



Preliminary Summary of

**THE GOVERNOR'S
PROPOSED 1996-98 BUDGET
and
AMENDMENTS TO THE
1994-96 BUDGET**

Introduced as House/Senate Bills 29 and 30

Presented on December 18, 1995

Prepared by the staffs of:
Senate Finance Committee
and
House Appropriations Committee

INTRODUCTION

This document was prepared by the staff of the House Appropriations and Senate Finance Committees as a preliminary report on the Governor's budget proposals for the 1996-98 biennium. The appendix also contains a summary of proposed amendments to the approved budget for the current biennium. Subsequent staff reports will be made available during the 1996 General Assembly Session.

SENATE FINANCE COMMITTEE

Hunter B. Andrews, Chairman

Staff

John M. Bennett, Staff Director

Pamela A. Currey

Elizabeth B. Daley

William E. Echelberger

Mara M. Haddon

Stephen W. Harms

Richard E. Hickman, Jr.

Neal Menkes

James J. Regimbal, Jr.

HOUSE APPROPRIATIONS COMMITTEE

Robert B. Ball, Sr., Chairman

Staff

Rebecca L. Covey, Staff Director

Teresa A. Atkinson

Carolyn Ridgeway Cook

Betina L. Jackson

R. Ronald Jordan

James T. Roberts

Richard C. Seaman

Robert P. Vaughn

TABLE OF CONTENTS

Revenues.....	1
Legislative, Judicial, Executive Offices	8
Administration.....	9
Commerce and Trade	13
Public Education.....	18
Higher Education.....	23
Other Education.....	29
Finance	31
Health & Human Resources.....	36
Natural Resources	44
Public Safety.....	47
Transportation.....	55
Central Appropriations	58
Independent Agencies.....	63
Capital Outlay.....	64
Non-State Agencies.....	69

Appendix

Proposed Changes in State Funding of Public Education	A
Summary of Detailed Actions in Budget	B
1994-1996 Amendment Proposals (HB/SB 29)	C
Detailed Employment Summary	D

Overview of the Governor's Budget Recommendations for 1996-98

The Governor's 1996-98 general fund budget is predicated on (1) modest economic growth, which would yield about \$975 million in additional revenues; (2) deferral of scheduled tax policy changes and other actions, to produce \$110.8 million; (3) receipt of \$91.0 million in additional lottery profits, primarily from assumed participation in regional gaming consortia; and (4) a \$95.0 million negotiated settlement with Trigon Blue Cross-Blue Shield for the assumed conversion of the company from not-for-profit to publicly held status.

This additional revenue is combined with Workforce Transition Act savings of \$33.0 million and other proposed budget savings of \$230.7 million to allow additional general fund operating and capital spending of about \$1.54 billion for the biennium.

1996-98 Proposed General Fund Budget (\$ in millions)	
Revenues Available for Appropriation	\$ 16,510.4
Operating Appropriations	16,372.9
Capital Appropriations	<u>130.3</u>
Unappropriated Balance	\$ 7.2

Revenues

The Governor's recommended budget assumes that modest revenue growth will continue throughout the 1996-98 biennium. The economic outlook projects moderate employment growth, real wage and income growth, and continued low inflation. At these levels, new revenue of about \$975 million would be projected.

To bolster this projection, the budget assumes legislative approval of a number of changes involving tax and other policies which would increase general fund revenue by about \$300 million. This amount is included in the general fund revenue estimates on which the proposed budget is based.

Actions Affecting Tax Revenue. About \$110.8 million in additional revenue is assumed from deferring changes in tax policies which are slated to go into effect in 1996-98.

Actions Assumed in SB/HB 30 Which Increase Projected General Fund Revenue (\$ in millions)	
Actions Affecting Tax Revenue:	
Defer Withholding Exemptions	\$ 29.5
Defer Non-prescription Drug Exemption	27.2
Defer VHDA Credit	4.0
Defer Neighborhood Assistance Credit Increase	5.6
Retain Interest From Insurance Funds	33.8
Withhold DMV Registration for Delinquent Taxes	5.1
Charge Va. Information Network Fee	3.9
Eliminate Tobacco Stamps	<u>1.7</u>
Total Tax Actions	\$ 110.8
Actions Affecting Transfers:	
Increased Lottery Profits-New Games	\$82.9
Increased Lottery Profits-Advertising Cut	8.0
Trigon Court Settlement	<u>95.0</u>
Total Transfer Actions	\$ 185.9
Total	\$ 296.7

Included are assumed deferrals of the scheduled changes in withholding for individual income taxes and the sales tax exemption for non-prescription drugs. Other assumed deferrals include the VHDA tax credit, and the scheduled increase in the Neighborhood Assistance Credit maximum allotments from \$5.25 million to \$8.0 million.

Other revenue policy changes assumed in the revenue estimates, most of which require legislation, include: eliminating the transfer of earned interest to the health insurance and risk management insurance funds, retaining the interest instead in the general fund; replacing the dealer discounts for affixing tobacco stamps with an automated reporting system; allowing DMV to withhold motor

vehicle registrations when taxes are delinquent; and, allowing the charging of a user fee for the use of the Virginia Information Network.

Actions Affecting Transfers. Several significant changes totaling \$185.9 million are also assumed in transfers to the general fund. First, lottery profits are projected to grow \$82.9 million, primarily as the result of the two new games -- Powerball and Keno. Additional profits of \$8.0 million would accrue from reductions in advertising.

Powerball is expected to generate \$40.6 million in additional revenue. Keno is projected to increase revenues by \$26.7 million in FY 1998. Finally, lottery profit projections for existing games have been increased by \$15.6 million in 1996-98.

The other significant new transfer involves the Trigon court settlement. The budget, as introduced, assumes \$95.0 million in transfers to the general fund. Trigon is expected to provide \$79.5 million in cash the first year, and \$15.5 million in stock or cash the second year, to a foundation established for the improvement of higher education in the Commonwealth.

If these changes are approved by the General Assembly and the revenue is collected, about \$1.3 billion would be available to support additional spending in the 1996-98 biennium.

Spending Increases

The Governor's operating budget recommendations provide about \$1,411.9 million in spending increases above the level necessary to continue FY 1996 workloads and costs. Of this total, \$108.9 million results from deposits which would be required for the Revenue Stabilization Fund. The remainder comes principally from the historical commitment to fully fund the state share of the Standards of Quality for public schools, proposed increases in higher education, the continuing need to increase spending for adult and juvenile corrections, proposed expansion of economic development activities in several areas, and mandated increases in several entitlement programs in health and human resources, primarily for Medicaid. Limited spending is proposed for employee compensation, as well as for capital outlay.

