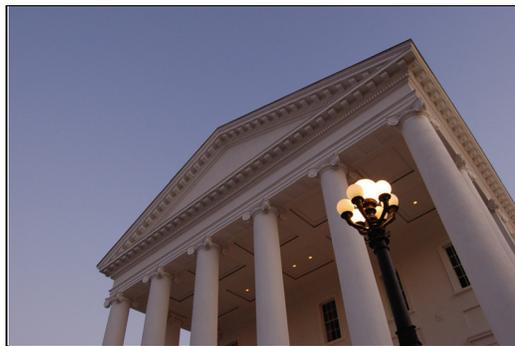


Amendments to the 2007 Appropriation Act



This section provides details on the Governor's proposed operating and capital outlay amendments to the remainder of the 2006-2008 biennial budget (e.g., the budget for fiscal year 2008), as contained in Chapter 847, the 2007 Appropriation Act.

Judicial Department

Magistrate System

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$160,000 (GF).

Supreme Court of Virginia

- ▶ **Increase Criminal Fund**
Provides additional funds to pay the court costs of low-income persons. The major expenditure in this fund is for the services of court-appointed attorneys for indigent defendants in criminal cases. For 2008, \$15.0 million (GF).
- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$73,000 (GF).

Judicial Inquiry and Review Commission

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$4,000 (GF).

Circuit Courts

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$15,000 (GF).

General District Courts

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$270,000 (GF).

Juvenile And Domestic Relations District Courts

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$177,500 (GF).

Combined District Courts

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$75,000 (GF).

Court Of Appeals Of Virginia

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$20,000 (GF).

Virginia Criminal Sentencing Commission

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$5,500 (GF).

Indigent Defense Commission

- ▶ **Implement 2008 budget reductions**
Reduces the agency program budget in support of the Governor's 2008 budget reduction plan. For 2008, a decrease of \$200,000 (GF).

Executive Offices

Division of Debt Collection

► **Remove requirement to transfer a portion of debt collected on behalf of agencies to the general fund**

Eliminates the requirement to transfer \$1.3 million each year to the general fund from debt collected on behalf of state agencies. Since the 2004 Appropriation Act, the division has been required to transfer up to 40 percent of the funds it collects on behalf of agencies. The transfer requirement has caused agencies to seek exemptions or find alternate ways to collect debt. As a result, the division has not been able to meet the transfer requirement. Eliminating the transfer requirement should encourage more agencies to utilize the division's services.

Office of Administration

Compensation Board

► **Provide funds for per diem payments**

Adjusts funding to reflect required per diem payments. Per diems are paid to localities for housing local and state-responsible inmates in local and regional jails. For 2008, \$14.9 million (GF).

► **Fund constitutional officer retirement rate adjustment shortfall**

Provides funding to address a shortfall in the central accounts retirement rate adjustment for fiscal years 2007 and 2008. Due to the shortfall in fiscal year 2007, funding from fiscal year 2008 was transferred to 2007, thereby creating a larger shortfall in fiscal year 2008. The funding provided includes approximately \$4.8 million transferred from 2008 to 2007. For 2008, \$12.3 million (GF).

► **Provide support for the Riverside Regional Jail expansion project**

Provides funding for phase one of the Riverside Regional Jail expansion project. The project consists of a community custody housing unit of six dormitories. The Department of Corrections only recently advised the agency that the jail expansion is now scheduled to begin accepting inmates in January 2008. This will require the addition of 34 positions and five months of funding in 2008. For 2008, \$447,907 (GF).

► **Provide support for rent increases**

Provides funding to address a rent shortfall. For 2008, \$48,000 (GF).

Department of General Services

► **Fund Civil Rights Memorial project**

Adds funding for the site work that will occur before the Civil Rights Memorial statue is placed in its location on Capitol Square. Preparing the site will include laying the concrete, as well as the brick pavers that will lead to the statue. The memorial will honor the student protest at the Robert Russa Moton High School in Farmville, Virginia. For 2008, \$135,000 (GF).

Capital Outlay Recommendations:

► **Complete the open stair between Jefferson Building and Hill Building**

Provides funds from the nongeneral fund cash balance available from bond defeasance and sale of the Main Street Station to construct a stairway between the Jefferson Building and Hill Building on Capitol Square. The current unfinished stairway is a safety hazard. For 2008, \$570,000 (NGF).

► **Expand the Shrine of Memory to include War on Terror names**

Increases the treasury loan for the Virginia War Memorial by \$470,000 for the expansion of the Shrine of Memory to include the names of those who gave their lives in the War on Terror.

