200).....			\$239,231,241	\$288,220,569 \$287,798,528
	Financial Assistance for School Employee Retirement Contributions (17201).....	\$109,149,216	\$139,000,765 \$138,796,911		
	Financial Assistance for School Employee Social Security Contributions (17202)	\$130,082,025	\$149,219,804 \$149,001,617		
	Fund Sources: General	\$107,376,541	\$162,365,869 \$161,943,828		
	Trust and Agency	\$131,854,700	\$125,854,700		

Authority: Title 51.1, Chapters 1, 5, 7 and 14, Code of Virginia.

Payments out of the above amounts shall be subject to the following conditions:

1. General Conditions

a. The Standards of Quality cost for each of the three subprograms in this Item shall be limited for instructional staff members to the employer's cost for a number not exceeding the number of instructional positions required by the Standards of Quality for each school division and for their salaries at the statewide prevailing salary levels as printed below.

Instructional Position	First Year Salary	Second Year Salary
Elementary Teachers	\$37,534	\$37,534
Elementary Assistant Principals	\$52,546	\$52,546
Elementary Principals	\$64,562	\$64,562
Secondary Teachers	\$39,641	\$39,641
Secondary Assistant Principals	\$57,365	\$57,365
Secondary Principals	\$70,945	\$70,945
Aides	\$12,802	\$12,802

b.1) Payment by the state to a local school division shall be based on the state share of fringe benefit costs of 55 percent of the employer's cost distributed on the

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basis of the composite index.

2) A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing fringe benefit funds under this provision.

3) The state payment to each school division for retirement, social security, and group life insurance costs for noninstructional personnel is included in and distributed through Basic Aid.

c. Payments to school divisions from these subprograms shall be calculated using Average Daily Membership adjusted for half-day kindergarten programs.

d. Payments for health insurance fringe benefits are included in and distributed through Basic Aid.

2. School Employee Retirement Contributions

a. This subprogram provides funds to each local school board for the state share of the employer's retirement cost incurred by it, on behalf of instructional personnel, for subsequent transfer to the retirement allowance account as provided by Title 51.1, Chapter 1, Code of Virginia.

b. Notwithstanding § 51.1-1401 of the Code of Virginia, the Commonwealth shall provide payments for only the state share of the Standards of Quality fringe benefit cost of the retiree health care credit. This item includes payments in both years based on the state share of fringe benefit costs of 55 percent of the employer's cost on funded Standards of Quality instructional positions, distributed based on the composite index of the local ability-to-pay.

c. As a part of the review of the Virginia Retirement System pursuant to House Joint Resolution No. 34 the joint subcommittee shall review: 1) the Commonwealth's responsibilities for funding the teacher retirement system beyond the actuarial normal rate and 2) the Commonwealth's appropriate share for retirement payments by school divisions. In making this review, the joint subcommittee shall review the impact of the blended retirement rates on the retirement system, school divisions, and the Commonwealth.

3. School Employee Social Security Contributions

This subprogram provides funds to each local school board for the state share of the employer's Social Security cost incurred by it, on behalf of the instructional personnel for subsequent transfer to the Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia.

4. School Employee Insurance Contributions

This subprogram provides funds to each local school board for the state share of the employer's Group Life Insurance cost incurred by it on behalf of instructional personnel who participate in group insurance under the

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provisions of Title 51.1, Chapter 5, Code of Virginia.				
5. Literary Fund Payments				
Appropriations for contributions in Paragraphs 2 and 3 above include payments from funds derived from the principal of the Literary Fund in accordance with Article VIII, Section 8, of the Constitution of Virginia. The amounts set aside from the Literary Fund for these purposes are approximately \$131,854,700 the first year and \$125,854,700 the second year.				
146.	Financial Assistance for Public Education (Standards of Quality) (17500).....		\$3,045,975,086	\$3,228,980,433 \$3,201,939,051
	Basic Aid Payments (17502).....	\$2,297,083,213	\$2,409,399,319 \$2,396,256,046	
	Education of the Gifted Payments (17505)	\$25,799,140	\$26,035,512 \$25,996,673	
	Occupational-Vocational Education Payments (17509)	\$47,912,293	\$54,947,437 \$54,852,448	
	Special Education Payments (17510).....	\$299,550,627	\$342,529,983 \$341,372,146	
	Enrollment Loss Payments (17513).....	\$8,277,694	\$7,619,950 \$6,744,989	
	Remedial Education Payments (17514)	\$123,617,880	\$129,511,618 \$126,487,082	
	Primary Class Size Payments (17517).....	\$65,893,705	\$66,232,129 \$67,224,911	
	Educational Technology Payments (17518).....	\$76,011,600	\$73,579,725 \$73,707,000	
	At-Risk Four-Year-Olds Preschool Payments (17519).....	\$34,884,685	\$46,639,520 \$38,518,874	
	Early Intervention/Reading First Grants (17521)	\$10,926,314	\$11,082,541 \$11,028,354	
	Standards of Learning Algebra Readiness (17525).....	\$7,374,001	\$7,449,908 \$7,278,629	
	School Construction Grant Program (17527)	\$27,500,008	\$27,499,997 \$27,500,001	
	English As A Second Language (17531)	\$21,143,926	\$26,452,794 \$24,971,898	
	Fund Sources: General.....	\$2,967,790,486	\$3,153,227,708 \$3,126,059,051	
	Commonwealth Transportation	\$2,173,000	\$2,173,000	
	Trust and Agency	\$64,511,600	\$62,079,725 \$62,207,000	
	Federal Trust.....	\$11,500,000	\$11,500,000	
	Authority: Basic Aid Payments (1750200): Article VIII, Section 2, Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; § 22.1-97, Code of Virginia; §§ 22.1-205, 46.1-357 and 46.1-380, Code of Virginia; Pupil Transportation, § 22.1-186, Code of Virginia.			
	Education of the Gifted (1750500): Discretionary Inclusion. Occupational-Vocational Education Payments (1750900): §§ 22.1-228 through 22.1-236, Code of Virginia.			
	Special Education Payments (1750100): §§ 22.1-213 through 22.1-222, Code of Virginia.			
	Remedial Education Payments (1751400): Article VIII,			

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Section 2, Constitution of Virginia.				
Educational Technology Payments (17518): The Goals 2000: Educate America Act, Public Law 103-227, Federal Code.				
Educational Technology Payments (17518): Public Law 103-382, Federal Code.				
A. Definitions				
1. "Average Daily Membership," or "ADM" - The average daily membership for grades K-12 including (1) handicapped students ages 5-21 and (2) students for whom English is a second language who entered school for the first time after reaching their twelfth birthday, and who have not reached twenty-two years of age on or before August 1 of the school year, for the first seven (7) months (or equivalent period) of the school year in which state funds are distributed from this appropriation. Preschool and postgraduate students shall not be included in ADM.				
a. School divisions shall take a count of September 30 fall membership and report this information to the Department of Education no later than October 15 of each year.				
b. Except as otherwise provided herein, by statute, or by precedent, all subprograms throughout the appropriation to the Department of Education shall be calculated using ADM unadjusted for half-day kindergarten programs, estimated at 1,177,369 the first year and 1,190,713 1,186,289 the second year.				
c. ADM adjusted for half-day kindergarten at 85 percent of ADM, is estimated at 1,175,094 the first year and 1,188,358 1,185,598 the second year.				
d. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home instruction pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a full-time basis in any mathematics, science, English, history, social science, vocational education, health education or physical education, fine arts or foreign language course shall be counted in the ADM of the relevant school division. Each course shall be counted as 0.25, up to a cap of 0.5 of a student.				
e. Students enrolled in an Individualized Student Alternative Education Program (ISAE) pursuant to § 22.1-254D. shall be counted in the Average Daily Membership of the relevant school division. School divisions shall report these students separately in their March 31 reports of Average Daily Membership.				
2. "Standards of Quality" - Operations standards for grades kindergarten through 12 as prescribed by the Board of Education subject to revision by the General Assembly.				
3.a. "Basic Operation Cost" - The cost per pupil, including provision for the number of instructional personnel required by the Standards of Quality for each				

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school division with a minimum ratio of 51 professional personnel for each 1,000 pupils or proportionate number thereof, in ADM for the same fiscal year for which the costs are computed, and including provision for driver, gifted, occupational-vocational, and special education, library materials and other teaching materials, teacher sick leave, general administration, division superintendents' salaries, free textbooks (including those for free and reduced price lunch pupils), school nurses, operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, remedial work, fixed charges and other costs in programs not funded by other state and/or federal aid.

b. Basic Aid funding attributable to school nurse funding, as calculated by the Department of Education, may be used by school divisions for the purchase of defibrillators at public high schools that offer interscholastic sports on campus.

4. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The composite index is the sum of 2/3 of the index of wealth per pupil in ADM (unadjusted for half-day kindergarten programs) reported for the first seven (7) months of the 2001-2002 school year and 1/3 of the index of wealth per capita (population estimates for 2001 as determined by the Center for Public Service of the University of Virginia) multiplied by the local nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 2001 - 50 percent; (2) adjusted gross income for the calendar year 2001 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar year 2001 which are subject to the state general sales and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index element for a locality is its sum per ADM, or per capita, expressed as a percentage of the state average per ADM, or per capita, for the same element. A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing all payments based on the composite index of local ability-to-pay. Each constituent index element for a locality used to determine the composite index of local ability-to-pay for the current biennium shall be the latest available data for the specified official base year provided to the Department of Education by the responsible source agencies no later than November 15, 2003.

a. Each locality whose total Virginia Adjusted Gross Income is comprised of at least 3 percent or more which is accounted for by nonresidents of Virginia may elect at its option to exclude such nonresident income in computing the composite index of ability-to-pay. Each locality which elects this option must have certified its intention to do so to the Department of

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Education on or before January 1, 2004. The Department of Education shall compute the composite index for such localities by using adjusted gross income data which exclude nonresident income, but shall not adjust the composite index of any other localities. The Department of Taxation shall furnish to the Department of Education such data as are necessary to implement this provision.

b.1) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions become one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be paid Standard of Quality payments for all pupils in the combined division on the basis of a composite index determined by the Board of Education, which shall not be less than the lowest nor higher than the highest composite index of any of the individual school divisions involved in such consolidation. In the event of a consolidation of local governments, this index shall remain in effect for a period of fifteen years, unless a lower composite index is calculated through the process for computing an index figure for each locality as set forth above. The Governor shall approve the composite index determined by the Board of Education prior to disbursement of funds under such index. The Department shall annually report to the Chairmen of the House Appropriations and Senate Finance Committees the composite indices approved by the Governor and the Board under this provision.

2) In the case of the consolidation of Clifton Forge and Alleghany County school divisions, the fifteen year period for the application of a new composite index pursuant to paragraph b.1) above shall apply beginning with the fiscal year that starts on July 1, 2004.

3) Pursuant to paragraph b.1) above, if the composite index of a consolidated school division is reduced during the course of the fifteen year period to a level that would entitle the school division to a lower interest rate for a Literary Fund loan than it received when the loan was originally released, the Board of Education shall reduce the interest rate of such loan for the remainder of the period of the loan. Such reduction shall be based on the interest rate that would apply at the time of such adjustment. This rate shall remain in effect for the duration of the loan and shall apply only to those years remaining to be paid.

c. When it is determined that a substantial error exists in a constituent index element, the Department of Education will make adjustments in funding for the current school year. No adjustment during the biennium will be made as a result of updating of data used in a constituent index element.

d. In the event that any school division consolidates two or more small schools, the division shall continue to receive Standards of Quality funding and provide for the required local expenditure for a period of five years as if the schools had not been consolidated. Small schools are defined as any elementary, middle, or high

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school with enrollment below 200, 300 and 400 students, respectively.

5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on the composite index of local ability-to-pay of the cost required by all the Standards of Quality minus its estimated revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in Item 147, both of which are returned on the basis of the most recent census of school age population collected by the Department of Education and distributed to school divisions in the fiscal year in which the school year begins and less the required local expenditure.

6. "Planning District Eight"—The nine localities which comprise Planning District Eight are Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.

7. "State Share for the Standards of Quality" - The state share for a locality shall be equal to the cost for that locality less the locality's estimated revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in Item 147, both of which are returned on the basis of the most recent census of school age population collected by the Department of Education and distributed to school divisions in the fiscal year in which the school year begins.

8. In the event that the appropriations in Items 144 through 152 are not sufficient to meet the entitlements payable to school divisions pursuant to the provisions of each item, the Department of Education is authorized to transfer any available funds between these items to address such insufficiencies. If the total appropriations after such transfers remain insufficient to meet the entitlements of any program, the Department of Education is authorized to prorate such shortfall proportionately across all of the school divisions participating in the program where such shortfall occurred.

B. General Conditions

1. Each locality shall offer a school program for all its eligible pupils which is acceptable to the Department of Education as conforming to the Standards of Quality program requirements.

2. In the event the statewide number of pupils in ADM exceeds the number estimated as the basis for this appropriation, the locality's state share of the Basic Operation Cost and the required local share shall be reduced proportionately so that this appropriation will not be exceeded.

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3. The Department of Education shall make equitable adjustments in the computation of indices of wealth and in other state-funded accounts for localities affected by annexation, unless a court of competent jurisdiction makes such adjustments. However, only the indices of wealth and other state-funded accounts of localities party to the annexation will be adjusted.

4. In the event that the actual revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in Item 147 (returned on the basis of the latest triennial count of school age population) for sales in the fiscal year in which the school year begins are different from the number estimated as the basis for this appropriation, the estimated revenues shall not be adjusted.

5. This appropriation shall be apportioned to the public schools with guidelines established by the Department of Education consistent with legislative intent as expressed in this act.

6.a. Appropriations of state funds in this Item include for each subprogram the number of positions required by the Standards of Quality. This Item includes for such subprograms as Basic Aid Payments, a minimum of 51 professional instructional positions and aide positions (C 2); Education of the Gifted, 1.0 professional instructional position (C 3); Occupational-Vocational Education Payments and Special Education Payments; a minimum of 6.0 professional instructional positions and aide positions (C 4 and C 5) for each 1,000 pupils in ADM each year in support of the current Standards of Quality. Funding in support of one hour of additional instruction per day based on the percent of students eligible for the federal free lunch program with a pupil-teacher ratio range of 18: 1 to 10:1, depending upon a school division's combined failure rate on the English and Math Standards of Learning, is included in Remedial Education Payments (C8).

b. Appropriations in this item include programs supported in part by transfers to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this Act. These transfers combined together with other appropriations from the general fund in this item funds the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004 (Senate Bill 479 and House Bill 1014): five elementary resource teachers per 1,000 students; one support technology position per 1,000 students the first year; one support technology position and one instructional technology position per 1,000 students the second year; one quarter of the daily planning period for teachers at the middle and high school level the first year and the full daily planning period for teachers at the middle and high school levels the second year in order to relieve the financial pressure these education programs place on local real estate taxes. Notwithstanding Chapters 939 and 955, of

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the Acts of Assembly of 2004, no school division shall be required to maintain instructional positions meeting the increased standards set forth in this paragraph until July 1, 2005.

7. The Department of Education shall make calculations at the start of the school year to ensure that school divisions have appropriated adequate funds to support their estimated required local expenditure. The Department of Education shall also make calculations after the close of the school year to verify that the required local effort level, based on actual March 31st Average Daily Membership, was met. The Department of Education shall specify the calculations to determine if a school division has appropriated and expended its required local expenditure for the Standards of Quality. This calculation may include but is not limited to the following calculations:

a. The total expenditures for operation, defined as total expenditures less all capital outlays, expenditures for debt service, facilities, non-regular day school programs (such as adult education, preschool, and non-local education programs), and any transfers to regional programs or escrow accounts will be calculated.

b. The following state funds will be deducted from the amount calculated in paragraph a. above: revenues from the state sales and use tax (returned on the basis of the latest triennial count of school age population) for sales in the fiscal year in which the school year begins; total receipts from state funds (except state funds for non-regular day school programs and state funds used for capital or debt service purposes); and the state share of any balances carried forward from the previous fiscal year. Any qualifying state funds that remain unspent at the end of the fiscal year will be added to the amount calculated in paragraph a. above.

c. The following federal funds will also be deducted from the amount calculated in paragraph a. above: total receipts from federal funds (except federal funds for non-regular school programs, Impact Aid funds P.L. 95-561 [formerly P.L. 81-874 and P.L. 81-815], and Forest Reserve,) and any federal funds carried forward from the previous fiscal year. Any federal funds that remain unspent at the end of the fiscal year and any capital expenditures paid from federal funds will be added to the amount calculated in paragraph a. above.

d. Tuition receipts and receipts from payments from other cities or counties will also be deducted from the amount calculated in paragraph a., then

e. The final amount calculated as described above must be equal to or greater than the required local expenditure defined in paragraph A 5.

f. The Department of Education shall collect the data necessary to perform the calculations of required local expenditure as required by this section.

g. A locality whose expenditure in fact exceeds the required amount from local funds may not reduce its

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expenditures unless it first complies with all of the Standards of Quality.

8.a. Any sum which a locality, as of the end of a school year, has not expended, pursuant to paragraph B 7 above, for the Standards of Quality shall be paid by the locality into the general fund of the state treasury. Such payments shall be made not later than the end of the school year following that in which the under expenditure occurs.

b. Whenever the Department of Education has recovered funds as defined in the preceding paragraph a, the Secretary of Education is authorized to repay to the locality affected by that action, seventy-five percent (75%) of those funds upon his determination that:

1) The local school board agrees to include the funds in its June 30 ending balance for the year following that in which the under expenditure occurs;

2) The local governing body agrees to reappropriate the funds as a supplemental appropriation to the approved budget for the second year following that in which the under expenditure occurs, in an appropriate category as requested by the local school board, for the direct benefit of the students;

3) The local school board agrees to expend these funds, over and above the funds required to meet the required local expenditure for the second year following that in which the under expenditure occurs, for a special project, the details of which must be furnished to the Department of Education for review and approval;

4) The local school board agrees to submit periodic reports to the Department of Education on the use of funds provided through this project award; and

5) The local governing body and the local school board agree that the project award will be cancelled and the funds withdrawn if the above conditions have not been met as of June 30 of the second year following that in which the under expenditure occurs.

c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum sufficient, not to exceed 75 percent of the funds deposited in the general fund pursuant to the preceding paragraph a.

9. The Superintendent of Public Instruction shall provide a report on the status of teacher salaries, by local school division, to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by December 1 of each year of the biennium.

10. Included in the amounts provided to update the Standards of Quality for the 2004-06 biennium, approximately \$350 million reflects growth in prevailing salaries and related fringe benefits. It is the desire of the General Assembly that on average local school divisions continue to improve the average salary for classroom teachers by at least three percent per

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year, the actual average annual rate increase in recent years.

11. All local matching funds required by the programs in this Item shall be appropriated to the budget of the local school board.

12. By November 15 of each year, the Department of Planning and Budget, in cooperation with the Department of Education, shall prepare and submit a preliminary forecast of Standards of Quality expenditures, based upon the most current data available, to the Chairmen of the House Appropriations and Senate Finance Committees. In odd-numbered years, the forecast for the current and subsequent two fiscal years shall be provided. In even-numbered years, the forecast for the current and subsequent fiscal year shall be provided. The forecast shall detail the projected Average Daily Membership and the resulting impact on the education budget.

13. School divisions may choose to use state payments provided for Standards of Quality prevention, intervention, and remediation in both years and for Standards of Learning remediation in the first year as a block grant for remediation purposes, without restrictions or reporting requirements, other than reporting necessary as a basis for determining funding for the program.

C. Apportionment

1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each locality shall receive sums as listed above for subprograms within this program for the basic operation cost and payments in addition to that cost. The apportionment herein directed shall be inclusive of, and without further payment by reason of, state funds for library and other teaching materials.

2. Basic Aid Payments

a. A state share of the Basic Operation Cost, which cost per pupil in ADM is established individually for each local school division based on the number of instructional personnel required by the Standards of Quality and the statewide prevailing salary levels (adjusted in Planning District Eight for the cost of competing) as well as recognized support costs calculated on a prevailing basis for an estimated ADM (adjusted for half-day kindergarten programs).

b.1) The state share for a locality shall be equal to the Basic Operation Cost for that locality less the locality's estimated revenues from the state sales and use tax (returned on the basis of the latest triennial count of school age population), in the fiscal year in which the school year begins and less the required local expenditure.

2) An amount estimated at \$270,393,824 the first year and ~~\$258,774,717~~ \$253,853,773 the second year of Financial Assistance for Lottery Proceeds Revenue

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<p>Sharing appropriated in Item 147 of this act, together with funds appropriated in this Item for Basic Aid Payments, provide for the state share of the Basic Operations Cost as defined in paragraphs a and b1) above.</p>				
<p>c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use tax estimates are as cited in Item 147 of this act.</p>				
<p>d.1) In accordance with the provisions of §§ 22.1-281 and 37.1-96, Code of Virginia, the Department of Education shall deduct the locality's share for the education of handicapped pupils residing in institutions within the Department of Mental Health, Mental Retardation and Substance Abuse Services from the locality's Basic Aid appropriation.</p>				
<p>2) The amounts deducted from Basic Aid for the education of mentally retarded persons shall be transferred to the Department of Mental Health, Mental Retardation and Substance Abuse Services in support of the cost of educating such persons; the amount deducted from Basic Aid for the education of emotionally disturbed persons shall be transferred to the Program for Special Education (Item 144) for extraordinary expenses incurred in the education of such persons. The Department of Education shall establish guidelines to implement these provisions and shall provide for the periodic transfer of sums due from each local school division to the Department of Mental Health, Mental Retardation and Substance Abuse Services and the Program for Special Education (Item 144). The amount of the actual transfers will be based on data accumulated during the prior school year.</p>				
<p>e.1) The apportionment to localities of all driver education revenues received during the school year shall be made as an undesignated component of the state share of the basic operation cost in accordance with the provisions of this Item. Only school divisions complying with the standardized program established by the Board of Education shall be entitled to participate in the distribution of state funds appropriated for driver education. The Department of Education will deduct a designated amount per pupil from a school division's Basic Aid payment when the school division is not in compliance with § 22.1-205 C, Code of Virginia. Such amount will be computed by dividing the current appropriation for the Driver Education Fund by actual March 31 ADM.</p>				
<p>2) Local school boards may charge a per pupil fee for behind-the-wheel driver education provided, however, that the fee charged plus the per pupil basic aid reimbursement for driver education shall not exceed the actual average per pupil cost. Such fees shall not be cause for a pro rata reduction in Basic Aid payments to school divisions.</p>				
<p>f. The one-cent state sales and use tax earmarked for education and the sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and</p>				

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appropriated in Item 147 which are distributed to localities on the basis of the latest triennial count of school age population shall be reflected in each locality's annual budget for educational purposes as a separate revenue source for the then current fiscal year.

g.1) The appropriations for basic aid include \$41,689,564 the first year and ~~\$42,083,311~~ \$42,022,674 the second year from the general fund as the state's share of the cost of textbooks based on a per pupil amount of \$63.12 the first year and \$63.12 the second year. The state's distributions for textbooks shall be based on adjusted ADM.

2) School divisions shall provide free textbooks to all students.

3) School divisions may use a portion of this funding to purchase Standards of Learning instructional materials.

4) Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2005, or June 30, 2006, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose.

h. The appropriations for basic aid include the state share of \$451 per instructional position for teacher training in both years of the biennium. School divisions are encouraged to use these funds to provide teacher training in the core content areas of the Standards of Learning, including the use of technology in instruction.

i. Out of this appropriation, an estimated expenditure of \$3,464,996 the first year and \$3,659,715 the second year is provided to increase the cost of competing adjustment for Planning District Eight from 20.92 percent to 24.61 percent.

j. The appropriation for Basic Aid includes \$79,400,000 the first year and \$112,000,000 the second year out of the amounts transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this Act. These funds are combined together with other appropriations from the general fund in this item to fund the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 and 955, of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support technology position per 1,000 students the first year; one support technology position and one instructional technology position per 1,000 students the second year; one quarter of the daily planning period for teachers at the middle and high school level the first year and the full daily planning period for teachers at the middle and high school levels the second year in order to relieve the pressure on local real estate taxes and shall be taken into account by the governing body of the county, city, or town in setting real estate tax rates.

k. 1) The appropriations for Basic Aid include ~~\$54,828,112~~ \$54,686,405 the second year from the

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general fund for an equivalent payment for the following salary increase and related fringe benefit costs for public school employees including instructional and support staff:

a) For the second year, the state share of a payment equivalent to a 3.0 percent salary increase effective December 1, 2005.

b) It is the intent that the average classroom teacher salary be improved throughout the state by at least 3.0 percent the second year. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of such a salary increase to school divisions which certify to the state Department of Education, no later than March 1, 2006, that equivalent increases have been granted in the second year.

2) These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

3) This funding is not intended as a mandate to increase salaries.

3. Education of the Gifted Payments

a. An additional payment shall be disbursed by the Department of Education to local school divisions to support the state share of one full-time equivalent instructional position per 1,000 students in ADM (adjusted for half-day kindergarten).

b. Local school divisions are required to spend, as part of the required local expenditure for the Standards of Quality the established per pupil cost for gifted education (state and local share) on approved programs for the gifted.

4. Occupational-Vocational Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Vocational Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. An amount estimated at \$90,045,543 the first year and \$90,900,507 the second year from the general fund included in Basic Aid Payments relates to vocational education programs in support of the Standards of Quality.

5. Special Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Special Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. Out of the amounts for special education payments,

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general fund support is provided to fund the caseload standards for speech pathologists at 68 students for each year of the biennium.

c. In recalculating the cost of the Standards of Quality for the 2006-2008 biennium, the Department of Education shall calculate the cost of instructional positions for special education based on the aggregate sum of students by disability category by school for the disability categories listed in the special education caseloads adopted by the Board of Education.

6. Enrollment Loss/Small School Division Assistance.

a. An additional state payment in each year equal to the state share per pupil of Basic Aid for each locality, for a percentage of the enrollment loss (as determined below) in ADM from the prior year.

Composite Index	Percentage
0.0000-0.1999	85%
0.2000-0.3499	70%
0.3500-0.4999	45%
0.5000 or more	30%

b. An additional state payment of \$400,000 the first year from the general fund is provided as equal Small School Division Assistance grants for the school divisions of Highland County and the City of Norton. An additional state payment of \$200,000 the second year from the general fund is provided as a Small School Division Assistance grant for the school division of the City of Norton. To receive these funds, each local school board shall certify to the Superintendent of Public Instruction that its division has entered into one or more educational, administrative or support service cost-sharing arrangements with another local school division.

7. Remedial Education Payments

a. An additional payment estimated at \$62,942,241 the first year and ~~\$63,372,640~~ \$63,624,498 the second year from the general fund shall be disbursed by the Department of Education to support the Board of Education's Standards of Quality prevention, intervention, and remediation program adopted in June 2003.

b. The payment shall be calculated based on one hour of additional instruction per day for identified students, using the percent of students eligible for the federal Free Lunch program as a proxy for students needing such services. Fall membership shall be multiplied by the division-level Free Lunch eligibility percentage to determine the estimated number of students eligible for services. Pupil-teacher ratios shall be applied to the estimated number of eligible students to determine the number of instructional positions needed for each school division. The pupil-teacher ratio applied for each school division shall range from 10:1 for those divisions with the most severe combined failure rates for English and math Standards of Learning test scores to 18:1 for those divisions with the lowest combined

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failure rates for English and math Standards of Learning test scores.				
c. Funding shall be matched by the local government based on the composite index of local ability-to-pay.				
d. An amount estimated at \$19,300,670 the first year and \$19,517,449 <i>\$19,247,760</i> the second year shall be transferred from Financial Assistance for Lottery Proceeds Revenue Sharing appropriated in Item 147 of this act, to be added with funds appropriated in this Item, to provide for the state share of the Standards of Quality prevention, intervention, and remediation program.				
e. An additional state payment estimated at \$53,009,625 the first year and \$56,485,045 <i>\$54,380,144</i> the second year from the general fund shall be disbursed based on the estimated number of federal Free Lunch participants, in support of programs for students who are educationally at risk. The additional payment shall be based on the state share of:				
1) A minimum 2 percent add-on, as a percent of the per pupil basic aid cost, for each child who qualifies for the federal Free Lunch Program; and				
2) An addition to the add-on, based on the concentration of children qualifying for the federal Free Lunch Program. Based on its percentage of Free Lunch participants, each school division will receive between 2 and 12 percent in additional basic aid per Free Lunch participant. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.				
3a) Local school divisions are required to spend the established at-risk payment (state and local share) on approved programs for students who are educationally at risk.				
b) To receive these funds, each school division shall certify to the Department of Education that the state and local shares of the at-risk payment will be used to support approved programs for students who are educationally at risk. These programs may include: Dropout Prevention, community and school-based truancy officer programs, Advancement Via Individual Determination (AVID), Project Discovery, Reading Recovery, programs for students who speak English as a second language, and programs related to increasing the success of disadvantaged students in completing a high school degree and providing opportunities to encourage further education and training.				
c) In the case of the City of Richmond, from the total state payment for this purpose, \$675,000 the second year from the general fund shall be used as a one-time requirement to establish a pilot project in the City of Richmond to increase the number of community and school-based truancy officers to work in collaboration with the secondary schools in the City of Richmond. The pilot project shall provide education, training, and support programming for students and their parents or				

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guardians that will focus on and emphasize the importance of attending school regularly.

The Department of Education and the City of Richmond shall develop a plan that covers project implementation and objectives to be accomplished that shall include, but not be limited to, comprehensive statistical data to determine which secondary schools are to be targeted, and an action plan that details steps that will be taken to reduce the levels of truancy or absenteeism in those schools. This plan shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees by June 1, 2005. In addition, the Department and the City of Richmond shall provide a project status report that includes an assessment of the results of the program to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2005.

f.1) An additional state payment of \$5,463,139 the first year and ~~\$5,563,652~~ \$5,561,410 the second year from the general fund shall be disbursed for regional alternative education programs. Such programs shall be for the purpose of educating certain expelled students and, as appropriate, students who have received suspensions from public schools and students returned to the community from the Department of Juvenile Justice.

2) Each regional program shall have a small student/staff ratio. Such staff shall include, but not be limited to education, mental health, health, and law enforcement professionals, who will collaborate to provide for the academic, psychological and social needs of the students. Each program shall be designed to ensure that students make the transition back into the "mainstream" within their local school division.

3a) Regional alternative education programs are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs. This incremental per pupil payment shall be adjusted for the composite index of local ability-to-pay of the school division that counts such students attending such program in its Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the regional programs for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the school day or school year that the student does not attend such program.

b) In the event a school division does not use all of the student slots it is allocated under this program, the unused slots shall not be reallocated or transferred to another school division.

4) The Board of Education shall provide assistance for the state share of the incremental cost of regional

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alternative education program operations based on the composite index of local ability-to-pay.

g.1) This appropriation includes \$21,972,266 the first year and ~~\$24,928,647~~ \$22,168,735 the second year from the general fund for the state's share of Remedial Summer School Programs. These funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer school session or during an intersession in the case of year-round schools. These funds may be used in conjunction with other sources of state funding for remediation or intervention. School divisions shall have maximum flexibility with respect to the use of these funds and the types of remediation programs offered; however, in exercising this flexibility, students attending these programs shall not be charged tuition and no high school credit may be awarded to students who participate in this program. After actual enrollment in Remedial Summer School in fiscal year 2004 has been calculated, the Department of Education shall recalculate the amounts needed to fully fund the state share of Remedial Summer School obligations in fiscal year 2005 and fiscal year 2006.

2) For school divisions charging students tuition for summer high school credit courses, consideration shall be given to students from households with extenuating financial circumstances who are repeating a class in order to graduate.

8. Primary Class Size Payments

a. An additional payment estimated at \$65,893,705 the first year and ~~\$66,232,129~~ \$67,224,911 the second year from the general fund shall be disbursed by the Department of Education as an incentive payment for reducing class sizes in the primary grades.

b. The Department of Education shall calculate the payment based on the incremental cost of providing the lower class sizes based on the lower of the division average per pupil cost of all divisions or the actual division per pupil cost.

c. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.

d. By October 15 of each year school divisions must provide data to the Department of Education that each participating school has a September 30 pupil/teacher ratio in grades K through 3 that meet the following criteria:

Qualifying School Percentage of Students Approved Eligible for Free Lunch	Grades K-3 School Ratio	Maximum Individual Class Size
16% but less than 30%	20 to 1	25
30% but less than 45%	19 to 1	24
45% but less than 55%	18 to 1	23
55% but less than 65%	17 to 1	22
65% but less than 70%	16 to 1	21
70% but less than 75%	15 to 1	20
75% or more	14 to 1	19

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e. School divisions may elect to have eligible schools participate at a higher ratio, or only in a portion of grades kindergarten through three, with a commensurate reduction of state and required local funds, if local conditions do not permit participation at the established ratio and/or maximum individual class size. Special education teachers shall not be counted towards meeting these required pupil/teacher ratios in grades kindergarten through three.

f. The Superintendent of Public Instruction may grant waivers to school divisions for the class size requirement in schools that have only one class in an affected grade level in a primary school.

g. The Superintendent of Public Instruction shall provide a report on the status of the reduction in primary class sizes to the Governor and the Chairmen of the House Appropriations, House Education, Senate Finance, and Senate Education and Health Committees annually, prior to the commencement of the General Assembly session.

9. Educational Technology Payments

a. Any unobligated amounts transferred to the educational technology fund shall be disbursed on a pro rata basis to localities. The additional funds shall be used for technology needs identified in the division's technology plan approved by the Department of Education.

b. The Board of Education shall provide amounts estimated at \$15,177,050 the first year from the Literary Fund to provide debt service payments for the education technology grant program through the Virginia Public School Authority in 2000. The 2000 program is focused on four major components: a) retrofitting and upgrading of existing school buildings to efficiently use educational technology; b) providing network-ready multimedia microcomputers for every classroom; c) providing a 5 to 1 ratio of pupils to network-ready microcomputers; and d) replacement of administrative and student management and information systems supporting data requirements associated with the Standards of Accreditation in school divisions lacking adequate systems.

c. The Board of Education shall provide an amount estimated at \$12,377,900 the first year and \$12,379,500 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2001.

d.1) The Board of Education shall provide amounts estimated at \$12,091,250 the first year and \$12,089,000 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2002.

2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay

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debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2006-08 biennial budget for public education, the Board of Education shall include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make debt service payments for this program in fiscal year 2007.

e.1) The Board of Education shall provide amounts estimated at \$11,949,025 the first year and \$11,947,400 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2003.

2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2006-08 biennial budget for public education, the Board of Education shall include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make debt service payments for this program in fiscal years 2007 and 2008.

f.1) The Board of Education shall provide amounts estimated at \$12,916,375 the first year and ~~\$12,716,575~~ \$12,715,925 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2004.

2) It is the intent of the General Assembly to appropriate Literary Fund revenues sufficient to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2006-08 and 2008-10 biennial budgets for public education, the Board of Education shall include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make debt service payments for this program in fiscal years 2007, 2008, and 2009.

g.1) An education technology grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at \$58,390,000 the spring of 2005 and ~~\$58,702,000~~ \$58,624,000 in the Spring of 2006. Proceeds of the notes will be used to establish a computer-based instructional and testing system for the Standards of Learning (SOL) and to develop the capability for high speed Internet connectivity at high schools followed by middle schools followed by elementary schools.

2) The Board of Education shall provide amounts estimated at \$13,075,175 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in the Spring of 2005.

3) It is the intent of the General Assembly to

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appropriate Literary Fund revenues sufficient to pay debt service on the Virginia Public School Authority bonds or notes authorized for education technology grant programs in the spring of 2005 and in the spring of 2006. In developing the proposed 2006-08, 2008-10, and 2010-2012 biennial budgets for public education, the Board of Education shall include a recommendation to the Governor to appropriate Literary Fund revenues sufficient to make debt service payments for these programs in fiscal years 2007, 2008, 2009, 2010, and 2011.

4) Grant funds from the issuance of \$58,390,000 in fiscal year 2005 and ~~\$58,702,000~~ \$58,624,000 in fiscal year 2006 in equipment notes are based on a grant of \$26,000 per school and \$50,000 per school division. For purposes of this grant program, eligible schools shall include those reporting membership in grades K through 12 as of September 30, 2004, for the Spring 2005 issuance, and September 30, 2005, for the Spring 2006 issuance as well as district and regional centers including vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, and the Schools for the Deaf and the Blind. Schools and district centers that serve only pre-kindergarten students shall not be eligible for this grant.

5) Localities are required to provide a match for these funds equal to 20 percent of the grant amount. At least 25 percent of the local match shall be used for teacher training in the use of technology. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The Schools for the Deaf and the Blind are exempt from the match requirement.

6) The goal of the program is to improve the instructional, remedial and testing capabilities of the Standards of Learning for local school divisions.

7) Funds shall be used in the following manner:

a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to computer ratio; (2) an Internet-ready local area network (LAN) capability; and (3) high speed access to the Internet. School connectivity (computers, LANs and network access) shall include sufficient download/upload capability to ensure that each student will have adequate access to Internet-based instructional, remedial and assessment programs.

b) When each high school in a division meets the goals established in paragraph a) above, the remaining funds shall be used to develop similar capability in first the middle schools and then the elementary schools.

c) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be provided

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funding through this program on the basis of having the same number of school divisions as existed prior to September 30, 2000.

8) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds, and to the extent possible, use such funds to supplement the program and meet the goals of this program.

h. The Department of Education shall maintain criteria to determine if high schools, middle schools, or elementary schools have the capacity to meet the goals of this initiative. The Department of Education shall be responsible for the project management of this program. The Department of Education shall report on the implementation of this program to the Chairmen of the Senate Finance and House Appropriations Committees by September 1 of each year.

i.1) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the appropriations for debt service due on such bonds or notes of the VPSA on such date, there is hereby appropriated to the VPSA from the general fund a sum equal to such deficiency.

2) The Chairman of the Board of Commissioners of the VPSA shall, on or before December 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes of the VPSA issued and projected to be issued during such biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

j. Unspent proceeds of the notes, including investment income derived from the proceeds of the notes may be used to pay interest on, or to defease principal of the notes.

k.1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies with State Government" and for the purposes of § 56-234 "Contracts for Service Rendered by a Telephone Company for the State Government" shall be deemed to include communications lines into public schools which are used for educational technology. The rate structure for such lines shall be negotiated by the Superintendent of Public Instruction and the Director of the Department of Technology Planning. Further, the Superintendent and Director are authorized to encourage the development of "by-pass" infrastructure in localities where it fails to obtain competitive prices or prices consistent with the best rates obtained in other parts of the state.

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2) The State Corporation Commission, in its consideration of the discount for services provided to elementary schools, secondary schools, and libraries and the universal service funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is hereby encouraged to make the discounts for intrastate services provided to elementary schools, secondary schools, and libraries for educational purposes as large as is prudently possible and to fund such discounts through the universal fund as provided in § 254. The Commission shall proceed as expeditiously as possible in implementing these discounts and the funding mechanism for intrastate services, consistent with the rules of the Federal Communications Commission aimed at the preservation and advancement of universal service.

10. At-Risk Four-Year-Olds Preschool Payments

a.1) It is the intent of the General Assembly that an additional state payment shall be disbursed by the Department of Education to schools and community-based organizations to provide quality preschool programs for at-risk four-year-olds unserved by Head Start program funding.

2) These grants shall be used to provide programs for at-risk four-year-old children which include quality preschool education, health services, social services, parental involvement and transportation. Programs must provide full-day or half-day and, at least, school-year services.

3) The Department of Education, in cooperation with the Council on Child Day Care and Early Childhood Programs, shall establish academic standards that are in accordance with appropriate preparation for students to be ready to successfully enter into kindergarten. These standards shall be established in such a manner as to be measurable for student achievement and success. Students shall be required to be evaluated at specified times as determined appropriate by the Department of Education. Superintendents, or their designee, of each participating school division must certify that the At-Risk Four-Year-Old program follows the established standards in order to receive the funding for quality preschool education and criteria for the service components. Such guidelines shall be consistent with the findings of the November 1993 study by the Board of Education, the Department of Education, and the Council on Child Day Care and Early Childhood Programs.

4)a) Grants shall be distributed based on an allocation formula providing the state share of a \$5,400 grant for 90 percent the first year and 100 percent the second year of the unserved at-risk four-year-olds in each locality for a full-day program. Programs operating half-day shall receive state funds based on a fractional basis determined by the pro-rata portion of a full-day, school year program provided.

b) For new programs in the first year of implementation only, programs operating less than a full school year

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shall receive state funds on a fractional basis determined by the pro-rata portion of a school year program provided. In determining the prorated state funds to be received, a school year shall be 180 days.

1) Any locality which desires to participate in this grants program must submit a proposal through its chief administrator (county administrator or city manager) by June 30 the first year and May 15 the second year. The chief administrator, in conjunction with the school superintendent, shall identify a lead agency for this program within the locality. The lead agency shall be responsible for developing a local plan for the delivery of quality preschool services to at-risk children which demonstrates the coordination of resources and the combination of funding streams in an effort to serve the greatest number of at-risk four-year-old children.

2) The proposal must demonstrate coordination with all parties necessary for the successful delivery of comprehensive services, including the schools, child care providers, local social services agency, Head Start, local health department and other groups identified by the lead agency.

3) A local match, based on the composite index of local ability-to-pay shall be required. For purposes of meeting the local match, localities may use local expenditures for existing qualifying programs. Localities shall also continue to pursue and coordinate other funding sources, including child care subsidies. Funds received through this program must be used to supplement, not supplant, any funds currently provided for programs within the locality. However, in the event a locality is prohibited from continuing the previous level of support to programs for at-risk four-year-olds from Title I of the Elementary and Secondary Education Act (ESEA), the state and local funds provided in this grants program may be used to continue services to these Title I students. Such prohibition may occur due to amendments to the allocation formula in the reauthorization of ESEA as the No Child Left Behind Act of 2001 or due to a percentage reduction in a locality's Title I allocation in 2004-2005 or 2005-2006. Any locality so affected shall provide written evidence to the Superintendent of Public Instruction and request his approval to continue the services to Title I students.

c. Local plans must provide clear methods of service coordination for the purpose of reducing the per child cost for the service, increasing the number of at-risk children served and/or extending services for the entire year. Examples of these include:

1) "Wraparound Services" — methods for combining funds such as child care subsidy dollars administered by local social service agencies with dollars for quality preschool education programs.

2) "Wrapout Services" — methods for using grant funds to purchase quality preschool services to at-risk four-year-old children through an existing child care setting by purchasing comprehensive services within a

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setting which currently provides quality preschool education.

3) "Expansion of Service" — methods for using grant funds to purchase slots within existing programs, such as Head Start, which provide comprehensive services to at-risk four-year-old children.

Local plans must indicate the number of at-risk four-year-old children to be served, and the criteria by which they will be determined to be at risk.

d.1) The Department of Education and the Council on Child Day Care and Early Childhood Programs shall provide technical assistance for the administration of this grant program to provide assistance to localities in developing a comprehensive, coordinated, quality preschool program for serving at-risk four-year-old children.

2) A pre-application session shall be provided by the Department and the Council on Child Day Care and Early Childhood Programs prior to the proposal deadline. The Department shall provide interested localities with information on models for service delivery, methods of coordinating funding streams, such as funds to match federal IV-A child care dollars, to maximize funding without supplanting existing sources of funding for the provision of services to at-risk four-year-old children. A priority for technical assistance in the design of programs shall be given to localities where the majority of the at-risk four-year-old population is currently unserved.

e. The Department of Education is authorized to expend unobligated balances in this Item and Item 144 if participation in the At-Risk Four-Year-Olds Preschool program is greater than projected.

11. Early Reading Intervention

a. An additional incentive payment of \$10,926,314 the first year and ~~\$11,082,544~~ \$11,028,354 the second year from the general fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing early reading intervention services to students in grades kindergarten through 3 who demonstrate deficiencies based on their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests of any local school board which requests authority to use a test other than the state-provided test to ensure that such local test uses criteria for the early diagnosis of reading deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

b. These incentive payments shall be based on the

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state's share of the cost of providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio of five to one. The estimated number of students in each school division in each year shall be determined by multiplying the projected number of students reported in each school division's fall membership in grades kindergarten, 1, 2, and 3 by the percent of students who are determined to need services based on diagnostic tests administered in the previous year in that school division and adjusted in the following manner:

Kindergarten	100%
Grade 1	50%
Grade 2	50%
Grade 3	25%

c. These incentive payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. Such intervention programs, at the discretion of the local school division, may include, but not be limited to, the use of: special reading teachers; trained aides; volunteer tutors under the supervision of a certified teacher; computer-based reading tutorial programs; aides to instruct in-class groups while the teacher provides direct instruction to the students who need extra assistance; or extended instructional time in the school day or year for these students. Localities receiving these incentive payments are required to match these funds based on the composite index of local ability-to-pay.

12. Standards of Learning Algebra Readiness

a. An additional incentive payment of \$7,374,001 the first year and ~~\$7,449,908~~ \$7,278,629 the second year from the general fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing math intervention services to students in grades 6, 7, 8 and 9 who are at-risk of failing the Algebra 1 end-of-course test, as demonstrated by their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests to ensure that such local test uses state-provided criteria for diagnosis of math deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

b. These incentive payments shall be based on the state's share of the cost providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio of ten to one. The estimate

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number of students in each school division shall be determined by multiplying the projected number of students reported in each school division's fall membership by the percent of students that qualify for the federal Free Lunch Program.

c. These incentive payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. Localities receiving these incentive payments are required to match these funds based on the composite index of local ability-to-pay.

d. Any funds provided to school divisions for the Standards of Learning Algebra Readiness Program that are unexpended as of June 30, 2005, and June 30, 2006, shall be carried on the books of the locality to be appropriated to the school division in the following year for use in the same program.

13. School Construction Grants Program

a. This appropriation includes an amount estimated at \$27,500,008 the first year and ~~\$27,499,997~~ \$28,500,001 the second year from the general fund to provide grants to school divisions for nonrecurring expenditures by the relevant school division. Nonrecurring costs shall include school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment, payments to escrow accounts pursuant to Chapter 391, Acts of Assembly of 1999, school safety equipment or school safety renovations, and debt service payments on school projects completed during the last ten years.

b. School divisions are encouraged to utilize value engineering in school construction projects funded with these grant proceeds.

c. Any funds provided to school divisions for school construction that are unexpended as of June 30, 2005, and June 30, 2006, shall be carried on the books of the locality to be appropriated to the school division the following year for use for the same purpose.

d. Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be paid School Construction Grant payments on the basis of having the same number of school divisions as existed prior to September 30, 2000.

15. English as a Second Language Payments

A payment of \$21,143,926 the first year and ~~\$26,452,794~~ \$24,971,898 the second year from the general fund shall be disbursed by the Department of Education to local school divisions to support the state share of 17 professional instructional positions per

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1,000 students for whom English is a second language. Local school divisions shall provide a local match based on the composite index of local ability-to-pay.				
147.	Financial Assistance for Special State Revenue Sharing (17700) a sum sufficient, estimated at		\$1,447,500,774	\$1,532,831,692 \$1,566,840,000
	Financial Assistance for Sales Tax Revenue Sharing, A Sum Sufficient, Estimated at (17701).....	\$1,001,300,000	\$1,091,031,692 \$1,133,340,000	
	Financial Assistance for Lottery Proceeds Revenue Sharing (17702).....	\$446,200,774	\$441,800,000 \$433,500,000	
	Fund Sources: General.....	\$1,447,500,774	\$1,532,831,692 \$1,566,840,000	

Authority: §§ 58.1-638, 58.1-4023, Code of Virginia.

A.1. This appropriation is for distribution to counties, cities and towns a portion of net revenue from the state sales and use tax, in support of the Standards of Quality (Title 22.1, Chapter 13.2, Code of Virginia) (See the Attorney General's opinion of August 3, 1982).

2. Certification of payments and distribution of this appropriation shall be made by the State Comptroller.

3. The distribution of the Special State Revenue Sharing (Sales Tax) funds shall be made in equal bimonthly payments at the middle and end of each month.

B.1. This appropriation includes \$446,200,774 the first year and ~~\$441,800,000~~ \$433,500,000 the second year from the general fund as the state payment for the lottery profits, to be deposited into the general fund pursuant to § 3-1.01 G of this act.

2. Out of this appropriation, an amount estimated at \$19,300,670 the first year and ~~\$19,517,449~~ \$19,247,760 the second year shall be transferred to Item 146 to fund a portion of the state's share of the Standards of Quality prevention, intervention, and remediation program in Item 146 C 7.

3. Out of this appropriation, \$270,393,824 the first year and ~~\$258,774,717~~ \$253,853,773 the second year shall be used, together with funds appropriated in Item 146, to fund the state's share of Basic Aid Payments as determined in Item 146 C 2.

4. Out of this appropriation, an amount estimated at \$156,506,280 the first year and ~~\$163,507,784~~ \$160,398,467 the second year shall be disbursed by the Department of Education to local school divisions to support the state share of an estimated \$236.95 per pupil the first year and ~~\$245.24~~ \$240.92 per pupil the second year in adjusted average daily membership. These funds shall be matched by the local government, based on the composite index of local ability-to-pay. Further, in order to receive this funding, the locality in which the school division is located shall appropriate

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	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
<p>these funds solely for educational purposes and shall not use such funds to reduce total local operating expenditures for public education below the amount expended by the locality for such purposes in the year upon which the 2004-06 biennial Standards of Quality expenditure data were based; provided however, that no locality shall be required to maintain a per pupil expenditure which is greater than the per pupil amount expended by the locality for such purposes in the year upon which the 2004-06 biennial Standards of Quality expenditure data were based.</p>				
<p>5. Of the amounts listed in B 4 above, no more than 50 percent shall be used for recurring costs and at least 50 percent shall be spent on nonrecurring expenditures by the relevant school divisions. Nonrecurring costs shall include school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment, and debt service payments on school projects completed during the last 10 years.</p>				
<p>6. Any lottery funds provided to school divisions from this Item that are unexpended as of June 30, 2005, and June 30, 2006, shall be carried on the books of the locality to be appropriated to the school division in the following year.</p>				
148.	Not set out.			
149.	Instruction (19700).....		\$12,343,959	\$13,287,256 \$12,858,794
	Governor's School Payments (19705)	\$9,843,959	\$10,787,256 \$10,358,794	
	Charter Schools (19707).....	\$2,500,000	\$2,500,000	
	Fund Sources: General.....	\$9,048,959	\$9,992,256 \$9,563,794	
	Special.....	\$795,000	\$795,000	
	Federal Trust.....	\$2,500,000	\$2,500,000	

Authority: Discretionary Inclusion.

A.1. Out of the amounts for Governor's School Payments, the Board of Education shall provide assistance for the state share of the incremental cost of regular school year Governor's Schools based on each participating locality's composite index of local ability-to-pay. Participating school divisions must certify that no tuition is assessed students for participation in this program.

2. Out of the amounts for Governor's School Payments, the Board of Education shall provide assistance for the state share of the incremental cost of summer residential Governor's Schools and Foreign Language Academies to be based on the greater of the state's share of the composite index of local ability-to-pay or 50 percent. Participating school divisions must certify that no tuition is assessed students for participation in this program if they are enrolled in a public school.

