



Governor's Actions to Balance the State Budget



March 12, 2001

Overview of actions to balance state budget

Process

- The Governor issued Executive Order 74 (2001) to fulfill his Constitutional duty to balance the state's budget. This included the withholding of funds for some state agencies and departments and a moratorium on new construction projects for buildings or renovations not under contract.
- A subsequent review of capital outlay projects found that \$393.0 million is not currently under contract. After the review, capital projects costing \$274.5 million were chosen for possible delay.
- Agencies submitted preliminary spending reduction proposals totaling \$373.9 million on March 2, 2001. After reviewing the proposals, the preliminary reduction targets were reduced to \$146.2 million.
- Since that time, the Governor, Governor's Office, the Secretary of Finance, and the Department of Planning and Budget have been reviewing the preliminary plans.
- Today, the Governor is announcing preliminary actions to balance the budget and address the projected \$421 million revenue shortfall.
- An appeals process has been established as a safety-valve to address necessary revisions, if any.

Actions to balance budget

	<i>Biennial Amount</i> <i>\$ in millions</i>
Amount required to balance state budget	\$421.0
Capital outlay projects delayed	\$274.5
Additional resources:	
▪ VRS rate reductions as a result of overfunding	
✓ State employee rates	\$63.4
✓ Public school teacher rates	\$8.9
▪ Out-of-state prisoner revenue	\$5.0
▪ Debt service re-financing	\$3.0
▪ Uncommitted grant funds for private airports	<u>\$5.0</u>
<i>Subtotal</i>	<i>\$85.3</i>
Agency preliminary budget savings:	
▪ Anticipated unspent balances	\$76.6
▪ Savings from nonessential vacant positions	\$8.8
▪ Improved efficiencies in business practices	\$6.5
▪ State grants to localities	\$25.5
▪ Greater use of nongeneral fund revenues	\$11.3
▪ Equipment savings	\$11.5
▪ Other administrative savings	<u>\$6.0</u>
<i>Subtotal</i>	<i>\$146.2</i>
Total savings identified	\$506.0



Operating Budget Actions

Agency preliminary budget savings

- From 1997 to 2002, the Commonwealth's annual spending has increased by 42 percent.
- Agency preliminary budget reductions total \$146.2 million, or just over one-half percent (0.6%) of the state's general fund operating budget for the 2000-2002 biennium.
- Almost two-thirds of the reductions come from anticipated unspent balances (52.4 percent), vacancy and turnover in the state's workforce (6.0 percent) and improved efficiencies and administrative savings (8.6 percent).
- Essential state services in the areas of K-12 education, higher education, health and human resources, public safety, and transportation are protected from these reductions.
- 52 agencies with general fund appropriations are totally exempt from these reductions.

Appeals process for operating budget

An appeals process has been established for operating budget reductions to:

- Address critical needs or unintended consequences
- Address emergency situations
- Resolve unique problems or issues

Agencies exempt from preliminary budget savings

Administration

Council on Human Rights	Exempt
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Commerce and Trade

Department of Minority Business Enterprise	Exempt
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Education

Christopher Newport University	Exempt
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College of William and Mary in Virginia	Exempt
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Commission for the Arts	Exempt
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Direct Aid to Public Education	Exempt
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George Mason University	Exempt
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Gunston Hall Plantation	Exempt
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James Madison University	Exempt
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Longwood College	Exempt
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Mary Washington College	Exempt
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Medical College of Hampton Roads	Exempt
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Norfolk State University	Exempt
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Old Dominion University	Exempt
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Radford University	Exempt
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Richard Bland College	Exempt
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Roanoke Higher Education Authority	Exempt
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Science Museum of Virginia	Exempt
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Services for At-Risk Youth	Exempt
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Southeastern Universities Research Association	Exempt
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Southwest Virginia Higher Education Center	Exempt
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University of Virginia (Academic Division)	Exempt
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University of Virginia's College at Wise	Exempt
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Virginia Military Institute	Exempt
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Virginia State University	Exempt
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Virginia Commonwealth University (Academic Division)	Exempt
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Virginia Community College System	Exempt
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Virginia Institute of Marine Science	Exempt
Virginia Polytechnic Institute and State University	Exempt
Virginia School for the Deaf and Blind at Staunton	Exempt
Virginia School for the Deaf, Blind and Multi-Disabled at Hampton	Exempt
VPISU Cooperative Extension and Agricultural Experiment Station	Exempt
VSU Cooperative Extension and Agricultural Research Services	Exempt

Finance

Department of Taxation	Exempt
Treasury Board	Exempt

Health & Human Resources

Center for the Blind and Vision Impaired	Exempt
Department for the Aging	Exempt
Department for the Deaf and the Hard-of-Hearing	Exempt
Department Health Professions	Exempt
Department of Health	Exempt
Department of Medical Assistance Services	Exempt
Department of Mental Health, Mental Retardation and Substance Abuse	Exempt
Department of Rehabilitative Services	Exempt
Department of Social Services	Exempt
Governor's Employment and Training Department	Exempt
Virginia Board for People with Disabilities	Exempt
Virginia Department for the Blind and Vision Impaired	Exempt
Woodrow Wilson Rehabilitation Center	Exempt

