

**Recommended Amendments  
to the 2012-2014 Budget  
(House Bill 1500)  
February 3, 2013**

# **Report of the Elementary and Secondary Education Subcommittee**

# Direct Aid to Public Education

- The recommended 2012-2014 biennial budget for Direct Aid to Public Education totals \$10.5 billion GF and \$3.0 billion NGF (Lottery, Literary and federal)

	<b>FY 2013</b> (\$ in millions)	<b>FY 2014</b> (\$ in millions)	<b>Biennium</b> (\$ in millions)
General Fund	\$5,171.8	\$5,336.3	\$10,508.1
Lottery	499.5	462.0	961.5
Literary	143.6	133.3	276.9
Federal	870.9	870.9	1,741.8
<b>TOTAL</b>	<b>\$6,685.7</b>	<b>\$6,802.5</b>	<b>\$13,488.2</b>

# \$62.6 Million for 2% Salary Incentive

- The Subcommittee's highest priority was providing a salary incentive that would include all school employees:
  - Provides \$53.5 million (11 months) in FY 2014 for the state's share of a 2% salary incentive for all funded SOQ instructional positions
  - Participation is optional and requires a local match – must provide at least a 2% increase by January 1, 2014, and would be eligible for the 11 months of funding from the state
  - Provides \$9.1 million in FY 2014 for the state's share of a 2% salary incentive for all funded SOQ support positions - effective January 1, 2014
  - Participation is optional and requires a local match – must provide at least a 2% increase
  - School divisions cannot count the phase-in of the VRS swap as its local match

# \$13.6 Million in Grants & Supplements

- Subcommittee recommends \$7.5 million in FY 2014 for competitive grants to school divisions that develop and implement a Strategic Compensation System
- Recommends \$6.1 million in the second year to fund Cost of Competing Adjustment (COCA) supplemental payment for support positions
  - Full COCA divisions funded at about 4.6%
  - Partial COCA divisions funded at about 1.1%

# Establish School Security Equipment Initiative

- Recommends establishing a five-year \$30.0 million revolving Security Equipment Fund that would provide annual competitive grants up to \$100,000 per school division
  - Provides \$6.0 million each year to enhance school security
  - Would require a 25% local match
  - Funded through the Literary Fund
- Funding is also included in the Public Safety report that would provide \$1.7 million in the second year to fully fund additional school resource officers in schools
  - The initiative also includes \$1.7 million in federal funding

# Other K-12 Recommendations

- Includes language providing school divisions with flexibility to allocate school health services funding to best accommodate student needs
- Reflects several technical adjustments:
  - Reflects an additional \$7.0 million in Lottery Fund revenue the first year
  - Uses an additional \$374,018 in Literary Fund revenue the second year for teacher retirement
  - Captures \$452,327 in remaining unspent balance in the Performance Pay pilot in the first year

# Language Amendments

- Recommends reprogramming existing funding for VPSA supplemental grants allocated to those schools that are not fully accredited and allows those schools to purchase tablets for ninth grade students as a part of the Virginia e-Learning Backpack Initiative
- Provides a one year extension to those school divisions that were granted a waiver for the opening date of the 2012-13 school year to 2013-14
- Recommends language that would survey school superintendents to determine the statewide interest in pursuing the development and implementation of year-round school



# **Report of the Compensation and Retirement Subcommittee**

# FY 2014 Year Salary Adjustments

Employee Group	General Fund \$ in millions Above Amounts in Chapter 3
State Employees	\$17.3
College Faculty	\$6.4
State Supported Local Employees	\$9.0
<b>Total</b>	<b>\$32.7</b>

- Subcommittee recommendations include a salary adjustment of \$50 per year of service to address salary compression for state employees
  - Effective date August 10 – seen in September 1, 2013 paycheck
  - Example: employee with 15 years of continuous state service receives \$750 a year salary adjustment in addition to the 2%
  - Employees with less than 5 years services do not receive salary compression adjustment
  - Adjustment is capped at 30 years (\$1,500)