A summary of significant proposed spending increases in each major area follows.

Direct Aid for Public Education. The lion's share of proposed new spending for public education -- \$427.6 million -- goes to fund the state share of the Standards of Quality, using the methodology which has been in place since

1986. These costs are driven by projections of 34,492 additional students, as well as the commitment to base state funding on prevailing local spending.

Higher enrollment, caseloads, and higher prevailing costs also drive spending increases in a number of other programs, including the Comprehensive Services Act and foster care (\$38.3 million); the at-risk block grant, which is an add-on to Basic Aid (\$12.6 million); pre-school programs for at-risk 4-year olds (\$4.4 million); enrollment loss, English as a Second Language, and remedial summer school (\$6.2 million); and the reduction in class sizes for grades K-3 (\$3.1 million).

In addition, HB/SB 30 proposes to expand efforts in five areas. A \$15.0 million funding supplement is proposed in the second year as a flexible block grant, with funding described as coming from Lottery proceeds. About \$22.7 million is proposed to expand pre-school programs for at-risk 4-year olds to serve 60 percent of the unserved at-risk 4-year olds.

An additional \$23.3 million is recommended to develop a new testing program for the public schools. A total of \$5.2 million is proposed to expand alternative education programs. And, \$34.0 million is recommended in the second year to support the state share of a 3.0 percent salary increase for public school employees, effective December 1, 1997.

In the area of technology, \$11.7 million is recommended to reduce the transfer from the Literary Fund for teacher retirement in order to continue efforts begun two years ago to expand student access to the information superhighway. The expansion proposed in HB/SB 30 mirrors the program initiated last session by the General Assembly. Under the expansion, the Virginia Public School Authority would issue \$55.0 million in 5-year notes to support the purchase of computers or other technology, with debt service to be paid from the Literary Fund. School divisions would receive grants to purchase the equipment, with no local matching requirement specified.

In addition, Literary Fund revenue will be used to provide an estimated \$20.0 million for the purchase of graphing calculators and scientific probes/kits which are required under the new Standards of Learning for math and science.

In sum, \$608.3 million of the proposed \$1,411.9 million in new spending is proposed in the area of Public Education.

Higher Education. As introduced, the budget proposes \$107.4 million in additional general fund operating spending for higher education. Of this total, \$49.1 million is distributed among the state colleges and universities which are expecting enrollment growth in the 1996-98 biennium. The State Council and the institutions project 7,700 additional FTE students by FY 1998, a 3.5 percent increase above current levels.

In addition, \$20.7 million is proposed to fund inflation in non-personal services, and \$5.0 million is recommended for the operation of new capital facilities slated to come on-line in the next biennium. The introduced budget also proposes \$14.3 million to fund an average salary increase of 5.0 percent for faculty, effective December, 1997. The actual increase funded varies for each school, based on where the school stands in relation to its peer group.

Limited institution-specific initiatives are recommended. Included in this category is \$2.6 million to expand ODU's TELETECHNET program to the remaining community colleges, \$2.3 million for the new Engineering school at VCU, and \$2.5 million to increase state support for military programs at VMI, Virginia Tech, and the Virginia Women's Institute for Leadership at Mary Baldwin College. And, \$8.8 million is recommended to increase Tuition Assistance Grants for Virginia students attending private colleges from \$1,500 to \$1,700 in the first year and \$2,000 in the second year.

HB/SB 30, as introduced, continues state support for the Higher Education Equipment Trust Fund at about the level provided in FY 1996. In the new biennium, about \$50.0 million in new equipment would be provided to equip electronic classrooms, networking equipment for new capital projects, and replace obsolete equipment.

Proposed language in the budget would prohibit tuition increases in the first year, unless a Board of Visitors, in consultation with the State Council, determines that an increase of up to 3 percent for Virginia undergraduates is necessary. In the second year, the budget proposes to limit tuition increases for Virginia undergraduates to no more than 3 percent. Finally, the budget would mandate tuition contracts between Virginia students and state institutions, to limit future tuition increases to the cost of inflation.

Public Safety. About \$244.7 million in additional spending is proposed for adult and juvenile corrections, as well as local and regional jails. Included in this total is \$24.4 million to support proposals made by the Governor's Commission on Juvenile Justice Reform. About \$35.3 million offsets nongeneral fund revenue which was used in the current biennium to fund the operations of work centers and other programs.

Included in proposed additional spending is \$28.4 million to contract for up to 3,800 private prison beds; \$23.3 million to operate the recently opened Lunenburg prison and 3 diversion centers for the entire biennium, and to make token payments in the second year toward the cost of operating the new Women's prison at Fluvanna, Sussex I and II, and Red Onion, which are scheduled to open in 1996-98. About \$10.7 million is also included to continue previously authorized levels of double bunking, increase funding for direct inmate costs, and support the increased cost of inmate medical care.

The budget, as introduced, also proposes \$13.3 million to make lease payments for the Wallen's Ridge prison beginning in FY 1997. The facility is scheduled to begin receiving inmates in July, 1998.

Finally, the budget proposes funding increases of \$15.7 million as the state share of local and regional jail construction, and \$36.7 million to fund positions associated with new jails coming on-line, as well the full biennial costs of positions in jails opened during this fiscal year.

For juvenile corrections, the Governor's budget recommendations propose an increase of about \$60 million. Of this amount, \$35 million is proposed for state facilities and programs. Included in this total is \$11.8 million for increased security staffing, higher costs associated with more offenders, and the annualized costs of state facilities and programs funded for part of FY 1996 in the current budget. Also proposed is \$8.5 million for 3 new juvenile boot camps and a wilderness work camp, \$6.9 million for staffing and facility cost over-runs at the new Bon Air facility, and \$5.5 million to contract for 95 beds in existing private residential facilities.

Another \$25.7 million supports local juvenile costs and programs. Roughly half of this total -- \$13.9 million -- reimburses localities for the state share of the cost of constructing juvenile facilities. About \$6.2 million is proposed for the state share of operating these same local facilities; and, \$5.6 million is proposed to fund most of the annual cost of the Juvenile Community Crime Control Act.

The budget proposes to provide \$6.4 million for the State Police, to offset the cost of 76 troopers and 10 non-sworn employees leaving under the Workforce Transition Act.

Economic Development Efforts. The introduced budget proposes \$44.7 million in additional spending to expand economic development efforts in marketing, research, and incentives.