B. It shall be the policy of the Commonwealth that state general fund appropriations not be used for capital

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	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
	<p>outlay, structural improvements, renovations, or fixed equipment costs associated with initiation of existing or proposed Governor's schools. State general fund appropriations may be used for the purchase of instructional equipment for such schools, subject to certification by the Superintendent of Public Instruction that at least an equal amount of funds has been committed by participating school divisions to such purchases.</p> <p>C. The Board of Education shall not take any action that would increase the state's share of costs associated with the Governor's Schools. This provision shall not prohibit the Board of Education from submitting requests for the increased costs of existing programs.</p> <p>D.1. Regular school year Governor's Schools are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs for each student attending a Governor's School up to a cap of 1,500 students per Governor's School. This incremental per pupil payment shall be adjusted for the composite index of the school division that counts such students attending an academic year Governor's School in their Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the Governor's Schools for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the day that the student does not attend a Governor's School.</p> <p>2. Funding for the Academic Year Governor's Schools will be adjusted based upon actual September 30, 2004, and September 30, 2005, fall membership data not to exceed the enrollments by school division within each Academic Year Governor's School used to establish the initial appropriation for the 2004-2006 biennium or equivalent enrollment for students that attend these programs during the year based on alternative course schedules such as semester block schedules.</p> <p>3. Fairfax County Public Schools shall not reduce local per pupil funding for the Thomas Jefferson Governor's School below the amounts appropriated for the 2003-2004 school year.</p> <p>E. Out of the appropriation for Charter Schools, \$2,500,000 the first year and \$2,500,000 the second year is provided from federal funds.</p>			
150.	Not set out.			
151.	Not set out.			
152.	Not set out.			
153.	Not set out.			
154.	Not set out.			

ITEM 155.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
155.	Not set out.				
156.	Not set out.				
157.	Not set out.				
157.10.	Not set out.				
158.	Not set out.				
	Total for Direct Aid to Public Education			\$5,448,759,119	\$5,780,860,150 \$5,785,302,947
	Fund Sources: General	\$4,653,203,619	\$4,993,736,525 \$4,998,052,047		
	Special	\$795,000	\$795,000		
	Commonwealth Transportation	\$2,173,000	\$2,173,000		
	Trust and Agency	\$196,495,400	\$188,063,525 \$188,190,800		
	Federal Trust.....	\$596,092,100	\$596,092,100		
159.	Not set out.				
160.	Not set out.				
161.	Not set out.				
162.	Not set out.				
	Grand Total for Department of Education, Central Office Operations			\$5,570,122,884	\$5,906,857,587 \$5,911,015,384
	General Fund Positions.....	448.50	439.50		
	Nongeneral Fund Positions.....	145.50	168.50		
	Position Level	594.00	608.00		
	Fund Sources: General	\$4,719,699,883	\$5,067,574,737 \$5,071,605,259		
	Special	\$4,321,942	\$4,321,942		
	Commonwealth Transportation	\$2,391,904	\$2,391,904		
	Trust and Agency	\$196,689,013	\$188,257,138 \$188,384,413		
	Federal Trust.....	\$647,020,142	\$644,311,866		
163.	Not set out.				
164.	Not set out.				
165.	Not set out.				
166.	Not set out.				
167.	Not set out.				
168.	Not set out.				
169.	Not set out.				
170.	Not set out.				
171.	Not set out.				
172.	Not set out.				

ITEM 173.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
173.	Not set out.				
174.	Not set out.				
175.	Not set out.				
176.	Not set out.				
177.	Not set out.				
178.	Not set out.				
179.	Not set out.				
180.	Not set out.				
181.	Not set out.				
182.	Not set out.				
183.	Not set out.				
184.	Not set out.				
185.	Not set out.				
186.	Not set out.				
187.	Not set out.				
188.	Not set out.				
189.	Not set out.				
190.	Not set out.				
191.	Not set out.				
192.	Not set out.				
193.	Not set out.				
194.	Not set out.				
195.	Not set out.				
196.	Not set out.				
197.	Not set out.				
198.	Not set out.				
199.	Not set out.				
200.	Not set out.				
201.	Not set out.				
202.	Not set out.				
203.	Not set out.				
204.	Not set out.				

ITEM 205.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
205.	Not set out.				
206.	Not set out.				
207.	Not set out.				
208.	Not set out.				
209.	Not set out.				
210.	Not set out.				
211.	Not set out.				
212.	Not set out.				
213.	Not set out.				
214.	Not set out.				
215.	Not set out.				
216.	Not set out.				
217.	Not set out.				
218.	Not set out.				
219.	Not set out.				
220.	Not set out.				
221.	Not set out.				
222.	Not set out.				
223.	Not set out.				
224.	Not set out.				
225.	Not set out.				
226.	Not set out.				
227.	Not set out.				
228.	Not set out.				
229.	Not set out.				
230.	Not set out.				
231.	Not set out.				
232.	Not set out.				
233.	Not set out.				
234.	Not set out.				
235.	Not set out.				
236.	Not set out.				

ITEM 237.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
237.	Not set out.				
238.	Not set out.				
239.	Not set out.				
240.	Not set out.				
241.	Not set out.				
242.	Not set out.				
243.	Not set out.				
244.	Not set out.				
245.	Not set out.				
246.	Not set out.				

§ 1-9. VIRGINIA STATE UNIVERSITY (212)

247.	Educational and General Programs (10000).....			\$47,653,156	\$50,667,711 \$51,017,711
	Higher Education Instruction (100101).....	\$25,557,681	\$28,385,236		
	Higher Education Research (100102).....	\$789,114	\$789,114		
	Higher Education Public Services (100103).....	\$112,328	\$112,328		
	Higher Education Academic Support (100104).....	\$4,537,844	\$4,537,844		
	Higher Education Student Services (100105).....	\$2,987,432	\$2,987,432		
	Higher Education Institutional Support (100106).....	\$7,896,838	\$8,083,838		
	Operation and Maintenance of Plant (100107).....	\$5,771,919	\$5,771,919 \$6,121,919		
	Fund Sources: General.....	\$26,855,354	\$28,148,500		
	Higher Education Operating.....	\$20,797,802	\$22,519,211 \$22,869,211		

Authority: Title 23, Chapter 13, Code of Virginia.

A.1. Out of this appropriation, \$2,790,402 the first year and \$2,880,862 the second year from the general fund is designated for continued enhancement of the existing Bachelor of Science academic programs in Computer Science, Manufacturing Engineering, Computer Engineering, Mass Communications and Criminal Justice, and the new Doctoral program in Education.

2. Out of the amounts for programs listed in paragraph A 1 of this Item shall be provided \$909,777 the first year and \$909,777 the second year from the general fund for lease payments through the Master Equipment Leasing Program for educational and general equipment.

3. Out of the amounts for Educational and General Programs, \$37,500 is provided to serve in lieu of endowment income for the Eminent Scholars Program.

4. In conjunction with the Secretary of Education, Virginia State University shall develop the following:

a. a timetable for implementing the new academic programs funded in A.1. above, including a plan for recruiting faculty, staff, and students;

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b. a means by which to assess the effectiveness toward meeting the goals of the new programs; and				
c. periodic reports on the expenditures of the funds provided.				
5. Any unexpended balances in paragraphs A 1, A 2 and A 3 in this Item at the close of business on June 30, 2004, June 30, 2005, and June 30, 2006, shall not revert to the surplus of the general fund but shall be carried forward on the books of the State Comptroller and reappropriated in the succeeding year.				
B. This appropriation includes \$200,000 the first year and \$200,000 the second year from the general fund to increase the number of faculty with terminal degrees to at least 85 percent of the total teaching faculty.				
C. Out of this appropriation, Virginia State University is authorized to use up to \$600,000 the first year and \$600,000 the second year to address extremely critical deferred maintenance deficiencies in its facilities, including residence halls and dining facilities.				
D. Virginia State University shall report to the State Council of Higher Education for Virginia no later than May 1 of each year its tuition, fee, and all other nongeneral fund revenues, in a manner as prescribed by the State Council of Higher Education for Virginia. The report shall include revenues from the current fiscal year and a projection of anticipated revenues for the next fiscal year.				
E. Out of this appropriation, \$358,078 the first year and \$659,396 the second year from the general fund is provided to address base funding needs identified by the Joint Subcommittee Studying Higher Education Funding Policies and to mitigate the pressure on student tuition and fees. These amounts reflect a portion of the additional general fund support needed to provide adequate base support of the institution's core academic function. These additional funds will allow the institution to serve more students; retain existing students more effectively; increase the number of students receiving a degree or certificate, particularly in fields where the Commonwealth faces critical workforce shortages; and enhance the quality and rigor of its academic programs. The Secretary of Education shall monitor the institution's efforts to meet these objectives and other statewide needs.				
F. The Director, Department of Planning and Budget, may transfer general fund appropriations from Items C-125.07 and C-125.09 to Item 247 as deemed appropriate to finance the upgrading of the university's campus network infrastructure and related administrative software to current information technology standards. Furthermore, the Director, Department of Planning and Budget, may increase the nongeneral fund appropriation in Item C-125.07 as necessary to offset the reduced general fund appropriation.				

ITEM 247.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
248.	Higher Education Student Financial Assistance (10800)..			\$3,266,327	\$3,506,907 \$3,656,907
	Scholarships (10810).....	\$3,046,439	\$3,287,019 \$3,437,019		
	Fellowships (10820).....	\$219,888	\$219,888		
	Fund Sources: General.....	\$2,868,327	\$3,108,907		
	Higher Education Operating.....	\$398,000	\$398,000 \$548,000		
	Authority: Title 23, Chapter 13, Code of Virginia.				
249.	Not set out.				
250.	Not set out.				
	Total for Virginia State University			\$87,573,944	\$90,822,237 \$91,322,237
	General Fund Positions.....	300.55	300.55		
	Nongeneral Fund Positions.....	451.51	451.51		
	Position Level	752.06	752.06		
	Fund Sources: General.....	\$29,723,681	\$31,257,407		
	Higher Education Operating.....	\$56,344,823	\$58,066,232 \$58,566,232		
	Debt Service.....	\$1,505,440	\$1,498,598		
251.	Not set out.				
	Grand Total for Virginia State University.....			\$94,869,660	\$98,986,391 \$99,486,391
	General Fund Positions.....	332.30	332.30		
	Nongeneral Fund Positions.....	503.51	503.51		
	Position Level	835.81	835.81		
	Fund Sources: General.....	\$33,113,966	\$35,400,729		
	Higher Education Operating.....	\$60,250,254	\$62,087,064 \$62,587,064		
	Debt Service.....	\$1,505,440	\$1,498,598		
252.	Not set out.				
253.	Not set out.				
254.	Not set out.				
255.	Not set out.				
256.	Not set out.				
257.	Not set out.				
258.	Not set out.				
259.	Not set out.				
260.	Not set out.				
261.	Not set out.				
262.	Not set out.				

ITEM 263.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
263.	Not set out.				
264.	Not set out.				
265.	Not set out.				
266.	Not set out.				
267.	Not set out.				
268.	Not set out.				
268.10.	Not set out.				
269.	Not set out.				
270.	Not set out.				
	TOTAL FOR OFFICE OF EDUCATION.....			\$11,204,596,493	\$12,049,539,481 \$12,054,197,278
	General Fund Positions.....	18,330.75	18,511.67		
	Nongeneral Fund Positions.....	30,638.64	31,281.66		
	Position Level	48,969.39	49,793.33		
	Fund Sources: General	\$6,193,442,346	\$6,667,836,163		
	Special.....	\$23,479,425	\$26,792,654		
	Higher Education Operating.....	\$4,009,935,607	\$4,379,633,965		
	Commonwealth Transportation	\$2,391,904	\$2,391,904		
	Trust and Agency	\$196,989,013	\$188,557,138		
	Debt Service.....	\$110,950,029	\$118,495,999		
	Dedicated Special Revenue	\$11,342,834	\$12,342,834		
	Federal Trust.....	\$656,065,335	\$653,488,824		

ITEM 271.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

OFFICE OF FINANCE

271. Not set out.

§ 1-10. DEPARTMENT OF ACCOUNTS (151)

272. Not set out.

273. Not set out.

274. Not set out.

275. Not set out.

276. Not set out.

277. Not set out.

278. Not set out.

Department of Accounts Transfer Payments (162)

279. Not set out.

280. Revenue Stabilization Fund (73500).....			\$134,468,057	\$181,936,113
				\$584,160,131

Fund Sources: General	\$134,468,057	\$181,936,113		
		\$584,160,131		

Authority: Title 2.2, Chapter 18, Article 4, Code of Virginia.

1. Out of this appropriation, \$134,468,057 the first year from the general fund attributable to actual tax collections for FY 2004 shall be paid into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia, by the State Comptroller on or before June 30, 2005, based on the certification of the Auditor of Public Accounts of actual tax revenues for FY 2004.

2. Out of this appropriation, \$181,936,113 the second year from the general fund attributable to actual tax collections for FY 2004 shall be paid into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia, by the State Comptroller on or before June 30, 2006, based on the certification of the Auditor of Public Accounts of actual tax revenues for FY 2004.

3. *Out of this appropriation, \$402,224,018 the second year from the general fund attributable to actual tax collections for FY 2005 shall be paid into the Revenue Stabilization Fund pursuant to §2.2-1829, Code of Virginia, by the State Comptroller on or before June 30, 2006, based on the certification of the Auditor of Public Accounts of actual tax revenues for FY 2005, dated October 27, 2005. This appropriation meets the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia; however, any portion of this appropriation in excess of the minimum deposit certified by the Auditor of Public Accounts on October 27, 2005, less any transfer to the general fund pursuant to § 2.2-1829, Code of Virginia, shall be considered to*

ITEM 280.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
<p><i>be an advance payment of any required deposit to the Revenue Stabilization Fund attributable to actual tax collections for fiscal year 2006, which required deposit the Auditor of Public Accounts shall determine for the year ending June 30, 2006.</i></p> <p>3. 4. On or before November 1 of each year, the Auditor of Public Accounts shall report to the General Assembly the certified tax revenues collected in the most recently ended fiscal year. The Auditor shall, at the same time, provide his report on (i) the 10 percent limitation and the amount that could be paid into the Fund and (ii) any amounts necessary for deposit into the Fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia as well as the additional deposit requirement of § 2.2-1829, Code of Virginia.</p>				
281.	Not set out.			
282.	Line of Duty (76000).....		\$2,500,000	\$3,810,000 \$5,259,628
	Fund Sources: General.....	\$2,500,000	\$3,810,000 \$5,259,628	
Authority: Title 9.1, Chapter 4, Code of Virginia.				
<p>In addition to such other payments as may be available, the full cost of group health insurance, net of any deductions and credits, for the surviving spouses and dependents of certain public safety officers killed in the line of duty and for certain public safety officers disabled in the line of duty, and the spouses and dependents of such disabled officers, are payable from this Item pursuant to Title 9.1, Chapter 4, Code of Virginia. To the extent the appropriation in this Item is insufficient for these payments, the Director, Department of Planning and Budget, is authorized to transfer sufficient funding from Item 506 of this act.</p>				
	Total for Department of Accounts Transfer Payments		\$193,612,835	\$242,590,891 \$646,264,537
	Fund Sources: General.....	\$191,568,057	\$240,546,113 \$644,219,759	
	Trust and Agency	\$2,044,778	\$2,044,778	
	Grand Total for Department of Accounts.....		\$201,837,248	\$251,179,343 \$654,852,989
	General Fund Positions.....	103.00	97.00	
	Position Level	103.00	97.00	
	Fund Sources: General.....	\$199,750,470	\$249,092,565 \$652,766,211	
	Special.....	\$42,000	\$42,000	
	Trust and Agency	\$2,044,778	\$2,044,778	
§ 1-11. DEPARTMENT OF PLANNING AND BUDGET (122)				
283.	Planning, Budgeting, and Evaluation Services (71500)....		\$5,801,734	\$7,252,532 \$6,952,532

ITEM 283.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Budget Development and Execution Services (71502).....	\$4,395,633	\$5,838,194		\$5,538,194
Administrative Services (71598).....	\$1,406,101	\$1,414,338		
Fund Sources: General.....	\$5,551,734	\$7,002,532		\$6,702,532
Special.....	\$250,000	\$250,000		

Authority: Title 2.2, Chapter 15 and Chapter 26, Article 8, Code of Virginia.

A. The Department of Planning and Budget shall be responsible for continued development and coordination of an integrated, systematic policy analysis, planning, budgeting, performance measurement and evaluation process within state government. The Department shall collaborate with the Governor's Secretaries and all other agencies of state government and other entities as necessary to ensure that information generated from these processes is useful for managing and improving the efficiency and effectiveness of state government operations.

B. The Department of Planning and Budget shall be responsible for the continued development and coordination of a review process for strategic plans and performance measures of the state agencies. The review process shall assess on a periodic basis the structure and content of the plans and performance measures, the processes used to develop and implement the plans and measures, the degree to which agencies achieve intended goals and results, and the relation between intended and actual results and budget requirements.

C. The Department of Planning and Budget shall include in the Budget Document the amount of projected spending and projected net tax-supported state debt for each year of the biennium on a per capita basis. The Budget Document shall also include the amount of projected spending, less funding for personal property tax relief, for the same fiscal years, on a per capita basis. For this purpose, "spending" is defined as total appropriations from all funds for the cited fiscal years as shown in the Budget Bill. The most current population estimates from the Weldon Cooper Center for Public Services shall be used to make the calculations.

D.1. The Department of Planning and Budget shall provide staffing and operational support to the Commonwealth Competition Council. Other state agencies and institutions of the Commonwealth shall also assist the Commonwealth Competition Council in its work upon the request of the chairman of the Council.

2. There is hereby created upon the books of the Comptroller a special, nonreverting fund known as the "Commonwealth Competition Council Savings Recovery Fund." This Fund shall provide a nongeneral fund appropriation of \$250,000 each year for use by the Department of Planning and Budget in defraying the costs of providing staff and operational support to the council.

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Item Details(\$)		Appropriations(\$)	
First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

3. Prior to April 1 each year, the Director of the Department of Planning and Budget shall notify the Auditor of Public Accounts of any savings recommendations put forth by the Commonwealth Competition Council for which savings are likely to be realized in the current fiscal year or in the fiscal year beginning on the next July 1 after such notification. The Auditor of Public Accounts shall audit the implementation of these savings recommendations and shall certify to the State Comptroller by June 1 each year the total savings realized by state agencies or institutions as a result of the savings recommendations put forth by the Commonwealth Competition Council. By July 1 each year, the State Comptroller shall transfer 10 percent of these certified savings to the Commonwealth Competition Council Savings Recovery Fund for support of the council's operations. However, if these savings have since accrued to the benefit of the general fund, either by subsequent budgetary action or by reversion, then following the certification of the savings by the Auditor of Public Accounts, the State Comptroller shall transfer the equivalent of 10 percent of the affected certified savings from the general fund to the Commonwealth Competition Council Savings Recovery Fund. The total amount transferred to the Commonwealth Competition Council Savings Recovery Fund pursuant to these provisions shall not exceed \$500,000 in any one fiscal year.

E. 1. Out of this appropriation, \$1,182,500 the second year from the general fund is provided to support the continuation of the school efficiency reviews program. Any school division undergoing an efficiency review shall provide a report to the Department of Planning and Budget indicating what action has been taken on each recommendation identified in the efficiency review. The first report shall be made within six months following the receipt of the final efficiency review; with a follow-up report within one year of the final review, and again at twenty-four months. The Department of Planning and Budget shall provide the format for such report.

2. Commencing with reviews completed in FY 2006, partial recovery of the cost of individual reviews may be made in the fiscal year beginning not less than 24 months and not more than 36 months following the release of a final efficiency review report for an individual school division. Such recovery may occur if the affected school division superintendent or superintendent's designee has not certified that at least half the recommendations have been implemented or at least half of the equivalent savings of such efficiency review have been realized. Lacking such certification the school division shall reimburse the state for 25 percent of the cost of the school efficiency review. Such reimbursement shall be paid into the general fund of the state treasury. The Department of Planning and Budget shall provide the format for such certification.

F. Out of the amounts appropriated in Item 283 of Chapter 951, Acts of Assembly of 2005, to the Department of Planning and Budget to continue the school efficiency reviews program, \$300,000 is reverted

ITEM 283.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
<i>to the general fund, reflecting the lower cost of the consulting contract for the school efficiency reviews program.</i>				
Total for Department of Planning and Budget.....			\$5,801,734	\$7,252,532 \$6,952,532
General Fund Positions.....	65.00	66.00		
Nongeneral Fund Positions.....	2.00	2.00		
Position Level	67.00	68.00		
Fund Sources: General.....	\$5,551,734	\$7,002,532 \$6,702,532		
Special.....	\$250,000	\$250,000		
284. Not set out.				
285. Not set out.				
286. Not set out.				
287. Not set out.				
288. Not set out.				
289. Not set out.				

§ 1-12. DEPARTMENT OF THE TREASURY (152)

290. Investment, Trust, and Insurance Services (72500).....			\$8,238,157	\$7,298,461 \$11,998,461
Bond Issuance Advisory Services (72501).....	\$864,333	\$864,333		
Insurance Services (72502).....	\$3,040,637	\$2,100,941 \$6,800,941		
Investment Services (72503)	\$4,333,187	\$4,333,187		
Fund Sources: General.....	\$5,658,307	\$4,807,957 \$9,507,957		
Special.....	\$5,600	\$5,600		
Commonwealth Transportation	\$143,454	\$143,454		
Trust and Agency	\$2,430,796	\$2,341,450		

Authority: Title 2.2, Chapter 18, Code of Virginia.

A. The Department of the Treasury shall take into account the claims experience of each agency and institution when setting premiums for the general liability program.

B. Out of the amounts for Insurance Services is \$100,000 from a nongeneral fund the first year to study the development of a state owner-controlled insurance program for construction projects. However, no allotment of funds shall occur until the actual cost of the study is provided to the Department of Planning and Budget. The State Treasurer shall report the findings of the study to the Secretary of Finance by September 1, 2004.

C. The Department of the Treasury shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2005, its recommended liability insurance premiums for constitutional officers and regional jails under the

ITEM 290.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
<p>VARisk program for the following biennium. This report shall also include the basis for the department's recommendations, program administrative costs, the number and amount of settlements concluded in the previous fiscal year, the impact of those settlements on the program's reserves, and the actions the Department has taken to reduce either the number and cost of claims or its administrative costs and attorneys fees.</p> <p>D.1. Out of the amounts appropriated for Insurance Services, there shall be paid for the relief of Julius Earl Ruffin from the general fund, upon execution of a release of all present and future claims he may have against (i) the Commonwealth or any instrumentality, officer, employee, or political subdivision thereof, (ii) any legal counsel appointed pursuant to § 19.2-159, Code of Virginia, and (iii) all other parties of interest, (a) the sum of \$325,000 to be paid to Julius Earl Ruffin on or before August 1, 2004, by check issued by the State Treasurer on warrant of the Comptroller and (b) the sum of \$525,350 to purchase an annuity for the primary benefit of Julius Earl Ruffin providing for equal monthly payments for a period of 30 years commencing on or before September 1, 2004.</p> <p>2. The State Treasurer shall purchase the annuity for Julius Earl Ruffin at the lowest cost available from any A+ rated company, including any A+ rated company from which the State Lottery Department may purchase an annuity. Such annuity shall contain beneficiary provisions providing for the annuity's continued disbursement in the event of the death of Julius Earl Ruffin.</p>				
291.	Not set out.			
292.	Not set out.			
	Total for Department of the Treasury		\$17,001,344	\$16,399,695 \$21,099,695
	General Fund Positions.....	47.00	45.50	
	Nongeneral Fund Positions.....	73.00	76.50	
	Position Level	120.00	122.00	
	Fund Sources: General	\$9,452,975	\$8,513,986 \$13,213,986	
	Special.....	\$1,073,455	\$1,323,955	
	Commonwealth Transportation	\$143,454	\$143,454	
	Trust and Agency	\$6,331,460	\$6,418,300	
Treasury Board (155)				
293.	Not set out.			
294.	Not set out.			
295.	Not set out.			
296.	Bond and Loan Retirement and Redemption (74300)		\$280,660,744	\$327,324,242 \$308,845,525
	General Obligation Bond Redemption and Interest (74301)	\$71,531,071	\$96,396,686	

ITEM 296.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
				\$76,395,902
Amortization Payments (74302).....	\$209,129,673		\$230,927,556	\$232,449,623
Fund Sources: General	\$273,665,377		\$317,909,087	\$299,430,370
Special.....	\$2,572,763			\$2,572,551
Higher Education Operating.....	\$4,422,604			\$6,842,604

Authority: Title 2.2, Chapter 18; Title 33.1, Chapter 3, Article 5, Code of Virginia; Article X, Section 9, Constitution of Virginia.

A. The Director of the Department of Planning and Budget is authorized to transfer appropriations between items in the Treasury Board to address legislation affecting the Treasury Board passed by the General Assembly.

B.1. Out of the amounts for General Obligation Bond Redemption and Interest, the following amounts are 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:

Series	FY 2005	FY 2006
1996 Refunding	\$3,540,573	\$3,538,485
1996	\$3,025,350	\$2,891,513
1997	\$8,170,500	\$7,915,250
		\$5,615,750
1998 Refunding	\$2,591,779	\$2,594,004
1998	\$5,052,225	\$4,896,475
		\$3,628,975
1999	\$1,810,745	\$1,760,395
		\$1,266,699
2002 Refunding	\$22,566,050	\$22,414,450
2003A	\$4,584,363	\$4,446,038

2. Out of the amounts for General Obligation Bond Redemption and Interest, \$15,503,318 the first year and ~~\$36,522,438~~ \$30,000,000 the second year is hereby appropriated from the general fund for costs of issuance and debt service on general obligation bonds issued pursuant to Article X, Section 9(b), of the Constitution of Virginia.

3. Out of the amounts for General Obligation Bond Redemption and Interest, sums needed to fund issuance costs and other financing expenses are hereby appropriated.

C.1. Out of the amounts for Amortization Payments shall be paid to the Virginia College Building Authority the following amounts for use by the Authority for payments on obligations issued for the financing of projects specified under the 21st Century College Program:

Series	FY 2005	FY 2006
1996	\$4,342,436	\$4,341,274
		\$2,724,112
1998	\$4,413,025	\$4,411,713
		\$3,376,463

ITEM 296.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
1999	\$1,419,616	\$1,420,616		
2000	\$1,226,075	\$1,226,113 \$662,963		
2001	\$1,442,319	\$1,444,069		
2002	\$6,608,713	\$6,604,963		
2003A	\$8,370,263	\$8,367,713		

2. Out of the amounts for Amortization Payments, and contingent upon authorization of additional projects in the 2004 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: \$10,514,928 the first year and \$20,097,000 the second year.

3. Out of the amounts for Amortization Payments, amounts estimated at \$48,133,292 from the general fund and \$2,422,604 from nongeneral funds the first year and ~~\$21,722,746~~\$26,565,350 from the general fund and \$4,842,604 from nongeneral funds the second year, shall be paid to the Virginia College Building Authority for the payment of debt service on the following bond issues to finance equipment:

Series	FY 2005	FY 2006
2000	\$10,820,425	\$0
2001	\$13,172,250	\$0
2002	\$10,755,100	\$10,756,600
2003	\$7,266,750	\$7,269,500
2004	\$8,541,371	\$8,539,250

4. Out of the amounts for Amortization Payments, the following estimated amounts shall be paid to the Virginia College Building Authority from the general fund for debt service payments on obligations issued pursuant to Item 270 of this act; ~~\$9,087,000~~\$12,135,000 the second year.

5.a. Out of the amounts included in paragraph C 3 of this Item the following is the estimated breakdown of each institution's share of the debt service on the bond issues to finance equipment:

Institution	FY 2005		FY 2006	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
College of William & Mary	\$1,422,967	\$134,606	\$779,104	\$134,606
University of Virginia	\$7,187,909	\$313,532	\$4,494,507	\$313,532
Virginia Polytechnic Institute and State University	\$7,452,936	\$415,254	\$4,443,015	\$415,254

ITEM 296.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Virginia Military Institute	\$443,230	\$22,690	\$310,159	\$22,690
Virginia State University	\$830,325	\$28,964	\$540,053	\$28,964
Norfolk State University	\$1,151,820	\$41,676	\$601,566	\$41,676
Longwood University	\$510,175	\$49,981	\$343,491	\$49,981
University of Mary Washington	\$610,253	\$59,764	\$374,968	\$59,764
James Madison University	\$1,924,206	\$122,920	\$1,236,510	\$122,920
Radford University	\$1,007,125	\$103,127	\$660,297	\$103,127
Old Dominion University	\$2,895,732	\$253,142	\$1,876,952	\$253,142
Virginia Commonwealth University	\$5,417,956	\$214,930	\$3,946,121	\$214,930
Richard Bland College	\$178,414	\$1,481	\$148,188	\$1,481
Christopher Newport University	\$566,761	\$14,045	\$408,973	\$14,045
University of Virginia's College at Wise	\$208,816	\$16,258	\$139,434	\$16,258
George Mason University	\$4,036,802	\$117,484	\$2,872,364	\$117,484
Virginia Community College System	\$11,770,974	\$512,750	\$6,978,312	\$512,750
Virginia Institute of Marine Science	\$399,483	\$0	\$292,331	\$0
Roanoke Higher Education Authority	\$53,156	\$0	\$62,465	\$0
Southwest Virginia Higher Education Center	\$119,069	\$0	\$128,212	\$0
Institute for Advanced Learning and Research	\$0	\$0	\$172,524	\$0
TOTAL	\$48,188,109	\$2,422,604	\$30,809,546	\$2,422,604

b. Out of the amounts included in C.3. of this item the following is a breakdown of each institution's nongeneral fund share of the debt service on the bond issues to finance the 2004-06 equipment purchase:

Institution	FY 2006
George Mason University	\$88,181
Old Dominion University	\$121,331
University of Virginia	\$774,492
Virginia Commonwealth University	\$186,717

ITEM 296.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Virginia Polytechnic Institute and State University		\$577,067		
College of William and Mary		\$124,701		
Christopher Newport University		\$3,854		
University of Virginia's College at Wise		\$3,492		
James Madison University		\$131,584		
Longwood University		\$4,765		
University of Mary Washington		\$37,299		
Norfolk State University		\$66,878		
Radford University		\$32,108		
Virginia Military Institute		\$66,154		
Virginia State University		\$79,922		
Richard Bland College		\$546		
Virginia Community College System		\$120,907		
TOTAL		\$2,419,998		

6. The aggregate principal amount of bonds outstanding to finance the acquisition of equipment pursuant to § 23-30.27:1, Code of Virginia, shall not exceed \$170 million.

7. Out of the amounts for Amortization Payments, the following nongeneral fund amounts from a capital fee charged to out-of-state students at institutions of higher education shall be paid to the Virginia College Building Authority in each year for debt service on bonds issued under the 21st Century Program:

Institution	FY 2005	FY 2006
George Mason University	\$114,035	\$114,035
Old Dominion University	\$108,790	\$108,790
University of Virginia	\$376,300	\$376,300
Virginia Polytechnic Institute and State University	\$386,400	\$386,400
Virginia Commonwealth University	\$94,125	\$94,125
College of William and Mary	\$133,950	\$133,950
Christopher Newport University	\$7,190	\$7,190
University of Virginia's College at Wise	\$3,790	\$3,790
James Madison University	\$219,230	\$219,230
Norfolk State University	\$75,375	\$75,375
Longwood University	\$9,130	\$9,130
University of Mary Washington	\$55,465	\$55,465
Radford University	\$51,190	\$51,190
Virginia Military Institute	\$36,135	\$36,135
Virginia State University	\$68,770	\$68,770
Richard Bland College	\$1,165	\$1,165
Virginia Community College System	\$258,960	\$258,960
TOTAL	\$2,000,000	\$2,000,000

D.1. Out of the amounts for Amortization Payments shall be paid to the Virginia Public Building Authority the following amounts for use by the Authority for its various bond issues:

Series	FY 2005		FY 2006	
	General Fund	Special Funds	General Fund	Special Funds
1992B Refunding	\$15,230,000	\$0	\$15,235,000	\$0
1993A	\$665,337	\$0	\$0	\$0

ITEM 296.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
1994A	\$3,267,524	\$228,101	\$0	\$209,630
1995	\$11,264,127	\$0	\$11,256,327 \$8,198,873	\$0
1996 Refunding	\$6,506,432	\$1,645,432	\$6,505,675 \$2,996,942	\$1,645,764
1997	\$8,620,601	\$0	\$8,582,976 \$7,285,250	\$0
1998 Refunding	\$17,154,280	\$378,705	\$17,126,909	\$396,827
1998	\$3,214,375	\$0	\$3,214,125 \$1,958,125	\$0
1999	\$5,339,656	\$0	\$5,343,288 \$3,196,088	\$0
1999B	\$2,650,214	\$0	\$2,646,827 \$2,025,913	\$0
2000	\$8,880,488	\$0	\$8,881,569 \$5,070,793	\$0
2001	\$2,753,695	\$0	\$2,754,383	\$0
2002	\$4,203,675	\$0	\$4,198,200	\$0
2003 Refunding	\$1,547,463	\$320,525	\$4,281,483 \$4,424,212	\$320,330 \$177,601

2.a. 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: \$13,143,851 the first year and ~~\$37,925,101~~\$46,077,000 in the second year from the general fund.

b. Out of this appropriation, \$1,605,894 the first year and ~~\$7,172,675~~\$8,763,000 the second year from the general fund is provided for debt service on the State Agency Radio System (STARS).

3a. Funding is included in this Item for the Commonwealth's reimbursement of a portion of the approved capital costs as determined by the Board of Corrections and other interest costs as provided in §§ 53.1-80 through 53.1-82 of the Code of Virginia for the following:

Southwest Virginia Regional Jail
 Middle River Regional Jail
 Hampton City Jail
 Loudoun County Adult Detention Center
 Botetourt-Craig Regional Jail
 Eastern Shore Regional Jail
 Chesterfield County Jail Replacement
 Virginia Beach Local Jail
 Clarke, Fauquier, Frederick, Winchester Regional
 Detention Center

b. This paragraph shall constitute the authority for the Virginia Public Building Authority to issue bonds for the foregoing projects, pursuant to § 2.2-2261, Code of Virginia.

4. The total principal amount of Virginia Public Building Authority bonds outstanding, excluding refunding bonds and bonds issued to refinance bonds issued by other state and local authorities or political subdivisions where such bonds are secured by a lease or payment agreement with the Commonwealth, shall not exceed \$1,600,000,000.

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5.a. Funding is included in this Item for reimbursement of the state share of the costs of juvenile residential care facilities in accordance with §16.1-309.5 of the Code of Virginia and guidelines approved by the State Board of Juvenile Justice, for the following:

Chesterfield Detention Expansion	\$4,861,061
Newport News Detention	\$5,904,094
Shenandoah Detention	\$2,837,670
Virginia Beach Detention	\$5,764,514

b. This paragraph shall constitute the authority for the Virginia Public Building Authority to finance the reimbursement of the state share of costs of the foregoing projects by the issuance of revenue bonds in accordance with § 2.2-2261 of the Code of Virginia.

E. Out of the amounts for Bond Amortization Payments, the following amounts are hereby appropriated for capital lease payments:

	FY 2005	FY 2006
Norfolk IDA (DGS) (Norfolk Public Health, 1997)	\$2,410,294	\$2,410,238
Virginia Biotechnology Research Park (Biotech Two, 1996)	\$2,420,921	\$2,423,358
Big Stone Gap RHA (DOC) (Wallens Ridge, 1995)	\$6,055,608	\$6,047,248
Norfolk RHA (VCCS-TCC), Series 1995	\$1,889,774	\$1,947,388
Innovative Technology Authority (VEDP) (1997)	\$1,402,691	\$1,341,855
Virginia Biotech Research Park, 2001	\$4,690,607	\$4,689,907

F. Pursuant to various Payment Agreements between the Treasury Board and the Commonwealth Transportation Board, funds required to pay the debt service due on the following Commonwealth Transportation Board bonds shall be paid to the Trustee for the bondholders by the Treasury Board after transfer of these funds to the Treasury Board from the Commonwealth Transportation Board pursuant to Item 493, paragraph E of this act and §§ 58.1-815, 58.1-815.1 and 58.1-816.1, Code of Virginia, as follows:

	FY 2005	FY 2006
Transportation Contract Revenue Refunding Bonds, Series 2002 (Route 28) Commonwealth of Virginia Transportation Revenue Bonds	\$7,531,145	\$7,528,145
U.S. Route 58 Corridor Development Program:		
Series 1996B	\$8,113,112	\$8,115,299
Series 1997C	\$4,878,804	\$4,879,779
Series 1999B	\$14,857,236	\$14,855,236
Series 2001B	\$7,219,957	\$7,219,207
Series 2002B (Refunding)	\$5,760,588	\$7,237,688
Series 2003A (Refunding)	\$9,919,175	\$9,910,375

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Northern Virginia Transportation District Program:				
Series 1996A	\$5,190,147	\$5,189,347		
Series 1997B	\$2,336,783	\$2,332,858		
Series 1999A	\$2,414,972	\$2,413,222		
Series 2001A	\$4,143,375	\$4,144,125		
Series 2002A	\$13,948,119	\$14,934,419		
Additional Bonds	\$8,381,366	\$8,381,366		
Transportation Program Revenue Bonds, Series 1997 (Oak Grove Connector, City of Chesapeake)	\$2,331,120	\$2,328,620		

G. Under the authority of this act, an agency may transfer funds to the Treasury Board for use as lease, rental, or debt service payments to be used for any type of financing where the proceeds are used to acquire equipment and to finance associated costs, including but not limited to issuance and other financing costs. In the event such transfers occur, the transfers shall be deemed an appropriation to the Treasury Board for the purpose of making the lease, rental, or debt service payments described herein.

H. By July 1, 2005, the Director, Department of Planning and Budget, is directed to unallot an amount equivalent to the balance of uncommitted general fund appropriations of the Treasury Board at the end of fiscal year 2004. Such amounts shall revert to the general fund.

297. A. There is hereby appropriated to the Treasury Board a sum sufficient from the general fund to pay obligations incurred pursuant to Article X, Sections 9 (a), 9 (c), and 9 (d), of the Constitution of Virginia, as follows:

1. Section 9 (a) To meet emergencies and redeem previous debt obligations.
2. Section 9 (c) Debt for certain revenue-producing capital projects.
3. Section 9 (d) Debt for ~~certain bond anticipation notes issued through the Treasury Board pursuant to § 2.2-2418, Code of Virginia.~~ *variable rate obligations secured by general fund appropriations and a payment agreement with the Treasury Board.*

For payment of the principal of and the interest on obligations, issued in accordance with the cited Sections 9 (c) and 9 (d), in the event pledged revenues are insufficient to meet the obligation of the Commonwealth.

B. There is hereby appropriated to the Treasury Board a sum sufficient to pay arbitrage rebate amounts and other penalties to the United States Government for bonds issued by the Commonwealth pursuant to Article X, Sections 9 (a), 9 (b), and 9 (c), of the Constitution of Virginia.

Total for Treasury Board.....			\$291,714,343	\$338,383,159 \$319,904,442
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Fund Sources: General	\$284,718,976	\$328,968,004		
		\$310,489,287		
Special	\$2,572,763	\$2,572,551		
Higher Education Operating	\$4,422,604	\$6,842,604		
Grand Total for Department of the Treasury			\$308,715,687	\$354,782,854
				\$341,004,137
General Fund Positions	47.00	45.50		
Nongeneral Fund Positions	73.00	76.50		
Position Level	120.00	122.00		
Fund Sources: General	\$294,171,951	\$337,481,990		
		\$323,703,273		
Special	\$3,646,218	\$3,896,506		
Higher Education Operating	\$4,422,604	\$6,842,604		
Commonwealth Transportation	\$143,454	\$143,454		
Trust and Agency	\$6,331,460	\$6,418,300		
TOTAL FOR OFFICE OF FINANCE			\$631,111,525	\$716,696,815
				\$1,106,291,744
General Fund Positions	1,124.50	1,091.00		
Nongeneral Fund Positions	106.00	109.50		
Position Level	1,230.50	1,200.50		
Fund Sources: General	\$581,625,676	\$675,583,079		
		\$1,065,178,008		
Special	\$36,432,547	\$25,553,594		
Higher Education Operating	\$4,422,604	\$6,842,604		
Commonwealth Transportation	\$143,454	\$143,454		
Trust and Agency	\$8,477,244	\$8,564,084		
Dedicated Special Revenue	\$10,000	\$10,000		

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OFFICE OF HEALTH AND HUMAN RESOURCES

298. Not set out.

§ 1-13. COMPREHENSIVE SERVICES FOR AT-RISK YOUTH AND FAMILIES (200)

299.	Protective Services (45300).....			\$242,651,805	\$256,051,341
	Financial Assistance for Child and Youth Services (45303)	\$242,651,805	\$256,051,341 \$263,541,123		\$263,541,123
	Fund Sources: General	\$186,694,989	\$194,639,663 \$202,129,445		
	Federal Trust.....	\$55,956,816	\$61,411,678		

Authority: Title 2.2, Chapter 52, Code of Virginia.

A. The Department of Education shall serve as fiscal agent to administer funds cited in paragraphs B and C.

B.1.a. Out of this appropriation, \$121,088,905 from the general fund and \$54,956,816 from nongeneral funds the first year and ~~\$129,033,579~~ \$136,523,361 from the general fund and \$60,411,678 from nongeneral funds the second year, shall be used for the state pool of funds, pursuant to § 2.2-5211, Code of Virginia. This appropriation shall consist of a Medicaid pool allocation, and a non-Medicaid pool allocation.

b. The Medicaid state pool allocation shall consist of \$31,166,268 from the general fund and \$46,536,818 from nongeneral funds the first year and \$34,834,425 from the general fund and \$51,991,680 from nongeneral funds the second year. The Office of Comprehensive Services will transfer these funds to the Department of Medical Assistance Services as they are needed to pay Medicaid provider claims.

c. The non-Medicaid state pool allocation shall consist of \$89,922,637 from the general fund and \$8,419,998 in nongeneral funds the first year and ~~\$94,199,154~~ \$101,688,936 from the general fund and \$8,419,998 in nongeneral funds the second year. The nongeneral funds shall be transferred from the Department of Social Services.

d. The Office of Comprehensive Services, with the concurrence of the Department of Planning and Budget, shall have the authority to transfer the general fund allocation between the Medicaid and non-Medicaid state pools in the event that a shortage should exist in either of the funding pools.

e. The Office of Comprehensive Services, per the policy of the State Executive Council, shall deny state pool funding to any locality not in compliance with federal and state requirements pertaining to the provision of special education and foster care services funded in accordance with § 2.2-5211, Code of Virginia.

2.a. Out of this appropriation, \$63,811,084 from the

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general fund and \$1,000,000 from nongeneral funds the first year and \$63,811,084 from the general fund and \$1,000,000 from nongeneral funds the second year shall be set aside to pay for the state share of supplemental requests from localities that have exceeded their state allocation for mandated services. The nongeneral funds shall be transferred from the Department of Social Services.

b. In each year, the director of the Office of Comprehensive Services for At-Risk Youth and Families may approve and obligate supplemental funding requests in excess of the amount in 2a above, for mandated pool fund expenditures up to 10 percent of the total general fund appropriation authority in B1a in this Item.

c. The State Executive Council shall maintain local government performance measures to include, but not be limited to, use of federal funds for state and local support of the Comprehensive Services Act.

d. Pursuant to § 2.2-5200, Code of Virginia, Community Policy and Management Teams shall seek to ensure that services and funding are consistent with the Commonwealth's policies of preserving families and providing appropriate services in the least restrictive environment, while protecting the welfare of children and maintaining the safety of the public. Each locality shall submit to the Office of Comprehensive Services information on utilization of residential facilities for treatment of children and length of stay in such facilities. By November 1 of each year, the Office of Comprehensive Services shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees on utilization rates and average lengths of stays statewide and for each locality.

3. Each locality receiving funds for activities under the Comprehensive Services Act (CSA) shall have a utilization management process, approved by the State Executive Council, covering all CSA services, and shall provide information as required by the Office of Comprehensive Services, to include, but not be limited to expenditures, number of youth served in specific CSA activities, length of stay for residents in core licensed residential facilities, and proportion of youth placed in treatment settings suggested by a uniform assessment instrument. Localities requesting funding from the set aside in paragraph 2.a. and 2.b. must demonstrate compliance with all CSA provisions to receive pool funding.

4. The Secretary of Health and Human Resources, in consultation with the Secretaries of Education and Public Safety, shall direct the actions for the Departments of Social Services, Education, Juvenile Justice, Medical Assistance Services, Health, and Mental Health, Mental Retardation and Substance Abuse Services, to implement, as part of ongoing information systems development and refinement, changes necessary for state and local agencies to fulfill CSA reporting needs.

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5. The State Executive Council shall provide localities with technical assistance on ways to control costs and on opportunities for alternative funding sources beyond funds available through the state pool.				
6. Out of this appropriation, \$50,000 from the general fund each year is provided for a combination of regional and statewide meetings for technical assistance to local community policy and management teams, family assessment and planning teams, and local fiscal agents. Training shall include, but not be limited to, cost containment measures, utilization management, use of alternate revenue sources, and administrative and fiscal issues. A state-supported institution of higher education, in cooperation with the Virginia Association of Counties, the Virginia Municipal League, and the State Executive Council, may assist in the provisions of this paragraph. Any funds unexpended for this purpose in the first year shall be reappropriated for the same use in the second year.				
7. The State Executive Council shall work with the Department of Medical Assistance Services' existing preauthorization and utilization management contract with a qualified medical review organization, in order to provide utilization management of residential placements provided to youth under the Comprehensive Services Act who are not Medicaid eligible. A payment of \$175,000 each year from the general fund shall be transferred to the Department of Medical Assistance Services for such utilization management services. The Department of Medical Assistance Services, in cooperation with representatives of the Virginia Association of Counties, the Virginia Municipal League, and the State Executive Council, shall develop the criteria and guidelines to be followed by the utilization management provider.				
8. Out of this appropriation, \$70,000 the first year and \$70,000 the second year from the general fund is provided for the Office of Comprehensive Services to contract for the support of uniform CSA reporting requirements.				
9. The State Executive Council shall require a uniform assessment instrument.				
10. The Office of Comprehensive Services, in conjunction with the Department of Social Services, shall determine a mechanism for reporting Temporary Assistance for Needy Families Maintenance of Effort eligible costs incurred by the Commonwealth and local governments for the Comprehensive Services Act for At-Risk Youth and Families.				
11. For purposes of defining cases involving only the payment of foster care maintenance, pursuant to § 2.2-5209, Code of Virginia, the definition of foster care maintenance used by the Virginia Department of Social Services for federal Title IV-E shall be used.				
C. The funding formula to carry out the provisions of the Comprehensive Services Act for At-Risk Youth and Families is as follows:				

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1. Allocations. The allocations for the Medicaid and non-Medicaid pools shall be the amounts specified in paragraphs B 1 b and B 1 c in this Item. These funds shall be distributed to each locality in each year of the biennium based on the greater of that locality's percentage of actual 1997 Comprehensive Services Act pool fund program expenditures to total 1997 pool fund program expenditures or the latest available three-year average of actual pool fund program expenditures as reported to the state fiscal agent.

2. Local Match. All localities are required to appropriate a local match for the base year funding consisting of the actual aggregate local match rate based on actual total 1997 program expenditures for the Comprehensive Services Act for At-Risk Youth and Families. This local match rate shall also apply to all reimbursements from the state pool of funds in this Item and carryforward expenditures submitted prior to September 30 each year for the preceding fiscal year, including administrative reimbursements under paragraph C 3 in this Item.

3. Local Administrative Costs. Out of this appropriation, an amount equal to two percent of the fiscal year 1997 pool fund allocations, not to exceed \$1,500,000 from the general fund the first year and \$1,560,000 from the general fund the second year, shall be allocated among all localities for administrative costs. Every locality shall be required to appropriate a local match based on the local match contribution in paragraph C 2 of this Item. Inclusive of the state allocation and local matching funds, every locality shall receive the larger of \$12,500 or an amount equal to two percent of the total pool allocation. No locality shall receive more than \$50,000, inclusive of the state allocation and local matching funds. Localities are encouraged to use administrative funding to hire a full-time or part-time local coordinator for the Comprehensive Services Act program. Localities may pool this administrative funding to hire regional coordinators.

4. Definition. For purposes of the funding formula in the Comprehensive Services Act for At-Risk Youth and Families, "locality" means city or county.

D. Any unexpended general fund balance in this Item on June 30 each year shall not revert to the general fund but shall be reappropriated for expenditure in the succeeding year.

E. Community Policy and Management Teams shall use Medicaid-funded services whenever they are available for the appropriate treatment of children and youth receiving services under the Comprehensive Services Act for At-Risk Children and Youth.

F. The State Executive Council for the Comprehensive Services Act shall investigate the reasons leading to the practice of parents relinquishing custody of their children solely to obtain necessary and appropriate mental health services and report and recommend changes that strengthen child advocacy in the

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Commonwealth. The State Executive Council shall recommend policy options, including legislative action if appropriate, for abolishing this practice while continuing to make the services available and accessible to children, and report to the Chairmen of the House Appropriations and Senate Finance Committees, and to the Chairman of the Joint Commission on Health Care, by November 1, 2004. The State Executive Council shall monitor implementation progress and provide a final report to the Chairmen of the House Appropriations and Senate Finance Committees and to the Chairman of the Joint Commission on Health Care by October 1, 2005.

G. Pursuant to subdivision 3 of §2.2-52.06, Code of Virginia, Community Policy and Management Teams shall enter into agreements with the parents or legal guardians of children receiving services under the Comprehensive Services Act for At-Risk Children and Youth. The Office of Comprehensive Services shall be a party to any such agreement. If the parent or legal guardian fails or refuses to pay the agreed upon sum on a timely basis and a collection action cannot be referred to the Division of Child Support Enforcement of the Department of Social Services, upon the request of the community policy management team, the Office of Comprehensive Services shall make a claim against the parent or legal guardian for such payment through the Department of Law's Division of Debt Collection in the Office of the Attorney General.

H. The Office of Comprehensive Services, in cooperation with the Department of Medical Assistance Services, shall provide technical assistance and training to assist residential and treatment foster care providers who provide Medicaid-reimbursable services through the Comprehensive Services Act for At-Risk Children and Youth (CSA) to become Medicaid-certified providers.

I. The Office of Comprehensive Services shall work with the State Executive Council and the Department of Medical Assistance Services to assist Community Policy and Management Teams in appropriately accessing a full array of Medicaid-funded services for Medicaid-eligible children and youth through the Comprehensive Services Act for At-Risk Children and Youth, thereby increasing Medicaid reimbursement for treatment services and decreasing the number of denials for Medicaid services related to medical necessity and utilization review activities.

J. By November 1, 2004, the Office of Comprehensive Services shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees and the Joint Commission on Health Care on progress in increasing Medicaid utilization for CSA services. The report shall also recommend additional strategies, as necessary, for increasing Medicaid utilization.

