

Impact of Executive Amendments on Ending General Fund Balance

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Biennial Total</u>
Ending General Fund Balance In the Introduced Budget Bill	\$37,058,869	(\$30,883,600)	\$6,175,269
Executive Amendments (Resources)	\$2,856,344	(\$1,145,064)	\$1,711,280
Executive Amendments (Spending)	\$428,184	\$2,140,859	\$2,569,043
Revised General Fund Balance After Executive Amendments	\$39,487,029	(\$34,169,523)	<u>\$5,317,506</u>

Summary of Executive Amendments to HB 1400 / SB 700, 2003 Session (RESOURCE ITEMS)

<u>Agency</u>	<u>Title/Description</u>	<u>Resource Dollars</u>	
		<u>2002-03</u>	<u>2003-04</u>
Page 1 - Additions To Balance	Transfer funds related to expected settlements from litigation with investment firms:	2,525,000	0
<u>Item Number:</u> Page 2	This amendment represents the transfer to the general fund of excess amounts from the Global Settlement Fund above the amount required to restore DMV service center closings. The source of these funds is the result of litigation with various investment firms. A companion amendment creates the Global Settlement Fund in Central Appropriations.		
Page 1 Revenues	Remove the sale of DMV Service Centers:	0	-2,375,360
<u>Item Number:</u> Page 2	This amendment removes the sale of DMV offices proposed for closure in the introduced budget from revenues.		
Page 1 Revenues	Revert capital outlay restoration reserve:	500,000	0
<u>Item Number:</u> Page 2	This amendment reverts \$500,000 used for the restoration of capital projects.		
Page 1 Revenues	Revise expected revenue amount for the sale of corrections staff housing:	0	-1,290,000
<u>Item Number:</u> Page 2	The budget bill directs the Department of Corrections to sell its staff houses and deposit the revenue, estimated at \$3.2 million, into the GF. However, it has been determined that some of those houses were purchased with VPBA bond funds, and the bond indentures require that the outstanding amount of those bonds must be satisfied, if the properties are sold. According to Treasury, the outstanding amount is \$1.3 million. Therefore, the revenue for the GF must be reduced by that amount. To offset this reduction in revenue, \$1.3 million in GF appropriation for DOC's maintenance reserve capital project will be supplanted with \$1.3 million in VPBA excess proceeds.		
Capital Reversions	Transfer capital balances to make up for lost Corrections staff housing revenue:	0	1,290,000
<u>Item Number:</u> § 2-0	This amendment transfers capital amounts from the Dept. of Corrections' maintenance reserve project. This reversion makes up for the loss of revenue resulting from the reduction in the expected amounts that can be deposited to the general fund for the sale of staff housing.		
Transfers	Modify transfers for Housing and Community Development:	-168,656	0
<u>Item Number:</u> § 3-1.01	This amendment reduces the amount to be transferred from the nongeneral fund balances of the Department of Housing and Community Development per § 3-1.01, Paragraph U.1. of the introduced budget bill.		
Transfers	Adjust revenue estimates for proposed tax amnesty program:	0	1,230,296
<u>Item Number:</u> § 3-1.01	This amendment increases the revenue estimates for the tax amnesty program proposed in the introduced budget.		
Statewide Total		2,856,344	-1,145,064

Summary of Executive Amendments to HB 1400 / SB 700, 2003 Session (SPENDING ITEMS)