Public Safety

Commonwealth's Attorneys' Services Council	Exempt
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Transportation

Department of Aviation	Exempt
Department of Transportation	Exempt

Nonstate Entities

Grants to Nonstate Agencies	Exempt
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Agency preliminary budget savings

Biennial Amount

Administration

Commission on Local Government	\$26,495
Commonwealth Competition Council	\$38,131
Compensation Board	\$53,559,806
Council on Human Rights	Exempt
Department for the Rights of Virginians with Disabilities	\$32,819
Department of Employment Dispute Resolution	\$76,212
Department of General Services	\$1,260,640
Department of Human Resource Management	\$550,373
Department of Veterans' Affairs	\$613,260
State Board of Elections	\$326,465
Virginia Public Broadcasting Board	\$51,000

Commerce and Trade

Department of Agriculture and Consumer Services	\$1,975,138
Department of Business Assistance	\$793,831
Department of Forestry	\$3,236,301
Department of Housing and Community Development	\$12,829,019
Department of Labor and Industry	\$250,000
Department of Mines, Minerals and Energy	\$908,747
Department of Minority Business Enterprise	Exempt
Virginia Economic Development Partnership	\$2,500,000
Virginia Employment Commission	\$20,996
Virginia Resources Authority	\$2,000,000
Virginia Tourism Authority	\$2,507,979

Education

Christopher Newport University	Exempt
College of William and Mary in Virginia	Exempt
Commission for the Arts	Exempt
Department of Education (Central Office administration only)	\$5,139,130
Direct Aid to Public Education	Exempt

	Biennial Amount
Frontier Culture Museum	\$99,308
George Mason University	Exempt
Gunston Hall Plantation	Exempt
James Madison University	Exempt
Jamestown - Yorktown Foundation	\$191,000
Longwood College	Exempt
Mary Washington College	Exempt
Medical College of Hampton Roads	Exempt
Melchers-Monroe Memorials	\$65,523
Norfolk State University	Exempt
Old Dominion University	Exempt
Radford University	Exempt
Richard Bland College	Exempt
Roanoke Higher Education Authority	Exempt
Science Museum of Virginia	Exempt
Services for At-Risk Youth	Exempt
Southeastern Universities Research Association	Exempt
Southwest Virginia Higher Education Center	Exempt
State Council of Higher Education	\$266,492
The Library Of Virginia	\$3,147,000
University of Virginia (Academic Division)	Exempt
University of Virginia's College at Wise	Exempt
Virginia Military Institute	Exempt
Virginia State University	Exempt
Virginia Commonwealth University (Academic Division)	Exempt
Virginia Community College System	Exempt
Virginia Institute of Marine Science	Exempt
Virginia Museum of Fine Arts	\$504,681
Virginia Polytechnic Institute and State University	Exempt
Virginia School for the Deaf and Blind at Staunton	Exempt
Virginia School for the Deaf, Blind and Multi-Disabled at Hampton	Exempt
VPISU Cooperative Extension and Agricultural Experiment Station	Exempt
VSU Cooperative Extension and Agricultural Research Services	Exempt

Finance

Department of Accounts	\$3,194,463
Department of Planning and Budget	\$207,744
Department of Taxation	Exempt
Department of the State Internal Auditor	\$20,647
Department of the Treasury	\$99,120
Treasury Board	Exempt

Health & Human Resources

Center for the Blind and Vision Impaired	Exempt
Department for the Aging	Exempt
Department for the Deaf and the Hard-of-Hearing	Exempt
Department Health Professions	Exempt
Department of Health	Exempt
Department of Medical Assistance Services	Exempt
Department of Mental Health, Mental Retardation and Substance Abuse	Exempt
Department of Rehabilitative Services	Exempt
Department of Social Services	Exempt
Governor's Employment and Training Department	Exempt
Virginia Board for People with Disabilities	Exempt
Virginia Department for the Blind and Vision Impaired	Exempt
Woodrow Wilson Rehabilitation Center	Exempt

Natural Resources

Chesapeake Bay Local Assistance Department	\$213,674
Chippokes Plantation Farm Foundation	\$90,000
Department of Conservation and Recreation	\$7,672,964
Department of Environmental Quality	\$3,917,208
Department of Game and Inland Fisheries	\$6,356
Department of Historic Resources	\$260,776
Marine Resources Commission	\$344,025
Virginia Museum of Natural History	\$23,616