# Salary Adjustments for Other Employee Groups

- Subcommittee recommendations increase the salary adjustment to 3% for college faculty (effective August 10, 2013) and for State Supported Local Employees (effective September 1, 2013)
  - Assistant Commonwealth's Attorneys handled separately – will receive the 2% salary adjustment included in Chapter 3 and an additional \$3,308 per year salary increase
- Subcommittee also provides \$1.0 million GF in FY 2014 to fund the Career Development programs for Constitutional Officers
  - Governor's amendment in the 2012 veto session funded salary supplements for FY 2013 but not FY 2014

# State Employee Health Insurance Detail

Estimated FY 2014 impact (\$ in millions)	GF
FY 2014 Premium Increase	\$57.8
Increase Co-Payment for ER Visits: \$125 to \$150	(\$0.4)
Funding for UVA Health Care Plan	\$0.5
<b>Total</b>	<b>\$57.9</b>

- Eliminates the use of Health Insurance Fund (HIF) balances to subsidize the employee and employer rates and begins a 5-year plan to replenish the HIF balances
  - Employee premiums for COVA care expected to go up between 10% and 14%
- Subcommittee recommends \$100,000 for an actuarial review of proposal to allow localities and school boards to cover employees in the state employee plan as proposed in HB 1356 (Delegate Yost)

# Report of the Higher Education Subcommittee

# Criteria for Higher Education Recommendations

- Funding recommendations are consistent with TJ 21 legislation
  - Resources will continue progress to achieving 100,000 new degrees
  - Funding allocated for basic operations, enrollment growth, incentive and initiative funding, research, and financial aid
  - Increase access and affordability
- Additional reallocation of resources tied to providing colleges and universities with flexibility to meet institutional priorities

# Allocations to Colleges and Universities

- \$12.2 million for enrollment growth & basic operations
  - Includes \$3.4 million to continue progress for 1,700 additional in-state undergraduate seats at CWM, UVA, VT and JMU
  - Provides for new faculty, operations and maintenance, library materials, and technology
- \$9.9 million for incentive and initiative funding
  - Increase degree production especially in STEM-H
    - ✓ Recommendations include \$1.0 million to expand the GMU STEM-H initiative the House began last session
  - Improve retention, graduation and time to degree
- \$4.0 million for research & economic development
  - \$1.0 million each at UVA & VCU for cancer research
  - \$1.0 million at VT for brain injury
  - \$1.0 million for economic development accelerator initiative at UVA

# Allocations to Colleges and Universities

Institution	GF Amount (\$ in millions)	Institution	GF Amount (\$ in millions)
CNU	\$0.2	UVA	3.7
CWM	0.5	UVA-W	0.2
GMU	2.4	VCU	2.8
JMU	2.0	VMI	0.1
LU	0.2	VT	2.6
UMW	0.2	VSU	0.2
NSU	0.6	RBC	0.2
ODU	5.3	VCCS	4.0
RU	0.8	Total	\$26.1



# Other Major Higher Education Budget Recommendations

- \$6.4 million in central accounts to provide for a total faculty salary increase of 3%
  - The funds provide an additional 1% to the 2% already contained in Chapter 3
  - With the reallocation flexibility, institutions could supplement the increase further
- \$4.2 million for interest earnings
- \$3.7 million for TAG to increase grant from \$2,800 to \$3,100
- \$1.0 million for in-state undergraduate financial aid
- \$1.9 million for other institution-specific items
  - \$0.6 million for the unique military program at VT
  - \$0.6 million for the Virginia Military Survivors and Dependents program (VMSDEP)
  - \$0.5 million for extension including funding for new building coming on-line
  - \$0.2 million at EVMS to continue medical modeling initiative and examine collaborative programs opportunities with William & Mary
- \$0.4 million for aid to local libraries

