

Governor Kaine's proposed budget for 2008 and the 2008-2010 biennium

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

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Governor's budget objectives

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- **Maintain the Commonwealth's financial stability for the long term.**
 - Responsibly address current budget shortfall – Fiscal Year 2008
 - Match ongoing spending with ongoing revenue in 2008-2010 budget

 - **Meet the Commonwealth's commitment to fund core services.**
 - Public education
 - Higher education
 - Health and Human Resources
 - Health Care Access
 - Child Welfare Services
 - Mental Health/Mental Retardation
 - Other
 - Safety net programs
 - Law enforcement/public safety
 - Environment
 - Economic development
 - Transportation

 - **Make targeted investments that will pay measurable returns in the future.**

 - **Use program performance, financial incentives, and operational streamlining to promote better government.**

Caboose Bill for FY 2008

Major General Fund Changes to Resources

	<i>\$ in Millions</i>
Balance Adjustments	
Unreserved general fund balance 6/30/07	\$ 1,530.3
Plus: Reserves included in budget for FY 2008	
July 1, 2007 payroll reserve	87.2
Reserve for FY 2006 Revenue Stabilization Fund deposit	119.1
Additional Lottery Proceeds FY 2007	28.6
Less: Operating Reappropriations	(663.3)
Capital outlay reappropriations	(854.6)
Natural disaster reserve	(30.3)
FY 2008 appropriations spent in FY 2007	8.7
Payments due federal government	(0.3)
Adjusted unreserved general fund balance 6/30/07	<u>225.4</u>
Anticipated balance in Appropriation Act (Chapter 847)	<u>(326.3)</u>
Additional Balance for Appropriation 6/30/07	(100.9)
Additional Revenue FY 2008	(345.1)
Transfer changes	
ABC profits	5.2
Lottery profits	47.8
Local Real Estate/SOQ Fund (sales tax)	(6.3)
Revenue Stabilization Fund refund	(120.4)
Other	(8.6)
Transfer changes	<u>(82.3)</u>
Revenue Stabilization Fund Withdrawal	261.1
Total Additional General Fund Resources	
Available for Appropriation	\$ (267.2)

Calculation for Revenue Stabilization Fund Withdrawal FY 2008

Chapter 847 - Appropriated General Fund Revenue

Operating Expenses	\$ 17,333,144,324
Capital Outlay	<u>308,140,972</u>
Total Appropriated General Fund Revenue	\$ 17,641,285,296

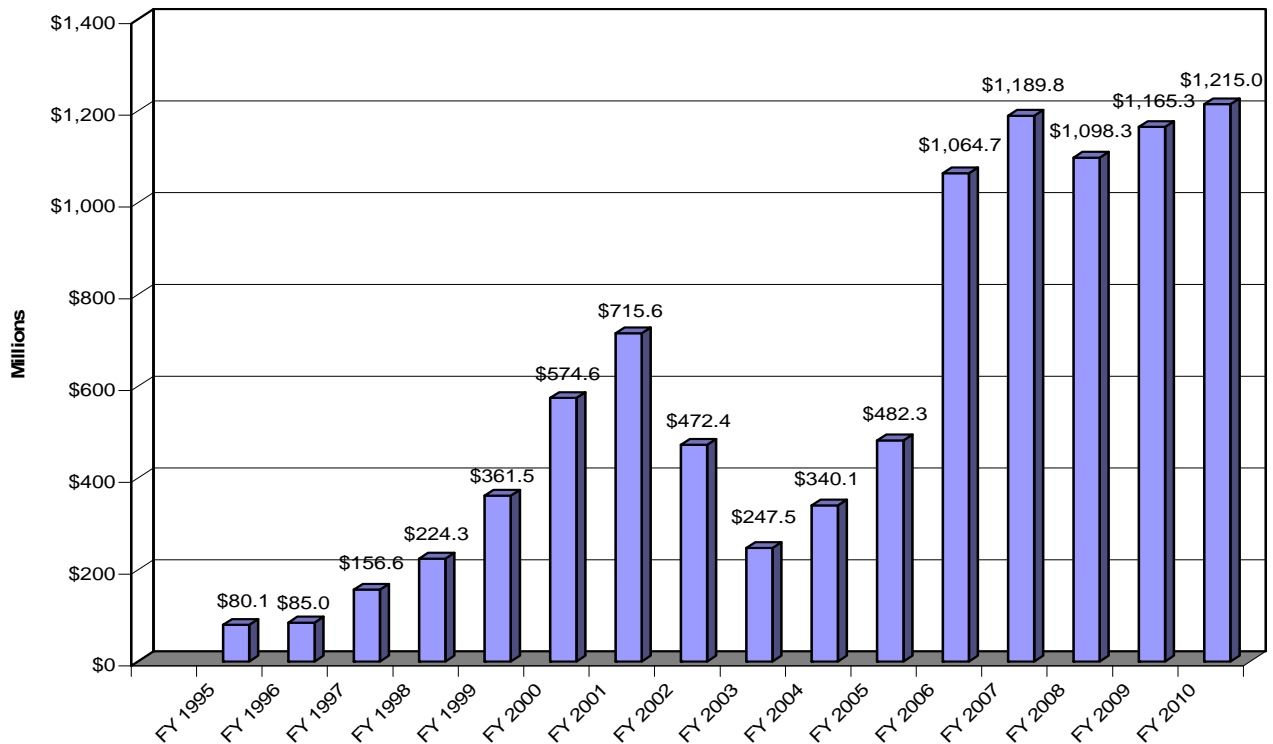
Caboose Budget Revised General Fund Revenue FY 2008

General Fund Balance Forward FY 2007	\$ 326,307,177
Remaining Unreserved General Fund Balance 6/30/07	<u>1,204,000,823</u>
Total Unreserved General Fund Balance 6/30/07	1,530,308,000
Adjustments to General Fund Balance	<u>(1,304,873,774)</u>
Net General Fund Balance FY 2008	225,434,226
Revised Revenue Estimate FY 2008	16,087,272,393
Revised Transfers FY 2008	<u>806,292,521</u>
HB 29 Revised General Fund Revenue FY 2008	\$ 17,118,999,140

Calculated Variance (Shortfall)	\$ 522,286,156
1/2 of Calculated Variance (Shortfall)	\$ 261,143,078.0

By the end of the 2008-2010 biennium, the Revenue Stabilization Fund will be larger than it is today even after a withdrawal this fiscal year

Revenue Stabilization Fund Balance
\$ in Millions



Caboose Bill for FY 2008

Major General Fund Changes to Spending

Spending

\$ in millions

Comprehensive Services for At-Risk Youth and Families	\$ 54.3
Criminal Fund	15.0
Local/Regional jail per diem	14.9
Correct funding for Comp Board retirement contributions	12.3
Eliminate information technology savings requirement	4.9
Information technology rate increases	4.7
Higher education interest earnings and credit card rebates	4.0
Maintain child welfare services	3.9
State troopers' gasoline usage	2.4
Governor's Development Opportunity Fund	1.5
Family Access to Medical Insurance Security program - caseload	1.4
Corrections employee salary increase	1.1
Medicaid Children's Health Insurance Program - caseload	0.9
Mortgage counseling	0.8
Riverside Regional Jail expansion	0.4
National teacher certification awards	0.4
Labor and Industry funding source adjustment	0.2
Payments in lieu of taxes and rent costs	0.3
Civil Rights Memorial	0.1
Maintenance Reserve Funding	50.0
TOTAL	\$ 173.5

Caboose Bill for FY 2008

Major General Fund Changes to Savings

Savings

	<i>\$ in Millions</i>
Governor's 2008 Budget Reduction plan	\$ (272.0)
Court's 2008 budget reduction actions	(1.0)
Revenue Stabilization Fund - excess funding above cap	(69.5)
Update Medicaid forecast	(49.7)
Update costs of Standards of Quality programs	(32.1)
Update sales tax estimates for public education	(17.8)
Virginia Health Care Fund forecast	(13.2)
Update K-12 costs for incentive and categorical programs	(2.7)
Adjust debt service	(2.5)
No Child Left Behind accounts	(1.8)
Involuntary mental commitments - caseload	<u>(1.3)</u>
TOTAL	\$ (463.6)