Public Safety

Commonwealth's Attorneys' Services Council	Exempt
Department of Military Affairs	\$386,006
Department of Correctional Education	\$896,214
Department of Corrections (Central Activities)	\$10,101,349
Department of Criminal Justice Services	\$14,667,674
Department of Emergency Management	\$168,000
Department of Juvenile Justice	\$1,262,736
Department of State Police	\$3,547,453
The Parole Board	\$17,862

Technology

Center for Innovative Technology	\$1,071,008
Department of Technology Planning	\$37,200

Transportation

Department of Aviation	Exempt
Department of Transportation	Exempt

Central Appropriations

Central Appropriations	\$5,000,000
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Nonstate Entities

Grants to Nonstate Agencies	Exempt
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Statewide Total \$146,176,441

Selected Examples of Operating Savings

Anticipated unspent balances

- **Revert FY 2000 & FY 2002 balances:** The Appropriation Act provides each year for mandatory reappropriation of prior year remaining fund balances for the Compensation Board. Currently, about \$17.5 million has been reappropriated to the Compensation Board in FY 2001 from FY 2000 year-end balances, and is available for reduction. The reversion of FY 2002 amounts assumes a four percent turnover and vacancy rate among the constitutional officers' offices. Total general fund savings: \$41.7 million.
- **Level fund Technology Innovation Centers:** The Innovative Technology Authority will continue funding its Technology Innovation Centers at current levels and delay establishing new centers in FY 2002. Total general fund savings: \$1.0 million.
- **Revert uncommitted funding in Virginia Resources Authority:** The 2000 Appropriation Act provide \$25 million from the general fund to the Department of Transportation for the Virginia Airports Revolving Loan Fund. These funds were subsequently transferred to the Virginia Resources Authority for this program, of which only \$23 million has been committed. Total general fund savings: \$2.0 million.

Savings from nonessential vacant positions

- **Defer hiring and use of vacancy savings:** The Department of Treasury has had several vacancies in both its Debt Management and Operations divisions. The positions were advertised several times and remained vacant longer than anticipated. As a result, the agency has generated additional savings. Treasury will also defer the hiring of several positions currently vacant and will reassign responsibilities on an interim basis to cover the workload. The agency will utilize overtime and temporary assistance as needed. Total general fund savings: \$99,120.
- **Capture personnel service efficiencies:** The Department of Human Resources Management will capture savings by delaying the hiring of five positions. Total general fund savings: \$28,684.

Improved efficiencies in businesses practices

- **Reduce printing costs:** The Department of Accounts will reduce its printing costs by implementing an on-line report viewing system. The department generates savings by printing fewer accounting reports for use within the agency. Total general fund savings: \$25,000.

- **Increase use of web-based publishing:** The Department of Corrections will utilize web-based publishing to create savings in the printing and mailing of documents and materials. Total general fund savings: \$46,080.
- **Centralize kit preparation:** The Department of General Services can reduce the cost of preparing laboratory kits and discontinue a vacant position at its Abingdon regional laboratory. The agency's Division of Consolidated Laboratory Services will centralize the preparation of laboratory kits it provides to customers in the Richmond laboratory. Total general fund savings: \$20,000.
- **Improve the efficiency of administrative support services:** The Department of Human Resource Management will achieve savings through the deferral and/or reduction of various administrative support services expenses such as the cost for storage space, supplies, and telecommunication services (cell phone and beepers). In addition, equipment needs are being analyzed to ensure only essential purchases. Total general fund savings: \$99,854.

State grants to localities

- **Defer local library construction grant funds yet to be committed:** The Library of Virginia will defer grants for local public library construction projects in 2002. All projects that were committed in 2001 will retain full funding. No projects have been committed for 2002. This action is consistent with the freeze on uncommitted construction projects. Total general fund savings: \$450,000.
- **Fund aid to localities through the "599" program based on current revenues:** The Department of Criminal Justice Services will modify the amount of "599" funding to be distributed to reflect the revised general fund revenue forecast in the program's formula, consistent with current law. The "599" program is a form of state revenue sharing to localities having police departments. The statutory formula for determining the amount of these grants is tied to revenue growth. Total general fund savings: \$10,266,510.

Greater use of nongeneral fund revenues

- **Supplant weatherization funds with nongeneral fund moneys:** The Department of Housing and Community Development will use oil overcharge moneys to supplant general fund moneys for the Weatherization Program. Total general fund savings: \$150,000.
- **Utilize nongeneral funds to pay for Commonwealth of Virginia Campaign expenses:** The Combined Virginia Campaign (CVC) will use nongeneral funds to support the program director's salary and fringes, as well as travel expenses. All other costs associated with this program are paid from special funds. This will permit management to assess the cost effectiveness of the entire program. Total general fund savings: \$146,530.

