

# AMENDMENTS TO THE 2011 APPROPRIATION ACT

This section provides details on the Governor's proposed operating and capital outlay amendments to the remainder of the 2010–2012 biennial budget (e.g., the budget for fiscal year 2012), as contained in the Chapter 890, the 2011 Appropriation Act.



## Judicial Department

### Circuit Courts

#### Operating Budget Recommendations

- **Increase appropriation for Criminal Fund**

Increases funding to cover the cost associated with providing constitutionally mandated legal defense for indigent persons accused of crimes.

	<u>FY 2012</u>
General Fund	\$ 752,660

### General District Courts

#### Operating Budget Recommendations

- **Increase appropriation for Criminal Fund**

Increases funding to cover the cost associated with providing constitutionally mandated legal defense for indigent persons accused of crimes.

	<u>FY 2012</u>
General Fund	\$ 284,321

- **Increase appropriation for Involuntary Mental Commitments**

Increases general fund appropriation to cover the costs of involuntary mental commitment hearings.

	<u>FY 2012</u>
General Fund	\$ 63,228

### Juvenile and Domestic Relations District Courts

#### Operating Budget Recommendations

- **Increase appropriation for Criminal Fund**

Increases funding to cover the cost associated with providing constitutionally mandated legal defense for indigent persons accused of crimes.

	<u>FY 2012</u>
General Fund	\$ 492,888

- **Increase funding for involuntary mental commitments**

Increases general fund appropriation to cover the costs of involuntary mental commitment hearings.

	<u>FY 2012</u>
General Fund	\$ 4,107

### Combined District Courts

#### Operating Budget Recommendations

- **Increase appropriation for Criminal Fund**

Increases funding to cover the cost associated with providing constitutionally mandated legal defense for indigent persons accused of crimes.

	<u>FY 2012</u>
General Fund	\$ 120,131

- **Increase appropriation for involuntary mental commitments**

Increases general fund appropriation to cover the costs of involuntary mental commitment hearings.

	<u>FY 2012</u>
General Fund	\$ 7,665

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## Office of Administration

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### Compensation Board

#### Operating Budget Recommendations

- **Revert savings from delayed openings of jail expansion projects**

Removes funding associated with delays in the opening of funded jail expansion projects in Loudoun County and Pittsylvania County. It is anticipated that the expansion project in Loudoun County, originally funded in November 2009, will open in December 2011. The expansion project in Pittsylvania County, funded for an opening date of July 1, 2011, will open in January 2012.

	<b>FY 2012</b>
General Fund	\$ (1,374,398)

- **Provide funding to support per diem payments to local and regional jails**

Provides support to local and regional jail facilities for housing local and state responsible inmates.

	<b>FY 2012</b>
General Fund	\$ 4,595,767

### Department of General Services

#### Operating Budget Recommendations

- **Include language authorizing the state to enter into a PPEA agreement to convert the state fleet to operate on alternative fuels**

Provides language authorizing the state to enter into PPEA agreement(s) to convert the state fleet to operate on alternative energy fuels. The language also ensures that any agreements entered into are cost neutral or result in cost savings to the state.

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## Office of Agriculture and Forestry

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### Department of Forestry

#### Capital Outlay Recommendations

- **Construction of the Matthews State Forest Education and Conference Center**

Authorizes the department to initiate a capital project to make improvements on the Matthews State Forest. The source of funding for the project is a donation from the Matthews Trust. The forest, located in Southwest Virginia, consists of property the agency acquired through a donation several years ago. As part of the project, the agency will renovate several buildings on the property and construct an education and research center.

	<b>FY 2012</b>
Nongeneral Fund	\$ 2,000,000

## Office of Commerce and Trade

### Economic Development Incentive Payments

#### Operating Budget Recommendations

- **Adjust funding for the Virginia Investment Partnership Grant Program**

Reduces the general fund appropriation to reflect the revised estimated payments that are expected to occur in FY 2012.

	FY 2012
General Fund	\$ (180,000)

- **Remove funds for deposit to the Biofuels Production Fund**

Eliminates funds provided in FY 2012 for deposit to the Biofuels Production Fund for a grant to support a producer in Hopewell. These funds are no longer required in FY 2012 as the producer did not meet the requirements to receive payment. No future payments are anticipated.

	FY 2012
General Fund	\$ (4,500,000)

- **Adjust funding for the supplemental training grant**

Removes funding for a one-time supplemental training grant established as part of a grant program to attract an aerospace manufacturer to the Commonwealth, as the company informed the Commonwealth that it will not achieve the employment level by December 2011, the date by which the target must be achieved in order to receive payment during the current fiscal year. It is anticipated that the company will achieve the required employment level and capital investment in order to receive payment in FY 2014.