Summary of General Fund Changes Caboose Budget Bill for FY 2008

\$ in Millions

Available Resources:

Unappropriated balance in Appropriation Act	\$ 6.0
Additional resources available for appropriation	<u>(267.2)</u>
Total (After Revenue Stabilization Fund withdrawal)	\$ (261.2)

Additional Spending:

Operating expenses	123.5
Capital outlay (Maintenance Reserve)	50.0
Savings Actions	<u>(463.6)</u>
Total	\$ (290.1)

Unappropriated balance - Caboose Bill 6/30/08 \$ **28.9**

Summary of General Fund 2008-2010 Budget

\$ in Millions

	<u>FY2009</u>	<u>FY2010</u>	<u>Biennium Total</u>
Resources:			
Balance	\$ 219.6	\$ (0.5)	\$ 219.1
Revenue	16,610.8	17,724.7	34,335.5
Transfers	<u>820.5</u>	<u>822.6</u>	<u>1,643.1</u>
Total Resources	17,650.9	18,546.8	36,197.7
Spending:			
Operating	17,642.1	18,478.2	36,120.3
Capital Outlay	<u>2.5</u>	<u>51.5</u>	<u>54.0</u>
Total Spending	17,644.6	18,529.7	36,174.3
Difference:	\$ 6.3	\$ 17.1	\$ 23.4

General Fund Budget Recommendations

\$ in Millions

	<u>FY2009</u>	<u>FY2010</u>	<u>Biennium Total</u>
<u>Operating Expenses</u>			
Spending Above Current Services:			
Public (K-12) Education	\$ 456.4	\$ 653.8	\$ 1,110.2
Higher Education	68.1	83.3	151.4
Other Education	0.3	0.4	0.7
Health and Human Resources	230.1	434.1	664.2
Public Safety	19.1	17.8	36.9
Judicial	15.0	15.7	30.7
Commerce & Trade	40.5	23.6	64.1
Natural Resources	12.5	6.8	19.3
Agriculture and Forestry	3.2	3.2	6.4
Transportation	-	180.0	180.0
Compensation for State Employees	23.5	115.0	138.5
General Government	117.9	234.3	352.2
Other/Nonstate Agencies	-	5.8	5.8
Budget Savings Actions	(340.9)	(259.9)	(600.8)
Total Operating	<u>645.7</u>	<u>1,513.9</u>	<u>2,159.6</u>
<u>Capital Outlay</u>			
Maintenance Reserve	-	50.0	50.0
Other	<u>2.5</u>	<u>1.5</u>	<u>4.0</u>
Total Capital	2.5	51.5	54.0
<u>Grand Total</u>	\$ 648.2	\$ 1,565.4	\$ 2,213.6

Most of the New Spending (90%) Goes to Current Services

	<i>\$ in Millions</i>
Projected General Fund Resources	\$ 36,197.7
Less: Agency Base Budgets	<u>33,960.7</u>
New Money	\$ 2,237.0
New Spending Above Base (for current services)	
Mandates (SOQ, Medicaid, new jails, debt service, etc.)	1,552.1
Unavoidable Cost Increases (retirement rates, inmate costs)	102.3
Caseload Adjustments (CSA, FAMIS, S-CHIP, etc.)	198.5
Transportation (cash-flow adjustment)	<u>180.0</u>
Total	\$ 2,032.9
Percent (Spending of New Money)	90.9%

Spending recommendations for K-12 public education

GF \$ in millions

Update Standards of Quality (SOQ) \$890.3

- Provides for the biennial update of the Standards of Quality accounts based on fall membership, school instructional and support expenditures, funded instructional salaries, and other technical adjustments.

Increase salaries for public school teachers and employees \$132.4

- Provides for a three percent salary increase for all local school staff and an additional half percent increase for teachers and instructional staff, effective July 1, 2009.

Update sales tax revenues to local school divisions \$45.7

- Reflects the latest sales tax projections provided by the Department of Taxation

Update Lottery proceeds for Public Education \$34.4

- Reflects an increase in the estimate of lottery proceeds in both FY 2009 and FY 2010.

Update the costs of the incentive-based programs \$12.0

- Reflects changes in fall membership, participation rates, and test scores.

Update the costs of the categorical programs \$9.9

- Reflects changes to categorical programs mandated by either state or federal statutes or regulations.

Spending recommendations for K-12 public education (continued)

GF \$ in millions

Update programs for the recalculation of the composite index **\$9.9**

- Reflects biennial recalculation of the composite index, a measure of local ability-to-pay, used to distribute funding to local school divisions.

Expand existing Virginia Preschool Initiative, serving at-risk students first **\$29.9**

- Provides funding to expand access to preschool for at-risk four year olds. The proposal increases the maximum per-pupil amount and allows localities to claim a match rate between the current match rate of \$5,700 and \$6,790. It also caps the composite index calculation at fifty percent, and allows more flexibility in counting local match. The proposal encourages greater cooperation with private preschool providers.

Other spending increases **\$3.7**

- Fund increased support for the career switcher mentor program, the National Board Certification program, Project Discovery, communities in schools, the Career Education Foundation, and expanded offerings in the Virtual Virginia program.

Directs the use of new at-risk funds for data coordinators **\$2.1**

- Provides new funding in the second year to establish data coordinators in the 54 high schools that are currently not fully accredited or that have not achieved adequate yearly progress. Data coordinators will help these schools improve student achievement by interpreting the results of standards of learning tests and helping teachers improve curriculum and instruction based on those results.

Spending recommendations for K-12 public education (continued)

GF \$ in millions

Increase Literary Fund support for school employee retirement contributions **(\$30.0)**

- Increases the use of Literary Funds to pay for school employee retirement contributions rather than the general fund.

Adjust benefit contribution rates for SOQ positions **(\$58.8)**

- Provides funding for fringe benefits based on a contribution rate of 9.35 percent for retirement, a retiree health care credit rate of 1.12 percent, and an employer contribution rate of 0.36 percent for group life. The retirement rate reflects an average rate of return of eight percent and realizes the gains and losses of the system over 24 years.

Fund Virginia Preschool Initiative administration **\$0.7**

- Funding allows for program monitoring, technical assistance, and evaluation by the Department of Education.

The Virginia School for the Deaf, Blind at Staunton

Increase staffing and operational funding **\$6.7**

- Increases the number of instructional and support staff, and funds increased support costs resulting from the consolidation of the Schools for the Deaf, Blind and Multi-Disabled required by the 2007 session of the General Assembly.

Spending recommendations for K-12 public education (continued)

GF \$ in millions

The Virginia School for the Deaf, Blind and Multi-Disabled at Hampton

Adjust funding due to consolidation of the Schools for the Deaf, Blind and Multi-Disabled **(\$10.5)**

- Transfers funds and positions to the Virginia School for the Deaf and Blind at Staunton due to the consolidation of the schools. In the first year, \$2.5 million is retained for placements and upkeep of the facility and property.

Spending recommendations for higher education

GF \$ in millions

PROVIDING AFFORDABLE HIGHER EDUCATION FOR STUDENTS AND FAMILIES

Need-based undergraduate student financial aid \$18.2

- Offsets tuition increases at public colleges and universities.

EXPANDING EDUCATIONAL OPPORTUNITY

Addressing the Commonwealth's commitment to quality in higher education \$44.3

- Supports the higher education institutions' core operating requirements needed to meet base adequacy guidelines. The funding is distributed among the higher education institutions based on their calculated percentage of resources to operating needs: those institutions with resources below 95 percent of their base operating needs received funding to move them halfway to 95 percent; those with 95 percent or higher received a one percent increase in funding.

INVESTING IN HIGHER EDUCATION RESEARCH

Restore Research Funding \$28.8

- Restores general fund support removed from the research institutions' base budgets to show the Commonwealth's commitment to self-supporting research enterprises.