Within the introduced budget, actions are proposed to transfer \$47.9 million in existing funding from selected agencies to the Virginia Economic Development Partnership, an independent political subdivision established by the General Assembly during the 1995 session.

The marketing efforts focus on recruitment of new industries, expansion of existing businesses, and tourism. For industrial activities, \$8.6 million is dedicated for business development advertising and expansion of national and international marketing. Tourism marketing would be boosted by an additional \$8.0 million in the next biennium.

The introduced budget includes \$1.6 million to develop and implement a geographic information system to help economic development prospects locate suitable sites in Virginia. In addition, \$3.0 million in new funding is recommended for CIT to carry out its strategic plan to assist high technology companies expand employment and investment.

Regarding business incentives, the introduced budget proposes \$6.5 million for performance-based grants to encourage the development of the solar photovoltaic industry in Virginia, an additional \$5.3 million to meet the increasing demands for workforce training, and \$18.0 million for the Governor's Deal Closing Fund. With the proposed increased funding, the Deal Closing Fund would total \$38.0 million for the biennium.

Compensation. The Governor's budget recommendations propose a 3.0 percent salary increase for state employees, effective December, 1997, at a cost of \$32.0 million. Also proposed is an increase of \$16.9 million for the State Police Officers Retirement System (SPORS), Judicial Retirement System (JRS), and the Virginia Retirement System, to begin a 5-year phase-in toward full prefunding of the cost of granting cost-of-living increases to retirees, and to cover other actuarial changes.

As introduced, the budget anticipates changing payroll dates for classified employees from the 1st and 16th of each month to the 7th and 23rd of each month, beginning in December, 1996. To keep employees' pay whole during the change, a one-time 4.2 percent "bonus" payment is proposed for employees, who would otherwise miss one pay check during December, 1996. This action saves general fund revenue of \$7.0 million, because VRS benefits are not paid for the one-time bonus.

Capital Budget Recommendations. The Governor's capital budget recommendations total \$130.3 million. The largest portion of this total is \$60.0 million for Maintenance Reserve, which provides funding for significant repairs not supported in the operating budgets of state agencies and institutions. The next largest component is \$21.1 million for equipment, and infrastructure at youth and adult correctional facilities.

Funding is also recommended for two projects -- \$11.0 million to support a portion of the cost of facilities for VCU's planned engineering school, and \$9.3 million for the Midlothian campus of John Tyler Community College.

The balance of the capital budget recommendations are repairs and emergency/life safety projects.

The table on the next page details the significant general fund spending increases proposed in HB/SB 30, as introduced.

**Major Spending Increases
Proposed in HB/SB 30, As Introduced
(\$ in millions)**

Direct Aid to Public Education

State Share of Standards of Quality	\$ 427.6
School Empl Salary Incr (Yr 2 - 3.0%)	34.0
Comp Svces Act-Increased Caseload	31.7
At-risk 4-yr olds - Serve 60% of Unserved	22.7
At-risk 4-yr olds- Increased Enroll./Costs	4.4
At-risk Block Grant - Increased Enroll./Costs	12.6
Funding Supplement (Lottery)	15.0
Reduce Lit. Fund Transfer to Support Tech. Funding	11.7
Foster Care Caseload Increase	6.9
Expand Alternative Education Programs	5.2
Reduced K-3 Class Size-Add'tl Enrollment	3.1
Enr Loss/ESL/Rem Sum. School-Add'tl Enroll.	6.2
Teacher Liability Insurance	1.2
DOE-Student Testing	23.2

Higher Education

Enrollment Growth	\$ 49.1
Funds for Inflation in Nonpersonal Services	20.7
Faculty Salary Increase (Yr. 2 - Ave. of 5.0%)	14.3
Oper. and Maint. of New Facilities	5.1
ODU - TELETECHNET Expansion	2.6
VCU-Engineering School	2.3
Tuition Assistance Grants to \$1,700/\$2,000	8.8
VaTech/VMI/MBC-Unique Military/VWIL	2.5

Health and Human Resources

Medicaid Utilization and Inflation	\$ 123.0
DMAS - Rehabilitation Lawsuit	25.3
DMAS - Medicaid Match to Replace CSB Funds	7.2
DMAS-Administrative Cost Increases	3.6
DSS - AFDC and Transitional Child Day Care	17.0
DSS - Job Training & Educ. for Welfare Reform	7.1
MHMRSAS - NoVa MHI Staffing	3.3
MHMRSAS - Forensic Unit Staffing at Central State	1.5
Increases to offset WTA Actions	7.6

Commerce and Trade	
Deal Closing Fund (Put in Central Accts.)	\$ 18.0
Tourism Marketing & Film Office	8.0
Workforce Training	5.3
Business Development Advertising	5.2
National Business Development	1.7
International Business Development	1.7
Geographic Information System and Related Projects	1.6
Other Va. Ec.Dev. Partnership Projects	4.1
CIT - Increased State Support	3.0
Solar Photovoltaic Grants (Put in Central Accts.)	6.5
Finance	
Revenue Stabilization Fund (2 years)	\$ 108.9
Debt Service - VPBA/GO Bonds	56.6
Taxation - Funding for Supplemental Retiree Reserve	2.3
Public Safety	
Comp.Bd. - Positions for New Jails	\$ 25.9
Comp.Bd. - Annualized Cost of FY 96 Jail Staff	10.8
TreasuryBd. - Funding for Regional Jails	15.7
Adult Corr. - Open and Operate Private Prisons	28.4
Adult Corr. - Open New State Prisons	23.3
Adult Corr. - Higher Cost of Existing Prisons	10.7
Adult Corr. - Lease Payments-Wallen's Ridge	13.3
Juv. Corr. - Higher Cost of Existing Facilities	11.8
Juv. Corr. - Juvenile Boot Camps	8.5
Juv. Corr. - New Bon Air Med. Security Facility	6.9
Juv. Corr. - Contract for Private Juvenile Beds	5.5
Juv. Corr. - Other (Automation, Probation)	2.3
Juv. Corr. - Reimbursement of Local Capital Costs	13.9
Juv. Corr. - Reimbursement of Local Operating Costs	6.2
Juv. Corr. - Community Crime Control Act	5.6
St.Pol. - Additional Troopers/WTA Retention	6.4
Employee Compensation	
Classified Salary Increase (Yr. 2 - 3.0%)	\$ 32.0
Phase in COLA Prefunding/Other Actuarial Changes	16.9
Non-State Agencies	\$ 7.1
Other	\$ 22.8
Total	\$ 1,411.9

Spending Reductions

To bring spending and revenues into balance the budget as introduced proposes about \$230.7 million in budget reductions from the levels funded during FY 1996. This total does not include the \$33.4 million in projected savings from staffing reductions under the Workforce Transition Act.