Equipment savings

- **Implement lease/finance program for procuring new vehicles:** The Department of State Police has traditionally purchased replacement vehicles with appropriated funds. Starting in FY 2002, it will utilize the Master Equipment Lease Program to acquire a portion of replacement vehicles. Total general fund savings: \$2.5 million.
- **Use lease-purchase program for fire fighting equipment:** The Department of Forestry will purchase fire-fighting equipment under the state's Master Equipment Lease Program. This will spread acquisition costs over the life of the equipment. Total general fund savings: \$453,164.

Other administrative savings

- **Reduce budget for out-of-state travel:** The Department of Forestry will reduce its travel spending. Total general fund savings: \$24,610.
- **Savings from reducing discretionary spending:** The Department of Planning and Budget will closely monitor all discretionary expenditures over the next four months to capture the targeted amount. Total general fund savings: \$4,959.
- **Capture administrative savings:** The Department of Criminal Justice Services will reduce overall agency expenses by reengineering agency processes to produce efficiencies and savings in purchases of supplies and equipment. The department will delay an internal agency automation project and reduce unnecessary travel expenses. Total general fund savings: \$244,152.



Capital Budget Actions

Overview of capital outlay actions

- Executive Order 74 (2001) froze capital projects not under contract as of February 24, 2001.
- A subsequent review of appropriated capital projects determined that \$393.0 million in general fund projects were current not under contract and were subject to the provisions of the Executive Order.
- Of the total amount not under contract, \$118.5 million involves projects relating to maintenance reserve, life safety code renovations, asbestos abatement, handicapped access, and critical public services. These are being released immediately.
- The net total subject to the on-going freeze is \$274.5 million.
- An appeals process has been established to address negative impacts associated with the delay of these projects.

General fund capital outlay actions

Dollars in Millions

Capital outlay dollars not under contract **\$393.0**

After preliminary review, funds were restored funds for:

- Maintenance Reserve (all first year & ½ second) \$52.0
- Life Safety Code renovations \$38.7
- Asbestos abatement \$5.3
- Handicapped accessibility modifications \$2.9
- Other critical projects \$19.6
 - ✓ Schools for Deaf & Blind
 - ✓ Woodrow Wilson Rehabilitation Center
 - ✓ Hampton Roads Veterans Cemetery
 - ✓ Cheatham Annex clean-up
 - ✓ Correctional security & housing
 - ✓ Contingency for emergency repairs

Total amount restored **\$118.5**

Total amount delayed **\$274.5**

Appeals process

An Appeals process has been established to:

- Address critical priorities of institutions of higher education and state agencies
- Complete architectural and engineering work in order to not delay critical projects
- Maximize use of private or nongeneral funds
- Resolve unique problems or issues

Restored capital projects

Biennial Total

Administration

Department of General Services

Emergency Egress Stair Ninth Street Office Building	\$656,866
Emergency Egress 8th Street Office Building	\$724,200
Maintenance Reserve	\$1,713,488

Department of Veterans' Affairs

Hampton Roads Veterans Cemetery	\$622,422
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Central Appropriations

Central Capital Outlay Appropriations

Necessary Repairs and Improvements Statewide	\$7,102,126
Energy Efficiency Improvements Statewide	\$866,000
Maintenance Reserve Study	\$45,315
Handicapped Accessibility Modifications Statewide	\$901,410
Life Safety Code Renovations Statewide	\$1,639,744
Maintenance Reserve	\$175,882

Commerce and Trade

Department of Agriculture and Consumer Services

Maintenance Reserve	\$219,321
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Department of Forestry

Maintenance Reserve	\$147,227
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Department of Mines, Minerals and Energy

Maintenance Reserve	\$23,746
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Education

Christopher Newport University

Maintenance Reserve	\$342,013
Handicapped Accessibility Modifications	\$31,349

College of William and Mary in Virginia

Maintenance Reserve	\$2,130,389
Handicapped Accessibility Modifications	\$11,857
Life Safety Code Renovations	\$7,140

	Biennial Total
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Frontier Culture Museum	
Maintenance Reserve	\$196,750
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George Mason University	
Handicapped Accessibility Modifications	\$98,000
Maintenance Reserve	\$514,223
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Gunston Hall Plantation	
Handicapped Accessibility Modifications Restrooms	\$89,756
Maintenance Reserve	\$90,130
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James Madison University	
Maintenance Reserve	\$991,384
Handicapped Accessibility Modifications	\$19,350
Asbestos Abatement Steam Lines	\$47,923
Underground Storage Tank - Power Plant	\$49,808
Asbestos Abatement	\$72,428
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Jamestown - Yorktown Foundation	
Maintenance Reserve	\$507,727
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Longwood College	
Maintenance Reserve	\$454,404
Handicapped Accessibility Modifications	\$133,127
Oil Tank Replacement	\$4,972
Hazardous Waste Disposal	\$17,129
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Mary Washington College	
Maintenance Reserve	\$595,030
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Melchers-Monroe Memorials	
Maintenance Reserve	\$9,562
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Norfolk State University	
Heating, Ventilation & Air Conditioning Improvements	\$3,199,063
Sprinkler Systems Installation Dormitory	\$46,350
Maintenance Reserve	\$1,219,378
Handicapped Accessibility Modifications	\$313,788
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Old Dominion University	
Handicapped Accessibility Modifications	\$5,997
Regulatory Compliance II	\$2,824,548
Life, Health and Safety Code Renovations	\$1,574
Maintenance Reserve	\$2,617,005
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Radford University	
Maintenance Reserve	\$710,093

