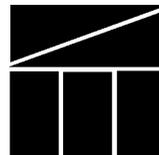


# **Governor Kaine's proposed amendments to the 2006-2008 biennial budget**

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*A briefing for the Senate Finance Committee,  
the House Appropriations Committee, and the  
House Finance Committee*

*December 15, 2006*



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# **Governor's budget objectives**

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- **Make targeted investments that will enhance Virginia's ability to compete in a global economy.**
- **Uphold the commitments the Commonwealth has made to fund core services.**
- **Advance the goal of tax fairness.**
- **Maintain the Commonwealth's financial stability for the long term.**

**Virginia ended FY 2006 with a substantial general fund (unreserved) balance but most of it was anticipated in the budget and not available for new spending**

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	<u>\$ in Millions</u>
Available General Fund Balance 6/30/06 *	\$ 1,825.4
Less: Balance Anticipated in Appropriation Act	<u>1,544.1</u>
<b>Net Available Balance</b>	<b>\$ 281.3</b>
Adjustments:	
Planned Reversions FY 2007	\$ 149.0
Operating Expense Reappropriations	(143.1)
Capital Outlay Reappropriations	(125.8)
Natural Disaster Authorizations	(38.0)
Public Health - Anti-virals	(9.6)
Miscellaneous adjustments	<u>(3.1)</u>
<b>Subtotal</b>	<b>\$ (170.6)</b>
<b>Remaining Available Balance</b>	<b>\$ 110.7</b>

\* Equals unreserved general fund balance plus lottery proceeds reserve on June 30, 2006.

# Additional general fund resources offer budgetary choices

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\$ in Millions

## General Fund Resources

<b>Available Balance From 6/30/06</b>		<b>\$ 110.7</b>
<b>Additional Revenue:</b>		
GACRE Forecast	545.4	
IRS Tax Conformity (Legislation)	1.5	
Higher Tax Filing Thresholds (Legislation)	(13.8)	
Other Adjustments - Minor Sources	<u>(11.3)</u>	
<b>Subtotal</b>		<b>521.8</b>
<b>Transfers:</b>		
Revenue Stabilization Fund - Refund	157.3	
Court Debt Collections	3.7	
Lottery Proceeds	(41.4)	
DMV Fees (Retain for Technology Needs)	(13.1)	
Local Real Estate Relief/SOQ Fund	(4.3)	
Sales Tax to Game Fund	(2.8)	
Other	<u>(2.2)</u>	
<b>Subtotal</b>		<b><u>97.2</u></b>
<b>Total Available Resources</b>		<b>\$ 729.7</b>
<b>Unappropriated Balance in Chapter 3</b>		<b><u>113.1</u></b>
<b>Total Available For Appropriation</b>		<b>\$ 842.8</b>

**To maintain longer term stability,  
almost three-quarters of new spending  
is one-time in nature**

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	<u>\$ in Millions</u>	<u>Percent of Total</u>
<b><u>One-Time Spending:</u></b>		
Capital Outlay	\$ 226.5	
Transportation	161.5	
Revenue Stabilization Fund	152.7	
Land Conservation Funding	19.7	
Water Quality Projects	18.2	
Economic Development Projects	15.6	
Other	15.3	
Total One-Time Spending	<u>\$ 609.5</u>	73.0%
<b><u>Recurring Spending</u></b>	<u>225.6</u>	<u>27.0%</u>
<b>Total Spending</b>	<b>\$ 835.1</b>	<b>100.0%</b>

**After subtracting the Rainy Day Fund deposits, four-fifths of all spending decisions go to core services in transportation, education and health and human resources**

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	<u>\$ in Millions</u>
Amount Unallocated in Existing Budget	\$ 339.0
Proposed Budget Amendments	835.1
Less: Revenue Stabilization Fund Deposits	<u>(152.7)</u>
<b>Total Spending Decisions</b>	<b>\$ 1,021.4</b>
Allocated to Core Services in:	
Transportation (\$339.0 + \$145.6 million)	\$ 484.6
Education (K-12 + Higher Ed)	209.3
Health and Human Resources	<u>131.3</u>
<b>Total Core Services</b>	<b>\$ 825.2</b>
<b>Percent of Total to Core Services</b>	<b>80.8%</b>

# Spending recommendations for transportation

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*GF \$ in millions*

**Transportation (In Total) \$158.7**

**Provide Transportation Initiative funding \$161.0**

- Provides funding to supplement the \$339 million in the 2006 Transportation Initiative. The addition of \$161 million in general fund revenue will bring the total initiative to \$500 million dedicated to the following high priority transportation projects and initiatives:
  - ▶ \$305 million to advance construction of the Capital Beltway HOT lanes, Hillsville Bypass, I-64/I-264 interchange and Rt. 50 widening in Loudoun and Fairfax counties projects;
  - ▶ \$65 million for I-95 rail corridor improvements and to address Phase I of I-81 rail corridor improvements;
  - ▶ \$60 million for the following transit items: \$20 million to support rolling stock acquisition by the Washington Metropolitan Area Transit Authority, \$15 million for the Virginia Railway Express, \$10 million for the Hampton Roads Transit (Norfolk) Light Rail project, and \$15 million to support the Mass Transit Capital Assistance Program (e.g., provide greater reimbursement for local bus purchases);
  - ▶ Up to \$40 million for the Route 164 median rail relocation project, and at least \$10 million to initiate planning for the Craney Island eastward expansion project; and

# Spending recommendations for transportation (continued)

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*GF \$ in millions*

- ▶ \$20 million to support the Secretary of Transportation in implementing solicited private sector initiatives to employ highway, transit, demand management, and consumer technologies to reduce congestion and improve travel times in Northern Virginia and Hampton Roads.

## **Fund Real ID and decal system \$13.1**

- Increases appropriation to address Virginia's compliance with the federal Real ID Act of 2005 and enhance the security of the driver's license issuance process, as well as funding a new vehicle decal system. Funding to come from information product fees collected by DMV but presently going to the general fund.

## **Provide funding for local service charges \$1.0**

- Provides funding for service charges to be paid to counties and cities in which the Virginia Port Authority owns tax-exempt real estate.

## **Adjust auto insurance premium revenue (\$16.4)**

- Adjusts transportation funding for fluctuations in the revenue derived from automobile insurance premiums.

# Spending recommendations for health and human resources

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*GF \$ in millions*

**Health and Human Resources (In Total) \$131.3**

- Includes \$11.7 million in capital.
- A shortfall in the Health Care Fund required \$58.2 million additional general fund.
- Federal actions required an additional \$73.3 million general fund.
- Overall, new general fund expenditures of \$40 million are matched by \$83 million in new nongeneral (federal) fund resources.

## **HEALTH CARE ACCESS**

**Maintain access to pediatric physician services \$5.2**  
**NGF \$5.8**

- Increases pediatric services rates to a total of 15 percent on July 1, 2007, instead of eight percent as currently planned to assure access to services.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

**Provide prenatal coverage for 900 unserved women** **\$2.6**  
**NGF \$4.8**

- Expands eligibility for prenatal coverage of women from 166 to 200 percent of the federal poverty level, which is the same eligibility level as children covered under FAMIS.