K. Out of the federal Temporary Assistance to Needy Families block grant, \$957,821 the first year and \$957,821 the second year shall be designated for the

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<p>"Community Services Trust Fund for Youth and Families." The Office of Comprehensive Services shall assist the Department of Social Services in developing procedures to support these activities.</p>				
<p>Total for Comprehensive Services for At-Risk Youth and Families</p>			\$242,651,805	\$256,051,341 \$263,541,123
<p>Fund Sources: General</p>				
	\$186,694,989	\$194,639,663		
		\$202,129,445		
<p>Federal Trust.....</p>				
	\$55,956,816	\$61,411,678		
300.	Not set out.			
301.	Not set out.			
302.	Not set out.			
303.	Not set out.			
304.	Not set out.			
305.	Not set out.			
306.	Not set out.			
307.	Not set out.			
308.	Not set out.			
309.	Not set out.			
310.	Not set out.			
311.	Not set out.			
312.	Not set out.			
313.	Not set out.			
314.	Not set out.			
315.	Not set out.			
316.	Not set out.			
317.	Not set out.			
318.	Not set out.			
319.	Not set out.			
320.	Not set out.			
321.	Not set out.			
§ 1-14. DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (602)				
322.	Administrative and Support Services (47900).....		\$75,913,771	\$75,520,971 \$77,472,571
	General Management and Direction (47901).....		\$62,891,271	\$62,498,471 \$64,450,071
	Computer Services (47902)		\$13,022,500	\$13,022,500

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Fund Sources: General.....	\$29,351,605	\$29,308,805 \$29,084,605		
Special.....	\$50,000	\$50,000		
Federal Trust.....	\$46,512,166	\$46,162,166 \$48,337,966		

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-87, as amended, Title XIX, Social Security Act, Federal Code.

A. By November 15 of each year, the Department of Planning and Budget, in cooperation with the Department of Medical Assistance Services, shall prepare and submit a forecast of Medicaid expenditures, upon which the Governor’s budget recommendations will be based, for the current and subsequent two years to the Chairmen of the House Appropriations and Senate Finance Committees. The forecast shall detail the number of new nursing home beds expected to be added each year and the resulting impact on the Medicaid budget. In addition, the Department of Medical Assistance Services shall submit accuracy reports of the forecast in relation to the agency’s actual expenditure activity to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees. These reports shall be submitted on a quarterly basis, commencing October 15, 2004, and continuing throughout the biennium.

B. Out of this appropriation, \$50,000 in special fund revenue is appropriated in each year of the biennium to the Department of Medical Assistance Services for the administration of the disbursement of civil money penalties levied against and collected from Medicaid nursing facilities for violations of rules identified during survey and certification as required by federal law and regulation. Based on the nature and seriousness of the deficiency, the Agency or the Centers for Medicare and Medicaid Services may impose a civil money penalty, consistent with the severity of the violations, for the number of days a facility is not in substantial compliance with the facility’s Medicaid participation agreement. Civil money penalties collected by the Commonwealth must be applied to the protection of the health or property of residents of nursing facilities found to be deficient. Penalties collected are to be used for (1) the payment of costs incurred by the Commonwealth for relocating residents to other facilities; (2) payment of costs incurred by the Commonwealth related to operation of the facility pending correction of the deficiency or closure of the facility; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of actions by the facility or individuals used by the facility to provide services to residents. These funds are to be administered in accordance with the revised federal regulations and law, 42 CFR 488.400 and the Social Security Act § 1919(h), for Enforcement of Compliance for Long-Term Care Facilities with Deficiencies. Any special fund revenue received for this purpose, but unexpended at the end of the fiscal year, shall remain in the fund for use in accordance with this provision.

C. The Department of Medical Assistance Services, to

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the extent permissible under federal law, shall enter into an agreement with the Department of Mental Health, Mental Retardation and Substance Abuse Services to share Medicaid claims and expenditure data on all Medicaid-reimbursed mental health, mental retardation and substance abuse services, and any new or expanded mental health, mental retardation and substance abuse services that are covered by the State Plan for Medical Assistance. The information shall be used to increase the effective and efficient delivery of publicly funded mental health, mental retardation and substance abuse services.

D. As needed, the Department of Medical Assistance Services shall transfer funds appropriated for the Medical Assistance Services program to the Administrative and Support Services program to fund increased expenditures as a result of any contractual changes between the Department and companies providing non-emergency transportation services for Medicaid recipients.

E. The Department of Medical Assistance Services shall monitor the impact of all new prior authorization requirements implemented in the fee-for-service program for Family Access to Medical Insurance Security (FAMIS) and Medicaid services that take effect on or after July 1, 2003. The Department shall maintain data including the number of service denials, the number of prior authorization requests submitted, the number of requests approved and denied, the number of appeals from prior authorization denials, the outcome of those appeals, and all associated administrative costs. Such information shall be reported to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees as well as the Department of Planning and Budget, on an annual basis. Annual reports are due no later than 45 days after the end of the previous fiscal year.

F. In addition to any regional offices that may be located across the Commonwealth, any statewide, centralized call center facility that operates in conjunction with a brokerage transportation program for persons enrolled in Medicaid or the Family Access to Medical Insurance Security plan shall be located in Norton, Virginia.

G. The Department of Medical Assistance Services shall report on the degree to which hospital emergency rooms are being used by Medicaid fee-for-service clients for non-emergency care, and identify actions that could be taken to limit inappropriate use of this treatment setting. In conducting its review, the Department shall: (i) assess recent trends in emergency room use by Medicaid fee-for-service enrollees; (ii) estimate the incidence of Medicaid clients using the emergency room for non-emergency care; (iii) identify effective actions taken by the organizations participating in the Department's managed care program as well as other state Medicaid programs to limit inappropriate use of the emergency room; (iv) consult with physicians and hospitals in assessing and developing programs that direct patients to primary care settings; and (v)

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recommend actions that can be taken to ensure emergency room usage by Medicaid fee-for-service clients is appropriate and medically necessary. The Department shall report its findings and recommendations to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by November 1, 2004.

H. The Department of Medical Assistance Services shall have the authority to amend the Medallion II waiver to allow the Department to carve out dental services provided to children under the age of 21, and for adults as defined in 12 VAC 30-50-190, from Medicaid managed care. In addition, the Department shall have the authority to amend the State Plans for Titles XIX (Medical Assistance) and XXI (Family Access to Medical Insurance Security) of the Social Security Act, as required by applicable statute and regulations to provide dental services to individuals enrolled in these programs on a fee-for-service basis, and to revise the prior authorization requirements for dental services in accordance with industry standards. The Department of Medical Assistance Services shall enact emergency regulations to effect this provision within 280 days or less from the enactment of this act. The Department of Medical Assistance Services may consider outsourcing such dental services to children under age 21, and for adults as defined in 12 VAC 30-50-190, to an administrative services program.

I. Included in this appropriation is \$150,000 from the general fund and \$150,000 from nongeneral funds in the first year and \$100,000 from the general fund and \$100,000 from nongeneral funds in the second year for the Department of Medical Assistance Services (DMAS) to complete a baseline encounter data validation study to assess the accuracy, completeness, and quality of encounter data from contracted Medicaid and Family Access to Medical Insurance Services managed care plans and from the DMAS Medicaid Management Information System. The encounter data validation analysis may include an assessment of encounter data used for managed care plan rate-setting and risk-adjustment, the development of necessary revisions to the recently implemented DMAS Medicaid Management Information System, and feedback to the health plans in the form of Data Quality Improvement Plans.

J. The Director, Department of Planning and Budget, is authorized to transfer amounts, as needed, from the Medical Assistance Services program (program 45600) and the Family Access to Medical Insurance Security Plan program (program 44600), to the Administrative and Support Services program (program 47900), to fund administrative expenditures associated with contracts between the department and companies providing dental benefit services for Medicaid and FAMIS recipients.

K. The Department of Medical Assistance Services shall report on the Healthy Returns Disease Management Program to the Joint Commission on Health Care by November 15, 2005.

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<p>L. Out of this appropriation, the Department of Medical Assistance Services shall transfer \$119,000 from the general fund the second year to the Department of Health Professions to continue operations of the Certified Nurse Registry.</p>				
<p>M. Of this appropriation, \$125,000 from the general fund the second year shall be transferred to the Uninsured Medical Catastrophe Fund under § 32.1-324.3, Code of Virginia.</p>				
323.	Pre-Trial, Trial, and Appellate Processes (32100).....		\$10,254,550	\$11,180,391 \$9,514,750
	Payments for Medical Services for Involuntary Mental Commitments (32107)	\$10,254,550	\$11,180,391 \$9,514,750	
	Fund Sources: General	\$10,254,550	\$11,180,391 \$9,514,750	
<p>Authority: § 37.1-67.1, Code of Virginia.</p> <p>Any balance, or portion thereof, in the subprogram Involuntary Mental Commitments, may be transferred between Items 33, 34, 35, and 323 as needed, to address any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.</p>				
324.	Family Access to Medical Insurance Security Plan (44600)		\$73,321,656	\$92,526,663 \$82,707,543
	Family Access to Medical Insurance Security Plan Payments (44602)	\$66,853,825	\$85,649,076 \$75,829,956	
	Family Access to Medical Insurance Security Plan Administration (44603).....	\$6,467,831	\$6,877,587	
	Fund Sources: General	\$13,007,835	\$19,695,220 \$16,293,090	
	Dedicated Special Revenue	\$12,548,382	\$12,548,382	
	Federal Trust.....	\$47,765,439	\$60,283,061 \$53,866,071	
<p>Authority: Title 32.1, Chapter 13, Code of Virginia.</p> <p>A. Pursuant to Chapter 679, Acts of Assembly of 1997, the State Corporation Commission shall annually, on or before June 30, 1998, and each year thereafter, calculate the premium differential between: (i) 0.75 percent of the direct gross subscriber fee income derived from eligible contracts and (ii) the amount of license tax revenue generated pursuant to subdivision A 4 of § 58.1-2501 for the immediately preceding taxable year and notify the Comptroller of the Commonwealth to transfer such amounts to the Family Access to Medical Insurance Security Plan Trust Fund as established on the books of the Comptroller.</p> <p>B. As a condition of this appropriation, revenues from the Family Access to Medical Insurance Security Plan Trust Fund, shall be used to match federal funds for the State Children's Health Insurance Program.</p>				

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C. Every eligible applicant for health insurance as provided for in Title 32.1, Chapter 13, Code of Virginia, shall be enrolled and served in the program. To the extent that appropriations in this Item are insufficient, the Director, Department of Planning and Budget shall transfer general fund appropriations from Item 325 into this Item, to be used as state match for federal Title XXI funds.				
D. The Department of Medical Assistance Services shall amend its Family Access to Medical Insurance Security Plan and related regulations to cover school-based transportation for children in special education. The transportation covered is from home to school and the return trip or transportation to a non-school location on days the child has a covered service such as physical therapy. This change is subject to approval by the Centers for Medicare and Medicaid Services. The Department's payment for transportation will be the federal share of the payment only, which is consistent with the Department's coverage of other services for children in special education. School divisions shall document to the Department the non-federal matching funds. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.				
E. The Department shall amend the Family Access to Medical Insurance Security Plan and related regulations to require prior authorization of prescription drugs for non-institutionalized recipients when more than nine unique prescriptions have been prescribed within a period as determined by the Department. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.				
F. The Department of Medical Assistance Services shall have the authority to amend the Family Access to Medical Insurance Security Plan to ensure that school-based rehabilitation services shall not be subject to any prior authorization requirements. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.				
G. The Department of Medical Assistance Services shall have the authority to amend the Family Access to Medical Insurance Security Plan and related regulations to cover additional medical services for special education students and to revise referral and prior authorization requirements for services provided to special education students by school division providers. The Department shall have authority to enact emergency regulations under §2.2-4011 of the Administrative Process Act, to effect this provision.				
H. The Department of Medical Assistance Services shall have the authority to amend the Family Access to Medical Insurance Security Plan and related regulations to establish separate payment rates for state and local government providers based on an evaluation of costs incurred. The Department shall have authority to enact				

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emergency regulations under §2.2-4011 of the Administrative Process Act, to effect this provision.

I. The Department of Medical Assistance Services shall amend its Family Access to Medical Insurance Security Plan to include coverage of certain mental health services including intensive in-home services, case management services, day treatment, and twenty-four-hour emergency response. The services shall be provided in the same manner and with the same coverage and service limitations as they are provided to children under the State Plan for Medical Assistance Services. The Office of Comprehensive Services for At-Risk Youth and Families shall transfer \$454,565 in general fund dollars in each year of the biennium to the Department in order to fund this initiative. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

J. The Department of Medical Assistance Services shall amend the Family Access to Medical Insurance Security Plan and related regulations to modify the reimbursement methodology used to reimburse for generic drug products. The new methodology shall reimburse for the product cost based on a Maximum Allowable Cost list to be established by the Department. Such amendments shall be effective within 280 days or less from the enactment of this act.

K. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to change the prior authorization of prescription drugs requirement for non-institutionalized Medicaid recipients who exceed nine unique prescriptions within 180 days to 30 days. The department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

L. The Department of Medical Assistance Services shall have the authority to amend the Family Access to Medical Insurance Security Plan and related regulations to expand medical coverage to pregnant women who are over the age of 19 with annual family income in excess of the Medicaid limit but less than or equal to 150 percent of the Federal Poverty Level and to simplify the administration of the premium assistance program available to families with children eligible for FAMIS who have access to an employer-sponsored health insurance program. The medical coverage period shall apply to a woman during her pregnancy and extend no longer than the end of the month in which her 60-day postpartum period ends. Services provided during this coverage period shall include all services in the FAMIS State Plan with the exception of the Early Periodic Screening Diagnosis and Treatment Program. The department will continue to ensure the cost effectiveness of the premium assistance program. The Department of Medical Assistance Services shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

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Medical Assistance Services for Low Income Children (46600)			\$43,994,654	\$60,387,939 \$56,839,339
Medical Assistance Payments for Low-Income Children (46601)	\$43,994,654	\$60,387,939 \$56,839,339		
Fund Sources: General	\$15,398,129	\$20,615,213 \$19,893,768		
Federal Trust	\$28,596,525	\$39,772,726 \$36,945,571		
Authority: Title 32.1, Chapters 9, 10 and 13, Code of Virginia; P.L. 89-87, as amended, Title XIX, Social Security Act, Federal Code.				
326.				
Medical Assistance Services (Medicaid) (45600).....			\$4,334,968,753	\$4,741,294,922 \$4,668,944,135
Payments to State-Owned Mental Health and Mental Retardation Facility Services (45607).....	\$222,620,347	\$222,620,347		
Payments for Public Community-Based Mental Health and Mental Retardation Services (45608).....	\$415,474,450	\$493,282,622 \$409,884,636		
Payments for Professional and Institutional Medical Services (45609).....	\$3,608,633,800	\$3,926,175,793 \$3,840,067,316		
Payments for Privately-Owned Community-Based Mental Health and Mental Retardation Services (45610)	\$88,240,156	\$99,216,160 \$196,371,836		
Fund Sources: General	\$1,862,752,763	\$2,054,864,598 \$2,054,588,211		
Special	\$48,163,154	\$0		
Dedicated Special Revenue	\$293,634,329	\$311,949,406 \$313,972,398		
Federal Trust	\$2,130,418,507	\$2,374,480,918 \$2,300,383,526		

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-87, as amended, Title XIX, Social Security Act, Federal Code.

A. It is the intent of the General Assembly to develop and cause to be developed appropriate, fiscally responsible methods for addressing the issues related to the cost and funding of long-term care. It is the further intent of the General Assembly to promote home-based and community-based care for individuals who are determined to be in need of nursing facility care.

B.1. The Director of the Department of Medical Assistance Services shall seek the necessary waivers from the United States Department of Health and Human Services to authorize the Commonwealth to cover health care services and delivery systems, as may be permitted by Title XIX of the Social Security Act, which may provide less expensive alternatives to the State Plan for medical assistance.

2. The Director shall promulgate such regulations as may be necessary to implement those programs which may be permitted by Titles XIX and XXI of the Social Security Act, in conformance with all requirements of

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the Administrative Process Act.

C.1. The appropriation includes \$107,991,696 the first year from the general fund and \$114,628,651 from the federal trust fund and \$107,991,696 the second year from the general fund and \$114,628,651 from the federal trust fund for reimbursement to the institutions within the Department of Mental Health, Mental Retardation and Substance Abuse Services. The Department of Mental Health, Mental Retardation and Substance Abuse Services shall be reimbursed for the federal share of general salary scale adjustments approved by the General Assembly.

2.a. The appropriation includes the first year \$152,288,573 from the general fund and \$153,579,573 from the federal trust fund, and the second year ~~\$170,596,644~~ \$160,473,145 from the general fund and ~~\$170,596,644~~ \$160,473,145 from the federal trust fund for reimbursement to the Department of Mental Health, Mental Retardation and Substance Abuse Services for the Mental Retardation Waiver. The appropriation also includes the first year \$58,042,014 from the general fund and \$58,042,014 from the federal trust fund and the second year ~~\$72,370,938~~ \$44,469,173 from the general fund and ~~\$72,370,938~~ \$44,469,173 from the federal trust fund for reimbursement to the Department of Mental Health, Mental Retardation and Substance Abuse Services for the "State Plan Option" community mental health and mental retardation services.

b. Of the amounts for the Mental Retardation Home- and Community-based Waiver Program included in paragraph 2.a., \$2,666,667 the first year and \$4,000,000 the second year from the general fund and \$2,666,667 the first year and \$4,000,000 the second year from nongeneral funds shall be provided for 160 new waiver slots for individuals currently residing in mental retardation training centers who have been determined to be ready for discharge and have chosen to be served in the community.

c. Of the amounts for the Mental Retardation Home- and Community-based Waiver Program included in paragraph 2.a., \$13,500,000 the first year and \$18,200,000 the second year from the general fund and \$13,500,000 the first year and \$18,200,000 the second year from nongeneral funds shall be provided to add 700 new waiver slots by the end of the 2004-06 biennium for individuals living in the community. Any unexpended appropriations for this purpose shall be carried forward for use in the following fiscal year.

d. By July 1, 2005, the Department of Medical Assistance Services, in consultation with the Department of Mental Health, Mental Retardation, and Substance Abuse Services and Community Services Boards, shall determine whether sufficient capacity exists to expand the Mental Retardation (MR) Waiver Program to 880 slots in fiscal year 2006. In the event the agencies determine that insufficient capacity exists to absorb the additional 180 MR waiver slots, the Department shall develop a plan to meet the needs of 180 new individuals.

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D. Out of this appropriation, the Department of Medical Assistance Services shall provide coverage of intensive assisted living care to residents of licensed Adult Care Residences who are Auxiliary Grant recipients. Individuals entitled to benefits under this section are not entitled to benefits under Item 328.

E. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director of the Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the alternative method.

F.1. Included in this appropriation is \$65,372,926 from the general fund and \$65,372,926 from nongeneral funds in the first year and ~~\$69,140,110~~ \$56,575,137 from the general fund and ~~\$69,140,110~~ \$56,575,137 from nongeneral funds in the second year to reimburse the Virginia Commonwealth University Health System for indigent health care costs and Medicaid losses. This funding is comprised of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

2. Included in this appropriation is \$30,758,112 from the general fund and \$30,758,112 from nongeneral funds in the first year and ~~\$32,213,143~~ \$32,499,839 from the general fund and ~~\$32,213,143~~ \$32,499,839 from nongeneral funds in the second year to reimburse the University of Virginia Health System for indigent health care costs and Medicaid losses. This funding is comprised of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

3. Efforts to maximize federal upper payment limits for the state academic health systems and academic health systems that operate under a state authority that result in savings above the amounts assumed in this Appropriation Act to the Medicaid program shall be passed through to those health systems so long as they demonstrate a financial need for the costs of providing indigent health care services.

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<p>G. The Department shall establish a program to more effectively manage those Medicaid recipients who receive the highest cost care. To implement the program, the Department shall establish uniform criteria for the program, including criteria for the high cost recipients, providers and reimbursement, service limits, assessment and authorization limits, utilization review, quality assessment, appeals and other such criteria as may be deemed necessary to define the program. The Department shall seek any necessary approval from the Centers for Medicare and Medicaid Services, and shall promulgate such regulations as may be deemed necessary to implement this program.</p>				
<p>H. The Department of Medical Assistance Services and the Virginia Department of Health shall work with representatives of the dental community: to expand the availability and delivery of dental services to pediatric Medicaid recipients; to streamline the administrative processes; and to remove impediments to the efficient delivery of dental services and reimbursement thereof. The Department of Medical Assistance Services shall report its efforts to expand dental services to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget by December 15 each year.</p>				
<p>I. The Department of Medical Assistance Services shall implement continued enhancements to the prospective drug utilization review (pro-DUR) program. The Department shall continue (i) the implementation of a disease state management program including physicians, pharmacists, and others deemed appropriate by the Department and (ii) the Pharmacy Liaison Committee. The Department shall continue to work with the Pharmacy Liaison Committee and the Prior Authorization Advisory Committee to implement the disease state management program and such other initiatives for the promotion of cost-effective services delivery as may be appropriate. The Department shall report on the Pharmacy Liaison Committee's activities to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than December 15 each year of the biennium.</p>				
<p>J. It is the intent of the General Assembly that the medically needy income limits for the Medicaid program are adjusted annually to account for changes in the Consumer Price Index.</p>				
<p>K. The Department of Medical Assistance Services shall not require dentists who agree to participate in the delivery of Medicaid pediatric dental care services, or services provided to enrollees in the Family Access to Medical Insurance Security (FAMIS) Plan or any variation of FAMIS, to also deliver services to subscribers enrolled in commercial plans of the managed care vendor, unless the dentist is a willing participant in the commercial managed care plan.</p>				
<p>L. It is the intent of the General Assembly that the use of the new atypical medications to treat seriously</p>				

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mentally ill Medicaid recipients should be supported by the formularies used to reimburse claims under the Medicaid fee-for-service and managed care plans.				
M.1. The Department of Medical Assistance Services shall have the authority to seek federal approval of changes to its MEDALLION waiver and its Medallion II waiver.				
2. In order to conform the state regulations to the federally approved changes and to implement the provisions of this act, the Department shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. The Department shall implement these necessary regulatory changes to be consistent with federal approval of the waiver changes.				
N.1. The Department of Medical Assistance Services shall develop and pursue cost saving strategies internally and with the cooperation of the Department of Social Services, Virginia Department of Health, Office of the Attorney General, Comprehensive Services Act program, Department of Education, Department of Juvenile Justice, Department of Mental Health, Mental Retardation and Substance Abuse Services, Virginia Department for the Aging, Department of the Treasury, University of Virginia Health System, Virginia Commonwealth University Health System Authority, Department of Corrections, federally qualified health centers, local health departments, local school divisions, community service boards, local hospitals, and local governments, that focus on optimizing Medicaid claims and cost recoveries.				
2. The Department shall submit quarterly status reports on the successful implementation of these strategies to the Department of Planning and Budget throughout the biennium. The report shall include revenues generated for both the department and other agencies.				
3. Whenever feasible the affected agency shall either (i) administratively transfer to the Department the general fund appropriation needed to implement the proposed savings initiative and the estimated general fund savings related to the initiative or (ii) the Department of Medical Assistance Services reimbursement to the affected agency shall be limited to the federal share of the Medicaid reimbursement, with the affected agency responsible for providing the state share; the affected agency shall still be responsible for transferring to the Department the estimated savings related to the initiative. In cases where the above options are not feasible, the Medicaid savings paid by the identified service providers pursuant to these strategies shall be recovered and deposited into the state treasury as nongeneral fund revenue or as an expenditure refund to subprogram "Medical Assistance Services Cost Containment." These funds shall be used by the Department for direct expenditures or transfers to the general fund, when applicable, for the purposes specified in this Item.				

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O. The Department of Medical Assistance Services shall also develop and pursue cost saving strategies with the cooperation of the same service providers identified in Item 326N that focus on maximizing upper payment limits. The Department of Medical Assistance Services shall modify existing regulations and the State Plan for Medical Assistance Services as they relate to supplemental payments to non-state public nursing homes, hospitals and clinics and state hospitals and clinics as necessary to comply with changes negotiated with the Centers for Medicare and Medicaid Services to sunset current Inter-Governmental Transfers and to develop alternative strategies. The department shall have the authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act, to effect this provision.

P. The Department of Medical Assistance Services shall retain the savings necessary to reimburse a vendor for its efforts resulting from the Department's Request for Proposals, issued on August 30, 2001, and titled Maximizing Federal Reimbursement. However, prior to reimbursement, the Department shall identify for the Secretary of Health and Human Resources each of the vendor's revenue maximization efforts and the manner in which each vendor would be reimbursed. No reimbursement shall be made to the vendor without the prior approval of the above plan by the Secretary.

Q.

R. The Department of Medical Assistance Services shall amend the State Plan of Medical Assistance Services to reimburse physicians who are faculty affiliated with state academic health systems and academic health systems that operate under a state authority . The amount of the supplemental payment shall be based on the difference between the upper payment limit for these services as approved by the Center for Medicare and Medicaid Services and the current payment. This amendment shall become effective consistent with approval by the Centers for Medicare and Medicaid Services (CMS) of the related State Plan amendment. At such time as CMS approves the State Plan amendment, the Department shall have the authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act, to effect this provision.

S. The Department of Medical Assistance Services in cooperation with the State Executive Council, shall provide semi-annual training to local Comprehensive Services Act teams on the procedures for use of Medicaid for residential treatment and treatment foster care services, including, but not limited to, procedures for determining eligibility, billing, reimbursement, and related reporting requirements. The Department shall include in this training information on the proper utilization of inpatient and outpatient mental health services as covered by the Medicaid State Plan. The Department shall report annually, by June 30, to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget on the results of the training program. The

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report shall include the number of local team representatives attending formal training programs offered by the Department; the number of technical assistance requests responded to by the Department; and the type and amounts of training materials made available to the local teams.

T. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to use general fund appropriations transferred from the Virginia Department for the Aging to match federal Medicaid funds to provide long-term ombudsman services. The services shall be provided through the Virginia Area Agencies on Aging to Medicaid recipients residing in nursing facilities and receiving home- and community-based services through Medicaid waivers. The Department shall have the authority to implement the necessary regulatory changes to be consistent with federal approval of this State Plan amendment to become effective within 280 days or less from the enactment date of this act.

U. The Department of Medical Assistance Services shall use general fund appropriations transferred by the Virginia Department for the Aging to match federal Medicaid funds for the provision of home-delivered meals and environmental modifications to eligible Medicaid recipients through a model home- and community-based services waiver. The waiver shall be limited to Medicaid recipients being served through the elderly and disabled waiver. The Department shall have the authority to implement the necessary regulations, providing for these new services, target population, service reimbursement methodology, and utilization control requirements, to be consistent with federal approval of this waiver within 280 days of the enactment of this act.

V. The Department of Medical Assistance Services shall discontinue efforts to seek approval for a Research and Demonstration 1115 Waiver for the management of chronic care conditions of elderly and disabled persons through the Virginia Area Agencies on Aging using funds previously allocated for elderly case management under the Department of Medical Assistance Services' State Plan. The Department shall amend the State Plan for Medical Assistance Services to restore elderly case management services as a state plan service. The Department shall promulgate emergency regulations to become effective within 280 days or less from the enactment date of this act. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

W. Contingent upon approval by the Centers for Medicare and Medicaid Services to implement the renewal of the Individual and Family Developmental Disabilities Support Waiver as developed by the Department and stakeholders, the Department of Medical Assistance Services shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act. The Department shall implement these necessary

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regulatory changes to be consistent with federal approval of the waiver application renewal.

X. Contingent upon approval by the Centers for Medicare and Medicaid Services to implement a new Independence Plus Home and Community Based Services Waiver, the Department of Medical Assistance Services shall promulgate emergency regulations to become effective within 280 days or less from the enactment date of this act. The Department shall implement these necessary regulatory changes to be consistent with federal approval of the waiver application developed by the Department and stakeholders. In the event a recipient of a waiver slot under the Independence Plus Home and Community Based Services Waiver exits the program, funding for the slot shall revert to the waiver program from which the recipient came.

Y. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to require prior authorization of prescription drugs for non-institutionalized recipients when more than nine unique prescriptions have been prescribed within a period as determined by the Department. Over-the-counter prescriptions shall not count as a unique prescription for the purposes of prior authorization. For the purposes of prior authorization, non-institutionalized recipients do not include recipients of services at Hiram Davis Medical Center. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

Z. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to require prior authorization of prescription drugs for nursing facility residents when more than nine unique prescriptions have been prescribed within a period determined by the Department. Over-the-counter prescriptions shall not count as a unique prescription for the purposes of prior authorization. For the purposes of prior authorization, nursing facility residents do not include residents of the Commonwealth's mental retardation training centers. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

AA. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance to cover, as a medical service, school-based transportation for children in special education. The transportation covered is from home to school and the return trip or transportation to a non-school location on days the child has a covered service such as physical therapy. This change is subject to approval by the Centers for Medicare and Medicaid Services. The Department's payment for transportation will be the federal share of the payment only, which is consistent with the Department's coverage of other services for children in special education. School divisions shall document to the Department the non-federal matching funds. The Department shall promulgate emergency regulations to

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implement this amendment within 280 days or less from the enactment of this act.

BB.1. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, the Department of Medical Assistance Services, in consultation with the Department of Mental Health, Mental Retardation and Substance Abuse Services, shall amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a Preferred Drug List. In developing the modifications, the Department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, and others, as appropriate.

2.a. The Department shall utilize a Pharmacy and Therapeutics Committee to assist in the development and ongoing administration of the Preferred Drug List program. The Pharmacy and Therapeutics Committee shall be composed of 8 to 12 members, including the Commissioner of the Department of Mental Health, Mental Retardation and Substance Abuse Services, or his designee. Other members shall be selected or approved by the Department. The membership shall include a ratio of physicians to pharmacists of 2:1 and the Department shall ensure that at least one-half of the physicians and pharmacists are either direct providers or are employed with organizations that serve recipients for all segments of the Medicaid population. Physicians on the Committee shall be licensed in Virginia, one of whom shall be a psychiatrist, and one of whom specializes in care for the aging. Pharmacists on the Committee shall be licensed in Virginia, one of whom shall have clinical expertise in mental health drugs, and one of whom has clinical expertise in community-based mental health treatment. The Pharmacy and Therapeutics Committee shall recommend to the Department (i) which therapeutic classes of drugs should be subject to the Preferred Drug List program and prior authorization requirements; (ii) specific drugs within each therapeutic class to be included on the preferred drug list; (iii) appropriate exclusions for medications, including atypical anti-psychotics, used for the treatment of serious mental illnesses such as bi-polar disorders, schizophrenia, and depression; (iv) appropriate exclusions for medications used for the treatment of brain disorders, cancer and HIV-related conditions; (v) appropriate exclusions for therapeutic classes in which there is only one drug in the therapeutic class or there is very low utilization, or for which it is not cost-effective to include in the Preferred Drug List program; and (vi) appropriate grandfather clauses when prior authorization would interfere with established complex drug regimens that have proven to be clinically effective. In developing and maintaining the preferred drug list, the cost effectiveness of any given drug shall be considered only after it is determined to be safe and clinically effective.

b. The Pharmacy and Therapeutics Committee shall schedule meetings at least quarterly and may meet at other times at the discretion of the Chairperson and members. At the meetings, the Pharmacy and Therapeutics committee shall review any drug in a class

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<p>subject to the Preferred Drug List that is newly approved by the Federal Food and Drug Administration, provided there is at least thirty (30) days notice of such approval prior to the date of the quarterly meeting.</p>				
<p>3. The Department shall establish a process for acting on the recommendations made by the Pharmacy and Therapeutics Committee, including documentation of any decisions which deviate from the recommendations of the Committee.</p>				
<p>4. The Preferred Drug List program shall include provisions for (i) the dispensing of a 72-hour emergency supply of the prescribed drug when requested by a physician and a dispensing fee to be paid to the pharmacy for such supply; (ii) prior authorization decisions to be made within 24 hours and timely notification of the recipient and/or the prescribing physician of any delays or negative decisions; (iii) an expedited review process of denials by the department; and (iv) consumer and provider education, training and information regarding the Preferred Drug List prior to implementation, and ongoing communications to include computer access to information and multilingual material.</p>				
<p>5. The Preferred Drug List program shall generate savings as determined by the Department that are net of any administrative expenses to implement and administer the program of not less than \$15,500,000 the first year and \$18,000,000 the second year from the general fund.</p>				
<p>6. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, to implement these changes, the Department of Medical Assistance Services shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. With respect to such state plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code of Virginia, shall not apply. In addition, the Department shall work with the Department of Mental Health, Mental Retardation, and Substance Abuse Services to consider utilizing a Preferred Drug List program for its non-Medicaid clients.</p>				
<p>7. The Department of Medical Assistance Services shall exempt antidepressant and anti-anxiety medications used for the treatment of mental illness from the Medicaid Preferred Drug List program.</p>				
<p>8. The Department shall provide to the Governor; the House Committees on Appropriations, and Health, Welfare and Institutions; the Senate Committees on Finance, and Education and Health; and the Joint Commission on Health Care a report on the Preferred Drug List (PDL) Program no later than November 1 of each year. The report shall include the direct savings attributed to the PDL for the prior fiscal year, an estimated savings of the program for the next fiscal year, and the cost to administer the PDL. The report shall also include an analysis of the impact of the program on patient health including, but not limited to, hospitalizations and emergency outpatient visits.</p>				

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CC. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance to set maximum amounts for non-covered medical services that can be allowed for nursing facility residents as adjustments to the patient pay responsibility. These maximum amounts shall not be lower than the highest amounts reimbursed by Medicare or Medicaid for the same non-covered medical service. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.

DD.1. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to ensure school-based rehabilitation services shall not be subject to any prior authorization requirements. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

2. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to limit outpatient psychiatric services to five visits without prior authorization in the first year of service only. Service extensions beyond the initial five visits must be prior authorized as well as all service extensions in subsequent years. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

EE. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to cover additional targeted case management for adult services provided by the Department of Rehabilitative Services and juvenile probation or case management services provided by the Department of Juvenile Justice. The Department shall have authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act, to effect this provision.

FF.

GG. Notwithstanding the provisions of § 32.1-326.3(A)(1), Code of Virginia, effective January 1, 2003 through June 30, 2005 the Department of Medical Assistance Services shall reimburse school division providers 50 percent of the federal financial participation (FFP) for special education Medicaid and Family Access to Medical Insurance Security Plan services above and beyond the amount billed for services provided by school divisions in fiscal year 2001, fiscal year 2002 or calendar year 2002, whichever is higher. The Department shall reimburse school division providers 100 percent of the FFP for special education services up to the amount billed by school division providers in fiscal year 2001, fiscal year 2002 or calendar year 2002, whichever is higher. The amount billed by school divisions may include a reasonable estimate of amounts billed by independent rehabilitation agencies for specialized services, as approved by the Department. For fiscal year 2003, the amount reimbursed at 100 percent of FFP will be prorated for half a year. Effective January 1, 2003, the Department shall reimburse school divisions who sign

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an agreement to provide administrative support to the Medicaid program and who provide documentation of administrative expenses related to the Medicaid program 50 percent of the FFP claimed by the Department.

HH. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance to reduce reimbursement for outpatient hospital services to 80 percent of allowable Medicaid cost, with the exception of direct graduate medical education for interns and residents and Type One hospitals. Such amendments shall become effective within 280 days or less from the enactment of this act.

II. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance governing Medicaid reimbursement for nursing facilities to eliminate coverage of rehabilitation services and complex care services from the Specialized Care program, except for pediatric Specialized Care and except for specialized Traumatic Brain Injury Units. The Department shall amend the ventilator services component of the Specialized Care program to include individuals who have a tracheostomy and who meet certain additional criteria. The Department shall clarify that continuous positive airway pressure and bilevel positive airway pressure, except for pediatric specialized care, are not included in ventilator services for Specialized Care. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act. Contingent upon federal approval, a nursing facility that operates a Traumatic Brain Injury Unit in Virginia Beach may transfer funding and beds to another facility.

JJ. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance to revise the payment methodology for rehabilitation agencies from a retrospective reasonable cost basis to a prospective methodology based on establishing a ceiling at 112 percent of the weighted median cost of all rehabilitation agencies, with the exception of any rehabilitation agencies operated by Community Services Boards. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.

KK. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance to reduce reimbursement for inpatient and outpatient hospital capital costs to 80 percent of allowable cost except Type One hospitals. Type One hospitals shall continue to be reimbursed at levels currently in effect. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.

LL. Contingent upon approval by the Centers for Medicare and Medicaid Services, the Department of Medical Assistance Services shall implement coverage for an additional level of Residential Treatment for Children and Adolescents. The state match will be obtained from Comprehensive Services Act funds. The

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Department shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. The Department shall implement these necessary regulatory changes to be consistent with federal approval of the State Plan amendment.

MM. In the event that the Department of Medical Assistance Services decides to contract for pharmaceutical benefit management services to administer, develop, manage, or implement Medicaid pharmacy benefits, the Department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The Department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

NN. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to provide that per diem rates of freestanding psychiatric facilities licensed as hospitals shall not be rebased. Effective July 1, 2004, the Department shall provide that the per diem rates for these facilities in effect in fiscal year 2004 will continue to apply. Such amendments to the state plan shall become effective within 280 days or less from the enactment of this act.

OO. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services to modify the methodology used to calculate the Disproportionate Share Hospital (DSH) Payments and the methodology used to calculate Indirect Medical Education (IME) payments. The revised DSH methodology shall not treat Neonatal Intensive Care Units as distinct providers. The revised IME methodology shall be designed to increase IME payments by an amount approximately equal to the decrease in DSH payments resulting from the change to the DSH methodology. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act. The Department shall implement these necessary regulatory changes to be consistent with federal approval of the methodology change.

PP. Upon approval by the Centers for Medicare and Medicaid Services of the application for renewal of the Mental Retardation Waiver, expeditious implementation of any revisions shall be deemed an emergency situation pursuant to § 2.2-4002 of the Administrative Process Act. Therefore, to meet this emergency situation, the Department of Medical Assistance Services shall promulgate emergency regulations to implement the provisions of this act.

QQ. The Department of Medical Assistance Services shall implement the necessary regulatory changes to

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cover non-emergency transportation as a medical service rather than an administrative service. The Department shall promulgate regulations to become effective within 280 days or less from the enactment of this act, with the exception that if a federal waiver is determined necessary for the implementation of this coverage, the effective date of the regulations shall be consistent with, to the extent possible, the date for coverage under the approved waiver.

RR. The Department of Medical Assistance Services shall amend the State Plan of Medical Assistance Services effective July 1, 2004 to provide an additional \$10 per day to nursing facilities for those days when Medicaid recipients, who have at least one treatable Stage IV pressure ulcer, require the use of specialized treatment beds. Out of the amounts appropriated for the Medical Assistance Services program, the Department is authorized to expend up to \$653,790 from the general fund and \$653,790 from nongeneral funds in each year of the biennium. The Department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act. The Department shall implement these necessary regulatory changes to be consistent with federal approval of the reimbursement methodology change.

SS. 1. The Department of Medical Assistance Services shall develop, in conjunction with affected constituents, a waiver pursuant to §1915(c) of the Social Security Act (42 U.S.C. 1396n) from the Centers for Medicaid and Medicare Services to establish a home and community-based care waiver for persons with Alzheimer's disease and related dementias ("Alzheimer's/Dementia Assisted Living Waiver"). The Alzheimer's/Dementia Assisted Living Waiver shall be for those individuals who meet the functional criteria for admission to a nursing facility, who have a diagnosis of Alzheimer's disease or a related dementia, and who are eligible to receive an Auxiliary Grant. The waiver enrollment for the first year of such program shall be limited to an enrollment of 200 individuals who choose to move to an assisted living facility.

2. Out of this appropriation, \$1,327,550 from the general fund and \$1,327,550 from nongeneral funds in the first year and \$1,855,050 from the general fund and \$1,855,050 from nongeneral funds in the second year shall be provided for the implementation of the Alzheimer's/Dementia Assisted Living Waiver. The Department of Medical Assistance Services must also receive a waiver pursuant to §1915(c) of the Social Security Act from the Centers for Medicare and Medicaid Services to establish such program. The waiver proposal described herein shall be developed and presented to the Governor and the Chairman of the Joint Commission on Health Care by October 1, 2004, in order that the fiscal impact of such waiver can be considered during the development of the 2005-2006 budget. The agency shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act.

TT. Contingent upon approval by the Centers for

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Medicare and Medicaid Services of a §1115 waiver for a Medicaid Buy-In Program pursuant to Chapter 489 of the Acts of Assembly of 2003, the Department of Medical Assistance Services shall implement such waiver. Out of the amounts appropriated for the Medical Assistance Services program, the Department is authorized to expend up to \$223,463 from the general fund and \$223,463 from nongeneral funds in the first year and \$455,767 from the general fund and \$455,767 from nongeneral funds in the second year. The agency shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act.

UU. The Department of Medical Assistance Services shall seek approval from the Centers for Medicare and Medicaid Services (CMS) to amend and/or combine its Elderly and Disabled Waiver and AIDS Waiver, provided that individuals eligible for the waivers do not lose necessary services. The Department shall promulgate emergency regulations to be consistent with CMS approval of any home and community-based waiver application revision, termination, and/or combination of these waivers within 280 days or less from the enactment of this act.

VV. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to develop payment methodologies for separate payment rates for school division providers. The Department shall have the authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act to effect this provision.

WW.1. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to modify the reimbursement methodology used to reimburse for generic drug products. The new methodology shall reimburse for the product cost based on a Maximum Allowable Cost list to be established by the Department. Such amendments shall be effective within 280 days or less from the enactment of this act.

2. In developing the maximum allowable cost (MAC) reimbursement rate for generic pharmaceuticals, the Department shall: (i) publish the factors used to set state MAC rates, including the identity of the reference product used to set the MAC rate; the GCN number of the reference product; the factor by which the MAC rate exceeds the reference product price, which shall be not less than 110 percent of the lowest-published wholesale acquisition cost for products widely available for purchase in the state, and included in national pricing compendia; and the identity and date of the published compendia used to determine the reference product and set the MAC rate; (ii) identify three different suppliers that are able to supply the product and from whom pharmacies are able to purchase sufficient quantities of the drug. The drugs considered must be listed as therapeutically and pharmaceutically equivalent in the FDA's most recent version of the "Orange Book"; (iii) identify that the use of a MAC rate is lower than the Federal Upper Limit (FUL) for the drug, or the development of a MAC rate that does

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not have a FUL will not result in the use of higher-cost innovator brand name or single source drugs in the Medicaid program; and (iv) distribute the list of state MAC rates to pharmacy providers in a timely manner prior to the implementation of MAC rates and subsequent modifications.				
3. The Department shall: (i) review and update the list of MAC rates at least quarterly; (ii) implement and maintain a procedure to eliminate products from the list, or modify MAC rates, consistent with changes in the marketplace; and (iii) provide an administrative appeals procedure to allow a dispensing provider to contest a listed MAC rate.				
4. The Department shall report on savings achieved through the implementation of MAC rates in the Medicaid pharmacy program to the Chairmen of the House Appropriations and Senate Finance Committees, and the Joint Commission on Health Care by January 1 of each year.				
XX. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services governing Medicaid reimbursements for hospitals to set the adjustment factor for Type 2 hospitals equal to 76 percent, effective July 1, 2005. Out of this appropriation, \$12,738,900 the second year from the general fund and \$12,738,900 the second year from nongeneral funds is provided for this purpose.				
YY. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance Services governing Medicaid reimbursement for nursing facilities to increase the total per diem payment to each nursing home by \$3 per day, effective July 1, 2005. This increase in the total per diem payment shall cease, effective July 1, 2006, at which time an increase of \$3 per day, adjusted for one year's inflation, shall be allocated between the direct care and indirect care ceilings for nursing facilities. This increase in the ceilings shall continue until ceilings are rebased using cost report data from fiscal years ending in the calendar year 2006 or later. Out of this appropriation, \$9,740,987 the second year from the general fund and \$9,740,987 the second year from nongeneral funds is provided for the total per diem payment increase.				
ZZ. Out of this appropriation, the expenditure of \$1,478,089 the first year and \$2,159,675 the second year from the general fund and \$1,478,089 the first year and \$2,159,675 the second year from nongeneral funds for additional slots for the Medicaid Individual and Family Developmental Disabilities Support Waiver.				
AAA. Out of this appropriation, the dedicated special fund appropriation for Medical Assistance Services includes \$281,117,084 the first year and \$311,182,161 \$312,455,153 the second year from the Virginia Health Care Fund.				
BBB. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to				

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set the rate for durable medical equipment at the Durable Medical Equipment Regional Carrier (DMERC) reimbursement level for those items that have a national Healthcare Common Procedure Coding System (HCPCS) code. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.

CCC. The Department of Medical Assistance Services shall ensure that in the process of developing the Preferred Drug List, the Pharmacy and Therapeutics Committee considers the value of including those prescription medications which improve drug regimen compliance, reduce medication errors, or decrease medication abuse through the use of medication delivery systems that include, but are not limited to, transdermal and injectable delivery systems.

DDD. The Department of Medical Assistance Services, in cooperation with the Department of Social Services' Division of Child Support Enforcement, shall identify and initiate third party recovery actions where there is a medical support order requiring a noncustodial parent to contribute to the medical cost of a child who is enrolled in the Medicaid or Family Access to Medical Insurance Security (FAMIS) Programs.

EEE. The Department of Medical Assistance Services shall have the authority to amend its State Plan for Medical Assistance to implement and/or increase cost sharing requirements for eligible recipients as determined necessary to meet the savings targets included in this Act, consistent with federal law concerning Medicaid cost-sharing and in a manner which limits administrative complexities as deemed appropriate by the Department. The Department shall have the authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act to effect this provision. The Department shall report on the implementation of this provision to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2004.

FFF. Effective June 30, 2006, the amount of federal financial participation for special education Medicaid and Family Access to Medical Insurance Security services for administrative and other services provided and billed for by school divisions that is retained by the Department of Medical Assistance Services will be no greater than the amount retained in fiscal year 2006.

GGG. Effective July 1, 2005, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to include reimbursement for required tuition payments for children receiving Medicaid-eligible residential services, provided such educational services are part of the treatment plan. The Department, in cooperation with the Office of Comprehensive Services, shall report by January 1, 2005, on the regulatory changes necessary to effect the inclusion of these new services under Medicaid and the related fiscal savings to the Comprehensive Service Act for At-risk Children and Youth program.

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HHH. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance governing Medicaid reimbursements for hospitals to provide enhanced reimbursements to provide an increase in Indirect Medical Education payments for non-state owned hospitals with base year 2002 Medicaid Neonatal Intensive Care Unit (NICU) utilization greater than 50 percent, as reported to the Department as of March 1, 2004. Out of this appropriation, \$750,000 from the general fund and \$750,000 from nongeneral funds the first year and \$750,000 from the general fund and \$750,000 from nongeneral funds the second year shall be provided for this purpose. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.

III. Out of this appropriation, \$500,000 from the general fund and \$500,000 from nongeneral funds the first year and \$8,016,655 from the general fund and \$8,016,655 from nongeneral funds the second year shall be used to increase the rates paid for services provided in the Medicaid home- and community-based mental retardation and developmental disabilities waiver programs, excluding personal care services .

JJJ.1. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to increase reimbursements to physicians delivering services to recipients in hospital emergency rooms effective July 1, 2004. Out of this appropriation, the expenditure of \$140,302 the first year and \$148,719 the second year from the general fund and \$140,302 the first year and \$148,719 the second year from nongeneral funds shall be used to increase reimbursements by two percent above the fiscal year 2004 level. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.

2. Out of this appropriation, \$73,336 the second year from the Virginia Health Care Fund and \$73,336 from federal funds shall be used to increase reimbursements to physicians delivering services to recipients in hospital emergency rooms by three percent effective May 1, 2006. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to effect this change. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.

KKK.1. Out of this appropriation, \$3,000,000 from the general fund and \$3,000,000 from nongeneral funds the second year shall be used to increase personal care reimbursement rates provided under community-based Medicaid waiver programs by five percent.

2. Out of this appropriation, \$218,539 from the Virginia Health Care Fund and \$218,539 from federal funds the second year shall be used to increase personal care and adult day health care reimbursement rates provided under Medicaid home- and community-based waiver programs by two percent effective May 1, 2006.

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<p>LLL. Out of this appropriation, \$2,918,700 from the general fund and \$2,918,700 from nongeneral funds the second year shall be provided for 300 slots for a 1915(c) Medicaid waiver for day support services, to include a continuum of day services, including day support and prevocational services. Contingent upon approval by the Centers for Medicare and Medicaid Services (CMS), the Department of Medical Assistance Services (DMAS) is directed to develop such waiver in coordination with the Department of Mental Health, Mental Retardation, and Substance Abuse Services, and affected constituents. The Department shall have the authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act to effect this provision.</p>				
<p>MMM.1. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the dispensing fee paid to pharmacists for generic drug products from \$3.75 to \$4.00 per prescription per month. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.</p>				
<p>2. Out of this appropriation, \$83,333 the second year from the Virginia Health Care Fund and \$83,333 from federal funds shall be used to increase the dispensing fee paid to pharmacists for brand name drugs from \$3.75 to \$4.00 per prescription per month effective May 1, 2006. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services to effect this change. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.</p>				
<p>NNN. In developing a long-term disease state management program, the Department of Medical Assistance Services shall consider including initiatives which positively impact health care costs in children and adults with asthma and other chronic diseases.</p>				
<p>OOO. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to change the prior authorization of prescription drugs requirement for non-institutionalized Medicaid recipients who exceed nine unique prescriptions within 180 days to 30 days. The department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.</p>				
<p>PPP. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to further clarify the definition of "Medicaid Utilization" used in calculating Disproportionate Share Hospital payments and for other purposes. The clarification shall specify the department's current practice as articulated in the department's current cost reporting instructions and settlement process for hospitals. The Department of Medical Assistance Services shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.</p>				
<p>QQQ. The Department of Medical Assistance Services</p>				

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shall increase the reimbursement fees for dental health services by 28 percent effective July 1, 2005 and an additional two percent on May 1, 2006.

RRR. The Department of Medical Assistance Services shall have the authority to increase the disproportionate share hospital (DSH) limit for type I hospitals to 175 percent of hospital Medicaid and uninsured losses for FY 2005 as authorized by federal statute. In the absence of any other effective regulation change, the Department of Medical Assistance Services shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

SSS. The Department of Medical Assistance Services shall increase mental health and mental retardation monthly case management rates to Community Service Boards to \$326.50.

TTT. To maintain the funding levels for indigent care, the Department of Medical Assistance Services shall have the authority to amend the State Plan of Medical Assistance to increase payments to physicians who are faculty affiliated with Type I hospitals or related universities. The amount of the total payment shall be up to the upper payment limit for these services as permitted by federal Medicaid law and regulation. Contingent upon federal approval, the Department of Medical Assistance Services shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

UUU. Within the limits of this appropriation, the Department of Medical Assistance Services shall work with its contracted managed care organizations and fee-for-service health care providers to: (i) raise awareness among the providers who serve the Medicaid population about the health risks of chronic kidney disease; (ii) establish effective means of identifying patients with this condition; and (iii) develop strategies for improving the health status of these patients. The Department shall work with the National Kidney Foundation to prepare and disseminate information for physicians and other health care providers regarding generally accepted standards of clinical care and the benefits of early identification of individuals at highest risk of chronic kidney disease.

VVV. Out of this appropriation, \$179,909 the second year from the Virginia Health Care Fund and \$179,909 from federal funds shall be used to increase Medicaid reimbursement paid for obstetrical and gynecological services, by 2.5 percent effective May 1, 2006. The Department of Medical Assistance Services shall promulgate emergency regulations to effect this change within 280 days or less from the enactment date of this act.

WWW. Out of this appropriation, \$506,214 from the Virginia Health Care Fund and \$572,915 from federal matching funds the second year shall be used to increase reimbursement rates paid for pediatric

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physician services for specific billing codes by five percent effective May 1, 2006. The Department, in consultation with the Virginia Chapter of the American Academy of Pediatrics, shall identify those procedures most appropriate for the rate increase within the funding available. The Department of Medical Assistance Services shall promulgate emergency regulations to effect this change within 280 days or less from the enactment date of this act.

