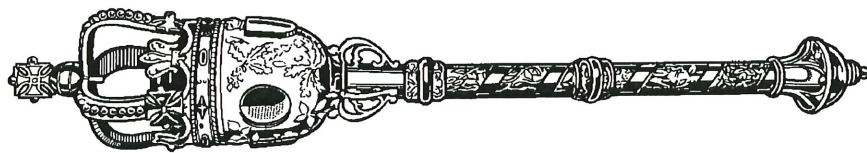


*Report of the  
House Appropriations  
Subcommittee*

*on*

*General Government  
& Capital Outlay*



*House Bill 29  
&  
House Bill 30*

February 18, 2018

**REPORT OF THE SUBCOMMITTEE**  
**on**  
**GENERAL GOVERNMENT & CAPITAL OUTLAY**

Mr. Chairman and Members of the Committee:

I am pleased to present to you today the recommendations of the General Government & Capital Outlay Subcommittee. Consistent with the guidance we received from our Chairman, the Subcommittee approached its work this session with the goals of maintaining a structurally balanced budget, while continuing to address the priorities of the House of Delegates.

Mr. Chairman, in the area of capital, the Subcommittee's recommendations are few in number but significant in their impact on the Commonwealth. In total, the Subcommittee's recommendations reduce the amount of proposed overall debt by almost \$60 million and generate about \$15.0 million in savings for the bottom line.

Specifically, the Subcommittee recommends a total of \$350.0 million for the widening and dredging project at the Virginia Ports. In addition, the Subcommittee recommends a net of \$150.2 million to the 2018 Capital Outlay Pool by adding eight projects including the ABC Warehouse, HVAC and Roof replacement at Virginia Commonwealth University's Life Sciences Building, replacement of the Virginia Tech Extension Agricultural Research facility in Hampton, and the Institute for Advanced Learning and Research Center of Manufacturing.

Mr. Chairman, the Subcommittee also recommends changes to the Department of Juvenile Justice's New Juvenile Center project previously approved in your 2016 capital outlay bill. This was originally contemplated as two smaller standalone projects – one in Chesapeake and one in Central Virginia. However, after the project in Chesapeake failed to receive local approval on its location, the Subcommittee took a new look at the proposal. Mr. Chairman, we determined that by building one larger facility in Central Virginia, the Commonwealth would save \$30.0 million in construction costs and nearly \$8.0 million annually in operating costs. Therefore, Mr. Chairman, the Subcommittee recommends a new 156-bed juvenile center on the Beaumont site.

In terms of planning, as you will recall Mr. Chairman, your 2016 legislation already authorized 21 projects for planning and stipulated that the planning not be submitted until after July 2018. Mindful of our current obligation, the Subcommittee recommends allowing five new projects to begin planning with their own nongeneral fund resources with the planning not to be submitted until after July 2019. This was contemplated in the process established in 2008 and has been utilized by most agencies and institutions to some degree.

In other recommendations, the Subcommittee recommends an additional \$2.7 million for maintenance reserve and an additional \$7.9 million for new building equipment.

Finally, the Subcommittee recommends an \$11.8 million supplement to the Capitol Infrastructure and Security project as a result of inflation from the project's delay, costs associated with the preservation of the façade and slight scope changes in the parking deck.

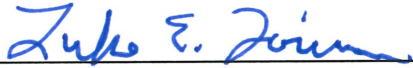
Mr. Chairman, as our remaining capital recommendations are modest and in several cases purely technical, I will move on to General Government.

In the area of general government, the single most significant action of the Subcommittee this session is the adoption of your House Bill 763 which codifies the new Revenue Reserve which we first created in last year's budget. Today I am pleased to announce the Subcommittee recommends deposits into the new Revenue Reserve during the current fiscal year and the upcoming biennium which will total in excess of \$247.0 million. Furthermore, the amendment recommended by the Subcommittee includes language which commits to fully funding the reserve by the end of FY 2024.

Much of the remaining work of the Subcommittee involved identifying opportunities to reduce spending or increase resources that could be redirected to other high priority areas in the budget. The Subcommittee did however feel compelled to recommend some expenditures items including a recommendation to provide \$600,000 to the Capitol Police to make security improvements for the safety of our citizens who visit the Capitol and the Pocahontas Building, \$300,000 to fund a Special Advisor to the Governor for Coastal Flooding and Adaption, \$2.4 million nongeneral fund to ensure that newborn screening tests for time-critical disorders be performed seven days a week, and \$322,000 nongeneral funds to help locate victims of crimes whom are owed restitution.