**Expansion of the family planning waiver** **Language**

- Authorizes the Department of Medical Assistance Services to pursue expansion of eligibility from 133 to 200 percent of the federal poverty level, including men and women.

**Establish additional rehabilitation teacher positions** **\$0.4**

- Additional rehabilitation teachers to provide sufficient services to seniors eligible for Older Blind Grant services.

**Regulate medication aides** **NGF \$0.2**

- Implements the regulation of medication aides pursuant to legislation passed by the 2006 General Assembly. Revenue to support this appropriation will be derived from fees charged to newly regulated medication aides.

**Develop strategies for small group health insurance** **\$0.1**

- Builds on legislation passed in the 2006 General Assembly, to expand private insurance for small groups.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

## **Maintain access to hearing aid services for children      Language**

- Adds language to increase the rate the agency pays to ensure that children covered under the Medicaid fee-for-service system have adequate access to hearing aid services.

## **HEALTH CARE WORKFORCE**

### **Retain nursing faculty      \$1.7**

- Improve the retention of nursing faculty by increasing the average salary by 10 percent. Funding is provided in the institutions of higher education.

### **Increase access to physicians in medically underserved areas      \$0.2**

- Adds funding (\$250,000) for the Virginia Physician Loan Repayment Program to provide loan repayments for more physicians agreeing to serve in medically underserved areas.

### **Initiate an advanced degree scholarship program to increase the number of nursing educators      \$0.2**

- Establishes a scholarship program for registered nurses who pursue an advanced degree to become nursing faculty at the college level, including community colleges.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

## HEALTH CARE PREVENTION

**Purchase the maximum amount of influenza antiviral treatment courses for citizens of the Commonwealth** **\$9.6**

- Language recognizes the cost of Virginia's allotment of antivirals in conjunction with federal influenza pandemic preparedness plans to stockpile antiviral treatments.

**Prevent cancer with vaccinations** **\$1.3**

- Supports the provision of cancer vaccine to females who are not eligible for free vaccine. This new vaccine made available in 2006 will prevent cervical cancer for 70 percent of those who receive the three injections required.

**Improve participation in the high-risk maternity program**  
**\$0.5**

**NGF \$0.5**

- Increases the rates for the BabyCare program to improve the largely rural fee-for-service provider network and allow additional women to have access to care coordination services. Rates have not increased since 1988.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

## **Include Chronic Obstructive Pulmonary Disease in the disease management program**

**\$0.1**

**NGF \$0.1**

- Implements national evidence-based guidelines for treatment as a logical expansion of the program of health assessments, monitoring health condition, education, facilitation of contact with providers and access to a nurse.

## **Authorize enhanced benefit accounts for the disease management program**

**Language**

- Authorizes the development of enhanced benefit accounts to encourage healthy behaviors, including any necessary federal approvals.

## **HEALTH CARE QUALITY AND TRANSPARENCY**

### **Design a skilled nursing facilities pay-for-performance program**

**Language**

- Directs the Department of Medical Assistance Services to finalize a detailed proposal for a pay-for-performance program for improved nursing facility care.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

## **Raise assisted living facility rate and personal care allowance**

- Adjusts the assisted living facility rate, effective January 1, 2007, to reflect a \$66 increase (\$982 to \$1,048) for the remainder of FY 2007 and a \$38 increase (\$1,010 to \$1,048) for FY 2008. The new rate includes a \$20 federal Supplemental Security Income increase and an auxiliary grant (AG) increase supported with general fund dollars. In addition, the personal care allowance is raised by \$5, from \$70 to \$75.

## **State employee wellness practices**

- Lifts the cap on wellness benefits to support state employees seeking to improve their health. Currently wellness and preventive care are covered at 100% with a \$500 cap on immunizations, lab and x-ray work. The amendment will remove the cap associated with wellness and preventive care such as pap tests, mammograms, PSA tests and colonoscopies.

## **HEALTH CARE LONG TERM CARE**

### **Develop statewide “No Wrong Door” for elderly citizens \$0.6**

- Coordinate services through a “No Wrong Door” statewide system to aid the elderly access various long-term care services without having to navigate multiple agencies.

## Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

**Increase home delivered meals for the elderly** **\$0.7**

- Increases the number of meals delivered to elderly citizens in their homes by 135,000 through the Area Agencies on Aging (AAAs).

**Increase the personal needs allowance for nursing home residents** **\$0.9**  
**NGF** **\$0.9**

- Increases the personal needs allowance for Medicaid residents of nursing homes from \$30 to \$40 a month. This allowance covers non-medical spending.

**Establish an additional site for a program for the All-Inclusive Care for the Elderly** **\$0.3**

- Funds an additional site, in Northern Virginia, for a Program for the All-Inclusive Care for the Elderly (PACE). PACE is based on a community model of long-term care services. Medicaid and Medicare funding is combined so that all services can be coordinated or provided at the PACE site.

### **HEALTH CARE INFORMATION TECHNOLOGY**

**Establish medical records transformation** **NGF** **\$4.7**

- Provides funds to develop and implement an interoperable electronic medical records system for residents of state mental health and mental retardation facilities, starting with necessary pharmacy system upgrades through a multi-source procurement.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

**Assure interoperable electronic medical records for local health departments** **\$0.5**

- Assures that the development and implementation of an electronic medical records system for local health departments are consistent with interoperability and multi-source procurement practices established through statewide information technology standards. The agency project for electronic health records has progressed to this critical consideration.

**Provide electronic health record grants** **\$0.3**

- Provides additional funding for grants to providers for the development of electronic health records and the associated need for interoperability. Grants are awarded on a competitive basis and are one-time, development-oriented. Additional funding will provide grants to candidates who submitted requests that merit grant awards but did not receive grants because of lack of funding.

**Fund National Provider Identifier Mandate** **\$0.8**

**NGF** **\$6.8**

- Adjusts funding to assure compliance by the May 2007 deadline.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

## **MENTAL HEALTH, MENTAL RETARDATION TRANSFORMATION**

### **FACILITY AND COMMUNITY CARE**

**Increase community mental retardation waiver slots** **\$5.3**  
**NGF** **\$5.3**

- Increases the number of mental retardation waiver slots available for individuals on the Department of Mental Health, Mental Retardation and Substance Abuse Services urgent waiting list. The funding will provide 170 additional slots in the second year.

**Adjust funding for the mental retardation waiver** **(\$5.3)**  
**NGF** **(\$5.3)**

- Shifts funding for mental retardation waiver slots earmarked for discharges from state mental retardation facilities because the transition of people from facilities to the community is taking longer than expected. A separate amendment increases slots for community residents.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

**Maintain community services** **\$3.3**  
**NGF** **\$1.6**

- Increases reimbursement for inpatient hospital psychiatric rates from 78 percent of cost to 84 percent of cost to prevent admissions to state facilities.

**Implement a “Money Follows the Person” demonstration grant** **\$0.5**  
**NGF** **\$6.7**

- Moves people out of institutional settings and into the community to receive services through a matching federal demonstration grant. People in nursing facilities, intermediate care facilities for persons with mental retardation and long-stay hospitals are eligible. The state will experience savings over the five-year period of the grant as 290 people a year move out of institutions.