XXX. Out of this appropriation, \$416,667 from the Virginia Health Care Fund and \$416,667 from federal funds the second year shall be used to increase reimbursement rates for preventive and primary care physician services provided to Medicaid recipients over the age of 21, excluding obstetrical and gynecological services, by five percent effective May 1, 2006. The Department, in consultation with the Virginia Primary Care Association, shall identify those preventive and primary care procedures most appropriate for the rate increase within the funding available. The Department of Medical Assistance Services shall promulgate emergency regulations to effect this change within 280 days or less from the enactment date of this act.

YYY. The Department of Medical Assistance Services shall report on the history of Medicaid reimbursement rates for dialysis services by August 15, 2005, to the Chairmen of the House Appropriations and Senate Finance Committees.

ZZZ. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance governing Medicaid reimbursements for hospitals to provide an increase in Indirect Medical Education payments for non-state owned hospitals that do not meet the criteria to receive Medicaid payments pursuant to paragraph HHH. of this item, but who have Medicaid Neonatal Intensive Care Unit (NICU) utilization greater than 4,500 Medicaid NICU inpatient days using base year 2003 data, as reported to the Department as of March 1, 2005. Out of this appropriation, \$250,000 from the general fund and \$250,000 from nongeneral funds the second year shall be provided for this purpose. Such amendments to the State Plan shall become effective within 280 days or less from the enactment of this act.

AAAA. The Director of the Department of Planning and Budget is authorized to transfer amounts, as needed, from the Medical Assistance Services program (program 45600) to the Administrative and Support Services program (program 47900) to fund administrative expenditures associated with contracts between the Department of Medical Assistance Services and companies providing disease state and chronic care management programs services for Medicaid recipients. The Department shall report on its efforts to contract for and implement disease state management programs in the Medicaid program by November 15, 2005, to the Chairmen of the House Appropriations and Senate Finance Committees and the Joint Commission on Health Care. The Department shall have the authority to promulgate emergency regulations to implement this

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amendment within 280 days or less from the enactment of this act.

BBBB. The Department of Medical Assistance Services shall have the authority to amend the State Plan of Medical Assistance to make supplemental payments to dentists who are faculty affiliated with the dental pediatric residency programs at the Virginia Commonwealth University (VCU). The amount of the supplemental payment shall be the difference between the upper payment limit for these services, as permitted by federal Medicaid law and regulation, and payments otherwise made for these services. Funding of the state portion of these supplemental payments shall come from nonfederal funds otherwise appropriated to VCU. Contingent upon federal approval, the Department of Medical Assistance Services shall promulgate regulations to implement this amendment within 280 days or less from the enactment date of this act.

CCCC.1. Notwithstanding the provisions of § 32.1-325.1:1, Code of Virginia, upon identifying that an overpayment for medical assistance services has been made to a provider, the Director of the Department of Medical Assistance Services shall notify the provider of the amount of the overpayment. Such notification of overpayment shall be issued within the earlier of (i) four years after payment of the claim or other payment request, or (ii) four years after filing by the provider of the complete cost report as defined in the Department of Medical Assistance Services' regulations, or (iii) 15 months after filing by the provider of the final complete cost report as defined in the Department of Medical Assistance Services' regulations subsequent to sale of the facility or termination of the provider.

2. Notwithstanding the provisions of § 32.1-325.1, Code of Virginia, the Director shall issue an informal fact-finding conference decision concerning provider reimbursement in accordance with the State Plan for Medical Assistance, the provisions of § 2.2-4019, Code of Virginia, and applicable federal law. The informal fact-finding conference decision shall be issued within 180 days of the receipt of the appeal request. If the agency does not render an informal fact-finding conference decision within 180 days of the receipt of the appeal request, the decision is deemed to be in favor of the provider. An appeal of the Director's informal fact-finding conference decision concerning provider reimbursement shall be heard in accordance with § 2.2-4020 of the Administrative Process Act (§ 2.2-4020 et seq.) and the State Plan for Medical Assistance provided for in § 32.1-325, Code of Virginia. Once a final agency case decision has been made, the Director shall undertake full recovery of such overpayment whether or not the provider disputes, in whole or in part, the informal fact-finding conference decision or the final agency case decision. Interest charges on the unpaid balance of any overpayment shall accrue pursuant to § 32.1-313, Code of Virginia, from the date the Director's agency case decision becomes final.

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DDDD. Any hospital that was designated a Medicare-dependent small rural hospital, as defined in 42 U.S.C. §1395ww (d) (5) (G) (iv) prior to October 1, 2004, shall be designated a rural hospital pursuant to 42 U.S.C. §1395ww (d) (8) (ii) (II) on or after September 30, 2004.				
327. Not set out.				
328. Not set out.				
329. Medical Assistance Services (Non-Medicaid) (46400)			\$14,122,481	\$14,222,481 \$14,722,481
State and Local Hospitalization Program (46401)	\$13,665,779	\$13,665,779		
Health Premium Assistance Program for HIV-Positive Individuals (46403).....	\$456,702	\$556,702		
<i>Uninsured Medical Catastrophe Assistance Program (46405)</i>	\$0	\$500,000		
Fund Sources: General	\$11,322,481	\$11,422,481 \$11,922,481		
Special.....	\$2,800,000	\$2,800,000		
Authority: Title 32.1, Chapter 12, Code of Virginia.				
A. In administering the Hospitalization and Outpatient Services for Indigent and Medically Indigent subprogram, the Department shall be guided by the following:				
1. The allocation of state funds shall be based on the estimated total cost of required services in each county and city less the funds which shall be provided by the counties and cities. County and city funding shall be based upon a sliding scale not to exceed 25 percent of the total cost of required services.				
2. Out of this subprogram, \$113,550 the first year and \$113,550 the second year from the general fund is reserved to support the state's share of expenses associated with inpatient services for migrants on the Eastern Shore. Reimbursement for costs shall be made in accordance with the requirements of the State/Local Hospitalization Program and will require a local match.				
3. Notwithstanding § 32.1-347 D, Code of Virginia, any general fund balances in the State and Local Hospitalization Program shall be deposited in the state treasury on or before June 30, 2005.				
B. Included in the appropriation is \$456,702 the first year and \$556,702 the second year from the general fund to provide insurance payment assistance for HIV-infected persons in accordance with § 32.1-330.1, Code of Virginia, except that the eligibility threshold for assistance shall allow a maximum income of no more than 250 percent of the federal poverty threshold.				
Total for Department of Medical Assistance Services.....			\$4,563,474,648	\$5,006,032,150 \$4,921,099,602
General Fund Positions.....	148.67	151.27		
Nongeneral Fund Positions.....	176.33	179.73		
Position Level	325.00	331.00		

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Fund Sources: General	\$1,947,986,146	\$2,152,985,491		
		\$2,147,195,688		
Special	\$56,013,154	\$7,850,000		
Dedicated Special Revenue	\$306,182,711	\$324,497,788		
		\$326,520,780		
Federal Trust	\$2,253,292,637	\$2,520,698,871		
		\$2,439,533,134		

§ 1-15. DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES (720)

- 330. Not set out.
- 331. Not set out.
- 332. Not set out.
- 333. Not set out.
- 334. Not set out.

Mental Health Treatment Centers (792)

335.	Not set out.			
336.	Not set out.			
337.	Not set out.			
338.	State Health Services (43000)			\$214,109,243
				\$201,979,176
				\$207,649,176
	Geriatric Care Services (43006)	\$34,407,994	\$34,483,455	
	Inpatient Medical Services (43007)	\$50,127,777	\$45,004,401	
			\$50,674,401	
	Mental Health Services (43009)	\$129,573,472	\$122,491,320	
	Fund Sources: General	\$151,489,652	\$139,359,585	
			\$145,029,585	
	Special	\$62,619,591	\$62,619,591	

Authority: Title 37.1, Chapters 1 and 2; Title 16.1, Article 16, Code of Virginia.

- 339. Not set out.
- 340. The appropriations for the Mental Health Treatment Centers include the following approximate amounts. These amounts may vary dependent on facility or Department of Mental Health, Mental Retardation and Substance Abuse Services needs identified throughout the year:

		FY2005				
	Facility	Position Level	General	Special	Federal Trust	Total
724	Catawba	345.00	\$7,364,057	\$9,992,307	\$0	\$17,356,364
703	Central State Commonwealth	836.00	\$42,866,013	\$2,428,072	\$12,000	\$45,306,085
708	Center	141.00	\$5,770,601	\$2,019,682	\$68,000	\$7,858,283
704	Eastern State	1225.00	\$45,521,144	\$21,974,024	\$1,500	\$67,496,668
748	Hiram W. Davis	200.00	\$26,709,252	\$11,283,142	\$0	\$37,992,394
728	Northern Virginia	366.00	\$23,717,566	\$1,172,475	\$0	\$24,890,041
729	Piedmont	352.00	\$2,448,412	\$15,778,184	\$0	\$18,226,596

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			First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
739	Southern Virginia Southwestern	176.00	\$8,276,687	\$1,376,236	\$0	\$9,652,923
705	Virginia	531.00	\$20,463,604	\$7,818,507	\$21,650	\$28,303,761
706	Western State	820.00	\$41,750,215	\$4,147,852	\$3,000	\$45,901,067
	Total	4992.00	\$224,887,551	\$77,990,481	\$106,150	\$302,984,182

FY2006

	Facility	Position Level	General	Special	Federal Trust	Total
724	Catawba	342.00	\$7,472,675 \$7,635,753	\$9,992,307	\$0	\$17,464,982 \$17,628,060
703	Central State	832.00	\$42,491,040 \$43,006,598	\$2,428,072	\$12,000	\$44,931,112 \$45,446,670
708	Commonwealth Center	140.00	\$5,823,500 \$5,888,486	\$2,019,682	\$68,000	\$7,911,182 \$7,976,168
704	Eastern State	1220.00	\$40,441,316 \$41,001,361	\$21,974,024	\$1,500	\$62,416,840 \$62,976,885
748	Hiram W. Davis	200.00	\$21,585,876 \$24,203,516	\$11,283,142	\$0	\$32,869,018 \$35,486,658
728	Northern Virginia	365.00	\$22,509,337 \$22,789,564	\$1,172,475	\$0	\$23,681,812 \$23,962,039
729	Piedmont	350.00	\$2,528,882 \$2,726,438	\$15,778,184	\$0	\$18,307,066 \$18,504,622
739	Southern Virginia Southwestern	175.00	\$8,344,161 \$8,505,838	\$1,376,236	\$0	\$9,720,397 \$9,882,074
705	Virginia	529.00	\$20,733,167 \$21,262,250	\$7,818,507	\$21,650	\$28,573,324 \$29,102,407
706	Western State	810.00	\$40,716,933 \$41,297,083	\$4,147,852	\$3,000	\$44,867,785 \$45,447,935
	Total	4963.00	\$212,646,887 \$218,316,887	\$77,990,481	\$106,150	\$290,743,518 \$296,413,518

Total for Mental Health Treatment Centers..... **\$302,984,182** **\$290,743,518**
\$296,413,518

General Fund Positions.....	4,232.00	4,207.00
Nongeneral Fund Positions.....	760.00	756.00
Position Level	4,992.00	4,963.00
Fund Sources: General	\$224,887,551	\$212,646,887 \$218,316,887
Special.....	\$77,990,481	\$77,990,481
Federal Trust.....	\$106,150	\$106,150

Mental Retardation Training Centers (793)

341.	Not set out.		
342.	Not set out.		
343.	State Health Services (43000)		\$126,923,491 \$127,813,047 \$127,898,047
	Inpatient Medical Services (43007)	\$20,430,677	\$20,430,677
	Mental Retardation Services (43010).....	\$106,492,814	\$107,382,370 \$107,467,370
	Fund Sources: General	\$12,877,483	\$13,767,039 \$13,852,039
	Special.....	\$114,046,008	\$114,046,008

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Authority: Title 37.1, Chapters 1 and 2, Code of Virginia.

Out of this appropriation, \$400,000 from the general fund the second year shall be used to establish two Regional Community Support Centers. The centers shall be located at the Southwest Virginia Training Center and the Central Virginia Training Center.

344. The appropriations for the Mental Retardation Training Centers include the following approximate amounts. These amounts may vary dependent on facility or Department of Mental Health, Mental Retardation and Substance Abuse Services needs identified throughout the year:

FY2005						
	Facility	Position Level	General	Special	Federal Trust	Total
707	Central Virginia	1587.00	\$5,916,751	\$66,365,586	\$0	\$72,282,337
725	Northern Virginia	549.00	\$3,684,009	\$25,590,971	\$50,000	\$29,324,980
726	Southside Virginia	1486.00	\$12,826,657	\$50,787,805	\$100,000	\$63,714,462
	Southeastern					
723	Virginia	452.00	\$2,468,964	\$16,511,636	\$33,000	\$19,013,600
	Southwestern					
738	Virginia	471.00	\$1,711,408	\$16,727,996	\$7,000	\$18,446,404
	Total	4545.00	\$26,607,789	\$175,983,994	\$190,000	\$202,781,783

FY2006						
	Facility	Position Level	General	Special	Federal Trust	Total
707	Central Virginia	1584.00	\$6,409,392 \$6,494,392	\$66,365,586	\$0	\$72,774,978
725	Northern Virginia	547.00	\$3,801,535	\$25,590,971	\$50,000	\$29,442,506
726	Southside Virginia	1476.00	\$12,924,921	\$50,787,805	\$100,000	\$63,812,726
	Southeastern					
723	Virginia	448.00	\$2,528,311	\$16,511,636	\$33,000	\$19,072,947
	Southwestern					
738	Virginia	469.00	\$1,964,298	\$16,727,996	\$7,000	\$18,699,294
	Total	4524.00	\$27,428,457	\$175,983,994	\$190,000	\$203,802,451

Total for Mental Retardation Training Centers.....						\$202,781,783	\$203,802,451
							\$203,887,451

General Fund Positions.....	2,553.00	2,541.00
Nongeneral Fund Positions.....	1,992.00	1,983.00
Position Level	4,545.00	4,524.00
Fund Sources: General.....	\$26,607,789	\$27,628,457 \$27,713,457
Special.....	\$175,983,994	\$175,983,994
Federal Trust.....	\$190,000	\$190,000

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		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
345.	Not set out.				
346.	Not set out.				
347.	Not set out.				
	Grand Total for Department of Mental Health, Mental Retardation and Substance Abuse Services			\$786,720,628	\$775,644,917 \$781,399,917
	General Fund Positions.....	7,179.27	7,133.27		
	Nongeneral Fund Positions.....	2,763.73	2,750.73		
	Position Level	9,943.00	9,884.00		
	Fund Sources: General	\$450,326,350	\$439,250,639 \$445,005,639		
	Special.....	\$254,806,248	\$254,806,248		
	Federal Trust.....	\$81,588,030	\$81,588,030		
348.	Not set out.				
349.	Not set out.				
350.	Not set out.				
351.	Not set out.				
352.	Not set out.				
353.	Not set out.				

§ 1-16. DEPARTMENT OF SOCIAL SERVICES (765)

354.	Administrative and Support Services (47900).....			\$47,149,357	\$47,354,241 \$47,704,241
	General Management and Direction (47901).....	\$2,232,230	\$2,237,114 \$2,287,114		
	Computer Services (47902)	\$27,342,940	\$27,342,940		
	Accounting and Budgeting Services (47903)	\$4,914,569	\$5,114,569		
	Personnel Services (47914)	\$1,904,390	\$1,904,390		
	Planning and Evaluation Services (47916).....	\$1,162,149	\$1,162,149		
	Procurement and Distribution Services (47918).....	\$2,194,426	\$2,194,426		
	Public Information Services (47919)	\$2,025,152	\$2,025,152 \$2,325,152		
	Financial and Operational Audits (47929).....	\$5,373,501	\$5,373,501		
	Fund Sources: General	\$21,605,472	\$21,810,356 \$22,160,356		
	Special.....	\$2,812,033	\$2,812,033		
	Federal Trust.....	\$22,731,852	\$22,731,852		

Authority: Title 63.1, Chapter 1; § 2.2-4000 et seq., Code of Virginia; P.L. 98-502, P.L. 104-156, P.L. 104-193, P.L. 104-327, P.L. 105-33, as amended; P.L. 105-89; P.L. 105-178, Federal Code; Titles IV-A, IV-B, IV-D, IV-E, XIX, XX, XXI of the federal Social Security Act, as amended.

A.1. To provide adequate oversight of the implementation of automated systems, and to ensure coordination with local social services agencies, the Department of Social Services shall maintain a Local Information Technology Planning Committee. The Committee shall include one representative each from

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the Virginia Information Technologies Agency, the Department of Social Services, the Department of Medical Assistance Services, and the Joint Legislative Audit and Review Commission, and at least five local social services personnel to be selected by the Virginia League of Social Service Executives. The Committee shall provide advice to the Commissioner on all computer and telecommunications systems operated by the Department in support of programs administered by local social services agencies.

2.a. The Department of Social Services shall own hardware and database management software purchased with funds appropriated to it. The Virginia Information Technologies Agency may charge the Department of Social Services for operations and maintenance of such equipment and products but may not include any portion of the purchase price in the calculation of such charges. The Virginia Information Technologies Agency may not use or sell the excess capacity resulting from these purchases, except pursuant to a Memorandum of Understanding (MOU) between the Departments of Planning and Budget, the Department of Social Services and the Virginia Information Technologies Agency. Any such MOU must provide for appropriate reimbursement to the general fund and any federal grant contributions for the purchases.

b. Recovery of the federal share of the cost of computer equipment in years following the Department's original purchase with general fund appropriation shall be deposited as revenue of the general fund in reimbursement for general fund expenditures made in prior years.

B. As a condition of the appropriation for this Item, pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the Department shall, in cooperation with local departments of social services, maintain a waiver of the work requirement for food stamp recipients residing in areas that do not have a sufficient number of jobs to provide employment for such individuals, including those areas designated as labor surplus areas by the U.S. Department of Labor.

C. The Department of Social Services, in collaboration with the Office of Comprehensive Services, shall provide training to local staff serving on Family Assessment and Planning Teams and Community Policy and Management Teams. Training shall include, but need not be limited to, the federal and state requirements pertaining to the provision of the foster care services funded under § 2.2-5211, Code of Virginia. The training shall also include written guidance concerning which services remain the financial responsibility of the local departments of social services. Training shall be provided on a regional basis at least once per year. Written guidance shall be updated and provided to local Comprehensive Services Act teams whenever there is a change in allowable expenses under federal or state guidelines. In addition, the Department of Social Services shall provide ongoing local oversight of its federal and state

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requirements related to the provision of services funded under § 2.2-5211, Code of Virginia.

D. The Department of Social Services shall require localities to report all expenditures on designated social services, regardless of reimbursement from state and federal sources. The Department of Social Services is authorized to include eligible costs in its claim for Temporary Assistance for Needy Families Maintenance of Effort requirements.

E. It is the intent of the General Assembly that the Commissioner of the Department of Social Services shall work with localities that seek to voluntarily merge and consolidate their respective local departments of social services. No funds appropriated under this act shall be used to require a locality to merge or consolidate local departments of social services.

F. As a condition of this appropriation, the Department of Social Services shall, to the extent permitted by federal law, implement semi-annual reporting in the food stamp program. Households subject to semi-annual reporting shall have 12-month certification periods; however, if a household subject to semi-annual reporting includes (i) able-bodied adults without dependents who are subject to the food stamp time limit, (ii) homeless persons, or (iii) migrants, it may be assigned to a shorter certification period. Households not included in semi-annual reporting shall have certification periods based on guidelines from federal regulations.

G. As a condition of this appropriation, the Department of Social Services shall, to the extent permitted by federal law, disregard the value of at least one motor vehicle per household in determining eligibility for the food stamp program.

H. Out of this appropriation, \$150,000 the first year and \$350,000 the second year from the general fund is provided for the Virginia Caregivers Grant Program.

I.1. The Commissioner of Social Services, in consultation with the Virginia League of Social Services Executives and local departments of social services, shall develop a plan to implement and finance federally required foster care services improvements in localities through a Child and Family Services Review Performance Improvement Plan.

2. The initial plan and subsequent status reports on its implementation shall be reported to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by January 1 of each year.

J. The Department of Social Services shall develop a multi-lingual outreach campaign to inform qualified aliens and their children, who are United States citizens, of their eligibility for federal food stamps and ensure that they have access to benefits under the food stamp program. To the extent permitted by federal law, the Department shall administer the food stamp program in a way that minimizes the procedural burden

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on qualified aliens and addresses concerns about the impact of food stamp receipt on their immigration sponsors and status.

K. The Department of Social Services shall implement the guidance issued by the U.S. Department of Health and Human Services concerning the obligation of recipients of federal financial assistance to comply with Title VI of the Civil Rights Act of 1964 by ensuring that meaningful access to federally-funded programs, activities and services administered by the Department is provided to limited English proficient (LEP) persons, 63 Fed. Reg. 47,311-47,323 (August 8, 2003). At a minimum, the Department shall (i) identify the need for language assistance by analyzing the following factors: (1) the number or proportion of LEP persons in the eligible service population, (2) the frequency of contact with such persons, (3) the nature and importance of the program, activity or service, and (4) the costs of providing language assistance and resources available; (ii) translate vital documents into the language of each frequently encountered LEP group eligible to be served; (iii) provide accurate and timely oral interpreter services; and (iv) develop an effective implementation plan to address the identified needs of the LEP populations served.

L. *Out of this appropriation, \$300,000 the second year is provided from the general fund to support the printing and production of new parent tool kits.*

M. *The Commissioner shall convene a task force to review the Commonwealth's current policies on adoptions and foster care and recommend mechanisms to expedite the adoption of children from foster care as well as children not in the state's care. The Commissioner shall recruit a national expert on the adoption of children to co-chair the task force. The task force shall include the Commissioner, a national expert, local department of social services staff, adoptive parents, and other interested stakeholders.*

355. Not set out.

356.	Temporary Income Supplement Services (45200).....			\$176,337,934	\$170,423,999 \$169,987,888
	Temporary Assistance for Needy Families (45201).....	\$127,218,505	\$121,304,570 \$120,868,459		
	General Relief (45203)	\$4,611,421	\$4,611,421		
	Resettlement Assistance (45204).....	\$5,825,000	\$5,825,000		
	Emergency Assistance (45206)	\$32,900,000	\$32,900,000		
	Unemployed Parent Supplement (45207)	\$5,783,008	\$5,783,008		
	Fund Sources: General.....	\$60,498,612	\$60,498,612 \$62,750,386		
	Federal Trust.....	\$115,839,322	\$109,925,387 \$107,237,502		

Authority: Title 2.2, Chapter 54; Title 63.1, Chapters 1 and 6, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A. To the extent permitted by federal law, the State

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Plan for Temporary Assistance for Needy Families (TANF) shall provide that the eligibility for assistance of an alien who is qualified alien (as defined in § 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law Number 104-193) shall be determined without regard to alienage.

B. Notwithstanding any other provision of state law, the Department of Social Services shall maintain a separate state program, as that term is defined by federal regulations governing the Temporary Assistance for Needy Families (TANF) program, 45 C.F.R. § 260.30, for the purpose of providing welfare cash assistance payments to able-bodied two-parent families. The separate state program shall be funded by state funds and operated outside of the TANF program. Able-bodied two-parent families shall not be eligible for TANF cash assistance as defined at 45 C.F.R. § 260.31 (a)(1), but shall receive benefits under the separate state program provided for in this paragraph. Although various conditions and eligibility requirements may be different under the separate state program, the basic benefit payment for which two-parent families are eligible under the separate state program shall not be less than what they would have received under TANF. The Department of Social Services shall establish regulations to govern this separate state program.

C. A participant whose Temporary Assistance for Needy Families (TANF) financial assistance is terminated due to the receipt of 24 months of assistance as specified in § 63.2-612, Code of Virginia, or due to the closure of the TANF case prior to the completion of 24 months of TANF assistance, excluding cases closed with a sanction for noncompliance with the Virginia Initiative for Employment Not Welfare program, shall be eligible to receive employment and training assistance for up to 12 months after termination, if needed, in addition to other transitional services provided pursuant to § 63.2-611, Code of Virginia.

D. Out of this appropriation, \$7,800,000 the first year and \$7,800,000 the second year from the federal Temporary Assistance for Needy Families (TANF) block grant shall be used by the Department of Social Services to provide recipients of Temporary Assistance for Needy Families (TANF) cash assistance a monthly TANF supplement up to the current child support collected by the Division of Child Support Enforcement for each such recipient, less any disregard passed through to such recipient pursuant to any other provision of law. The TANF child support supplement shall be paid within two months following collection of the child support payment or payments used to determine the amount of such supplement. For purposes of determining eligibility for medical assistance services, the TANF supplement described in this paragraph shall be disregarded. In the event there are sufficient federal TANF funds to provide all other assistance required by the TANF State Plan, the Commissioner may use unobligated federal TANF block grant funds in excess of this appropriation to

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<p>provide the TANF supplement described in this paragraph.</p> <p>E. As a condition of this appropriation, the Department of Social Services shall disregard the value of one motor vehicle per assistance unit in determining eligibility for cash assistance in the Temporary Assistance for Needy Families (TANF) program and in the separate state program for able-bodied two-parent families.</p> <p>F. Out of this appropriation, \$2,141,890 the first year and \$2,141,890 the second year from the federal Temporary Assistance for Needy Families (TANF) block grant shall be transferred to the Department of Health for the Comprehensive Health Investment Project of Virginia.</p> <p>G. As a condition of this appropriation, the Department of Social Services shall, to the extent permitted by federal law, provide five months of Transitional Food Stamps for households whose TANF cash assistance is terminated.</p> <p>H. Out of this appropriation, \$4,910,128 the first year and \$4,910,128 the second year from the federal Temporary Assistance to Needy Families (TANF) grant shall be transferred to the Department of Housing and Community Development for a continuum of housing services for low-income families.</p> <p>I. No less than 30 days prior to submitting amendments to the federal government on the State Plan for the Temporary Assistance for Needy Families Program, the Commissioner of the Department of Social Services shall provide the Chairmen of the House Appropriations and Senate Finance Committees with written documentation of the proposed policy changes, including an estimate of the fiscal impact of the proposed changes and information summarizing public comment that was received on the proposed changes.</p> <p>J. Within the limits of this appropriation, the Department of Social Services may implement a pilot program in cooperation with up to six local agencies that will provide universal screening of all applicants for Temporary Assistance to Needy Families (TANF) to identify victims of domestic violence and notify TANF applicants of special programs and services available to domestic violence victims. The pilot programs may include (i) training of local social services workers on the identification and provision of services to domestic violence victims, (ii) implementation of services and employment plans for domestic violence victims, and (iii) provisions to publish related brochures and palm cards to assist victims in obtaining assistance.</p>				
357.	Protective Services (45300).....		\$144,487,137	\$156,428,117
	Foster Care (45301).....	\$85,444,217	\$92,495,105	\$154,852,127
	Protection of Children and Youths (45302).....	\$8,969,401	\$85,122,351	
			\$9,469,401	

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Financial Assistance for Child and Youth Services (45303)	\$48,123,371	\$52,513,463 \$58,310,227		
Comprehensive Services Act Administration (45305)	\$1,950,148	\$1,950,148		
Fund Sources: General	\$69,122,493	\$76,293,063 \$80,403,450		
Special	\$812,980	\$812,980		
Federal Trust	\$74,551,664	\$79,322,074 \$73,635,697		

Authority: Title 63.1, Chapters 3, 10, 10.1, 10.2, 11.1, 11.2, 12.1, and 18, Code of Virginia; P.L. 100-294, P.L. 101-126, P.L. 101-226, P.L. 105-89, as amended, Federal Code.

A. Out of the amount for Financial Assistance for Child and Youth Services, \$575,000 from the general fund and \$400,000 from nongeneral funds the first year and \$575,000 from the general fund and \$400,000 from nongeneral funds the second year shall be provided for the purchase of services for victims of domestic violence, child abuse and neglect prevention activities as stated in §§ 63.2-1502.3 and 63.2-1615, Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

B. Expenditures meeting the criteria of Title IV-E of the Social Security Act shall be fully reimbursed except that expenditures otherwise subject to a standard local matching share under applicable state policy, including local staffing, shall continue to require local match. The Commissioner shall ensure that local social service boards obtain reimbursement for all children eligible for Title IV-E coverage.

C. This appropriation includes \$180,200 from the general fund and \$99,800 from nongeneral funds the first year and \$180,200 from the general fund and \$99,800 from nongeneral funds the second year to continue respite care for foster parents.

D. The Commissioner, in cooperation with the Department of Planning and Budget, shall establish a reasonable, automatic adjustment for inflation each year to be applied to the room and board maximum rates paid to foster parents. However, this provision shall apply only in fiscal years following a fiscal year in which salary increases are provided for state employees. The amount of the increase shall be based on inflation in the cost of raising a child as indicated by appropriate inflation indicators selected by the Department of Planning and Budget.

E. Out of this appropriation shall be provided \$100,000 the first year from nongeneral funds and \$100,000 the second year from nongeneral funds for Volunteer Emergency Families for Children to expand its shelter care network for abused, neglected, runaway, homeless, and at-risk children throughout Virginia.

F. The Department of Social Services shall develop additional performance measures for the adoption subsidy program to measure, over a fiscal year, the

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<p>percentage of foster care children with a goal of adoption who are placed in adoptive homes and, of those, the average number of months since the termination of parental rights and the average number of months since the goal of adoption was established.</p> <p>G. The Department of Social Services shall develop and maintain a Memorandum of Understanding with the Comprehensive Health Investment Project (CHIP) of Virginia to pilot the use of foster care prevention funding in Southwest Virginia. Additional funding which may be available through this effort to Southwest Virginia CHIP projects cannot be used to supplant existing resources for those projects.</p> <p>H. Out of this appropriation, \$325,000 from the general fund and \$4,139,820 from the federal Temporary Assistance for Needy Families (TANF) grant the first year and \$825,000 from the general fund and \$4,139,820 from the TANF grant the second year shall be provided to Healthy Families Virginia. These funds shall be used at the discretion of local sites for obtaining matching Title IV-E nongeneral funds when available. The Department of Social Services shall continue to allocate funds from this item to the statewide office of Prevent Child Abuse Virginia for providing the coordination, technical support, quality assurance, training and evaluation of the Healthy Families Virginia program.</p> <p>I. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from nongeneral funds is provided for the Child Abuse Prevention Play administered by Theatre IV of Richmond.</p> <p>J. From the federal Temporary Assistance to Needy Families block grant, \$50,000 each year shall be transferred to the Bristol-Washington County Children's Advocacy Center for services to TANF-eligible populations.</p> <p>K. From the federal Temporary Assistance to Needy Families block grant, \$50,000 each year shall be transferred to the Lenowisco Planning District Children's Advocacy Center for services to TANF-eligible populations.</p> <p>L. The Commissioner of Social Services shall work with the Virginia Baptist Home for Children to serve children and youth in need of services, to assist the Commonwealth in meeting state and federal child welfare services to foster care children, and to explore opportunities to restructure their child placing facility.</p>				
358.	Not set out.			
359.	Continuing Income Assistance Services (46100)		\$20,098,755	\$24,583,475
	Supplemental Income Assistance to the Aged, Blind, and Disabled (46103).....			\$22,633,475
	\$20,098,755	\$24,583,475		\$22,633,475
	Fund Sources: General	\$20,098,755	\$24,583,475	\$22,633,475

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	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
	<p>Authority: Title 51.2, Chapter 1.1 and Title 63.1, Chapters 1 and 6, Code of Virginia; Title XVI, federal Social Security Act, as amended.</p>			
	<p>A. 1. The Department of Social Services is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of \$944 \$982 per month, which rate is also applied to approved adult foster care homes, unless modified as indicated below. The Department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight.</p>			
	<p>2. The monthly personal care allowance for auxiliary grant recipients who reside in licensed assisted living facilities and approved adult foster care homes shall be \$62 \$70 per month the first year and \$62 \$70 per month the second year, unless modified as indicated below.</p>			
	<p>3. The Department of Social Services is authorized to increase the assisted living facility and adult foster care home rates and/or the personal care allowance cited above on January 1 of each year in which the federal government increases Supplemental Security Income or Social Security rates or at any other time that the Department determines that an increase is necessary to ensure that the Commonwealth continues to meet federal requirements for continuing eligibility for federal financial participation in the Medicaid program. Any such increase is subject to the prior concurrence of the Department of Planning and Budget. Within thirty days after its effective date, the Department of Social Services shall report any such increase to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees with an explanation of the reasons for the increase.</p>			
	<p><i>B. Notwithstanding the emergency regulations set forth in 22 VAC 40-71-10 et seq. Standards and Regulations for Licensed Assisted Living Facilities, the Department of Social Services shall (i) define a department-approved course for managers of licensed facilities with 19 or fewer residents, pursuant to 22 VAC 40-71-60 L.3 e (4), as a course that does not exceed 40 hours and is available and accessible in multiple regions within the Commonwealth; (ii) reinstate an exception to the requirement that at least one staff member be awake and on duty during the night in buildings that house 19 or fewer residents provided that none of the residents require a staff member to be awake and on duty at night, pursuant to 22 VAC 40-71-130; and (iii) eliminate requirements set forth in the emergency regulations, pursuant to 22 VAC 40-71-485, guiding intervention for high risk behavior.</i></p>			
360.	Not set out.			
361.	Not set out.			

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	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
362. Financial Assistance for Individual and Family Services (49000)			\$317,093,437	\$318,444,196 \$327,881,807
Day Care (49003)	\$100,284,467	\$100,284,467		
Other Purchased Services (49004)	\$20,171,493	\$20,171,493		
Direct Social Services (49005).....	\$151,096,987	\$155,748,236		
Individual and Family Economic Independence Services Through Day Care Support (49010)	\$45,540,490	\$42,240,000 \$51,677,611		
Fund Sources: General.....	\$47,338,700	\$53,724,374 \$54,986,050		
Federal Trust.....	\$269,754,737	\$264,719,822 \$272,895,757		

Authority: Title 63.1, Chapters 1, 3, 6, 6.2, 6.5, and 12.1, Code of Virginia; P.L. 100-435, P.L. 100-485, P.L. 101-508, P.L. 104-193, as amended, Federal Code.

A. The amount for Financial Assistance for Individual and Family Services shall be expended under regulations of the Board of Social Services to reimburse county and city welfare/social services boards pursuant to § 63.2-401, Code of Virginia, and subject to the same percentage limitations for other administrative services performed by county and city public welfare/social services boards and superintendents of public welfare/social services pursuant to other provisions of the Code of Virginia.

B. Out of the total appropriation for day care, \$11,540,911 from the general fund and \$51,015,773 from federal funds the first year and \$11,540,911 from the general fund and \$51,015,773 from federal funds the second year will support state day care programs which will be administered on a sliding scale basis to income eligible families. The sliding fee scale and eligibility criteria are to be set according to the rules and regulations of the State Board of Social Services, except that the income eligibility thresholds for day care assistance shall account for variations in the local cost of living index by metropolitan statistical areas. The Department of Social Services shall report on the sliding fee scale and eligibility criteria adopted by the Board of Social Services by December 15 of each year. The Department of Social Services shall make the necessary amendments to the Child Care and Development Funds Plan to accomplish this intent. Funds shall be targeted to families who are most in need of assistance with day care costs. Localities may exceed the standards established by the state by supplementing state funds with local funds.

C. Included in this appropriation are funds to reimburse local social service agencies for social workers who deliver program services which include but are not limited to: child and adult protective services complaint investigations; foster care and adoption services; and adult services.

D. Notwithstanding § 4-1.03 of this act, general fund and nongeneral fund appropriations for the Child Day Care Fee System At-risk and At-risk Pass-thru programs shall not be transferred to support other child

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day care programs or for any other purpose.

E. Included in this Item is funding to carry out the former responsibilities of the Virginia Council on Child Day Care and Early Childhood Programs. Nongeneral fund appropriations allocated for uses associated with the Head Start program shall not be transferred for any other use until eligible Head Start families have been fully served. Any remaining funds may be used to provide services to enrolled low-income families in accordance with federal and state requirements. Families, who are working or in education and training programs, with income at or below the poverty level, whose children are enrolled in Head Start wraparound programs paid for with the federal block grant funding in this Item shall not be required to pay fees for these wraparound services.

F.1. Out of this appropriation shall be provided \$105,871 from the general fund and \$755,665 from the federal trust fund the first year and \$105,871 from the general fund and \$755,665 from the federal trust fund the second year to support the statewide Information and Referral System, provide resource and referral information on many of the specialized health and human resource services available in the Commonwealth, including child day care availability and providers in localities throughout the state, and publish consumer-oriented materials for those interested in learning the location of child day care providers .

2. The Department of Social Services, in conjunction with the Virginia Information and Technologies Agency and the Virginia Information and Referral providers, shall review Virginia's current Information and Referral System webpage and propose a plan to make it more comprehensive and user-friendly. This plan shall be submitted by November 30, 2005, to the Chairmen of the Senate Finance and House Appropriations Committees, and the Virginia Commission on Youth.

3. The Department of Social Services shall work with the Information and Referral providers and other public and private partners to develop strategies to market and promote Virginia's Information and Referral System, along with the 2-1-1 phone campaign currently under development. A report on these activities shall be submitted by November 1, 2005, to the Chairmen of the Senate Finance and House Appropriations Committees as well as to the Chairman of the Virginia Commission on Youth.

4. The Department of Social Services shall request that all state and local child-serving agencies within the Commonwealth be included in the Virginia Statewide Information and Referral System as well as any agency or entity that receives state general fund dollars and provides services to families and youth. The Secretary of Health and Human Resources, the Secretary of Education, and the Secretary of Public Safety shall assist in this effort by requesting all affected agencies within their Secretariats to submit information to the statewide Information and Referral System and ensure that such information is accurate and updated annually.

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Agencies shall also notify the Virginia Information and Referral System of any changes in services that may occur throughout the year.

5. The Department of Social Services shall communicate with child-serving agencies within the Commonwealth about the availability of the statewide Information and Referral System. This information shall also be communicated via the Department of Social Services' broadcast system on their agency-wide Intranet so that all local and regional offices can be better informed about the Statewide Information and Referral System. Information on the Statewide Information and Referral System shall also be included within the Department's electronic mailings to all local and regional offices at least biannually.

G. Included in this Item is funding in the amount of \$600,000 the first year and \$600,000 the second year from nongeneral funds for scholarships for students in early childhood education and related majors who plan to work in the field, or already are working in the field, whether in public schools, child care or other early childhood programs, and who enroll in a state community college or a state supported senior institution of higher education. Also included in this Item is funding in the amount of \$505,000 the first year and \$505,000 the second year from nongeneral funds for training of individuals in the field of early childhood education.

H. To the extent permitted by federal law, the eligibility for social services of an alien who is a qualified alien (as defined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193) shall be determined without regard to alienage.

I. Out of appropriations in this Item shall be provided \$300,000 the first year and \$300,000 the second year from nongeneral funds for child care assistance provided to children in homeless and domestic violence shelters.

J. It is the intent of the General Assembly that the Department of Social Services automate day care assistance programs. The Department shall report to the Governor and the General Assembly by October 15 of each year regarding the status of such automation, system adequacy, and needed action.

K. Out of this nongeneral fund appropriation, \$6,501,894 the first year and \$6,501,894 in the second year from the federal Social Services Block Grant shall be allocated to provide adult companion services for low-income elderly and disabled adults.

L. Out of this appropriation, \$650,000 the first year and \$650,000 the second year from the general fund shall be provided for services to victims of domestic violence pursuant to Chapter 375 of the Acts of the Assembly of 2004.

M. Out of the amount for Financial Assistance for

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	<p>Individual and Family Services, \$125,000 from the general fund and \$1,062,500 from the federal TANF grant the first year and \$125,000 from the general fund and \$1,062,500 from the federal TANF grant the second year, shall be provided as a grant to local domestic violence programs for purchase of crisis and core services for victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency transportation, and other crisis services as a first priority.</p>			
	<p>N. Out of this appropriation shall be provided \$350,000 the first year and \$350,000 the second year from the Child Care Development Fund to contract with a network of child care resource and referral agencies to provide assistance to working parents in locating and identifying child care programs and to collect, maintain and disseminate information about child care in accordance with the 2002/2003 Child Care Development Fund Plan for Virginia.</p>			
	<p>O. Out of this appropriation, \$9,300,000 each year from the federal Temporary Assistance to Needy Families (TANF) block grant shall be allocated for foster care and adoption workers in local Department of Social Services offices.</p>			
	<p>P. Out of this appropriation, \$3,604,908 from the general fund and \$1,046,341 from nongeneral funds the second year shall be used to enhance the provision of child welfare services pursuant to the federal Performance Improvement Plan. Funds appropriated under this item shall be provided to local departments of social services for the direct provision of child and family services. Local departments of social services may use funds appropriated under this item for the purchase of child and family services. The allocation of this appropriation under this item shall be jointly determined by the Department of Social Services and the Virginia League of Social Services Executives.</p>			
363.	Not set out.			
364.	Not set out.			
365.	<p>1. It is hereby acknowledged that as of June 30, 2003, there existed with the federal government an unexpended balance of \$28,256,886 in federal TANF block grant funds which are available to the Commonwealth of Virginia to reimburse expenditures incurred in accordance with the adopted State plan for the TANF program. Based on projected FY 2004 spending levels, appropriations in this act, and the provisions of paragraphs 2 and 3, below, the Commonwealth's accumulated balance for authorized federal TANF block grant funds is estimated at \$9,664,170 \$13,467,889 on June 30, 2004; \$2,726,870 \$0 on June 30, 2005; and \$30,500 \$67,095 on June 30, 2006.</p>			
	<p>2. Out of this appropriation, \$1,500,000 the first year from the federal Temporary Assistance for Needy Families (TANF) block grant and \$1,500,000 the second year from the TANF block grant shall be</p>			

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<p>provided to develop a competitive grant program for use in the provision of services to engage present and former TANF recipients in activities to achieve and maintain self-sufficiency. The grants shall comply with federal TANF laws and regulations. The grant program shall use criteria that will ensure grants are awarded statewide and to organizations that have a proven record of effectively delivering services and leveraging private and public sector dollars to carry out activities. The grant funds shall be awarded through a competitive process for programs and shall be administered by the Department of Social Services.</p> <p>3. DSS shall report annually on September 15 to the Governor, the Secretary of Health and Human Resources, the Chairmen of the House Appropriations and Senate Finance Committees, and DPB regarding spending; program results; clients served; the location, size, implementation status, and nature of projects funded with TANF funds; results of all formal evaluations; and recommendations for continuation, expansion, and redesign of the projects. Such report shall be combined with the report required by § 63.2-619, Code of Virginia.</p>				
Total for Department of Social Services			\$1,655,194,749	\$1,686,233,130 \$1,692,058,640
General Fund Positions.....	261.61	247.61		
Nongeneral Fund Positions.....	1,400.89	1,369.89		
Position Level	1,662.50	1,617.50		
Fund Sources: General	\$305,770,744	\$326,625,242 \$332,649,079		
Special	\$608,212,704	\$628,212,704		
Dedicated Special Revenue	\$2,295,000	\$2,295,000		
Federal Trust.....	\$738,916,301	\$729,100,184 \$728,901,857		
366.	Not set out.			
367.	Not set out.			
368.	Not set out.			
369.	Not set out.			
370.	Not set out.			
371.	Not set out.			
372.	Not set out.			
373.	Not set out.			
374.	Not set out.			
375.	Not set out.			
376.	Not set out.			
377.	Not set out.			

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TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES			\$7,984,118,475	\$8,474,669,891 \$8,408,807,635
General Fund Positions	9,544.62	9,448.22		
Nongeneral Fund Positions	7,545.88	7,458.28		
Position Level	17,090.50	16,906.50		
Fund Sources: General	\$3,084,390,350	\$3,313,511,579 \$3,326,990,395		
Special	\$1,061,442,843	\$1,034,660,084		
Enterprise	\$20,024,141	\$20,524,141		
Trust and Agency	\$126,500	\$126,500		
Dedicated Special Revenue	\$416,583,557	\$439,657,441 \$441,680,433		
Federal Trust	\$3,401,551,084	\$3,666,190,146 \$3,584,826,082		

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OFFICE OF NATURAL RESOURCES

- 378. Not set out.
- 379. Not set out.
- 380. Not set out.

§ 1-17. DEPARTMENT OF CONSERVATION AND RECREATION (199)

381.	Not set out.			
382.	Land Management (50300).....		\$32,353,232	\$53,424,020 \$93,384,841
	Urban Non-Point Source Pollution Control (50301).....	\$1,451,557	\$1,451,557	
	Land Stabilization and Conservation (50302)	\$2,667,941	\$2,480,504	
	Shoreline Management (50311).....	\$233,507	\$233,507	
	Statewide Non-Point Source Pollution Control (50312)...	\$18,034,451	\$38,472,118 \$78,432,939	
	Dam Safety Inventory, Inspection, and Certification (50314)	\$667,052	\$1,025,052	
	Natural Heritage Resource Preservation and Management (50317).....	\$2,937,988	\$3,294,213	
	Nutrient Management (50319).....	\$1,418,245	\$1,418,245	
	Assistance to Soil and Water Conservation Districts (50320)	\$4,360,440	\$4,210,440	
	Flood Plain Management (50321).....	\$582,051	\$838,384	
	Fund Sources: General.....	\$21,552,740	\$42,906,736 \$82,515,536	
	Special.....	\$2,223,635	\$1,840,427 \$2,192,448	
	Dedicated Special Revenue.....	\$1,340,637	\$1,340,637	
	Federal Trust.....	\$7,236,220	\$7,336,220	

Authority: Title 10.1, Chapters 1, 5, 6, 7, and 21.1, Code of Virginia.

A. Included in the amounts for Assistance to Soil and Water Conservation Districts is \$200,000 the first year and \$50,000 the second year from the general fund for the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund (§ 10.1-611.1, Code of Virginia) to address needs of dams operated by Soil and Water Conservation Districts.

B. The funds provided in this Item for the Soil and Water Conservation Districts shall be distributed to the greatest extent possible to the districts in accordance with program, financial and resource allocation policies established by the Soil and Water Conservation Board. The June 30, 2005 and June 30, 2006, unexpended general fund balances in Assistance to Soil and Water Conservation Districts are hereby reappropriated.

C. Included in the amount for Statewide Non-Point Source Pollution Control, are \$685,473 the first year, and \$685,473 the second year from the general fund as the Commonwealth's statewide match for participation in the federal Conservation Reserve Program. Any unexpended general fund balance designated for Virginia's Conservation Reserve Enhancement Program

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remaining on June 30, 2005, and June 30, 2006, shall be reappropriated.

D.1. Out of the amounts for Statewide Non-Point Source Pollution Control, \$9,417,500 the first year and \$30,164,600 the second year is appropriated from the general fund to be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997, Title 10.1, Chapter 21.1, Code of Virginia. Of this amount, a minimum of \$5,000,000 the first year and \$20,000,000 the second year shall be allocated by the Director of the Department of Conservation and Recreation to agricultural best management practices programs; however, beginning July 1, 2005, no more than 60 percent of these amounts shall be allocated for use within the Chesapeake Bay watershed. Of the total amount deposited \$226,616 the first year and \$3,399,690 the second year shall be transferred to the Virginia Water Quality Improvement Fund Reserve established pursuant to Item 378 of this act.

2. Out of the amounts for Statewide Non-Point Source Pollution Control, \$39,608,800 the second year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Virginia Water Quality Improvement Act of 1997, Title 10.1, Chapter 21.1, Code of Virginia. No more than 60 percent of this amount shall be allocated for use within the Chesapeake Bay Watershed. Of the total amount deposited, \$5,712,250 shall be deposited to the Virginia Water Quality Improvement Fund Reserve pursuant to Item 378 of this Act. This appropriation meets the mandatory deposit requirements associated with FY 2005 excess general fund revenue collections and discretionary year-end general fund balances and is made pursuant to § 10.1-2129, Code of Virginia, and assumes the additional appropriation for the Virginia Water Quality Improvement Fund included in House Bill 30 (2006 Session).

2-3. The Department shall review Soil and Water Conservation District (SWCD) operations and identify potential improvements in water quality and soil erosion programs. The review shall consider the relative needs of the various Districts, practices that offer the most cost-effective use of nonpoint source funding, and practices that are most appropriate given the characteristics of the various districts. The review shall incorporate the most recent findings on best management practice effectiveness. Based on the findings of the review, the Department shall propose changes in SWCD practices, staffing and funding, including the potential for performance-based funding, to improve the Commonwealth's nonpoint source programs. The Department shall coordinate this review with the requirements of House Joint Resolution 72 of the 2004 Session and any planned reviews of its nutrient management regulations. Copies of an interim report shall be provided to the Chairmen of the House Committees on Appropriations, and Agriculture, Chesapeake and Natural Resources, and the Senate Committees on Finance, and Agriculture, Conservation and Natural Resources by December 31, 2004. The

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final report including recommendations for SWCD practices and funding shall be provided by December 31, 2005.

E. It is the intent of the General Assembly that all interest earnings of the Water Quality Improvement Fund shall be spent only upon appropriation by the General Assembly, after the recommendation of the Secretary of Natural Resources, pursuant to § 10.1-2129, Code of Virginia.

F. If the Rappahannock River Basin Commission elects as its chairman a member of the General Assembly, the Division of Legislative Services is hereby authorized to provide reasonable staff and technical assistance to the Commission. The Commission shall report to the Secretary of Natural Resources and the Chairmen of the Senate Finance and House Appropriations Committees on the Commission's activities and accomplishments by November 5 of each year.

G. Notwithstanding § 10.1-552, Code of Virginia, Soil and Water Conservation Districts are hereby authorized to recover a portion of the direct costs of services rendered to, and for use of district-owned conservation equipment used by, landowners within the district. Such recoveries shall not exceed the amounts expended by a District on these services and equipment.

H. The Department of Conservation and Recreation is authorized to develop a cost recovery system, the funds from which shall be used to support the direct costs of providing inspections, plan review, administrative review, and certifications of non-Soil and Water Conservation District dams. The system shall employ a sliding scale, if practical, and shall be based on factors that directly relate to the costs of the dam inspection program. Total costs recovered from the new system shall not exceed 90 percent of the actual program cost.

I. In conjunction with other reporting requirements included in this item, the Soil and Water Conservation Board shall prepare annual statistics, by District, that include the number of farmers, the number of acres in farms and in agricultural production (by product type), the number of farmers participating in District programs by program, the number of acres by product under each type of agricultural best management practice, the budgeted and expended funds for each agricultural best management practice, and other information needed by the Department of Conservation and Recreation to evaluate the quantitative impact of Soil and Water Conservation District practices and funding on Virginia's water quality and land conservation goals. This information shall be provided to the Director of the Department of Conservation and Recreation in a timely manner for the Department to complete its annual reporting requirements under this item.

