



Report of the Subcommittee on  
General Government

Senate Finance Committee  
Virginia General Assembly

February 21, 2010

**Mr. Chairman and Members of the Committee:**

It will come as no surprise to you when I say that our subcommittee report contains recommendations on several items that have been controversial and have great impact on not only the Commonwealth's budget, but the thousands of public employees and millions of ordinary citizens across the Commonwealth.

The most significant of these is the recommendation of \$1.9 **billion** for continuation of the local aid program for Car Tax relief. The chairman has already addressed this recommendation in his remarks, so I will not dwell on it here.

Our recommendations with regard to the Compensation Board will have considerable impact on localities across the Commonwealth. Proposed budget cuts to the local offices funded through this often misunderstood agency would have resulted in the layoff of over 1,500 local employees. Most of these would have been deputy sheriffs, who protect the lives and property of our citizens every day. Many others would have been from those who staff our Circuit Courts and prosecute criminal offenses – further weakening public safety. Layoffs among employees of the three local financial officers funded by the Compensation Board would weaken local finances at a critical time. These consequences don't factor in the loss of jobs that would occur in local economies as these valued public servants have to cut back. For these reasons, we recommend a net restoration of \$182.3 million for support of locally-elected constitutional officers. Our recommendations will still result in reductions ranging from eight to ten percent, but are a far cry from the reductions of over fifty percent contemplated in the budget as introduced.

Before moving on to employee compensation, let me address a topic that monopolized the General Government subcommittee's time in the months leading up to the General Assembly Session – information technology and the troubled public private partnership.

Our review of this area leads us to the conclusion that ongoing oversight of this public-private partnership is essential. We believe that the Commonwealth will be well-served by implementing the

recommendations made to the subcommittee by the Joint Legislative Audit and Review Commission and directing that JLARC continue to play an ongoing role in reporting and reviewing the ongoing activities related to information technology outsourcing and planning.

Moreover, this is also a time when it is critical that we continue our efforts to stimulate economic growth in the Commonwealth. While recognizing our current fiscal constraints, we must continue to promote the creation of high-paying, high-growth jobs in the technology and life science industries. Included in our recommendations is a total \$5.0 million for technology and life science grant programs that will lead to the creation of hundreds of new jobs.

Now, let me address compensation.

With regard to employee compensation, we have reluctantly endorsed the Governor's proposal for additional furlough days in FY 2011 and FY 2012 – saving a total of \$108.4 million. Fortunately, we have been able to limit these to three days per year, instead of the five days that had been proposed.

After careful consideration we also endorse the Governor's proposal to save \$508 million by partially deferring payments to the Virginia Retirement System for public employee pensions. This is a one-time action that is made possible in part by the Committee's substitute for HB 1189, which reforms many aspects of public employee pensions in Virginia. This measure itself saves approximately \$70 million. Deferral of payments on other employee benefit programs results in additional savings of almost \$115 million. The emphasis here must be placed on the one-time nature of these actions. The funds freed up will save public sector jobs, help educate our children, and save lives by allowing continued support from important public health and medical programs. These benefits far outweigh any deferred costs, but we must begin to pay the full cost of these programs in the next biennium.

I would like to close with one piece of bright news. We have included in our recommendations a bonus payment of three percent

for state employees on December 16, 2011. This is a pale shadow of the reward they deserve for their dedicated service in these difficult times. Hopefully, we will be able to do more for them in the near future.

Mr. Chairman, we believe that our recommendations will help move the Commonwealth through these difficult times. It is our hope it will be your pleasure to adopt them.

Respectfully Submitted,

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The Honorable Yvonne B. Miller, Chairman

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The Honorable Walter A. Stosch

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The Honorable Janet D. Howell

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The Honorable Frederick M. Quayle

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The Honorable W. Roscoe Reynolds