The details of the Subcommittee's report are contained in the attachments. Committee staff will now review our recommendations in greater detail, Mr. Chairman, Members of the Committee, we hope it will be your pleasure to adopt the report.

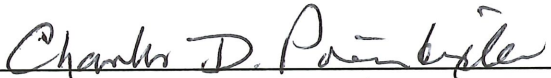
Respectfully Submitted by the House Appropriations Subcommittee on General Government & Capital Outlay:



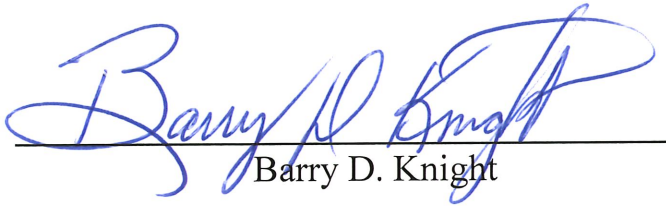
Luke E. Torian, Chairman



Riley E. Ingram



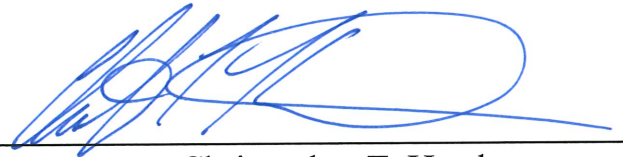
Charles D. Poindexter



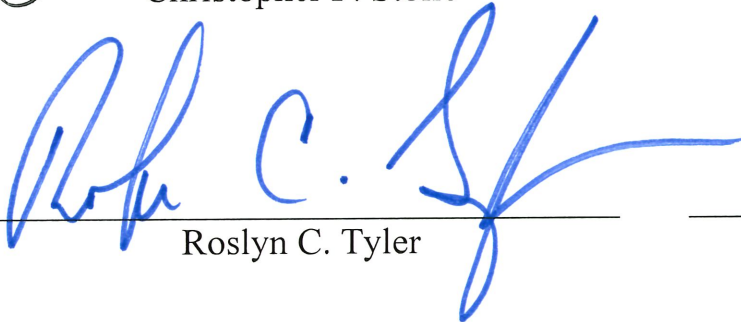
Barry D. Knight



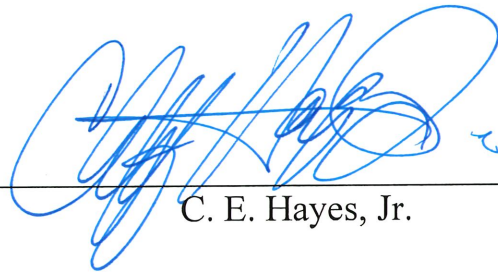
Christopher P. Stolle



Christopher T. Head



Roslyn C. Tyler



C. E. Hayes, Jr.

**House Bill 29**  
**CAPITAL OUTLAY**  
**Amendment**

<b>General Fund</b>	<b>Nongeneral Fund</b>
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<b>Old Dominion University</b>		
Stadium Supplement	0	10,000,000
<b>Virginia Commonwealth University</b>		
School of Engineering Research Expansion	0	1,118,000
<b>Jamestown-Yorktown Foundation</b>		
Jamestown Settlement Pier	0	3,140,000
<b>Central Capital Outlay</b>		
ABC Warehouse		Language