J.1. Out of the amounts for Land Management, \$1,400,121 the first year and \$1,212,684 the second year is appropriated from the general fund to effect the consolidation of the Chesapeake Bay Local Assistance Department and the Department of Conservation and

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<p>Recreation. The Department of Conservation and Recreation shall continue to use these resources, including the former agency's staff, to provide technical and financial assistance to localities pursuant to the Chesapeake Bay Preservation Act (§ 10.1-2100, et seq., Code of Virginia). The Chesapeake Bay Local Assistance Board shall be continued as a collegial body.</p>				
<p>2.a. The Secretary of Natural Resources shall prepare an agency reorganization plan for submission to the Chairmen of the House Appropriations and Senate Finance Committees by August 31, 2004. In developing this plan, the Secretary shall consult with Tidewater localities and Tidewater Soil and Water Conservation Districts.</p>				
<p>2. The plan submitted by the Secretary of Natural Resources shall include any necessary steps to ensure that the purposes of the Chesapeake Bay Preservation Act are implemented by DCR, indicate whether former CBLAD resources and personnel will constitute a new division within DCR or a component of an existing division, and identify any positions that will be eliminated or other actions needed to achieve the policy goals and cost savings.</p>				
<p>3. It is the intent of the General Assembly that legislation be introduced in the 2005 Session to effect this merger. This legislation shall ensure that the core operations of the Chesapeake Bay Local Assistance Department and Chesapeake Bay Local Assistance Board shall continue.</p>				
<p>K.1. The amounts provided to localities and planning district commissions for financial assistance in implementing the Chesapeake Bay Preservation Act shall be distributed on a competitive basis. Consideration shall be given to the availability of local resources, with more funding provided to localities with the greatest needs and where the greatest water quality benefits can be achieved.</p>				
<p>2. Of the amounts in the Land Management program, the Department may expend a portion of its general fund appropriation for a water quality monitoring project in Caroline County.</p>				
<p>L. Out of the amount provided for Natural Heritage Resource Preservation and Management is appropriated \$300,000 in the second year from the general fund to be used for improved public access and enhanced wildlife management in the natural area preserve system.</p>				
<p>M. Out of the appropriation for Land Management, \$439,433 the first year <i>and</i> \$352,021 the second year from special funds derived from the sale of "Friend of the Chesapeake" license tags is allocated to carry out the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee.</p>				
<p>N. Out of the amounts appropriated for Urban Non-Point Source Pollution Control, \$125,000 the</p>				

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second year from the general fund is provided to add two positions within the Department of Conservation and Recreation's Erosion and Sediment Control Program. These positions will be responsible for reviewing the adequacy of local erosion and sediment control programs.				
383. Not set out.				
Total for Department of Conservation and Recreation			\$76,101,205	\$92,702,905 \$132,663,726
General Fund Positions.....	371.00	423.00		
Nongeneral Fund Positions.....	53.00	60.00		
Position Level	424.00	483.00		
Fund Sources: General.....	\$53,268,999	\$69,903,907 \$109,512,707		
Special.....	\$11,938,786	\$11,805,578 \$12,157,599		
Dedicated Special Revenue.....	\$1,640,637	\$1,640,637		
Federal Trust.....	\$9,252,783	\$9,352,783		

§ 1-18. DEPARTMENT OF ENVIRONMENTAL QUALITY (440)

384. Not set out.				
385. Not set out.				
386. Not set out.				
387. Not set out.				
388. Environmental Technical and Financial Assistance (51500)			\$54,075,796	\$111,063,421 \$128,068,621
Litter Control and Recycling Activities (51501).....	\$7,014,761	\$7,014,761		
Financial Assistance for Environmental Resources Management (51502)	\$1,909,907	\$693,202 \$723,202		
Construction Assistance Loans and Grants (51503).....	\$42,181,622	\$100,142,522 \$117,117,722		
Financial Assistance for Water Quality (51504)	\$967,819	\$1,211,249		
Construction Assistance (51505).....	\$1,156,653	\$1,156,653		
Wastewater Treatment Plant Operator and Management Assistance (51506).....	\$203,893	\$203,893		
Financial Assistance for Coastal Resources Management (51507).....	\$569,000	\$569,000		
Prevention of and Response to Chemical Emergencies (51508)	\$72,141	\$72,141		
Fund Sources: General.....	\$20,492,334	\$77,479,959 \$94,485,159		
Special.....	\$28,293	\$28,293		
Dedicated Special Revenue.....	\$7,513,963	\$7,513,963		
Federal Trust.....	\$26,041,206	\$26,041,206		

Authority: Title 10.1, Chapters 11.1, 14, 15 and 21.1; Title 44, Chapter 3.5; Title 62.1, Chapters 3.1, 22, 23.2, 24 and 25, Code of Virginia.

A. The June 30, 2005 and June 30, 2006 unexpended balances for Construction Assistance are hereby reappropriated.

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B. Out of the amounts provided for the Virginia Water Facilities Revolving Fund, the Department of Environmental Quality shall transfer \$17,500 the first year and \$15,000 the second year to the Town of Tangier for a comprehensive plan to clean up waste and ash piles found on the island and implement systems to assure compliance with state environmental protection requirements.

C. Out of the amounts for Environmental Technical and Financial Assistance, \$100,000 the first year and \$25,000 the second year from the general fund shall be provided for the Commonwealth of Virginia to participate with the U.S. Army Corps of Engineers and the Cities of Chesapeake, Norfolk, Portsmouth, Virginia Beach and the Elizabeth River Restoration Trust in an effort to improve the water and sediment quality of the Elizabeth River.

D.1.a. Out of the amounts for Environmental Technical and Financial Assistance, \$13,252,500 the first year and \$17,213,400 the second year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Virginia Water Quality Improvement Act of 1997, Title 10.1, Chapter 21.1, Code of Virginia. Of these amounts, \$679,838 the first year and \$1,457,010 the second year shall be transferred to the Virginia Water Quality Improvement Fund Reserve pursuant to Item 378 of this act.

b. Out of the amounts for Environmental Technical and Financial Assistance, \$16,975,200 the second year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Virginia Water Quality Improvement Act of 1997, Title 10.1, Chapter 21.1, Code of Virginia. Of this amount, \$2,450,250 shall be deposited to the Virginia Water Quality Improvement Fund Reserve pursuant to Item 378 of this Act. This appropriation meets the mandatory deposit requirements associated with FY 2005 excess general fund revenue collections and discretionary year-end general fund balances and is made pursuant to § 10.1-2129, Code of Virginia, and assumes the additional appropriation for the Virginia Water Quality Improvement Fund included in House Bill 30 (2006 Session).

~~b.c.~~ Out of the amounts for Construction Assistance Loans and Grants, \$50,000,000 the second year from the general fund shall be deposited to the Water Quality Improvement Fund established in Title 10.1, Chapter 21.1, Code of Virginia, pursuant to the provisions of House Bill 2777, Senate Bill 810, and Senate Bill 1235 (2005 Session).

2. Beginning in its January 2005 Annual Report on the Virginia Water Quality Improvement Fund, the Department shall provide the following additional information for approved projects: (1) annual projections of the nutrient reductions from the grant project from the time of project completion to either the year the facility will reach design capacity, or ten years, whichever is longer, (2) the impact the project will have on nutrient reduction goals for any associated

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tributary strategy, and (3) the discounted net present value of the grant award in terms of dollars per ton of nutrients removed based on the projections included in subsection (1) of this Paragraph.

3. Up to \$300,000 in the second year from the amounts appropriated for deposit to the Water Quality Improvement Fund for the control of nutrient pollution from point sources may be used to provide a grant to the Virginia Nutrient Credit Exchange Association created pursuant to House Bill 2862 and Senate Bill 1275, as adopted by the 2005 Session of the General Assembly. The terms and conditions applicable to this grant shall be established by the Department of Environmental Quality. The purposes for which the Virginia Nutrient Credit Exchange Association may use this grant include, but are not limited to, retaining technical expertise for the development of trading scenarios, analyzing the trading options that may exist within each of Virginia's Chesapeake Bay tributaries, establishing timetables and schedules for upgrading point source facilities, and developing a compliance plan for meeting statutory and regulatory criteria.

E. The Department of Accounts shall provide a treasury loan of \$1,272,705 to the Department of Environmental Quality in order to support the continued payment of formula-based Litter Prevention and Recycling Grants to local governments during fiscal year 2005. This appropriation includes \$1,272,705 the first year from the general fund to repay this treasury loan.

F. The Director of the Department of Environmental Quality (DEQ) and the State Water Control Board shall give a high priority to securing funding for regional facility and capacity planning related to wastewater treatment and water quality in the Lenowisco, Cumberland Plateau, and Mount Rogers Planning District Commissions. Possible sources of funding which the Director shall pursue, in cooperation with the planning district commissions, include: State Tribal Assistance Grants (STAG) through the Environmental Protection Agency, Rural Utility Services funding through the U.S. Department of Agriculture, and funds available to the Virginia Department of Housing and Community Development. In considering financing through the wastewater treatment revolving loan fund, and the interest rate of the loan, the State Water Control Board shall consider the economic capacity of the localities in question, and the important environmental quality benefits to be gained from planning and development of adequate wastewater treatment capacity. There is hereby established a sum sufficient nongeneral fund appropriation in the Department of Environmental Quality, not to exceed the amount of grants received through these programs in which the Department is a grant recipient on behalf of the planning district commissions.

G. Under § 56-575.1, Code of Virginia, the definition for a recreational facility shall include improvements to or dredging of any waterway used for recreational purposes.

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<p>H. Out of the amounts appropriated for Environmental Technical and Financial Assistance, \$106,000 the second year from the general fund shall be used to support citizen water quality monitoring efforts. Of this amount, the Department of Environmental Quality shall provide \$20,000 to the Tri-County Lake Administrative Commission for water quality monitoring and analysis at Smith Mountain Lake.</p>				
<p>I. Out of the amounts for Environmental Technical and Financial Assistance, \$4,000,000 the second year from the general fund shall be deposited to the Combined Sewer Overflow Matching Fund pursuant to § 62.1-241.12, Code of Virginia. From this Fund, the City of Richmond shall receive \$2,000,000 in the second year and the City of Lynchburg shall receive \$2,000,000 in the second year.</p>				
<p><i>J. Out of the amounts for this item shall be provided \$30,000 the second year from the general fund to investigate the potential factors resulting in fish lesions and mortality in the Shenandoah River.</i></p>				
389.	Not set out.			
390.	Not set out.			
391.	Not set out.			
	Total for Department of Environmental Quality		\$168,834,080	\$226,187,200 \$243,192,400
	General Fund Positions.....	445.73	438.73	
	Nongeneral Fund Positions.....	462.27	459.27	
	Position Level	908.00	898.00	
	Fund Sources: General.....	\$50,795,452	\$108,199,408	
			\$125,204,608	
	Special.....	\$5,842,047	\$5,843,322	
	Enterprise	\$12,000,000	\$12,000,000	
	Trust and Agency	\$36,387,524	\$36,387,524	
	Dedicated Special Revenue	\$18,461,359	\$18,377,640	
	Federal Trust.....	\$45,347,698	\$45,379,306	
§ 1-19. DEPARTMENT OF GAME AND INLAND FISHERIES (403)				
392.	Not set out.			
393.	Not set out.			
394.	Not set out.			
395.	<p>A. Pursuant to Chapter 322 of the 1994 Acts of Assembly, and Chapter 320 of the 1998 Acts of Assembly, deposits to the Game Protection Fund (§ 29.1-101, Code of Virginia) include an estimated \$13,639,880 the first year and \$14,839,880 \$14,539,880 the second year from revenue originating from the general fund.</p>			
	<p>B. Pursuant to § 29.1-101.01, Code of Virginia, the Department of Planning and Budget shall transfer such funds as designated by the Board of Game and Inland Fisheries from the Game Protection Fund (§ 29.1-101)</p>			

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to the Capital Improvement Fund (§ 29.1-101.01) up to an amount equal to 50 percent or less of the revenue deposited to the Game Protection Fund by § 3-1.01, subparagraph O., of this act.				
C. Out of the amounts transferred pursuant to § 3-1.01, subparagraph K., of this act, \$881,753 the first year from the Game Protection Fund and \$881,753 the second year from the Game Protection Fund shall be used for the enforcement of boating laws, boating safety education, and for improving boating access.				
Total for Department of Game and Inland Fisheries			\$44,947,917	\$45,426,517
Nongeneral Fund Positions.....				
	472.00	487.00		
Position Level				
	472.00	487.00		
Fund Sources: Dedicated Special Revenue				
	\$34,601,869	\$35,080,469		
Federal Trust.....				
	\$10,346,048	\$10,346,048		
396.	Not set out.			
397.	Not set out.			
398.	Not set out.			
399.	Not set out.			
400.	Not set out.			
401.	Not set out.			
402.	Not set out.			
TOTAL FOR OFFICE OF NATURAL RESOURCES			\$311,566,970	\$388,451,124
General Fund Positions.....				
	1,006.23	1,074.23		
Nongeneral Fund Positions.....				
	1,037.77	1,057.77		
Position Level				
	2,044.00	2,132.00		
Fund Sources: General				
	\$117,609,481	\$193,949,838		
Special				
	\$22,767,350	\$250,563,838		
		\$22,784,658		
		\$23,136,679		
Commonwealth Transportation				
	\$377,578	\$377,578		
Enterprise				
	\$12,000,000	\$12,000,000		
Trust and Agency				
	\$36,387,524	\$36,387,524		
Dedicated Special Revenue				
	\$54,880,968	\$55,275,849		
Federal Trust.....				
	\$67,544,069	\$67,675,677		

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OFFICE OF PUBLIC SAFETY

- 403. Not set out.
- 404. Not set out.
- 405. Not set out.
- 406. Not set out.
- 407. Not set out.

§ 1-20. DEPARTMENT OF CORRECTIONAL EDUCATION (750)

408.	Not set out.			
409.	Instruction (19700).....			\$45,530,706 \$46,049,244 \$46,299,244
	Basic Skills and Knowledge Instruction (19701).....	\$24,294,339	\$24,556,769 \$24,806,769	
	Occupational-Vocational Instruction (19703)	\$11,865,572	\$12,011,371	
	Instructional Leadership, Management and Technical Assistance (19706).....	\$9,359,556	\$9,465,134	
	Charter Schools (19707).....	\$11,239	\$15,970	
	Fund Sources: General.....	\$43,694,141	\$44,212,679 \$44,462,679	
	Special.....	\$69,770	\$69,770	
	Federal Trust.....	\$1,766,795	\$1,766,795	

Authority: Title 22.1, Chapter 18, Code of Virginia.

Out of this appropriation the Department may provide such positions as are required to provide educational services for detention centers operated by the Department of Corrections.

	Total for Department of Correctional Education.....			\$48,162,465 \$48,710,885 \$48,960,885
	General Fund Positions.....	755.05	749.05	
	Nongeneral Fund Positions.....	15.50	15.50	
	Position Level	770.55	764.55	
	Fund Sources: General.....	\$46,325,900	\$46,874,320 \$47,124,320	
	Special.....	\$69,770	\$69,770	
	Federal Trust.....	\$1,766,795	\$1,766,795	

§ 1-21. DEPARTMENT OF CORRECTIONS, CENTRAL ACTIVITIES (799)

- 410. Not set out.
- 411. Not set out.
- 412. Not set out.
- 413. Not set out.
- 414. Not set out.

ITEM 415.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
415.	Not set out.				
416.	Not set out.				
417.	Not set out.				
418.	Not set out.				

Division of Institutions (795)

419.	Not set out.				
420.	Secure Confinement (35700).....			\$404,623,492	\$407,723,989 \$409,837,356
	Adult Rehabilitation and Treatment Services (35701).....	\$24,506,928	\$24,506,928		
	Adult Security (35702)	\$371,478,985	\$374,134,058 \$376,247,425		
	Offender Classification and Time Computation Services (35703)	\$8,637,579	\$9,083,003		
	Fund Sources: General.....	\$402,291,848	\$406,998,989 \$409,112,356		
	Special.....	\$2,331,644	\$725,000		

Authority: §§ 53.1-12, 53.1-19, 53.1-23, 53.1-24, 53.1-42, 53.1-43, 53.1-138, 53.1-188 and 53.1-190, Code of Virginia.

A. Included in this appropriation is \$525,000 in the first year and \$725,000 the second year from nongeneral funds for the purposes listed below. The source of the funds is profits generated by prison commissary operations:

1. \$150,000 the first year and \$150,000 the second year for Assisting Families of Inmates;
2. \$300,000 the first year and \$500,000 the second year for distribution to organizations that work to enhance faith-based services to inmates; and
3. \$75,000 the first year and \$75,000 the second year for the Save Our Shelters "Pen Pals" program.
4. The Department of Corrections shall review and identify options for providing ongoing sources of nongeneral fund support for providing faith-based services to inmates. In conducting this review, the Department shall consult with organizations that provide such services to inmates as well as correctional systems in other states. A report on the results of this review shall be provided to the Secretary of Public Safety and the Chairmen of the House Appropriations and Senate Finance Committees by September 15, 2005.

B. The Department shall continue to utilize federal funds from the Department of Criminal Justice Services to operate a structured treatment program for youthful offenders at St. Brides Correctional Center and to expand intensive substance abuse treatment services in correctional facilities. The Department shall submit annual reports on its progress in implementing this program to the Secretary of Public Safety, the

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	FY2005	FY2006	FY2005	FY2006

Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance Committees. Federal funds received by the Department of Corrections from the state prisoners component of the federal Residential Substance Abuse Treatment Program to implement the provisions of this paragraph shall be exempt from payment of statewide and agency indirect cost recoveries into the general fund. Funds received by the Department of Corrections pursuant to the federal Residential Substance Abuse Treatment Program for state prisoners program shall be used exclusively for the purposes specified in this paragraph.

C.1. The Department of Corrections is authorized to contract with other governmental entities to house male and female prisoners from those jurisdictions in facilities operated by the Department.

2.a. The State Comptroller shall continue the Contract Prisoners Special Revenue Fund on the Commonwealth Accounting and Reporting System to reflect the activities of contracts between the Commonwealth of Virginia and other governmental entities for the housing of prisoners in facilities operated by the Virginia Department of Corrections.

b. The Department of Corrections shall have the responsibility for recording and maintaining all appropriate accounting records and financial reporting of the Fund in accordance with generally accepted accounting principles. The State Comptroller and the Auditor of Public Accounts shall periodically review the Department's accounting and financial procedures for compliance with the requirement of this subparagraph.

c. Included in the appropriation for Items 419 through 420 is \$6,500,932 the first year from the Fund.

D.1. The Department of Corrections may enter into agreements with local and regional jails to house state-responsible offenders in such facilities and to effect transfers of convicted state felons between and among such jails. Such agreements shall be governed by the provisions of Item 67 of this act.

2. The Department of Corrections, in conjunction with the Secretary of Public Safety, shall provide a status report on the department's jail pre-release program that includes details on the participating sites, number of inmates participating in the program, services provided to participants at each site, the status of individuals who have completed the program, any factors impacting program utilization, and the impact of the program on the department's ability to address the backlog of state responsible inmates in local and regional jails. This report shall be provided to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than October 1, 2004.

3. The Department shall prepare a plan to house a total of 1,000 state-responsible offenders in such local and regional jails as it may deem appropriate, pursuant to the jail contract bed program, during the 2004-06

ITEM 420.	Item Details(\$)		Appropriations(\$)	
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	<p>biennium. The plan shall include an analysis of potential impediments to the expansion of the contract bed program, including, but not limited to, the extent to which current arrangements for housing federal prisoners may be absorbing jail capacity which could otherwise be used for this program. As a companion to this plan, the Department shall submit a budget amendment to the Department of Planning and Budget requesting the anticipated funds required to implement this plan, either in full or in part. As approved by the Secretary of Public Safety, the plan and associated request for funding shall be presented to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by September 15, 2004.</p>			
420.10.	Not set out.			
421.	Not set out.			
422.	Not set out.			
			\$667,627,833	\$673,769,426
				\$675,882,793
	General Fund Positions.....	10,634.80	10,628.80	
	Nongeneral Fund Positions.....	52.00	47.00	
	Position Level	10,686.80	10,675.80	
	Fund Sources: General.....	\$659,316,901	\$671,759,426	
	Special.....	\$8,310,932	\$673,872,793	
			\$2,010,000	
423.	Not set out.			
	Grand Total for Department of Corrections, Central Activities.....		\$836,999,583	\$849,479,999
				\$851,593,366
	General Fund Positions.....	12,343.00	12,323.00	
	Nongeneral Fund Positions.....	259.50	253.50	
	Position Level	12,602.50	12,576.50	
	Fund Sources: General.....	\$781,398,804	\$796,580,152	
	Special.....	\$54,580,932	\$798,693,519	
	Dedicated Special Revenue.....	\$1,019,847	\$51,880,000	
			\$1,019,847	
424.	Not set out.			
425.	Not set out.			
426.	Not set out.			
427.	Not set out.			
428.	Not set out.			
429.	Not set out.			
430.	Not set out.			
431.	Not set out.			
432.	Not set out.			

ITEM 433.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
§ 1-22. DEPARTMENT OF EMERGENCY MANAGEMENT (127)				
433.	Administrative and Support Services (74900).....		\$2,108,107	\$2,108,301 \$2,355,255
	General Management and Direction (74901).....	\$2,108,107		\$2,108,301 \$2,355,255
	Fund Sources: General.....	\$870,175		\$870,369 \$1,117,323
	Special.....	\$292,883		\$292,883
	Federal Trust.....	\$945,049		\$945,049
	Authority: Title 44, Chapters 3.2, 3.3, 3.4, Code of Virginia.			
434.	Disaster Planning and Operations (72200).....		\$8,705,578	\$9,229,176 \$9,505,426
	Disaster Operations (72202).....	\$6,911,598		\$7,435,196 \$7,711,446
	Financial Assistance for Emergency Management and Response (72209).....	\$1,793,980		\$1,793,980
	Fund Sources: General.....	\$2,227,031		\$2,750,629 \$3,026,879
	Special.....	\$2,435,824		\$2,435,824
	Commonwealth Transportation.....	\$828,741		\$828,741
	Federal Trust.....	\$3,213,982		\$3,213,982
	Authority: Title 44, Chapters 3.2, 3.3, 3.4, Code of Virginia.			
	A. Out of the amount for Disaster Operations shall be paid to the Civil Air Patrol from the general fund \$100,000 the first year and \$100,000 the second year. The provisions of § 2.2-1505, Code of Virginia, and § 4-5.07 of this act shall not apply to the Civil Air Patrol.			
	B. All funds transferred to the Department of Emergency Management pursuant to the Governor's authority under § 44-146.28, Code of Virginia, shall be deposited into a special fund account to be used only for Disaster Recovery.			
435.	Not set out.			
	Total for Department of Emergency Management.....		\$10,813,685	\$11,337,477 \$11,860,681
	General Fund Positions.....	29.75		35.75
	Nongeneral Fund Positions.....	71.25		72.25
	Position Level.....	101.00		108.00
	Fund Sources: General.....	\$3,097,206		\$3,620,998 \$4,144,202
	Special.....	\$2,728,707		\$2,728,707
	Commonwealth Transportation.....	\$828,741		\$828,741
	Federal Trust.....	\$4,159,031		\$4,159,031
436.	Not set out.			
437.	Not set out.			

ITEM 438.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
§ 1-23. DEPARTMENT OF JUVENILE JUSTICE (777)				
438.	Not set out.			
439.	Administrative and Support Services (37900).....		\$25,816,782	\$28,500,462 \$29,005,462
	General Management and Direction (37901).....	\$6,237,098	\$8,384,328	
	Food and Dietary Services (37907)	\$4,983,643	\$4,983,643	
	Linen and Laundry Services (37909).....	\$55,722	\$55,722	
	Medical and Clinical Services (37910).....	\$8,273,097	\$8,809,547	
	Physical Plant Services (37915).....	\$5,657,519	\$5,657,519 \$6,162,519	
	Recreation Services (37921).....	\$609,703	\$609,703	
	Fund Sources: General.....	\$23,956,535	\$25,640,215 \$26,145,215	
	Special.....	\$335,958	\$1,335,958	
	Dedicated Special Revenue.....	\$25,000	\$25,000	
	Federal Trust.....	\$1,499,289	\$1,499,289	
	Authority: §§ 66-3, 66-13, and 66.25.1, Code of Virginia.			
	Any new mental health or substance abuse treatment program or initiative for juvenile offenders developed and implemented by the Department of Juvenile Justice shall be evaluated at least annually to ensure that program goals and objectives are being met. The department shall report the results of the evaluations to the Chairmen of the House Appropriations and Senate Finance Committees and the Joint Commission on Health Care.			
440.	Not set out.			
441.	Not set out.			
442.	Not set out.			
443.	Not set out.			
444.	Not set out.			
445.	Not set out.			
446.	Not set out.			
	Total for Department of Juvenile Justice.....		\$196,224,549	\$199,141,586 \$199,646,586
	General Fund Positions.....	2,411.00	2,397.00	
	Nongeneral Fund Positions.....	16.00	16.00	
	Position Level	2,427.00	2,413.00	
	Fund Sources: General.....	\$187,849,765	\$189,766,802 \$190,271,802	
	Special.....	\$1,398,520	\$2,398,520	
	Dedicated Special Revenue.....	\$25,000	\$25,000	
	Federal Trust.....	\$6,951,264	\$6,951,264	

ITEM 447.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
§ 1-24. DEPARTMENT OF MILITARY AFFAIRS (123)				
447.	Not set out.			
448.	Not set out.			
449.	Not set out.			
450.	Defense Preparedness (72100).....		\$24,645,948	\$28,708,825 \$30,036,825
	General and Weapons Warehousing (72101)	\$1,896,833	\$2,011,668	
	Military Reservations and Facilities (72102).....	\$18,764,688	\$22,017,530	
	National Guard (72103).....	\$3,927,755	\$4,622,955	
			\$5,950,955	
	Virginia State Defense Force (72104)	\$56,672	\$56,672	
	Fund Sources: General	\$3,262,647	\$3,968,224	
			\$5,296,224	
	Special.....	\$834,386	\$834,386	
	Dedicated Special Revenue	\$300,000	\$300,000	
	Federal Trust.....	\$20,248,915	\$23,606,215	
	Authority: Title 44, Chapters 1 and 2, Code of Virginia.			
	A. This item includes \$50,000 the first year and \$50,000 the second year from the general fund to pay the expenses of the Virginia Military Advisory Council.			
	<i>B. Out of this item, \$1,328,000 from the general fund in the second year is provided for a re-enlistment program. Under this program, a one-time bonus of \$2,000 shall be paid to any member of the Virginia National Guard who re-enlists for at least two years. To be eligible for the bonus, a member must re-enlist on or after April 1, 2006 and on or before September 30, 2006. Any balance from the amount remaining on June 30, 2006, shall be reappropriated in the following fiscal year.</i>			
451.	Not set out.			
452.	Not set out.			
	Total for Department of Military Affairs.....		\$30,815,849	\$35,683,612 \$37,011,612
	General Fund Positions.....	42.97	43.47	
	Nongeneral Fund Positions.....	237.53	309.03	
	Position Level	280.50	352.50	
	Fund Sources: General	\$7,002,742	\$8,513,205	
			\$9,841,205	
	Special.....	\$1,020,591	\$1,020,591	
	Dedicated Special Revenue	\$350,000	\$350,000	
	Federal Trust.....	\$22,442,516	\$25,799,816	

§ 1-25. DEPARTMENT OF STATE POLICE (156)

453. Not set out.
454. Not set out.
455. Not set out.

ITEM 455.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
456.	Crime Detection, Investigation, and Apprehension (30400)			\$159,842,308	\$162,236,581 \$167,636,661
	Investigation and Arrest (30406).....	\$41,539,381	\$42,883,188		
	Highway Patrol Services (30407).....	\$118,302,927	\$119,353,393 \$124,753,473		
	Fund Sources: General.....	\$133,708,245	\$135,931,214 \$141,331,294		
	Special.....	\$12,351,074	\$12,451,074		
	Commonwealth Transportation	\$7,220,997	\$7,292,301		
	Trust and Agency	\$20,000	\$20,000		
	Federal Trust.....	\$6,541,992	\$6,541,992		

Authority: §§ 27-56, 33.1-292, 52-1, 52-4, 52-4.3, 52-8, 52-8.1, 52-8.2, and 56-334, Code of Virginia.

A. The Department shall provide a report on the utilization and performance of the positions provided in this and previous biennia for violent crime strike forces and for the state/local anticrime partnership to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by October 1 of each year.

B. Included in this appropriation is \$589,687 the first year and \$589,687 the second year from Commonwealth Transportation Funds for the personal and associated nonpersonal services costs for eight positions. These positions will be dedicated to the I-95/395/495 Interchange Improvement Project. Commonwealth Transportation Funds to support these positions will remain available only until the completion of this project. This appropriation will be funded as part of State Highway Project No. 0095-029-F20 and Federal Project No. NH-95-2(410).

C. Included in this appropriation is \$414,768 the first year and \$414,768 the second year from the Commonwealth Transportation Fund to support 17 positions, all of which shall be Commercial Vehicle Enforcement Officers, that will be required to support operations at weigh stations statewide. The Department of Planning and Budget shall allot these funds on the basis of a plan submitted by the Department of State Police regarding operating hours of weigh stations statewide.

D. The Department of State Police shall modify the implementation of the division of drug law enforcement established pursuant to Chapter 600 of the Acts of Assembly of 2000, and shall redirect, as may be necessary, resources heretofore provided for that purpose by the General Assembly for the purposes of homeland security, the gathering of intelligence on terrorist activities, the preparation for response to a terrorist attack and any other activity determined by the Governor to be crucial to strengthening the preparedness of the Commonwealth against the threat of natural disasters and emergencies. Nothing in this item shall be construed to prohibit the Department of State Police from performing drug law enforcement or investigation as otherwise provided for by the Code of Virginia.

ITEM 456.	Item Details(\$)		Appropriations(\$)	
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E. This appropriation includes \$1,465,460 the first year and \$1,465,460 the second year from the general fund and \$162,829 the first year and \$162,829 the second year from nongeneral funds for increasing the base pay for sworn personnel.				
F. The Department shall deposit to the general fund an amount estimated at \$100,000 in the first year and \$100,000 in the second year resulting from fees generated by additional criminal background checks of local job applicants and prospective licensees collected pursuant to the passage of Chapter 742 of the 2003 Acts of Assembly.				
G.1. Included within this appropriation is \$1,045,375 the first year and \$1,045,375 the second year from the Rescue Squad Assistance Fund to support the Department's aviation (med-flight) operations.				
2. The Department of State Police shall review the use of funds provided from the Rescue Squad Assistance Fund for aviation (Med-Flight) operations. Copies of this report shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees and the Emergency Medical Services Advisory Board by September 1, 2005.				
457. Not set out.				
458. Not set out.				
459. Not set out.				
Total for Department of State Police.....			\$222,678,594	\$228,186,800 \$233,586,880
General Fund Positions.....	2,356.00	2,368.00		
Nongeneral Fund Positions.....	352.00	352.00		
Position Level	2,708.00	2,720.00		
Fund Sources: General	\$170,587,323	\$175,924,225 \$181,324,305		
Special.....	\$29,142,774	\$29,242,774		
Commonwealth Transportation	\$7,220,997	\$7,292,301		
Trust and Agency	\$20,000	\$20,000		
Dedicated Special Revenue.....	\$3,725,000	\$3,725,000		
Federal Trust.....	\$11,982,500	\$11,982,500		
460. Not set out.				
TOTAL FOR OFFICE OF PUBLIC SAFETY			\$2,041,610,553	\$2,139,012,661 \$2,149,132,312
General Fund Positions.....	18,262.27	18,279.77		
Nongeneral Fund Positions.....	2,009.28	2,112.78		
Position Level	20,271.55	20,392.55		
Fund Sources: General	\$1,427,968,181	\$1,472,591,804 \$1,482,711,455		
Special.....	\$115,857,817	\$115,867,472		
Commonwealth Transportation	\$8,049,738	\$8,121,042		
Enterprise	\$391,877,746	\$440,406,412		

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	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Trust and Agency	\$10,020,000	\$10,020,000		
Dedicated Special Revenue	\$15,527,340	\$16,085,543		
Federal Trust.....	\$72,309,731	\$75,920,388		

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	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

OFFICE OF TECHNOLOGY

461. Not set out.

462. Not set out.

§ 1-26. VIRGINIA INFORMATION TECHNOLOGIES AGENCY (136)

462.99. Not set out.

463. Not set out.

464. Not set out.

465. Not set out.

466. Not set out.

467. Not set out.

468.	Executive Management (71300).....			\$0	(\$1,644,000)
	Savings From Management Actions (71301)	\$0	(\$1,644,000)		
	Fund Sources: General	\$0	(\$1,644,000)		

Authority: Discretionary Inclusion:

The Chief Information Officer, Virginia Information Technologies Agency, shall take all necessary action and shall provide information to the Director, Department of Planning and Budget, to withhold from agency appropriations general and nongeneral fund amounts for savings resulting from information technology and telecommunications operating efficiencies. The Department of Planning and Budget is hereby authorized to reduce the general fund appropriation of each agency and institution in the Executive Department, as contained in Part 1 of this act by an amount determined by the Virginia Information Technologies Agency to be each agency's share of savings. The general fund amount, estimated at \$1,644,000 the second year, shall be transferred to this Item. The nongeneral fund amount, estimated at \$3,466,000 the second year, shall be transferred to the general fund by the State Comptroller pursuant to the provisions of §3-1.01 of this act. All funds from the Virginia Retirement System and federal sources are excluded from these transfers.

468.10. *The Virginia Information Technologies Agency (VITA) is hereby granted approval, pursuant to the Public-Private Educational Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq, Code of Virginia), to enter into a comprehensive agreement with a private entity for the provision of information technology (IT) infrastructure services to Commonwealth executive agencies and other customers. Approval is also granted to enter into, as needed, capital leases for any components of the comprehensive agreement that may qualify as capital lease agreements. VITA shall identify any components of the comprehensive agreement that qualify as capital leases, as defined by Generally Accepted Accounting Principles (GAAP), and report*

ITEM 468.10.	Item Details(\$)		Appropriations(\$)	
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<i>such leases to the Department of Accounts, the Department of the Treasury, and the Department of Planning and Budget. The foregoing comprehensive agreement is exempt from § 4-3.03 b.2. of his act.</i>				
Total for Virginia Information Technologies Agency.....			\$36,526,945	\$35,601,214 \$37,245,214
General Fund Positions.....	22.00	25.00		
Nongeneral Fund Positions.....	345.00	1,051.00		
Position Level	367.00	1,076.00		
Fund Sources: General	\$2,380,324	\$1,241,187		
		\$2,885,187		
Special	\$21,609	\$21,609		
Dedicated Special Revenue	\$34,125,012	\$34,338,418		
TOTAL FOR OFFICE OF TECHNOLOGY.....			\$44,827,690	\$42,242,963 \$43,886,963
General Fund Positions.....	27.00	30.00		
Nongeneral Fund Positions.....	345.00	1,051.00		
Position Level	372.00	1,081.00		
Fund Sources: General	\$10,632,287	\$7,834,154		
		\$9,478,154		
Special	\$70,391	\$70,391		
Dedicated Special Revenue	\$34,125,012	\$34,338,418		

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	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

OFFICE OF TRANSPORTATION

- 469. Not set out.
- 470. Not set out.
- 471. Not set out.
- 472. Not set out.
- 473. Not set out.
- 474. Not set out.
- 475. Not set out.
- 476. Not set out.
- 477. Not set out.
- 478. Not set out.
- 479. Not set out.

§ 1-27. DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION (505)

480.	Not set out.			
481.	Not set out.			
482.	Not set out.			
483.	Rail Assistance (61000).....		\$3,750,000	\$3,750,000
	Federal and Regulatory Programs (61002).....	\$750,000	\$750,000	\$3,950,000
	Rail Capital Assistance (61003).....	\$3,000,000	\$3,000,000	\$3,200,000
	Fund Sources: <i>General</i>	\$0	\$200,000	
	Commonwealth Transportation	\$3,750,000	\$3,750,000	

Authority: Title 33.1, Code of Virginia.

A. Out of the amounts for Rail Assistance, \$3,000,000 the first year and \$3,000,000 the second year may be allocated for use by the Commonwealth Transportation Board in order to acquire, lease, improve, or assist other appropriate entities to acquire, lease, or improve railways for passenger and freight rail transportation purposes which the Board determines are for the common good of the Commonwealth or a region of the Commonwealth.

B. The Department shall report to the Secretary of Transportation and to the Chairmen of the Senate Committees on Finance and Transportation and the House Committees on Appropriations and Transportation by January 10, 2005, on the status of the Trans Dominion Express. The report shall include updated operating and capital costs to establish the line and potential funding sources. In addition, the report shall identify nonfinancial issues requiring resolution before the line can be started.

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FY2005	FY2006	FY2005	FY2006

C. The Director of the Department of Rail and Public Transportation is directed to develop a plan to identify all available revenue sources to facilitate the extension of the Virginia Railway Express to Gainesville and Haymarket. As part of the plan, the director shall discuss the actions necessary for the Virginia Department of Rail and Public Transportation and Norfolk Southern Corporation to take in order to construct the railroad infrastructure and develop an access agreement for use of such infrastructure. The Director shall examine the potential need to solicit a public-private transportation act proposal for such project and to consider use of Rail Enhancement Funds for the extension. The Director shall submit the plan to the Secretary of Transportation, the Chairmen of the House Transportation and Appropriations Committees, and the Chairmen of the Senate Transportation and Finance Committees by December 1, 2005.

D. It is the General Assembly's intent that the Department continue to strive towards developing a Trans Dominion Rail Pilot Project to demonstrate the capability of passenger rail service to enhance economic development and connectivity among the communities served between Bristol and Richmond.

E.1. Out of the amounts appropriated for Rail Assistance \$200,000 the second year from the general fund shall be used to advance the completion of the "Third Track" study between Washington, D.C. and Richmond and continuation of high speed service between Richmond and Hampton Roads. The Virginia Department of Transportation shall support the Department of Rail and Public Transportation in the study.

2. As part of this feasibility study the Department shall expand the study's scope to: (i) identify needed right-of-way parallel to existing tracks, including right-of-way owned by CSX or by other parties; (ii) identify major environmental issues; (iii) develop an implementation plan based on the most optimal options, including the schedules for each phase of the project as well as financing for the project; (iv) review legal and regulatory issues; and (v) estimate the cost of powering passenger trains by electricity for a Third Track from Washington, D.C. to Richmond.

3. The Director shall submit the completed study to the Secretary of Transportation and to the Chairmen of the Senate Committees on Transportation and Finance and to the Chairmen of the House Committees on Transportation and Finance by December 1, 2006.

483.10. Not set out.

Total for Department of Rail and Public Transportation..			\$163,448,975	\$260,898,306 \$261,098,306
Nongeneral Fund Positions.....	44.00	43.00		
Position Level	44.00	43.00		
Fund Sources: <i>General</i>	\$0	\$200,000		
<i>Special</i>	\$647,098	\$678,453		

ITEM 483.10.		Item Details(\$)		Appropriations(\$)	
		First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
	Commonwealth Transportation	\$162,801,877	\$260,219,853		
484.	Not set out.				
485.	Not set out.				
486.	Not set out.				
487.	Not set out.				
488.	Not set out.				
489.	Not set out.				
490.	Not set out.				
491.	Not set out.				
492.	Not set out.				
493.	Not set out.				
493.10.	Not set out.				
494.	Not set out.				
495.	Not set out.				
496.	Not set out.				
497.	Not set out.				
498.	Not set out.				
	TOTAL FOR OFFICE OF TRANSPORTATION			\$3,696,894,746	\$4,407,958,514
					\$4,408,158,514
	Nongeneral Fund Positions.....	12,741.00	12,513.00		
	Position Level	12,741.00	12,513.00		
	Fund Sources: General	\$317,483,978	\$185,046,356		
			\$185,246,356		
	Special.....	\$31,029,822	\$34,083,372		
	Commonwealth Transportation	\$3,201,246,790	\$3,965,914,372		
	Trust and Agency	\$60,841,803	\$140,326,861		
	Debt Service.....	\$53,305,000	\$51,600,200		
	Dedicated Special Revenue	\$2,000,000	\$0		
	Federal Trust.....	\$30,987,353	\$30,987,353		

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CENTRAL APPROPRIATIONS

§ 1-28. CENTRAL APPROPRIATIONS (995)

499.	Not set out.				
500.	Not set out.				
500.10.	Not set out.				
501.	Not set out.				
502.	Financial Assistance From Tobacco Settlement (74500)..			\$75,713,760	\$76,662,113
	Payments to the Tobacco Indemnification and				
	Community Revitalization Fund (74501)	\$63,094,800	\$63,885,094		
	Payments to the Virginia Tobacco Settlement Fund				
	(74502)	\$12,618,960	\$12,777,019		
	Fund Sources: Trust and Agency	\$75,713,760	\$76,662,113		

Authority: Title 3.1, Chapter 11, and Title 32.1, Chapter 14, Code of Virginia

A.1. The State Comptroller shall deposit fifty percent of the Commonwealth's Allocation pursuant to the Master Settlement Agreement with tobacco product manufacturers to the Tobacco Indemnification and Community Revitalization Fund, pursuant to § 3.1-1111, Code of Virginia. There is hereby appropriated a sum sufficient estimated at \$63,094,800 the first year and \$63,885,094 the second year from the available balances in the Fund for the purposes set forth in § 3.1-1109, Code of Virginia.

2. From the amount deposited into the Tobacco Indemnification and Community Revitalization Fund pursuant to § 3.1-1111, Code of Virginia, shall be paid 50 percent of the costs associated with the diligent enforcement of the non-participating manufacturer statute of the 1998 Tobacco Master Settlement Agreement, § 3.1-336.2, Code of Virginia, and Item 49 Paragraph B and Item 286 paragraph E of this act. These costs shall be paid pursuant to the transfer to the general fund directed by § 3.1-01, paragraph R, of this act.

B.1. The State Comptroller shall deposit ten percent of the Commonwealth's Allocation pursuant to the Master Settlement Agreement with tobacco product manufacturers to the Virginia Tobacco Settlement Fund, pursuant to § 32.1-360, Code of Virginia. There is hereby appropriated a sum sufficient estimated at \$12,618,960 the first year and \$12,777,019 the second year from available balances in the Fund for the purposes set forth in § 32.1-361, Code of Virginia.

2. From the amount deposited into the Virginia Tobacco Settlement Fund pursuant to § 32.1-360, Code of Virginia, shall be paid ten percent of the costs associated with the diligent enforcement of the non-participating manufacturer statute of the 1998 Tobacco Master Settlement Agreement, § 3.1-336.2,

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Code of Virginia, and Item 49 paragraph B and Item 286 paragraph E of this act. These costs shall be paid pursuant to the transfer to the general fund directed by § 3.1-01, paragraph R, of this act.

C. The amounts deposited by the State Comptroller pursuant to the preceding paragraphs A and B shall be included in the general fund revenue calculations for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536, Code of Virginia.

D. Employees of the Tobacco Indemnification and Community Revitalization Commission and Virginia Tobacco Settlement Foundation shall be treated as state employees for purposes of participation in the Virginia Retirement System, health insurance, and all other employee benefits offered by the Commonwealth to its classified employees. Employees of the Commission and Foundation shall not be subject to the provisions of Chapter 29 of Title 2.2, Code of Virginia.

E. There is hereby appropriated to the Tobacco Indemnification and Community Revitalization Endowment all proceeds of any sale of the Commission Allocation pursuant to the provisions of Chapter 482 of the Acts of Assembly of 2002.

F. The Director, Department of Planning and Budget, is authorized to increase the nongeneral fund appropriation of the Tobacco Indemnification and Community Revitalization Fund for expenditures of securitized proceeds and earnings up to the amount transferred from the endowment to the fund in accordance with § 3.1-1109.1, Code of Virginia. Such expenditures shall be made pursuant to § 3.1-1112, Code of Virginia.

503.	Personal Property Tax Relief Program (74600)			\$890,089,232	\$742,389,232 \$737,189,232
	Fund Sources: General	\$890,089,232	\$742,389,232 \$737,189,232		

Authority: Discretionary Inclusion.

A.1. Included in this Item is \$890,089,232 from the general fund in the first year and ~~\$742,389,232~~ \$737,189,232 from the general fund in the second year to be used to implement a program which provides equitable tax relief from the personal property tax on vehicles.

2. The amounts appropriated in this Item provide for a local reimbursement level of 70 percent in tax years 2004 and 2005. The local reimbursement level for tax year 2006 is set at \$950.0 million pursuant Chapter 1 of the Acts of Assembly of 2004, Special Session I. Payments to localities with calendar year 2006 car tax payment due dates prior to July 1, 2006, shall not be reimbursed until after July 1, 2006, except as otherwise provided in paragraph F of this Item.

B. Any unexpended balance remaining in this Item as of June 30, 2004, and June 30, 2005, shall be carried

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FY2005	FY2006	FY2005	FY2006

forward on the books of the Comptroller and shall be available for expenditure in the succeeding year. Any unexpended balance remaining in this Item on June 30, 2006, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium, including without limitation for the purpose of providing reimbursement to localities for personal property tax relief with respect to bills for tax year 2005 and earlier pursuant to paragraph D of this Item.

C. Notwithstanding the provisions of subsection B of § 58.1-3524, Code of Virginia, as amended by Chapter 1 of the Acts of Assembly of 2004, Special Session I, the determination of each county's, city's and town's share of the total funds available for reimbursement for personal property tax relief pursuant to that subsection shall be pro rata based upon the actual payments to such county, city or town pursuant to Chapter 35.1 of Title 58.1 of the Code of Virginia for tax year 2004 as compared to the actual payments to all counties, cities and towns pursuant to that chapter for tax year 2004, made with respect to reimbursement requests submitted on or before December 31, 2005, as certified in writing by the Auditor of Public Accounts not later than March 1, 2006. Notwithstanding the provisions of the second enactment of Chapter 1 of the Acts of Assembly of 2004, Special Session I, this paragraph shall become effective upon the effective date of this act.

D. 1. Except as provided in subparagraph D 2, the entitlement to personal property tax relief for qualifying vehicles arising under the provisions of § 58.1-3524 as it existed prior to the amendments made in Chapter 1 of the Acts of Assembly, 2004 Special Session I, for tax year 2005 and all prior tax years shall expire on September 1, 2006. The treasurer or other official charged with collection of personal property taxes levied upon qualifying vehicles may issue a supplemental tax bill for the full amount of any taxes, penalty and interest for tax year 2005 and prior tax years that remain due and owing as of September 1, 2006, or such earlier date as reimbursement with respect to such bill is no longer available from the Commonwealth, without regard to or credit for any reimbursable amount to which such qualifying vehicle would have been entitled pursuant to the provisions of § 58.1-3524 as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly of 2004, Special Session I.

2. Notwithstanding the provisions of subparagraph D 1, the Commonwealth shall honor requests for personal property tax relief reimbursement received from the City of Winchester with respect to bills rendered for the tax year 2005 through April 1, 2007. The treasurer of the City of Winchester may issue a supplemental tax bill for the full amount of any taxes, penalty and interest for tax year 2005 and prior tax years that remain due and owing as of April 1, 2007, or such earlier date as reimbursement with respect to such bill is no longer available from the Commonwealth, without regard to or credit for any reimbursable amount to which such qualifying vehicle would have been entitled

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	pursuant to the provisions of § 58.1-3524 as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly of 2004, Special Session I.			
	3. Out of this appropriation, \$24,000,000 in the second year is provided to reimburse counties, cities, and towns for personal property taxes paid for qualifying vehicles for tax year 2005 and earlier which would normally have been paid on or after July 1, 2006. Such appropriation shall terminate the obligations of the Commonwealth under the Personal Property Tax Relief Act as it existed prior to the enactment of Chapter 1 of the Acts of Assembly of 2004, Special Session I.			
	E. The requirements of subsection C 2 of § 58.1-3524 and subsection E of § 58.1-3912, Code of Virginia, as amended by Chapter 1 of the Acts of Assembly, 2004 Special Session I, with respect to the establishment of tax rates for qualifying vehicles and the format of tax bills shall be deemed to have been satisfied if the locality provides by ordinance or resolution, or as part of its annual budget adopted pursuant to Chapter 25 of Title 15.2 of the Code of Virginia or the provisions of a local government charter or Chapter 4, 5, 6, 7 or 8 of Title 15.2 of the Code of Virginia, if applicable, specific criteria for the allocation of the Commonwealth's payments to such locality for tangible personal property tax relief among the owners of qualifying vehicles, and such locality's tax bills provide a general description of the criteria upon which relief has been allocated and set out, for each qualifying vehicle that is the subject of such bill, the specific dollar amount of relief so allocated.			
	F. The Secretary of Finance may authorize advance payment, from funds appropriated in this Item, of sums otherwise due a town on and after July 1, 2006, for personal property tax relief under the provisions of Chapter 1 of the Acts of Assembly, 2004 Special Session I, if the Secretary finds that such town (1) had a due date for tangible personal property taxes on qualified vehicles for tax year 2006 falling between January 1 and June 30, 2006, (2) had a due date for tangible personal property taxes on qualified vehicles for tax year 2004 falling between January 1 and June 30, 2004, (3) received reimbursements pursuant to the provisions of Chapter 35.1 of Title 58.1 of the Code of Virginia between January 1 and June 30, 2004, (4) utilizes the cash method of accounting, and (5) would suffer fiscal hardship in the absence of such advance payment.			
	G. It is the intention of the General Assembly that reimbursements to counties, cities and towns that had a billing date for tax year 2004 tangible personal property taxes with respect to qualifying vehicles falling between January 1 and June 30, 2004, and received personal property tax relief reimbursement with respect to tax year 2004 from the Commonwealth between January 1 and June 30, 2004, pursuant to the provisions of Chapter 35.1 of Title 58.1 of the Code of Virginia as it existed prior to the amendments effected by Chapter 1 of the Acts of Assembly, 2004 Special Session I, be made by the Commonwealth with respect to sums			

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attributable to such spring billing dates not later than August 15 of each fiscal year.				
504.	Not set out.			
505.	Compensation Supplements (State) (75700).....		\$56,253,066	\$151,154,479 \$151,677,611
	Fund Sources: General.....	\$56,253,066	\$151,154,479 \$151,677,611	

Authority: Discretionary Inclusion.

A. Transfers from this Item may be made to supplement general fund appropriations to state agencies for:

1. Adjustments to base rates of pay;
2. Adjustments to rates of pay for budgeted overtime of salaried employees;
3. Salary increases for positions with salaries listed elsewhere in this act;
4. Salary increases for locally elected constitutional officers and their employees;
5. In-band salary adjustments for employees subject to the Virginia Personnel Act to recognize changes in duties or professional skill development, establish internal alignment (equitable salary relationships), or respond to labor market conditions (retention).
6. Employer costs of employee benefit programs when required by salary-based pay adjustments; and
7. Salary increases for local employees supported by the Commonwealth, other than those funded through appropriations to the Department of Education.

This appropriation provides for the compensation adjustments described in paragraphs F, G, H, I, O and P of this Item, subject to conditions stated in this Item.

B. Transfers from this Item may be made when appropriations to the state agencies concerned are insufficient for the purposes stated in paragraph A of this Item, as determined by the Department of Planning and Budget, and subject to guidelines prescribed by the department. Further, the Department of Planning and Budget may transfer appropriations within this Item from the second year of the biennium to the first year, when necessary to accomplish the purposes stated in paragraph A of this Item.

C.1. The Department of Human Resource Management may approve pilot compensation programs within agencies that support the redesigned classified compensation plan. Such pilot programs approved by the Department shall have clearly defined objectives, specified time frames, and shall be restricted to no

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more than two years. Such pilot programs shall be funded from existing agency appropriations or from funds provided for increases specified in paragraph I of this Item, or a combination of both. A report on such pilot programs shall be made to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2005. The Secretary of Administration shall approve any change in compensation plans based on pilot programs, prior to their implementation.

2. Any pilot programs or alternative pay plans authorized under the provisions of this paragraph, shall provide for average annual salary increases that are no greater than those authorized in this Item for classified state employees.