**GENERAL GOVERNMENT SUBCOMMITTEE  
SPREADSHEET  
(SB 29 and SB 30)**

## Recommendations of the General Government Subcommittee

Line #	Description	FY 2010	FY 2011	FY 2012	Biennium
1	<b>REVENUE</b>				
2	<b>Supreme Court</b>				
3	Direct Deposit of District Court Fees (GF Revenue)	\$728,333	\$4,370,000	\$4,370,000	\$8,740,000
4	Adjust Criminal Fund & Mental Commitment Reporting Requirement	\$0	Language	\$0	\$0
5	<b>Compensation Board</b>				
6	Fund Commonwealth's Attorneys with Fees (SB 329-Stuart)	\$0	\$10,177,447	\$10,177,447	\$20,354,894
7	Fund Sheriifs & Regional Jails with Fees (SB 329-Stuart)	\$0	\$40,709,789	\$40,709,789	\$81,419,578
8	<b>General Services</b>				
9	Consolidated Lab Balance (GF Revenue)	\$500,000	\$0	\$0	\$0
10	<b>Central Accounts</b>				
11	Retirement at Normal Cost + 20% UAAL (State)	\$0	\$46,256,697	\$47,262,301	\$93,518,998
12	Group Life Premium Holiday (State)	\$0	\$9,806,575	\$10,232,896	\$20,039,471
13	VSDP Premium Holiday (State)	\$0	\$8,655,439	\$9,031,759	\$17,687,198
14	<b>TOTAL: REVENUES</b>	<b>\$1,228,333</b>	<b>\$119,975,947</b>	<b>\$121,784,192</b>	<b>\$241,760,139</b>
15					
16	<b>LEGISLATIVE</b>				
17	<b>General Assembly of Virginia</b>				
18	Commission on Energy and Environment	\$0	\$15,975	\$15,975	\$31,950
19	Autism Advisory Council (SB 707)		\$6,300	\$6,300	\$12,600
20	JLARC study of TICR		Language		
21	JLARC Ongoing Oversight of IT Outsourcing		Language		
22	Legislative Department Reversion Clearing Account		Language		
23					
24	<b>JUDICIAL</b>				
25	<b>Supreme Court</b>				
26	Eliminate waivers for court-appointed counsel	(\$600,000)	(\$4,200,000)	(\$4,200,000)	(\$8,400,000)
27	Additional budget reduction		(\$1,000,000)	(\$1,000,000)	(\$2,000,000)
28	Adjust monthly reporting on criminal fund to annual reporting		Language		
29	Task Force to develop plans and legislation for streamlining courts		Language		
30					
31	<b>Circuit Courts</b>				\$0
32	Courthouse construction and maintenance fee from \$2 to \$10		Language		
33	Allow probationers to earn credits (Public Safety Subcommittee)		Language		
34	Sentencing worksheets for probation revocation (Public Safety Subcommittee)		Language		
35					
36	<b>General District Courts</b>				\$0
37	Reduce Criminal Fund expenditures for counsel for misdemeanors	\$0	(\$6,000,000)	(\$9,000,000)	(\$15,000,000)

## Recommendations of the General Government Subcommittee

Line #	Description	FY 2010	FY 2011	FY 2012	Biennium
38	Committee on District Courts - Policies and Procedures		Language	Language	
39					
40	<b>Judicial Inquiry and Review Commission</b>				
41	Additional five percent reduction	\$0	(\$25,000)	(\$25,000)	(\$50,000)
42					
43	<b>Indigent Defense Commission</b>				
44	Additional two percent reduction (to reflect fewer prosecutions of misdemeanors)	\$0	(\$1,000,000)	(\$1,000,000)	(\$2,000,000)
45					
46	<b>Virginia Criminal Sentencing Commission</b>				
47	Additional five percent reduction	\$0	(\$40,000)	(\$40,000)	(\$80,000)
48	Study sentencing guidelines for electronic monitoring (Public Safety Subcommittee)		Language		
49	Risk assessment guidelines for geriatric release (Public Safety Subcommittee)		Language		
50	Study extension of good time credits for extended state-responsible (PS Sub)		Language		
51					
52	<b>Virginia State Bar</b>				
53	Reduce capital resource center (-15%)	\$0	(\$70,000)	(\$70,000)	(\$140,000)
54					
55	<b>STATE-WIDE EXECUTIVE OFFICES</b>				
56	<b>Office of the Governor</b>				
57	Eliminate Virginia Liaison Office	\$0	(\$320,195)	(\$320,195)	(\$640,390)
58					
59	<b>ADMINISTRATION</b>				
60	<b>Secretary of Administration</b>				
61	Move Public Broadcasting Back to Office of Administration	\$0	\$4,867,152	\$4,867,152	\$9,734,304
62	<b>Compensation Board</b>				
63	Move Compensation Board Back to Office of Administration (Technical)	\$0	\$513,276,014	\$502,817,324	\$1,016,093,338
64	Add Back 2009 Byrne/JAG Surplant (Sheriffs & Regional Jails)	\$0	\$23,300,000	\$23,300,000	\$46,600,000
65	Restore FY 2010 %5 Per Diem Reduction	\$3,586,790	\$0	\$0	\$0
66	Restore Selected Proposed Reductions	\$0	\$115,501,978	\$114,627,420	\$230,129,398
67	Across-the-Board Reductions	\$0	(\$43,071,300)	(\$42,143,295)	(\$85,214,595)
68	Per Diems: \$0 Awaiting Trial/\$4 Less than 1 Year/\$14 1Year or More	\$0	(\$6,294,242)	(\$6,294,242)	(\$12,588,485)
69	Adjust Jail Funding (Pittsylvania & Patrick Counties)	\$0	(\$515,678)	\$239,982	(\$275,696)
70	Duties of Local Treasurers & Commissioners	\$0	Language	\$0	\$0
71	<b>Human Resource Management</b>				
72	Teacher & Local Health Insurance Plan	\$0	\$100,000	\$0	\$100,000
73	Career Center	\$0	(\$65,200)	(\$97,800)	(\$163,000)
74	<b>Board of Elections</b>				