	FY 2012
General Fund	\$ (3,000,000)

### Department of Housing and Community Development

#### Operating Budget Recommendations

- **Provide funding for the Fort Monroe Authority**

Provides additional funding for the Fort Monroe Authority in FY 2012. The additional funding is needed to address less than anticipated revenue from residential and commercial property on the Fort, the loss of federal support, rewiring of the fiber-optic and cable network on the Fort, and operating the antiquated utility system.

	FY 2012
General Fund	\$ 2,599,641

### Department of Mines, Minerals and Energy

#### Operating Budget Recommendations

- **Revert unneeded appropriation granted for a payment from the Solar Photovoltaic Manufacturing Incentive Grant Fund**

Captures unneeded grant funding provided for a disbursement from the Solar Photovoltaic Manufacturing Incentive Grant Fund. Grant funding in the amount of \$74,000 was originally provided for a payment due to a company located in Danville; however, the company only ended up qualifying for \$39,038.

	FY 2012
General Fund	\$ (34,962)

### Virginia Racing Commission

#### Operating Budget Recommendations

- **Reduce the general fund transfer for FY 2012**

Provides a one-time decrease of \$228,000 in the agency's annual transfer to the general fund. The agency has experienced a significant decrease in revenue to support its programs and risks incurring a deficit without a reduction in the transfer.

	FY 2012
Revenue	\$ (228,000)

### Virginia Tourism Authority

#### Operating Budget Recommendations

- **Provide funds for the promotion of an international tourism event**

Provides additional funding in FY 2012 to promote an international tourism event to be held in the Commonwealth. The funds will be used to support Virginia's hosting of OpSail 2012, which will commemorate the Bicentennial of the War of 1812, the birth of the Star Spangled Banner, and the history of the United States Navy.

	FY 2012
General Fund	\$ 250,000

## Office of Education

### Direct Aid to Public Education

#### Operating Budget Recommendations

- **Adjust sales tax revenue for public education**

Adjusts funding for local school divisions based on the latest sales tax projections provided by the Department of Taxation in December 2011.

	FY 2012
General Fund	\$ 2,070,848

- **Update costs of the Standards of Quality programs**

Adjusts funding to reflect actual enrollment in Remedial Summer School and English as a Second Language programs.

	FY 2012
General Fund	\$ (201,065)

- **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 2012. These programs are designed to address specific educational needs or targeted student populations. Funding for these programs is primarily formula-driven and subject to annual changes.

	FY 2012
General Fund	\$ (3,089,645)

- **Update funding for the National Board Certification program**

Adjusts funding for National Board Certification bonuses based on the actual number of teachers eligible to receive the grant award in 2012.

	FY 2012
General Fund	\$ (142,000)

- **Update Lottery proceeds for public education**

Adjusts funding to reflect an increase of \$18,525,000 in the estimate of Lottery proceeds for 2012. This amount includes \$9,000,000 from Lottery proceeds that were earned in fiscal year 2011.

	FY 2012
General Fund	\$ (32,587,891)
Nongeneral Fund	\$ 18,525,000

- **Update Fall Membership and Average Daily Membership enrollment counts**

Updates Standards of Quality and Incentive programs using September 30, 2011 Fall Membership (FM) and the revised projection of March 31, 2012 Average Daily Membership (ADM). For 2012, the forecast for unadjusted ADM decreases 1,202 from 1,216,938 to 1,215,736.

	FY 2012
General Fund	\$ (5,017,600)

### Radford University

#### Capital Outlay Recommendations

- **Renovate Washington Hall**

Provides funds to modernize the entire residence hall facility. Renovation efforts will include replacing all building mechanical, electrical, and plumbing systems, improving amenities, and restructuring the floor plan.

	FY 2012
Nongeneral Fund	\$ 10,819,800

### Virginia Commission for the Arts

#### Operating Budget Recommendations

- **Restore national and regional organizational memberships**

Provides funding for organizational memberships eliminated in Chapter 890, 2011 Acts of Assembly.

	FY 2012
General Fund	\$ 50,355

## Office of Finance

### Department of Accounts

#### Operating Budget Recommendations

- **Provide sum sufficient appropriation for expansion of the Payroll Service Bureau**

Increases the sum sufficient nongeneral fund appropriation for the Payroll Service Bureau (PSB) operated by the Department of Accounts to align with current activity. The current sum sufficient appropriation for the PSB is equal to \$1.75 million; this request would increase the appropriation by \$137,000.