Spending recommendations for higher education (continued)

GF \$ in millions

Commonwealth Technology Research Fund (CTRF) \$10.5

- Provides \$10.5 million to the CTRF to enhance research opportunities at the Commonwealth's public higher education institutions that exhibit a promising return of economic development. A CTRF grant committee will determine the allocation of the funds using criteria focusing on research that best translates into economic development.

Jefferson Science Associates, LLC \$7.5

- Represents approximately 80 percent of what is required in support from the Commonwealth to leverage a federal investment of \$310 million for an upgrade of the Jefferson Lab's research facilities to ensure its continued leadership in the study of nuclear physics.

\$2.3

Virginia Coastal Energy Research Consortium (VCERC)

- Continues support for the research and development of viable renewable energy resources with an emphasis on offshore winds, waves, and marine biomass, resulting in self-sustaining enterprises that continue beyond the 2008-2010 biennium.

Hampton University Proton Therapy Institute \$1.0

- Supports the construction of a new center dedicated to the use of protons in the treatment of cancerous tumors resulting in fewer side effects.

Spending recommendations for higher education (continued)

GF \$ in millions

OTHER COMMITMENTS

- Salary increases for faculty and staff** **\$26.7**
- Provides for a three percent salary increase on July 1, 2009 for teaching, and research faculty, administrative faculty and graduate assistants.
- Interest Earning and Credit Card Rebates** **\$16.7**
- Returns the interest earned from certain programs to institutions of higher education which have been certified institutions by the State Council of Higher Education as having successfully met performance benchmarks in the first year. In addition, the institutions of higher certified by the Department of Accounts shall receive a credit card rebate for purchases not exceeding \$5,000 in the first year.
- Expand educational opportunities in Southside Virginia** **\$2.0**
- Supports the New College Institute and Southern Virginia Higher Education Center in their development of additional degree programs and the expansion of educational access.
- Support career coaches and the middle college program** **\$3.7**
- Provides funding to help encourage high school students to attend college, and enable young adults to secure GEDs and complete college courses through the Virginia Community College System.
- Support undergraduate medical education** **\$0.6**
- Provides additional funding to the Eastern Virginia Medical School to support undergraduate medical education programs.

Spending recommendations for higher education (continued)

GF \$ in millions

Provide base operating support

\$0.4

- Provides additional funding to support basic operations at the Virginia Institute of Marine Science.

Expand autism services at Virginia Commonwealth University

\$0.2

- Provides additional funding for assessment and early intervention clinics, additional staff for the Bedford/Roanoke site, and two satellite offices in Fredericksburg and Northern Virginia.

Establish a satellite dental clinic in Southwest Virginia

\$0.1

- Provides start-up funds to establish a satellite dental clinic in Southwest Virginia (Wise) to serve underserved citizens in the area.

OTHER EDUCATIONAL AND CULTURAL AGENCIES

Operation, maintenance and program support

\$2.7

- Provides funds to staff and support expanded program and gallery space at the Virginia Museum of Fine Arts.

Operation, maintenance support for museums

\$0.2

- Provides funding for the support of a new building at Frontier Culture and the gallery at the Jamestown Yorktown Foundation.

Spending recommendations for higher education (continued)

GF \$ in millions

Support for Roanoke Higher Education **\$0.1**

- Provide funding for operations and maintenance of a new facility.

Support Library System **\$0.1**

- Provides additional funding for the Fairfax Public Library

SAVINGS INITIATIVES

Reduce Eminent Scholar funding for colleges and universities **(\$0.5)**

Spending recommendations for health and human resources

GF \$ in millions

HEALTH CARE ACCESS

Medicaid utilization and inflation **\$344.0**

- Funds growth in Medicaid expenditures of 6.1 percent in FY 2009 and 5.4 percent in FY 2010.

FAMIS utilization and inflation **\$17.0**

- Provides funding for continued enrollment growth projected to be 7.5 percent in FY 2009 and 5.2 percent in FY 2010.

Medicaid children's health insurance program **\$10.3**

- Funds continued enrollment growth projected to increase 5.4 percent in FY 2009 and 4.6 percent in FY 2010.

Provide additional funding to community-based health safety net providers to stabilize their operations, expand access to healthcare services, and coordinate services for uninsured **\$10.0**

- Increases access to the most basic primary healthcare for Virginia's one million uninsured residents. Community-based providers consist of free clinics, health centers, local health departments, and other local or regional organizations providing care to the uninsured.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Health insurance assistance program for the uninsured **\$7.7**

- Creates a pilot program that provides assistance with insurance premiums for individuals working in small businesses without health insurance. Over 5,000 individuals are expected to enroll.

Expand prenatal coverage for pregnant women **\$2.6**

- Expands coverage of pregnant women from 185 to 200 percent of the federal poverty level resulting in over 400 additional women a year with access to prenatal care.

Costs of acute and long-term care integration **\$0.6**

- Provides funds for the administrative costs related to the initiative to integrate acute and long-term care services in Medicaid.

Add two positions in the Office of Minority Health and Public Health Policy **\$0.3**

- Enables the office to hire two positions to assist in the designation of federal Health Professional Shortage Areas, federal Medically Underserved Areas, and Medically Underserved Populations.

Uninsured Medical Catastrophe Fund **\$0.2**

- Provides funding to assist uninsured individuals who are faced with a life-threatening illness or injury for the costs of their treatment.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Fund the Virginia Dental Health Foundation's Mission of Mercy (M.O.M) Dental Project **\$0.1**

- Purchases dental equipment and supplies to be used for dental services for Virginia's uninsured.

Expand coverage for newborn births under FAMIS **\$0.1**

- Covers newborns plus two months after delivery for women enrolled in FAMIS even if eligibility is never established for the newborn. This policy is consistent with Medicaid.

CHILD WELFARE

Increase state pool funds for at-risk youth and families **\$158.6**

- Provides additional funds to continue mandated special education, foster care and foster care prevention services for at-risk youth under the Comprehensive Services Act. Projected expenditures include anticipated increases due to policy clarification during the previous fiscal year. In line with projected program growth, these funds will cover an annual program growth of 10 percent.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Maintain local child welfare services **\$23.9**

- Offsets the loss of federal revenue that supports staff in local departments of social services who perform child welfare services. The loss of revenue will occur as the result of a federally required revision of Virginia's public assistance cost allocation plan. Without this funding, the social services system would be forced to reduce its workforce by approximately 200 employees. The loss of these workers would have a direct and immediate adverse impact on children's services.

Increase payments to foster care and adoptive families **\$22.6**

- Raises maintenance payments made to foster family homes on behalf of foster children by 15 percent in the first year and by an additional 10 percent in the second year and beyond. This increase will facilitate stability in foster home placements, enhance local departments' ability to recruit families and avoid placement in more costly residential facilities. The amendment also increases adoption subsidy funding to ensure that adoption subsidies keep pace with foster family rates.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Provide child care to at-risk, low-income families **NGF \$17.0**

- Increases funding for at-risk child care subsidies and Head Start wrap-around care. The added support will address about 25 percent of the current waiting list for child care subsidies and provide Head Start parents with extended-day child care. The additional child care dollars provided will allow working families to maintain employment and receive education/training without the need for more extensive public assistance.

Provide incentives to localities serving children in community-based settings **(\$12.5)**

- Provides incentives to localities to provide community-based services by changing the match rate for residential and community based services. Localities will receive a higher match rate from the state for services provided in community settings, and a lower match rate for services provided in residential settings.

Improve the recruitment and retention of foster parents **\$6.9**

- Provides funding to increase foster and adoptive family recruitment, support, training, and retention efforts and improve permanent connections for older youth in foster care. The increase is an essential component in the Department of Social Services' current effort to transform child welfare in Virginia toward a more child centered, family focused, community based approach. Funds would be used to implement the Finding Families best practices and provide standardized training using the Parent Resource Information Development Education (PRIDE) curriculum.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Enhance child welfare worker training **\$4.4**

- Provides funding to enhance child welfare worker training throughout the state. Improved worker training will enable child welfare workers to serve children more effectively and improve overall performance outcomes associated with permanency and repeat occurrence of neglect and abuse.