## Recommendations of the General Government Subcommittee

Line #	Description	FY 2010	FY 2011	FY 2012	Biennium
75	Constitutional Amendment Referendum Advertising (SB 362)	\$0	\$308,200	\$0	\$308,200
76	Constitutional Amendment Referendum Advertising (SB 31)	\$0	\$66,000	\$0	\$66,000
77	Constitutional Amendment Referendum Advertising (SB 113)	\$0	\$66,000	\$0	\$66,000
78	Constitutional Amendment Referendum Advertising (SB 547)	\$0	\$66,000	\$0	\$66,000
79	Direct Recording Election Machines	\$0	Language	\$0	\$0
80					
81	<b>FINANCE</b>				
82	<b>DOA Transfer Payments</b>				
83	Rainy Day Fund (Technicals)	\$0	Language	\$0	\$0
83	Make Required Rainy Day Fund Deposit in FY 2013	\$0	\$0	(\$40,000,000)	(\$40,000,000)
84	Restore Personal Property Tax Relief	\$0	\$950,000,000	\$950,000,000	\$1,900,000,000
85	<b>Tax</b>				
86	Nonpersonal Services	\$0	(\$300,000)	(\$300,000)	(\$600,000)
87	Turnover & Vacancy	\$0	(\$1,100,000)	(\$1,100,000)	(\$2,200,000)
88	Software & Consulting Services	\$0	(\$900,000)	(\$65,400)	(\$965,400)
89	Parking Subsidy	\$0	(\$140,000)	(\$279,000)	(\$419,000)
90	Recovery of E-911 Fee Administrative Expenses	\$0	Language	\$0	\$0
91	<b>Treasury</b>				
92	SCC Banking Fees	\$0	(\$300,000)	(\$300,000)	(\$600,000)
93	<b>Treasury Board</b>				
94	Prince William - Manassas Regional Jail	\$0	Language	\$0	\$0
95	Rappahannock-Shenandoah-Warren Regional Jail	\$0	Language	\$0	\$0
96					
97	<b>TECHNOLOGY</b>				
98	<b>Innovation and Entrepreneurship Investment Authority</b>				
99	CIT: GAP Program	\$0	\$1,000,000	\$1,000,000	\$2,000,000
100	CIT: Virginia Biotechnology Wet Laboratory Program	\$0	\$1,500,000	\$1,500,000	\$3,000,000
101					
102	<b>Virginia Information Technologies Agency</b>				
103	Correct VGIN NGF Balances		NGF		
104	Analysis of Technology Procurement Options		Language		
105	Reporting on Modifications to IT Outsourcing Contract		Language		
106	Enterprise Application Planning		Language		
107					
108	<b>CENTRAL ACCOUNTS</b>				
109	<b>Compensation Supplements</b>				
110	FY 2012 Health Insurance Rate Increase (HIF) (Address at 2011 Session)	\$0	\$0	(\$37,231,433)	(\$37,231,433)

## Recommendations of the General Government Subcommittee

Line #	Description	FY 2010	FY 2011	FY 2012	Biennium
111	Health Insurance IBNR Reserve at \$25 Million	\$0	(\$8,700,000)	(\$8,700,000)	(\$17,400,000)
112	Employee Furloughs: FY 2011- 3 days/FY 2012- 3 days	\$0	(\$54,200,000)	(\$54,200,000)	(\$108,400,000)
113	Judicial Retirement (SB 206)	\$0	(\$1,400,000)	(\$1,400,000)	(\$2,800,000)
114	HB 1189 Substitute (State)	\$0	(\$10,000,000)	(\$16,000,000)	(\$26,000,000)
115	HB 1189 Substitute (Teachers)	\$0	(\$11,200,000)	(\$33,200,000)	(\$44,400,000)
116	Retirement at Normal Cost + 20% UAAL (State)	\$0	(\$81,979,693)	(\$83,761,897)	(\$165,741,590)
117	Retirement at Normal Cost + 20% UAAL (Teachers)	\$0	(\$123,568,875)	(\$126,040,252)	(\$249,609,127)
118	Interaction of Normal Cost + 20% UAAL and Delay of 4th Quarter 2011 Payment	\$0	\$18,103,973	\$0	\$18,103,973
119	Modify SB 30 Retirement Benefit Changes (COLA/Employee Contribution/ Early Retirement)	\$0	Language	\$0	\$0
120	Group Life Premium Holiday (State)	\$0	(\$14,998,037)	(\$15,650,038)	(\$30,648,075)
121	Group Life Premium Holiday (Teachers)	\$0	(\$20,072,514)	(\$20,473,964)	(\$40,546,478)
122	VSDP Premium Holiday (State)	\$0	(\$11,688,366)	(\$12,196,542)	(\$23,884,908)
123	Reinstate Local Government Reversions	\$0	(\$50,000,000)	\$0	(\$50,000,000)
124	State Employee Bonus (3% FY 2012)	\$0	\$0	\$82,000,000	\$82,000,000
125	Nongeneral fund salary Increases - Higher Education Exemption	\$0	Language	\$0	\$0
126	<b>State Agency Reversions</b>				
127	Reduce Printing Costs	\$0	(\$187,500)	(\$187,500)	(\$375,000)
128	<b>Undistributed Support</b>				
129	Remove Increased Agency Technology Funds	(\$19,388,058)	\$0	\$0	\$0
130					
131	<b>PART III: MISCELLANEOUS PROVISIONS</b>				
132	<b>3-2.03 Lines of Credit</b>				
133	Eliminate Productivity Investment Fund Line of Credit	\$0	Language	\$0	\$0

**GENERAL GOVERNMENT SUBCOMMITTEE  
LANGUAGE AMENDMENTS  
(SB 30)**

**Legislative Department**

Joint Legislative Audit And  
Review Commission

Language

**Language:**

Page 15, following line 14, insert:

"E.1. The General Assembly hereby designates the Joint Legislative Audit and Review Commission (JLARC) to review and evaluate the Virginia Information Technologies Agency (VITA) on a continuing basis and to make such special studies and reports as may be requested by the General Assembly, the House Appropriations Committee, or the Senate Finance Committee.