**House Bill 30**  
**CAPITAL OUTLAY**  
**Amendment**

**General**  
**Fund**

**Nongeneral**  
**Fund**

<b>Department of General Services</b>		
O & M Carillon	240,000	0
<b>Treasury Board</b>		
Henry County Jail	0	Language
<b>Department of General Services</b>		
Capital Authority	0	Language
<b>Department of Juvenile Justice</b>		
New DJJ Facility / Transformation	0	Language
<b>James Madison University</b>		
Defer Warren Hall	0	(77,000,000)
<b>Longwood University</b>		
Plan Facilities Annex Building	Language	1,378,000
<b>Norfolk State University</b>		
Plan New Science Building	Language	3,500,000
<b>Radford University</b>		
Plan Center of Adaptive Innovation	Language	4,000,000
<b>Virginia Military Institute</b>		
Plan Physical Training Center Phase 3	Language	1,800,000
Expand / Improve Clarkson-McKenna Press Box	0	1,500,000
<b>Department of Conservation and Recreation</b>		
Land Acquisition (Technical)	0	Language
<b>Virginia Port Authority</b>		
Harbor Widening and Deepening	0	330,000,000
<b>Central Capital Outlay</b>		
Fort Monroe Maintenance Reserve	0	2,000,000
Maintenance Reserve Adjustments	Language	732,872
Equipment for New Buildings	0	7,909,000
Plan Central State Hospital	Language	3,000,000
Eliminate Proposed Project Planning	(15,000,000)	0
2018 Capital Outlay Pool	Language	150,212,500
2016 VPBA Capital Pool Adjustments	Language	37,256,000
2016 VCBA Capital Pool Adjustments	Language	0
ABC Warehouse / Administrative Offices	Language	0
Capitol Complex Infrastructure and Security	Language	11,820,000
<b>Part IV</b>		
Capital Project Threshold & Reporting (Technical)	0	Language
New Parking Facility (Technical)	0	Language
Small Purchases Conform to VPPA	0	Language

**House Bill 29**  
**General Government**  
**Amendment**

<u>General Fund</u>	<u>Nongeneral Fund</u>
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<u>FTEs</u>
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**Office of Administration**

**Office of the Attorney General**

Adjust NGF Appropriation for Revolving Trust Fund

(\$500,000)

**Central Appropriations**

**Central Appropriations**

Revert DLS and Other Legislative Balances

Language

Revert Year End Balance from JLARC

Language

\$0

Revert Year End Balance From State Corporation Commission

Language

Provide Funding for Tax to Hire Audit Staff in FY 2018

\$176,688

12.00

**Part 3**

**Interfund Transfers**

VA Alcohol Safety Action Program Balance

Language



**House Bill 30  
General Government  
Amendment**

**General  
Fund**

**Nongeneral  
Fund**

**FTEs**

**Legislative Department**

**General Assembly**

Funding for House Clerks Office - GA Operations	\$3,750,000	\$0	0.00
HB 1415 - Henrietta Lacks Commission	\$40,000	\$0	0.00
Authorize DLS to Support WW I and WWII Commission	Language		
Clarify Appointment Authority	Language		

**Capitol Police**

Capitol Complex Security Enhancements	\$600,000	\$0	0.00
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**Joint Legislative Audit and Review Commission**

JLARC Funding for Rent and VEDP Oversight	\$750,000	\$0	0.00
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**Executive Offices**

**Office of the Governor**

HB 345 - Special Assistant for Coastal Adaptation and Protection	\$300,000	\$0	0.00
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**Office of Attorney General and Department of Law**

Adjust NGF Appropriation for Revolving Trust Fund	\$0	(\$1,000,000)	0.00
OAG - Division of Debt Collections Transfers to GF	\$0	(\$400,000)	0.00

**Office of Administration**

**Compensation Board**

Multi-Jurisdictional Positions to Prosecute Insurance Fraud	\$0	\$400,000	0.00
Strike New GF Funding for Circuit Court Clerks Offices	\$0	(\$500,000)	0.00
Comm. Attny's - Require Local Staff to Support Body Cameras	Language		
Review of Creating Shared FTEs for Small Localities	Language		

**Department of General Services**

HB 1362 - Div. of Consolidated Labs Testing 7 Days a Week	\$0	\$2,454,432	9.00
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**Department of Human Resource Management**

Pilot Program to Monitor Contractors Productivity	Language	\$0	0.00
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**Department of Elections**

Elections - Funding to Advertise Constitutional Amendments	\$300,000	\$0	0.00
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**Office of Finance**

**Department of Accounts Transfer Payments**

Revenue Reserve Fund	(\$179,700,000)	\$0	0.00
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**Department of Taxation**

Exemption for Fee for Advisory Opinions	Language		
Tax - Hire 4 Additional Audit Staff	\$520,832	\$0	4.00
Provide Information on Audit Process	Language		

**Department of Treasury**

HB 762 - Compensation for Wrongful Incarceration	\$3,496,304	\$0	0.00
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**Central Appropriations**