► **Add project funds for education center construction**

Increases the treasury loan for the construction of the new Education Wing at the Virginia War Memorial by \$2,220,000. The increase includes \$1,750,000 to address cost overruns and \$470,000 for the expansion of the Shrine of Memory to include the names of those who gave their lives in the War on Terror. The match requirement is also increased by \$250,000. Under the new terms, once the War Memorial raises \$2,250,000 in contributions, a treasury loan of \$5,720,000 will be made available to complete the project.

► **Achieve greater energy conservation at the seat of government**

Provides oil overcharge funding to install variable speed drives, upgrade the direct digital controls at the Supreme Court of Virginia, and recommission the Pocahontas Building. The recommission will include testing, re-evaluation and re-adjusting of all systems in the building. This will result in decreased energy costs at the seat of government. For 2008, \$195,000 (NGF).

Office of Commerce and Trade

Department Of Housing And Community Development

► **Provide mortgage counseling assistance**

Provides funding for foreclosure counseling services statewide. The funds will be used to provide training and assistance to counselors specializing in foreclosure prevention, loss mitigation and consumer rights under existing mortgage lending laws and regulations. Grants will also be available to nonprofit organizations to support new or expanded foreclosure prevention counseling services targeted to areas of the state and populations at greatest risk. For 2008, \$750,000 (GF).

Department of Labor and Industry

► **Provide funding to correct for funding split of Central Appropriation amounts**

Provides funding for a general fund shortfall that resulted from an incorrect fund split between general and nongeneral funds for the agency's Central Appropriations distributions. For 2008, \$237,745 (GF).

Office of Education

Direct Aid to Public Education

- ▶ **Update sales tax estimates for public education**
Provides funding for a technical change to the Standards of Quality to account for revised sales tax projections. For 2008, a decrease of \$17.8 million (GF).
- ▶ **Update costs of the Standards of Quality programs**
Adjusts funding to address technical updates and corrections to the Standards of Quality in 2008. For 2008, a decrease of \$32.1 million (GF).
- ▶ **Update costs of incentive and categorical programs**
Updates funding for the incentive and categorical programs for changes in fall membership, participation rates, and test scores in 2008. These programs are designed to address specific education needs or targeted student populations that require additional instructional support such as at-risk students. Funding for these programs is primarily formula-driven and subject to annual changes. For 2008, a decrease of \$2.7 million (GF).
- ▶ **Update No Child Left Behind (NCLB) accounts**
Reduce the NCLB programs due to lower than anticipated participation rates. For 2008, a decrease of \$1.8 million (GF).
- ▶ **Update funds derived from Literary Fund**
Updates funds derived from the principal of the Literary Fund in accordance with Article VIII, Section 8, of the Constitution of Virginia. For 2008, \$8.8 million (NGF).

Department Of Education, Central Office Operations

- ▶ **Fully fund national teacher certification awards**
Supplements shortfall in funding for national teacher certification awards to fully fund additional number of eligible teachers. For 2008, \$404,125 (GF).

The Library Of Virginia

- ▶ **Provide funding for rent**
Reinstates funding for rent, removed in error. For 2008, \$34,099 (GF).

James Madison University

- ▶ **Insert capital language concerning alternative financing**
Expands existing language authorizing James Madison University to enter into written agreements with the James Madison University Real Estate Foundation to support projects through alternative financing agreements including public private partnerships.

Virginia School For The Deaf And The Blind At Staunton

- ▶ **Fund campus renovations to accommodate additional students**
Funds renovations to residential and educational facilities to accommodate transferring multi-disabled students due to the consolidation of the Schools for the Deaf, Blind and Multi-Disabled. The 2007 session of the General Assembly instructed that the consolidation must occur no later than June 30, 2008. For 2008, \$50,000 (GF).

Virginia Commonwealth University

Capital Outlay Recommendations:

- ▶ **Amend language for Ad Center at Virginia Commonwealth University**
The proposed language provides authority for Virginia Commonwealth University to execute two operating leases associated with the Ad Center project.

George Mason University

Capital Outlay Recommendations:

- ▶ **Correct language for capital project at George Mason University**
The proposed language will clarify that the \$6.0 million in bond appropriation in the Student Union II capital project (#17508) can be transferred to the Student Housing VII capital project (#17056). This action corrects a mistake in Chapter 847, 2007 Acts of Assembly.

Office of Finance

Department of Planning and Budget

- ▶ **Provide funding for increased rent costs**
Provides funding to cover the additional rent costs for the department. For 2008, \$28,000 (GF).

Treasury Board

- ▶ **Adjust debt service funding**
Adjusts debt service funding to capture savings attributable to refundings and to reflect older bonds being liquidated or refinanced at lower interest rates. For 2008, a decrease of \$2.5 million (GF).