D. The Governor is hereby authorized to transfer funds from agency appropriations to the accounts of participating state employees such amounts as may be necessary to match the contributions of the qualified participating employees, consistent with the requirements of the Code of Virginia governing the deferred compensation cash match program. Such transfers shall be made consistent with the following:

1. The maximum cash match provided to eligible employees shall not be less than \$20.00 per pay period, or \$40.00 per month. The Governor may direct the agencies of the Commonwealth to utilize funds contained within their existing appropriations to meet these requirements.

2. The Governor may direct agencies supported in whole or in part with nongeneral funds to utilize existing agency appropriations to meet these requirements. Such nongeneral revenues and balances are hereby appropriated for this purpose, subject to the provisions of § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any existing conditions and restrictions otherwise placed upon such nongeneral funds.

3. Employees who are otherwise eligible but whose 403 (b) provider does not participate in the cash match program by establishing a 401 (a) account are ineligible to receive a cash match.

4. The procurement of services related to the implementation of this program shall be governed by standards set forth in § 51.1-124.30 C, Code of Virginia, and shall not be subject to the provisions of Chapter 7 (§ 11-35 et seq.), Title 11, Code of Virginia.

E. Included in this appropriation is \$8,465,663 the first year and \$8,833,735 the second year for an increase in the employer contribution rate for the Virginia Sickness and Disability Program, resulting from an update of the valuation of program assets and liabilities, and the pooling of law enforcement and non-law enforcement positions for the purposes of calculating program contributions.

F. In lieu of the salary increases authorized in

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paragraphs I to N of this item, each sworn officer of the Virginia Department of State Police shall receive an increase in base salary and related employee benefits of \$1,491 on November 25, 2004. This increase is sufficient, when combined with actions provided for elsewhere in this act, to bring the starting salary for State Troopers to \$32,500 per year.

G. Included in the amounts for Compensation Supplements is \$3,183,148 the first year and \$4,538,250 the second year to address salary compression issues for sworn officers of the Virginia Department of State Police effective October 1, 2004.

H. In lieu of the salary increases authorized in paragraphs I to N of this Item, sheriffs, deputy sheriffs and regional jail officers shall receive an increase in base salary and related employee benefits equal to 4.82 percent on December 1, 2004.

I.1. The base salary of employees listed in this paragraph shall be increased by three percent on November 25, 2004, for those employees set out in subparagraphs 2 a through 2 d of this paragraph. The base salary of employees set out in subparagraph 2 e of this paragraph shall be increased by three percent on December 1, 2004. This appropriation includes the following estimated amounts for these purposes:

Employee Group	FY 2005	FY 2006
State Employees	\$26,472,159	\$48,871,664
State Supported Local Employees	\$7,309,808	\$12,531,099

2. Transfers from this item shall be used to effect this increase and related increases in employee benefits for:

a. Executive Department

1. Full-time employees of the Executive Department subject to the Virginia Personnel Act;

2. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;

3. Any official whose salary is listed in § 4-6.01 c and d of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c; and

4. Full-time professional staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office.

b. Legislative Department

1. Heads of agencies in the Legislative Department;

2. Full-time employees in the Legislative Department, other than officials elected by popular vote; and

3. Secretaries and administrative assistants as provided for in Item 1 of this act.

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c. Judicial Department				
1. Judges and Justices in the Judicial Department;				
2. Heads of agencies in the Judicial Department; and,				
3. Full-time employees in the Judicial Department.				
d. Independent Agencies				
1. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Executive Directors of the Virginia College Savings Plan and the Virginia Office for Protection and Advocacy, and the Directors of the State Lottery Department, and the Virginia Retirement System;				
2. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the State Lottery Department, Virginia Workers' Compensation Commission, the Virginia Retirement System, and Virginia Office for Protection and Advocacy.				
e. State-Supported Local Employees				
1. Locally elected constitutional officers, except as provided in paragraph H of this item;				
2. General Registrars and members of local electoral boards;				
3. Full-time employees of locally elected constitutional officers, except as provided in paragraph H of this item; and,				
4. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services boards, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.				
3.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the three percent base salary increase authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.				
b. Salary increases for employees listed in paragraphs I 2 a 2 through I 2 a 4 and paragraphs I 2 c through I 2 d shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. The appointing or governing authority shall certify that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in the preceding paragraph 3 a.				
J.1. To ensure fair and equitable performance reviews, the Department of Human Resource Management is directed to provide performance management training to agencies and institutions of higher education with				

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classified employees.				
2. Agency heads in the Executive Department are directed to require appropriate performance management training for all agency supervisors and managers.				
K. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by three percent on November 25, 2004. No salary increase shall be granted to any employee as a result of this action. The Department shall develop policies and procedures to be used in instances where employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.				
L. The agency heads listed in this paragraph may, at their discretion, utilize the funds provided pursuant to paragraphs I and Q of this item to implement the provisions of existing pay plans.				
1. The heads of agencies in the Legislative and Judicial Departments;				
2. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;				
3. The Attorney General;				
4. The Director of the Virginia Retirement System;				
5. The Director of the State Lottery Department;				
6. The Director of the University of Virginia Medical Center;				
7. The Executive Director of the Virginia College Savings Plan;				
8. The Executive Director of the Virginia Port Authority; and				
9. The Executive Director of the Virginia Office for Protection and Advocacy.				
M. The base rates of pay, and related employee benefits, for wage employees may be increased by up to three percent on November 25, 2004. The cost of such increases for wage employees shall be borne by funds appropriated to each agency.				
N. Agencies supported in whole or in part by nongeneral funds shall pay the proportionate share of costs, from nongeneral fund revenues, of wages, salaries, and employee benefits as stated in this item, subject to rules and regulations prescribed by the Governing Authority.				
O. Included in the amounts for Compensation Supplements is \$215,520 the first year and \$397,883 the second year to address salary compression issues				

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for sworn officers and communications operators of the Division of Capitol Police, effective November 25, 2004. The Chief of the Capitol Police shall report to the Committee on Joint Rules prior to November 25, 2004, regarding the Division's plan to address salary compression and entry level salary issues for sworn officers and communications operators.

P. Out of the amount appropriated for this item, \$752,935 the first year and \$1,390,036 the second year is included for a 2.1 percent competitive salary adjustment effective November 25, 2004, for Justices of the Supreme Court of Virginia and Judges of the Court of Appeals of Virginia, Circuit Courts, General District Courts, Juvenile and Domestic Relations District Courts, Combined District Courts, Commissioners of the State Corporation Commission and Commissioners of the Workers Compensation Commission.

Q.

Included in the amounts for Compensation supplements is \$57,362,126 which shall be used to provide the following salary increases for public employees in the 2005-2006 fiscal year:

1. 3.00 percent salary increase:

a. The base salary and related employee benefits of employees listed in subparagraphs 5.a. through 5.d. of this paragraph shall be increased by 3.00 percent on November 25, 2005.

b. The base salary and related employee benefits of employees listed in subparagraph 5.e. of this paragraph shall be increased by 3.00 percent on December 1, 2005.

2. 4.40 percent salary increase:

a. The base salary and related employee benefits of employees listed in subparagraphs 6.a. through 6.d. of this paragraph shall be increased by 4.40 percent on November 25, 2005.

b. The base salary and related employee benefits of employees listed in subparagraph 6.e. of this paragraph shall be increased by 4.40 percent on December 1, 2005.

3. The base salary and related employee benefits of employees listed in subparagraphs 7.a. through 7.d. of this paragraph who have five years or more of continuous state service shall be increased by \$50 for each full year of service effective November 25, 2005. The Department of Human Resource Management shall develop guidelines and procedures for implementation of this compensation adjustment.

4. This appropriation includes the following estimated amounts for these purposes:

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Employee Group		FY 2006		
State Employees		\$41,345,780		
State-Supported Local Employees		\$16,017,172		
<p>5. Transfers from this item shall be used to effect an increase of 3.00 percent and related increases in employee benefits for:</p> <p>a. Executive Department</p> <p>1) Any official whose salary is listed in § 4-6.01 b, c and d of this act, who received an increase as provided for in Item 505.G. of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;</p> <p>2) Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;</p> <p>3) Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote; and</p> <p>4) Full-time professional staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office.</p> <p>b. Legislative Department</p> <p>1) Heads of agencies in the Legislative Department who received an increase as provided for in Item 505.O. of this act; and</p> <p>2) Full-time employees in the Legislative Department, other than officials elected by popular vote.</p> <p>c. Judicial Department</p> <p>1) Full-time employees in the Judicial Department.</p> <p>d. Independent Agencies</p> <p>1) Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the State Lottery Department, the Virginia Workers' Compensation Commission, the Virginia Retirement System, and the Virginia Office for Protection and Advocacy.</p> <p>e. State-Supported Local Employees</p> <p>1) Locally elected constitutional officers who received an increase as provided for in Item 505.H. of this act; and</p> <p>2) Full-time employees of elected constitutional officers who received an increase as provided for in Item 505 H. of this act.</p> <p>6. Transfers from this item shall be used to effect an increase of 4.40 percent and related increases in employee benefits for:</p>				

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a. Executive Department				
1) Any official whose salary is listed in § 4-6.01 b, c and d of this act, except those who received an increase as provided for in Item 505.G. of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c.				
b. Legislative Department				
1) Heads of agencies in the Legislative Department, except those who received an increase as provided for in Item 505.O. of this act; and				
2) Secretaries and administrative assistants as provided for in Item 1 of this act.				
c. Judicial Department				
1) Judges and Justices in the Judicial Department; and				
2) Heads of agencies in the Judicial Department.				
d. Independent Agencies				
1) Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Executive Directors of the Virginia College Savings Plan and the Virginia Office for Protection and Advocacy, and the Directors of the State Lottery Department and the Virginia Retirement System.				
e. State-Supported Local Employees				
1) Locally elected constitutional officers, except those who received an increase as provided for in Item 505.H. of this act;				
2) Full-time employees of locally elected constitutional officers, except those who received an increase as provided for in Item 505 H. of this act;				
3) General Registrars and members of local electoral boards; and				
4) Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services boards, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.				
7. Transfers from this item shall be used to effect an increase of \$50 for each full year of continuous service and related increases in employee benefits, effective November 25, 2005, for the following employees who have five years or more of continuous state service:				
a. Executive Department				
1) Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act except those employees listed in subparagraphs				

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5.a.1) and 6 of this paragraph, and paragraph G. of this Item;				
2) Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote and any official whose salary is listed in § 4-6.01 b, c and d of this act; and				
3) Full-time professional staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office.				
b. Legislative Department				
1) Full-time employees in the Legislative Department, other than officials elected by popular vote and employees listed in subparagraphs 5.b.1) and 6 of this paragraph, and paragraph O. of this Item.				
c. Judicial Department				
1) Full-time employees in the Judicial Department, other than employees listed in subparagraph 6 of this paragraph.				
d. Independent Agencies				
1) Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the State Lottery Department, the Virginia Workers' Compensation Commission, the Virginia Retirement System, and the Virginia Office for Protection and Advocacy.				
8.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.				
b. Salary increases for employees listed in subparagraphs 5.a.2) through 5.a.4), 5.c.1), 6.a.1), 6.c.1), 6.c.2), 7.a.2), 7.a.3), and 7.c.1) of this paragraph shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 8.a. of this paragraph.				
R. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by 3.00 percent on November 25, 2005. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances where employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based				

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on employee performance.

S. The base rates of pay, and related employee benefits, for wage employees may be increased by up to 3.00 percent on November 25, 2005. The cost of such increases for wage employees shall be borne by funds appropriated to each agency.

T. Out of this appropriation an amount estimated at \$523,132 the second year from the general fund shall be transferred to affected state agency budgets to cover the general fund portion of the cost of the November 25, 2005, statewide salary adjustments made for Virginia Information Technologies Agency employees assigned to those agencies.

506.	Economic Contingency and Unallocated Amounts (75800)			\$27,399,555	\$36,516,615 \$44,134,000
	Fund Sources: General	\$27,399,555	\$36,516,615 \$44,134,000		

Authority: Discretionary Inclusion.

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

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

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

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

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

E.1. This appropriation includes \$13,877,758 the first year and \$9,000,000 the second year from the general fund to be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance Committees, to attract economic development prospects to locate or expand in Virginia. Funds appropriated for the purposes of this paragraph shall be deposited to the Governor's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia.

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

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

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

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5. It is the intent of the General Assembly that the Virginia Economic Development Partnership shall work with localities awarded grants from the Governor's Development Opportunity Fund to recover such moneys when the economic development projects fail to meet minimal agreed-upon capital investment and job creation targets. All such recoveries shall be deposited and credited to the Governor's Development Opportunity Fund.				
6. Out of the first year appropriation for the Governor's Development Opportunity Fund, \$1,877,758 shall be unallotted and reserved for the solar photovoltaic manufacturing incentive grant program in accordance with § 45.1-392, Code of Virginia. These funds shall not be released by the Department of Planning and Budget until the Secretary of Commerce and Trade and the Auditor of Public Accounts certify to the Governor and to the Chairmen of the Senate Finance and House Appropriations Committees that the applicant for the funds met the program's statutory requirements. If the Secretary and Auditor certify that the applicant did not meet the requirements, then the funds shall be allotted for the purposes set out in § 2.2-115, Code of Virginia.				
F. Omitted.				
G. Included in this appropriation is \$50,000 the first year and \$50,000 the second year to pay for private legal services. Transfers for private legal services shall be made by the Director, Department of Planning and Budget upon prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510, Code of Virginia.				
H. Out of the amounts in this Item shall be provided an amount estimated at \$890,000 the first year and \$900,000 the second year from the general fund for the Virginia Horse Center Foundation (Title 3.1, Chapter 4.6, Code of Virginia).				
I.1. The Governor is authorized to allocate from the unappropriated general fund balance in this act such amounts as are necessary to provide for unbudgeted cost increases to state agencies incurred as a result of actions to enhance homeland security, combat terrorism, and to provide for costs associated with the payment of a salary supplement for state classified employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard. Any salary supplement provided to state classified employees ordered to active duty, shall apply only to employees who would otherwise earn less in salary and other cash allowances while on active duty as compared to their base salary as a state classified employee. Guidelines for such payments shall be developed by the Department of Human Resource Management in conjunction with the Departments of Accounts and Planning and Budget.				
2. The Governor shall submit a report within thirty days to the Chairmen of House Appropriations and Senate Finance Committees which itemizes any disbursements made from this Item for such costs.				

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3. The governing authority of the agencies listed in this subparagraph may, at its discretion and from existing appropriations, provide such payments to their employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard, as are necessary to provide comparable pay supplements to its employees.				
a. Agencies in the Legislative and Judicial Departments;				
b. The State Corporation Commission, the Virginia Workers' Compensation Commission, the Virginia Retirement System, the State Lottery Department, Virginia College Savings Plan, and the Virginia Office for Protection and Advocacy;				
c. The Office of the Attorney General and the Department of Law; and				
d. State-supported institutions of higher education.				
J. Out of the amounts in this Item, \$3,720,000 the first year and \$3,720,000 the second year from the general fund shall be deposited to the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Fund to be used to pay semiconductor memory or logic wafer manufacturing performance grants in accordance with § 59.1-284.14, Code of Virginia.				
K. Out of the amounts in this Item, \$3,000,000 the first year and \$3,000,000 the second year from the general fund shall be deposited to the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Fund II to be used to pay semiconductor manufacturing performance grants in accordance with § 59.1-284.15, Code of Virginia.				
L. Out of this appropriation, \$238,500 the first year and \$281,200 the second year from the general fund is provided for the Department of General Services rent plan for unanticipated utility cost increases at the seat of government.				
M. Out of this appropriation, \$1.0 million the second year from the general fund is provided to support the coordinated and cooperative development of postsecondary education opportunities in Southside Virginia. Of this amount, \$100,000 shall be allocated to the State Council of Higher Education for Virginia in order to conduct or contract for an assessment of the postsecondary enrollment and program needed of Southside Virginia. The Director, Department of Planning and Budget, shall allocate the remaining funds in accordance with recommendations from the Secretary of Education, in consultation with the State Council of Higher Education for Virginia and the Secretary of Commerce and Trade. Recommendations by the Secretary of Education shall identify funding opportunities that will: i) allow for the continued coordinated expansion of workforce training and higher education opportunities in the Southside region; ii) benefit all communities in the Southside region; iii) leverage existing resources within the region, including, but not limited to, the community colleges, private				

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<p>colleges and universities, higher education learning and research centers, and private sector assets; and iv) enhance elementary and secondary education to ensure that students are adequately prepared to take advantage of postsecondary education opportunities. Prior to allocating these funds, the Director, Department of Planning and Budget, shall inform the chairmen of the Senate Finance Committee and House Appropriations Committee of their use.</p>				
<p>N.1. Out of this appropriation, \$2,000,000 the second year from the general fund shall be provided to Virginia Commonwealth University's School of Engineering in support of the Infineon Technologies, Inc. major expansion. The funds may be used for scholarships, endowed professorships in microelectronics, curriculum development, and other related needs of the microelectronics industry.</p>				
<p>2. Out of this appropriation, \$100,000 the second year from the general fund is designated for the Grace E. Harris Leadership Institute at Virginia Commonwealth University's Center for Public Policy <i>Minority Political Leadership Institute</i> to provide training for the development of aspiring leaders.</p>				
<p>O. Out of this appropriation, \$223,397 the first year and \$334,945 the second year from the general fund is provided for the general fund costs associated with an increase in telecommunication rates paid by state agencies. The Director, Department and Planning and Budget shall transfer these funds to the impacted state agencies based upon information provided by the Virginia Information Technologies Agency.</p>				
<p>P. Out of this appropriation, \$928,920 the second year from the general fund is provided for the review of enterprise-wide information technology components of Public-Private Education Facilities and Infrastructure Act (PPEA) proposals submitted to the Virginia Information Technologies Agency. The Director, Department and Planning and Budget is authorized to transfer these funds to state agencies involved with reviewing these proposals.</p>				
<p>Q.1. The Virginia Biotechnology Research Park Authority is hereby authorized to enter into land option agreements for acquisition of lands to carry out its overall Master Development Plan and strategic initiatives.</p>				
<p>2. Out of this appropriation, \$3,200,000 the first year from the general fund shall be provided to the Virginia Biotechnology Research Park Authority to compensate the Authority for land acquisition and related costs pursuant to economic development activity.</p>				
<p>R. Out of this appropriation, \$500,000 the second year from the general fund shall be provided to the City of Petersburg for the Appomattox River Dredging Project.</p>				
<p>S.1. Notwithstanding the provisions of paragraph A of Item 64 and paragraph Q of Item 505 of this act, the base salary and related employee benefits of sheriffs,</p>				

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deputy sheriffs, and regional jail officers shall be increased by 4.4 percent on December 1, 2005.				
2. Notwithstanding the provisions of paragraph Q of Item 505 of this act, the base salary and related employee benefits of sworn officers of the Virginia Department of State Police who have five years or more of continuous state service, and sworn officers and communications operators of the Division of Capitol Police, who have five years or more of continuous state service, shall be increased by \$50 for each full year of service effective November 25, 2005. The Department of Human Resource Management shall develop guidelines and procedures for implementation of this compensation adjustment.				
3. Notwithstanding the provisions of paragraph Q of Item 505 of this act, the base salary and related employee benefits of the Superintendent of State Police and the Chief, Division of Capitol Police, shall be increased by 4.4 percent on November 25, 2005.				
T. Out of this appropriation, \$350,220 the second year from the general fund is designated to pay the employee share of the \$250,000 service members' group life insurance premium for all deployed Virginia National Guard soldiers. The Secretary of Finance, in cooperation with the Secretary of Public Safety, shall develop guidelines for administering the premium payments.				
U. Out of this appropriation, \$1,453,288 the second year from the general fund is designated to reimburse school divisions and community colleges for career and technical training, testing, and certification costs. The objective of the funding is to increase the number of high school students working toward and achieving certifications that will expand their employment opportunities and meet local industry needs.				
V. Out of this appropriation, \$5,100,000 the second year from the general fund shall be provided to support rural and cultural economic development and tourism activities. The funding may be used for, but is not limited to: regional consortium grants in distressed regions of the state; a New Virginia Trails program; an artisan network organization; a Virginia Artisan Trail; at least one additional regional artisan center; the Virginia Small Manufacturing Assistance Program; acquisition and redevelopment of closed industrial sites in rural areas of Virginia; and further development of the rails to trails network in Southside Virginia. The Governor is authorized to transfer to the appropriate agencies such amounts as are necessary to provide for this support, however, he shall report in writing on the specific use of any allocation of this funding to the Chairmen of the House Appropriations Committee and the Senate Finance Committee prior to the actual distribution or disbursement of the funds from this Item.				
W.1. Out of this appropriation, \$1,472,020 \$611,839 the second year from the general fund is included for the purpose of establishing a state funded incentive				

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program to maximize federal school nutrition revenues and increase student participation in the school breakfast program. These funds are available to any school division as a reimbursement for breakfast meals served that are in excess of the baseline established by the Department of Education. The per meal reimbursement shall be \$0.20; however, the Department is authorized to reduce this amount proportionately in the event that the actual number of meals to be reimbursed exceeds the number on which this appropriation is based so that this appropriation is not exceeded.

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

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

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

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

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<p>Z. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or portion thereof, of any public facility pursuant to § 58.1-608.3, Code of Virginia, shall be entitled to all sales tax revenues generated by transactions taking place in such public facility.</p> <p>AA.1. <i>Out of this appropriation an amount estimated at \$46,787 the second year from the general fund shall be transferred to state agencies budgets to cover the overall cost increase associated with adjustments in rent charges resulting from changes in office space utilization at the seat-of-government.</i></p> <p>2. <i>Agencies under the Department of General Services rent plan that have increased their utilization of office space shall receive funding for 50 percent of the required general fund increase and agencies that have decreased their office space utilization will retain 50 percent of the general fund savings associated with the resulting rent charge reductions.</i></p> <p>BB. <i>Out of this appropriation an amount estimated at \$358,641 the second year from the general fund shall be transferred to state agency budgets to cover the general fund share of increased fixed costs associated with building operations at the seat of government due in part of occupancy of the Old State Library and the Finance Buildings, higher operational costs, and increased steam and natural gas costs.</i></p> <p>CC. <i>Out of this appropriation an amount estimated at \$ 7,772,138 the second year from the general fund shall be transferred to affected state agency budgets to partially offset the general fund share of increases in energy costs for gasoline, fuel oil, and natural gas.</i></p>				
506.10.	Not set out.			
507.	Not set out.			
507.10.	Not set out.			
508.	Not set out.			
	Total for Central Appropriations.....		\$1,057,436,933	\$1,042,108,437 \$1,045,048,954
	Fund Sources: General.....	\$981,723,173	\$965,446,324	
	Trust and Agency	\$75,713,760	\$968,386,841 \$76,662,113	
	TOTAL FOR CENTRAL APPROPRIATIONS		\$1,057,436,933	\$1,042,108,437 \$1,045,048,954
	Fund Sources: General.....	\$981,723,173	\$965,446,324	
	Trust and Agency	\$75,713,760	\$968,386,841 \$76,662,113	
	TOTAL FOR EXECUTIVE DEPARTMENT		\$28,655,225,709	\$30,938,184,751 \$31,338,030,039

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General Fund Positions.....	50,033.15	50,187.67		50,188.67
Nongeneral Fund Positions.....	56,883.67	58,022.09		
Position Level	106,916.82	108,209.76		108,210.76
Fund Sources: General.....	\$13,421,821,429	\$14,228,151,570		\$14,706,358,634
Special.....	\$1,344,748,139	\$1,313,750,339		\$1,314,102,360
Higher Education Operating.....	\$4,014,358,211	\$4,386,476,569		\$4,386,976,569
Commonwealth Transportation	\$3,213,395,225	\$3,978,134,111		
Enterprise	\$570,230,586	\$619,427,466		
Trust and Agency	\$1,041,762,417	\$1,064,811,960		\$1,064,939,235
Debt Service.....	\$164,255,029	\$170,096,199		
Dedicated Special Revenue	\$555,579,170	\$580,633,438		\$582,656,430
Federal Trust.....	\$4,329,075,503	\$4,596,703,099		\$4,515,339,035

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INDEPENDENT AGENCIES

- 509. Not set out.
- 510. Not set out.
- 511. Not set out.
- 512. Not set out.
- 513. Not set out.
- 514. Not set out.
- 515. Not set out.
- 516. Not set out.
- 517. Not set out.
- 518. Not set out.
- 519. Not set out.
- 520. Not set out.
- 521. Not set out.
- 522. Not set out.
- 523. Not set out.
- 524. Not set out.
- 525. Not set out.
- 526. Not set out.

§ 1-29. VIRGINIA OFFICE FOR PROTECTION AND ADVOCACY (175)

527.	Social Services Research, Planning, and Coordination (45000)			\$1,226,106	\$1,226,106 \$1,233,152
	Social Services Coordination (45001).....	\$1,226,106	\$1,226,106 \$1,233,152		
	Fund Sources: General	\$216,247	\$216,247		
	Special	\$307,665	\$307,665 \$314,711		
	Federal Trust.....	\$702,194	\$702,194		

Authority: Title 51.5, Chapter 8.1, Code of Virginia

Notwithstanding the provisions of § 51.5-39.7, Code of Virginia, the implementation date for establishing an ombudsman section in the Virginia Office for Protection and Advocacy is deferred until July 1, 2006.

- 528. Not set out.
- 529. Not set out.
- 530. Not set out.

ITEM 530.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Total for Virginia Office for Protection and Advocacy....			\$2,743,654	\$2,743,654 <i>\$2,750,700</i>
General Fund Positions.....	1.88	1.88		
Nongeneral Fund Positions.....	33.12	33.12		
Position Level	35.00	35.00		
Fund Sources: General	\$216,247	\$216,247		
Special.....	\$307,665	\$307,665 \$314,711		
Federal Trust.....	\$2,219,742	\$2,219,742		
TOTAL FOR INDEPENDENT AGENCIES.....			\$225,533,358	\$229,360,187 <i>\$229,367,233</i>
General Fund Positions.....	1.88	1.88		
Nongeneral Fund Positions.....	1,491.12	1,495.12		
Position Level	1,493.00	1,497.00		
Fund Sources: General	\$294,247	\$294,247		
Special.....	\$77,608,132	\$80,367,529 \$80,374,575		
Enterprise	\$80,237,197	\$80,237,197		
Trust and Agency	\$43,451,252	\$44,504,775		
Dedicated Special Revenue.....	\$20,922,788	\$20,936,697		
Federal Trust.....	\$3,019,742	\$3,019,742		

ITEM 531.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

STATE GRANTS TO NONSTATE ENTITIES

§ 1-30. STATE GRANTS TO NONSTATE AGENCIES (986)

§ 1-30.1. STATE GRANTS TO NONSTATE ENTITIES-NONSTATE AGENCIES (986)

531.	Financial Assistance for Cultural and Artistic Affairs (14300)			\$25,000	\$34,119,749 \$29,619,749
	Fund Sources: General	\$25,000	\$34,119,749 \$29,619,749		

Authority: Discretionary Inclusion.

A. Grants provided for in this item shall be administered by the Department of Historic Resources.

B. Prior to the distribution of any funds, the organization or entity shall make application to the Department in a format prescribed by the Department. The application shall state whether grant funds provided under this item will be used for purposes of operating support or capital outlay and shall provide a statement describing the organization's or entity's economic benefit to the Commonwealth in terms of visitation, payroll, or other economic contributions. Unless otherwise specified in this item, the matching amounts for grants funded from this item may be cash or in-kind contributions as requested by the nonstate organization in its application for state grant funds. The Department shall use applicable federal guidelines in assessing the value of in-kind contributions to be used as matching amounts.

C. Any balances not drawn down by recipient organizations on June 30, 2006, from appropriations in this item shall not revert to the general fund, but shall be carried forward on the books of the Comptroller. These balances shall remain available for distribution to affected organizations until June 30, 2007, at which time any undistributed balances shall revert to the general fund, except that, in the case of organizations which have not filed an application to receive their appropriations by December 1, 2005, the Governor may direct that the undistributed balances be reverted to the general fund on that date. The Governor shall report amounts reverted and the affected organizations in the 2006 Budget Bill.

D. The appropriation to those entities in this item that are marked with an asterisk (*) shall not be subject to the matching requirements of § 4-5.05 of this act.

E. Grants are hereby made to each of the following organizations and entities subject to the conditions set forth in paragraphs A., B., and C. of this item:

	Year 1	Year 2
4-H Educational Centers, to the Virginia 4-H for	\$0	\$150,000
Amherst County Museum and Historical Society	0	5,000

ITEM 531.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Air Force Museum Foundation	0	100,000		
Arlington Signature Theatre	0	200,000		
National Museum of the U.S. Army, to the Army Historical Foundation for	0	250,000		
Art Museum of Western Virginia	0	2,430,000		
Arts and Education in Concert	0	25,000		
Avoca Museums and Historical Society	0	12,500		
Bay School Cultural Arts Center	0	12,500		
Beacon Theater	0	50,000		
Beaverdam Heritage Days Foundation	0	25,000		
Bedford City/County Museum	0	50,000		
Belle Grove Plantation	0	50,000		
Ben Lomond Manor House	0	37,500		
Birthplace of County Music	0	12,500		
Black History Museum	0	50,000		
Black Women United For Action	0	50,000		
Blue Ridge Zoological Society of Virginia	0	87,500		
Boys and Girls Clubs of the Peninsula	0	12,500		
Breaks Interstate Park	0	50,000		
Brentsville Courthouse Historic Centre	0	37,500		
Bridging Boundaries International	0	25,000		
Camp Baker	0	150,000		
Campagna Center Exterior Repairs	0	50,000		
Carter House	0	50,000		
Celebrating Special Children, Inc.	0	75,000		
Center for Excellence in Education	0	25,000		
Center in the Square	0	200,000		
Championship Horse Show, to the Virginia 4-H for	0	25,000		
Chesapeake Arboretum	0	27,500		
Children's Museum of Virginia	0	300,000		
Christiansburg Institute Museum and Archive	0	25,000		
Chrysler Museum	0	540,000		
Church Quarter	0	7,500		
Coal Miners Memorial	0	12,500		
Cold War Museum	0	125,000		
Committee for the Historic Cavalry Battles	0	50,000		
Conner House	0	25,000		
Crab Orchard Museum and Pioneer Park, Inc.	0	52,500		
Danville Museum of Fine Arts and History	0	12,766		
Dinwiddie Institute	0	12,500		
DOVES, Inc	0	25,000		
E. Trinkle Regional Visitors Center, to the Town of Wytheville for	0	12,500		
Ecumenical Community Helping Others (ECHO)	0	25,000		
Endview Plantation	0	50,000		
ENS Foundation	0	25,000		
Environmental Alliance for Senior Involvement	0	5,000		
Essex County Museum	0	15,000		
Estes Center	0	100,000		
Fairfax Station Railroad Museum	0	7,500		
Fairfield Foundation	0	12,500		
First Freedom Center	0	125,000		
Fredericksburg Area Museum and Cultural Center	0	520,000		
Freedom Museum	0	100,000		
Freedom Park in James City County	0	50,000		
French and Indian War Foundation	0	10,000		
Friends of the Fairfax Station	0	17,500		
Friends of Wilderness Battlefield	0	10,000		
General Charles Fenton Mercer Grave Site	0	7,000		
General Douglas MacArthur Foundation	0	50,000		
George C. Marshall Foundation	0	100,000		
George Washington's Ferry Farm	0	150,000		
Great Bridge Battlefield Visitor Center	0	125,000		
Greenway Court	0	12,500		

ITEM 531.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Hand Workshop Art Center	0	150,000		
Hanover Community Center	0	25,000		
Harrison Museum for African American Culture	0	50,000		
Henricus Foundation	0	55,000		
Historic Jamestowne, to APVA for	0	200,000		
Historical Old Stone High School in Louisa	0	50,000		
History Museum and Historical Society of Western Virginia	0	37,500		
Holiday House	0	25,000		
Hurrah Players	0	25,000		
Jewish Community Center of Northern Virginia	0	50,000		
Jewish Council for the Aging	0	12,000		
Jewish Foundation for Group Homes	0	45,000		
Jewish Foundation for Group Homes - Renovations	0	50,000		
Jewish Social Service Agency	0	40,000		
Jubal Early Homeplace, to the Jubal A. Early Preservation Trust for	0	12,500		
Kerr Place Museum, to the Eastern Shore Historical Society for	0	15,000		
King and Queen Marriott School Project	0	50,000		
Kinsale Foundation	0	10,000		
La Crosse Hotel	0	125,000		
Lee Hall Mansion	0	50,000		
Lee Hall Train Depot	0	50,000		
Lee-Fendall House Repairs	0	50,000		
Liberia House	0	62,500		
Little England Chapel, to the Newtown Improvement and Civic Club for	0	7,500		
Lorton Community Action Center	0	15,000		
Lynchburg Academy of Fine Arts	0	430,000		
Lynnhaven House	0	35,000		
Lyric Theatre	0	5,000		
MacCallum More Museum and Gardens	0	22,500		
Marine Corps Heritage Foundation	0	640,000		
Mary Ball Washington Museum and Library	0	10,000		
Menokin Foundation	0	70,000		
Merchants Hope Church	0	25,000		
Metro Richmond Sports Backers	0	50,000		
Montpelier Center for Arts and Education	0	5,000		
Montpelier Foundation	0	200,000		
Mosby House Museum	0	12,500		
Moton Community Center	0	25,000		
Museum of the Shenandoah Valley	0	380,000		
National Rehabilitation & Rediscovery Foundation	0	25,000		
Natural Bridge Volunteer Fire Department	0	40,000		
Newsome House Museum and Cultural Center	0	37,500		
Norfolk Botanical Gardens	0	50,000		
NOVA Regional Park Authority	0	100,000		
Oakland, to the Nelson County Museum of History for	0	50,000		
Oasis Soup Kitchen, to the City of Portsmouth for	0	40,000		
Oatlands	0	53,750		
Old Brick House Foundation	0	75,000		
Our Health, Inc.	0	100,000		
Palace Theater in Cape Charles	0	12,500		
Paramount Theatre	0	270,000		
Patrick County Music Association	0	12,500		
Patriot Project	0	5,000		
Permanent Marker for the 400th Anniversary, to the Jamestown-Yorktown Foundation for the	0	50,000		
Pocahontas, Inc.	0	9,000		
Poplar Forest	0	700,000		
Portsmouth Library, to the City of Portsmouth for the	0	100,000		
Pulaski Fine Arts Center	0	12,500		
Pulaski Theater	0	37,500		

ITEM 531.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Railroad Museum — Chatham, to the Pittsylvania Historical Society for	0	12,500		
Railroad Museum of Virginia	0	300,000		
Ralph Stanley Museum and Traditional Mountain Music Center	0	50,000		
Red Hill Shrine, to the Patrick Henry Memorial Foundation for	0	12,500		
Reedville Fisherman's Museum	0	100,000		
Remote Area Medical Health Expedition (RAM)	0	25,000		
Reston Arts Center	0	135,000		
Richmond Ballet	0	75,000		
Richmond Korean Senior Citizen Assoc.	0	15,000		
Riddick's Folly, Inc.	0	4,233		
Rippon Lodge	0	50,000		
Roanoke Symphony	0	5,000		
Rosenwald School Building, to Greensville County for	0	25,000		
Rosewell Foundation	0	45,000		
Salem Historical Society	0	50,000		
Schooner Virginia	0	350,000		
Science Museum of Western Virginia	0	75,000		
Sedalia Center	0	40,000		
Shenandoah Valley Battlefields Foundation	0	140,000		
Shenandoah Valley Discovery Museum	0	480,000		
Specials Olympics of Virginia, Inc.	0	100,000		
St. John's Church Foundation	0	25,000		
St. Mary's Health Wagon	0	25,000		
Staunton Performing Arts Center	0	380,000		
Steamboat Museum	0	15,000		
Stonewall Camp #380, to Portsmouth Confederate Monument for	0	7,500		
Stratford Hall	0	100,000		
The Barns at Rosehill	0	5,000		
The Barter Foundation	0	1,090,000		
Theatre IV	0	12,500		
Tidewater Center for Speech and Language Disorders	0	10,000		
Tinner Hill Heritage Museum	0	7,500		
Todi Festival, to the City of Portsmouth for the	0	40,000		
Town of Pocahontas	0	1,000		
Trail of the Lonesome Pine	0	10,000		
Trevillian Station Battlefield Foundation	0	25,000		
USS Monitor Center at the Mariners Museum	0	1,490,000		
Virginia Beach Convention & Visitors Bureau	0	75,000		
Vienna Volunteer Fire Department	0	50,000		
Village View Foundation	0	15,000		
Virginia Air and Space Museum	0	37,500		
Virginia Aquarium and Marine Science Center	0	1,040,000		
Virginia Arts Festival	0	270,000		
Virginia Beach Performing Arts Center	0	540,000		
Virginia Council on Indians	0	25,000		
Virginia Economic Bridge, Inc.	25,000	75,000		
Virginia Foundation for Housing Preservation	0	25,000		
Virginia Historical Society	0	200,000		
Virginia Living Museum	0	1,490,000		
Virginia Museum of Transportation	0	225,000		
Virginia Opera	0	75,000		
I VETO THIS ITEM. /s/ Timothy M. Kaine (6/9/06) (Vetoed item is enclosed in brackets.)				
[Virginia Performing Arts Foundation	0	8,500,000 4,000,000]		
Virginia Rural Water Association	0	5,000		
Virginia Senior Games	0	37,500		

ITEM 531.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Virginia Space Flight Academy	0	12,500		
Virginia Sports Hall of Fame	0	100,000		
Virginia War Museum Foundation Historic Services	0	12,500		
Virginia War Museum Foundation Historic Services-Causey's Mill	0	15,000		
Virginia's Explore Park	0	200,000		
Wakefield Foundation	0	15,000		
Walton Mountain Museum*	0	17,500		
Warwick Courthouse	0	25,000		
Wayne Theatre Alliance	0	500,000		
Wayside Theater	0	10,000		
Westmoreland Poor School Society*	0	25,000		
William King Regional Arts Center	0	200,000		
Wolf Trap Foundation for the Performing Arts	0	1,570,000		
Woodrow Wilson Presidential Library	0	1,380,000		
Youth Outreach Services, to the Youth Corporation, Inc. for	0	25,000		
TOTAL	\$25,000	\$34,119,749 \$29,619,749		
Total for State Grants to Nonstate Agencies.....			\$25,000	\$34,119,749
Total for State Grants to Nonstate Entities-Nonstate Agencies.....				\$29,619,749
Fund Sources: General.....	\$25,000	\$34,119,749 \$29,619,749		
TOTAL FOR STATE GRANTS TO NONSTATE ENTITIES.....			\$25,000	\$34,119,749 \$29,619,749
Fund Sources: General.....	\$25,000	\$34,119,749 \$29,619,749		
TOTAL FOR PART 1: OPERATING EXPENSES.....			\$29,257,674,193	\$31,589,650,369 \$31,991,449,302
General Fund Positions.....	53,598.24	53,793.76 53,794.76		
Nongeneral Fund Positions.....	58,500.29	59,642.71		
Position Level	112,098.53	113,436.47 113,437.47		
Fund Sources: General.....	\$13,781,896,827	\$14,632,160,021 \$15,111,251,632		
Special.....	\$1,429,740,509	\$1,401,628,858 \$1,401,987,925		
Higher Education Operating.....	\$4,014,358,211	\$4,386,476,569 \$4,386,976,569		
Commonwealth Transportation	\$3,213,395,225	\$3,978,134,111		
Enterprise	\$650,487,783	\$699,684,663		
Trust and Agency	\$1,085,338,370	\$1,109,441,436 \$1,109,568,711		
Debt Service.....	\$164,255,029	\$170,096,199		
Dedicated Special Revenue	\$585,200,775	\$611,399,452 \$614,484,496		
Federal Trust.....	\$4,333,001,464	\$4,600,629,060 \$4,519,264,996		

Item Details(\$)		Appropriations(\$)	
First Year	Second Year	First Year	Second Year
FY2005	FY2006	FY2005	FY2006

PART 2: CAPITAL PROJECT EXPENSES

§ 2-0. GENERAL CONDITIONS

A.1. The General Assembly hereby authorizes the capital projects listed in this act. The amounts hereinafter set forth are appropriated to the state agencies named for the indicated capital projects. Amounts so appropriated and amounts reappropriated pursuant to paragraph G of this section shall be available for expenditure during the current biennium, subject to the conditions controlling the expenditures of capital project funds as provided by law. Reappropriated amounts, unless otherwise stated, are limited to the unexpended appropriation balances at the close of the previous biennium, as shown by the records of the Department of Accounts.

2. The Director of the Department of Planning and Budget may transfer appropriations listed in Part 2 of this act from the second year to the first year in accordance with § 4-1.03 a 5 of this act.

B. The five-digit number following the title of a project is the code identification number assigned for the life of the project.

C. Except as herein otherwise expressly provided, appropriations or reappropriations for structures may be used for the purchase of equipment to be used in the structures for which the funds are provided, subject to guidelines prescribed by the Governor.

D. Notwithstanding any other provisions of law, appropriations for capital projects shall be subject to the following:

1. Appropriations or reappropriations of funds made pursuant to this act for planning of capital projects shall not constitute implied approval of construction funds in a future biennium. Funds, other than the reappropriations referred to above, for the preparation of capital project proposals must come from the affected agency's existing resources.

2. No capital project for which appropriations for planning are contained in this act, nor any project for which appropriations for planning have been previously approved, shall be considered for construction funds until preliminary plans and cost estimates are reviewed by the Department of General Services. The purpose of this review is to avoid unnecessary expenditures for each project, in the interest of assuring the overall cost of the project is reasonable in relation to the purpose intended, regardless of discrete design choices.

E.1. Expenditures from Items in this act identified as "Maintenance Reserve" are to be made only for the maintenance of property, plant and equipment to the extent that funds included in the appropriation to the agency for this purpose in Part 1 of this act are insufficient.

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First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

2. Institutions of higher education can expend up to \$1,000,000 for a single repair or project through the maintenance reserve appropriation without a separate appropriation. Such expenditures shall be subject to rules and regulations prescribed by the Governor. To the extent an institution of higher education has identified a potential project that exceeds this threshold, the Director of the Department of Planning and Budget can provide exemptions to the threshold as long as the project still meets the definition of a maintenance reserve project as defined by the Department of Planning and Budget.

3. Only facilities supported wholly or in part by the general fund shall utilize general fund maintenance reserve appropriations. Facilities supported entirely by nongeneral funds shall accomplish maintenance through the use of nongeneral funds.

F. Conditions Applicable to Bond Projects

1. The General Assembly hereby authorizes the capital projects listed in §§ 2-46 and 2-47 for the indicated agencies and institutions of higher education and hereby appropriates and reappropriates therefor sums from the sources and in the amount indicated. The issuance of bonds in a principal amount plus amounts needed to fund issuance costs, reserve funds, and other financing expenses, including capitalized interest for any project listed in §§ 2-46 and 2-47 is hereby authorized.

2. The issuance of bonds for any project listed in § 2-46 is to be separately authorized pursuant to Article X, Section 9 (c), Constitution of Virginia.

3. The issuance of bonds for any project listed in Item C-197 or C-199 shall be authorized pursuant to § 23-19, Code of Virginia.

4. In the event that the cost of any capital project listed in §§ 2-46 and 2-47 shall exceed the amount appropriated therefor, the Director, Department of Planning and Budget, is hereby authorized, upon request of the affected institution, to approve an increase in appropriation authority of not more than ten percent of the amount designated in §§ 2-46 and 2-47 for such project, from any available nongeneral fund revenues, provided that such increase shall not constitute an increase in debt issuance authorization for such capital project. Furthermore, the Director, Department of Planning and Budget, is hereby authorized to approve the expenditure of all interest earnings derived from the investment of bond proceeds in addition to the amount designated in §§ 2-46 and 2-47 for such capital project.

5. The interest on bonds to be issued for these projects may be subject to inclusion in gross income for federal income tax purposes.

6. Inclusion of a project in this act does not imply a commitment of state funds for temporary construction financing. In the absence of such commitment, the institution may be responsible for securing short-term

Item Details(\$)		Appropriations(\$)	
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financing and covering the costs from other sources of funds.

7. In the event that the Treasury Board determines not to finance all or any portion of any project listed in Item C-197 of § 2-46 of this act with the issuance of bonds pursuant to Article X, Section 9 (c), Constitution of Virginia, and notwithstanding any provision of law to the contrary, this act shall constitute the approval of the General Assembly to finance all or such portion of any project listed in Item C-199 under the authorization of § 2-47 of this act.

8. The General Assembly further declares and directs that, notwithstanding any other provision of law to the contrary, 50 percent of the proceeds from the sale of surplus real property pursuant to § 2.2-1147 et seq., Code of Virginia, which pertain to the general fund, and which were under the control of an institution of higher education prior to the sale, shall be deposited in a special fund set up on the books of the Comptroller, which shall be known as the Higher Education Capital Projects Fund. Such sums shall be held in reserve, and may be used, upon appropriation, to pay debt service on bonds for the 21st Century College Program as authorized in Item C-7.10 of Chapter 924 of the Acts of Assembly of 1997.

G. There is hereby reappropriated:

1. The appropriations unexpended at the close of the previous biennium in the appropriations and reappropriations in Items C-149 through C-151 made by Chapter 1042, Acts of Assembly of 2003, and

2. The appropriations unexpended at the close of the previous biennium of any amount transferred from Items C-149 through C-151 to any capital project established by authority of the Governor which conforms to the conditions in paragraph H below.

H. Upon certification by the Director, Department of Planning and Budget, there is hereby reappropriated the appropriations unexpended at the close of the previous biennium for all authorized capital projects which meet any of the following conditions:

1. Construction is in progress.

2. Equipment purchases have been authorized by the Governor but not received.

3. Plans and specifications have been authorized by the Governor but not completed.

4. Obligations were outstanding at the end of the previous biennium.

I. On or before June 30, 2005, the State Comptroller shall revert the following appropriation amount from the agency, fund code, and project code listed:

	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Agency Code	Project Code	Fund Code	Amount	
247	16665	0302	\$4,000,000	
TOTAL			\$4,000,000	

J. The Department of Planning and Budget is hereby authorized to administratively appropriate any nongeneral fund component of any capital project authorized in Chapters 859/827 (2002), Chapters 884/854 (2002), or Chapters 887/855 (2002) .

K. For the 2004-2006 biennium, funding of Capital Projects shall be as included in this act rather than as specified in § 2.2-1509.1.

L. Conditions Applicable to Alternative Financing

1. Any agency or institution of the Commonwealth that would construct, purchase, lease, or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, shall provide a report to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees no less than 30 days prior to entering into such alternative financing agreement. This report shall provide:

- a. a description of the purpose to be achieved by the proposal;
- b. a description of the financing options available, including the alternative financing, which will delineate the revenue streams or client populations pledged or encumbered by the alternative financing;
- c. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the Commonwealth;
- d. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the clients of the agency or institution; and
- e. a recommendation and planned course of action based on this analysis.

M. Conditions Applicable to Alternative Financing

1. The following authorizations to construct, purchase, lease or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, are continued until revoked:

	Agency	Item	Appropriation Act
a.	James Madison University	Item C-24.30	Chapter 1042
b.	Longwood University	Item C-25.05	Chapter 1042
c.	Norfolk State University	Item C-28.30	Chapter 1042
d.	Norfolk State University	Item C-28.35	Chapter 1042
e.	Old Dominion University	Item C-30.10	Chapter 1042
f.	Science Museum of Virginia	Item C-96.10	Chapter 1042
g.	Department of Social Services	Item C-102	Chapter 1042

ITEM 531.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

N. Conditions Applicable to Alternative Financing

1. The following individuals, and members of their immediate family, may not engage in an alternative financing arrangement with any agency or institution of the Commonwealth, where the potential for financial gain, or other factors may cause a conflict of interest:

a. A member of the agency or institution's governing body;

b. Any elected or appointed official of the Commonwealth or its agencies and institutions who has, or reasonably can be assumed to have, a direct influence on the approval of the alternative financing arrangement; or

c. Any elected or appointed official of a participating political subdivision, or authority who has, or reasonably can be assumed to have, a direct influence on the approval of the alternative financing arrangement.

O. The budget bill submitted by the Governor for the 2006-2008 biennium shall include the authority under which each capital project is included, as is done for operating programs. This citation shall include a synopsis of previous appropriations from the General Assembly and authorizations by the Governor.

OFFICE OF ADMINISTRATION

§ 2-1. DEPARTMENT OF GENERAL SERVICES (194)

C-1. Not set out.

C-1.04. **I VETO THIS ITEM. /s/ Timothy M Kaine (6/9/06)**
(Vetoed item is enclosed in brackets.)

C-1.05. *Improvements: Demolition of 8th Street Office Building (17438)* \$0 \$4,500,000

Fund Sources: General..... \$0 \$4,500,000

The Department of General Services shall enter into a contract to demolish the 8th Street Office Building no later than June 30, 2006. Demolition work shall begin no later than August 1, 2006.]

C-1.10. *Improvements: State Capitol Renovation and Southern Extension (16881)* \$0 \$1,000,000

Fund Sources: General..... \$0 \$1,000,000

~~Improvements: State Capitol Renovation and Southern Extension (16881)~~

Authority:

	GF	NGF	Total
Chapter 955 (2003)	\$68,020,000	\$5,972,000	\$73,992,000
Changes Authorized in Chapter 897 (2004)	<u>\$15,031,000</u>	<u>\$7,853,000</u>	<u>\$22,884,000</u>
Changes Authorized in			

ITEM C-1.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
<i>HB5012 (2006)</i>	<i>\$1,000,000</i>	<i>\$0</i>	<i>\$1,000,000</i>	
Total Authorization	\$83,051,000	\$13,825,000	\$96,876,000	
	<i>\$84,051,000</i>		<i>\$97,876,000</i>	

The total appropriation of \$96,876,000 for renovation and southern extension of the Capitol includes:

Renovation of Capitol Building and Southern Extension	\$89,331,333	<i>\$90,331,333</i>
Equipment		
House	\$2,450,000	
Senate	\$2,214,667	
Furnishings		
House	\$1,600,000	
Senate	\$1,200,000	
Governor	<u>\$80,000</u>	
Total	\$96,876,000	<i>\$97,876,000</i>

The Department of Accounts shall advance \$13,151,217 to the Department of General Services in anticipation of revenues to be received for the completion of the renovation and extension of the Capitol. These funds shall be used to finance the nongeneral fund authority for the cost of renovation, landscaping, furnishings, fixtures and equipment authorized in Chapter 897 of the 2004 Acts of Assembly. This revenue anticipation note may be repaid in whole or in part, without interest, at any time from grants, private donations, a general fund appropriation, Virginia Public Building Authority bonds, or such other sources as may be available from the income of the Capitol Square Preservation Foundation.

- C-2. Not set out.
- C-3. Not set out.
- C-3.10. Not set out.
- C-3.20. Not set out.
- C-3.30. Not set out.
- C-3.40. Not set out.
- C-3.50. Not set out.
- C-3.60. Not set out.
- C-3.70. Not set out.