Over a third of the recommended budget savings are in the Health and Human Services area. Savings would result primarily from a projected decline in the AFDC caseload, increased use of Medicaid funds for community mental health services, establishment of a Medicaid restricted drug formulary and modification of certain Medicaid nursing home payment rates, elimination of support for Community Action agencies and school health services provided by health department nurses, and a reduction of services under the General Relief program.

Savings in the Public Safety area would result primarily from replacing general funds with special funds that are transferred from the Corrections Legislative Impact Fund and from fees collected for the safety inspection program and the Transportation Trust Fund.

Additional budget savings would result from a proposed consolidation of the Virginia Housing Partnership Fund into the Virginia Housing Development Authority, converting the Virginia Port Authority into a totally self-supporting operation, imposing a one-year life insurance premium holiday, reducing employee retirement costs by awarding two weeks' pay as a bonus rather than salary; assuming on-going savings from position vacancies; and bonding the state share of regional jail construction costs.

The table below details the savings proposed in HB/SB 30, as introduced.

Major Spending Reductions Proposed in HB/SB 30, As Introduced (\$ in millions)	
Health and Human Resources	
DSS - Lower Projected Caseloads for AFDC	(\$ 34.2)
DSS - Eliminate General Relief Components	(6.8)
DSS - ADAPT Savings	(6.1)
DSS - Elim. State Support for Comm. Action Agencies	(4.3)
DSS - 5% Cut in State Support for Local Elig. & Services Admin.	(3.7)

DMAS - Restricted Drug Formulary	(12.0)
DMAS - Lower Spec. Care Rates for Nursing Homes	(8.3)
DMAS - Selective Contracting for Durable Med. Equip.	(1.1)
MHMRSAS - Replace CSB GF with Medicaid	(14.4)
Health - Reduce State Funding for School Nursing Services	(1.4)
Other Savings	(2.2)
Transportation	
Eliminate GF Support for Va Port Authority	(18.5)
Administration	
Comp.Bd.- Anticipated Balances	(8.0)
Reduce State Funding for Public Broadcasting by 25% - Yr. 1/50% - Yr. 2	(2.6)
Central Accounts	
VCBA - Reduce Higher Ed Equipment Lease Payments	(10.7)
Projected Savings from Hiring Freeze	(10.0)
Adjust Payroll Dates to 7th and 23rd Each Month	(7.0)
Premium Holiday for Group Life Insurance	(5.3)
Reduce Funds for Central Garage Car Pool	(2.5)
Other	
TAX - Eliminate Harper Litigation Reserve for Opt Outs	(17.6)
TreasuryBd. - Use VPBA to Fund Regional Jails	(16.0)
Housing - Reduce GF Support for Housing Progs./Use VHDA Resources	(15.6)
Pub.Ed. - Savings from Reg. Spec. Ed. Tuition	(3.2)
DYFS - Phase Out Offices on Youth	(1.4)
Hist.Res. - Reduce Support for Historic Attractions	(1.8)
Other Actions	<u>(16.0)</u>
Total	(\$ 230.7)

Revenues

The budget, as introduced, anticipates \$16,510.4 million in general fund revenues, transfers, and unappropriated balances in the current biennium. This total includes: \$64.5 million in available balances from the 1994-96 biennium and additions to the balance during the 1996-98 biennium, \$15,544.2 million in projected tax collections, and \$901.7 million in Lottery profits, ABC profits, and other transfers. At this level, biennial growth in general fund revenues would be 9.0 percent greater than the \$15,154.0 million in resources available for appropriation in the 1994-96 biennium.

General Fund Revenue Available for Appropriation (\$ millions)	
Available Balances	\$64.5
Revenue Estimates *	15,544.2
Transfers	<u>901.7</u>
Total General Fund Revenues Available for Appropriation	\$16,510.4
* Assumes deferral of certain tax policies	

- **Available Balances:**

Unexpended balances at June 30, 1996, are expected to be \$62.7 million, or an increase of \$57.1 million above the \$5.6 million balance assumed in the current Appropriations Act. The increased balance results from a re-estimate of current year revenues to produce \$74.1 million; a reduction in available balances of \$16.8 million from several actions; and a slight increase in spending for the current year.

Further additions to balances of \$1.8 million during the 1996-98 biennium bring the total to \$64.5 million.

- **Revenue Growth:**

The current official general fund revenue forecast of \$15,544.2 million anticipates growth rates of 4.3 percent for FY 1997 and 4.6 percent for FY 1998. These growth rates are slightly below those assumed last year for the biennium. However, because FY 1996 revenues are now expected to be \$74.1 million greater than expected last year, the higher base on which a growth rate is applied will increase revenues for 1996-98 by \$114 million above last year's projections. However, revenue growth still remains well below historical norms.

General Fund revenue growth is driven by growth in the state's economy. Throughout the forecast period, Virginia is expected to mirror the nation economically. The revenue forecast assumes a continuation of current conditions, with modest employment growth and low inflation. As a result, revenue growth is expected to be modest. A more complete description of the economic assumptions underlying the revenue forecast is included later in this section.

Forecast of General Fund Tax Revenues (\$ in Millions)					
	FY96	FY97	Percent Growth	FY98	Percent Growth
Net Ind. Income	\$4,261.9	\$4,473.2	5.0%	\$4,714.5	5.4%
Corp. Income	409.0	401.1	(1.9)	391.7	(2.3)
Sales	1,725.9	1,806.6	4.7	1,885.0	4.3
Insurance Prem.	224.8	233.6	3.9	248.3	6.3
Public Service	<u>121.8</u>	<u>119.4</u>	<u>(2.0)</u>	<u>127.3</u>	<u>6.6</u>
Major Taxes	\$6,743.4	\$7,033.9	4.3%	\$7,366.8	4.7%
Other	<u>542.9</u>	<u>563.4</u>	<u>3.8%</u>	<u>580.1</u>	<u>3.0%</u>
Total Taxes	\$7,286.3	\$7,597.3	4.3%	\$7,946.9	4.6%

Assumed Legislative Revenue Changes

The Governor's recommended budget assumes legislative enactment of a number of changes involving tax and revenue policies. The most significant are the deferrals of the scheduled change in withholding for individual income taxes and the sales tax exemption for nonprescription drugs. Other assumed deferrals include the VHDA tax credit, and the increase in the Neighborhood Assistance Credit. These proposed tax policy deferrals total \$66.3 million in additional revenues available for appropriation in the 1996-98 biennium.