	Biennial Total
Handicapped Accessibility Modifications	\$32,080
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Richard Bland College	
Maintenance Reserve	\$151,027
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Science Museum of Virginia	
Maintenance Reserve	\$551,260
Handicapped Accessibility Modifications	\$18,740
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Southwest Virginia Higher Education Center	
Maintenance Reserve	\$2,711
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University of Virginia (Academic Division)	
Davis Electrical Vault Replacement	\$1,352,000
Asbestos Abatement	\$9,531
Sprinkler Installation Chemistry Building	\$900,000
Handicapped Accessibility Modifications	\$92,115
Maintenance Reserve	\$3,339,795
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University of Virginia's College at Wise	
Construction of Lighted Walkways	\$379,000
Life Safety Code Modifications	\$175,000
Maintenance Reserve	\$290,191
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Virginia Military Institute	
Maintenance Reserve	\$1,334,817
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Virginia State University	
Handicapped Accessibility Modifications	\$75,384
Maintenance Reserve	\$460,729
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Virginia Commonwealth University (Academic Division)	
Life and Fire Safety Compliance - Sanger Hall	\$38,650
Life, Health & Safety Code Improvements	\$1,500,000
Maintenance Reserve	\$2,923,106
West Hospital Fire Safety	\$694,258
Life Safety Improvements	\$736,148
Repair Medical College Virginia Hospitals Steam Tunnels	\$1,745,000
Handicapped Accessibility Modifications	\$103,227
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Virginia Community College System	
Asbestos Abatement Tiles, J. Sargeant Reynolds	\$407,458
Fire Alarm System, Thomas Nelson	\$624,000
Handicapped Accessibility Modifications, Danville	\$175,000
Water System Supply Repairs, Germanna	\$528,190
Handicapped Accessibility Modifications, Northern Virginia	\$554,149
Maintenance Reserve Systemwide	\$6,287,605

Biennial Total

Virginia Institute of Marine Science

Maintenance Reserve	\$332,925
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Virginia Museum of Fine Arts

Fire Alarm System	\$21,877
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Fire Suppression System	\$2,672,674
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Maintenance Reserve	\$1,118,221
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Virginia Polytechnic Institute and State University

Life, Health & Safety Code Modifications	\$2,462,102
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Maintenance Reserve	\$7,954,731
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Virginia School for the Deaf and Blind at Staunton

Chapel Repairs	\$179,665
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Repairs - Main Hall Masonry	\$127
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Handicapped Accessibility Modifications	\$22,437
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Battle Hall Sprinkler Installation	\$234,975
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Install Sprinklers & Air Conditioning - Byrd Hall	\$491,755
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Primary Electrical Renovation	\$105,000
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Replace Campus Steam Line	\$1,167,818
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Sprinkler Installation Carter and Price Halls	\$169,696
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Maintenance Reserve	\$107,000
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Healy Hall Air Conditioning Installation	\$185,000
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Install Fire Alarms - Phase III	\$208,000
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Radon and Hazardous Material Abatement	\$5,321
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Fire Alarm & Sprinkler Installation Bass & Byrd Halls	\$3,325
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Asbestos and Lead Paint Abatement	\$3,214
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Virginia School for the Deaf, Blind and Multi-Disabled at Hampton

Replace Campus Water System	\$3,661
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Renovate Bradford Hall	\$1,500,000
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Expand Bus Route By Palmer Hall	\$140,000
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Remove and Replace Underground Storage Tanks	\$9,225
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Construct New Access Road and Gate	\$25,510
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Handicapped Accessibility Modifications	\$24,768
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Maintenance Reserve	\$1,321,695
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Install Fire Suppression Systems	\$27,113
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Finance

Department of Taxation

Repairs to 2220 West Broad Street	\$743,819
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Maintenance Reserve	\$371,007
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Health & Human Resources

Department of Mental Health, Mental Retardation and Substance Abuse

Life, Health and Safety Code Modifications	\$1,437,108
Life Safety Code Renovations	\$2,456,534
Asbestos and Environmental Hazard Abatement	\$1,000,000
Life Safety Code Renovations, Phase II	\$1,015,031
Maintenance Reserve	\$2,519,640
Asbestos Abatement	\$1,384,280

Virginia Department for the Blind and Vision Impaired

Maintenance Reserve	\$91,620
Asbestos Abatement	\$972,855
Renovate Charlottesville Workshop for Virginia Industries for the Blind	\$3,960,702