Agency	Title/Description	Appropriation Dollars			
		2002-03		2003-04	
		GF	NGF	GF	NGF
Attorney General (OAG)	Adjust funding for rental charges:	0	0	268,924	0
<u>Item Number:</u> 49	This amendment makes a technical adjustment to fund the current rent calculation for the Office of the Attorney General in FY 2004.				
Direct Aid to Public Education K-12	Correct funding for special education homebound payments:	45,262	0	0	0
<u>Item Number:</u> 145	The Department of Education made a formula error in the budget bill calculation of the FY 2003 Homebound payment. This error results in underpaying the reimbursement to Washington County. The department requires an additional appropriation of \$45,262 to fully reimburse Washington County.				
Direct Aid to Public Education K-12	Adjust basic aid to account for revised sales tax estimate for FY 2004:	0	0	-2,499,339	0
<u>Item Number:</u> 147	The Department of Taxation revised the estimate of the one-cent sales tax distribution to localities for education for fiscal year 2004 from \$824.6 million to \$829.1 million. This estimate includes the expected impact from vendor registration and tax compliance. The \$4.5 million increase in the sales tax estimate also results in an offset of the state requirement for SOQ payments (\$2,493,332 in basic aid and \$6,007 in enrollment loss payments).				
Direct Aid to Public Education K-12	Adjust sales tax estimate for FY 2004:	0	0	4,500,000	0
<u>Item Number:</u> 148	The Department of Taxation revised the estimate of the one-cent sales tax distribution to localities for education for fiscal year 2004 from \$824.6 million to \$829.1 million. This estimate includes the expected impact from vendor registration and tax compliance. The \$4.5 million increase in the sales tax estimate also results in an offset of the state requirement for SOQ payments (\$2,493,332 in basic aid and \$6,007 in enrollment loss payments).				
Accounts	Eliminate proposed fees associated with certain miscellaneous payroll deductions:	67,500	0	135,000	0
<u>Item Number:</u> 276	This amendment eliminates the proposed fees associated with certain miscellaneous payroll deductions and provides general fund appropriations to cover the costs of administering the deductions.				
Treasury Board	Capture debt service savings due to a refunding:	-30,000	0	-2,570,000	0
<u>Item Number:</u> 296	The Department of the Treasury will be refunding previously issued Virginia Public Building Authority bonds to take advantage of lower interest rates. This will result in savings in fiscal years 2003 and 2004.				
Health	Restore funding for the Drinking Water State Revolving Fund:	0	0	1,125,000	0
<u>Item Number:</u> 316	This amendment restores funding removed from the Drinking Water State Revolving Fund. The Drinking Water State Revolving Fund (DWSRF) provides low-cost loans to waterworks owners in need of monies to make infrastructure improvements to provide safe drinking water. This amendment restores \$1.1 million to the fund.				
Criminal Justice Services	Provide matching funds for second year grant funding of Pre-release Post-incarceration services (PAPIS) programs:	0	0	438,274	0
<u>Item Number:</u> 432	There was no funding provided in the Appropriation Act for this program in FY 2004. The Department of Criminal Justice Services has proposed using federal grant funds to continue support of the program. The federal funds have a 25 percent match requirement. Rather than requiring the localities to provide the matching funds, this proposal would enable the state to provide the match in FY 2004. In this way, localities will continue to receive 80 percent of their FY 2002 funding.				
Criminal Justice Services	Provide matching funds for second year grant funding of Project Exile:	0	0	223,000	0
<u>Item Number:</u> 432	There was no funding provided in the Appropriation Act for this program in FY 2004. The Department of Criminal Justice Services has proposed using federal grant funds to continue support of the program. The federal funds have a 25 percent match requirement. Rather than requiring the localities to provide the matching funds, this proposal would enable the state to provide the match in FY 2004. In this way, localities will continue to receive 80 percent of their FY 2002 funding.				

Summary of Executive Amendments to HB 1400 / SB 700, 2003 Session (SPENDING ITEMS)

Agency	Title/Description	Appropriation Dollars			
		2002-03		2003-04	
		GF	NGF	GF	NGF
Criminal Justice Services	Provide matching funds for second year grant funding of Drug Court programs:	0	0	520,000	0
<u>Item Number:</u> 432	There was no funding provided in the Appropriation Act for this program in FY 2004. The Department of Criminal Justice Services has proposed using federal grant funds to continue support of the program. The federal funds have a 25 percent match requirement. Rather than requiring the localities to provide the matching funds, this proposal would enable the state to provide the match in FY 2004. In this way, localities will continue to receive 80 percent of their FY 2002 funding.				
Criminal Justice Services	Adjust 599 program funding:	345,422	0	0	0
<u>Item Number:</u> 434	To account for the revised revenue forecast, the amount is adjusted for the 599 program in FY 03, while FY 04 amounts are left unchanged in the budget. This program provides funding to localities that operate police departments. The amounts provided to this program are tied directly to changes in the general fund revenue forecast.				
George Mason	Increase the amount of debt funding for the Patriot Center:	0	2,000,000	0	0
<u>Item Number:</u> C-20.50	This amendment corrects an error in the project amount as recommended in the introduced budget. The introduced budget recommends debt financing of \$5.0 million for renovations to the Patriot Center at George Mason University. The recommended amount should be \$7.0 million.				
Norfolk State	Supplemental funds to acquire hospital property by Norfolk State University:	0	500,000	0	0
<u>Item Number:</u> C-28.25	This amendment provides supplemental funds to support the acquisition of the former Norfolk Community General Hospital which lies adjacent to the NSU campus.				
Corrections - Central Office	Supplant general fund appropriation with VPBA excess proceeds:	0	0	0	1,290,000
<u>Item Number:</u> C-122.70	The proposed bill directs the Department of Corrections to sell the residences it uses for staff housing and deposit the revenue into the general fund. However, it has been determined that some of those houses were purchased with VPBA bond funds. The bond indentures require that any revenue realized from the sale of such property be deposited with VPBA. This revenue will become excess proceeds which can be appropriated for capital projects. This action would appropriate \$1.3 million, the bond amount outstanding, in VPBA excess proceeds to DOC's maintenance reserve project. A companion amendment transfers \$1.3 million in GF appropriation from the project to the general fund.				
Statewide Total		428,184	2,500,000	2,140,859	1,290,000