Other policy changes assumed in the revenue estimates include:

- 1) Language in Part 3 of the introduced budget which eliminates the transfer of earned interest to the health insurance and risk management insurance funds, and instead retaining the interest in the general fund;
- 2) Passage of legislation replacing the current system which provides discounts to dealers for affixing tobacco stamps with an automated reporting system;
- 3) Passage of legislation which allows the Department of Taxation to contract with private vendors for the collection of delinquent taxes and DMV to withhold motor vehicle registrations when taxes are delinquent;
- 4) Passage of legislation which allows a fee to be charged for the use of the Virginia Information Network; and
- 5) Passage of legislation which allows the Department of Youth and Family Services to charge a fee to the parents of juvenile offenders to help offset the cost of operating juvenile corrections centers.

In total, these deferrals and policy changes assume an additional \$121.9 million in general fund revenue in the 1996-98 biennium.

Assumed Legislative Deferrals and Policy Changes
Affecting General Fund Revenue

	<u>\$ Millions</u>
Proposed Deferrals of:	
Withholding Exemptions	\$ 29.5
Nonprescription Drug Exemption	27.2
VHDA Credit	4.0
Neighborhood Assistance Credit Increase	5.6
Other Proposed Policy Changes:	
Retain Interest From Insurance Funds	\$ 33.8
Privatize Collection of Some Delinquent Taxes	10.0
Withhold DMV Registration for Delinquent Taxes	5.1
Charge VA Information Network Fee	3.9
Eliminate Tobacco Stamps	1.7
Charge Parents for Detention Costs	1.1
Total 1996-98 Revenue Policy Changes	\$121.9

- *Additional Withholding Allowances.* Current law requires that individuals have income taxes withheld based on the number of personal exemptions a taxpayer is allowed. A taxpayer can ask the Tax Commissioner to increase administratively his withholding exemptions if cause can be shown.

Legislation enacted in the 1989 session changed the law to allow individuals to adjust the number of personal exemptions claimed, according to an estimate of their final tax liability. This primarily affects withholding on taxpayers that itemize deductions. This withholding change has been deferred since its January, 1991 effective date.

HB/SB 30, as introduced, proposes to again defer this withholding change from January 1, 1997 to January 1, 1999 – to save \$29.5 million.

- *Nonprescription Drugs, Neighborhood Assistance, Low-Income Housing.* The budget, as introduced, assumes \$27.2 million from deferring the sales and use tax exemption for nonprescription drugs. The exemption is now slated to go into effect on July 1, 1998.

Legislation is also assumed that will delay for two years a scheduled increase in the total tax credits available for the Neighborhood Assistance program. Other legislation is assumed to delay for two years scheduled tax credits for low-income housing.

Tax Policy Schedule Assumed in Introduced Budget		
	Original	Schedule Assumed
Additional Withholding Allowances	1/1/1990	1/1/199
Exemption for Non-Prescription Drugs	7/1/1992	7/1/1998
Neighborhood Assistance Credit Increase	7/1/1994	7/1/1998
Low-Income Housing Credit	1/1/1990	1/1/1998

- **Transfers**

Transfers expected in the 1996-98 biennium total \$901.7 million. Of this amount, \$707.5 million is expected from Lottery profits. Lottery profits in the 1996-98 biennium are projected to grow \$81.9 million beyond those projected for 1994-96, primarily because of the introduction of two new games – Powerball and Keno. Powerball is expected to generate \$12.6 million in additional revenue in FY 1997 and \$28.0 million in FY 1998. Keno will require more system changes to implement and is not proposed to be on-line until FY 1998. Current plans call for restaurants to operate the Keno game. Keno is projected to increase revenues by \$26.7 million in FY 1998. Advertising expenditures are proposed to be cut by \$4.0 million in each year of the 1996-98 biennium, and profits are assumed to increase in the same amount. Finally, Lottery profit projections for existing games have been increased by \$15.6 million in 1996-98. According to preliminary discussions with the Lottery Department, no reduced play in existing games is expected from the introduction of the two new games.

The other significant new transfer involves the Trigon court settlement. The budget, as introduced, assumes \$95 million in transfers to the general fund. Trigon is expected to provide \$79.5 million in cash the first year, and \$15.5 million in stock or cash the second year to a foundation established for the improvement of higher education in the Commonwealth.

For years, Trigon has enjoyed special tax status as a regulated health care provider. In the current environment of consolidation of health care providers, Trigon believes it needs to change its ownership structure to continue to thrive. The settlement is a result of Trigon's recognition that its past special tax and regulatory status had a positive impact on its growth.

A transfer of \$2.5 million in the first year is proposed from balances in the Central Garage Car Pool Fund, in anticipation of lower costs. An additional \$2.5 million is assumed as a reversion clearing account in Central Appropriations in the second year in anticipation of lower rates.

The budget, as introduced, assumes a transfer of \$5.4 million in NGF balances from agencies and programs that lack the authority to collect and retain these fees as NGF. The balances have not yet been specifically identified.

The other major transfers have routinely taken place in previous years. Alcohol Beverage Control (ABC) profits in the 1996-98 biennium are expected to be virtually the same as in the current biennium. The transfer from ABC revenues to support substance abuse programs has increased slightly from the current biennium. The transfers by nongeneral fund agencies (primarily VDOT and DMV) to the general fund as a reimbursement for central agency services performed on their behalf, is proposed to increase over the current biennium by about \$5 million. Local and transportation sales tax reimbursement for compliance costs at the Department of Taxation have decreased slightly.

Proposed Transfers in HB/SB 30, As Introduced (\$ in millions)	
Lottery Proceeds	\$ 707.5
Trigon Court Settlement	95.0
ABC Profits	38.8
ABC to MHMRSAS	21.8
Indirect Costs (primarily VDOT)	14.5
Unrefunded Marine Fuel Tax	11.2
Local Sales Tax Compliance	5.9
NGF Balances from Unauthorized Deposits	5.4
Transportation Sales Tax Compliance	2.5
Central Garage Car Pool	2.5
IHRIS Treasury Loan Repayment	(2.4)
GF Transfer to Game Protection Fund	(2.5)
Net Other	<u>1.5</u>
Total Transfers Proposed	\$ 901.7

Economic Scenario Associated With the Revenue Forecast:

Virginia's revenue forecasting process is a multi-step one involving expert projections of national economic conditions, use of an econometric model to anticipate Virginia's economic outlook, and review of economic and business data by several Governor's advisory boards. The Governor's Board of Economists reviews the economic forecast that is officially adopted for use in the revenue estimates. The Governor's Advisory Board on Revenue Estimates considers whether the revenue estimates prepared by the Department of Taxation are realistic in light of current business conditions.