### Department of Accounts Transfer Payments

#### Operating Budget Recommendations

- **Provide language directing the creation of a work group to review the Line of Duty Act program**

Provides language directing the formation of a work group to review the current process for determining eligibility of state and local Line of Duty Act recipients and the funding responsibility between the Commonwealth and its localities.

- **Adjust appropriations for aid to localities distributions**

Aligns appropriation for distributions to localities in accordance with the November 2011 Post-Governor's Advisory Council on Revenue Estimates (GACRE) forecast. Specifically, this request increases the appropriation for distribution of Tennessee Valley Authority payments in lieu of taxes by \$6,000 and decreases the appropriation for distribution of rolling stock taxes by \$300,000.

	<u>FY 2012</u>
General Fund	\$ (294,000)

- **Fund Revenue Stabilization Fund**

Moves the reserve set-aside in FY 2012 for an anticipated mandatory deposit to FY 2013 for the Revenue Stabilization Fund.

	<u>FY 2012</u>
General Fund	\$ (114,000,000)

### Department of Taxation

#### Operating Budget Recommendations

- **Replace existing telephone system**

Provides funding for the implementation and maintenance of a new Voice Over Internet Protocol telephone system. The current system is approximately 20 years old and no longer satisfies the business needs of the organization. It is anticipated that the new system will allow the department to increase efficiency, provide improved customer service, and save money in the long-term. The funding in FY 2012 will allow the agency to implement the new system prior to the tax year 2012 individual income tax filing season. The required hardware and software will be purchased through the state's Master Equipment Lease Purchase Program. Beginning in FY 2013, the funding for these payments will be in Central Appropriations.

	<u>FY 2012</u>
General Fund	\$ 361,120

### Treasury Board

#### Operating Budget Recommendations

- **Adjust debt service funding**

Captures savings realized from the issuance of recent Virginia College Building Authority and Virginia Public Building Authority bonds at lower interest rates than anticipated.

	<u>FY 2012</u>
General Fund	\$ (11,019,262)

## Office of Health and Human Resources

### Comprehensive Services for At-Risk Youth and Families

#### Operating Budget Recommendations

- **Adjust appropriation to reflect caseload and utilization changes**

Reduces appropriation to properly reflect the anticipated use of the program by localities. Program expenditures have declined over the last three years and the base funding for FY 2012, FY 2013 and FY 2014 is currently too high. The forecast shows a minimal increase in expenditures from FY 2011, growing 1.5 percent in FY 2012 and just over two percent in each year of the upcoming biennium.

	FY 2012
General Fund	\$ (24,827,013)

### Department of Health

#### Operating Budget Recommendations

- **Provide general fund appropriation to offset loss in federal funding for tuberculosis prevention and control**

Allows the program to maintain existing efforts to prevent, identify, and effectively treat tuberculosis. These efforts include outreach, case finding, therapy, investigation and disease control.

	FY 2012
General Fund	\$ 49,331

### Department of Medical Assistance Services

#### Operating Budget Recommendations

- **Fund eligibility review program**

Establishes an on-going eligibility review program to meet federal requirements and to improve eligibility determination for the Medicaid and FAMIS programs in the Commonwealth. The department will contract with a vendor to conduct the federally mandated Payment Error Rate Measurement (PERM) eligibility review and to establish a permanent quality assurance eligibility program. PERM measures improper payments in Medicaid and FAMIS and produces error rates for each program.

	FY 2012
General Fund	\$ 761,469
Nongeneral Fund	\$ 761,469

- **Adjust funding for Family Access to Medical Insurance Security program utilization and inflation**

Captures savings in the program to reflect lower managed care rates in FY 2012. Last year's forecast of expenditures assumed an increase in managed care rates for FY 2012. However, the actuarial analysis of managed care rates resulted in a reduction.

	FY 2012
General Fund	\$ (1,268,099)
Nongeneral Fund	\$ (2,355,040)

- **Adjust funding for medical assistance services for low-income children utilization and inflation**

Captures savings in the program to reflect lower managed care rates in FY 2012. Last year's forecast of expenditures assumed an increase in managed care rates for FY 2012. However, the actuarial analysis of managed care rates resulted in a reduction. This program applies to children between the ages of 6 through 19 with family income from 100 to 133 percent of the federal poverty level.

	FY 2012
General Fund	\$ (5,446,396)
Nongeneral Fund	\$ (10,114,737)

- **Fund medical services for involuntary mental commitments**

Adds funding for the costs of hospital and physician services for persons subject to an involuntary mental commitment. The most recent forecast of expenditures projects higher growth than last year's estimates.