Woodrow Wilson Rehabilitation Center

Planning to Repair Water and Sewer Systems	\$336,502
Asbestos Abatement, Phase 2 of 4	\$1,283,575
Renovations to Barnett Hall	\$620,991
Maintenance Reserve	\$1,880,457

Natural Resources

Department of Conservation and Recreation

Maintenance Reserve	\$379,362
Water System, Wilderness Road State Park	\$49,639

Marine Resources Commission

Maintenance Reserve	\$2,397
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Virginia Museum of Natural History

Maintenance Reserve	\$16,420
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Public Safety

Department of Military Affairs

Maintenance Reserve	\$197,913
Asbestos Abatement	\$126,388
Handicapped Accessibility Modifications	\$241,908

Department of Corrections (Central Activities)

Install Fire Safety Systems and Exits: Multiple Institutions	\$775,000
Wastewater Treatment Plant Upgrades: Multiple Institutions	\$266,051
Relocate James River Sewer Plant Discharge	\$183,000
Upgrade Coffeewood Wastewater Treatment System	\$600,000
Water Systems Upgrades: Multiple Institutions	\$2,665

	Biennial Total
Maintenance Reserve	\$5,267,982
Upgrade Wastewater Systems: Multiple Institutions	\$400,764
Upgrade Fire Safety Systems, Multiple Institutions	\$165,787
Replace Omega Fire Sprinkler Heads: Multiple Institutions	\$85,199
Water Systems Upgrades: Multiple Institutions	\$9,306
Life, Health & Safety Code Improvements: Multiple Institutions	\$23,278
Upgrade Water Systems: Multiple Institutions	\$192,178
Upgrade Wastewater Plant: Powhatan Correctional Center	\$1,002,053
Expand and Renovate Housing: Deep Meadow Correctional Center	\$945,000
Construct wastewater treatment plant at VCCW	\$907,500

Department of Criminal Justice Services

Maintenance Reserve	\$12,608
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Department of Emergency Management

Maintenance Reserve	\$10,100
Cheatham Annex Cleanup	\$2,825,888

Department of Juvenile Justice

Beaumont Dining Hall Construction	\$270,800
Fire Safety Code Improvements Umbrella Project	\$1,933,771
Hanover Cottage Renovation	\$279,000
Beaumont Cottage Renovation	\$280,000
Handicapped Accessibility Modifications	\$33,785
Security Upgrades Umbrella Project	\$301,855
Maintenance Reserve	\$2,168,777
Natural Bridge Juvenile Correctional Center Acquisition	\$90,000

Department of State Police

Maintenance Reserve	\$205,827
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Statewide Results

\$118,495,310

Delayed capital projects

Biennial Total

Administration

Department of General Services

Restoration/Renovation Finance Building	\$720,706
General Assembly Building Elevator & Exterior Renovations	\$1,304,486

Department of Veterans' Affairs

New Veterans Care Center	\$17,635
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Commerce and Trade

Department of Agriculture and Consumer Services

Harrisonburg Laboratory and Office Relocation	\$172,416
Eastern Shore Seafood & Office Facility	\$39,698
Eastern Shore Farmers' Market Facility Office	\$350,103
Northern Neck Farmers Market Improvements	\$10,355

Department of Forestry

Conway Robinson Natural Resources Center	\$136
Grayson & Carroll County Area Office	\$24,865
Abingdon Shop/Cold Storage	\$337,699

Virginia Employment Commission

Build Charlottesville Local Office	\$968,083
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Education

Christopher Newport University

Ratcliffe Renovations and Addition	\$431,541
Performing Arts Center Construction	\$507,001
Maintenance Facility	\$150,000

College of William and Mary in Virginia

Millington Hall Renovations	\$15,346,421
Heating and Cooling Improvements	\$4,205,034
Storm Drainage Improvements	\$149,214
Swem Library Improvements	\$31,670
James Blair Hall Renovation	\$78,498

George Mason University

Alternate Fuels Facility	\$998
Arlington - Phase II	\$1,910,303
Prince William II	\$4,206
Arlington Campus Renovation	\$244,035

	Biennial Total
Utility Infrastructure Improvements	\$7,851
Construct Academic Building IV Fairfax Campus	\$15,458,182

Gunston Hall Plantation

Additions to Ann Mason Building	\$2,028,701
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James Madison University

Storm & Sewer Upgrade	\$575,000
Harrison Hall & Annex Renovation	\$1
CISAT Academic, Phase III	\$1

Jamestown - Yorktown Foundation

Jamestown Ships	\$300,000
Jamestown Fort	\$564,000
Maintenance Building	\$9,685
Central Support Complex	\$88,016
Yorktown Visitor Reception & Education Building	\$8,322
Riverfront Center, Terraced Seating, Shipwright Area	\$137,080
Entrance Plaza, Parking Lots & Roadways	\$672,521
Commemorative Monument	\$95,801
Exhibition Galleries, Theater, & Special Exhibit Hall	\$16,494,175
Parking Lot and Roadway	\$693,345
Theatre/Special Exhibition Hall	\$2,444,300
Visitor Reception and Café Building	\$86,456
Powhatan Indian Village	\$21,050