**Central Appropriations**

Modify Lang. - New Personnel Information System	Language		
Adjust Funding for Misc. Contingency Reserve Account	(\$2,000,000)	\$0	0.00

**Independent Agencies**

**State Corporation Commission**

Restore Funding for the Regulation of Public Utilities	\$0	\$2,600,000	0.00
Restore Funding for the Regulation of the Federal Health Exchange	\$0	\$2,600,000	0.00
SCC - Adjust GF Support to Reflect Actual Expenditures	(\$200,000)	\$0	0.00

**Workers Compensation Commissior**

HB 483 - Location of Victims Due Restitution	\$0	\$322,120	2.00
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**Committee Approved Amendments to House Bill 29, as Introduced**

Item 61 #1h

<b>Executive Offices</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Attorney General and Department of Law	\$0	(\$500,000)	NGF

**Language:**

Page 8, line 12, strike "\$3,540,386" and insert "\$3,040,386".

**Explanation:**

(This amendment eliminates a \$500,000 NGF increase proposed in HB 29 to increase from \$750,000 to \$1.25 million the amount of cash from the revolving trust fund the OAG can use to support its operations. Increasing the amount of funding the OAG can use from the fund decreases the amount transferred to the General Fund at the end of the fiscal year.)

Item 476 #1h

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 195, after line 45, insert:

"R. On or before June 30, 2018, the Committee on Joint Rules shall authorize the reversion to the general fund of \$526,952, representing savings generated by legislative agencies in the second year. The total savings amount includes estimated savings within the following legislative agencies:

**Legislative Agency Estimated Savings**

Division of Legislative Services (107) .....	\$100,000
Joint Commission on Technology and Science (845).....	\$101,192
Virginia Disability Commission (837) .....	\$18,701
State Water Commission (971) .....	\$11,859
Virginia Coal & Energy Commission (118) .....	\$21,618
Virginia Housing Commission (840) .....	\$14,459
Commission on Unemployment Compensation .....	\$16,066
 Small Business Commission (862) .....	 \$34,746
 Joint Commission on Administrative Rules (865) .....	 \$31,558
 Autism Advisory Council (871) .....	 \$5,409

*Committee Approved Amendments to House Bill 29, as Introduced*

Virginia Conflicts of Interest and Ethics Advisory Council (876) .....	\$85,000
Joint Commission on Transportation Accountability (875) .....	\$26,697
Comm, on Economic Opportunity for Virginians in Aspiring .....	\$9,647
& Diverse Communities (877)	
Joint Commission on Health Care (844) .....	\$35,000
The Virginia Commission on Youth (839).....	\$15,000

**Explanation:**

(This amendment provides for the transfer to the general fund of estimated unexpended balances from legislative agencies totaling \$526,952 on or before June 30, 2018.)

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Item 476 #2h

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 195, after line 45, insert:

"R. On or before June 30, 2018, the Committee on Joint Rules shall authorize the reversion to the general fund of \$675,000 in unexpended year end balances from the Joint Legislative Audit and Review Commission."

**Explanation:**

(This amendment provides for the transfer to the general fund of estimated unexpended balances from JLARC totaling \$675,000 on or before June 30, 2018.)

*Committee Approved Amendments to House Bill 29, as Introduced*

Item 476 #3h

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 195, after line 45, insert:

"R. On or before June 30, 2018, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of \$146,890 in unexpended general fund year end balances from the State Corporation Commission."

**Explanation:**

(This amendment provides for the transfer to the general fund of estimated unexpended balances from the SCC totaling \$146,890 on or before June 30, 2018.)

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Item 476 #4h

**Central Appropriations**

**FY16-17**

**FY17-18**

Central Appropriations

\$0

\$176,688 GF

**Language:**

Page 190, line 36, strike "\$15,648,265" and insert "\$15,824,953".

Page 195, after line 45, insert:

"R. Out of the general fund amounts included in this item, \$176,688 the second year shall be transferred to the Department of Taxation to enable the Department to hire 12 additional audit staff during fiscal year 2018. The Department shall be authorized to administratively increase their maximum employment level as needed for this initiative."