Total for Department of General Services.....		\$13,550,000	\$100,000 <i>\$5,600,000</i>
Fund Sources: General.....	\$668,000	\$50,000 <i>\$5,550,000</i>	
Special.....	\$0	\$50,000	
Trust and Agency.....	\$610,000	\$0	
Debt Service.....	\$507,000	\$0	
Bond Proceeds.....	\$11,765,000	\$0	

ITEM C-6.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-6.	Not set out.			
C-6.10.	Not set out.			
C-6.20.	Not set out.			
C-6.30.	Not set out.			
C-7.	Not set out.			
TOTAL FOR OFFICE OF COMMERCE AND TRADE.....			\$8,761,000	\$625,000
Fund Sources: General			\$80,000	\$525,000
Special.....			\$1,059,000	\$100,000
Federal Trust.....			\$6,000,000	\$0
Bond Proceeds			\$1,622,000	\$0

OFFICE OF EDUCATION

§ 2-3. CHRISTOPHER NEWPORT UNIVERSITY (242)

C-8.	Not set out.			
C-9.	Not set out.			
C-10.	Not set out.			
C-11.	Not set out.			
C-11.10.	New Construction: Construct Student Center (16706).....		\$3,400,000	\$0 \$4,800,000
Fund Sources: Bond Proceeds			\$3,400,000	\$0 \$4,800,000
<p>This project provides supplemental funding for the construction of a new student center at Christopher Newport University due to higher than anticipated construction bids. The project was originally authorized in Item C-5, Chapter 943, of the Acts of Assembly of 2004.</p>				
C-11.20.	Not set out.			
Total for Christopher Newport University.....			\$23,478,000	\$0 \$4,800,000
Fund Sources: General			\$1,838,000	\$0
Higher Education Operating.....			\$491,000	\$0
Bond Proceeds			\$21,149,000	\$0 \$4,800,000

§ 2-4. THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA (204)

- C-12. Not set out.
- C-12.10. Not set out.
- C-13. Not set out.
- C-14. Not set out.
- C-15. Not set out.

ITEM C-15.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-15.10.				
C-15.20.				
C-15.30.				
C-15.40.				
C-15.50.				
C-15.55.			\$3,250,000	\$0 \$2,600,000
	Fund Sources: Higher Education Operating.....	\$3,250,000		\$0
	Bond Proceeds	\$3,250,000		\$2,600,000
C-15.60.				
C-15.65.				
C-15.70.				
C-15.75.				
	Total for The College of William and Mary in Virginia..		\$84,220,000	\$16,750,000 \$19,350,000
	Fund Sources: Higher Education Operating.....	\$5,950,000		\$2,250,000
		\$2,700,000		
	Bond Proceeds	\$78,270,000		\$14,500,000
		\$81,520,000		\$17,100,000
C-16.				
C-16.10.				
C-16.20.				
C-17.				
C-17.10.				
C-17.20.				
C-17.30.				
C-18.				
C-18.10.				
C-19.				
C-20.				
C-21.				
C-22.				
C-23.				
C-24.				
C-25.				

ITEM C-26.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-26.				
C-26.10.				
C-27.				
C-28.				
C-29.				
C-29.10.				
C-29.20.				
C-29.30.				
C-29.40.				
C-29.50.				
C-29.55.				
C-29.60.				
C-29.65.				
C-29.70.				
C-29.80.				
§ 2-5. JAMES MADISON UNIVERSITY (216)				
C-30.				
C-31.				
C-32.				
C-32.10.				
C-33.				
C-34.				
C-34.10.				
C-34.20.				
C-34.25.				
C-34.28.				
C-34.29.				
C-34.30.				
C-34.40.				
C-34.50.			\$0	\$34,284,000
		\$0	\$34,284,000	
C-34.60.			\$0	\$18,914,170

ITEM C-34.60.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
<i>Fund Sources: Bond Proceeds</i>	\$0	\$18,914,170		
C-34.70. <i>Acquisition: Acquire Land (17440)</i>			\$0	\$4,550,000
<i>Fund Sources: Bond Proceeds</i>	\$0	\$4,550,000		
<i>In lieu of issuing revenue-backed debt for the acquisition of this property, the Director, Department of Planning and Budget may approve the use of nongeneral fund balances from auxiliary services for this acquisition.</i>				
Total for James Madison University.....			\$55,390,000	\$6,460,000 \$64,208,170
Fund Sources: General.....	\$8,000,000	\$360,000		
Higher Education Operating.....	\$9,691,000	\$6,100,000		
Bond Proceeds	\$37,699,000	\$0		
		\$57,748,170		

§ 2-6. LONGWOOD UNIVERSITY (214)

C-35.	Not set out.			
C-35.10.	Not set out.			
C-36.	Not set out.			
C-37.	Not set out.			
C-38.	Not set out.			
C-38.01.	Not set out.			
C-38.03.	Not set out.			
C-38.05.	Not set out.			
C-38.07.	Not set out.			
C-38.08.	Not set out.			
C-38.10.	<i>Improvements: Renovate Baseball and Softball Fields (17319)</i>		\$0	\$2,558,000
	<i>Fund Sources: Bond Proceeds</i>	\$0	\$2,558,000	
Total for Longwood University.....			\$20,300,000	\$6,971,000 \$9,529,000
Fund Sources: General.....	\$0	\$1,557,000		
Higher Education Operating.....	\$5,000,000	\$0		
Bond Proceeds	\$15,300,000	\$5,414,000		
		\$7,972,000		
C-38.20.	Not set out.			
C-39.	Not set out.			
C-40.	Not set out.			
C-41.	Not set out.			
C-41.10.	Not set out.			

ITEM C-41.20.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-41.20.	Not set out.			
C-41.30.	Not set out.			
C-41.35.	Not set out.			
C-41.40.	Not set out.			
C-42.	Not set out.			
C-42.10.	Not set out.			
C-42.20.	Not set out.			
C-43.	Not set out.			
C-43.05.	Not set out.			
C-43.10.	Not set out.			
C-43.15.	Not set out.			
C-43.20.	Not set out.			
C-44.	Not set out.			
C-44.10.	Not set out.			
C-44.15.	Not set out.			
C-45.	Not set out.			
C-46.	Not set out.			
C-47.	Not set out.			
C-48.	Not set out.			
C-49.	Not set out.			
C-50.	Not set out.			
C-51.	Not set out.			
C-52.	Not set out.			
C-52.10.	Not set out.			
C-52.20.	Not set out.			
C-52.30.	Not set out.			
C-52.40.	Not set out.			
C-52.50.	Not set out.			
C-52.60.	Not set out.			
C-52.65.	Not set out.			
C-53.	Not set out.			
C-54.	Not set out.			

ITEM C-55.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-55.				
Not set out.				
C-55.05.				
Not set out.				
C-55.07.				
Not set out.				
C-55.10.				
Not set out.				
C-55.11.				
Not set out.				
C-55.15.				
Not set out.				
C-56.				
Not set out.				
C-56.10.				
Not set out.				
C-56.15.				
Not set out.				
C-57.				
Not set out.				
C-57.10.				
Not set out.				
C-58.				
Not set out.				
C-59.				
Not set out.				
C-60.				
Not set out.				
C-61.				
Not set out.				
C-62.				
Not set out.				
C-63.				
Not set out.				
C-64.				
Not set out.				
C-65.				
Not set out.				
C-66.				
Not set out.				
C-67.				
Not set out.				
C-67.10.				
Not set out.				
C-67.20.				
Not set out.				
C-67.30.				
Not set out.				
C-67.40.				
Not set out.				
C-67.50.				
Not set out.				
C-67.55.				
Not set out.				
C-67.60.				
Not set out.				
C-67.65.				
Not set out.				
C-67.70.				
Not set out.				
C-67.75.				
Not set out.				
C-67.80.				
Not set out.				

ITEM C-68.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-68.	Not set out.			
C-69.	Not set out.			
C-70.	Not set out.			
C-71.	Not set out.			
C-71.10.	Not set out.			
C-71.11.	Not set out.			
C-71.15.	Not set out.			
C-71.20.	Not set out.			
C-71.25.	Not set out.			
C-71.30.	Not set out.			
C-72.	Not set out.			
C-73.	Not set out.			
C-74.	Not set out.			
C-75.	Not set out.			
C-76.	Not set out.			
C-76.10.	Not set out.			
C-77.	Not set out.			
C-77.05.	Not set out.			
C-77.10.	Not set out.			
C-77.20.	Not set out.			
C-78.	Not set out.			
C-79.	Not set out.			
C-80.	Not set out.			
C-80.10.	Not set out.			
C-80.20.	Not set out.			
C-80.30.	Not set out.			
C-81.	Not set out.			
C-82.	Not set out.			
C-83.	Not set out.			
C-84.	Not set out.			

ITEM C-85.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

C-85. Not set out.

C-85.05. Not set out.

C-85.10. Not set out.

§ 2-7. VIRGINIA COMMUNITY COLLEGE SYSTEM (260)

C-86. Not set out.

C-87. Not set out.

C-88. Not set out.

C-89. Not set out.

C-90. Not set out.

C-90.10. Not set out.

C-91. Not set out.

C-92. Not set out.

C-93. Not set out.

C-93.05. Not set out.

C-93.08. Not set out.

C-93.10. Not set out.

C-94. Not set out.

C-95. Not set out.

C-96. Not set out.

C-97. Not set out.

C-98. Not set out.

C-99. Not set out.

C-100. Not set out.

C-101. Not set out.

C-102. Not set out.

C-103. Not set out.

C-104. Not set out.

C-105. Not set out.

C-106. Not set out.

C-106.10. Not set out.

C-106.20. Not set out.

C-107. Not set out.

ITEM C-108.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-108.				
C-108.10.				
C-108.20.				
C-108.30.				
C-108.40.				
C-108.50.				
C-108.60.				
C-108.65.				
C-108.70.				
C-108.75.				
C-108.80.				
C-108.85.				
C-108.88.				
C-108.95.				
C-109.				
C-110.				
C-111.				
C-112.				
C-113.				
C-114.				
C-115.				
C-116.				
C-116.10.				
<i>C-116.10. New Construction: Health Sciences Building, Danville Community College (17441).....</i>			\$0	\$12,000,000
<i>Fund Sources: Higher Education Operating.....</i>	\$0	\$12,000,000		
<i>Any additional costs required for this project shall only be from nongeneral fund sources.</i>				
C-117.				
C-117.05.				
Total for Virginia Community College System			\$87,927,290	\$50,598,475 \$62,598,475
Fund Sources: General	\$0	\$27,063,000		
Higher Education Operating.....	\$400,000	\$1,065,000		
		\$13,065,000		
Trust and Agency	\$9,946,000	\$9,161,000		
Bond Proceeds	\$77,581,290	\$13,309,475		

ITEM C-117.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
§ 2-8. VIRGINIA MILITARY INSTITUTE (211)				
C-117.10. Not set out.				
C-117.20. Not set out.				
C-117.25. <i>New Construction: North Institute Parking Lot (17442)..</i>			\$0	\$950,000
<i>Fund Sources: Higher Education Operating.....</i>	\$0	\$950,000		
C-118. Not set out.				
C-118.10. Not set out.				
C-119. Not set out.				
C-119.10. Improvements: Renovate Kilbourne Hall Complex (17119)			\$21,900,000	\$3,700,000 \$5,600,000
Fund Sources: General.....	\$3,700,000	\$3,700,000 \$5,600,000		
Higher Education Operating.....	\$9,100,000	\$0		
Bond Proceeds	\$9,100,000	\$0		
C-119.15. Not set out.				
C-119.18. Not set out.				
Total for Virginia Military Institute			\$30,837,000	\$33,339,000 \$36,189,000
Fund Sources: General.....	\$7,186,000	\$5,286,000 \$7,186,000		
Higher Education Operating.....	\$9,462,000	\$26,600,000 \$27,550,000		
Bond Proceeds	\$14,189,000	\$1,453,000		
C-119.20. Not set out.				
C-120. Not set out.				
C-120.05. Not set out.				
C-120.10. Not set out.				
C-120.15. Not set out.				
C-121. Not set out.				
C-122. Not set out.				
C-122.10. Not set out.				
C-122.20. Not set out.				
C-122.30. Not set out.				
C-122.35. Not set out.				
C-122.40. Not set out.				
C-123. Not set out.				

ITEM C-124.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-124. Not set out.				
C-124.05. Not set out.				
C-124.07. Not set out.				
C-124.09. Not set out.				
C-124.10. Not set out.				
C-125. Not set out.				
C-125.05. Not set out.				
C-125.07. Not set out.				
C-125.09. Not set out.				
C-125.10. Not set out.				
C-125.15. Not set out.				
C-126. Not set out.				
C-126.10. Not set out.				
C-127. Not set out.				
C-128. Not set out.				
C-129. Not set out.				
C-130. Not set out.				
C-131. Not set out.				
C-131.10. Not set out.				
C-131.20. Not set out.				
C-131.30. Not set out.				
C-131.80. Not set out.				
C-132. Not set out.				
C-133. Not set out.				
C-133.10. Not set out.				
C-134. Not set out.				
C-135. Not set out.				
C-135.10. Not set out.				
C-135.20. Not set out.				
TOTAL FOR OFFICE OF EDUCATION.....			\$1,427,829,159	\$287,389,600 \$369,945,770
Fund Sources: General	\$28,824,000	\$77,221,000 \$79,121,000		
Special.....	\$20,506,000	\$1,603,000		

ITEM C-135.20.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Higher Education Operating.....	\$472,584,869	\$55,522,000		
	\$469,334,869	\$68,472,000		
Trust and Agency	\$9,946,000	\$9,161,000		
Bond Proceeds	\$895,968,290	\$143,882,600		
	\$899,218,290	\$211,588,770		

OFFICE OF FINANCE

C-136. Not set out.

TOTAL FOR OFFICE OF FINANCE..... **\$0** **\$0**

OFFICE OF HEALTH AND HUMAN RESOURCES

C-137. Not set out.

C-138. Not set out.

C-139. Not set out.

C-139.10. Not set out.

C-139.15. Not set out.

C-139.20. Not set out.

§ 2-9. WOODROW WILSON REHABILITATION CENTER (203)

C-140. Not set out.

C-141. Not set out.

C-142. Not set out.

C-143. Not set out.

C-143.10. *Improvements: Renovate Water and Sewer Systems (17443)* **\$0** **\$1,500,000**

Fund Sources: General..... **\$0** **\$750,000**
Special..... **\$0** **\$750,000**

This appropriation shall be utilized to modernize and upgrade the water supply system serving those Augusta County Schools located adjacent to the Woodrow Wilson Rehabilitation Center, and served by its water system. This appropriation is contingent upon the provision of \$750,000 in matching funds by Augusta County.

Total for Woodrow Wilson Rehabilitation Center **\$6,823,000** **\$0**
\$1,500,000

Fund Sources: *General*..... **\$0** **\$750,000**
Special..... **\$0** **\$750,000**
Bond Proceeds **\$6,823,000** **\$0**

C-144. Not set out.

C-145. Not set out.

TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES..... **\$16,770,000** **\$2,627,000**
\$4,127,000

ITEM C-145.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Fund Sources: General	\$3,250,000	\$0		
		\$750,000		
<i>Special</i>	\$0	\$750,000		
Bond Proceeds	\$13,520,000	\$2,627,000		

OFFICE OF NATURAL RESOURCES

§ 2-10. DEPARTMENT OF CONSERVATION AND RECREATION (199)

C-146.	Not set out.				
C-146.05.	Not set out.				
C-146.10.	Not set out.				
C-146.15.	Not set out.				
C-146.20.	Not set out.				
C-146.25.	Not set out.				
C-146.30.	Not set out.				
C-146.35.	Not set out.				
C-146.40.	Not set out.				
C-146.50.	Not set out.				
C-146.55.	Not set out.				
C-147.	Not set out.				
C-147.05.	Not set out.				
C-147.08.	<i>Improvements: Westmoreland State Park Meeting Facility (17444)</i>			\$0	\$800,000
	<i>Fund Sources: Special</i>	\$0	\$800,000		
C-147.10.	Not set out.				
	Total for Department of Conservation and Recreation			\$5,730,000	\$11,612,118
					\$12,412,118
	Fund Sources: General	\$2,130,000	\$10,012,118		
	Special	\$1,600,000	\$1,600,000		
			\$2,400,000		
	Bond Proceeds	\$2,000,000	\$0		
C-148.	Not set out.				
C-149.	Not set out.				
C-150.	Not set out.				
C-151.	Not set out.				
C-152.	Not set out.				
C-153.	Not set out.				
C-153.10.	Not set out.				

ITEM C-153.20.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
C-153.20. Not set out.				
C-154. Not set out.				
C-154.10. Not set out.				
TOTAL FOR OFFICE OF NATURAL RESOURCES			\$15,572,000	\$15,362,118 <i>\$16,162,118</i>
Fund Sources: General	\$4,205,000	\$10,012,118		
Special	\$1,600,000	\$1,600,000 <i>\$2,400,000</i>		
Trust and Agency	\$250,000	\$1,750,000		
Dedicated Special Revenue	\$3,287,000	\$0		
Bond Proceeds	\$6,230,000	\$2,000,000		

OFFICE OF PUBLIC SAFETY

C-155. Not set out.				
C-155.10. Not set out.				
C-156. Not set out.				
C-157. Not set out.				
C-158. Not set out.				
C-159. Not set out.				
C-160. Not set out.				
C-161. Not set out.				
C-161.10. Not set out.				
C-162. Not set out.				
C-163. Not set out.				
C-164. Not set out.				
C-164.10. Not set out.				
C-164.20. Not set out.				
C-164.30. Not set out.				
C-164.40. Not set out.				
C-165. Not set out.				
C-166. Not set out.				
C-167. Not set out.				
C-167.10. Not set out.				
C-168. Not set out.				
C-168.10. Not set out.				
TOTAL FOR OFFICE OF PUBLIC SAFETY			\$221,109,800	\$11,487,000

ITEM C-168.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Fund Sources: General	\$2,291,800	\$4,636,000		
Special	\$1,529,000	\$0		
Federal Trust.....	\$0	\$5,138,000		
Bond Proceeds	\$217,289,000	\$1,713,000		

OFFICE OF TRANSPORTATION

- C-169. Not set out.
- C-169.10. Not set out.
- C-170. Not set out.
- C-171. Not set out.
- C-172. Not set out.
- C-173. Not set out.
- C-174. Not set out.
- C-175. Not set out.
- C-176. Not set out.
- C-177. Not set out.
- C-178. Not set out.
- C-179. Not set out.
- C-180. Not set out.
- C-181. Not set out.
- C-182. Not set out.
- C-183. Not set out.
- C-184. Not set out.
- C-185. Not set out.
- C-186. Not set out.
- C-187. Not set out.
- C-188. Not set out.
- C-189. Not set out.
- C-190. Not set out.
- C-191. Not set out.
- C-192. Not set out.
- C-193. Not set out.

TOTAL FOR OFFICE OF TRANSPORTATION			\$107,144,000	\$36,498,000
Fund Sources: Special	\$32,000,000	\$16,200,000		
Commonwealth Transportation	\$12,644,000	\$20,298,000		
Bond Proceeds	\$62,500,000	\$0		

ITEM C-194.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

CENTRAL APPROPRIATIONS

- C-194. Not set out.
- C-194.10. Not set out.
- C-195. Not set out.
- C-196. Not set out.
- C-196.10. Not set out.

§ 2-11. 9(C) REVENUE BONDS (950)

- C-197. A.1. This Item authorizes the capital projects listed below to be financed pursuant to Article X, Section 9 (c), Constitution of Virginia.
 - 2. The appropriations for said capital projects are contained in the appropriation Items listed below and are subject to the conditions in § 2-0 F of this act.
 - 3. The total amount listed in this Item includes ~~\$127,479,000~~ \$180,677,170 in bond proceeds.

Agency Name/ Project Title	Item#	Project Code	Section 9(c) Bonds	Total
Department of General Services				
Acquire Virginia Retirement System parking deck	C-2	16996	\$5,700,000	\$5,700,000
The College Of William And Mary In Virginia				
Renovate dormitories	C-13	16340	\$6,105,000	\$6,105,000
Renovate Commons Dining Hall	C-12	16647	\$11,493,000	\$11,493,000
James Madison University				
<i>New Residence Hall</i>	<i>C-34.50</i>	<i>17329</i>	<i>\$34,284,000</i>	<i>\$34,284,000</i>
<i>Dining Hall</i>	<i>C-34.60</i>	<i>17439</i>	<i>\$18,914,170</i>	<i>\$18,914,170</i>
University Of Virginia				
Construct Alderman Road housing	C-57	16650	\$22,500,000	\$22,500,000
Virginia Polytechnic Institute and State University				
Improve major residence and dining hall	C-121	17008	\$4,000,000	\$4,000,000
George Mason University				
Renovate student housing, President's Park I	C-23	17050	\$3,340,000	\$3,340,000
Construct student housing VII	C-27	17056	\$63,778,000	\$63,778,000
Renovate Commonwealth and Dominion Halls	C-18.10	16690	\$1,925,000	\$1,925,000
University of Virginia's College at Wise				
Construct new residence hall	C-71.30	16963	\$7,185,000	\$7,185,000
Virginia Military Institute				

ITEM C-197.			Item Details(\$)		Appropriations(\$)	
			First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
	Renovate and Expand Crozet Hall	C-117.20 16684	\$1,453,000		\$1,453,000	
	Total for Nongeneral fund obligation bonds 9(c)		\$127,479,000 \$180,677,170		\$127,479,000 \$180,677,170	

C-198. Not set out.

Total for 9(C) Revenue Bonds..... **\$0** **\$0**

§ 2-12. 9(D) REVENUE BONDS (951)

- C-199. 1. This Item authorizes the capital projects listed below to be financed pursuant to Article X, Section 9 (d), Constitution of Virginia.
2. The appropriations for said capital projects are contained in the appropriation Items listed below and are subject to the conditions in § 2-0 F of this act.
3. The total amount listed in this Item includes ~~\$720,431,125~~ \$736,189,125 in bond proceeds and \$156,705,000 in higher education operating funds.

Agency Name/ Project Title	Item#	Project Code	Section 9(d)Bonds	Higher Education Operating	Total
University of Virginia					
Upgrade main heating plant for environmental compliance	C-58	16872	\$19,800,000	\$0	\$19,800,000
Acquire Advanced Research Technology Facility	C-67.30	17106	\$38,870,000	\$0	\$38,870,000
Construct Medical Research Building (MR-6)	C-55.15	16282	\$9,900,000	\$0	\$9,900,000
Construct North Health System Parking Garage	C-67.50	17150	\$28,000,000	\$0	\$28,000,000
Construct Arts Ground Parking	C-67.55	17151	\$10,600,000	\$0	\$10,600,000
Construct Arts Center	C-67.60	17152	\$12,000,000	\$79,000,000	\$91,000,000
University of Virginia Medical Center					
Construct Children's Medical Center	C-69	17011	\$11,000,000	\$37,000,000	\$48,000,000
Expand Hospital	C-71.10	16392	\$24,000,000	\$0	\$24,000,000
Construct Clinical Cancer Center	C-71.15	17155	\$36,995,000	\$33,705,000	\$70,700,000
College of William and Mary					
Construct New School of Business Building	C-15.10	16648	\$40,000,000	\$0	\$40,000,000
Construct Parking Deck Supplement	C-15.20	16410	\$6,321,000	\$0	\$6,321,000
Construct New Dormitory	C-12.10	16691	\$4,200,000	\$0	\$4,200,000
Improve Intercollegiate Athletic Facilities	C-15.40	17164	\$4,500,000	\$0	\$4,500,000
Expand Recreational Sports Center	C-15.50	17187	\$2,750,000	\$0	\$2,750,000
Construct Integrated Science Center	C-15.50	17187	\$10,000,000	\$2,000,000	\$12,000,000

ITEM C-199.			Item Details(\$)		Appropriations(\$)	
			First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
	<i>Football Field Practice Facility</i>	<i>C-15.55</i>	<i>16579</i>	<i>\$5,850,000</i>	<i>\$0</i>	<i>\$5,850,000</i>
	James Madison University					
	Construct Recreation Fields	C-34.10	17096	\$8,000,000	\$0	\$8,000,000
	Renovate Parking Deck	C-34.20	17098	\$8,600,000	\$5,000,000	\$13,600,000
	Acquire Property on Cantrell Avenue	C-34.30	17168	\$10,000,000	\$0	\$10,000,000
	<i>Acquire Land</i>	<i>C-34.70</i>	<i>17440</i>	<i>\$4,550,000</i>	<i>\$0</i>	<i>\$4,550,000</i>
	Longwood University					
	Construct Lacrosse/Field Hockey Complex	C-36	17018	\$3,306,000	\$0	\$3,306,000
	Renovate Blackwell Hall and Bookstore	C-37	17019	\$3,850,000	\$0	\$3,850,000
	Modernize Heating Plant, Phase II	C-35	17017	\$4,805,000	\$0	\$4,805,000
	Install Generators	C-38.05	17148	\$2,013,000		\$2,013,000
	Construct Soccer Fields	C-38.01	17146	\$1,751,000	\$0	\$1,751,000
	Renovate Lancer Gymnasium and Willett Hall	C-38.03	17147	\$1,650,000	\$0	\$1,650,000
	<i>Renovate Baseball and Softball Fields</i>	<i>C-38.10</i>	<i>17319</i>	<i>\$2,558,000</i>	<i>\$0</i>	<i>\$2,558,000</i>
	University of Mary Washington					
	Construct Convocation Center	C-39	17021	\$25,000,000	\$0	\$25,000,000
	Construct Parking Deck	C-40	17022	\$6,000,000	\$0	\$6,000,000
	Old Dominion University					
	Construct Indoor Tennis Center	C-47	17031	\$4,293,000	\$0	\$4,293,000
	Relocate and Expand Athletic Facilities	C-49	17033	\$6,059,000	\$0	\$6,059,000
	Construct Village Parking Garage	C-50	17034	\$8,818,000	\$0	\$8,818,000
	Construct 49th Street Parking Garage	C-51	17035	\$6,941,000	\$0	\$6,941,000
	Renovate Health and Physical Education Building	C-52.30	17103	\$12,982,000	\$0	\$12,982,000
	Construct Student Dormitory	C-52.50	17195	\$23,745,125	\$0	\$23,745,125
	Virginia Commonwealth University					
	Construct Academic Campus Housing	C-78	17038	\$20,713,000	\$0	\$20,713,000
	Construct New School of Business	C-80.10	17108	\$30,508,000	\$0	\$30,508,000
	Construct Monroe Campus Parking Deck	C-80.20	17109	\$14,000,000	\$0	\$14,000,000
	Renovate Hunton Hall	C-80.30	17110	\$5,000,000	\$0	\$5,000,000
	Construct Game and Inland Fisheries Regional Headquarters at the Rice Center	C-81	17042	\$1,600,000	\$0	\$1,600,000
	Construct New School of Nursing	C-82	17083	\$3,000,000	\$0	\$3,000,000
	Construct School of Engineering	C-77.05	16403	\$20,225,000	\$0	\$20,225,000
	Expand Massey Cancer Center	C-77	16344	\$6,000,000	\$0	\$6,000,000
	Acquire Ad Center Facility	C-77.20	17200	\$7,000,000	\$0	\$7,000,000
	Christopher Newport University					
	Construct Parking Deck II	C-10	17046	\$9,200,000	\$0	\$9,200,000

ITEM C-199.			Item Details(\$)		Appropriations(\$)	
			First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
	Construct Student Center Supplement	C-11.10	16706	\$3,400,000 \$8,200,000	\$0	\$3,400,000 \$8,200,000
	George Mason University					
	Construct an Addition to the Krasnow Institute	C-18	16665	\$6,000,000	\$0	\$6,000,000
	Construct Prince William Performing Arts Center	C-20	16745	\$35,000,000	\$0	\$35,000,000
	Construct Institute for Conflict Analysis and Resolution Conference Center	C-21	16835	\$9,000,000	\$0	\$9,000,000
	Construct Parking Deck III	C-22	17049	\$21,668,000	\$0	\$21,668,000
	Construct Student Union III	C-24	17051	\$10,021,000	\$0	\$10,021,000
	Renovate and Expand the Physical Education Building	C-26	17054	\$17,003,000	\$0	\$17,003,000
	Construct Surge Space on Fairfax Campus	C-29.55	17142	\$8,700,000	\$0	\$8,700,000
	Construct Addition Fieldhouse	C-29.60	17143	\$4,400,000	\$0	\$4,400,000
	Construct Academic II Parking	C-17.30	16523	\$815,000	\$0	\$815,000
	Patriot Center	C-29.30	15812	\$1,000,000	\$0	\$1,000,000
	Construct Child Development Cetner	C-26.10	17191	\$1,800,000	\$0	\$1,800,000
	Virginia Polytechnic Institute and State University					
	Improve Boiler Pollution Controls	C-122	17009	\$2,000,000	\$0	\$2,000,000
	Construct Surge Space	C-122.30	17204	\$8,500,000	\$0	\$8,500,000
	Construct Performing Arts Center	C-120.05	16758	\$5,000,000	\$0	\$5,000,000
	Construct Graduate Student Center	C-122.30	17204	\$3,000,000	\$0	\$3,000,000
	Virginia Community College System					
	Construct Parking Garage, Portsmouth Campus, Tidewater	C-104	17066	\$18,849,000	\$0	\$18,849,000
	Construct Student Center, Virginia Beach Campus, Tidewater	C-105	17067	\$20,810,000	\$0	\$20,810,000
	Construct Student Center, Norfolk Campus, Tidewater	C-106	17068	\$13,770,000	\$0	\$13,770,000
	Norfolk State University					
	Renovate and Expand Student Center	C-43.15	16873	\$8,000,000	\$0	\$8,000,000
	Virginia State University					
	Renovate Rogers Stadium	C-124.05	16121	\$2,600,000	\$0	\$2,600,000
	Renovate Student Housing	C-125.05	17207	\$1,400,000	\$0	\$1,400,000
	University of Virginia-Wise					
	Acquire Land	C-74.10	17080	\$1,200,000	\$0	\$1,200,000
	Department of Motor Vehicles					
	Construct Truck Inspection Station	C-169.10	17129	\$2,500,000	\$0	\$2,500,000
	Total for Nongeneral Fund Obligation Bonds 9(d)			\$720,431,125 \$738,189,125	\$156,705,000	\$877,136,125 \$894,894,125

The appropriation for James Madison University to "Acquire Property on Cantrell Avenue" in this item constitutes the first phase of this acquisition. It is anticipated that sufficient general fund and nongeneral

ITEM C-199.	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
fund appropriations will be provided in future fiscal years to cover all phases of the project as specified in the final contract.				
C-200.	Not set out.			
C-201.	Not set out.			
C-202.	Not set out.			
C-203.	Not set out.			
Total for 9(D) Revenue Bonds.....			\$0	\$0
TOTAL FOR CENTRAL APPROPRIATIONS.....			\$57,825,000	\$20,000,000
Fund Sources: General.....	\$57,825,000	\$20,000,000		
TOTAL FOR PART 2: CAPITAL PROJECT EXPENSES			\$1,868,660,959	\$374,138,718
				\$464,494,888
Fund Sources: General.....	\$97,193,800	\$112,444,118		
		\$120,594,118		
Special.....	\$56,744,000	\$19,603,000		
		\$21,153,000		
Higher Education Operating.....	\$472,584,869	\$55,522,000		
	\$469,334,869	\$68,472,000		
Commonwealth Transportation	\$12,644,000	\$20,298,000		
Trust and Agency	\$10,806,000	\$10,911,000		
Debt Service.....	\$507,000	\$0		
Dedicated Special Revenue	\$3,287,000	\$0		
Federal Trust.....	\$6,000,000	\$5,138,000		
Bond Proceeds	\$1,208,894,290	\$150,222,600		
	\$1,212,144,290	\$217,928,770		

	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

PART 3: MISCELLANEOUS

§ 3-1.01 INTERFUND TRANSFERS

A.1. In order to reimburse the general fund of the state treasury for expenses herein authorized to be paid therefrom on account of the activities listed below, the State Comptroller shall transfer the sums stated below to the general fund from the nongeneral funds specified, except as noted, on January 1 of each year of the current biennium. Transfers from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of the quarter. The payment for the fourth quarter of each fiscal year shall be made in the month of June.

	FY 2005	FY 2006
1. Alcoholic Beverage Control Enterprise Fund (§ 4.1-116, Code of Virginia)		
a) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Mental Health, Mental Retardation and Substance Abuse Services and other state agencies (from Alcoholic Beverage Control gross profits)	\$62,731,769	\$62,731,769
b) For expenses incurred by the Virginia Wine Board (from Alcoholic Beverage Control gross profits)	\$490,679	\$490,679
c) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Mental Health, Mental Retardation and Substance Abuse Services and other state agencies (from gross wine liter tax collections as specified in § 4.1-234, Code of Virginia)	\$9,886,363	\$9,886,363
2. Forest Products Tax Fund (§ 58.1-1609, Code of Virginia) For collection by Department of Taxation	\$33,878	\$33,878
3. Peanut Fund (§ 3.1-662, Code of Virginia) For collection by Department of Taxation	\$969	\$969
4. Proceeds of the Tax on Motor Vehicle Fuels For inspection of gasoline, diesel fuel and motor oils	\$97,586	\$97,586
5. Virginia Retirement System (Trust and Agency) For postage by the Department of the Treasury	\$60,000	\$60,000
6. Department of Alcoholic Beverage Control (Enterprise) For services by the:		
a) Auditor of Public Accounts	\$75,521	\$75,521
b) Department of Accounts	\$64,607	\$64,607
c) Department of the Treasury	\$47,628	\$47,628
7. Department of Agriculture and Consumer Services (Federal Trust) For the Meat and Poultry Program	\$112,000	\$112,000
TOTAL	\$73,601,000	\$73,601,000

2.a. Transfers of net profits from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of each quarter. The transfer of fourth quarter profits shall be estimated and made in the month of June. In the event actual net profits of the next quarter and the resulting sum transferred to the general fund. Distributions to localities shall be made within fifty (50) days of the close of each quarter. Net profits are estimated at \$15,100,000 the first year and ~~\$19,800,000~~ \$26,600,000 the second year. Distributions of net profits from the sale of alcoholic beverages to localities shall not exceed \$4,150,000 the first year and \$4,150,000 the second year.

b. Pursuant to § 4.1-116 B, Code of Virginia, the Department of Alcoholic Beverage Control shall notify the State Comptroller of the amount to be deducted quarterly from the net profits for transfer to the reserve fund established by the cited section.

c. Distributions of wine liter tax collections to localities pursuant to § 4.1-235, Code of Virginia, shall not exceed \$4,350,000

the first year and \$4,350,000 the second year.

B.1. If any transfer to the general fund required by this subsection § 3-1.01 is subsequently determined to be in violation of any federal statute or regulation, the State Comptroller is hereby directed to reverse such transfer and to return such funds to the affected nongeneral fund account.

2. There is hereby appropriated from the applicable funds such amounts as are required to be refunded to the federal government for mutually agreeable resolution of internal service fund over-recoveries as identified by the U. S. Department of Health and Human Services' review of the annual Statewide Indirect Cost Allocation Plans.

C. In order to fund such projects for improvement of the Chesapeake Bay and its tributaries as provided in § 58.1-2289 D, Code of Virginia, there is hereby transferred to the general fund of the state treasury the amounts listed below. The Department of Motor Vehicles shall be responsible for effecting the provisions of this paragraph. The amounts listed below shall be transferred on June 30 of each fiscal year.

154	Department of Motor Vehicles	\$7,416,469	\$7,416,469
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D. The provisions of Chapter 6 of Title 58.1, Code of Virginia notwithstanding, the State Comptroller shall transfer to the general fund from the special fund titled "Collections of Local Sales Taxes" a proportionate share of the costs attributable to increased local sales and use tax compliance efforts and retention of local mapping services by the Department of Taxation estimated at \$5,963,207 the first year and ~~\$6,166,888~~ \$5,865,752 the second year.

E. The State Comptroller shall transfer to the general fund from the Transportation Trust Fund a proportionate share of the costs attributable to increased sales and use tax compliance efforts by the Department of Taxation estimated at \$2,812,642 the first year and ~~\$2,812,642~~ \$2,868,288 the second year.

F. The State Comptroller shall transfer on or before June 30, 2005, and June 30, 2006, respectively, to the general fund of the state treasury the following amounts from the agencies and fund sources listed below, for expenses incurred by central service agencies:

Agency Code	Agency	Fund Group	FY 2005	FY 2006
912	Department of Veterans' Services	0200	\$95,915	\$37,929
912	Department of Veterans' Services	0900	\$0	\$1,048
165	Department of Housing and Community Development	0925	\$5,597	\$483
222	Department of Professional and Occupational Regulation	0259	\$848	\$1,215
226	Board of Accountancy	0900	\$0	\$7,817
325	Department of Business Assistance	0200	\$126	\$898
325	Department of Business Assistance	0900	\$12,447	\$4,705
411	Department of Forestry	0200	\$5,178	\$25,209
411	Department of Forestry	0926	\$198	\$539
851	Virginia Tobacco Indemnification and Community Revitalization Commission	0900	\$234,663	\$165,997
146	The Science Museum of Virginia	0200	\$23,927	\$89,434
218	Virginia School for the Deaf and the Blind at Staunton	0200	\$2,467	\$0
219	Virginia School for the Deaf, Blind and Multi-Disabled at Hampton	0200 0200	\$0 \$3,314	\$1,677 \$11,505
215	University of Mary Washington (Melchers-Monroe Memorials)			

238	Virginia Museum of Fine Arts	0200	\$50,000	\$69,930
239	Frontier Culture Museum of Virginia	0200	\$4,286	\$6,962
417	Gunston Hall	0200	\$3,183	\$6,481
425	Jamestown-Yorktown Foundation	0200	\$10,601	\$20,865
203	Woodrow Wilson Rehabilitation Center	0200	\$141,765	\$88,222
262	Department of Rehabilitative Services	0900	\$0	\$3,849
601	Department of Health	0900	\$76,494	\$73,751
602	Department of Medical Assistance Services	0900	\$70,390	\$81,325
751	Department for the Deaf and Hard-of-Hearing	0200	\$0	\$2,122
852	Virginia Tobacco Settlement Foundation	0900	\$30,197	\$35,416
199	Department of Conservation And Recreation	0200	\$9,361	\$7,612
199	Department of Conservation And Recreation	0900	\$131,302	\$88,504
402	Marine Resources Commission	0249	\$31,474	\$28,935
402	Marine Resources Commission	0900	\$1,073	\$1,297
403	Department of Game and Inland Fisheries	0900	\$553,521	\$610,712
123	Department of Military Affairs	0901	\$1,844	\$1,032
127	Department of Emergency Management	0400	\$10,302	\$5,009
140	Department of Criminal Justice Services	0930	\$42,152	\$56,346
960	Department of Fire Programs	0218	\$85,768	\$85,768
136	Virginia Information Technologies Agency	0900	\$14,967	\$62,748
154	Department of Motor Vehicles	0454	\$958,258	\$1,789,309
407	Virginia Port Authority	0200	\$33,800	\$22,034
407	Virginia Port Authority	0400	\$71,213	\$113,985
501	Department of Transportation	0400	\$4,180,250	\$4,180,250
505	Department of Rail and Public Transportation	0410	\$229,360	\$181,901
506	Motor Vehicle Dealer Board	0212	\$10,120	\$12,345
841	Department of Aviation	0475	\$87,935	\$87,490
171	State Corporation Commission	0902	\$7,794	\$10,900
174	Virginia College Savings Plan	0500	\$107,791	\$141,314

175	Virginia Office for Protection and Advocacy	0200	\$1,150	\$3,614
TOTAL			\$7,341,031	\$8,228,484

G. The Comptroller shall transfer to the Lottery Proceeds Fund an amount estimated at \$423,500,000 the first year and ~~\$441,800,000~~ \$433,500,000 the second year from the State Lottery Fund. The transfer for each year shall be made in two parts: (1) on or before June 30 of each year, the Comptroller shall transfer balances of the State Lottery Fund for the fiscal year, based on an estimate determined by the State Lottery Department and (2) no later than ten days after receipt of the annual audit report required by § 58.1-4023, Code of Virginia, the Comptroller shall transfer to the Lottery Proceeds Fund the remaining audited balances of the State Lottery Fund for the prior fiscal year. If such annual audit discloses that the actual revenue is less than the estimate on which the transfer was based, the State Comptroller shall transfer the difference between the actual revenue and the estimate from the Lottery Proceeds Fund to the State Lottery Fund. The State Comptroller shall take all actions necessary to effect the transfers required by this paragraph, notwithstanding the provisions of § 58.1-4022, Code of Virginia. The amount so transferred to the Lottery Proceeds Fund shall be accounted for and considered to be part of the general fund of the state treasury pursuant to § 58.1-4022, Code of Virginia.

H.1. The State Treasurer is authorized to charge up to 20 basis points for each nongeneral fund account which he manages and which receives investment income. The assessed fees, which are estimated to generate \$3,500,000 the first year and \$3,500,000 the second year, will be based on a sliding fee structure as determined by the State Treasurer. The amounts shall be paid into the general fund of the state treasury.

2. The State Treasurer is authorized to charge institutions of higher education participating in the pooled bond program of the Virginia College Building Authority an administrative fee of up to 10 basis points of the amount financed for each project in addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected, which are estimated to generate \$100,000 the first year and \$100,000 the second year, shall be paid into the general fund of the state treasury.

3. The State Treasurer is authorized to charge agencies, institutions and all other entities that utilize alternative financing structures and require Treasury Board approval, including capital lease arrangements, up to 10 basis points of the amount financed in addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected shall be paid into the general fund of the state treasury.

I. The State Comptroller shall transfer to the general fund of the state treasury fifty percent of the annual reimbursement received from the Manville Property Damage Settlement Trust for the cost of asbestos abatement at state-owned facilities. The balance of the reimbursement shall be transferred to the state agencies that incurred the expense of the asbestos abatement.

J. The State Comptroller shall transfer to the general fund from the Revenue Stabilization Fund in the state treasury any amounts in excess of the limitation specified in § 2.2-1829, Code of Virginia.

K.1. Not later than thirty days after the close of each quarter during the biennium, the Comptroller shall transfer, notwithstanding the allotment specified in § 58.1-1410, Code of Virginia, funds collected pursuant to § 58.1-1402, Code of Virginia, from the general fund to the Game Protection Fund. This transfer shall not exceed \$3,114,755 the first year and ~~\$4,314,755~~ \$4,014,755 the second year.

2. Notwithstanding the provisions of subparagraph K.1. above, the Governor may, at his discretion, direct the Comptroller to transfer to the Game Protection Fund, any funds collected pursuant to § 58.1-1402, Code of Virginia, that are in excess of the official revenue forecast for such collections.

L. The State Comptroller shall transfer prior to January 1, 2005, and January 1, 2006, respectively, to the general fund of the state treasury the following amounts from the agencies and fund sources listed below, for expenses incurred in processing payroll.

Agency Name	Fund Group	FY 2005	FY 2006
Department of Minority Business Enterprise	0410	\$695	\$695
Department of Criminal Justice Services	1000	\$24,707	\$24,707
Virginia Information Technologies Agency	0600	\$31,222	\$31,222
Department of Professional and Occupational Regulation	0900	\$11,761	\$11,761
Department for the Aging	1000	\$910	\$910
Department of Health Professions	0900	\$11,930	\$11,930
Department of Medical Assistance Services	1000	\$12,565	\$12,565
Department of Emergency Management	1000	\$5,265	\$5,265
Department of Fire Programs	0218	\$4,400	\$4,400
Department of Rail and Public Transportation	0410	\$2,197	\$2,197
TOTAL		\$105,652	\$105,652

M.1. On or before June 30 each year, the State Comptroller shall transfer from the general fund to the Family Access to Medical Insurance Security Plan Trust Fund the amount required by § 32.1-352, Code of Virginia. This transfer shall not exceed \$14,065,627 the first year and \$14,065,627 the second year. The State Comptroller shall transfer 90 percent of the yearly estimated amounts to the Trust Fund on July 15 of each year.

2. Notwithstanding any other provision of law, interest earnings shall not be allocated to the Family Access to Medical Insurance Security Plan Trust Fund (agency code 602, fund detail 0903) in either the first year or the second year of the biennium.

N. The Comptroller shall transfer to the general fund on June 30 each year, the amount in excess of \$850,000 in the Regulatory and Consumer Advocacy Revolving Trust Fund of the Office of the Attorney General (Fund 0239) in accordance with Item 51 of this act.

O. Not later than thirty days after the close of each quarter during the biennium, the Comptroller shall transfer to the Game Protection Fund the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia. Notwithstanding § 58.1-638 E, this transfer shall not exceed \$10,525,125 the first year and \$10,525,125 the second year.

P. On or before June 30 2005, the State Comptroller shall transfer \$250,000 to the general fund from the special fund balance of the Commission on the Virginia Alcohol Safety Action Program to reimburse the general fund for expenses incurred on related activities.

Q.1. Notwithstanding any contrary provision of law, on or before June 30, 2005, and June 30, 2006, the State Comptroller shall transfer amounts estimated at ~~\$18,581,384~~ \$18,231,605 the first year and ~~\$11,262,551~~ \$10,912,775 the second year to the general fund of the state treasury from the state agencies indicated.

Agency Code	Agency Name	Fund Group Fund Detail	First Year	Second Year
129	Department of Human Resource Management	0200	\$99,496	\$61,214
129	Department of Human Resource Management	0700	\$69,607	\$34,803
157	Compensation Board	0708	\$231,393	\$115,696
194	Department of General Services	0600	\$1,000,000	\$500,000
912	Department of Veterans' Services	0200	\$17,570	\$8,785
912	Department of Veterans' Services	0200	\$4,650	\$2,325
181	Department of Labor and Industry	0200	\$10,678	\$5,339
182	Virginia Employment Commission	0200	\$109,845	\$109,845
	Department of Professional and Occupational Regulation	0900	\$108,301	\$54,150
222	Board of Accountancy	0900	\$13,185	\$6,592
325	Department of Business Assistance	0900	\$2,246	\$1,123
411	Department of Forestry	0200	\$90,389	\$45,194
201	Department Of Education, Central Office Operations	0200	\$150,000	\$75,000
202	The Library Of Virginia	0200	\$156,650	\$78,325
262	Department of Rehabilitative Services	0200	\$498,168	\$249,084
601	Department of Health	0200	\$62,500	\$31,250
601	Department of Health	0900	\$24,750	\$12,375
702	Department For The Blind And Vision Impaired	0200	\$37,575	\$18,787
765	Department of Social Services	0200	\$41,019	\$20,509
199	Department Of Conservation And Recreation	0200	\$61,300	\$30,650
440	Department of Environmental Quality	0900	68,324	68,324
127	Department of Emergency Management	0400	\$76,237	\$38,118
127	Department of Emergency Management	0700	\$29,500	\$14,750
140	Department of Criminal Justice Services	0200	\$186,000	\$126,250
140	Department of Criminal Justice Services	0900	\$211,382	\$105,691
156	Department of State Police	0200	\$603,800	\$514,075
156	Department of State Police	0400	\$304,288	\$152,144
960	Department of Fire Programs	0200	\$1,405,100	\$702,550
136	Virginia Information Technologies Agency	0900	\$1,902,000	\$1,902,000
154	Department of Motor Vehicles	0400	\$5,764,876	\$2,882,438
154	Department of Motor Vehicles	0700	\$809,250	\$404,625
407	Virginia Port Authority	0200	\$285,748	\$142,874
505	Department of Rail and Public Transportation	0400	\$259,247	\$129,623
505	Department of Rail and Public Transportation	0410	\$134,889	\$67,444
506	Motor Vehicle Dealer Board	0200	\$170,907	\$85,453
841	Department of Aviation	0400	\$3,200,000	\$2,100,000
841	Department of Aviation	0461	\$30,735	\$15,370

Total	\$18,581,381	\$11,262,551
	<i>\$18,231,605</i>	<i>\$10,912,775</i>

2. Prior to such transfer, the Department of Planning and Budget is authorized to adjust the above-cited amounts between agencies and between fund/fund detail amounts, so as to increase or decrease the amounts for an agency or for a designated fund/fund detail code, provided, however, that such adjustments shall not increase the total transfers to amounts in excess of the sums cited above. The Department of Planning and Budget shall notify the State Comptroller of such adjustments.

R.1. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Indemnification and Community Revitalization Fund to the general fund an amount estimated at \$215,401 the first year and \$215,401 the second year. This amount represents the Tobacco Indemnification and Community Revitalization Commission's fifty percent proportional share of the Office of the Attorney General's and Tax Department's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.1-336.2, Code of Virginia

2. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Settlement Fund to the general fund an amount estimated at \$43,080 the first year and \$43,080 the second year. This amount represents the Tobacco Settlement Foundation's ten percent proportional share of the Office of the Attorney General's and the Department of Taxation's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.1-336.2, Code of Virginia

S. On or before June 30, 2005, the State Comptroller shall transfer to the general fund \$3,614,783 from the Court Debt Collection Program Fund at the Department of Taxation. On or before June 30, 2006, the State Comptroller shall transfer to the general fund ~~\$1,951,720~~ \$3,614,783 from the Court Debt Collection Program Fund at the Department of Taxation.

T.1. Revenue from the sale of the following surplus properties shall be deposited into the general fund, notwithstanding the provisions of § 2.2-1125 B., Code of Virginia: the Old Fairfax Residency Complex (Northern Virginia Training Facility), operated by the Department of Transportation; the Tidewater Detention Center in Chesapeake, operated by the Department of Corrections; the Staunton Correctional Center, operated by the Department of Corrections; and approximately ten acres of land adjacent to the White Post Detention Center, operated by the Department of Corrections.

2. Out of the amounts transferred to the general fund pursuant to subparagraph T 1 above, the Comptroller shall transfer, one-half of the net proceeds, but not more than \$2,965,000, to the Conservation Resources Fund (§ 10.1-202, Code of Virginia).

U. On or before June 30, the Comptroller shall transfer \$5,700,000 in the first year and \$6,400,000 in the second year from the Department of Motor Vehicle's Uninsured Motorists Fund to the general fund. These amounts shall be from the share transferred to the State Corporation Commission.

V. On or before June 30, 2005, and June 30, 2006, the State Comptroller shall transfer \$5,500,000 the first year and \$5,500,000 the second year to the general fund from the Intensified Drug Enforcement Jurisdictions Fund at the Department of Criminal Justice Services.

W. On or before June 30, 2005, and June 30, 2006, the State Comptroller shall transfer \$2,644,000 the first year and \$2,644,000 the second year to the general fund from the Alcoholic Beverage Control Fund, representing ongoing budget reduction, to be obtained through efficiencies at the Department of Alcoholic Beverage Control.

X. On or before June 30, 2005, the State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$10,396,608 representing the fiscal year 2005 savings from a continued premium holiday on employer contributions for the group life program for state employees. On or before June 30, 2006, the State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$10,848,630 representing the fiscal year 2006 savings from a continued premium holiday on employer contributions for the group life program for state employees. Appropriated funds from federal sources are exempt from this transfer.

Y. On or before June 30, 2005, the State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$3,407,961 representing the fiscal year 2005 savings from the utilization of a 30-year amortization period for the valuation of Virginia Retirement System assets and liabilities in determining employer retirement contribution rates. On or before June 30, 2006, the State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$3,556,135 representing the fiscal year 2006 savings from the utilization of a 30-year amortization period for the valuation of Virginia Retirement System assets and liabilities in determining employer retirement contribution rates. Appropriated funds from federal sources are exempt from this transfer.

Z. On or before June 30, 2005, the State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$2,503,872 representing the fiscal year 2005 savings from an adjustment in the contribution rates paid by state agencies on behalf of their employees for the retiree healthcare credit program. On or before June 30, 2006, the State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$2,612,882 representing the fiscal year 2006 savings from an adjustment in the contribution rates paid by state agencies on behalf of their

employees for the retiree healthcare credit program. Appropriated funds from federal sources are exempt from this transfer.

AA. The State Comptroller shall transfer from agency and institution nongeneral fund accounts to the general fund an amount estimated at \$1,025,055 on or before June 30, 2005, and \$861,440 on or before June 30, 2006, resulting from savings pursuant to a Virginia Information Technologies Agency rate decrease for telecommunications services effective November, 2003. The Director, Department of Planning and Budget, shall provide the Comptroller with the amount to be transferred from each agency and institution of higher education.