In FY 1995, economic growth was slightly better than expected, both for the U. S. and Virginia. Virginia employment growth reached 3 percent, and personal income grew 6 percent. The official forecast expected growth slightly below these figures.

The table below compares actual and forecast economic indicators for both the U. S. and Virginia. In general, the economy is expected to grow at a somewhat slower pace over the forecast horizon than occurred in FY 1995. Economic growth, although expected to remain reasonably

healthy, will continue to be significantly below the growth of the 1980s. One reason is because inflation is 3 to 4 percent below what normally occurred in the 1980s. With lower inflation, actual personal income growth rates are lower than in periods of higher inflation.

Growth in Actual and Forecast Selected U.S. and Virginia Economic Statistics (Percent Growth Over Prior Year)				
	Estimated			
	Actual FY 1995	FY 1996	FY 1997	FY 1998
Real GDP	3.9%	2.4%	2.5%	2.4%
U.S. Personal Income	6.6	5.4	4.9	4.6
Va. Personal Income	6.0	4.8	4.7	4.6
Va. Employment	3.0	1.8	2.1	2.0
Source: WEFA September, 1995 Standard Forecast and Virginia Department of Taxation				

Appropriations

Legislative, Judicial, Executive Offices

- **Legislative Department:**
 - *All Agencies.* The budget, as introduced, includes the FY 1996 appropriation for legislative agencies, adjusted for technical changes and central account distributions. During the 1996 session, the totals for each agency will be modified to reflect the amounts approved by the Joint Rules Committee.
- **Judicial Department:**
 - *Criminal and Involuntary Mental Commitment Funds.* No additional funds are provided for either fund. The budget, as introduced, suggests that consideration of fiscal year 1998 supplemental funding be deferred until the 1997 session.

- *Supreme Court Building Expenses.* The budget, as introduced, includes an increase of \$248,717 GF the first year for security enhancements, and relocation, expansion, and refurbishment of offices in the Supreme Court Building.
 - *Virginia State Bar.* The budget, as introduced, includes \$123,000 the first year and \$147,000 the second year in non-general funds for office automation enhancements to reduce the need for storage space and improve services to clients.
 - *State Board of Bar Examiners.* The budget as introduced includes an additional \$196,456 GF and one position each year for increased expenses associated with administering bar exams and investigation fees for the National Conference of Bar Examiners.
- **Executive Offices:**
 - *Level Funding.* The Governor's budget for Executive Offices -- the Governor's, Lt. Governor's, and Attorney General's Offices, the Secretary of the Commonwealth, and the Virginia Liaison Office -- maintain the level of support provided in the previous biennium with minor technical adjustments reflected in funding levels.

Administration

- **Department of Personnel and Training:**
 - *Shift SEAS Funding to NGF.* The budget, as introduced, proposes to replace current general fund support for the State Employee Assistance Services (SEAS) program with non-general funds. These funds will be transferred from the health benefits program. This action will result in savings of \$130,235 GF and 2.00 FTE employees, with a corresponding increase in NGF dollars and employees.
- **Department of General Services:**
 - *Biotechnology Park/Forensic Science Lease.* The Governor's budget provides \$1.1 million GF in the first year and \$1.6 million GF the second year for lease payments to the Virginia Biotechnology Research Authority for laboratory and

office facilities. The payments are part of an earlier agreement which will allow the Division of Forensic Science Laboratories to relocate from the state-owned Consolidated Laboratories Building.

- ***Out-Source Forensic Photo Processing.*** The introduced budget eliminates \$140,000 GF and three FTE positions in the Division of Forensic Science Laboratories each year. The positions provide photographic processing services for local law enforcement agencies. The Department proposes outsourcing those services to a private contractor.
 - ***Transfer Testing Funds to Agriculture Department.*** The introduced budget proposes to transfer \$360,000 GF each year to the Department of Agriculture and Consumer Services (VDACS), to allow VDACS to purchase, from either public or private sources, certain analytical services now performed by the Division of Consolidated Laboratories. Companion language in the proposals allow Consolidated Laboratories to charge state agencies directly for services through an internal service fund arrangement. Similar transfers involving water testing and the Department of Environmental Quality were approved last year.
 - ***Lynchburg Human Services Building.*** The introduced budget eliminates \$697,000 GF each year for lease payments for state agencies which were scheduled to relocate to a planned Consolidated Human Resource office building to be built in Lynchburg.
 - ***Expand Privatization and Contracting Efforts.*** HB/SB 30 provides \$0.3 million GF each year to allow for "contracting out" services which have been, or which are being proposed for, elimination.
 - ***Energy Conservation Unit.*** The introduced budget transfers \$0.5 million NGF and six positions each year to DGS from the Department of Mines, Minerals and Energy to perform energy conservation planning and services.
- **State Board of Elections:**
 - ***Motor Voter Registration.*** An increase of \$600,425 GF is proposed in each year of the biennium to implement the federal *National Voter Registration Act* which was incorporated in a 1994 amendment to the Virginia Constitution. Printing of

new forms, computer re-programming, and processing voter applications will be required.

- **Compensation Board:**

- ***Additional Jail Per Diem Payments.*** The proposed budget includes an increase of \$1.5 million GF the first year and a decrease of \$1.9 million GF the second year to reflect official forecasts of state and local responsible inmates in local jails. The Compensation Board provides funding for the per diem cost of maintaining prisoners in local jails. Language in the introduced budget sets the basic per-diem rate at \$8 for local jails and \$22 for jail farms. An additional \$6 per day is paid for state prisoners with more than two years remaining on their sentences.
- ***New Jail Construction Positions.*** The Compensation Board provides staff for new jails based on the ratio of one position for every three inmates of rated capacity. An additional 1,095 sheriffs' employees (including 931 corrections officers, 20 cooks, 45 secretaries, and 99 medical staff) are required to staff new or expanded jail facilities to be opened during the bien-nium. The cost of these new positions is \$4.4 million GF the first year, and \$21.5 million GF the second year.
- ***Law Enforcement Deputies at 1 per 2,000 of Population.*** The budget, as introduced, includes the addition of three law enforcement deputies (one each in Bedford, Loudoun, and York), at the cost of \$67,157 each year. This increase will maintain the statutory staffing standard of one law enforcement deputy per 2,000 of population as set out in § 14.1-70 of the *Code of Virginia*.
- ***Sheriffs' Salary Increase.*** The budget, as introduced, proposes to increase the salaries of sheriffs to the same level as that of Circuit Court Clerks. As proposed, this parity will be phased in over a two-year period by providing an additional salary increase which costs \$0.5 million GF the first year and \$1.4 million GF the second year. Because the compensation of sheriffs is based on a system of population brackets, the actual increase received by each officer will vary.
- ***Constitutional Officers' Salary Increase-Population Growth.*** An additional \$69,822 each year is proposed for the salaries of all constitutional officers in Loudoun and Stafford Counties as a result of population growth in these two localities.