	FY 2012
General Fund	\$ 670,567

- **Fund increase in information technology costs**

Provides funding to support increased information technology (IT) costs. In FY 2011, the agency began its transformation into the VITA/Northrop Grumman partnership. The increased cost is partially due to the additional costs on the agency to support a variety of application software, storage and products/services deemed out-of-scope. In addition, funding is provided for one position for an in-house technician to support the agency's out-of-scope infrastructure. The agency previously had eight technical IT support staff, provided through a contractor, prior to the change over in July 2010 and now has only one position to support all IT efforts.

	FY 2012
General Fund	\$ 426,394
Nongeneral Fund	\$ 426,394

- **Fund mandated updates to Medicaid Management Information System**

Provides additional funding to make modifications to the Medicaid Management Information System to comply with federal mandates. Federal law requires that all state Medicaid programs upgrade diagnosis and inpatient hospital code sets by October 2013. Funding for this project was provided last year based on an estimate of costs associated with previous project efforts. The project-specific detailed assessment has now been completed and this action reflects funding for the incremental difference between the preliminary and final estimates.

	<u>FY 2012</u>
General Fund	\$ 540,519
Nongeneral Fund	\$ 2,201,825

- **Adjust funding for Medicaid utilization and inflation**

Captures savings in the Medicaid program as a result of lower managed care rates for FY 2012. Rates for managed care were expected to increase for FY 2012, however, the actuarial review of managed care rates resulted in a decline for FY 2012.

	<u>FY 2012</u>
General Fund	\$ (85,355,352)
Nongeneral Fund	\$ (80,772,281)

## Department of Behavioral Health and Developmental Services

### Operating Budget Recommendations

- **Adjust language to fund electronic health records**

Adjusts the special fund cap to ensure funds are available for the implementation of electronic health records in FY 2013 and FY 2014. If the cap is not increased, funds will be swept and the agency will not have adequate resources to pay for the federally mandated system.

## Department of Rehabilitative Services

### Operating Budget Recommendations

- **Maintain federal funding for Vocational Rehabilitation program**

Provides funding to address a shortage of state funds available to match federal funding for the Vocational Rehabilitation (VR) program. The state is required to fund 21.3 percent of VR program expenditures for matching purposes. Due to higher federal grant allotments in recent years the state funding is no longer adequate to meet the matching requirement. Therefore, this funding is needed to maintain the current service level for the VR program.

	<u>FY 2012</u>
General Fund	\$ 2,985,366

## Department of Social Services

### Operating Budget Recommendations

- **Adjust child welfare funding**

Adjusts foster care and adoption subsidy program budgets to meet the anticipated expenditures for FY 2012. Based on expenditure trends and the impact of recent child welfare policy changes, this amendment captures a \$1.7 million general fund savings associated with a decline in Title IV-E Foster Care expenditures, while covering an anticipated \$8.1 million general fund shortfall in adoption subsidies.

	<u>FY 2012</u>
General Fund	\$ 6,400,000
Nongeneral Fund	\$ 500,000

- **Provide funding for the unemployed parent program**

Funds the estimated FY 2012 costs associated with the unemployed parent (UP) cash assistance program. The unemployed parent program provides support to eligible low-income two-parent families to ensure that their most basic subsistence needs are met.

	<u>FY 2012</u>
General Fund	\$ 1,571,031

- **Fund cost of providing Supplemental Nutrition Assistance Program benefits electronically**

Funds the electronic benefits transfer (EBT) transactional cost associated with providing Supplemental Nutrition Assistance Program (SNAP) benefits due to an increasing caseload. The department contracts with Affiliated Computer Services, Inc. (ACS) to electronically administer each family's monthly benefit. The amount of this contract fluctuates based on the volume of monthly transactions ACS performs.

	<u>FY 2012</u>
General Fund	\$ 286,842
Nongeneral Fund	\$ 286,842

## Office of Natural Resources

### Virginia Museum of Natural History

#### Operating Budget Recommendations

- **Provide supplemental funding for unfunded technology costs**  
Provides supplemental support for unfunded technology costs.

	FY 2012	
General Fund	\$	79,540

## Office of Public Safety

### Department of Alcoholic Beverage Control

#### Operating Budget Recommendations

- **Reflect revenue from nonreturnable deposit on Alexandria property**  
Records nonrefundable deposit on the sale of an Alcoholic Beverage Control building.