**Restore savings at training centers** **NGF** **\$11.5**

- Restores savings at Central Virginia and Southeastern Virginia Training Centers assumed in the biennial budget because the timeline for discharging individuals into the community has been revised. The amounts also reflect updated staffing assumptions.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

## **CHILDREN'S SERVICES**

**Correct revenue sources for services for at-risk youth and children** **\$16.3**  
**NGF (\$7.2)**

- Provides additional general fund to continue Comprehensive Services Act reimbursement to localities for Treatment Foster Care services (now ineligible for Medicaid reimbursement), fewer Medicaid eligible children, and localities for increased cost of services provided to children and their families.

**Enhance quality of early childhood programs** **\$2.9**

- Pilots a voluntary quality rating system (QRS) to assess and rate the quality of early childhood education programs. Resources will increase the education and training levels of staff, improve interactions with children, and strengthen curriculum.

**Expand access to specialized services for children** **\$0.5**

- Establishes four fellowships in child psychiatry and four internships in child psychology through the state's university hospital systems. Work in an underserved area of the state is required.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

**Replace federal grant funds for mental health demonstration projects in detention centers** **\$0.2**

- In 2003, five juvenile detention centers across the state were awarded funding to establish mental health services, but this funding will expire in 2008.

**Replace federal funds for licensing** **\$0.2**

- Reflects reductions in federal share for licensing children's community group homes and children's mental health programs.

**Increase access to juvenile competency restoration services** **\$0.1**

- As a result of increasing court orders, local Community Services Boards are experiencing wait lists for competency restoration services.

**Conduct study of treatment foster care rates** **Language**

- Requires a study on the feasibility of implementing statewide rates for treatment foster care. As a result of changes implemented in the federal Deficit Reduction Act of 2005, treatment foster care is no longer a Medicaid service. The study will assist in determining the cost of the program in future years.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

## **OTHER HEALTHCARE**

<b>Adjust funding for Medicaid, FAMIS, Medicaid SCHIP, and Involuntary Mental Commitments</b>	<b>\$46.7</b>
<b>NGF</b>	<b>(\$26.7)</b>

- Adjusts funding for utilization and inflation for Medicaid, FAMIS, Medicaid SCHIP and involuntary mental commitments based on updated forecasts of expenditures. In addition, funds are provided to offset a shortfall in the Health Care Fund due to lower revenue projections. The Health Care Fund is used to fund Medicaid, so any shortfall must be offset with general fund dollars.

<b>Serve eligible vocational rehabilitation consumers on waiting list</b>	<b>\$0.6</b>
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- Allows the Department of Rehabilitative Services to pay for the rising program costs and provide employment-related services to eligible consumers on the waiting list.

<b>Address local health department facility needs</b>	<b>\$0.2</b>
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- Provides funding for the incremental cost of leasing new or expanded facilities for four local health department facilities recommended for replacement. These four facilities are located in Suffolk, Tazewell, New Kent, and Middlesex.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

**Obtain free medications** **\$0.3**

- Increases funding for the Rx Partnership through the Virginia Health Care Foundation to hire medication assistance caseworkers in localities throughout the state. \$250,000 in FY 2008.

**Modify specialty drug program** **(\$1.1)**

**NGF \$0.5**

- The agency determined that it could receive pharmacy rebates on specialty drugs, offsetting expenditures and generating a one-time savings in FY 2007 of recoveries for the Health Care Fund.

**Enhance recoveries from fraud, waste and abuse** **(\$0.7)**

**NGF \$0.4**

- Additional auditing services to specifically review mental health and inpatient hospital diagnostic codes will generate savings from reduced expenditures and recoveries from prior years.

**Integrate people with disabilities into Disaster Preparedness, Response and Recovery Operations** **\$0.7**

- Provides funds in support of the All Hazards Readiness Initiative that is focused on strengthening the Commonwealth's capabilities to prepare for, respond to, and recover from a natural or man-made catastrophic event. A position within the Office of Community Integration will coordinate efforts to evaluate and improve the availability of services for individuals with disabilities in such events.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

## **OTHER BASE OPERATING REQUIREMENTS**

<b>Meet federal work participation requirements associated with Temporary Assistance for Needy Families (TANF) reauthorization</b>	<b>\$26.0</b>
	<b>NGF \$4.2</b>

- Provides funding for employment support, child care, and programmatic changes needed to engage a much larger portion of Virginia’s TANF population in an approved work activity.

<b>Offset federal reductions to child welfare services</b>	<b>\$12.6</b>
	<b>NGF (\$12.6)</b>

- Provides funds to replace federal revenue no longer available for specific child welfare services. A decline in federal revenue will chiefly impact local staffing and the training of foster parents and staff.

<b>Maintain existing child support enforcement operations</b>	<b>\$4.9</b>
	<b>NGF (\$4.9)</b>

- Offsets the loss of federal child support enforcement matching revenue as a result of the Deficit Reduction Act.

# Spending recommendations for health and human resources (continued)

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*GF \$ in millions*

**Increase payments to foster care families** **\$3.0**  
**NGF** **\$3.0**

- Raises maintenance payments made to foster family homes and special needs adoption homes by ten percent. This increase will facilitate stability in foster home placements, enhance local departments' ability to recruit families, and avoid more costly residential facilities. In addition, the current annual clothing allowance is increased.

**Match funds to renovate Arlington Assisted Living Residence** **\$1.7**

- Arlington County partnered with Volunteers of America (VOA), which was awarded a \$4.8 million federal grant to cover most of the cost of renovating the building. The facility will serve 52 older, low income residents with disabilities.

**Automate the child care subsidy program** **\$0.9**

- Adds funds to begin implementing an automated payment and management system for the child care program tracking and fraud alerts, ultimately freeing dollars for child care services.

# Spending Recommendations for K-12 public education

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*GF \$ in millions*

**K-12 Education (In Total) (\$16.5)**

K-12 Education funding from the general fund is reduced by \$43.4 million the first year and increased by \$26.9 million the second year.

## **UPDATE DIRECT AID TO LOCAL SCHOOL DIVISIONS**

**Increase salaries for public school employees \$63.9**

- Provides the state's share of a three percent salary increase for all public school employees, including all instructional and support staff, effective December 1, 2007.

**Provide new and expanded pre-school opportunities \$4.6**

- Implements Start Strong pilot programs for an estimated 1,250 students. These programs will provide pre-kindergarten education services to students in participating communities using a mix of both public and private providers.

**Adjust benefit contribution rates for SOQ positions \$4.3**

- Increases the retiree healthcare credit and group life rates for the public education accounts based on newly certified rates. Retiree healthcare credit rate was increased 14 basis points from .56 percent to .70 percent and group life rate decreased nine basis points from .49 percent to .40 percent.

# Spending Recommendations for K-12 public education (continued)

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*GF \$ in millions*

## **Expand eligibility for Early Reading Intervention Program**      **\$4.1**

- Provides additional at-risk students with the services necessary to improve their reading skills or their ability to develop reading skills. This funding expands the eligibility by raising the funding levels in the first and second grade from 50 percent to 100 percent of eligible students.