Summary of Executive Amendments to HB 1400 / SB 700, 2003 Session (LANGUAGE ONLY ITEMS)

<u>Agency/Item</u>	<u>Title/Description</u>
Page 1 Revenues <u>Item Number:</u> Page 2	Revenues: Consolidated resource adjustments for page 2 of the HB 1400 / SB 700
Circuit Courts <u>Item Number:</u> 32	Increase Intensified Drug Enforcement Jurisdictions Fund fee by one dollar: Clarifies the intent to increase the IDEA fee by one dollar. The original language could have been interpreted as providing for a redistribution of the existing fixed fee, rather than an increase in the overall fee as a result in the increase of the IDEA portion.
General District Courts <u>Item Number:</u> 33	Increase Intensified Drug Enforcement Jurisdictions Fund fee by one dollar: Clarifies the intent to increase the IDEA fee by one dollar. The original language could have been interpreted as providing for a redistribution of the existing fixed fee, rather than an increase in the overall fee as a result in the increase of the IDEA portion.
Juvenile & Domestic Relations Court <u>Item Number:</u> 34	Increase Intensified Drug Enforcement Jurisdictions Fund fee by one dollar: Clarifies the intent to increase the IDEA fee by one dollar. The original language could have been interpreted as providing for a redistribution of the existing fixed fee, rather than an increase in the overall fee as a result in the increase of the IDEA portion.
Combined District Courts <u>Item Number:</u> 35	Increase Intensified Drug Enforcement Jurisdictions Fund fee by one dollar: Clarifies the intent to increase the IDEA fee by one dollar. The original language could have been interpreted as providing for a redistribution of the existing fixed fee, rather than an increase in the overall fee as a result in the increase of the IDEA portion.
Commission on Local Government <u>Item Number:</u> 61	Language amendment to clarify consolidation of Commission on Local Government with the Department of Housing and Community Development: This amendment clarifies the intent that the Commission on Local Government as a "commission" is to be continued and that the staff are to be consolidated into the Department of Housing and Community Development.
Compensation Board <u>Item Number:</u> 67	Restore language associated with local and regional jail per diem reimbursements: This amendment restores language associated with reimbursing local and regional jails for housing state responsible inmates.
Employment Commission <u>Item Number:</u> 130	Remove Workforce Investment Act funding requirement for two education programs: This amendment would remove the requirement that the Virginia Employment Commission fund the Education for Independence and Virginia's Skills Center programs be funded from the statewide portion of the federal Workforce Investment Act. The act designates that a certain percentage of workforce training funds shall be used for statewide activities. The designation of funding for the two education programs requires most of the statewide allocation, leaving scarce funding for any statewide activities to promote workforce development.
Medical Assistance <u>Item Number:</u> 323.10	Amend PATH language: This amendment inserts after "(PATH)." on line 50 of Item 323.10: "Such amendments shall become effective within 280 days or less from the enactment of this act." This amendment ensures that DMAS has the authority to implement the emergency regulations to implement the Protecting Access To Healthcare (PATH) initiative in a timely manner.

Summary of Executive Amendments to HB 1400 / SB 700, 2003 Session (LANGUAGE ONLY ITEMS)