Longwood College

New Science Building	\$12,485,288
Purchase Equipment for Hiner Building	\$10,245
Jarman Renovation Addition	\$1,288
Ruffner Renovation	\$446,855

Mary Washington College

Boiler Overhaul	\$1,011,323
Combs Renovation	\$1,048,593

Norfolk State University

Robinson Technology Building Renovation	\$150,000
Renovation of Communication Building	\$3,378,080
Renovation Teacher Education Building	\$23,164

Old Dominion University

Engineering & Computational Sciences Building	\$12,870,659
Diehn Fine & Performing Arts Humidification	\$301,141
Constant Hall Renovation & Addition	\$1,490,919

Radford University

Steam Distribution System Improvements	\$178,354
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	Biennial Total
Peters Hall Renovation/Addition	\$8,989,070
Walker Hall Renovation	\$1,989,194

Science Museum of Virginia

Belmont Bay Life Science Center	\$299,543
Addition to the Danville Science Center	\$383,500

University of Virginia (Academic Division)

Studio Art	\$7,775,378
Special Collections Library Construction	\$6,974,270
East Precinct Chiller Plant	\$20,000
Campbell Hall Chillers Replacement	\$118,873

University of Virginia's College at Wise

Campus Infrastructure Improvements	\$757,879
Stormwater Management	\$600,000
Crockett Hall Planning	\$200,000

Virginia Military Institute

Renovation: Scott-Shipp Hall	\$1,372,514
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Virginia State University

Repair Steam Tunnels	\$1,918,000
Renovate Virginia Hall Auditorium	\$930,203
Renovate Vawter Hall	\$532
Singleton Hall Addition	\$426
Johnston Memorial Library Renovations	\$9,800,556
Owens Hall Renovation	\$5,653,062

Virginia Commonwealth University (Academic Division)

Renovate Sanger Hall	\$536,000
Business Building Classroom Renovation	\$1,778
University Libraries Renovations	\$3,338,585
Hibbs Building Classroom Renovation	\$18,631

Virginia Community College System

New Academic Building Virginia Beach Campus, Tidewater	\$92,891
Fredericksburg Campus Phase II, Germanna	\$5,501,499
Renovation of Godwin & Holton Hall, Mountain Empire	\$1,845,365
Building Renovations-Annandale Campus, Northern Virginia	\$2,000,000
Western Campus Phase II, J. Sargeant Reynolds	\$126,000
Maintenance Facility, Eastern Shore	\$207,234
Plaza Repairs, Northern Virginia	\$669,000
Services Building, Virginia Western	\$708,051
Maintenance Facility, Danville	\$28,000
Campus Renovations, Wytheville	\$10,800
Replace Roofs Systemwide	\$5,034,125
Replace Major Mechanical Systems Systemwide	\$5,903,380

	Biennial Total
Main Building Renovation & Structural Upgrade, Piedmont	\$2,039,181
Maintenance Buildings Various Campuses	\$2,658,398
Regional Center for Applied Technology, Danville	\$1,765,700
Science Building Improvements Loudon Campus, Northern Virginia	\$3,400,000
Renovation Franklin Campus, Paul D. Camp	\$84,609
Acquisitions: Contiguous Property, Danville	\$500,000
Repair & Replace Roofs Systemwide	\$11,884
Workforce Development Center Improvements, Rappahannock	\$1,596,750
Peninsula Workforce Development Center, Thomas Nelson	\$140,000

Virginia Institute of Marine Science

Renovation and Expansion of Byrd Hall	\$3,790,609
Replace Gloucester Point Bulkhead	\$826,540
Master Plan Property	\$450,000
Information Technology Infrastructure	\$873,535

Virginia Museum of Fine Arts

Security and Alarm System	\$1,665,075
Museum Expansion and Renovation	\$4,087,000
Construction of Parking Deck	\$62,763
Robinson House Renovations	\$23,052

Virginia Polytechnic Institute and State University

Renovation of Instructional Facilities	\$10,017,626
Chiller Replacements	\$23
Replace Dairy Science Facilities	\$3,400,141
New Chemistry Physics Building, Phase II	\$17,272,224

VPISU Cooperative Extension and Agricultural Experiment Station

Hampton Roads Wing Replacement	\$1,224,933
Multipurpose Livestock Arena Construction	\$1,806,681

Finance

Department of Taxation

Replace Office Panels and Appurtenances	\$93,514
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Health & Human Resources

Central Virginia Training Center

Coal Pile Run-off Improvements	\$106,429
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Department of Mental Health, Mental Retardation and Substance Abuse