**Explanation:**

(This amendment provides \$176,688 GF in FY 2018 to allow the Department of Taxation to hire 12 additional audit staff beginning in FY 2018. The introduced budget assumed additional revenues from hiring 8 new audit staff beginning in FY 2019. An amendment in HB 30 authorizes and additional 4 staff and assumes additional revenues from the 4 additional staff. This amendments authorizes the hiring of the 12 new staff during FY 2018 to maximize the revenue collections in FY 2019.)

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Item 3-1.01 #2h

*Committee Approved Amendments to House Bill 29, as Introduced*

**Transfers**

Interfund Transfers

Language

**Language:**

Page 214, line 41, after "\$800,000", strike "\$0" and insert "\$500,000".

**Explanation:**

(This amendment transfers \$500,000 in fiscal year 2018 from estimated special fund balances of the Commission on the Virginia Alcohol Safety Action Program to the general fund.)

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*Committee Approved Amendments to House Bill 30, as Introduced*

Item 1 #4h

**Legislative Department**

General Assembly of Virginia

Language

**Language:**

Page 9, line 54, after "Commission.", insert:

"The Director of the Division of Legislative Services is authorized to fund the operations of the Virginia World War I and World War II Commemoration Commission from the appropriations to the Division and to provide full reimbursement to the Division from the unexpended balances of such Commission, once allotted."

**Explanation:**

(This amendment authorizes the Director of the Division of Legislative Services to fund the Virginia World War I and World War II Commemoration Commission from the Division's appropriations and to provide full reimbursement to the Division from the Commission's unexpended balances, once allotted. Similar language was included in the budget for the 2016-18 biennium.)

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Item 1 #5h

**Legislative Department**

General Assembly of Virginia

Language

**Language:**

Page 12, after line 49, insert:

"X. Any nonlegislative citizen member appointed by either the Speaker of the House, the Senate Committee on Rules or the Joint Rules Committee to any Authority, Board, Commission, Committee, or other deliberative body in the Commonwealth shall serve at the pleasure of such appointing authority. Any such member may be relieved of his appointment at any time, with or without cause."

**Explanation:**

(This amendment is self-explanatory.)

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Item 70 #1h

**Administration**

**FY18-19**

**FY19-20**

Compensation Board

\$200,000

\$200,000 NGF

**Language:**

Page 53, line 15, strike "\$73,883,743" and insert "\$74,083,743".

*Committee Approved Amendments to House Bill 30, as Introduced*

Page 53, line 15, strike "\$73,883,743" and insert "\$74,083,743".

Page 55, line 4, strike "2017, \$400,000" and insert "2018, \$600,000".

**Explanation:**

(This amendment provides an additional \$200,000 in nongeneral fund appropriation from the Insurance Fraud Fund for a total of five multi-jurisdictional Assistant Commonwealth's Attorney positions dedicated to prosecuting insurance fraud related criminal activities, beginning July 1, 2018.)

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Item 73 #3h

**Administration**

Compensation Board

Language

**Language:**

Page 62, after line 8, insert:

"T. The Compensation Board shall review the feasibility and benefits of allocating positions that can be shared between offices in multiple localities or multiple offices within one locality for small localities which currently have minimal staffing. The Compensation Board shall provide recommendations based on this review to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2018."

**Explanation:**

(This amendment is self-explanatory.)

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Item 273 #1h

**Finance**

Department of Taxation

Language

**Language:**

Page 225, line 19, after "request" insert:

"and, except those requested by the local assessing officer,".

**Explanation:**

(This amendment exempts local assessing officers from the being charged a \$275 fee when request from the Tax Department an advisory opinion concerning the BPOL tax.)

*Committee Approved Amendments to House Bill 30, as Introduced*

Item 275 #1h

**Finance**

Department of Taxation

Language

**Language:**

Page 227, after line 10, insert:

"E. The Department of Taxation is required to provide, at the beginning of an audit, detailed information on the audit process and tax policies that are being examined. Furthermore, the Department shall compile and make available on their website a list of common issues which are identified in a large number of audits."

**Explanation:**

(This amendment is self-explanatory.)

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Item 475 #1h

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 424, strike lines 4 through 21.

Page 424, line 22, strike "3." and insert "Q."

Page 424, line 22, after "\$25,000,000" insert:

"for the Department of Human Resource Management".

Page 424, line 23, strike "PMIS" and insert:

"Personnel Management Information System (PMIS)".

**Explanation:**

(This amendment language in the introduced budget regarding the development of the new personnel management information system.)

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