2. The areas of review and evaluation to be conducted by the Commission shall include, but are not limited to, the following: (i) VITA's infrastructure outsourcing contracts and any amendments thereto; (ii) adequacy of VITA's planning and oversight responsibilities, including VITA's oversight of information technology projects and the security of governmental information; (iii) cost-effectiveness and adequacy of VITA's procurement services and its oversight of the procurement activities of State agencies.

3. For the purpose of carrying out its duties and notwithstanding any contrary provision of law, JLARC shall have the legal authority to access the information, records, facilities, and employees of VITA.

4. Confidential or proprietary records of VITA or Northrop Grumman provided to JLARC shall be exempted from the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

5. The Chairman of JLARC may appoint a permanent subcommittee to provide guidance and direction for VITA review and evaluation activities, subject to the full Commission's supervision and such guidelines as the Commission itself may provide.

6. All agencies of the Commonwealth shall cooperate as requested by JLARC in the performance of its duties under this authority."

**Explanation:**

(This amendment directs the Joint Legislative Audit and Review Commission to continue to provide ongoing oversight of Virginia's information technology outsourcing arrangement using the same model currently utilized by JLARC for ongoing review of the Virginia Retirement System.)

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Item 30 #1s

**Legislative Department**

Joint Legislative Audit And  
Review Commission

Language

**Language:**

Page 15, following line 14, insert:

"E. The Joint Legislative Audit and Review Commission (JLARC) shall evaluate and report on the performance of the Tobacco Indemnification and Community Revitalization Commission (TICR). The report shall include, but not be limited to, a review of the effectiveness of the economic revitalization grants of the TICR, an evaluation of the TICR economic revitalization strategy, and recommendations as to the TICR's outcome metrics and accountability measures. JLARC shall submit a final report by June 30, 2011."

**Explanation:**

(This amendment requires JLARC to evaluate and report on the performance of the Tobacco Indemnification and Community Revitalization Commission (TICR), including a review of the effectiveness of the economic revitalization grants of the TICR, an evaluation of the TICR economic revitalization strategy, and propose recommendations as to the TICR's outcome metrics and accountability measures. )

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Item 32 #1s

**Legislative Department**

Legislative Department Reversion  
Clearing Account

Language

**Language:**

Page 15, after line 38, insert:

"A. On or before June 30, 2011, the Committee on Joint Rules shall authorize the reversion to the general fund of \$1,034,093, representing savings generated by

legislative agencies in the first year.

B. On or before June 30, 2012, the Committee on Joint Rules shall authorize the reversion to the general fund of \$1,034,093, representing savings generated by legislative agencies in the second year."

**Explanation:**

(This amendment authorizes the reversion of legislative agency savings to the general fund.)

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Item 39 #1s

**Judicial Department**

Supreme Court

Language

**Language:**

Page 18, line 14, strike "a monthly summary" and insert "an annual fiscal year summary, on or before September 1 of each year,".

**Explanation:**

(This amendment adjusts the reporting requirement for the Criminal Fund and the Involuntary Mental Commitment Fund.)

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Item 39 #2s

**Judicial Department**

Supreme Court

Language

**Language:**

Page 19, following line 11, insert:

"K. There is hereby established a task force within the Judicial Department to develop strategies to maintain the administration of justice during this time of limited resources. The task force shall provide recommendations to the Judicial Council of Virginia, including strategies to streamline, reorganize, and consolidate judicial operations, achieve efficiencies and economies of scale, and address the workload of the courts in the most responsible and responsive manner possible. The recommendations of the task force may include proposed legislation for consideration by the General Assembly, as necessary. The task force shall be chaired by the Chief Justice of the Supreme Court of Virginia. The membership of the task force shall include the Executive Secretary, six judges appointed by the Chief Justice, one

member appointed by the Chairman of the Senate Committee on Courts of Justice, one member appointed by the Chairman of the Senate Committee on Finance, two members appointed by the Speaker of the House of Delegates, and one member appointed by the Governor. The Office of the Executive Secretary shall prepare any reports and proposed legislation, as appropriate, and provide such reports and any proposed legislation to the Governor and the General Assembly."

**Explanation:**

(This amendment creates a task force to develop strategies to enable the Judicial Department to maintain the administration of justice during this time of limited resources. This is one of a series of amendments to enable the criminal justice system to manage its workload effectively during a period of severe budget reductions.)