- ***Constitutional Officers Funding Reduction.*** The budget, as introduced, proposes to reduce the budgets of constitutional officers by \$4.0 million each year. This reduction reflects the Department of Planning and Budget's estimate of possible savings from turnover and vacancy, and later than expected opening of new jails.
- ***Reduce Automated Systems Development.*** The budget, as introduced, proposes to reduce funds allocated for development and implementation of automated systems by \$0.5 million GF the first year and \$0.9 million GF the second year. This reduction reflects savings from delays in systems development and implementation that have pushed expected expenditures into the 1998-2000 biennium.
- **Department of Information Technology:**
 - ***Reduce Funding for Public Television.*** The budget, as introduced, proposes to save \$0.7 million GF the first year and \$1.5 million GF the second year by reducing Community Service grants to public television by 25 percent and 50 percent respectively.
 - ***Reduce Funding for Public Radio.*** The budget, as introduced, proposes to save \$0.1 million GF the first year and \$0.3 million GF the second year by reducing Community Service grants to public radio by 25 percent and 50 percent respectively.
- **Department of Veterans' Affairs:**
 - ***Administration of the State Veterans' Cemetery.*** The budget, as introduced, provides \$35,000 GF the first year and \$0.1 million GF the second year for the administration of the new State Veterans' Cemetery in Amelia which is scheduled to open in March, 1997.

Commerce and Trade

- **Secretary of Commerce and Trade:**
 - *Base Closing and Defense Adjustment Office.* The introduced budget proposes \$0.5 million GF and two positions in the next biennium to continue the Office's work to respond to defense spending reductions.
- **Department of Housing and Community Development:**
 - *Housing Issues.* The Governor proposes significant changes to the state's housing programs. Legislation will be proposed to create the Virginia Affordable Housing Fund by consolidating DHCD's "Virginia Housing Partnership Revolving Loan Fund" with the Virginia Housing Development Authority's "Virginia Housing Fund".

Under the new fund, VHDA will assume the fiduciary responsibilities such as underwriting and financing. DHCD will be responsible for program design and policy. The consolidated loan fund will provide low-interest loans for single family homes, housing rehabilitation, congregate housing, and multifamily housing.

By taking advantage of VHDA's fee generating capabilities, the administration assumes that an additional \$6.0 million a year will be made available from nonstate sources to the proposed consolidated fund. In turn, the introduced budget proposes to reduce the state's general fund appropriation for housing programs by \$7.8 million each year.

The Governor proposes that \$3.0 million each year be awarded through a regional consortium network to help low-income families qualify for other housing financial aid programs, including multifamily projects.

While the bottom line loss to housing programs will be \$1.8 million per year, it appears that reallocation of the funds after consolidation will result in a net decrease of \$3.9 million a year for multifamily and congregate housing programs. In prior years, these program funds were used to buy down interest rates in order to allow construction of facilities in high cost areas such as Northern Virginia and the Richmond

area. Without these funds, it is uncertain whether such facilities can be constructed in the future.

- ***Regional Consortium Initiative.*** The budget as introduced proposes to privatize a number of affordable housing programs through entities at the community level. The Department proposes to allocate \$1.1 million each year in federal HOME grant funds to these regional consortia, to expand affordable housing opportunities. Specifically, funding will be used to provide technical assistance and training support.
- ***Indoor Plumbing Program.*** The introduced budget proposes to use \$1.0 million each year in federal HOME grant funds to expand the Indoor Plumbing Program. Total biennial funding of \$6.1 million GF and \$10.7 million NGF will be available for the Indoor Plumbing Program.
- ***Family Savings Initiative.*** The Governor will propose executive legislation establishing the Family Savings Initiative which would allow individuals with incomes at or below 200 percent of the state poverty level to accrue tax exempt savings of up to \$10,000 over a period of years. Both the savings deposit and the interest earned on balances would be exempt from state tax liability. Distribution from these savings accounts could be used to purchase a home, start a business, or attend college.

Under the proposal, a cap of \$1,200 per account could be deposited per year under the tax benefit provision. In order to accelerate the pace of savings by low-income individuals, the legislation will encourage private individuals or businesses to make matching contributions of up to \$600 per year. Participating individuals or businesses would be given a 50% tax credit for their donation. The intent of this tax credit is to encourage private sector support for efforts to help low income individuals save.

The Department of Taxation estimates that the general fund revenue reduction attributable to the tax credit and exemption would be \$462,372 in FY 1997 and \$942,638 in FY 1998. In addition, the Governor recommends \$59,634 the first year and \$56,634 the second year with one position for administrative costs associated with this initiative.

- **Virginia Economic Development Partnership:**
 - *Virginia Economic Development Partnership.* The 1995 General Assembly approved legislation creating a new independent authority which will assume primary responsibility for the Commonwealth's economic development efforts on July 1, 1996. In order to carry out these duties, a number of activities currently being conducted by the Department of Economic Development are proposed for transfer to the authority. These activities include national and international business recruitment and marketing, export promotion assistance, tourism promotion, business development research, and advertising. The Governor's proposed budget recommends the appropriation of \$23.9 million in general funds and \$1.3 million in nongeneral funds each year to support base activities of the authority. In addition, 127.5 employees will be transferred.
 - *Increase International Business Efforts.* The introduced budget recommends an increase of \$0.7 million GF and two positions the first year and \$1.0 million GF and three positions the second year for additional staff to promote international marketing efforts.
 - *Increase National Business Efforts.* The introduced budget proposes an increase of \$0.7 million GF and four positions the first year and \$1.0 million GF and six positions the second year for additional staff to promote national marketing efforts.
 - *Transfer Department of Agriculture International Marketing Program.* The budget as introduced recommends the transfer from the Department of Agriculture and Consumer Services to the new authority all marketing and promotional activities related to Virginia's agricultural industry. The transfer of \$0.8 million GF and seven positions each year is proposed.
 - *Tourism Advertising.* An increase of \$2.5 million GF the first year and \$5.5 million GF the second year is proposed for tourism advertising. Of these amounts, \$6.5 million over the biennium is for the Cooperative Advertising Program.
 - *Industrial Development Advertising.* The proposed budget recommends an increase in funding to support targeted industrial advertising of Virginia. An increase of \$2.0 million

GF and one position the first year and \$3.3 million GF and one position the second year is recommended.