# Report of the Capital Outlay Subcommittee

# Capital Outlay Program

- Builds on the principles outlined in Del Putney's 2008 legislation to provide for a systematic, business like approach to capital outlay
- Chapter 3 authorized 33 projects to begin / continue detailed planning
  - The projects have a construction value of around \$900 million
- Subcommittee recommends authorizing all 33 projects to complete planning and move to construction phase
  - As the Chairman's 2008 legislation envisioned agencies are required to submit planning documents to DGS for review and approval
  - Project cash flows / draws must be submitted
- Program is financed by using no more than \$250 million in bond authorization a year
  - This is less than ½ of the annual debt capacity
  - Because of cash flows, program would likely proceed over a 3 to 5 year period
  - Average annual debt would not exceed 4.5% which is well below the state's 5% average annual debt policy
  - Program would also utilize about \$120 million of unused previously authorized bonds
    - ✓ Savings from the 2008 & 2010 capital authorizations

# Capital Outlay Program

- Program also accommodates adjustments for repairs, infrastructure or other small project priorities such as:
  - GMU Utility Plant
  - VSU Water Storage Tank and Water Distribution Piping
  - Water Line at Powhatan Correctional
  - VMFA Robinson House Repairs
  - Powhatan State Park Access Road
  - State Library Repairs & Security Improvements
  - State Police Area Offices (14, 16 & 26)
  - Widewater State Park
  - State Park Cabins
  - Lord Fairfax CC Sowder Hall Repairs
  - Veterans Care Centers in Hampton Roads & Northern Virginia

# Other Capital Actions

- \$5.9 million for equipment for new buildings
  - GMU Prince William Life Science Building
  - GMU Science & Technology
  - SMV Danville Center
  - New College Equipment
- \$14.0 million to complete funding for previously approved projects
  - War Memorial DVS Offices & Parking
  - GMU Hylton Center
  - Roanoke Higher Education Center Waterproofing
- \$19.8 million NGF primarily for higher education projects such as dorms and athletic facilities
- Language identifies the next group of projects for planning
  - 16 projects already identified in Chapter 3
  - 10 projects added to the list for preplanning

# **Report of the Health and Human Resources Subcommittee**

# Summary of Proposed HHR Spending and Savings Actions

- Subcommittee amendments focus on meeting critical needs:
  - Waiting lists for Medicaid ID/DD waiver services
  - Targets behavioral health services for children and adults
  - Addresses 2<sup>nd</sup> year holes in the safety net
- Savings amendments focus on technical adjustments & scaling back new initiatives
  - Medicaid
  - Virginia Health Care Fund
  - Department of Social Services

# Intellectual & Developmental Disability (ID/DD) Svs.

- Amendments address ID / DD Waiting Lists
  - 200 additional ID waiver slots in FY 14 (\$6.8 million GF and \$6.8 million NGF in Medicaid budget)
  - 50 additional DD waiver slots in FY 14 (\$869,800 GF and \$869,800 NGF)
- Expand community crisis services for adults and children dually diagnosed with intellectual disabilities and co-occurring mental health or behavioral disorders
  - \$3.8 million GF to expand adult crisis services
  - \$1.3 million GF to create crisis services for children
- Provides \$3.7 million GF in 2014 to increase Medicaid payments up to 25% for congregate care for ID waiver recipients with the most complex medical or behavioral needs
  - Must be transitioning from an institution to the community or at imminent risk of institutionalization
- Language requires the Commissioner of the Dept. of Behavioral Health and Developmental Services to provide quarterly reports on the transition of individuals from state training centers to the community
  - May work with Community Services Boards to explore options for developing small community group homes or intermediate care facilities services if provider capacity is not sufficient to meet needs