<u>Agency/Item</u>	<u>Title/Description</u>
Medical Assistance <u>Item Number:</u> 325	Amend preferred drug list language: This amendment substitutes "may" for "shall" and "will" in the following language found in lines 5 and 6 of Item 325, paragraph ZZ: "The Program shall include reference drugs by therapeutic class and will include a supplemental rebate program." This amendment also adds on line 9 after "authorization.": "Such preferred drug list program shall generate general fund savings as determined by the Department that are net of any administrative expenses to implement and administer the program, of not less than \$9 million in state fiscal year 2004 and not less than \$18 million in each fiscal year thereafter. The final design of the program, including all operational components, must be completed no later than May 1, 2003." This amendment allows more options in working with the pharmaceutical industry and other interested parties to achieve preferred drug list savings. In addition, it sets a minimum general fund savings limit for each fiscal year and establishes a deadline for the final design of the program.
Medical Assistance <u>Item Number:</u> 325	Amend enhanced reimbursement for Type II hospitals language: This amendment inserts after "utilization." on line 3 of Item 325, paragraph TTT: "Such amendments shall become effective within 280 days or less from the enactment of this act." This amendment ensures that DMAS has the authority to implement emergency regulations to modify the State Plan for Medicaid reimbursement to hospitals. These modifications will be done in coordination with the Protecting Access To Healthcare (PATH) initiative in order to maximize federal reimbursements.
Medical Assistance <u>Item Number:</u> 325	Amend inpatient hospital rebasing calculation language: This amendment inserts after "using" on line 51 of Item 325, paragraph SSS, the word "state". In addition, on line 52 after "data." it inserts "If a provider's cost report data are not available, the most recent year's available cost report data shall be used." This amendment clarifies that DMAS shall use the most current available cost report data if the FY 2002 cost report data is not available at the time the rebasing calculation is being completed.
Medical Assistance <u>Item Number:</u> 326	Amend Indigent Health Care Trust Fund language: This amendment inserts after "October 1, 2003." on line 34 of Item 326, paragraph C: "Such amendments shall become effective within 280 days or less from enactment of this act." This amendment ensures that DMAS has the authority to implement emergency regulations to modify the Indigent Health Care Trust Fund. These modifications will be done in coordination with the Protecting Access To Healthcare (PATH) initiative in order to maximize federal reimbursements.
Mental Health (Cent Office) <u>Item Number:</u> 331	Revise definition of sexually violent predator: This amendment refines the definition of a sexually violent predator as contained in Item 331, C.5 to match the draft bill being submitted to implement a more narrowly focused SVP program. Paragraph C.5 will now read, "Notwithstanding the provisions of Section 37.1-70.4, Code of Virginia, the Director of the Department of Corrections shall identify, each month, all prisoners who are scheduled for release from prison within the following eight months who (i) are currently serving a prison sentence for a sexually violent offense, and (ii) were previously convicted, sentenced, and imprisoned for one or more sexually violent offenses." The names, scheduled dates of release, and copies of their files shall be forwarded to the Commitment Review Committee, appointed as provided in Section 37.1-70.3." A new paragraph C.6 is added, "A sexually violent offense, as used in paragraph C.5 of this item, shall mean (i) a felony conviction under former §18-54, former §18.1-44, §18.2-61, §18.2-67.1, §18.2-67.2, or subdivision A 1 of §18.2-67.3; (ii) a felony conviction under the laws of the Commonwealth for a forcible sexual offense committed prior to July 1, 1981, where the criminal behavior on which the conviction is based is set forth in §§18.2-67.1, 18.2-67.2, or subdivision A 1 of §18.2-67.3; or (iii) a felony conviction under the law of any other state or of the United States where the criminal behavior on which the conviction is based is set forth in §§18.2-61, 18.2-67.1, 18.2-67.2, or subdivision A 1 of §18.2-67.3."
Chesapeake Bay <u>Item Number:</u> 377	Amend language referring to the merger of the Chesapeake Bay Local Assistance Department into the Department of Conservation and Recreation: This amendment strikes language delaying the merger of the agencies until FY 2005. The amendment will allow for the merger of the agencies as soon as practical in FY 2004, contingent upon the passage of legislation during the 2003 Session and the submission of an operating plan by the Director of the Department of Planning and Budget to the General Assembly.

Summary of Executive Amendments to HB 1400 / SB 700, 2003 Session (LANGUAGE ONLY ITEMS)