Maintain existing child support enforcement operations **\$3.3**

- Adds funds to offset the loss of federal child support enforcement matching dollars resulting from the Deficit Reduction Act of 2005. The Division of Child Support Enforcement (DCSE) received general fund support to offset nine months of the loss of federal matching revenue in FY 2008. The additional quarter of general fund support will allow DCSE to draw enough federal match to maintain existing operations.

Increase number of foster care visitations **\$2.0**

- Adds social workers in local departments of social services to carry out activities related to improving permanency for children in foster care. These workers are needed at the local level to manage the increased workload that will occur as a result of implementing monthly visitations between social workers and foster care families. These visits are required to evaluate foster families and ensure that children are receiving the needed services.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Collect outcome data on children served by the Comprehensive Services Act **\$0.3**

- Provides funding for the purchase and maintenance of a data tool that will allow the agency to better coordinate information related to a uniform assessment instrument. The ability to track outcome data for children served through the Comprehensive Services Act will aid localities in providing effective services in the most appropriate setting.

MENTAL HEALTH

Increase community services boards emergency services capacity **\$14.6**

- Provides funding for emergency mental health services, including around-the-clock emergency psychiatric consultation, emergency clinicians and crisis stabilization. The funding level will provide \$50,000 per Community Services Board (CSB) to provide 24/7 psychiatric consultation, \$70,000 per CSB for emergency clinicians, and the addition of 36 new crisis stabilization beds. The increase in funding will assist community services boards in providing legally mandated emergency services. Services will be phased in during the first year, and are fully funded in the second year.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Increase community services boards case management capacity **\$8.8**

- Increases the number of case managers for mental health services provided through Community Services Boards. Over 90 percent of boards have average caseloads that exceed the nationally-recommended 25. A total of 106 additional case managers, one per CSB, with the remainder being distributed based on capacity and need, will be hired by the end of the biennium. Services will be phased in during the first year, and are fully funded in the second year.

Add 150 community mental retardation waiver slots **\$7.2**

- Provides funds to add 75 new slots in each fiscal year for individuals who are currently in the community on the urgent waiting list.

Continue and expand support for jail diversion services **\$6.0**

- Supports the continuation and expansion of the goals of a pilot program for jail diversion services funded in the 2006-08 biennial budget. It is anticipated that these funds will provide diversion and wraparound services and supports for an estimated 300-500 persons.

Increase funding for sexually violent predator treatment **\$5.9**

- Increases funding for anticipated caseload growth at the sexually violent predator treatment facility. Current trends show approximately four individuals committed to the facility per month. The funds will be used to provide security and treatment for those individuals.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Provide outpatient services to children **\$5.8**

- Provides funding for 40 clinicians specializing in children's mental health. This funding is intended to serve children who are not eligible for services through the Comprehensive Services Act.

Increase availability of outpatient clinicians and therapists **\$4.5**

- Increases the availability of outpatient clinicians and therapists at Community Services Boards (CSBs). This funding level will allow each CSB to hire one additional clinician, for a total of 40 new clinicians statewide. Funds are necessary to address significant delays in accessing outpatient mental health services. The positions will be phased in during the first year, and are fully funded in the second year.

Implement system-wide salary realignments for Chief Medical Examiner and forensic pathologist positions **\$1.0**

- Raises the statewide average salaries in order to fill these highly-recruited positions.

Expand monitoring and accountability of Community Services Boards **\$0.9**

- Creates four positions to develop core standards and service improvement plans related to services provided through local community services boards. The addition of these positions will allow for better oversight and monitoring of recent community-based service expansion.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Establish training program for crisis intervention **\$0.6**

- Provides funds to implement and expand a training program related to crisis intervention and jail diversion services. This training will enable law enforcement to respond to crisis situations involving individuals with mental illness.

Expand licensing staff **\$0.5**

- Provides funding for four new licensing and investigation positions. This funding will ensure that DMHMRSAS is able to make the scheduled investigations necessary to properly license services statewide.

Provide support for autism spectrum disorders **\$0.2**

- Provides funding for a community resource manager to support autism spectrum disorder services. The new position will be responsible for coordinating with families and community resources to determine the statewide availability of and need for autism spectrum disorder services.

EARLY CHILDHOOD DEVELOPMENT

Create the Quality Rating and Improvement System (QRIS) **\$4.6**

- Assignment of a quality rating from one to five stars to any program, public or private, that receives state pre-K funds will ensure high quality programs and will serve as a valuable tool for parents in school selection

Spending recommendations for health and human resources (continued)

GF \$ in millions

Fund early childhood training and education scholarships \$2.3

- Funding of education and training scholarships for early childhood teachers, assistant teachers, and program directors seeking to earn associate and bachelor degrees and specialized training in early childhood education create a quality workforce.

Increase grant funding for the Virginia Early Childhood Foundation (VECF) \$5.0

- Funding increases grants for local communities to develop delivery systems, coordinated by local councils, to address the comprehensive needs of children from birth to school entry.

OTHER HEALTH AND HUMAN RESOURCES

**Increase fees for onsite sewage and water services, restaurant, hotel, campground, and summer camp permit applications \$1.0
NGF \$6.0**

- Assists local health departments in the protection of the public's health. Fee increases will enable more local health departments to fill positions, monitor the performance of advanced treatment systems after installation, improve local health departments' capacity to conduct quality assurance reviews, and fully implement inspections based on critical risk factors.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Add support to expand the immunization registry system **NGF**
\$2.7

- Expands the immunization registry, a web-based integrated information system currently used by local health departments to record and track immunizations administered to patients across the life span.

Provide funding to support costs of leasing new or expanding existing local health department facilities **NGF** **\$0.9**
\$0.4

- Addresses local health department facility needs in Isle of Wight, Suffolk, and Roanoke City.

Fund Domestic Violence Prevention Enhancement and Leadership through Alliances (DELTA) Project **\$0.6**

- Supports the project, which seeks to reduce the number of new cases of Intimate Partner Violence (IPV) in seven locally funded communities.

Expand Office of Newcomer Services grants **\$0.5**

- Provides additional funding for the Office of Newcomer Services within the Department of Social Services to create a network of community-based organizations that reach Virginia's population of legal permanent residents. Specifically, the office will use the new funding to provide grants to organizations for the provision of English classes, civic exam preparation, naturalization assistance and workforce creation.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Fund positions within Office of Drinking Water Program **\$0.5**

- Provides the full funding of salaries and benefits for nine current positions and supplemental funding for four additional positions. The office currently has multiple vacancies in critical areas that support the primacy requirements under the federal Safe Drinking Water Act.

Increase funding for Virginia Breast and Cervical Cancer Early Detection Program **\$0.3**

- Provides funding for additional breast and cervical cancer screenings and diagnostic tests for an additional 1,333 women ages 18-44.

Expand existing brain injury case management programs **\$0.2**

- Expands services and addresses waiting lists for brain injury case management services. Expansion will provide specialized one-to-one community-based services for individuals at risk of job loss or, more critically, placement into an institutional setting such as criminal justice or mental health systems. The additional funding to Virginia's network of Brain Injury Case Management Programs will allow the agency to serve a minimum of an additional 100 individuals per year.

Increase support for shellfish and marina programs **\$0.2**

- Addresses increasing costs and workload for both programs.

Spending recommendations for health and human resources (continued)

GF \$ in millions

Provide funding to the Central Virginia Food Bank \$0.1

- Provides additional funding for the Central Virginia Food Bank to procure and distribute food throughout the central Virginia region, which includes 31 counties and five cities.

Provide general fund pass-through support to the Foundation for Rehabilitative Equipment & Endowment

\$0.01

- Provides general fund support to the Foundation for Rehabilitative Equipment and Endowment in order to support their efforts in providing durable medical equipment and assistive technology devices to elderly and disabled citizens of Virginia who otherwise would not be able to afford it.

Spending recommendations for public safety

GF \$ in millions

Provide for increases in costs of inmate medical care **\$23.7**

- Provides additional funding for projected increases in medical care for approximately 32,000 inmates.

Improve offender reentry **\$4.9**

- Establish transitional specialists in probation and parole district offices--\$2.0 million.
- Develop prison transition centers--\$1.4 million.
- Establish habitual technical violator center--\$0.4 million.
- Provide staffing and support for pilot local re-entry programs (funding placed in Department of Social Services)--\$1.1 million.