Department of Taxation

- ▶ **Expand use of Contract Collector Fund to include audit functions**
A language amendment to allow the department to use funds in the Contract Collector Fund to pay costs associated with improving its existing audit selection process.
- ▶ **Administer the new locally imposed motor vehicle fuel sales tax and sales and use tax on motor vehicle repairs**
A language amendment to allow the department to recover its direct costs of administering the new Motor Vehicle Fuel Sales Tax in the Hampton Roads Transportation Authority, and the new sales and use tax on motor vehicle repairs in the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority.

Office of Health and Human Resources

Comprehensive Services For At-Risk Youth And Families

- ▶ **Increase funds for comprehensive services for at-risk youth**
Provides additional funds to continue mandated special education, foster care and foster care prevention services for at-risk youth. Program growth had been estimated at 9 percent, however new projections show that growth will be close to 12 percent. For 2008, \$54.3 million (GF).

Department Of Medical Assistance Services

► Adjust funding for Medicaid utilization and inflation

Reduces funding for the use of Medicaid services and the anticipated costs of those services. Medicaid costs in fiscal year 2007 were lower than projected due to the new federal citizenship requirements for proof of citizenship with original documentation. These new requirements created an impediment for people who otherwise would have been eligible, resulting in an unanticipated decline in enrollment. While the downward trend in enrollment has reversed, the forecast for fiscal year 2008 was based on a higher enrollment figure. This results in a budget savings since the new forecast projections are lower than last year. For 2008, a decrease of \$49.7 million (GF) and \$46.3 million (NGF).

► Fund medical assistance services for low-income children utilization and inflation

Increases funding for the Commonwealth's Medicaid Children's Health Insurance Program. This adjustment reflects increasing enrollment in the program and higher medical costs for services. This program applies to children over age six who fall within an income limit of 100 to 133 percent of the federal poverty level. For 2008, \$861,616 (GF) and \$1.6 million (NGF).

► Provide funding for medical services for involuntary mental commitments

Decreases funding for the costs of hospital and physician services for persons subject to an involuntary mental commitment. The projection of costs for the program based on the latest data is less than in the current budget for the program, resulting in a budget savings. For 2008, a decrease of \$1.3 million (GF).

► Fund Family Access to Medical Insurance Security plan utilization and inflation

Provides funding for the program to reflect an increase in the use of services and higher medical costs. The main driver of costs for this program continues to be increasing enrollment, which results in higher costs. For 2008, \$1.4 million (GF) and \$2.5 million (NGF).

► Adjust funding for Virginia Health Care Fund

Reduces funds used as state match for Medicaid due to higher revenue estimates for the Health Care Fund. While revenues from tobacco taxes are expected to decrease slightly, increased revenues are expected from Medicaid recoveries and Master Settlement Agreement payments from tobacco companies. The result is additional revenue used to offset general fund appropriation. For 2008, a decrease of \$13.3 million (GF) and an increase of \$13.3 million (NGF).

Mental Retardation Training Centers

► Restore savings at Central Virginia Training Center

Restores nongeneral funds to Central Virginia Training Center's operational budget. Savings that had been assumed in fiscal year 2008 will not be achieved due the slower than anticipated discharge of residents to community-based settings. For 2008, \$5.3 million (NGF).

Department of Social Services

► Maintain local social services by offsetting federal revenue losses

Offsets the loss of federal revenue that supports staff in local departments of social services who perform child welfare services. The loss of revenue will occur as the result of a federally required revision of Virginia's public assistance cost allocation plan. Without this funding, the social services system will be forced to reduce its workforce, which would have a direct and immediate adverse impact on children's services. For 2008, an increase of \$3.9 million (GF) and a decrease of \$3.9 million (NGF).

► Provide child care services to at-risk, low-income families

Increases funding for at-risk child care subsidies. The added support will address about 25 percent of the current waiting list for child care subsidies. The additional child care dollars provided will allow working families to maintain employment and receive education/training without the need for more extensive public assistance. For 2008, \$6.0 million (NGF).

Office of Natural Resources

Department of Game and Inland Fisheries

► Reflect transfers from the general fund to the Game Protection Fund

A language amendment to reflect the amount of funding transferred to the Game Protection Fund from the general fund as provided for in Section 3-1.01 of this act. The adjustment reflects an anticipated decrease of \$1.3 million in revenue generated from the watercraft sales and use tax.

Office of Public Safety

Department of Emergency Management

► Clarify transfer of funding between agencies

Adds language that clearly identifies the amount of funding already appropriated to the agency's hazardous materials training program from the Fire Programs Fund within the Department of Fire Programs.