# Behavioral Health Services

- Provides \$2.5 million in FY 2014 to address recommendations by the Governor's Taskforce on School and Campus Safety
  - \$1.9 million GF in FY 2014 to provide mental health first aid training across the Commonwealth
  - \$650,000 GF in FY 2014 to provide a comprehensive statewide suicide prevention program
- Adds \$1.5 million GF in FY 2014 for children's crisis services
  - Expands access to psychiatry and crisis response services for children with serious emotional disturbances in 2 additional regions
- Provides \$2.3 million GF in FY 2013 and \$3.8 million GF in FY 2014 year for Part C early intervention services for infants and toddlers
- Adds \$750,000 GF to expand discharge assistance programs
  - Will assist seriously mentally ill individuals transition from state mental health hospitals to the community
- Restores \$700,000 GF in FY 2014 to maintain bed capacity at Northern Virginia Mental Health Institute
- Adds language and allocates funds for DBHDS to preplan the construction/renovation of an additional facility to house and treat sexually violent predators who are civilly committed
  - Capacity at existing facility will be reached in 2015

# Address Safety Net

- Provides \$2.0 million GF and matching federal funds to restore Medicaid eligibility for long-term care services effective Jan. 1, 2014
  - Restores eligibility from 267% to 300% of Supplemental Security Income (SSI)
  - Will ensure that individuals on Medicaid waiver programs do not lose eligibility
- Restores \$1.0 million GF for poison control services
  - Chapter 3 provided \$500,000 in FY 2013 only pending a review of the funding needed to support poison control services statewide through 2 centers
- Restores \$967,944 GF and \$696,362 NGF and 20 positions in FY 2014 for dental services provided through local health departments
  - Chapter 3 restored this funding for FY 2013 only, pending a report on transitioning to a preventive model
  - Advisory panel needs more time to ensure services can be transitioned appropriately to a preventive services model

# Medicaid Services

- Adds \$916,624 GF and federal matching funds for nursing home reimbursement
  - Reduces the occupancy requirement for nursing home payments for indirect and capital costs from 90% to 88%
  - Adds language to authorize the development of a new nursing home reimbursement system to provide better incentives for cost effectiveness
- Adds \$300,000 GF and federal matching funds to provide a \$5.00 per day increase in adult day health care services
  - Provides a less expensive alternative care to nursing facility care
  - Most providers operating at a loss requiring significant efforts to obtain private support to subsidize services
- Adds \$650,784 GF and \$1.9 million NGF and 4.0 positions in FY 2014 to implement the dual eligible managed care demonstration program
  - Estimated to serve up to 70,000 individuals who are dually eligible for Medicaid and Medicare in four regions of the Commonwealth
  - Medicaid forecast assumes savings of \$11.3 million GF in FY 2014

# Medicaid Reform

- Language amendment requires the Department of Medical Assistance Services to seek federal authority to implement a comprehensive reform of the Virginia Medicaid/FAMIS program
  - Focus on value-driven, market-based reform
  - Would incorporate principles of commercial health insurance on the benefit design, participant cost-sharing, coordinated purchasing
- Reform would be phased in:
  - Phase 1: Implement reforms for current Medicaid enrollees subjected to the new MAGI eligibility (primarily women & children and elderly and disabled not receiving long-term care services)
  - Phase 2: Expand reforms to remaining Medicaid enrollees in waiver programs, receiving behavioral health services, and dual eligibles not part of proposed demonstration program
  - Phase 3: Report to General Assembly on federal approval and proposed implementation of reforms, including costs and potential savings
- Requires General Assembly approval to expand Medicaid to cover individuals up to 133% of the federal poverty level as allowed under federal health care reform (PPACA), if above reforms are approved and implementation begins
- Provides for the ability to “opt out” of the expansion if federal financial participation is reduced for new or current Medicaid enrollees