	FY 2012	
Revenue	\$	236,588

### Department of Corrections

#### Operating Budget Recommendations

- **Provide funding for newly installed telephone system**  
Provides funding for the costs of installing, maintaining, and operating new telephone systems in nine facilities operated by the agency. The previous systems had deteriorated to the point that the facilities were frequently without telephone service. The new system is Northrup Grumman's UCaaS system, which the state is under contract to install.

	FY 2012	
General Fund	\$	582,645

- **Increase funding for privately-operated prison**  
Provides additional funding for the prison in Lawrenceville that is operated under contract with a private company. The funding is required for additional security staffing, additional programming, and contractual Consumer Price Index increases.

	FY 2012	
General Fund	\$	495,505

- **Increase funding for inmate medical costs**

Provides additional funding for inmate medical costs. The funding is needed due to increases in costs for off-site medical care, which includes inpatient and outpatient hospital care and medical services provided by private specialists.

	FY 2012	
General Fund	\$	7,350,677

### Department of Juvenile Justice

#### Operating Budget Recommendations

- **Revert anticipated balance**  
Reverts an anticipated FY 2012 year-end general fund balance.

## Office of Technology

### Virginia Information Technologies Agency

#### Operating Budget Recommendations

- **Remove savings for information technology operational efficiencies**

Removes previously identified savings to avoid a double count. These savings resulted from information technology operational efficiencies identified in a previous year but these savings are now reflected in funding provided for information technology rates that went into effect on July 1, 2010, and September 1, 2011.

	<u>FY 2012</u>
General Fund	\$ 1,385,693
Revenue	\$ (593,232)

## Office of Transportation

### Department of Transportation

#### Operating Budget Recommendations

- **Appropriate Transportation Trust Fund share of general fund balance**

Appropriates to the Transportation Trust Fund two-thirds of the 2011 general fund balance that is not otherwise restricted, committed, or assigned for other use within the general fund, as directed by the Code of Virginia.

	<u>FY 2012</u>
General Fund	\$ 67,241,000

- **Adjust appropriation to reflect adopted Commonwealth Transportation Board budget**

Adjusts appropriation to correspond with the agency's budget as adopted by the Commonwealth Transportation Board in June 2011 for Fiscal Year 2012.

	<u>FY 2012</u>
Nongeneral Fund	\$ 1,011,717,365

## Central Appropriations

### Central Appropriations

#### Operating Budget Recommendations

- Fund on-going operating costs for Performance Budgeting System**

Provides funding to cover the general fund share of the operating costs of the Commonwealth's performance budgeting and financial enterprise applications. These costs are incurred under the internal service fund established within the Department of Accounts to recover ongoing costs associated with financial enterprise applications.

	<b>FY 2012</b>
General Fund	\$ 466,236

- Capture savings from Northrop Grumman outage settlement**

Captures general fund savings achieved from an agreement with Northrop Grumman, Inc. related to a computer services outage in August 2010. The savings are earned from billing credits issued in monthly installments to the agencies directly impacted by the outage.

	<b>FY 2012</b>
General Fund	\$ (121,392)

- Provide funding for the Federal Action Contingency Trust Fund**

Provides \$30 million to capitalize a Federal Action Contingency Trust (FACT) Fund to help prepare the Commonwealth for future federal spending reductions. This reserve fund will be available to address a variety of potential negative impacts from actions at the national level to deal with the federal debt and deficit and will provide added flexibility to deal with those situations for which the Revenue Stabilization Fund and other existing resources are either unavailable or inadequate.

	<b>FY 2012</b>
General Fund	\$ 30,000,000

- Remove \$10 million reduction to higher education**

Removes the FY 2012 \$10 million across-the-board funding reduction to higher education institutions.

	<b>FY 2012</b>
General Fund	\$ 10,000,000

- Provide funding for presidential primary**

Provides funding for the March 6, 2012, presidential primary. Of this amount, up to \$2,730,000 can be used to reimburse localities for expenditures they incur associated with the presidential primary and up to \$270,000 may be used to cover costs incurred directly by the State Board of Elections.

	<b>FY 2012</b>
General Fund	\$ 3,000,000

- Reduce supplemental funding for information technology**

Reduces funding for information technology and telecommunication rates changes based on updated projections of the impacts on state agencies that use more current billing data. As a result of continuing increases in technology and telecommunication costs, agencies were required to perform an information technology assessment to identify areas of impact and to develop a plan to reduce costs in the future. These savings reflect changes in utilization, services, and products.

	<b>FY 2012</b>
General Fund	\$ (8,336,307)