Outsourcing/Replacing Boiler Plant Southside Virginia Training Cent	\$366,765
Renovate Boilers, Steam Lines, Heating, Cooling Systems Phase II	\$1,209,663
Renovate Boilers, Steam Lines, Heating Cooling Systems Phase III	\$5,947,625

Biennial Total**Health and Human Resources Reversion Account**Health and Human Resources Capital Clearing Account (\$1,543,466)

Natural Resources

Department of Conservation and RecreationCabins & Campsites, Lake Anna State Park \$922,039Shoreline Erosion Control, Mason Neck State Park \$694,434**Virginia Museum of Natural History**Planning and Design of New Museum Facility \$621,637

Public Safety

Department of Corrections (Central Activities)Install Ventilation & Cooling System: Southampton \$113,000Electrical Upgrades: Multiple Institutions \$1,278,360Boiler Replacement: Southampton Correctional Center \$3,017Above Ground Storage Tank: Powhatan Correctional Center \$3,873Install Elevator in Marion Correctional Center \$210,000Install Auger/Grinder Systems: Multiple Institutions \$362,480Connect Southampton Staff Houses to Sewer System \$95,000Construct New Storage Building: Brunswick Correctional Center \$50,000Construct Vocational Space: Baskerville Correctional Center \$200,000Construct meat processing plant \$100,000Underground Storage Tank Upgrade: Multiple Institutions \$173,786**Department of Criminal Justice Services**Fort Picket Law Enforcement Driver Training Facility \$399,816**Department of Juvenile Justice**Hanover Entry Building \$287,635Hanover Juvenile Correctional Center Study \$3,362Heating, Ventilation & Air Conditioning Improvements Umbrella Pro \$5,776,514Culpeper Juvenile Correctional Center \$5,233Wastewater Umbrella Project \$1,523,275**Department of State Police**Renovation/Addition - Melfa Area Office \$210,500Planning New Wytheville Area Office \$60,000New Danville Area Office \$311,250Renovation/Addition to Clifton Forge Area Office \$210,501**Public Safety Reversion Account**Public Safety Capital Clearing Account (\$1,900,000)

Biennial Total

Statewide Totals

\$274,482,802

(Biennial amount includes delayed Maintenance Reserve)



*Actions involving
State Grants to Localities*

Overview of actions involving state grants to localities

- Of the \$146.2 million in preliminary agency budget reductions, \$25.5 million or 17.4 percent involve state grants to localities.
- Localities will benefit from \$94.3 million in savings from reduced rates in FY 2002 for contributions to the Virginia Retirement System. This amount will more than offset the planned reductions in state grants to localities discussed here.
- These reductions represent far less than one percent (0.15 percent) of the total \$17.6 billion for state grants to localities in the operating budget for the 2000-2002 biennium.
- Grants to localities represent 36 percent of the state's total operating budget (all funds) for the biennium.
- Over 40 percent of the reduction in state grants to localities is attributable to a recalculation of revenue sharing payments under HB 599. These payments are tied to revenue growth and, as such, the reduction is consistent with current law. Revised HB 599 payments to localities will total \$355.1 for the biennium.
- Outside of ABC profits and funding under the 599 program, no other formula-driven grants will be affected. Some agencies will be reducing competitive grant programs.
- On Friday, the Department of Education notified localities of the amounts of state funding for local school divisions they can expect for the remainder of the biennium.

Preliminary agency budget savings

State grants to localities

Biennial Amount

Commerce and Trade

Department of Housing and Community Development

Reduce funding for the Industrial Site Development program	\$6,590,000
Reduce funding of regional competitiveness efforts	\$1,140,800
Defer funding for the Derelict Structures Fund	\$500,000
Reduce funding for planning district commissions	\$277,690
Total	\$8,508,490

Virginia Economic Development Partnership

Reduce regional cooperative advertising program	\$100,000
Eliminate FY 2002 funding for heavy equipment operator training program at Fort Pickett	\$250,000
Eliminate FY 2002 funding for workforce development commission Chase City	\$150,000
Defer funding for the Governor's Economic Development Grant Fund	\$1,000,000
Total	\$1,500,000

Department of Forestry

Defer grants for urban tree planting program	\$150,000
Total	\$150,000

Total for Commerce and Trade

\$10,158,490

Education

The Library Of Virginia

Delay implementation of the "Infopowering the Commonwealth" program	\$1,550,000
Defer local construction grant funds not yet committed	\$450,000
Total	\$2,000,000

Total for Education

\$2,000,000

Finance

Department of Accounts

Reduce distributions of Alcoholic Beverage Control profits and wine taxes

\$3,073,309

Total

\$3,073,309

Total for Finance

\$3,073,309

Public Safety

Department of Criminal Justice Services

Fund aid to localities through the "599" program based on current revenues

\$10,266,510

Total

\$10,266,510

Total for Public Safety

\$10,266,510

Statewide Total

\$25,498,309