Provide for increases in payments to localities in lieu of taxes **\$0.8**

- The Department of Corrections required by state law to make payments in lieu of taxes.
- Additional localities are now qualifying for payments and obligations have increased.

Increase funding to support troopers usage of gasoline **\$2.7**

- Provides additional funding for State Police gasoline purchases. This will increase funding for gasoline from \$1.19 to \$2.20 per gallon.

Spending recommendations for public safety

GF \$ in millions

Strengthen highway safety enforcement **\$2.2**

- Provides funding for an additional 10 troopers to help support the efforts to aggressively enforce traffic laws on interstate highways across Virginia. In addition, the Department of State Police will be modifying their processes for inspecting service stations, freeing up no less than 25 additional troopers for highway patrol.

Funding for sexual assault crisis centers **\$0.9**

- Increases funding for the provision of both core and comprehensive services to victims of sexual violence. Crisis centers are the only victim assistance programs that provide around the clock services to all victims of sexual violence, in addition to conducting community outreach, coordinating Sexual Assault Response Teams, and managing volunteer programs.

Staffing for campus policing and security **\$0.2**

- Adds funds to hire additional personnel to staff the Office of Campus Policing and Security (OCPS). OCPS is responsible for developing and implementing a comprehensive program for the over 200 institutions of higher learning in the Commonwealth.

Provide funding for payment in lieu of taxes **\$0.4**

- Adds funding to support the payment in lieu of taxes made to the City of Richmond for the Forensic Science central laboratory.

Spending recommendations for public safety

GF \$ in millions

Move the Emergency-911 program **\$97.9**

- Transfers the Emergency-911 program from the Virginia Information Technologies Agency to the Department of Emergency Services. While it is possible that some savings may be achieved by this move, the real benefits expected are the efficiencies experienced by reassigning the program to an agency whose mission aligns with the mission of the program.

LOCAL JAIL FUNDING

Provide funds for per diem payments **\$29.7**

- Adjusts funding for reimbursement to localities for housing inmates in local and regional jails and jail farms. The Commonwealth compensates local governments for the housing of these inmates according to formulas specified in the Appropriation Act. The adjustment reflects actual inmate population counts through the first quarter of fiscal year 2008 and establishes the base for the 2008-2010 biennium.

Fund staffing for new jail construction **\$20.5**

- Provides funds for staffing eight new or expanded jail facilities currently under construction and/or planned for opening in the FY 2009-2010 biennium. These jails include: Riverside Regional Jail (Phase #1), Fairfax Jail, Newport News Jail (bed conversion), Prince William/Manassas Regional Jail, Riverside Regional Jail (Phase #2), Rappahannock Regional Jail, Western Virginia Regional Jail (new construction), and Loudoun Jail.

Spending recommendations for public safety

GF \$ in millions

Provide funding to support sheriffs' deputies retirement **\$6.0**

- Provides funds for additional reimbursement to those jurisdictions that include their sheriffs' deputies and regional jail correctional officers in the Law Enforcement Officers Retirement System (LEOS), which provides expanded retirement benefits for certain local public safety employees.

SAVINGS ACTIONS

Remove exemption from overhead recovery **(\$5.6)**

- Removes overhead recovery exemption provided to Northern Neck Regional Jail, Piedmont Regional Jail, Central Virginia Regional Jail, and the Alexandria Jail, ensuring that all jails and regional jails are treated equally in application of the overhead recovery methodology. This action reduces the amount of state funding required for per diem reimbursements to local and regional jails housing out-of-state or federal inmates.

Adjust liability insurance and bond premium payments **(\$3.1)**

- Changes responsibility of localities to fund 50 percent of the retiree health care credit and liability insurance for constitutional officers and their employees.

Spending recommendations for public safety

GF \$ in millions

Continue savings related to vacancies **(\$2.6)**

- Requires clerks, treasurers, finance directors, and commissioners of the revenue to maintain positions vacant for 90 days prior to filling. These constitutional offices would not be allowed to expend accrued vacancy savings.

Implement administrative operational efficiencies **(\$0.4)**

- Removes funding and positions based on the anticipated savings associated with the streamlining of agency operations by the Compensation Board.

JUDICIAL ISSUES

Add funding to the Criminal Fund **\$20.0**

- Provides additional funds to pay court costs of low-income persons. The major expenditure in this fund is for the services of court-appointed attorneys for indigent defendants in criminal cases.

Funding to revamp the Magistrate System **\$7.8**

- Adds funds to pay for additional personnel and information technology enhancements in the statewide magistrate system. Funding will support the hiring of additional magistrates, the implementation of a new magistrate training program and expansion of the use of videoconferencing technology.

Spending recommendations for public safety

GF \$ in millions

Waiver Program for court appointed attorneys in juvenile felony-type cases **\$2.0**

- Adds funds to administer a court appointed attorney waiver program for attorneys in juvenile felony cases that are heard in juvenile court. The waiver program will be administered by the Office of the Executive Secretary of the Supreme Court and will provide additional compensation for court appointed attorneys who represent juvenile clients in atypical cases.

Additional foreign language interpreters **\$0.8**

- Adds additional foreign language interpreters to ensure non-English speaking parties and criminal defendants have equal access to judicial processes.

Spending recommendations for economic development

GF \$ in millions

Semiconductor manufacturing performance grants **\$38.1**

- Funds grant payments under the Semiconductor Memory or Logic Wafer Manufacturing Grant Program I and Grant Program II. Also, accelerates the final grant payments under these programs to Qimonda, as the company has satisfied all grant requirements.

Military Strategic Response (BRAC and DARPA) **\$25.0**

- Assists Virginia localities affected by the base realignment and closure process. Funds used to match local and other funds.

Governor's Development Opportunity Fund **\$15.1**

- Used to provide grants or loans to localities to assist in the creation of new jobs and investment. The amendments to the 2006-2008 biennial budget also include an appropriation for \$1.5 million in FY 2008.

Incentive to attract Rolls-Royce to Virginia **\$10.7**

- Funding to attract the world-leader of power systems and services for use on land, at sea and in the air, to Prince George County. Company will invest \$100 million over time with options to invest up to \$500 million and create 500 new jobs.

SRI, International **\$7.0**

- Provides funds for the state's final payments to SRI under the provisions of a codified grant program designed to promote research, development, and commercialization of products. SRI is establishing a presence in Rockingham County.

Spending recommendations for economic development

GF \$ in millions

Virginia Investment Partnership grants **\$3.6**

- Provides payments on negotiated grants awarded to select projects that invest in Virginia and promote stable or growing employment opportunities. The projects have met performance agreements and payments are now due.

Virginia Jobs Investment Program **\$2.0**

- Funding is an integral component of the state's overall economic development effort, resulting in thousands of new jobs per year and billions of dollars in new capital investment. Funding is for FY 2010 only.

Rural Broadband **\$1.0**

- Provides gap financing to assist individual communities to help establish broadband in many rural areas of the state.

Virginia Energy Management Program **\$0.8**

- Creates a program to serve as coordinator of all statewide energy efficiency efforts. These efforts are projected to reduce future energy costs and address Governor Kaine's Executive Order 48, which calls for a reduction of non-renewable energy purchases.

Reduce funding in the Department of Housing and Community Development for the Southeast Rural Community Assistance Project, Inc. **(\$0.2)**

- Reduces pass-through funding by five percent. This reduction was included in the Governor's 2008 Reduction Plan.

Spending recommendations for natural resources

GF \$ in millions

Water Quality Improvement Fund **\$6.0**
NGF \$14.0

- Funds for matching grants for controlling nonpoint source pollution resulting from agricultural activities and development. The action also includes \$14 million NGF.

Funding for the City of Richmond and the City of Lynchburg's combined sewer overflow projects **\$6.0**

- Each city will receive \$1.5 million in each year of the biennium.

Finance dam repair and improve the safety of Virginia's dams **\$2.0**

- Funds to capitalize the Dam Safety, Flood Prevention, and Protection Assistance Fund. The fund is used for loans and grants to dam owners to repair and upgrade dams to meet state requirements.