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Item 41 #1s

**Judicial Department**

Circuit Courts

Language

**Language:**

Page 21, following line 5, insert:

"F. Notwithstanding the provisions of Section 17.1-281(A) of the Code of Virginia, the maximum fee of two dollars as part of the costs in (i) each civil action filed in the district or circuit courts located within its boundaries and (ii) each criminal or traffic case in its district or circuit court in which the defendant is charged with a violation of any statute or ordinance may be increased by a local governing body from two dollars to ten dollars."

**Explanation:**

(This amendment authorizes localities to increase the courthouse construction and maintenance fee from two dollars to ten dollars. This is one of a series of amendments to enable the criminal justice system to manage its workload effectively during a period of severe budget reductions.)

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Item 42 #2s

**Judicial Department**

General District Courts

**FY 10-11**  
(\$6,000,000)

**FY 11-12**  
(\$9,000,000) GF

**Language:**

Page 21, line 12, strike "\$94,874,301" and insert "\$88,874,301".

Page 21, line 12, strike "\$94,874,301" and insert "\$85,874,301".

Page 21, line 36, following "D." insert "1."

Page 21, following line 37, insert:

"2. The Committee on District Courts, in consultation with the Virginia Association of Commonwealth's Attorneys and the Virginia Indigent Defense Commission, shall develop policies and procedures to reduce the number of misdemeanor charges for which the Commonwealth will seek incarceration, thereby reducing expenditures through the Criminal Fund for court-appointed counsel or for public defenders. The Executive Secretary of the Supreme Court shall provide a report by October 30, 2010, to the Governor and to the Chairmen of the Senate and House Courts of Justice Committees, and the Chairmen of the Senate Finance and House Appropriations Committees on the implementation of these policies and procedures."

**Explanation:**

(This amendment reduces funding for the Criminal Fund by \$6,000,000 the first year and \$9,000,000 the second year from the general fund, to reflect a reduction in the number of attorneys appointed to represent offenders charged with misdemeanor offenses. The amendment specifies that the Committee on District Courts, in consultation with the Virginia Association of Commonwealth's Attorneys and the Virginia Indigent Defense Commission, shall develop policies and procedures to reduce the number of misdemeanor charges for which the Commonwealth will seek incarceration, thereby reducing expenditures through the Criminal Fund for court-appointed counsel or for public defenders. A companion amendment to Item 41 in Senate Bill 29 initiates this process in fiscal year 2010. This is one of a series of amendments to enable the criminal justice system to manage its workload effectively during a period of severe budget reductions.)

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Item 79 #1s

**Administration**

State Board Of Elections

Language

**Language:**

Page 41, following line 29, insert:

"F. Notwithstanding the provisions of 24.2-626, the prohibition on acquiring new Direct Recording Election machines without networking capabilities is hereby suspended."

**Explanation:**

(This amendment suspends the prohibition against acquiring new Direct



Recording Election machines without networking capabilities.)

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Item 256 #1s

<b>Finance</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	
Department Of Accounts Transfer Payments	\$0	(\$40,000,000)	GF

**Language:**

Page 161, line 23, strike "\$40,000,000" and insert "\$0".

Page 161, strike lines 33 through 46 and insert:

"B. Pursuant to Article X, Section 8 of the Constitution of Virginia and § 2.2-1829 of the Code of Virginia, the Auditor of Public Accounts shall certify the required deposit to the Revenue Stabilization Fund attributable to actual tax collections for the fiscal year ending June 30, 2011, and the 2012 General Assembly shall take action consistent with the Auditor's certification."

**Explanation:**

(This amendment stipulates that the mandatory deposit to the Revenue Stabilization Fund will be made in accordance with Constitutional and statutory provisions, rather than being made a year early.)

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Item 259.10 #1s

<b>Finance</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	
Department Of Accounts Transfer Payments	\$950,000,000	\$950,000,000	GF

**Language:**

Page 163, following line 17, insert:

"259.10. Personal Property Tax Relief Program (74600)	\$950,000,000	\$950,000,000
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Fund Sources: General	\$950,000,000	\$950,000,000."
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Authority: Discretionary Inclusion.

A.1. Included in this Item is \$950,000,000 from the general fund in the first year and \$950,000,000 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 E of this Item.

B. Any unexpended balance remaining in this Item as of June 30, 2008, and June 30, 2009, shall be carried 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, 2010, 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.

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. 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.

E. 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.

F. 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 attributable to such spring billing dates not later than August 15 of each fiscal year. "

**Explanation:**

(This amendment provides \$950.0 million GF the first year and \$950.0 million GF the second year to continue the Personal Property Tax Relief program.)

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Item 271 #1s

**Finance**

Treasury Board

Language

**Language:**

Page 172, following line 31, insert:

"Prince William/Manassas Regional Adult Detention Center (Jail Facility Phase I including renovations ..... \$31,519,905."

Page 172, line 32, strike "177,469,988" and insert "208,989,893".

Page 172, following line 40, insert:

"d. Subject to the approval of the Board of Corrections of the final expenditures for the Prince William/Manassas Regional Adult Detention Center (Jail Facility Phase I including renovations), the state share of the approved capital cost for this project shall not exceed \$31,519,905."