## **Enhance Standards of Learning Algebra Readiness Program**      **\$3.9**

- Expands the Algebra Readiness Program to include sixth grade students. Currently, the program is funded for seventh and eighth grade students who are at risk of failing the Algebra I end of course test. This initiative addresses the recent drop in SOL math test scores by increasing the number of students who receive additional instruction.

## **Update sales tax revenues**      **\$2.7**

- Revises sales tax projections to reflect the latest information from the Department of Taxation. The estimate increases by \$2.7 million for the biennium based on the revised revenue estimate for sales tax of \$1,139.3 billion in FY 2007 and \$1,198.7 billion in FY 2008.

## **Update costs of categorical programs**      **(\$3.5)**

- Provides technical updates to state or federal mandated programs, such as special education. These adjustments update the cost for Special Education-Homebound and the Virginia Public School Authority technology debt service programs based on a decrease in estimated participation.

# Spending Recommendations for K-12 public education (continued)

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*GF \$ in millions*

## **Revise lottery estimate** **(\$8.0)**

- The lottery revenue projections for fiscal years 2007 and 2008 have been adjusted downward by \$20.7 million to reflect a decrease in revenue attributed to the launch of the North Carolina lottery in April 2005. The result is a net savings of \$8.0 million in general fund support from the reduced distribution to localities.

## **Update costs of incentive based programs** **(\$13.5)**

- Provides technical updates to programs designed to target specific student populations that require additional instructional support such as at-risk students. These programs exceed the foundation of the Standards of Quality and are primarily formula driven, subject to changes in full-membership participation rates and test scores.

## **Update Standards of Quality** **(\$61.2)**

- Updates Standards of Quality and incentive-based programs using March 31, 2006 Average Daily Membership (ADM) and September 30, 2006 Fall Membership (FM). For 2007, the forecast for ADM decreases 5,742 and for 2008, the forecast for ADM drops 8,448.

# Spending recommendations for higher education

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*GF \$ in millions*

## **Higher Education (In Total)**

**\$40.4**

### **PROVIDING AFFORDABLE HIGHER EDUCATION FOR STUDENTS AND FAMILIES**

- **Need-based undergraduate student financial aid** **\$13.7**  
Funding to offset tuition increases at public colleges and universities.
- **Financial assistance for room and board for military survivors and dependents** **\$1.0**  
Additional funds for students qualifying for financial aid under the military survivors and dependents program.

### **RESPONDING TO THE INCREASED DEMAND FOR NURSES TO CARE FOR VIRGINIA'S AGING POPULATION**

- **Providing additional support for nursing faculty** **\$1.7**  
Funds to address the shortage of nursing faculty in the Commonwealth by making the nursing education programs' salaries more competitive with those offered by healthcare providers.

# Spending recommendations for higher education (continued)

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*GF \$ in millions*

## EXPANDING EDUCATIONAL OPPORTUNITY

- **Addressing the Commonwealth’s commitment to quality in higher education** **\$15.3**

Funds to support the higher education institutions’ core operating requirements needed to deliver quality instructional and student service activities.

- **Expanding educational opportunities in Southside Virginia** **\$1.5**

Funding equally divided among the Institute for Advanced Learning and Research, New College Institute, and Southern Virginia Higher Education Center, for the development of additional degree programs and the expansion of educational access to Southside Virginia residents.

- **Creation of the Virginia Military Scholarship Program** **\$0.4**

Funding for the establishment of a scholarship program, which will grant admission to 40 military scholarship cadets annually; who upon graduation will be required to serve eight years as commissioned officers including four years with the Virginia Army National Guard.

- **Expanding the study of logistics** **\$0.4**

Additional support to Virginia State University’s logistics program as it negotiates with Fort Lee for the establishment of a bachelor’s degree in Industrial Technology with a focus on Industrial Distribution and Logistics.

# Spending recommendations for higher education (continued)

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*GF \$ in millions*

- **Technical training programs for the Northrop Grumman state backup data center** **\$0.2**  
Funds to the University of Virginia’s College at Wise to facilitate advanced technical training for Russell County in accordance with agreements with Northrop Grumman to train future employees, student interns, and offer research opportunities to faculty and students.
- **Establishing a Doctor of Psychology degree in counseling psychology** **Language**  
Language authorizing Radford University to offer the new degree, which has received approval from the State Council of Higher Education in Virginia.

## **SUPPORTING HIGHER EDUCATION RESEARCH**

- **Commonwealth Technology Research Fund (CTRF)** **\$2.0**  
Additional support to the component programs of the CTRF that include strategic enhancement, matching funds, industry inducement, and commercializing technologies.
- **Christopher Reeve Stem Cell Research Fund** **\$0.5**  
Funds to support medical and biomedical adult stem cell research conducted in the Commonwealth’s institutions of higher education relating to the causes and cures of disease, spinal cord injuries, and neurological disorders.

# Spending recommendations for higher education (continued)

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*GF \$ in millions*

## OTHER COMMITMENTS AND MISCELLANEOUS ITEMS

- **Operation and maintenance of new facilities** **\$3.2**  
Provides funding to operate and maintain new facilities at institutions of higher education that are scheduled to open before the end of the biennium.
- **Monitoring the Chesapeake Bay's blue crab population** **\$0.2**  
Funds to the Virginia Institute of Marine Science to scientifically track blue crab habitats in the Bay and project the annual catch.
- **Continue operation of the Clean Marina Program** **\$0.1**  
Ensures that the Virginia Institute of Marine Science will continue operation of Virginia's Clean Marina Program, which provides education, outreach, and technical assistance to the Commonwealth's marinas to ensure water quality improvement.
- **Support nursing education facilities** **\$0.1**  
Funding to Radford University cover the cost of annualizing the salaries and benefits associated with the university's clinical simulation laboratories.
- **Fund Grace E. Harris Leadership Institute** **\$0.1**  
Provides funds for the institute at Virginia Commonwealth University's Center for Public Policy to provide training for the development of aspiring leaders.

# Spending recommendations for higher education (continued)

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*GF \$ in millions*

## OTHER EDUCATIONAL AND CULTURAL AGENCIES

- **Information technology infrastructure** **\$0.3**  
Funding to the Virginia Museum of Fine Arts for backup services and database consolidation for membership and collections.
- **Supporting core operating requirements** **\$0.3**  
Provides funding to the Eastern Virginia Medical School to support its Masters in Public Health and Doctorate in Clinical Psychology programs.
- **Support for museum operations** **\$0.1**  
Additional funding to the Frontier Culture Museum of Virginia to address administrative and educational staffing needs at the museum.
- **Museum security and equipment** **\$0.1**  
Provides funds to Gunston Hall for a new information technology and computer system, security system, and the acquisition of outdoor equipment.
- **FindIt Virginia** **\$0.1**  
Additional funding to the Library of Virginia to support the increased costs associated with the FindIt Virginia electronic database system.
- **Additional financial reporting and control positions** **\$0.1**  
Two positions, including salaries and benefits, for the Science Museum of Virginia's finance office.

# Spending recommendations for public safety

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*GF \$ in millions*

**Public Safety (In total) \$68.1**

Additional support for public safety agencies, emergency preparedness (all agencies), the Compensation Board, and the judicial system equals \$68.1 million from the general fund.