Operating support for the Virginia Outdoors Foundation **\$1.9**

- The Foundation helps to establish, monitor, and hold open space easements that allow land to be privately owned but restricted from development to protect the land for the public good.

Spending recommendations for natural resources

GF \$ in millions

Address state park operating needs **\$1.5**

- Provides funding and positions for core programs, visitor services, and educational programs at state parks in FY 2010.

Increase state match for Virginia's Water Facilities **\$1.2**

Revolving fund

- Increases the state match funding for available federal grants to provide low-interest loans for local governments undertaking wastewater treatment plant upgrades. One state dollar matches five dollars in federal funding.

Spending recommendations for agriculture and forestry

GF \$ in millions

Provide state matching funds for local purchase of development rights programs **\$6.0**

- Provides funding for matching grants to protect farmland from development.

Assume functions of the Department of Charitable Gaming **\$0.2**

- Transfers core activities to the Department of Agriculture and Consumer Services. This transfer includes positions and related funding.

Savings strategies within the Department of Forestry **(\$0.2)**

- Reduces general fund support for the Reforestation of Timberland Program, which provides financial incentives to landowners. The program is supported with general and nongeneral fund dollars.
- Reduces energy consumption in accordance with the Virginia Energy Plan.

Spending recommendations for transportation

GF \$ in millions

Move general fund appropriation from year one to the second year -

- Reverts general fund balances the first year (addition to GF balances) and provides appropriation in the second year for the general fund balances carried forward from the 2007 Transportation Initiative. This action is taken to better tie the general fund support for Transportation to the year it will actually be spent. It also improves cash flow in the general fund over the course of the biennium.

Spending recommendations for employee compensation and benefits

GF \$ in millions

Salary increases for state employees **\$65.9**

- Provides for a three percent salary increase effective June 25, 2009 (beginning with the July 1, 2009 pay check).
- Employees must receive a performance evaluation of at least “contributor” (or equivalent) to receive this increase.

Salary increases for state supported local employees **\$29.7**

- Provides for a three percent salary increase on July 1, 2009.
- State-supported local employees include constitutional officers, local social services employees, local election board employees, local health employees, local juvenile justice workers, Community Services Board employees, and others.

State employee health insurance **\$33.9**

- Provides for an increase in the premiums paid by state agencies on behalf of state employees for health insurance coverage.
- Provides for an enhancement in dental benefits
- Continues the phase-in of funding for liabilities under new government reporting standards for Other Post Employment Benefits.

Spending recommendations for employee compensation and benefits (continued)

GF \$ in millions

State employee workers compensation **\$2.8**

- Provides for an overall increase in the premiums paid by state agencies on behalf of their employees for workers compensation insurance.
- Continues the funding policy of providing half of the required funding for agencies that experience premium increases and allows agencies that experience premium decreases to retain half of the savings. This policy creates an incentive for agencies to implement and maintain workplace safety programs.

State employee retirement contributions **\$9.0**

- Provides funding for changes in the employer contribution rate paid by state agencies on behalf of their employees for retirement under the state employee retirement program, the judicial retirement system, the state police retirement system, and the Virginia law officers retirement system.
- The funded rates are based on actuarial assumptions of an eight percent return, a three percent cost of living adjustment, and a 24 year amortization period.

State employee group life, disability, and retiree health credit **(\$5.9)**

- Captures savings from an overall decrease in the rates paid by state agencies on behalf of their employees for group life insurance, sickness and disability insurance, and the retiree healthcare credit.
- Rates funded for all three programs are the same rates certified by the Virginia Retirement System Board of Trustees in October, 2007 resulting from a revaluation of program assets and liabilities.

Spending recommendations for general government

GF \$ in millions

ADMINISTRATION

Provide funding for changes in seat of government rent charges **\$2.3**

- This adjustment reflects new rental rates due to changes in space needs and operating costs for agencies occupying rental space at the seat of government.

Fund equipment replacement for Consolidated Laboratories **\$0.9**

- Provides funding through the Master Equipment Lease Program for the replacement of antiquated laboratory equipment.

Provide funding for advertising requirements associated with General Obligation bond **\$0.2**

- Provides funding to advertise general obligation bond referendum proposed by the Governor for consideration by the voters during the November 2008 elections.

FINANCE

Adjust funding for debt service on outstanding and authorized obligations **\$147.6**

- Funds payments on outstanding obligations and amounts estimated on projects authorized for general obligation, Virginia Public Building Authority, and Virginia College Building Authority financing. This amount is net of amounts retired and also includes debt service for \$50 million in college equipment.

Spending recommendations for general government (continued)

GF \$ in millions

Provide debt service for new issuances through the Virginia Public Building Authority, Virginia College Building Authority and for general obligation bonds **\$50.5**

- Provides debt service for new authorizations and issuances in the 2008-2010 biennium.

Provide funding for the mandatory Revenue Stabilization Fund deposit in FY 2009 **\$21.3**

- Provides for the one-time mandatory deposit to the Revenue Stabilization Fund as certified by the Auditor of Public Accounts.

Fund line of duty estimated “other post employment benefits” (OPEB) **\$3.9**

- Provides additional funding to meet obligations to fund line of duty OPEB requirements based on actuarial estimates.

Consolidate in the Department of Accounts the support for small agencies to meet the information technology security audit standards **\$0.7**

- Provides funds to assist small agencies with the support needed to comply with the requirements of the information technology security policy. The funds will establish a section within the Accounts Internal Control Compliance Oversight section.

Spending recommendations for general government (continued)

GF \$ in millions

Establish the finance management training program **\$0.7**

- Establishes a finance intern program to develop professional expertise in the finance arena in state government. Five positions will rotate throughout the initial cadre of agencies that include Office of the State Auditor of Public Accounts, Joint Legislative and Audit Review Commission, Senate Finance Committee, House Appropriations Committee, and Departments of Planning and Budget, Taxation, Accounts, and Treasury.

Limit distribution of alcoholic beverage control profits and revenue from wine tax to towns **(\$16.0)**

- Removes funds for cities and counties from the distribution of alcoholic beverage control profits and revenue from wine tax.

TECHNOLOGY

Provide funding for FY 2007 VITA rate changes **\$19.0**

- Provides general fund assistance to affected agencies for the unbudgeted and increased costs associated with the new structure for decentralized rates implemented late in FY 2007.

Eliminate information technology related operating efficiencies savings assessment **\$9.8**

- Removes requirement to capture savings achieved through information technology operational efficiencies. These savings have been built into the Virginia Information Technology Agency's contract with Northrop Grumman.

Spending recommendations for general government (continued)

GF \$ in millions

EXECUTIVE OFFICES

Fund workload adjustments in the Office of the Attorney General **\$1.0**

- Provides funds and an additional 4.6 positions to address workload increases in the civil commitment of sexually violent predators, criminal investigations, victim assistance, and security for the office's information system.

LEGISLATIVE DEPARTMENT

Fully fund staff and other needs at the Division of Capitol Police **\$1.4**

- Provides funds to pay the cost of filling vacant positions, hire wage positions for security testing and screening during the Session, fund increased rent charges and other necessary expenses.

Other Spending – Nonstate Agencies

GF \$ in millions

Fund nonstate entities **\$5.8**

- Provides funding for thirty-six nonstate entities. No funding is provided in the first year.

Spending recommendations for capital outlay

ADDRESSING CAPITAL NEEDS

- The proposed capital budget totals over \$2.3 billion consisting of \$54.0 million from the general fund and \$2.2 billion of state supported debt.
- To help reduce the maintenance reserve backlog the proposed budget also includes \$50 million in FY 2010. There is another \$50 million in the Caboose Bill for FY 2008.
- The capital outlay budget supports project cost overruns, purchase of equipment for previously authorized projects, life/safety projects, infrastructure needs, essential investments in higher education, acquisitions, capital leases, and planning efforts for future construction projects.
- The proposed capital outlay budget contains 48 items for \$493.4 million to be financed through the Virginia Public Building Authority and 27 items for \$214.4 million to be financed through the Virginia College Building Authority.
- The Governor is also recommending a \$1.53 billion bond package for 71 essential capital outlay projects in higher education. Investment in higher education is vital for Virginia's future economic competitiveness.