**Explanation:**

(This amendment adds the Phase I addition to the Prince William/Manassas Regional Adult Detention Center to the list of projects approved for reimbursement for the state share of the capital cost for the project.)

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Item 271 #2s

**Finance**

Treasury Board

Language

**Language:**

Page 172, following line 31, insert:

"Rappahannock-Shenandoah-Warren Regional Jail ..... \$32,840,850."

Page 172, line 32, strike "177,469,988" and insert "210,310,838".

Page 172, line 37, following "\$875,294.", insert:

"The Commonwealth's share of the total cost of construction for the Rappahannock-Shenandoah-Warren Regional Jail shall not exceed \$32,840,850."

**Explanation:**

(This amendment adds the Rappahannock-Shenandoah-Warren Regional Jail to the list of projects approved for reimbursement for the state share of the capital cost for the project.)

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Item 418 #4s

**Public Safety**

Compensation Board

**FY 10-11**  
(\$6,294,242)

**FY 11-12**  
(\$6,294,242) GF

**Language:**

Page 279, line 45, strike "\$51,102,382" and insert "\$44,808,140".

Page 279, line 45, strike "\$53,352,871" and insert "\$47,058,629".

Page 280, strike lines 34 to 37.

Page 280, following line 33, insert:

"1. For inmates with sentences of less than one year--\$4 per inmate day, or, if the inmate is housed and maintained in a jail farm not under the control of the sheriff, the rate shall be \$18 per inmate day.

2. For inmates with sentences of less than one year:

a. Who are being held awaiting trial for additional felony charges--\$0 (zero) per inmate day.

b. With all pending charges adjudicated:

- i. \$8 per inmate day—for up to sixty days following the mailing by certified letter or electronic transmission to the Department of Corrections of the final court order within thirty days after the order being issued.
  - ii. \$14 per inmate day—on and after the sixty-first day following the mailing by certified letter or electronic transmission to the Department of Corrections of the final court order within thirty days after the order being issued.
  - iii. \$14 per inmate day—on and after the ninety-first day following the date of final sentence, if the final court order was not mailed by certified letter or electronic transmission to the Department of Corrections within thirty days after the order being issued. "
- Page 280, following line 37, insert:  
 "3. Payments for the purposes of this paragraph shall cease once available funds are expended."  
 Page 282, line 15, strike "\$8" and insert "\$14".

**Explanation:**

(This amendment provides for per diem payment rates for maintenance of prisoners in local and regional jails at \$4 per prisoner day for prisoners with sentences less than one year, and the FY 2010 level of \$14 for prisoners with sentences of one year or more. There would be no per diem payment for prisoners awaiting trial. Payments shall cease once available funds are expended.)

Item 425 #2s

**Public Safety**

Compensation Board

Language

**Language:**

Page 292, strike lines 2 through 8.

**Explanation:**

(This amendment eliminates language that would have allowed local governing bodies to create the office of a Director of Finance without a referendum and assign to that office the duties currently performed by locally-elected Treasurers and Commissioners of the Revenue.)

Item 428 #3s

**Technology**

**FY 10-11**

**FY 11-12**

Innovation And Entrepreneurship Investment Authority	\$1,000,000	\$1,000,000	GF
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**Language:**

Page 293, line 12, strike "\$4,023,750" and insert "\$5,023,750".

Page 293, line 12, strike "\$4,023,750" and insert "\$5,023,750".

Page 294, following line 4, insert:

"I. From the amounts appropriated in this Item \$1,000,000 in the first year and \$1,000,000 in the second year from the general fund shall be allocated to the Commonwealth GAP fund to foster the development of Virginia-based technology, biosciences, and energy companies. It is the intent of the General Assembly that this funding shall be used to underwrite immediate first financing for not fewer than 20 new early-stage companies and achieve a rate of return of not less than 11:1. As part of the reporting requirements identified within paragraph D of this Item, the Director of the Center for Innovative Technology shall provide a detailed report on the number of companies and jobs created pursuant to this additional funding."

**Explanation:**

(This amendment provides \$1 million in each year to fund the GAP program for technology and life-science program administered by the CIT.)

Item 428 #4s

<b>Technology</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	
Innovation And Entrepreneurship Investment Authority	\$1,500,000	\$1,500,000	GF

**Language:**

Page 293, line 12, strike "\$4,023,750" and insert "\$5,523,750".

Page 293, line 12, strike "\$4,023,750" and insert "\$5,523,750".

Page 294, following line 4, insert

"I. Out of the amounts appropriated in this Item it is the intent of the General Assembly that \$1,500,000 in the first year and \$1,500,000 in the second year from the general fund be allocated to establish a Virginia Biotechnology Wet-Laboratory Program to provide loans or grants to construct, improve, furnish, equip, maintain, acquire, and renovate biotechnology facilities designed to accommodate and provide wet-lab space or other needed laboratory, research, or production space to attract biosciences and other related technology companies to the state, as well as to

accommodate the growth of companies already located in Virginia. Funds under this program may be used for loans, loan guarantees, credit enhancement, or grants, in cooperation with, or on behalf of, applying local governments, private development entities, or other qualified applicants under the program guidelines.