<u>Agency/Item</u>	<u>Title/Description</u>
<p>Corrections - Central Office</p> <p><u>Item Number:</u> 408</p>	<p>Revise language relating to sale of DOC houses:</p> <p>Because some of the staff houses owned by the Department of Corrections were purchased with bond funds, Treasury staff recommends that the language in Item 408 F be amended to ensure that provision is made for any outstanding bonds. Additional technical changes to the language are based on comments from the Attorney General's office and the Department of General Services.</p>
<p>Fire Programs</p> <p><u>Item Number:</u> 438</p>	<p>Clarifies nongeneral fund transfer:</p> <p>The proposed revised language clarifies the intention to not reduce present funding levels to local fire services.</p>
<p>State Police</p> <p><u>Item Number:</u> 456</p>	<p>Clarification of nongeneral fund authorization language:</p> <p>As a targeted budget reduction, general fund support was supplanted with nongeneral funds. This action identifies all the Items from which nongeneral funds can be used. Existing language only identified one Item.</p>
<p>Dept of Aviation</p> <p><u>Item Number:</u> 477</p>	<p>Strike language associated with the Aviation World's Fair 2003:</p> <p>Because the Aviation World's Fair will not be held at the Newport News Airport, this amendment will remove the limitations on future capital improvement grants to Newport News.</p>
<p>Dept of Motor Vehicles</p> <p><u>Item Number:</u> 480</p>	<p>Reopen customer service centers:</p> <p>This amendment deletes language regarding the closing of customer service centers closed during the October budget reduction actions and removes reference to funds to be transferred to the general fund from the sale of closed customer service centers owned by the Commonwealth.</p>
<p>Rail & Public Transportation</p> <p><u>Item Number:</u> 485</p>	<p>Clarify language concerning Special Project funding:</p> <p>The amendment clarifies the use of special project funds. The current language restricts the Commonwealth Transportation Board in awarding grants from special project funding.</p>
<p>Central Accounts</p> <p><u>Item Number:</u> 510</p>	<p>Correct personal property tax relief sum sufficient appropriation:</p> <p>This amendment corrects the appropriation for car tax relief. Specifically, the introduced budget bill indicated a "Sum Sufficient" status for the car tax relief appropriation. This appropriation should not be listed as "sum sufficient" and this proposed amendment corrects that error.</p>
<p>Central Accounts</p> <p><u>Item Number:</u> 512</p>	<p>Create special fund to reverse DMV service center closings:</p> <p>This amendment creates a special fund in Central Appropriations for the deposit of funds from the State Corporation Commission for the settlement of litigation with various investment firms. The fund will be used for the reversal of closings at the Department of Motor Vehicles and for programs in the Department of Criminal Justice Services relating to pre-release post-incarceration services, Project Exile, and drug courts and for the Drinking Water State Revolving Fund in the Department of Health.</p>
<p>State Corporation Commission</p> <p><u>Item Number:</u> 514</p>	<p>Defer Consumer Education Program:</p> <p>Item 514D, line 37. Delete "suspend all" and insert "curtail". Amends language in Item 514D to allow the State Corporation Commission to continue some services of the consumer education program for electricity deregulation such as maintaining a website and toll-free number for this program.</p>
<p>James Madison</p> <p><u>Item Number:</u> C-24.25</p>	<p>Provide James Madison University with ability to "swap" property with the City of Harrisonburg:</p> <p>The university would like to acquire 2,400 feet of an alley from the City of Harrisonburg and in exchange provide the City of Harrisonburg with land originally deeded to the City by the university adjacent to the City's resources recovery facility. This exchange would not cost the City or the University anything, the two entities would simply exchange properties at no cost to either entity.</p>

Summary of Executive Amendments to HB 1400 / SB 700, 2003 Session (LANGUAGE ONLY ITEMS)

<u>Agency/Item</u>	<u>Title/Description</u>
<p>Nongeneral Obligation Bonds</p> <p><u>Item Number:</u> C-154</p>	<p>Correct amount for George Mason University's Patriot Center project:</p> <p>This amendment corrects an error in the project amount as recommended in the introduced budget. The introduced budget recommends debt financing of \$5.0 million for renovations to the Patriot Center at George Mason University. The recommended amount should be \$7.0 million.</p>
<p>Nongeneral Obligation Bonds</p> <p><u>Item Number:</u> C-154.05</p>	<p>Additional funds to acquire hospital property by Norfolk State University:</p> <p>Supplemental funds to support the acquisition of the former Norfolk Community General Hospital which lies adjacent to the NSU campus.</p>
<p>Transfers</p> <p><u>Item Number:</u> § 3-1.01</p>	<p>Adjust nongeneral fund transfers to reflect new technology agency:</p> <p>This amendment the modifies the transfers as shown in § 3-1.01, Paragraph U.1. to reflect the new Virginia Information Technologies Agency. The amendment also corrects the fund sources used to transfer amounts from the Department of Technology Planning. This amendment has no impact on the total amount being transferred.</p>
<p>Transfers</p> <p><u>Item Number:</u> § 3-1.01</p>	<p>Modify nongeneral fund sources for State Police cash transfer:</p> <p>This amendment modifies the fund sources listed for the cash transfer from the Department of State Police as shown in § 3-1.01, Paragraph U.1. Specifically, some of the amounts shown as being transferred from fund "0200" are broken-out into funds "0227" and "0400". This amendment has no impact on the total amount being transferred.</p>