Spending recommendations for capital outlay (continued)

- These projects focus primarily on workforce development, enhancing educational capacity, research, retaining students and providing modern educational facilities for areas of demonstrated need such as education, engineering, nursing, medicine, business, and the sciences.

The following table summarizes state supported funding for capital projects:

Category	Amounts in Millions	
	GF	Debt
Maintenance Reserve	\$50.00	
Other Capital Projects	\$4.00	
Virginia Public Building Authority		\$493.42
Virginia College Building Authority		\$214.43
General Obligation Bond		\$1,525.49
Grand Total	\$54.00	\$2,233.34

Spending recommendations for capital outlay (continued)

\$ in millions

FUNDING RECOMMENDATIONS

Addressing Equipment Needs **\$61.4**

- VCBA funding is provided for 22 capital projects to purchase equipment and furnishings for buildings that will be coming on line.

Agency	Project	Amount
College of William and Mary	Construct Integrated Science Center	\$4.73
University of Virginia	Construct Medical Research Building (MR-6)	\$0.77
Virginia Tech	Renovate Henderson Hall	\$3.46
Virginia Military Institute	Renovate Mallory Hall	\$0.76
Virginia Military Institute	Renovate Kilborne Hall	\$0.49
University of Mary Washington	Renovate four academic buildings	\$1.00
University of Mary Washington	Renovate Lee Hall	\$0.75
University of Mary Washington	Renovate Monroe Hall	\$1.50
James Madison	Construct Center for the Arts	\$0.68
Radford	Renovate Young Hall	\$0.28
Radford	Renovate Davis Hall	\$0.15
VCU	Construct Medical Sciences Building, Phase II	\$3.70
George Mason	Construct Academic V	\$4.50
George Mason	Construct Academic VI and Research II	\$5.50
Community College System	Construct Phase I, Regional Health Professions Center, Tidewater	\$8.20
Community College System	Construct Historic Triangle Campus	\$5.64
Community College System	Construct Phase II, Midlothian Campus, John Tyler	\$2.80
Community College System	Construct Phase III Building, Loudon Campus, Northern VA	\$8.60
Community College System	Construct Phase VI Academic Building, Annandale Campus, Northern VA	\$6.10
Community College System	Construct Tri-Cities Higher Education Center, Portsmouth Campus, Tidewater	\$0.90
Community College System	Renovate Hobbs Campus, Paul D. Camp	\$0.21
Community College System	Renovate Science Building, Annandale Campus, Northern Virginia	\$0.70
Total		\$61.4

Spending recommendations for capital outlay (continued)

\$ in millions

Supporting Essential Projects \$619.9

- VCBA funding is provided for four capital projects that will meet accreditation timelines or previously funded commitments:

Institution	Projects	Amount
College of William and Mary	Construct New School of Education	\$38.1
Norfolk State Library	Construct New Library	\$45.1
James Madison University	Acquire Rockingham Memorial Hall	\$8.6
Radford University	Construct New College of Business and Economics Building	\$34.7
Total		\$126.5

- VPBA funding is provided for a number capital projects to address critical infrastructure, life/safety issues as well as economic development and land conservation:

Agency	Project	Amount
Department for the Blind and Vision Impaired	Renovate administrative and activities building	\$7.2
Department of Agriculture and Consumer Services	Construct Eastern Shore Marketing and Inspection Office	\$1.1
Department of Agriculture and Consumer Services	Construct Eastern Shore Seafood Facility	\$5.5
Department of Conservation and Recreation	Construct phase one development of the High Bridge State Park	\$4.5
Department of Conservation and Recreation	Construct phase one development of the Powhatan State Park	\$3.0
Department of Conservation and Recreation	Preservation of open space and historic resources through conservation	\$50.0
Department of Conservation and Recreation	Repair various state park and soil and water conservation district dams	\$20.0
Department of Corrections	Construct access road for Mt. Rogers prison	\$4.0
Department of Corrections	Construct milk processing center and new dairy barn at Powhatan	\$7.2
Department of Corrections	Construct new kitchen and dining hall at Halifax	\$4.1
Department of Corrections	Expand sally port building at Deerfield	\$0.2

Spending recommendations for capital outlay (continued)

Department of Corrections	Install auger grinders	\$0.8
Department of Corrections	Install elevated water storage tank at Greenville	\$2.8
Department of Corrections	Install railings and mesh at Greenville	\$0.6
Department of Corrections	Renovate bathrooms and provide handicapped access at Chesterfield	\$0.5
Department of Corrections	Replace door and locking systems	\$2.5
Department of Corrections	Replace fire alarm systems and exits	\$0.9
Department of Corrections	Replace modular housing units at Marion	\$4.4
Department of Corrections	Replace plumbing and heating systems in field units	\$2.5
Department of Corrections	Replace prison door control panels	\$2.5
Department of Corrections	Replace sally port at Southampton	\$1.6
Department of Corrections	Replace windows	\$2.0
Department of Corrections	Upgrade electrical system at Powhatan	\$2.0
Department of Corrections	Upgrade electrical systems in field units	\$0.6
Department of Corrections	Upgrade Powhatan wastewater treatment plant	\$3.8
Department of Corrections	Upgrade St. Brides water treatment plant	\$3.4
Department of Forensic Science	Expand Eastern Forensic Laboratory facility	\$3.8
Department of General Services	Construct Eighth and Ninth Street Building	\$185.1
Department of General Services	Provide supplemental funding to renovate the Capitol	\$5.5
Department of General Services	Replace Department of Taxation Central Office	\$85.0
Department of Juvenile Justice	Connect cottages to emergency generators	\$0.7
Department of Juvenile Justice	Construct dry-storage warehouse at Culpeper Juvenile Correctional Center	\$0.9
Department of Juvenile Justice	Convert facilities to propane	\$0.5
Department of Juvenile Justice	Provide new school heating and cooling plant at Hanover Juvenile Correctional Center	\$0.5
Department of Juvenile Justice	Remove abandoned underground fuel tanks	\$0.3
Department of Juvenile Justice	Replace classroom trailers at Beaumont	\$0.5
Department of Juvenile Justice	Replace housing units at Natural Bridge Juvenile Correctional Center	\$1.7
Department of Juvenile Justice	Replace natural gas, water, and sewage lines	\$2.2
Department of Juvenile Justice	Upgrade fire alarm and protection systems	\$0.7
Department of Juvenile Justice	Upgrade mechanical, electrical and plumbing systems for Reception and Diagnostic Center cottages	\$0.7
Department of Mental Health, Mental Retardation and Substance Abuse	Address life safety issues at state mental health and mental retardation facilities	\$24.0
Department of Mental Health, Mental Retardation and Substance Abuse	Renovate Central Virginia Training Center	\$22.0
Department of Mental Health, Mental Retardation and Substance Abuse	Repair and replace cottages at Southeastern Virginia Training Center	\$9.0
The Science Museum of Virginia	Restore exterior stucco	\$1.1
Virginia Museum of Fine Arts	Renovate carpenter shop	\$1.7
Virginia Museum of Fine Arts	Replace boilers	\$1.0
Virginia Museum of Fine Arts	Replace chillers	\$1.1
Woodrow Wilson Rehabilitation Center	Renovate Harold E. Watson Kitchen & Dining Hall Building	\$7.9
Total		\$493.4

Spending recommendations for capital outlay (continued)

\$ in millions

Addressing Market Escalation **\$43.2**

- Finally, VCBA and VPBA funding is provided for several capital projects to address market escalation in construction costs:

Agency	Project	Amount	Fund Source
Central Capital Outlay	Provide supplemental funding for previously authorized capital projects for higher education	\$26.5	VCBA
Corrections	Construct milk processing center and new dairy barn at Powhatan*	\$7.2	VPBA
Corrections	Construct access road for Mt. Rogers prison*	\$4.0	VPBA
General Services	Provide supplemental funding to renovate the Capitol*	\$5.5	VPBA
Total		\$43.2	

* Projects included in previous VPBA table.