Department of State Police

► Increase funding to support troopers' usage of gasoline

Provides additional funding to purchase gasoline. This action addresses a potential funding shortfall due to higher gasoline costs. For 2008, \$2.4 million (GF).

Department of Forensic Science

► Provide funding for payment in lieu of taxes

Increases funds to address the payment in lieu of taxes for the Richmond facility occupied by the agency. This funding had not been appropriated previously. For 2008, \$218,643 (GF).

Department Of Corrections

► **Provide additional funding for FY 2008 state employee salary increase**

Adjusts funding to address the growth in the number of agency personnel attributable to prison expansions and openings. The amount of funding originally provided to cover 2008 salary increases did not account for this growth. For 2008, \$1.1 million (GF).

Department of Veterans Services

► **Increase amount of anticipation loan for new veterans care center start-up**

Increases the amount of an anticipatory loan by \$1.4 million due to a delay in opening the new Sitter-Barfoot Veterans Care Center. The loan will cover ongoing expenses until nongeneral fund reimbursement is received for services rendered.

Office of Transportation

Virginia Port Authority

► **Provide appropriation for terminal revenue bond debt service**

Provides appropriation for debt service payments for the terminal revenue bond for capital projects at port facilities. For 2008, \$250,000 (NGF).

Capital Outlay Recommendations:

► **Norfolk International Terminal - South, land acquisition and other improvements to port facilities**

Provides funding for the final stages of renovations to Norfolk International Terminal South, as well as land acquisitions and other improvements to port facilities. For 2008, \$93.0 million (NGF).

Department of Transportation

► **Provide appropriation for revenues from HB 3202**

Provides appropriation for increased transportation revenues from HB 3202, passed by the 2007 Session of the General Assembly. For 2008, \$112.6 million (NGF).

► **Align appropriation with revenues as approved by the Commonwealth Transportation Board**

Aligns appropriation with the agency's internal budget as approved by the Commonwealth Transportation Board, based on transportation revenues. For 2008, \$212.9 million (NGF).

Department of Rail and Public Transportation

► **Align appropriation with revenues as approved by the Commonwealth Transportation Board**

Aligns appropriation with the agency's internal budget as approved by the Commonwealth Transportation Board, based on transportation revenues. For 2008, \$35.8 million (NGF).

Central Appropriations

Central Capital Outlay

Capital Outlay Recommendations:

► **Provide additional funding for maintenance reserve**

Provides additional funds to be distributed to agencies that maintain state-owned facilities. Funds will be used for approved maintenance reserve projects and deferred maintenance needs that are critical to the continued use of a building, system, or equipment. For 2008, \$50.0 million (GF).

Central Appropriations

► **Provide funding to cover FY 2007 shortfall for interest earnings and credit card rebates at the institutions of higher education**

Provides additional funding for the estimated total payment to individual institutions of higher education of the interest earned on tuition and fees and other nongeneral fund Education and General Revenues deposited to the state treasury and of a pro rata amount of the rebate paid to the Commonwealth on credit card purchases not exceeding \$5,000 during the previous fiscal year, upon certification by the State Council of Higher Education of Virginia that all available performance benchmarks described in §23-9.6:1.01, Code of Virginia, have been successfully achieved by the individual institutions of higher education. For 2008, \$4.0 million (GF).

► **Reduce the impact of the savings requirement for information technology related operational efficiencies**

Reduces the impact of the savings requirement for information technology related operational efficiencies within the Virginia Information Technologies Agency. This appropriation will protect the agency against the loss of unattainable savings required in Item 422 of Chapter 857, 2007 Acts of Assembly. The savings are factored into the public-private agreement with Northrop Grumman, Inc., thus the agency no longer has control over these savings. For 2008, \$4.9 million (GF).

► **Provide additional funding for the Governor's Development Opportunity Fund**

Provides additional funding for the Governor's Development Opportunity Fund. This fund is used to increase economic development in Virginia by attracting and retaining new and existing businesses and industries. For 2008, \$1.5 million (GF).

► **Capture savings from the Governor's 2008 budget reduction plan**

Reflects the general fund savings portion of amounts detailed in Governor Kaine's 2008 Budget Reduction Plan released on October 1, 2007. In addition to the general fund reduction in this amendment, the Governor's 2008 reduction plan results in the inclusion of \$29.1 million in increased revenues and transfers in the proposed amendments to Chapter 847, 2007 Acts of Assembly. For 2008, a decrease of \$272.0 million (GF).

► **Provide funding for an unbudgeted increase in information technology rates**

Provide general fund assistance to affected agencies for the unbudgeted and increased costs associated with the new Decentralized Rates structure implemented in late FY 2007 by the Virginia Information Technologies Agency. For 2008, \$4.7 million (GF).