## **BOLSTER LAW ENFORCEMENT EFFORTS**

**Enhance retirement benefits for law enforcement officers \$13.8**

- State Police Troopers (\$2.3 million)—Increase SPORS multiplier 1.7 percent to 1.85 percent.
- Sheriffs’ deputies and regional jail officers (\$11.5 million) - Provide payments to localities that provide benefits to deputies and jail officers under the Law Enforcement Officers Retirement System (LEOS).

**Provide salary increases for public safety personnel \$8.9**

- Correctional officers--\$7.4 million. (\$1,200 per officer – 4.0% for the average officer’s salary, pay increase for compression, etc.)
- Juvenile correctional officers--\$0.8 million. (\$1,200 per officer – 4.0% for average officer’s salary, pay increase for compression, etc.)
- Forensic scientists--\$0.4 million. (Fund adopted pay plan)
- Career Assistant Commonwealth’s attorneys--\$0.3 million (9.3% for eligible attorneys.)

## Spending recommendations for public safety (continued)

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*GF \$ in millions*

**Provide funding for increased forensics operating expenses** **\$1.4**

- Provides funds to address double-digit percentage increases in gas and electricity costs. The agency is unable to keep pace with rising nondiscretionary utility costs through one-time funding and monies from unfilled positions.

**Provide funding for DNA examiner positions** **\$1.1**

- Provides support for positions losing federal grant funding. Federal dollars used to fund DNA examiner positions will end early in FY 2008. The continuation of these positions is necessary to meet the increased demand for DNA examination for both new and backlogged cases. The funding will also fully fund 17 positions authorized in FY 2006.

**Additional law enforcement deputies** **\$0.7**

- Increases funding to support 24 law enforcement deputies in 22 offices. This level of support is necessary to satisfy a Code of Virginia requirement that the Compensation Board provide one law enforcement deputy per 1,500 population in sheriffs' offices with law enforcement responsibilities.

**Enhance recruitment of minority populations for state police** **\$0.2**

- Provides funds to support video/media public relations projects geared to recruitment of minorities.

**Fund information technology security at forensics** **\$0.1**

- Increases funding for a position to provide appropriate internal controls relating to network security.

# Spending recommendations for public safety (continued)

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*GF \$ in millions*

## **ADDRESS PRISON AND JAIL CAPACITY ISSUES**

### **Offender Re-entry package \$4.3**

- Support for five pilot local interagency re-entry programs.
  1. Grants to local non-profit organizations to provide coordination and case management.
  2. Grants to local re-entry programs for re-entry services.
  3. Additional transition specialists at Corrections and Correctional Education.
- Establish transitional housing space for juveniles.
- Expand Career Readiness Certificate Program.
- Assume funding for grant-funded re-entry programs.
  1. Serious and violent offenders
  2. Non-profit organizations providing services to offenders in communities.
  3. Day reporting centers for juveniles.

### **Provide funds for Culpeper and Hanover Juvenile Correctional Center staffing \$0.9**

- Adds funds for 22 security positions required for the Department of Juvenile Justice to operate the Culpeper and Hanover facilities at full capacity.

### **Provide funding to staff new jails and jail expansions \$0.7**

- Adjusts funding for staffing new jail beds resulting from jail construction projects at the Eastern Shore Regional Jail, Northwestern Regional Jail, Botetourt/Craig Regional Jail, and Gloucester Jail.

## **Spending recommendations for**

## **public safety** (continued)

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*GF \$ in millions*

### **EMERGENCY PREPAREDNESS**

**\$7.6**

- Provides funding to better plan and prepare Virginia for potential disasters, as well as increasing our ability to communicate and respond before, during and after a disaster.
- Upgrades equipment long overdue for replacement, such as the communications equipment in the Department of Emergency Management's Communications Command vehicle.
- Invests in innovative modeling and simulation techniques right here in Virginia, to anticipate events and develop the best responses to those events.
- Improves methods of alerting citizens that an event is imminent and assisting their ability to get out of harm's way.
- Hardens and expands sheltering capacity, so that those dislocated in time of emergency have a safe and secure environment until they can return to their homes.
- Invests in planning and coordination personnel, by converting positions now dependent on unpredictable grants funding to general fund support, and by creating new positions dedicated to working with local and federal partners for disaster planning, management and recovery.

# Spending recommendations for public safety (continued)

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*GF \$ in millions*

## HONORING COMMITMENTS

### **Provide funding for per diem payments to local and regional jails** **\$7.7**

- Adjusts funding for reimbursement to localities for housing inmates in local and regional jails and jail farms. The Commonwealth compensates local governments for the housing of these inmates according to formulas specified in the Appropriation Act.

### **Funding for development of offender management system** **\$3.5**

- Adjusts funding for the increased cost of developing an integrated information system. The new system will replace several obsolete systems and enable the agency to amass all information on each inmate into one integrated, automated file.

### **Reimburse expenses from Hurricane Katrina assistance** **\$1.5**

- Provides funds to Emergency Management needed to repay treasury loan taken out to reimburse localities' half of their expenses incurred from their participation in an interstate compact to help states and localities impacted by Hurricane Katrina.

### **Increase funding for the HB 599 Program** **\$1.1**

- Adds funds for the program that provides financial assistance to localities with police departments (HB 599). This increase reflects the increase in projected general fund revenue as provided in state law.

## Spending recommendations for public safety (continued)

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*GF \$ in millions*

**Provide funding for contractual increases in private prison** **\$0.3**

- Provides funding for cost of living increases set out in the contract with a private vendor for the operation of the Lawrenceville Correctional Center.

### **OTHER**

**Increase funds for inmate medical costs** **\$2.9**

- Increases funding to offset rising inmate medical care costs.

**Increase funding Court Appointed Special Advocate Program** **\$1.0**

- Provides funds to offset decreasing federal funding needed to train volunteers to advocate on behalf of children who are the subjects of juvenile court proceedings involving allegations of abuse and neglect.

**Address infrastructure needs of Veterans Services** **\$0.6**

- Provides resources to bolster Veterans Services' administrative infrastructure. Four additional positions will permit the agency to keep pace with the growth of its operations and provide the needed oversight and guidance to comply with existing standards and regulations. Funding will also address the modernization of patient medical records technology at the agency's care centers.

## Spending recommendations for public safety (continued)

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*GF \$ in millions*

**Provides funds for state tuition assistance program** **\$0.3**

- Provides funding for tuition, books, and fee payments for National Guard members. These costs have risen over the past several years, while program funding has not kept pace.

**Funding to match federal grant to prevent rape in prisons** **\$0.3**

- Provides funds to match a \$1 million federal grant dealing with the prevention of rape in prisons. These funds, which will be used to increase the number of surveillance cameras in three women's correctional facilities, train prison staff, and monitor compliance, will enable the department to remain in compliance with the federal Prison Rape Elimination Act.

**Funding to support increased utility and maintenance costs** **\$0.3**

- Increases funding for additional expenses associated with the new addition to the State Police Administrative Headquarters /Commonwealth's Emergency Operations Center and Fusion Center. The addition has increased operating costs, most significantly utility and maintenance costs. This amendment also adds two positions to maintain the building and service its equipment.