The promulgation of program guidelines, and any decisions regarding the size and scope of the biotechnology “shell buildings”, the selection of sites, and the selection of users, tenants or purchasers of such buildings shall be made by a panel consisting of the Secretary of Technology, the Secretary of Commerce and Trade, the President of the Center for Innovative Technology, the Executive Director of the Virginia Economic Development Partnership, the Executive Director of the Virginia Biotechnology Association and the President of a research university selected by the Council of University and College Presidents. The funds shall be administered in accordance with the provisions of §15.2-941, Code of Virginia. As part of the reporting requirements identified within paragraph D of this Item, the Director of the Center for Innovative Technology shall provide a detailed report on the number of companies and jobs created pursuant to this additional funding.”

**Explanation:**

(This amendment provides \$1.5 million from the general fund in each year of the biennium for the creation of a biotechnology wet-laboratory facilities program to expand the biosciences industry in Virginia. The funding shall be used to construct or renovate biotechnology “shell buildings” designed to attract biosciences and other related technology companies to the State and administered in accordance with the provisions of the “Virginia Shell Building Initiative”.)

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Item 434 #1s

**Technology**

Virginia Information Technologies  
Agency

Language

**Language:**

Page 303, following line 22, insert:

"H. The Chief Information Officer shall analyze and compare the costs of IT goods purchased through the Comprehensive Infrastructure Agreement to costs the Commonwealth would otherwise pay if comparable IT goods were purchased directly

by VITA, excluding any goods for which there is an existing internal service fund rate approved by the Joint Legislative Audit and Review Commission, or an approved contractual resource unit. In addition, this analysis shall focus on the status of any outstanding deliverables under the Comprehensive Infrastructure Agreement; including but not limited to the establishment of a service catalog. The analysis shall include the cost of the goods plus all taxes, including sales and personal property taxes, and all applicable overhead rates. If goods were purchased by VITA, identify all required changes to the contract, specific installation procedures and ongoing support requirements including any cost to be charged by the vendor for installation and support of goods purchased by the Commonwealth. VITA shall submit a report of this analysis and comparison to the Chairmen of the Senate Committees on Finance and General Laws and Technology and the House Committees on Appropriations and Science and Technology by December 31, 2010."

**Explanation:**

(This amendment directs VITA to report to the Senate and House technology and budget committees on an analysis of potential efficiencies or improvements to the procurement of IT goods that are not specifically covered under the Comprehensive Infrastructure Agreement.)

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Item 434 #2s

**Technology**

Virginia Information Technologies  
Agency

Language

**Language:**

Page 303, following line 22, insert:

"H. Notwithstanding the provisions of § 30-278 et. seq. of the Code of Virginia, the Chief Information Officer and the Secretary of Technology shall provide an analysis of all proposed amendments or modifications to the comprehensive infrastructure agreement, and accompanying statements describing the fiscal impact of such proposed amendments or modifications with such an impact, prior to the execution of the changes to the Chairmen of the Senate Finance and House Appropriations Committees."

**Explanation:**

(This amendment requires the CIO and the Secretary of Technology to provide an



analysis of all proposed amendments or modifications to the comprehensive infrastructure agreement including an analysis of costs of modifications to the agencies of the Commonwealth.)

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Item 434 #3s

**Technology**

Virginia Information Technologies  
Agency

Language

**Language:**

Page 303, following line 22, insert:

"H. Not later than December 31, 2010, the Virginia Information Technologies Agency shall develop a formal plan describing how it intends to modernize and integrate enterprise applications that support the central administrative functions of the Commonwealth, including financial, human resources, and supply chain functions. The plan should also describe efforts to standardize common data associated with these functions. The plan should include description of (a) modernization and standardization goals and objectives, including benefits to the Commonwealth; (b) the overall approach to modernization, including current and anticipated research activities, application development projects, data standardization efforts, and supporting funding and partnership models; (c) plans for coordinating application development projects and data standardization efforts and managing their dependencies including but not limited to data integration, communications, budgets, schedules, resource requirements, and risk management planning; and (d) a structure for managing, operating and maintaining new applications and data resources that are delivered through modernization."

**Explanation:**

(This amendment will continue similar language directing the plan for enterprise applications prior to development.)

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Item 469 #17s

**Central Appropriations**

Central Appropriations

**FY 10-11**  
(\$8,700,000)

**FY 11-12**  
(\$8,700,000) GF

**Language:**

Page 327, line 15, strike "\$38,270,141" and insert "\$46,970,141".  
Page 327, line 15, strike "\$11,041,200" and insert "\$2,341,200".

Page 329, following line 44, insert:

"11. The Director, Department of Planning and Budget shall withhold and transfer to this Item, amounts estimated at \$8,700,000 the first year and \$8,700,000 the second year, from the general fund appropriations of state agencies, representing the net savings resulting from maintaining the reserve for claims that have incurred but not received in the Health Insurance Fund at \$25,000,000."

**Explanation:**

(This amendment captures savings of \$8.7 million GF the first year and \$8.7 million GF the second year from maintaining the reserve in the Health Insurance Fund at \$25,000,000.)