# Department of Social Services

- Adds \$171,266 million GF and \$1.1 million NGF in FY 2014 to increase adoption of children in foster care through recruitment and post-adoptive supports for adoptive families
- Restores \$750,000 GF in FY 2014 to the Virginia Early Childhood Foundation
  - Public-private partnership to make grants to community-based organization to improve the provision of early child care programs
  - During the 2012 Session, funding was reduced by 50% in FY 2014
  - Budget language allocates \$250,000 to implement a pilot program to test a kindergarten readiness assessment tool for statewide application by a Smart Beginning coalition
- Adds \$522,286 GF and \$1.9 million NGF from enhanced federal Medicaid matching funds and 8 positions to increase the agency's management and technical support for the eligibility modernization initiative
- Restores \$600,000 in TANF funds for CHIP of Virginia, Healthy Families to continue evidence-based home visiting programs to at-risk families

# Major HHR Savings Changes

- \$26.1 million GF in FY 2013 by recognizing one-time revenue from the arbitration settlement with tobacco companies as part of the Tobacco Master Settlement Agreement
  - Dispute related to non-participating manufacturer adjustments
  - Savings reflected in Medicaid and the Virginia Health Care Fund and includes a Part 3 transfer of the funds from the Tobacco Settlement Fund
- \$4.0 million GF over the biennium by eliminating new initiatives
  - \$3.0 million in FY 2013 by eliminating use of Virginia Health Care Fund revenue for the Foundation for Health Innovation
  - \$1.0 million GF in FY 2014 by eliminating a \$1,000 recognition payment for adoptive families
- \$1.5 million GF in FY 2014 in savings to the Medicaid forecast due to implementation of federal healthcare reform
- \$1.3 million by recognizing saving from delays in the eligibility systems modernization project
- \$828,734 GF in FY 2014 by supplanting general fund dollars for adoption services with available federal funds

# **Report of the General Government Subcommittee**

# Rainy Day Fund Deposit

- Amendments reflect an additional \$173.3 million GF for deposits into the Revenue Stabilization Fund in FY 2014
  - Includes an additional \$78.3 million to complete the mandatory deposit for FY 2014 based on FY 2012 revenues. Total mandatory deposit for FY 2014 is \$244.7 million GF, including amounts included in Chapter 3
  - Proposes an addition \$95.0 million GF for an advance payment towards the expected deposits for the 2014-16 biennium which are total more than \$370 million based on current forecast
- Inclusive of the advance payment, the cash balance in the Rainy Day Fund will be almost \$800 million at the end of the biennium
  - Fund would be up to two-thirds of its value prior to the “great recession” when it reached \$1.2 billion



# Judicial Vacancies

- The subcommittee recommends filling 32 judgeships which are vacant or will become vacant sometime during calendar year 2013
  - Authorizes 12 circuit court judgeships; two for the 15<sup>th</sup> district and one each in the 2<sup>nd</sup>, 3<sup>rd</sup>, 5<sup>th</sup>, 20<sup>th</sup>, 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup>, 25<sup>th</sup>, 26<sup>th</sup> and 28<sup>th</sup> circuits
  - Authorizes 15 general district court judgeships; two for the 15<sup>th</sup> district and one each in the 2<sup>nd</sup>, 4<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 14<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 19<sup>th</sup>, 24<sup>th</sup>, 25<sup>th</sup>, 27<sup>th</sup>, 28<sup>th</sup>, and 29<sup>th</sup> districts
  - Authorizes 5 juvenile and domestic relations district court judgeships; one each in the 15<sup>th</sup>, 16<sup>th</sup>, 21<sup>st</sup>, 23<sup>rd</sup> and 31<sup>st</sup> districts
- Budget assumes \$8.5 million in reversions from the judicial vacancy savings during the biennium
- Expect that there will be at least 25 additional vacant judgeships to be addressed during the 2014 General Assembly session
  - Results of the judicial caseload study are due to the General Assembly November 15, 2013

# Savings Actions

- Subcommittee recommends savings within the Legislative Department of \$1.9 million from reversions and balance transfers
- Recommends savings of \$667,959 GF the 2<sup>nd</sup> year from reducing staffing proposed for the new Officer of State Inspector General by 6 FTEs
- Approves savings of \$0.4 million GF in FY 2014 from streamlining administrative expenses within the Department of Taxation
- Recommends savings of \$175,000 GF in the second year from eliminating a vacant position within the Department of General Services to support the FICAS system