**Restore line of credit for Disaster Response Fund** **\$0.1**

- Provides funds to repay the outstanding balance on the line of credit for the Disaster Response Fund. Used when responding to hazmat incidents, the Fund requires periodic replenishment.

# Spending recommendations for public safety (continued)

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*GF \$ in millions*

## **Align cemetery staffing salaries with market conditions** **\$<0.1**

- Aligns the salaries budgeted for Veterans cemetery directors and cemetery grounds workers with market conditions and skill levels. The current position classifications for these individuals do not reflect their direct involvement in the interments of veterans.

## **JUDICIAL ISSUES**

## **Court-appointed attorney pay rate waivers** **\$9.0**

- Provides funds to increase compensation for court-appointed attorneys who serve indigent Virginians in criminal cases by allowing the Executive Secretary of the Supreme Court to waive the maximum allowable fee cap for court-appointed counsel in atypical cases.

## **Strengthen Indigent Defense Commission** **\$3.6**

- Provides additional positions for:
  - ▶ Existing public defender offices
  - ▶ Standards of Practice division
  - ▶ Capital Defender office
- In order to attract and retain experienced attorneys, provides salary increases for:
  - ▶ Public defender attorneys (10 percent)
  - ▶ Capital defender attorneys (25 percent)

## Spending recommendations for public safety (continued)

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*GF \$ in millions*

**Provide funding for foreign language interpreters** **\$0.8**

- Provides funds and positions to ensure non-English speaking parties and criminal defendants are dealt with effectively and treated fairly in judicial processes.

**Increase payment rate for forensic evaluations** **\$0.5**

- Increases the payment rate allowed from the Criminal Fund account to pay for expert mental health evaluations.

**Increase funding for civil indigent legal aid** **\$0.4**

- Provides additional funds to support programs providing civil legal aid for the poor. Legal aid programs operate out of 37 offices, serving every jurisdiction in the Commonwealth.

**Provide matching funds for federal grant to assist in court improvement** **\$0.2**

- Provides funds for the state match for three federal state court improvement program grants.

**Provide funding to evaluate drug court program** **\$0.1**

- Adds funding to conduct an evaluation of the effectiveness and efficiency of all local drug treatment court programs. Evaluation results will be used to internally guide future development and funding for drug courts.

# Spending recommendations for economic development

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*GF \$ in millions*

## **Research-related entity incentive** **\$12.0**

- Provides an additional \$12.0 million for a total of \$15.0 million (\$3.0 million was provided in FY 2007) for an incentive for the location of a research-related entity along the Interstate 81 corridor.

## **Governor's Development Opportunity Fund** **\$5.0**

- Provides an additional \$5.0 million for a total of \$20.1 million for the Governor's Development Opportunity Fund.

## **Workforce services program** **\$4.0**

- Provides an additional \$4.0 million for a total appropriation of \$21.0 million for the workforce services program. This funding will be used for incentives to attract new businesses to locate in Virginia and for expanding businesses to stay in Virginia. It also ensures Virginia's workforce is adequately prepared and trained.

## **Enterprise zone grant program** **\$4.0**

- Provides an additional \$4.0 million for a total of \$32.4 million for the enterprise zone grant program. The program provides grants to encourage job creation and private investment in distressed areas of the state.

## **Virginia Housing Partnership Revolving Fund** **\$2.0**

- Provides \$2.0 million for the Virginia Housing Partnership Revolving Fund in order to address priority housing needs.

## **Spending recommendations for economic development** (continued)

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*GF \$ in millions*

### **Eastern Shore broadband project** **\$1.6**

- Provides an additional \$1.6 million for a total of \$3.0 million to address rural access to broadband technology on the Eastern Shore and in other rural tidewater areas in the Northern Neck and Middle Peninsula.

### **Indoor plumbing rehabilitation program** **\$1.6**

- Provides an additional \$1.6 million for a total of \$17.4 million (\$7.4 million GF; \$10.0 million NGF) for the indoor plumbing rehabilitation program. (The budget also includes an additional \$900,000 for the Southeast Rural Community Assistance Project to be used for indoor plumbing rehabilitation.) This funding will help enhance and accelerate the Commonwealth's efforts to improve living conditions for low-income citizens in economically distressed communities by reducing the number of Virginians living in substandard housing without indoor plumbing.

### **Southwest Virginia Technology Development Center** **\$1.0**

- Provides funding to the Russell County Industrial Development Authority for the ongoing construction of the Southwest Virginia Technology Development Center in Russell County.

### **Herbert H. Bateman Advanced Shipbuilding and Carrier Integration Center** **\$1.0**

- Provides \$1.0 million to the Herbert H. Bateman Advanced Shipbuilding and Carrier Integration Center for research and development, education, training, and retraining relevant to the shipbuilding industry in Virginia.

# Spending recommendations for natural resources

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*GF \$ in millions*

## **Land Conservation** **\$20.0**

- Funds matching grants for land conservation and preservation of working farms and forests through the Virginia Land Conservation Foundation (\$13.7 million) and local agricultural purchase of development rights programs (\$5 million).
- Provides operational support for the Virginia Outdoors Foundation (\$950,000), the Department of Historic Resources' historic easement program (\$151,920) and the land conservation program at the Department of Conservation and Recreation (\$198,080 GF and \$99,040 NGF).

## **Virginia Water Quality Improvement Fund** **\$9.1**

- \$1.6 million for point source nutrient reduction.
- \$7.5 million for non-point source nutrient reduction.

## **Combined sewer overflow projects** **\$9.1**

- \$3.0 million in FY 2008 for the City of Richmond (Chapter 3 includes \$3.75 million in FY 2007).
- \$3.1 million in FY 2007 and \$3.0 million in FY 2008 for the City of Lynchburg.

## **Certify and repair dams** **\$1.0**

- Provides state matching funds for federal grants to repair local Soil and Water Conservation District dams (\$616,000).
- Adds support for additional dam safety engineers to provide assistance to dam owners with meeting new dam safety requirements (\$352,377).

# Spending recommendations for employee compensation and benefits

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*GF \$ in millions*

## **Salary increases for state employees**

- Current Appropriation Act provides a salary increase of three percent on November 25, 2007, for all full-time state employees. **In Base**
- Employees must receive a performance evaluation of at least “contributor” (or equivalent) to receive this increase.

## **Salary increases for state supported local employees** **\$0.7**

- Current Appropriation Act provides a three percent salary increase for state-supported local employees on December 1, 2007.
- State-supported local employees include constitutional officers, local social services employees, local election board employees, local health employees, local juvenile justice workers, Community Services Board employees, and others.
- Funding added for full-time local employees supported by the Department of Criminal Justice Services.

## **State employee health insurance** **\$9.8**

- Provides for an increase in the premiums paid by state agencies on behalf of state employees for health insurance coverage.
- Provides for an enhanced wellness benefit.

## **Spending recommendations for employee compensation and benefits (continued)**

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*GF \$ in millions*

### **Reserve for post retirement benefits \$10.1**

- Funding provided begins a five-year phase-in of the increased annual contributions required for the Virginia Sickness and Disability program and state employee health insurance program, and fully funds the obligation for the state employee group life and retiree health credit programs.
- These new government reporting standards for Other Post Employment Benefits require full actuarially determined funding or recognition of the liabilities associated with under-funding.