Spending recommendations for capital outlay (continued)

GF in millions

Other Projects **\$54.0**

- Provides \$54.0 million from the general fund to support five capital projects, and authorizes four projects under the requirements of the Public-Private Education Facilities and Infrastructure Act of 2002.

The following table shows the general fund projects:

Agency	Project	Amount
Central Capital Outlay	Provide funding for maintenance reserve	\$0.5
Jamestown - Yorktown	Provide planning funding for the construction of the Yorktown Museum	1.5
School for the Deaf & Blind at Staunton	Remove lead paint and asbestos	0.5
School for the Deaf & Blind at Staunton	Repair and replace roofs	1.4
School for the Deaf & Blind at Staunton	Repair safety hazards	0.6
Total		\$54.00

The following table shows the PPEA projects:

Agency	Project
Department of Taxation	Authorize the Department of Taxation to enter into capital lease agreements
George Mason University	Construct Fairfax Administration Building
George Mason University	Construct Hotel Conference Center
George Mason University	Construct Prince William Freedom Center Expansion

Spending recommendations for capital outlay (continued)

GF in millions

General Obligation Bond \$1,525.5

- The following is the list of project proposed for the General Obligation Bond Bill:

Institution	Projects	Amount
CNU	Construct Integrated Science Center	\$77.0
GMU	Renovate Science and Technology II	\$49.7
GMU	Construct Krasnow Addition, Phase II	\$5.6
GMU	Construct Campus Library Addition, Phase I	\$50.3
JMU	Construct Biotechnology/Centennial Hall	\$44.8
JMU	Renovate/Expand Duke Hall	\$43.5
LU	Renovate and Expand Bedford Hall	\$29.5
LU	Construct University Technology Center	\$19.9
LU	Renovation of Heating Plant Facility	\$7.1
NSU	Construct New Nursing and General Classroom Building	\$34.1
ODU	Construct New Student Success Facilities	\$11.1
ODU	Establish a Consolidated Arts Complex	\$19.2
ODU	Construct a Systems Research and Academic Building	\$18.1
ODU	Renovate and Construct Child Development Centers	\$9.8
ODU	Renovate the Education Building	\$10.0
ODU	Renovate Spong and Rollins Halls	\$19.1
RU	Construct New Computational Sciences Building	\$36.2
RBC	Construct Science and Technology Center	\$19.0
CWM	Construct/Replace Cooling Plant & Utility Improvements, Phase II	\$11.7
CWM	Construct Integrated Science Center, Phase III	\$35.0
UMW	Construct Dahlgren Campus	\$23.0
UMW	Construct Jepson Science Center Addition	\$7.1
UVA	Construct Information Technology Engineering Building	\$37.9
UVA	Renovate New Cabell Hall	\$77.6
UVAW	Construct New Library	\$41.7
VCU	Construct New School of Medicine, Phase I	\$59.0
VCU	Construct Classroom/Student Services Building	\$41.0
VCU	Renovate Massey Cancer Center Laboratory Support	\$5.9
VCCS	Construct New Science and Technology Building, Virginia Western	\$22.7
VCCS	Renovate Academic Classrooms and Administrative Building, Rappahannock	\$10.6
VCCS	Construct Phase UII Academic Building, Woodbridge Campus, Northern Virginia	\$38.2
VCCS	Renovate Dalton Cantrell Hall, Mountain Empire	\$11.2
VCCS	Renovate Phase I Facility, Downtown Campus, J. Sargeant Reynolds	\$10.8

Institution	Projects	Amount
VCCS	Construct Academic Services Building, Germanna	\$23.3
VCCS	Construct Academic Building, Chesapeake Campus, Tidewater	\$20.6
VCCS	Construct Higher Education Center, Loudoun Campus, Northern Virginia	\$14.3
VCCS	Construct Workforce Development Center, Piedmont Virginia	\$6.9
VCCS	Renovate Hampton III Building, Thomas Nelson	\$8.0
VCCS	Renovate Building B, J Sargeant Reynolds - Parham Road Campus	\$4.7
VCCS	Renovate Bird and Nicholas Halls, John Tyler - Chester Campus	\$16.1
VCCS	Construct Learning Resources Building, Southside Virginia	\$11.4
VCCS	Construct Learning Resources Building, Virginia Beach Campus, Tidewater	\$36.9
VCCS	Replace HVAC, New River	\$1.4
VCCS	Upgrade Electrical Systems, Wytheville	\$2.6
VCCS	Upgrade Major Mechanical Systems, Paul D. Camp	\$3.4
VCCS	Renovate Phase I Academic and Administration Building, Eastern Shore	\$9.3
VCCS	Renovate Russell Hall, Southwest Virginia	\$9.6
VCCS	Renovate Library and Learning Resource Center, Virginia Highlands	\$2.4
VCCS	Construct Workforce Development Center, Woodbridge Campus, Northern Virginia	\$23.7
VCCS	Construct New Location for Trucking Program, Portsmouth Campus, Tidewater	\$8.4
VCCS	Construct Workforce Solutions & Academic Training Center, Fauquier, Lord Fairfax	\$13.9
VCCS	Construct Occupational Program Building, Culinary Arts Career Studies Certification Program, Central Virginia	\$1.4
VCCS	Construct Motorsports/Workforce Development Center, Patrick Henry	\$8.7
VCCS	Renovate Engineering and Industrial Technology Building, Danville	\$6.3
VCCS	Renovate Administration Building, Blue Ridge	\$5.6
VCCS	Renovate Warren and Scott Halls, Dabney S. Lancaster	\$6.3
VIMS	Replace Eastern Shore Seawater Laboratory	\$4.2
VIMS	Control Shoreline Erosion	\$1.2
VMI	Improve Military and Leadership Field Training Grounds, Phase I	\$15.1
VMI	Renovate Science Building	\$16.3
VMI	Renovate Post Hospital	\$4.1
VT	Construct Medical School and Research Institute	\$59.0
VT	Renovate Davidson Hall	\$30.1
VT	Construct Sciences Building Laboratory I	\$28.8
VSU	Renovate/Expand Hunter McDaniel Hall	\$22.3
VSU	Construct Multipurpose Center	\$50.6
VT-Ext	Construct Human and Agricultural Biosciences Building I	\$28.3
EVMS	Construct Instructional and Research Medical Facility	\$59.0
FCM	Construct Early American Industry Exhibit	\$1.4
SMV	Construct Belmont Bay Science Center	\$20.0
SMV	Construct Danville Science Center Planetarium & Theater	\$2.2
GRAND TOTAL		\$1,525.5

General Fund Budget Recommendations

\$ in Millions

	<u>FY2009</u>	<u>FY2010</u>	<u>Biennium Total</u>
<u>Operating Expenses</u>			
Current Services	\$ 16,996.4	\$ 16,964.3	\$ 33,960.7
Spending Above Current Services:			
Public (K-12) Education	456.4	653.8	1,110.2
Higher Education	68.1	83.3	151.4
Other Education	0.3	0.4	0.7
Health and Human Resources	230.1	434.1	664.2
Public Safety	19.1	17.8	36.9
Judicial	15.0	15.7	30.7
Commerce & Trade	40.5	23.6	64.1
Natural Resources	12.5	6.8	19.3
Agriculture and Forestry	3.2	3.2	6.4
Transportation	-	180.0	180.0
Compensation for State Employees	23.5	115.0	138.5
General Government	117.9	234.3	352.2
Other/Nonstates Agencies	-	5.8	5.8
Budget Savings Actions	(340.9)	(259.9)	(600.8)
Total Operating	<u>645.7</u>	<u>1,513.9</u>	<u>2,159.6</u>
<u>Capital Outlay</u>			
Maintenance Reserve	-	50.0	50.0
Other	<u>2.5</u>	<u>1.5</u>	<u>4.0</u>
Total Capital	2.5	51.5	54.0
<u>Grand Total</u>	\$ 17,644.6	\$ 18,529.7	\$ 36,174.3

The complete text of the Governor's
budget document is at:

www.dpb.virginia.gov