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Item 469 #18s

**Central Appropriations**

**FY 10-11**

**FY 11-12**

Central Appropriations

\$0

(\$37,213,433) GF

**Language:**

Page 327, line 15, strike "\$11,041,200" and insert "\$26,172,233".

Page 328, line 27, strike "\$57,512,461" and insert "\$20,299,028".

**Explanation:**

(This amendment eliminates the appropriation of \$37.2 million GF the second year for the projected increase in employer health insurance rates.)

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Item 469 #21s

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 328, strike lines 50 to 53.

Page 329, strike lines 1 to 21, and insert:

"H.1. Retirement benefits for public employees shall be governed by the provisions of such legislation as may be passed by the General Assembly and signed by the Governor."

Page 328, line 22, strike "5" and insert "2".

Page 328, strike lines 27 to 30, and insert:

"3. Retirement contribution rates for the first year and the second year, excluding the five percent employee portion, shall be established by the actuary designated by the Board of Trustees of the Virginia Retirement System using the actuarial assumptions set out in paragraph 5, and taking into consideration such legislation as may be passed by the General Assembly and signed by the Governor."

**Explanation:**

(This amendment strikes retirement benefit provisions that are in conflict with legislation that has passed the Senate.)

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Item 469 #22s

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 333, after line 42, insert:

Q. 1. Prior to July 1, 2010, the Secretary of Finance shall develop policies and procedures to govern the payment of reduced employer contribution rates for retirement, group life insurance, and the Virginia Sickness and Disability Program for FY 2011 and FY 2012.

2. Notwithstanding any contrary provision of law, the State Comptroller shall have broad authority to implement the policies and procedures needed to execute the provisions of this section in order to maintain its intended objective and to comply with any accounting standards or requirements of federal law.

**Explanation:**

(This amendment requires the Secretary of Finance and the State Comptroller to develop and implement policies and procedures for the payment of reduced employer contribution rates for retirement, group life insurance, and the Virginia Sickness and Disability Program for FY 2011 and FY 2012.)

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Item 469 #23s

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 333, after line 42, insert:

"2. The provisions of this paragraph shall not apply to institutions of higher education."

**Explanation:**

(This amendment allows institutions of higher education to grant salary increases supported by nongeneral fund sources.)

Item 473.10 #1s

**Central Appropriations**

Central Appropriations

**FY 10-11**

(\$50,000,000)

**FY 11-12**

\$0 GF

**Language:**

Page 336, following line 41

"473.10.

(\$50,000,000)

Fund Sources: General

(\$50,000,000)."

Authority: Discretionary Inclusion.

A. The purpose of this item is to capture savings in state aid to local government programs in a manner that provides localities flexibility in how such savings are implemented. This reversion is necessary as a result of the downward adjustment in general fund revenues caused by the slowing of the Virginia economy.

B. Within 30 days after enactment of this act, the Director of the Department of Planning and Budget, shall provide the chief operating officer of each city and county in the Commonwealth a list of certain state aid to local government programs along with an estimate of the general fund amount for each program that each county and city could expect to receive from the state during each year of the biennium. The total amount listed for these programs will serve as the basis for calculating the savings apportioned to each city and county for this item. The savings apportionment will be equal to the percentage of the aggregate general fund amount for all of these state aid programs in each city and county totaling \$50,000,000 the first year.

C. Each city and county in the Commonwealth shall have flexibility in

determining how it will implement the savings apportioned to it. Each city or county can choose to (1) take the total savings out of one program included on the list provided by the Department of Planning and Budget, (2) reduce multiple state aid programs on a proportional basis or by a specified percentage reduction, or (3) reimburse the Commonwealth in aggregate for their share of the savings, thereby keeping the state aid programs at an unreduced level. Each locality may also use number 3 above in combination with 1 or 2. The governing body of each city or county shall make its selection and certify its choice to the Director, Department of Planning and Budget, by August 30, 2008. Within 10 days of receipt, the Director, Department of Planning and Budget, shall review such certification for accuracy to ascertain that the required savings apportioned to the city or county are obtainable using the selection(s) submitted on the certification. Unless, the Director, Department of Planning and Budget, finds a certification to include savings that are not obtainable or sustainable, the certification shall be approved and implemented without further delay. In the event that a city or county has not submitted or obtained an approved certification by October 1, 2010, the Director, Department of Planning and Budget, is hereby authorized to withhold an amount equivalent to the savings apportioned to the affected city or county from the aid to local government programs that the Director determines are most discretionary and represent general purpose aid to the local government in question before he begins to withhold any funds from categorical grants serving a particular functional area or public service. The Director, Department of Planning and Budget, shall notify the affected locality of his decision in this regard and such decision shall remain in force unless it is superseded by the subsequent approval of a certification for the affected city or county after October 1, 2010.

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

**Explanation:**

(This amendment captures savings of \$50.0 million GF the first year from a reduction in local aid.)

**Working Capital Funds and Lines of Credit**

Lines of Credit

Language

**Language:**

Page 373, strike line 40-41.

**Explanation:**

(This amendment eliminates a proposed \$10 million line of credit for the Central Appropriations, Productivity Investment Fund.)

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