# Spending recommendations for general government

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*GF \$ in millions*

## ADMINISTRATION

### **Provide funds for rent charges** **\$0.3**

- A technical adjustment to reflect proper fund split for rent at the seat of government.

### **Exterior repairs at the Virginia War Memorial** **\$0.2**

- Provides funds to replace inadequate lighting to address security issues.

### **Continue the statewide Recruit Management System** **\$0.1**

- Maintains funding for the online recruitment management system currently utilized by state agencies and individuals seeking employment with the state.

## FINANCE

### **Revenue Stabilization Fund deposits** **\$152.7**

- Adds \$106.7 million in FY 2007 for the supplemental deposit.
- Adds \$46.1 million in FY 2008 to meet the constitutionally required deposit of \$184.3 million.
- Because of the Constitutional provision regarding the maximum fund balance, a portion of the FY 2007 and FY 2008 deposits will be transferred back to the general fund. These amounts are estimated at \$36.9 million for FY 2007 and \$120.4 million for FY 2008.

# Spending recommendations for general government (continued)

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*GF \$ in millions*

## **Department of Accounts positions** **\$1.4**

- Adds \$1.4 million and 14 positions over the biennium to increase risk management and internal control standards and financial reporting quality assurance.
- These positions will reduce the risk of inaccurate financial reporting and the related consequences, including reduced budgetary accountability, increased risk of financial losses due to mistakes or fraud, increased risk of audit deficiencies and/or failure to achieve a clean audit opinion on the statewide audit.

## **TECHNOLOGY**

### **Stabilize the Virginia Information Technologies Agency (VITA) operating budget** **\$3.3**

- Provides general fund support in the first year to offset planned savings. These savings have been incorporated into the Northrop Grumman Corporation private-public agreement that became effective July 1, 2006.

### **Address new and revised service rates** **\$0.7**

- Provides funding for impacted state agencies to cover unplanned costs associated with the implementation of new geospatial and base mapping service charges by VITA.
- Language to allow transfer of appropriations among agencies based on approved telecommunication and technology rates. This will address rate changes resulting from the new Cost Allocation Plan (CAP) submitted to the United States Department of Health and Human Services, Division of Cost Allocation. **Language**

# Spending recommendations for general government (continued)

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*GF \$ in millions*

## **Realign VITA's position level**

## **Positions**

- Accounts for the transfer of over 600 infrastructure support personnel to Northrop Grumman.

## **NONSTATE AGENCIES**

- Provides funds for 37 nonstates and historical entities **\$7.5**

## Savings actions

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	<i>GF \$ in millions</i>
Update K-12 funding for lower enrollment projections	\$56.2
Adjust transportation appropriation for new revenue estimate for insurance premiums tax	16.4
Lower lottery proceeds estimate	16.0
Provide technical update for K-12 incentive programs	13.5
Adjust K-12 funding for revised fringe benefits rates	5.8
Provide technical update for SOQ accounts	5.1
Adjust funding for Family Access to Medical Insurance Security plan utilization and inflation	5.0
Adjust funding for Medicaid utilization and inflation	4.3
Provide technical update for K-12 categorical programs	3.5
Redistribute Criminal Fund allocations	3.3
Adjust funding for delayed jail expansion opening	3.3
Reduce operating and maintenance funding of new Community College facilities	2.1
Adjusts revenue sharing transfer payments to localities	1.3

## Savings actions (continued)

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*GF \$ in millions*

Adjust funding for medical assistance services for low-income children utilization and inflation	\$1.1
Rebalance bank service fees and compensating balances 1.0	
Adjust funding for medical services for involuntary mental commitments	1.0
Modify specialty drug program	1.0
Enhance Medicaid recoveries from fraud, waste, and abuse	0.7

# Spending recommendations for capital outlay

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## Capital Outlay Overview

- The proposed capital outlay amendments total over \$508.2 million including \$226.5 million from the general fund. Of this total, \$176.2 million from the general fund is proposed to support institutions of higher education.
- The first priority is to address cost overruns in existing projects and previously unfunded equipment and furnishing needs in existing projects that will be completed during the biennium.
- The remaining amendments are earmarked for infrastructure requirements and other critical needs, potential new acquisitions, or planning for future construction projects.

<u>Spending Category</u>	<u>GF in Millions</u>
Cost overruns	\$131.7
Equipment for existing projects	47.7
Emergency Projects	14.2
Other Capital Projects	<u>32.8</u>
Grand Total	\$226.5

- No additional bond authorizations requiring tax-supported debt of the Commonwealth are recommended in the Governor's budget, although some projects are authorized which use 9(c) or 9(d) debt of colleges and universities.
- Separate legislation (VPBA) will be introduced to address Water Quality and prison facility needs.

# Spending recommendations for capital outlay (continued)

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## Cost Overruns Recommendations

*GF \$ in millions*

- Funds \$131.7 million from the general fund for cost overruns on 41 existing projects.
- Many of these unanticipated costs are attributed to price increases in raw materials, such as steel and plywood, and labor.
- Others are due to dated cost estimates which were the basis of the original project appropriation.

<b>Agency Name</b>	<b>Project Title</b>	
General Services	Renovate Washington Building	\$ 3.0
Conservation & Recreation	Provide supplemental funding for previously authorized capital projects	15.0
University of Virginia	Renovate Gilmer Hall teaching labs	0.4
University of Virginia	Construct McLeod Hall addition	3.6
University of Virginia	Construct Studio Art	3.2
University of Virginia	Expand South Chiller Plant	5.5
Virginia Tech	Construct Cowgill Hall HVAC	1.2
Virginia Tech	Construct new engineering facility, phase I	3.0
Virginia Tech	Construct building construction laboratory	0.3
Virginia Military Institute	Expand barracks	14.0
Virginia State	Renovate Gandy Hall	0.1
Virginia State	Renovate temporary facilities	0.5
James Madison University	Construct the Center for the Arts	10.6
James Madison University	Construct the College for Integrated Science and Technology (CISAT) Library	4.7
James Madison University	Construct the Music Recital Hall	6.4

## Spending recommendations for capital outlay (continued)

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VCU	Renovate Music Center	\$ 1.7
VCU	Construct Medical Sciences Building, Phase II	12.0
Museum of Fine Arts	Upgrade Fire Suppression System	2.0
Richard Bland	Construct elevated water tank for fire suppression	0.5
UVA's College at Wise	Renovate Science Building	2.5
UVA's College at Wise	Renovate Smiddy Hall and relocate Information Technology Building	3.0
UVA's College at Wise	Renovate and Expand Drama Building	3.0
George Mason	Construct academic VI and research II facility	6.5
George Mason	Construct academic II and parking, Arlington Campus	22.6
Mental Health (Central Office)	Provide funds for Hancock Facility cost overruns and furnishing/equipment	1.5
Corrections - Central Office	Construct pump station and force main	0.2
Corrections - Central Office	Upgrade Pocahontas wastewater treatment plant	0.3
Corrections - Central Office	Install fire safety systems and exits	0.3
Corrections - Central Office	Construct St. Brides replacement	2.5
Corrections - Central Office	Replace locking systems and cell doors	0.5
Corrections - Central Office	Upgrade Haynesville wastewater treatment plant	1.0
	Total	<hr/> \$131.7

# Spending recommendations for capital outlay (continued)

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## Equipment for Previously Funded Projects

*GF \$ in millions*

- Provides \$47.7 million from the general fund for 16 projects that are near completion and require additional funds for equipment and furnishings in order to be occupied.