# Report of the Transportation Subcommittee

# VDOT and DRPT

- Only one major action is proposed within Transportation -- the deposit of an additional 0.05% of the general sales and use tax to the Highway Maintenance and Operating Fund which would provide an additional \$49.0 million NGF in FY 2014
- Amendments include positive technical adjustments of \$345.5 million in FY 2013 and a reduction of \$86.7 million in FY 2014 to reflect the December revisions to the Commonwealth Transportation Fund forecast as well as adjustments included in the FY 2013-2018 Six Year Program adopted by the Commonwealth Transportation Board last June
  - Revised CTF forecast for upcoming biennium assumes growth of 2.6% in FY 2013 and 4.6% in FY 2014 inclusive of the additional sales tax proposed
  - Major adjustments in the Six Year Program reflected changes in the Department's bond issuance schedule and revisions to assumed federal revenues
- Similar forecast adjustments provide an additional \$3.3 million to the Department of Rail and Public Transportation in FY 2014
- Capital Outlay section authorizes \$20.0 million NGF in the second year for VDOT umbrella renovation projects at district, residency, area headquarters and central office facilities

# Other Transportation Agencies

- Includes two changes related to the Virginia Commercial Space Flight Authority
  - Authorization provided to use \$800,000 NGF from the TTF to meet NASA requirements for shoreline protection at the Authority on Wallops Island. These will be matched by federal funds
  - Also amends language relating to the source of funding for the capital purchase of Spaceport components from Orbital Sciences to ensure this purchase will be funded as authorized by the General Assembly last year
- DMV Transfer Payments item reflects the transfer – pursuant to legislation adopted by the 2012 General Assembly – of \$79.8 million NGF in the second year from the Department of Taxation
  - This amount represents the revenue generated by the Northern Virginia regional motor fuel sales tax which will now be administered by DMV

# **Report of the Economic Development, Agriculture and Natural Resources Subcommittee**

# Agriculture and Forestry

- Amendments support continued growth of Virginia's two largest industries - agriculture and forestry
  - Provides \$125,000 in FY 2013 to implement the beehive grant fund created by legislation in the 2012 Session
  - Provides \$250,000 in additional matching support to industry contributions under the Reforestation of Timberlands program in FY 2014
  - Funds 1 position and \$110,000 to administer the Agriculture & Forest Industries Development Fund in FY 2014
  - Includes \$250,000 and 3 positions for the weights & measures program in FY 2014 to reduce time between inspections
  - Restores \$150,000 for the PDR Matching Grants program

# Commerce and Trade

- Amendments to Chapter 3 build upon progress made over past 3 years to focus funding on job-creating activities
  - Provide funding to increase the cap on the Angel Investor Tax Credit by \$500,000 in TY 2013 and \$1.0 million in FY 2014
  - Provide second year funding of \$5.1 million for Fort Monroe Authority to continue efforts to utilize this facility as a catalyst for economic growth
  - Refocus the cooperative tourism marketing funding to leverage additional advertising funding in the key Washington D.C. and Baltimore markets
  - Restore the funding and positions associated with the wage investigation division at the Department of Labor and Industry
- A number of language amendments seek to look at additional ways to improve the efficiency of our economic development efforts by examining how best to use of Virginia Jobs Investment Funds, Virginia's oldest incentive, market Virginia to emerging industries and further support our export industry



# Water Quality Improvement Bond Projects

- Provides \$216 million for the issuance of bonds supporting:
  - \$101 million in wastewater treatment plant improvements to reduce the amount of nitrogen and phosphorus deposited into Virginia's Chesapeake Bay tributaries
  - \$70 million to support combined sewer overflow projects
    - ✓ \$40 million would be provided to the City of Richmond
    - ✓ \$30 million would be provided to the City of Lynchburg
      - The City of Lynchburg has pledged not to seek any further funding for its combined sewer overflow project in exchange for this amount
  - \$35 million to provide matching grants to MS-4 permitted localities for the implementation of stormwater management projects
  - \$5.0 million for a supplemental nutrient removal project for the City of Hopewell