~~BB. The State Comptroller shall transfer from agency and institution nongeneral fund accounts to the general fund an amount estimated at \$3,356,000 on or before June 30, 2006, representing the nongeneral fund share of savings resulting from operational efficiencies of the Virginia Information Technologies Agency. The Director, Department of Planning and Budget, shall provide the State Comptroller with the amount to be transferred from each agency and institution of higher education.~~

CC. The State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$671,200 on or before June 30, 2005, and ~~\$604,080 on or before June 30, 2006~~, resulting from savings pursuant to a centralized electronic mail system managed by the Virginia Information Technologies Agency. The Director, Department of Planning and Budget, shall provide the Comptroller with the amount to be transferred from each agency.

DD. The State Comptroller shall transfer from agency nongeneral fund accounts to the general fund an amount estimated at \$18,000 on or before June 30, 2005, and \$18,000 on or before June 30, 2006, resulting from savings pursuant to a contract negotiated by the Virginia Information Technologies Agency for data-telecommunication lines effective July, 2003. The Director of the Department of Planning and Budget shall provide the Comptroller with the amount to be transferred from each agency.

EE. On or before June 30, 2005, and June 30, 2006, the State Comptroller shall transfer \$890,000 the first year and \$890,000 the second year to the general fund from the \$2.00 increase in the vital records fee contained in Item 309 of this act.

FF. On or before June 30, 2005, and June 30, 2006, the State Comptroller shall transfer from the State Racing Operations Fund \$90,000 the first year and \$240,000 the second year to the general fund.

GG. The Department of Alcoholic Beverage Control shall sell the building in which the Alexandria Regional Office is currently located. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, all the proceeds from the sale of such property, ~~estimated to be \$7,500,000~~, shall be deposited into the general fund ~~no later than June 30, 2006~~.

HH. On or before June 30, 2005, the State Comptroller shall transfer the balance remaining from the Department of Charitable Gaming miscellaneous licenses and permits special fund estimated to be \$309,154 to the general fund.

II. On or before June 30, 2005 and June 30, 2006 the State Comptroller shall transfer \$218,950 the first year and \$609,480 the second year from the Drug Offender Assessment Fund to the general fund.

JJ. On or before June 30, 2006, the State Comptroller shall transfer to the general fund, pursuant to Item 288, paragraph 1, an amount estimated at \$12,433,814 from the Technology Partnership Fund. *On or before June 30, 2006, the State Comptroller shall transfer to the appropriate nongeneral fund and to local funds, pursuant to Item 288, paragraph 1, an amount estimated at \$1,192,701 from the Technology Partnership Fund.*

KK. On or before June 30, 2005, the state Comptroller shall transfer \$150,000 from the general fund of the state treasury to fund 0300 for the Virginia Military Institute, to restore funds inadvertently reverted to the general fund on June 30, 2004.

LL. On or before June 30, 2006, the State Comptroller shall transfer \$952,807 the second year from newborn screening test kit fee revenue collected by the Division of Consolidated Laboratories in the Department of General Services to Item 313 in the Department of Health for newborn screening and follow-up services.

MM. On or before June 30, 2005, and June 30, 2006, the State Comptroller shall transfer to the general fund \$349,776 the first year and \$349,776 the second year representing the 20.0 percent for statewide and regional educational program grants made pursuant to § 10.1-1422.01 B.2. of the Code of Virginia. Thereafter, it is the intent of the General Assembly that the funds designated by statute for statewide and regional educational grants shall be used exclusively for this purpose and that the Governor shall reflect the legislative intent in his budget submission for the 2006-2008 biennium.

NN. On or before June 30, 2005, the State Comptroller shall transfer to the general fund from the Contract Prisoners Special Fund, as established in Item 420 of this act, an amount estimated at \$2,000,000.

OO. There is hereby acknowledged, that the following authorized deficit in the Department of Social Services of \$36,229,474 was transferred from the balance of the general fund per § 4-3.01 c of this Act during the first year of the biennium.

PP. On or before June 30, 2006, the State Comptroller shall transfer to the general fund \$1,000,000 from the Department of Accounts Transfer Payments' Edvantage Reserve Fund.

QQ. On or before June 30, 2006, the State Comptroller shall transfer from the general fund of the state treasury, to the following agencies and fund details, to restore nongeneral funds reverted to the general fund on June 30, 2005 pursuant to § 4-1.05b of the General provisions of this Act.

<i>Agency Code</i>	<i>Agency Name</i>	<i>Fund Group Fund Detail</i>	<i>Second Year</i>
146	The Science Museum of Virginia	0275	\$15,000
	Department of Correctional		
750	Education	0200	\$25,795
765	Department of Social Services	0236	\$76,144
799	Department of Corrections	0257	\$24,913
	Total		\$141,852

1.02. Not set out.

1.03. Not set out.

2.01. Not set out.

2.02. Not set out.

§ 3-2.03 LINES OF CREDIT

a. The State Comptroller shall provide lines of credit to the following agencies, not to exceed the amounts shown:

State Lottery Department	\$25,000,000
Department of Alcoholic Beverage Control	\$40,000,000
Department of Emergency Management	\$150,000
Department of the Treasury, for the Unclaimed Property Trust Fund	\$5,000,000
Department of Corrections, for Virginia Correctional Enterprises	\$1,000,000
Department of the Treasury for the State Insurance Reserve Trust Fund	\$15,000,000
Department of the Treasury, for the Teacher Liability Insurance Program	\$1,000,000
Administration of Health Insurance	\$25,000,000
Department of Human Resource Management, for the Workers' Compensation Self Insurance Trust Fund	\$10,000,000
Department of Environmental Quality	\$5,000,000
Department of Motor Vehicles	\$5,000,000
Department of General Services for the Real Estate Internal Service Fund	\$2,100,000
Virginia Tobacco Settlement Foundation	\$3,000,000
Department of Mental Health, Mental Retardation and Substance Abuse Services	\$20,000,000

b. The State Comptroller shall execute an agreement with each agency documenting the procedures for the line of credit, including, but not limited to, applicable interest and the method for the drawdown of funds. The provisions of § 4-3.02 b of this act shall not apply to these lines of credit.

c. The Department of Emergency Management shall certify to the Secretary of Finance the reimbursable expenses of state agencies for Hurricanes Katrina, Rita, and Wilma, and Fort Pickett preparations and operations. Upon approval by the Secretary of Finance, the State Comptroller shall provide state agencies treasury loans for amounts needed to pay these expenses. These loans shall be in anticipation of revenue reimbursements from the Federal Emergency Management Agency (FEMA) and from states impacted by the disasters.

3.01. Not set out.

3.02. Not set out.

3.03. Not set out.

Item Details(\$)		Appropriations(\$)	
First Year	Second Year	First Year	Second Year
FY2005	FY2006	FY2005	FY2006

§ 3-3.04 PAYMENTS BY THE CITY OF NORFOLK

The City of Norfolk shall deposit to the general fund of the state treasury \$2,460,000 upon the sale of certain state property at the Norfolk Public Health Center. The City of Norfolk shall provide \$1,060,000 of in-kind services to the Commonwealth. The proceeds of this sale shall not be subject to the provisions of § 2.2-1156, Code of Virginia.

- 4.01. Not set out.
- 5.01. Not set out.
- 5.02. Not set out.
- 5.03. Not set out.
- 5.04. Not set out.
- 5.05. Not set out.
- 5.06. Not set out.

§ 3-5.07. SALES AND USE TAX EXEMPTIONS FOR NONPROFIT ORGANIZATIONS

Notwithstanding the provisions of § 58.1-609.11 C 4, Code of Virginia, in the case of a nonprofit entity seeking to qualify for a sales and use tax exemption pursuant to § 58.1-609.11 B, Code of Virginia, the Department of Taxation shall accept a review of the financial statements performed by an independent certified public accountant in lieu of a full audit, if the entity's gross annual revenue was less than \$500,000 in the previous year. Such review is deemed to meet the requirement for a "financial audit" as that term is used and is required in § 58.1-609.11 C 4, Code of Virginia.

- 6.01. Not set out.
- 6.02. Not set out.

Item Details(\$)		Appropriations(\$)	
First Year	Second Year	First Year	Second Year
FY2005	FY2006	FY2005	FY2006

PART 4: GENERAL PROVISIONS

- .01. Not set out.
- 1.01. Not set out.
- 1.02. Not set out.
- 1.03. Not set out.
- 1.04. Not set out.
- 1.05. Not set out.
- 1.06. Not set out.
- 1.07. Not set out.
- 2.01. Not set out.
- 2.02. Not set out.
- 2.03. Not set out.
- 3.01. Not set out.
- 3.02. Not set out.
- 3.03. Not set out.
- 4.01. Not set out.
- 4.02. Not set out.
- 5.01. Not set out.
- 5.02. Not set out.
- 5.03. Not set out.
- 5.04. Not set out.
- 5.05. Not set out.
- 5.06. Not set out.
- 5.07. Not set out.
- 5.08. Not set out.
- 5.09. Not set out.
- 5.10. Not set out.

§ 4-6.00 POSITIONS AND EMPLOYMENT

§ 4-6.01 EMPLOYEE COMPENSATION

a. The compensation of all kinds and from all sources of each appointee of the Governor and of each officer and employee in the Executive Department who enters the service of the Commonwealth or who is promoted to a vacant position shall be fixed at such rate as shall be approved by the Governor in writing or as is in accordance with rules and regulations established by the Governor. No increase shall be made in such compensation except with the Governor's written approval first obtained or in accordance with the rules and regulations established by the Governor. In all cases where any appointee, officer or employee is

	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

employed or promoted to fill a vacancy in a position for which a salary is specified by this act, the Governor may fix the salary of such officer or employee at a lower rate or amount within the respective level than is specified. In those instances where a position is created by an act of the General Assembly but not specified by this act, the Governor may fix the salary of such position in accordance with the provisions of this subsection.

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

	July 1, 2004 to November 24, 2004	November 25, 2004 to November 24, 2005	November 25, 2005 to June 30, 2006
Chief of Staff	\$131,391	\$135,333	\$141,288
Secretary of Administration	\$131,370	\$135,311	\$141,265
Secretary of Agriculture and Forestry	\$0	\$135,311	\$141,265
Secretary of Commerce and Trade	\$131,370	\$135,311	\$141,265
Secretary of the Commonwealth	\$131,370	\$135,311	\$141,265
Secretary of Education	\$131,370	\$135,311	\$141,265
Secretary of Finance	\$131,370	\$135,311	\$141,265
Secretary of Health and Human Resources	\$131,370	\$135,311	\$141,265
Secretary of Natural Resources	\$131,370	\$135,311	\$141,265
Secretary of Public Safety	\$131,370	\$135,311	\$141,265
Secretary of Technology	\$131,370	\$135,311	\$141,265
Secretary of Transportation	\$131,370	\$135,311	\$141,265

c.1.a) Annual salaries of persons appointed to positions listed in subdivision c 6 hereof shall be paid in the amounts shown for the current biennium, unless changed in accordance with conditions stated in subdivisions c 2 through c 5 hereof.

b) The starting salary of a new appointee shall not exceed the midpoint of the range, except where the midpoint salary is less than a ten percent increase from an appointee's preappointment compensation. In such cases, an appointee's starting salary may be set at a rate which is ten percent higher than the preappointment compensation, provided that the maximum of the range is not exceeded. However, in instances where an appointee's preappointment compensation exceeded the maximum of the respective salary range, then the salary for that appointee may be set at the maximum salary for the respective salary range.

c) Nothing in subdivision c 1 shall be interpreted to supersede the provisions of § 4-6.01 e, f, g, h, i, j, k, l, and m of this act.

2.a) The Governor may increase or decrease the annual salary for incumbents of positions listed in subdivision c 6 below at a rate of up to 10 percent in any single fiscal year between the minimum and the maximum of the respective salary range in accordance with an assessment of performance and service to the Commonwealth.

b)1) The appointing or governing authority may grant performance bonuses of 0-5 percent for positions whose salaries are listed in §§ 1-1 through 1-9, and 4-6.01 b, c, and d of this act, based on an annual assessment of performance, in accordance with policies and procedures established by such appointing or governing authority. Such performance bonuses shall be over and above the salaries listed in this act, and shall not become part of the base rate of pay.

2) The appointing or governing authority shall report performance bonuses which are granted to executive branch employees to the Department of Human Resource Management for retention in its records.

	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006

c) Notwithstanding § 4-6.01 c.1.a), b) and c) preceding, the salary for any person who is appointed to and assumes a position listed in § 4-6.01 c.6. on and after January 12, 2002, but before July 1, 2002, shall not be reduced or increased from the salary established for such appointee pursuant to the provisions of § 4-6.01 c.1 of Chapter 1073 of the 2000 Acts of Assembly, as such chapter may be amended in the 2002 Session of the General Assembly. However, such appointee shall be eligible to receive compensation supplements as prescribed in Item 511 of this act.

3. From the effective date of the Executive Pay Plan set forth in Chapter 601, Acts of Assembly of 1981, 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.

4. Notwithstanding § 4-6.01.c.2.b)1) of this Act, the Board of Commissioners of the Virginia Port Authority may supplement the salary of its Executive Director, with the prior approval of the Governor. The Board should be guided by criteria which provide a reasonable limit on the total additional income of the Executive Director. The criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable ports of other states. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

5. 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 Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, and The Library Board may supplement the salary of the Director of each museum and the Librarian of Virginia from nonstate 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. The respective Boards shall report approved supplements to the Department of Human Resource Management for retention in its records.

6.a) The following salaries shall be paid for the current biennium in the amounts shown, however, all salary changes shall be subject to subdivisions c 2 through c 5 above.

b) Existing salary contracts between the Chief Information Officer and the Information Technology Investment Board in effect before the enactment of this act shall remain in effect as originally written until the termination of said contracts. Salary contracts entered into after enactment of this act shall adhere to the conditions specified in § 4-6.01.

	July 1, 2004 to November 24, 2004	November 25, 2004 to November 24, 2005	November 25, 2005 to June 30, 2006
Level I Range	\$95,572-\$151,103	\$98,439-\$155,636	\$102,770-\$175,000
Midpoint	\$123,338	\$127,038	\$132,627
Chief Information Officer, Virginia Information Technologies Agency	\$151,103	\$155,636	\$162,484
Commissioner, Department of Motor Vehicles	\$123,337	\$127,037	\$132,627
Commissioner, Department of Social Services	\$134,970	\$139,019	\$145,136
Commissioner of Mental Health, Mental Retardation and Substance Abuse Services	\$151,103	\$155,636	\$162,484
Commonwealth Transportation Commissioner	\$151,103	\$156,636	\$175,000
Director, Department of Corrections	\$126,666	\$130,466	\$136,207
Director, Department of Environmental Quality	\$130,369	\$134,280	\$140,188
Director, Department of Medical Assistance Services	\$127,463	\$131,287	\$137,064

	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Director, Department of Planning and Budget	\$119,609	\$123,197	\$128,618	
Executive Director, Department of Game and Inland Fisheries	\$108,607	\$111,865	\$116,787	
State Health Commissioner	\$151,103	\$155,636	\$162,484	
State Tax Commissioner	\$121,389	\$125,031	\$130,532	
Superintendent of Public Instruction	\$146,535	\$150,931	\$157,572	
Superintendent of State Police	\$125,347	\$126,841	\$132,422	
	July 1, 2004 to November 24, 2004	November 25, 2004 to November 24, 2005	November 25, 2005 to June 30, 2006	
Level II Range	\$83,107-\$131,394	\$85,600-\$135,336	\$89,366-\$141,291	
Midpoint	\$107,251	\$110,468	\$115,329	
Alcoholic Beverage Control Commissioners (two)	\$107,251	\$110,469	\$115,330	
Chairman, Alcoholic Beverage Control Board	\$107,251	\$110,469	\$115,330	
Commissioner, Department of Agriculture and Consumer Services	\$92,359	\$95,130	\$99,316	
Commissioner, Department of Veterans Services	\$107,251	\$110,469	\$115,330	
Commissioner, Virginia Employment Commission	\$107,251	\$110,469	\$115,330	
Commissioner, Marines Resources Commission	\$99,635	\$102,624	\$107,139	
Director, Department of Business Assistance	\$108,830	\$112,095	\$117,027	
Director, Department of Charitable Gaming	\$95,016	\$97,866	\$102,172	
Director, Department of General Services	\$119,224	\$122,801	\$128,204	
Director, Department of Mines, Minerals and Energy	\$119,936	\$123,534	\$128,969	
Director, Department of Human Resource Management	\$118,613	\$122,171	\$127,547	
Director, Department of Juvenile Justice	\$131,394	\$135,336	\$141,291	
Director, Department of Rail and Public Transportation	\$116,544	\$120,040	\$125,322	

	Item Details(\$)		Appropriations(\$)	
	First Year FY2005	Second Year FY2006	First Year FY2005	Second Year FY2006
Executive Director, Motor Vehicle Dealer Board	\$94,533	\$97,369	\$101,653	
Executive Director, Virginia Port Authority	\$117,952	\$121,491	\$126,837	
State Comptroller	\$107,251	\$110,469	\$115,330	
State Treasurer	\$115,188	\$118,644	\$123,864	
	July 1, 2004 to November 24, 2004	November 25, 2004 to November 24, 2005	November 25, 2005 to June 30, 2006	
Level III Range	\$72,268-\$114,258	\$74,436-\$117,686	\$77,711-\$122,864	
Midpoint	\$93,263	\$96,061	\$100,288	
Adjutant General	\$100,277	\$103,285	\$107,830	
Chairman, Virginia Parole Board	\$107,566	\$110,793	\$115,668	
Members, Virginia Parole Board	\$90,440	\$93,153	\$97,252	
Member, Virginia Parole Board	\$93,262	\$96,060	\$100,287	
Commissioner, Department of Labor and Industry	\$108,127	\$111,371	\$116,271	
Commissioner, Department of Rehabilitative Services	\$112,475	\$115,849	\$120,946	
Coordinator, Department of Emergency Management	\$89,582	\$92,269	\$96,329	
Director, Department of Aviation	\$110,000	\$113,300	\$118,285	
Director, Department of Conservation and Recreation	\$110,057	\$113,359	\$118,347	
Director, Department of Criminal Justice Services	\$106,851	\$110,057	\$114,900	
Director, Department of Employment Dispute Resolution	\$91,514	\$94,259	\$98,406	
Director, Department of Health Professions	\$104,602	\$107,740	\$112,481	
Director, Department of Historic Resources	\$90,441	\$93,154	\$97,253	
Director, Department of Housing and Community Development	\$101,813	\$104,867	\$109,481	
Director, The Science Museum of Virginia	\$105,441	\$108,604	\$113,383	
Director, Virginia Liaison Office	\$99,694	\$102,685	\$107,203	

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Director, Virginia Museum of Fine Arts	\$109,499	\$112,784	\$117,746	
Director, Virginia Museum of Natural History	\$90,441	\$93,154	\$97,253	
Executive Director, Jamestown-Yorktown Foundation	\$104,765	\$107,908	\$112,656	
Executive Secretary, Virginia Racing Commission	\$88,132	\$90,776	\$94,770	
Librarian of Virginia	\$114,258	\$117,686	\$122,864	
State Forester, Department of Forestry	\$96,320	\$99,210	\$103,575	
Superintendent, Department of Correctional Education	\$110,804	\$114,128	\$119,150	
	July 1, 2004 to November 24, 2004	November 25, 2004 to November 24, 2005	November 25, 2005 to June 30, 2006	
Level IV Range	\$62,843-\$99,365	\$64,728-\$102,346	\$67,576-\$106,849	
Midpoint	\$81,104	\$83,537	\$87,213	
Administrator, Commonwealth's Attorneys' Services Council	\$80,422	\$82,835	\$86,480	
Commissioner, Department for the Aging	\$96,360	\$99,251	\$103,618	
Commissioner, Virginia Department for the Blind and Vision Impaired	\$76,596	\$78,894	\$82,365	
Director, Office of Substance Abuse Prevention*	\$86,913	\$89,520	\$93,459	
Director, Department of Minority Business Enterprise	\$99,365	\$99,365	\$103,737	
Director, Department of Professional and Occupational Regulation	\$91,423	\$94,166	\$98,309	
Director, Virginia-Israel Advisory Board	\$66,463	\$71,880	\$0	
Executive Director, Board of Accountancy	\$76,688	\$78,989	\$82,465	
Executive Director, Frontier Culture Museum of Virginia	\$86,913	\$89,520	\$93,459	
Human Rights Director, Human Rights Council	\$74,019	\$76,240	\$79,595	
Secretary, State Board of Elections	\$74,131	\$76,355	\$79,715	

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Level V Range	July 1, 2004 to November 24, 2004	November 25, 2004 to November 24, 2005	November 25, 2005 to June 30, 2006	
	\$54,645-\$86,483	\$56,284-\$89,077	\$58,760-\$92,996	
Midpoint	\$70,564	\$72,681	\$75,878	
Director, Gunston Hall	\$70,565	\$72,682	\$75,880	
Director, Virginia Department for the Deaf and Hard-of-Hearing	\$68,431	\$70,484	\$73,585	
Executive Director, Department of Fire Programs	\$83,869	\$86,385	\$90,186	
Executive Director, Virginia Commission for the Arts	\$70,652	\$72,772	\$75,974	
Chairman of Board Chairman, Compensation Board	\$18,867	\$19,433	\$20,288	

7. Annual salaries of the directors of the independent agencies, as listed in this subdivision, shall be paid in the amounts shown. All salary changes shall be subject to subdivisions c 1, c 2, and c 3 above.

	July 1, 2004 to November 24, 2004		November 25, 2004 to November 24, 2005		November 25, 2005 to June 30, 2006	
	Independent Range	\$83,107-\$131,394		\$85,600-\$135,336		\$89,366-\$141,291
Midpoint	\$107,251		\$110,468		\$115,329	
Director, State Lottery Department	\$124,919		\$128,667		\$134,328	
Executive Director, Virginia Office for Protection and Advocacy	\$97,138		\$100,052		\$104,454 \$111,500*	

*The salary of the Executive Director of the Virginia Office of Protection and Advocacy shall be increased from \$104,454 to \$111,500, such increase to be effective February 1, 2005.

Director, Virginia Retirement System	\$127,729	\$131,561	\$137,350
Executive Director, Virginia College Savings Plan	\$127,729	\$131,561	\$137,350

d.1. 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 State Council of Higher Education, 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. 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.

2.a) The board of visitors of each institution of higher education may annually 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 should be guided by criteria

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

b) The State Board for Community Colleges may annually 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 should 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. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

	July 1, 2004 to November 24, 2004	November 25, 2004 to November 24, 2005	November 25, 2005 to June 30, 2006
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA Director, State Council of Higher Education for Virginia	\$148,000	\$152,440	\$159,147
SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER Director, Southwest Virginia Higher Education Center	\$105,000	\$108,150	\$112,909
VIRGINIA COMMUNITY COLLEGE SYSTEM Chancellor of Community Colleges	\$143,795	\$148,109	\$154,626
SENIOR COLLEGE PRESIDENTS' SALARIES Chancellor, University of Virginia's College at Wise	\$114,192	\$117,618	\$122,793
President, Christopher Newport University	\$112,466	\$115,840	\$120,937
President, The College of William and Mary in Virginia	\$135,203	\$139,259	\$145,386
President, George Mason University	\$127,514	\$131,339	\$137,118
President, James Madison University	\$125,435	\$129,198	\$134,883
President, Longwood University	\$120,476	\$124,090	\$129,550
President, Norfolk State University	\$123,489	\$127,194	\$132,791
President, Old Dominion University	\$135,748	\$139,820	\$145,972
President, Radford University	\$123,487	\$127,192	\$132,788
President, Richard Bland College	\$105,795	\$108,969	\$113,764

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President, University of Mary Washington	\$119,462	\$123,046	\$128,460		
President, University of Virginia	\$151,421	\$155,964	\$162,826		
President, Virginia Commonwealth University	\$151,421	\$155,964	\$162,826		
President, Virginia Polytechnic Institute and State University	\$151,421	\$155,964	\$162,826		
President, Virginia State University	\$123,487	\$127,192	\$132,788		
Superintendent, Virginia Military Institute	\$122,347	\$126,017	\$131,562		

e. Salaries for newly employed or promoted employees shall be established consistent with the compensation and classification plans established by the Governor.

f. The provisions of this section, requiring prior written approval of the Governor relative to compensation, shall apply also to any system of incentive award payments which may be adopted and implemented by the Governor. The cost of implementing any such system shall be paid from any funds appropriated to the affected agencies.

g. 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.

h. Subject to approval by the Governor of a plan for a statewide employee meritorious service awards program, as provided for in § 2.2-1201.12, Code of Virginia, the costs for such awards shall be paid from any operating funds appropriated to the affected agencies.

i. The General Assembly hereby affirms and ratifies the Governor's existing authority and the established practice of this body to provide for pay differentials or to supplement base rates of pay for employees in specific job classifications in particular geographic and/or functional areas where, in the Governor's discretion, they are needed for the purpose of maintaining salaries which enable the Commonwealth to maintain a competitive position in the relevant labor market.

j.1. 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. 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.

2. 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.

k.1. Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role contained in the compensation and classification plans approved by the Governor 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: (1) 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 costs next biennium and the Secretary concurs, or (2) such funds are appropriated by the General Assembly. 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.

2. 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.

3. 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

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employees supported from the general fund.

l. 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 shall not receive any such compensation for their services as members or chairmen except for reimbursement of reasonable and necessary expenses. The foregoing provision shall likewise apply to the Compensation Board, pursuant to § 15.2-1636.5, Code of Virginia.

m.1. 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. Notwithstanding the limitations in § 23-9.2:3.1 D, the total cost in any fiscal year for any such compensation plan, 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.

2. 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.

n. Notwithstanding the Department of Human Resource Management Policies and Procedures, payment to employees with five or more years of continuous service who either terminate or retire from service shall be paid in one sum for twenty-five percent of their sick leave balance, provided, however, that the total amount paid for sick leave shall not exceed \$5,000 and the remaining seventy-five percent of their sick leave shall lapse. This provision shall not apply to employees who are covered by the Virginia Sickness and Disability Program as defined in § 51.1-1100, Code of Virginia. Such employees shall not be paid for their sick leave balances. However, they will be paid, if eligible as described above, for any disability leave credits they have at separation or retirement or may convert disability credits to service credit under the Virginia Retirement System pursuant to § 51.1-1103 (F), Code of Virginia.

o. It is the intent of the General Assembly that calculation of the faculty salary benchmark goal for the Virginia Community College System shall be done in a manner consistent with that used for four-year institutions, taking into consideration the number of faculty at each of the community colleges. In addition, calculation of the salary target shall reflect the eight percent salary differential required by this act in a manner consistent with other public four-year institutions.

p. Any public institution of higher education that has met the eligibility criteria set out in Senate Bill 1237/House Bill 2866 may supplement annual salaries for classified employees from private gifts, endowment funds, or income from endowments and gifts, subject to policies approved by the board of visitors. The Commonwealth shall have no general fund obligations for the continuation of such salary supplements.

- 6.02. Not set out.
- 6.03. Not set out.
- 6.04. Not set out.
- 6.05. Not set out.
- 7.01. Not set out.
- 8.01. Not set out.
- 8.02. Not set out.
- 9. Not set out.
- 10. Not set out.
- 11. Not set out.
- 12. Not set out.

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PART 5: ENACTMENT NUMBERS 2 THROUGH 5

2. That §§ 4.1-230, 4.1-231, 16.1-69.6:1, 17.1-507, 19.2-163.2 and 58.1-615 of the Code of Virginia are amended and re-enacted, and that the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:01 as follows:

§ 4.1-230. Applications for licenses; publication; notice to localities; fees; permits.

A. Every person intending to apply for any license authorized by this chapter shall file with the Board an application on forms provided by the Board and a statement in writing, under oath, setting forth any information required by the Board. Applications for banquet, tasting, mixed beverage special events, or club events licenses shall not be required to be under oath, but the information contained therein shall be certified as true by the applicant.

B. In addition, each applicant for a license under the provisions of this chapter, except applicants for banquet, tasting, special events, club events, wine or beer shipper's, wine and beer shipper's, or museum licenses issued under the provisions of Chapter 2 (§ 4.1-200 et seq.) of this title, or beer or wine importer's licenses located outside the Commonwealth, shall post a notice of his application with the Board on the front door of the building, place or room where he proposes to engage in such business for no more than 30 days and not less than 10 days. Such notice shall be of a size and contain such information as required by the Board.

The applicant shall cause a copy of such notice to be published at least once a week for two consecutive weeks in a newspaper published in or having a general circulation in the county, city or town wherein such applicant proposes to engage in such business. In the case of wine or beer shipper's licensees, wine and beer shipper's licensees, or operators of boats, dining cars, buffet cars, club cars, and airplanes, the posting and publishing of notice shall not be required.

Except for applicants for banquet, tasting, mixed beverage special events, club events, or museum licenses, the Board shall conduct a background investigation, to include a criminal history records search, on each applicant for a license.

The Board shall notify the local governing body of each license application through the county or city attorney or the chief law-enforcement officer of the locality. Local governing bodies shall submit objections to the granting of a license within 30 days of the filing of the application.

C. Each applicant shall pay the required application fee at the time the application is filed. Each license application fee shall be \$ 65, plus \$ 20 for each criminal history records search required by the Board, except for banquet, tasting, mixed beverage special events, or mixed beverage club events licenses, in which case the application fee shall be \$15. Application fees shall be in addition to the state license fee required pursuant to § 4.1-231 and shall not be refunded.

D. Subsection A shall not apply to the continuance of licenses granted under this chapter.

E. Every application for a permit granted pursuant to § 4.1-212 shall be on a form provided by the Board. In the case of applications to solicit the sale of wine and beer or spirits, each application shall be accompanied by a fee of \$ 165 and \$ 390, respectively. The fee for each such permit shall be subject to proration to the following extent: If the permit is granted in the second quarter of any year, the fee shall be decreased by one-fourth; if granted in the third quarter of any year, the fee shall be decreased by one-half; and if granted in the fourth quarter of any year, the fee shall be decreased by three-fourths. Each such permit shall expire on June 30 next succeeding the date of issuance, unless sooner suspended or revoked by the Board. Such permits shall confer upon their holders no authority to make solicitations in the Commonwealth as otherwise provided by law.

The fee for a temporary permit shall be one-twelfth of the combined fees required by this section for applicable licenses to sell wine, beer, or mixed beverages computed to the nearest cent and multiplied by the number of months for which the permit is granted.

The fee for a keg registration permit shall be \$ 65 annually.

The fee for a permit for the storage of lawfully acquired alcoholic beverages not under customs bond or internal revenue bond in warehouses located in the Commonwealth shall be \$ 260 annually.

§ 4.1-231. Taxes on state licenses.

A. The annual fees on state licenses shall be as follows:

1. Alcoholic beverage licenses. For each:

a. Distiller's license, if not more than 5,000 gallons of alcohol or spirits, or both, manufactured during the year in which the license is granted, \$ 450; and if more than 5,000 gallons manufactured during such year, \$ 3,725;

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b. Fruit distiller's license, \$ 3,725;

c. Banquet facility license or museum license, \$ 190;

d. Bed and breakfast establishment license, \$ 35;

e. Tasting license, \$ 40 per license granted; and

f. Equine sporting event license, \$ 130.

2. Wine licenses. For each:

a. Winery license, if not more than 5,000 gallons of wine manufactured during the year in which the license is granted, \$ 189, and if more than 5,000 gallons manufactured during such year, \$ 3,725;

b. Wholesale wine license, \$930 for any wholesaler who sells 150,000 gallons of wine or less per year, \$ 1,430 for any wholesaler who sells more than 150,000 but not more than 300,000 gallons of wine per year, and \$ 1,860 for any wholesaler who sells more than 300,000 gallons of wine per year;

c. Wine importer's license, \$ 370;

d. Retail off-premises winery license, \$ 145;

e. Farm winery license, \$ 190 for any Class A license and \$ 3,725 for any Class B license; and

f. Wine shipper's license, \$ 65.

3. Beer licenses. For each:

a. Brewery license, if not more than 10,000 barrels of beer manufactured during the year in which the license is granted, \$ 2,150, and if more than 10,000 barrels manufactured during such year, \$ 4,300;

b. Bottler's license, \$ 1,430;

c. Wholesale beer license, \$ 930 for any wholesaler who sells 300,000 cases of beer a year or less, and \$ 1,430 for any wholesaler who sells more than 300,000 but not more than 600,000 cases of beer a year, and \$1,860 for any wholesaler who sells more than 600,000 cases of beer a year;

d. Beer importer's license, \$ 370;

e. Retail on-premises beer license to a hotel, restaurant, club or other person, except a common carrier of passengers by train or boat, \$ 145; for each such license to a common carrier of passengers by train or boat, \$ 145 per annum for each of the average number of boats, dining cars, buffet cars or club cars operated daily in the Commonwealth;

f. Retail off-premises beer license, \$ 120;

g. Retail on-and-off premises beer license to a hotel, restaurant, club or grocery store located in a town or in a rural area outside the corporate limits of any city or town, \$ 300; and

h. Beer shipper's license, \$ 65.

4. Wine and beer licenses. For each:

a. Retail on-premises wine and beer license to a hotel, restaurant, club or other person, except a common carrier of passengers by train, boat or airplane, \$ 300; for each such license to a common carrier of passengers by train or boat, \$ 300 per annum for each of the average number of boats, dining cars, buffet cars or club cars operated daily in the Commonwealth, and for each such license granted to a common carrier of passengers by airplane, \$ 750;

b. Retail on-premises wine and beer license to a hospital, \$ 145;

c. Retail off-premises wine and beer license, including each gift shop, gourmet shop and convenience grocery store license, \$ 230;

d. Retail on-and-off premises wine and beer license to a hotel, restaurant or club, \$ 600;

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e. Banquet license, \$ 40 per license granted by the Board;

f. Gourmet brewing shop license, \$ 230; and

g. Wine and beer shipper's license, \$ 65.

5. Mixed beverage licenses. For each:

a. Mixed beverage restaurant license granted to persons operating restaurants, including restaurants located on premises of and operated by hotels or motels, or other persons:

(i) With a seating capacity at tables for up to 100 persons, \$ 560;

(ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$ 975; and

(iii) With a seating capacity at tables for more than 150 persons, \$ 1,430.

b. Mixed beverage restaurant license for restaurants located on the premises of and operated by private, nonprofit clubs:

(i) With an average yearly membership of not more than 200 resident members, \$ 750;

(ii) With an average yearly membership of more than 200 but not more than 500 resident members, \$ 1,860; and

(iii) With an average yearly membership of more than 500 resident members, \$ 2,765.

c. Mixed beverage caterer's license, \$ 1,860.

d. Mixed beverage special events license, \$ 45 for each day of each event.

e. Mixed beverage club events licenses, \$ 35 for each day of each event.

f. Annual mixed beverage special events license, \$ 560.

g. Mixed beverage carrier license:

(i) \$ 190 for each of the average number of dining cars, buffet cars or club cars operated daily in the Commonwealth by a common carrier of passengers by train;

(ii) \$ 560 for each common carrier of passengers by boat;

(iii) \$ 1,475 for each license granted to a common carrier of passengers by airplane;

h. Annual mixed beverage amphitheater license, \$ 560; and

i. Annual mixed beverage motor sports race track license, \$ 560.

6. Temporary licenses. For each temporary license authorized by § 4.1-211, one-half of the tax imposed by this section on the license for which the applicant applied.

B. The tax on each such license, except banquet and mixed beverage special events licenses, shall be subject to proration to the following extent: If the license is granted in the second quarter of any year, the tax shall be decreased by one-fourth; if granted in the third quarter of any year, the tax shall be decreased by one-half; and if granted in the fourth quarter of any year, the tax shall be decreased by three-fourths.

If the license on which the tax is prorated is a distiller's license to manufacture not more than 5,000 gallons of alcohol or spirits, or both, during the year in which the license is granted, or a winery license to manufacture not more than 5,000 gallons of wine during the year in which the license is granted, the number of gallons permitted to be manufactured shall be prorated in the same manner.

Should the holder of a distiller's license or a winery license to manufacture not more than 5,000 gallons of alcohol or spirits, or both, or wine, apply during the license year for an unlimited distiller's or winery license, such person shall pay for such unlimited license a license tax equal to the amount that would have been charged had such license been applied for at the time that the license to manufacture less than 5,000 gallons of alcohol or spirits or wine, as the case may be, was granted, and such person shall be entitled to a refund of the amount of license tax previously paid on the limited license.

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Notwithstanding the foregoing, the tax on each license granted or reissued for a period of less than 12 months shall be equal to one-twelfth of the taxes required by subsection A computed to the nearest cent, multiplied by the number of months in the license period.

C. Nothing in this chapter shall exempt any licensee from any state merchants' license or state restaurant license or any other state tax. Every licensee, in addition to the taxes imposed by this chapter, shall be liable to state merchants' license taxation and state restaurant license taxation and other state taxation the same as if the alcoholic beverages were nonalcoholic. In ascertaining the liability of a beer wholesaler to merchants' license taxation, however, and in computing the wholesale merchants' license tax on a beer wholesaler, the first \$163,800 of beer purchases shall be disregarded; and in ascertaining the liability of a wholesale wine distributor to merchants' license taxation, and in computing the wholesale merchants' license tax on a wholesale wine distributor, the first \$163,800 of wine purchases shall be disregarded.

§ 16.1-69.6:1. Number of judges.

For the several judicial districts there shall be full-time general district court judges and juvenile and domestic relations district court judges, the number as hereinafter set forth, who shall during their service reside within their respective districts, except as provided in § 16.1-69.16, and whose compensation and powers shall be the same as now and hereafter prescribed for general district court judges and juvenile and domestic relations district court judges.

The number of judges of the districts shall be as follows:

	General District Court Court Judges	Juvenile and Domestic Relations District Court Judges
First	4	3
Second	7	7
Two-A	1	1
Third	3	3
Fourth	6	5
Fifth	3	2
Sixth	4	2
Seventh	4	3
Eighth	3	3
Ninth	3	3
Tenth	3	3
Eleventh	2	2
Twelfth	4	5
Thirteenth	8	5
Fourteenth	4	4
Fifteenth	5	7
Sixteenth	4	4
Seventeenth	4	2
Eighteenth	2	2
Nineteenth	10	7
Twentieth	3	2
Twenty-first	2	2
Twenty-second	2	3
Twenty-third	5	4
Twenty-fourth	4	5
Twenty-fifth	5	4

The general district court judges of the twenty-fifth district shall render assistance on a regular basis to the general district court judges of the twenty-sixth district by appropriate designation.

Twenty-sixth	4	4
Twenty-seventh	4	4
Twenty-eighth	2	2
Twenty-ninth	3	2
Thirtieth	2	2
Thirty-first	4	5

The election or appointment of any district judge shall be subject to the provisions of § 16.1-69.9:3.

§ 17.1-507. Number of judges; residence requirement; compensation; powers; etc.

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A. For the several judicial circuits there shall be judges, the number as hereinafter set forth, who shall during their service reside within their respective circuits and whose compensation and powers shall be the same as now and hereafter prescribed for circuit judges.

The number of judges of the circuits shall be as follows:

First — 5

Second — 10

Third — 4

Fourth — 9

Fifth — 3

Sixth — 2

Seventh — 5

Eighth — 4

Ninth — 4

Tenth — 3

Eleventh — 3

Twelfth — 5

Thirteenth — 8

Fourteenth — 4 5

Fifteenth — 8

Sixteenth — 5

Seventeenth — 4

Eighteenth — 3

Nineteenth — 15

Twentieth — 4

Twenty-first — 3

Twenty-second — 4

Twenty-third — 6

Twenty-fourth — 5

Twenty-fifth — 4

Twenty-sixth — 5

Twenty-seventh — 5

Twenty-eighth — 2

Twenty-ninth — 4

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Thirtieth — 3

Thirty-first — 5

B. No additional circuit court judge shall be authorized or provided for any judicial circuit until the Judicial Council has made a study of the need for such additional circuit court judge and has reported its findings and recommendations to the Courts of Justice Committees of the House of Delegates and Senate. The boundary of any judicial circuit shall not be changed until a study has been made by the Judicial Council and a report of its findings and recommendations made to said Committees.

C. If the Judicial Council finds the need for an additional circuit court judge after a study is made pursuant to subsection B, the study shall be made available to the Compensation Board and the Courts of Justice Committees of the House of Delegates and Senate and Council shall publish notice of such finding in a publication of general circulation among attorneys licensed to practice in the Commonwealth. The Compensation Board shall make a study of the need to provide additional courtroom security and deputy court clerk staffing. This study shall be reported to the Courts of Justice Committees of the House of Delegates and the Senate, and to the Department of Planning and Budget.

§ 19.2-163.2. Commission to appoint public defenders in selected locations; compensation, assistants, offices, etc., of public defenders.

The duties of the Public Defender Commission, hereinafter referred to as "the Commission," are:

1. To recommend to the General Assembly the areas in which a public defender office is to be established, and to establish such an office in:

- a. the City of Virginia Beach;
- b. the City of Petersburg;
- c. the Cities of Buena Vista, Lexington, Staunton and Waynesboro and the Counties of Augusta and Rockbridge;
- d. the City of Roanoke;
- e. the City of Portsmouth;
- f. the City of Richmond;
- g. the Counties of Clarke, Frederick, Page, Shenandoah and Warren, and the City of Winchester;
- h. the City and County of Fairfax;
- i. the City of Alexandria;
- j. the City of Radford and the Counties of Bland, Pulaski and Wythe;
- k. the Counties of Fauquier, Loudoun and Rappahannock;
- l. the City of Suffolk;
- m. the City of Franklin and the Counties of Isle of Wight and Southampton;
- n. the City of Bedford and the County of Bedford;
- o. the City of Danville;
- p. the Counties of Halifax, Lunenburg and Mecklenburg;
- q. the City of Fredericksburg and the Counties of King George, Stafford and Spotsylvania;
- r. the City of Lynchburg;
- s. the City of Martinsville and the Counties of Henry and Patrick;
- t. the City of Charlottesville and the County of Albemarle;

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- u. the City of Norfolk;
- v. the County of Arlington and the City of Falls Church;
- w. the City of Newport News;
- x. the City of Chesapeake; and
- y. the City of Hampton.

2. To appoint a public defender for each of the above offices to serve at the pleasure of the Commission, who shall devote his full time to his duties and not engage in the private practice of law. The Commission shall fix the compensation of each public defender and all other personnel in each public defender office.

3. To authorize the public defender to employ such assistants as authorized by the Commission. Such assistants shall devote such time to the performance of their duties as may be required by the public defender or the Commission and may engage in the private practice of law.

4. To authorize the public defender to employ such staff, including secretarial and investigative personnel, as may be necessary to carry out the duties imposed upon the public defender office.

5. To authorize the public defender to secure such office space as needed, to purchase or rent office equipment, to purchase supplies and to incur such expenses as are necessary to carry out the duties imposed upon him.

6. To receive and expend moneys appropriated by the General Assembly of Virginia and to receive other moneys as they become available to it and expend the same in order to carry out the duties imposed upon it.

7. In any case in which a public defender or his assistant represents an indigent person charged with an offense and such person is convicted, such sum as would have been allowed a court-appointed attorney as compensation and as reasonable expenses shall be taxed against the person defended as a part of the costs of the prosecution, and, if collected, shall be paid to the Commonwealth or to the appropriate county, city or town if payment was made to the Commonwealth by a locality for defense of a local ordinance violation. An abstract of such costs shall be docketed in the judgment lien docket and execution book of the court.

8. To require and ensure that each public defender office collects and maintains caseload data and fields in a case management database on an annual basis.

9. To report annually on or before October 1 to the Virginia State Crime Commission, the House and Senate Committees for Courts of Justice, the House Committee on Appropriations, and the Senate Committee on Finance detailing Virginia's ranking amongst the fifty states in terms of pay allowed for court-appointed counsel, cost effectiveness of the various public defender offices and the cost effectiveness of establishing public defender offices in those localities that do not offer public defender services.

10. To establish four regional capital defense units by the end of fiscal year 2004.

§ 58.1-439.12:01. Credit for cigarettes manufactured and exported.

A. For purposes of this section:

"Base year export volume" means the number of cigarettes manufactured by a corporation, which cigarettes were also exported by such manufacturer during its taxable year beginning in calendar year 2004.

"Cigarette or cigarettes" means the same as that term is defined in § 58.1-1031.

"Current year export volume" means the number of cigarettes manufactured by a corporation, which cigarettes were also exported by such manufacturer in the taxable year for which credit under this section is claimed. The term shall only apply for taxable years beginning on and after January 1, 2006.

"Exported" or "exports" means the shipment of cigarettes to a foreign country.

"Manufactured" or "manufactures" means manufactured in Virginia.

B. For taxable years beginning on and after January 1, 2006, but before January 1, 2016, any corporation that manufactures cigarettes in Virginia, which cigarettes are exported by such manufacturer, shall be allowed a credit against the tax imposed by

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§ 58.1-400 for such exported cigarettes as follows:

1. If the current year export volume of the corporation is less than 50 percent of the base year export volume for the corporation, no credit shall be allowed for the taxable year.

2. If the current year export volume of the corporation is at least 50 percent but less than 60 percent of the base year export volume for the corporation, the credit allowed shall equal \$0.20 per 1,000 cigarettes of the current year export volume.

3. If the current year export volume of the corporation is at least 60 percent but less than 80 percent of the base year export volume for the corporation, the credit allowed shall equal \$0.25 per 1,000 cigarettes of the current year export volume.

4. If the current year export volume of the corporation is at least 80 percent but less than 100 percent of the base year export volume for the corporation, the credit allowed shall equal \$0.30 per 1,000 cigarettes of the current year export volume.

5. If the current year export volume of the corporation is at least 100 percent but less than 120 percent of the base year export volume for the corporation, the credit allowed shall equal \$0.35 per 1,000 cigarettes of the current year export volume.

6. If the current year export volume of the corporation is at least 120 percent of the base year export volume for the corporation, the credit allowed shall equal \$0.40 per 1,000 cigarettes of the current year export volume.

C. In no event shall the credit allowed under this section for any taxable year to any corporation exceed the lesser of \$6 million or 50 percent of the corporation's income tax liability to the Commonwealth for such taxable year.

D. The total amount of tax credits granted under this section for each fiscal year of the Commonwealth shall not exceed \$6 million. A corporation meeting the requirements of this section shall be eligible to receive a tax credit to the extent the corporation reserves such tax credit through the Department as provided herein.

The Department shall establish policies and procedures for the reservation of tax credits by eligible corporations. Such policies and procedures shall provide (i) requirements for applying for reservations of tax credits; (ii) a system for allocating the available amount of tax credits among eligible corporations; (iii) a method for the issuance of reservations to eligible corporations that did not initially receive a reservation in any year, if the Department determines that tax credit reservations were issued to other corporations that did not use, or were determined to be wholly or partially ineligible for, a reserved tax credit; and (iv) a procedure for the cancellation and reallocation of tax credit reservations allocated to eligible corporations that, after reserving tax credits, have been determined to be ineligible for all or a portion of the tax credits reserved. In no case shall a corporation be allowed to carry over any tax credit to be applied against any income tax for taxable years subsequent to the taxable year of export.

Actions of the Department relating to the approval or denial of applications for reservations for tax credits pursuant to this section shall be exempt from the provisions of the Administrative Process Act pursuant (§ 2.2-4000 et seq.).

E. A corporation claiming the credit under this section for a taxable year shall submit with its application for reservation of tax credits and its state income tax return a written statement certifying its base year export volume and current year export volume. It shall also submit with such application and return a listing of its export volumes as reported on its monthly reports to the Bureau of Alcohol, Tobacco and Firearms of the United States Department of the Treasury for each month of the taxable year and a listing for each month of the taxable year of its export volumes.

§ 58.1-615. Returns by dealers.

A. Every dealer required to collect or pay the sales or use tax shall, on or before the twentieth day of the month following the month in which the tax shall become effective, transmit to the Tax Commissioner a return showing the gross sales, gross proceeds, or cost price, as the case may be, arising from all transactions taxable under this chapter during the preceding calendar month, and thereafter a like return shall be prepared and transmitted to the Tax Commissioner by every dealer on or before the twentieth day of each month, for the preceding calendar month. In the case of dealers regularly keeping books and accounts on the basis of an annual period which varies 52 to 53 weeks, the Tax Commissioner may make rules and regulations for reporting consistent with such accounting period.

Notwithstanding any other provision of this chapter, a dealer may be required by the Tax Commissioner to file sales or use tax returns on an accounting period less frequent than monthly when, in the opinion of the Tax Commissioner, the administration of the taxes imposed by this chapter would be enhanced. If a dealer is required to file other than monthly, each such return shall be due on or before the twentieth day of the month following the close of the period. Each such return shall contain all information required for monthly returns.

A sales or use tax return shall be filed by each registered dealer even though the dealer is not liable to remit to the Tax Commissioner any tax for the period covered by the return.

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B. 1. In addition to the amounts required under the provisions of this section and § 58.1-616, any dealer as defined by § 58.1-612 or direct payment permit holder pursuant to § 58.1-624, with taxable sales and purchases of \$1,300,000 or greater for the 12-month period beginning July 1, and ending June 30 of the immediately preceding calendar year, shall be required to make a payment equal to 90 percent of the sales and use tax liability for the previous June. Beginning July 1, 2005, for the payment required in 2006, the payment required under this subdivision shall only apply to such dealers or direct payment permit holders with taxable sales and purchases of \$50,000,000 or greater for such period of time and the payment required shall equal 20 percent of the sales and use tax liability for the previous June.

Such tax payments shall be made on or before the 30th day of June, if payment is made by electronic funds transfer, as defined in § 58.1-202.1. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June. 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 subsection on the return for June of the current year due July 20. The provisions of this subsection 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, except with respect to fraudulent returns, failure to make a timely payment or full payment of the sales and use tax liability as provided in this subsection shall subject the dealer or direct payment permit holder to a penalty of six percent of the amount of tax underpayment that should have been properly paid to the Tax Commissioner. Interest will accrue as provided in § 58.1-15. The payment required by this subsection shall become delinquent on the first day following the due date set forth in this subsection if not paid.

The provisions of this subsection shall expire on August 1, 2006.

C. Any return required to be filed with the Tax Commissioner under this section shall be deemed to have been filed with the Tax Commissioner on the date that such return is delivered by the dealer to the commissioner of the revenue or the treasurer for the locality in which the dealer is located and receipt is acknowledged by the commissioner of the revenue or treasurer. The commissioner of the revenue or the treasurer shall stamp such date on the return, and shall mail the return to the Tax Commissioner no later than the following business day. The commissioner of the revenue or the treasurer may collect from the dealer the cost of postage for such mailing.

3. That notwithstanding any other law the provisions of subsection B of § 58.1-615 of the Code of Virginia shall expire on May 31, 2006.

4. That the Tax Commissioner shall develop and publish guidelines for purposes of implementing the provisions of the second enactment of this act in regard to the tax credit for the manufacturer and export of cigarettes, including guidelines addressing an adjustment to the credit allowed pursuant to such second enactment for cigarettes that are exported but later returned to the manufacturer. The development of such guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.) of the Code of Virginia.

5. That the provisions of the first enactment of this act shall expire midnight on June 30, 2006. The provisions of the second , third and sixth enactments of this act shall have no expiration date.

6. This act is effective on its passage as provided in § 1-12 C, Code of Virginia.

7. That the seventh enactment of Chapter 1042 of the Acts of Assembly of 2003 is repealed.

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