Agency Name	Project Title	
Virginia Tech	Provide equipment funding for new engineering facility, phase I	\$ 3.0
Virginia Military Institute	Renovate Mallory Hall	0.9
James Madison University	Construct the College for Integrated Science and Technology (CISAT) Library	5.0
James Madison University	Construct the Center for the Arts	3.6
James Madison University	Construct the Music Recital Hall	1.4
VCU	Construct Medical Sciences Building, Phase II	3.7
VCU	Renovate Sanger Hall Research Laboratory	0.8
VCU	Construct School of Engineering, Phase II	2.2
Community College System	Renovate Science Building, Annandale	1.0
Community College System	Construct Blackwater Building	2.1
Community College System	Construct Historic Triangle	5.7
Community College System	Renovate Post ISS Renovations	0.5
Community College System	Relocate Portsmouth Campus	11.0
Community College System	Construct Tri-Cities Higher Education Center	1.4
Corrections - Central Office	Provide equipment for St. Brides replacement	1.9
Mental Health	Provide furnishings/equipment for Hancock facility	3.5
	<b>Total</b>	<b>\$47.7</b>

## Spending recommendations for capital outlay (continued)

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### Emergency Projects

*GF \$ in millions*

- Provides \$14.2 million from the general fund for seven emergency capital projects.

Agency Name	Project Title	
General Services	Provide critical repairs to exterior and interior of the Supreme Court Building	\$ 3.4
University of Virginia	Renovate Chemistry Teaching Labs	3.1
Virginia Tech	Construct Hazardous Waste Facility	3.5
Norfolk State	Provide funding to upgrade Wilder Center lecture hall	0.5
University of Mary Washington	Repair Computing and Data Center Spaces	0.7
George Mason	Relocate Prince William campus power line	1.5
Marine Science (VIMS)	Construct concrete pier to ensure uninterrupted seawater supply	1.5
	<b>Total</b>	<b>\$14.2</b>

# Spending recommendations for capital outlay (continued)

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## Other Capital Projects

*GF \$ in millions*

- Provides \$32.8 million from the general fund for 12 other capital projects. For seven of the 12 projects, the proposed capital budget provides funding for planning of future construction projects; three projects fund Public-Private Education Facilities and Infrastructure Act of 2002 efforts; one project will abate asbestos; and the remaining project provides support to construct an educational wing at the Virginia War Memorial.

Agency Name	Project Title	
General Services	Plan 8th/9th Street Office Building renovations	\$ 3.4
General Services	Construct Educational Wing of Virginia War Memorial	1.5
Woodrow Wilson	Abate asbestos in kitchen and dining facilities	6.7
William & Mary	Demolish and plan to replace the Williamsburg Community Hospital for use by the School of Education	5.4
University of Virginia	Plan to Construct Information Technology Engineering Building	1.5
Norfolk State	Plan to Renovate and Expand Lyman Beecher Brooks Library- PPEA	1.5
Virginia State	Plan to Renovate Hunter McDaniel Hall	0.8
Longwood University	Plan to construct university technology center	1.4
School f/t Deaf & Blind at Staunton	Facilitate the consolidation of the Schools for the Deaf, Blind, and Multi-disabled-PPEA	3.5
George Mason	Construct Fairfax performing arts center-PPEA	1.0
University of Mary Washington	Plan to Construct new Graduate Research and Education Institute	2.0
Christopher Newport	Plan to Construct Science Building	4.1
	<b>Total</b>	<b>\$32.8</b>

# Summary of General Fund 2006-2008 Budget

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*(GF \$ in Millions)*

	<u>FY2007</u>	<u>FY2008</u>	<u>Biennium Total</u>
<b>Resources:</b>			
Balance	\$ 1,654.7	\$ 0.1	\$ 1,654.8
Revenue	15,793.5	16,431.1	32,224.6
Transfers	<u>794.4</u>	<u>888.6</u>	<u>1,683.0</u>
Total Resources	18,242.6	17,319.8	35,562.4
<b>Spending:</b>			
Operating	17,061.9	17,245.5	34,307.4
Capital Outlay	<u>908.5</u>	<u>338.6</u>	<u>1,247.2</u>
Total Spending	17,970.4	17,584.1	35,554.5
<b>Difference:</b>	\$ 272.2	\$ (264.4)	\$ 7.8

# Summary of Biennial General Fund Operating Appropriations

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*(GF \$ in Millions)*

	<b>Current Chapter 3 / 10</b>	<b>Governor's Amendments</b>	<b>Introduced Budget Total</b>
Legislative Department	\$119.3	\$0.0	\$119.3
Judicial Department	696.5	11.2	707.7
Executive Offices	68.6	0.4	68.9
Administration	1,280.6	19.0	1,299.6
Agriculture and Forestry	96.5	0.2	96.6
Commerce and Trade	221.6	16.7	238.4
Education	15,402.8	35.7	15,438.5
Finance	1,263.6	142.0	1,405.6
Health and Human Resources	7,645.2	119.6	7,764.8
Natural Resources	425.3	41.1	466.5
Public Safety	3,359.7	38.8	3,398.5
Technology	13.5	3.3	16.8
Transportation	648.0	145.6	793.6
Central Appropriations	2,420.3	27.4	2,447.7
Independent Agencies	0.6	0.0	0.6
Nonstate Entities	36.7	7.5	44.2
	<b>\$33,698.8</b>	<b>\$608.6</b>	<b>\$34,307.4</b>

# Summary of Biennial Nongeneral Fund Operating Appropriations

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*(NGF \$ in Millions)*

	<b>Current Chapter 3 / 10</b>	<b>Governor's Amendments</b>	<b>Introduced Budget Total</b>
Legislative Department	\$6.6	\$0.0	\$6.6
Judicial Department	46.9	1.0	47.8
Executive Offices	24.7	1.9	26.6
Administration	409.2	33.9	443.1
Agriculture and Forestry	71.3	0.0	71.3
Commerce and Trade	1,461.1	1.6	1,462.7
Education	12,322.4	116.0	12,438.4
Finance	60.3	0.4	60.6
Health and Human Resources	10,774.1	41.0	10,815.1
Natural Resources	415.0	1.7	416.7
Public Safety	1,504.0	56.8	1,560.8
Technology	115.6	0.0	115.6
Transportation	8,921.1	( 452.3)	8,468.8
Central Appropriations	96.9	( 10.8)	86.1
Independent Agencies	663.9	( 2.6)	661.4
Nonstate Entities	0.0	0.0	0.0
	<b>\$36,893.2</b>	<b>(\$211.6)</b>	<b>\$36,681.7</b>

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