# Other Natural Resources Actions

- Provides \$16.9 million from the year-end general fund surplus for deposit in FY 2013 to the Water Quality Improvement Fund (WQIF)
  - \$14.6 million for implementation of agricultural best management practices
  - \$1.3 million for deposit into the WQIF reserve
  - \$1.0 million for the of grants to localities to develop local stormwater programs
- \$470,000 is added for soil and water conservation district operations
  - Increases operating support to \$90,539 per district
- Provides \$254,000 to increase maintenance on 104 dams owned by SWCDs
- Includes \$300,000 in FY 2013 and \$375,000 in FY 2014 to open Powhatan State Park
- Includes an additional \$300,000 for the Civil War Historic Site Preservation Fund
- Reduces the additional funding for oyster replenishment by \$500,000

# Report of the Public Safety Subcommittee

# Public Safety Spending

- Includes \$800,000 in FY 2013 and \$17.2 million in FY 2014 and 325 positions to open the River North Correctional Center in Grayson County in October 2013
  - Originally set to open January 2014
  - 50 percent of the facility will come from other DOC facilities and 50 percent from state-responsible offenders housed in local and regional jails
- Includes \$1.3 million to augment the school resource officer grant program and to include grants for school security officers
  - Competitive grant program will provide either school resource officers or school security officers based upon local application for funding
  - School resource officers and school security officers will be available for assignment to any public school, including elementary, middle, and high schools
- Additionally, provides a \$30 million revolving grant program for infrastructure safety improvements in local schools, consisting of \$6 million annually over 5 years and backed by the Literary Fund in Public Education

# Other Public Safety Items

- Provides for a savings of \$376,470 in FY 2013 and \$2.6 million in additional funding for inmate medical care in FY 2014
- Provides \$2.9 million for the additional costs of DOC's telephone system
- Includes \$3.3 million for the costs of criminal sentencing bills
- Includes \$6.3 million in additional jail per diems in FY 2013 and a savings of \$540,000 in jail per diems in FY 2014
  - Second year savings reflect transfer of 517 state-responsible offenders from local and regional jails to River North Correctional Center
- Directs that \$6.2 million GF in FY 2014 for reducing encroachment on U.S. Navy Master Jet Base Oceana come from the FACT Fund
  - Including \$1.2 million NGF from the Commonwealth's share of the proceeds from the sale of properties, a total of \$7.5 million is provided
- Saves \$275,000 by delaying a proposed computer interface between DOC and Social Services
  - Social Services is currently in the midst of a computer system upgrade

# **Report of the Technology, Oversight, & Government Activities Subcommittee**

# Local Aid Reversion and Accelerator

- Eliminates a \$45 million reversion of local aid payments by localities to the Commonwealth
  - Action improves the Commonwealth's structural balance
  - Improves the financial health of localities by permitting to keep all financial aid provided by the Commonwealth
- Includes \$2.5 million for a Cyber-Security Accelerator
  - Accelerator will be operated by the Center for Innovative Technology
  - The Cyber-Security Accelerator is expected to create about 10 new high-growth companies per year

# Budget Transparency

- Improves the transparency of Virginia's government by requiring that any amendments proposed by the Governor to the Appropriation Act currently in force be submitted as half-sheets rather than as an amended budget bill
  - Members of the General Assembly file such half-sheets when seeking to offer amendments to the Appropriation Act currently in force
  - The Governor currently files half-sheets when seeking Executive amendments to a budget bill or when proposing actions to be taken by the General Assembly during the Veto Session
- The proposed language would only impact the odd-year Sessions of the General Assembly and any Caboose Bill and would not impact the submission of new biennial budgets