- ***Information Systems Enhancement.*** The budget proposes additional funding to improve the information systems of the authority, development of a geographic information system and a sophisticated media and presentation center. Additional general funding of \$0.3 million GF the first year and \$1.3 million GF the second year is proposed.
- ***Employee Compensation.*** An increase in the authority's payroll budget of two percent in FY 1997 and 5 percent in FY 1998 is proposed for performance pay. The budget proposes \$176,000 GF and \$24,000 NGF the first year and \$410,000 GF and \$37,000 NGF the second year.

- **Department of Economic Development:**

- ***Department of Economic Development.*** With the transfer of most activities to the new Virginia Economic Development Partnership, the agency will continue to be responsible for existing industry services, workforce services, and small business services. Activity-based funding for the agency is proposed at \$9.2 million GF and \$2.3 million NGF each year.
- ***Workforce Training.*** The budget proposes an additional \$1.5 million the first year and \$3.8 million the second year in general funds to support worker training programs that assist businesses.
- ***Existing Industry Programs.*** An increase of \$0.7 million and 4 positions the first year and \$0.6 million and 4 positions the second year in general fund support is proposed to expand the existing industry call program. The purpose of this program is to visit existing businesses, "listen " to their needs, and respond to their requests for assistance.

- **Department of Labor and Industry:**

- ***Apprenticeship Instruction.*** In 1995, the General Assembly authorized the transfer of this function to the Virginia Community College System. The introduced budget continues this policy direction by transferring \$1.6 million GF and one position to the VCCS in 1996-98.

- **Department of Agriculture and Consumer Services:**
 - *Richmond Animal Health Laboratory.* The introduced budget eliminates funding for the laboratory and redirects its work to the agency's other laboratories in Wytheville, Lynchburg, and Ivor. The biennial savings are \$0.4 million GF and ten positions.
 - *Office of International Marketing.* The introduced budget proposes to transfer the agency's international marketing activities to the Virginia Economic Development Partnership. Current agency staff and funding would be transferred, with no cost savings. The agency's budget would be reduced by \$1.5 million GF and seven positions in the biennium.
- **Department of Mines, Minerals and Energy:**
 - *Division of Energy.* The introduced budget proposes to transfer its energy conservation grant and service activities to the Department of General Services. Over time, the agency's focus on the energy needs of the public and localities has changed to that of reducing energy waste in state facilities. In 1996-98, \$1.0 million NGF and six positions would be transferred to DGS.
- **Virginia Racing Commission:**
 - *Operational Support.* For the past six years, the Commission has operated on a sum sufficient appropriation backed by state treasury loans. With the anticipated opening of "satellite facilities," the introduced budget proposes a biennial appropriation of \$2.2 million and eight positions, to be funded by special revenues. The budget also anticipates the agency will begin paying off its \$2.9 million loan.
- **Innovative Technology Authority:**
 - *Increased Appropriation.* In the 1994-96 biennium, the Center for Innovative Technology has used the authority appropriation of \$8.2 million a year to carry out the CIT strategic plan. This plan incorporates ITA's legislative mandates. To fully fund the strategic plan, CIT supplemented the state appropriation with reserve balances. By the close of FY 1996,

these reserves will be exhausted. The introduced budget proposes to increase the biennial appropriation by \$3.0 million GF to enable CIT to implement its strategic plan.

Public Education

- **Secretary of Education:**
 - ***Increased Funding.*** The introduced budget increases funding for the Secretary of Education by \$73,475 GF in each year for salaries and rent adjustments.

- **Department of Education:**
 - ***Test Development for New Standards of Learning.*** The introduced budget provides \$11.1 million GF the first year and \$12.1 million GF the second year to develop and implement a new testing program to measure how well students perform on the newly adopted Standards of Learning in English, Science, Math, and History/Social Studies at five grade levels (3, 5, 7, 9, and 11). State funding for the development and implementation of diagnostic or readiness tests in kindergarten or first grade, and a Summer administration of the Literacy Passport Test, is also included.

 - ***Virginia Public Education Network.*** The introduced budget transfers \$500,000 GF in each year for the Virginia Public Education Network (VA.PEN) from Direct Aid to the Department of Education.

 - ***Maintenance of Effort for Vocational Education.*** The introduced budget provides \$177,299 GF in each year from Workforce Transition Act savings to ensure compliance with federal Maintenance of Effort requirements for Vocational Education. The funding will be used to provide technical vocational education assistance to local school divisions.

 - ***Transfer of Payroll Function to Department of Accounts.*** The introduced budget reduces the Department's budget by \$33,714 GF in each year to reflect the transfer of payroll processing to the Department of Accounts.

- **Direct Aid to Public Education:** The introduced budget increases funding for Direct Aid to Public Education by \$550.0 million GF for the biennium. Updated estimates of student enrollment, sales tax revenue returned for public education, prevailing education costs of local school divisions, inflation, a teacher salary increase in the second year, and additional VRS costs account for the majority of this increase (\$461.5 million GF).

The introduced budget also includes increases to other statutory education programs, remedial summer school and funding for Educational Opportunities Initiative programs account for \$53.9 million of the increase. Initiatives in technology, alternative education, teacher liability insurance, an additional \$15.0 million GF grant (described as a distribution of Lottery proceeds in the second year) and two small grants account for \$33.4 million GF.

Funding of \$75.0 million for technology improvements is proposed through a combination of a Virginia Public School Authority Equipment Note sale in the Spring of 1997, and the distribution of funds, through the Literary Fund of unclaimed Trigon supplemental co-payment refunds, to local school divisions for the purchase of technology required under the new math Standards of Learning.

- ***SOQ Funding Increase.*** The introduced budget increases funding for the Standards of Quality by \$165.9 million GF the first year and \$232.5 million GF the second year. The 1996-98 SOQ budget has been calculated using updated estimates of student enrollment (34,492 additional students), sales tax revenue returned for public education, a re-benchmarking of the prevailing education costs of local school divisions, inflation, a three percent salary increase for public school employees effective December 1, 1997, the additional costs of phased-in prefunding of the VRS COLAs, and the three percent benefit granted VRS retirees during the Harper Special Session.
- ***Sales Tax Revenue Estimate.*** The introduced budget increases by \$18.6 million GF the first year and \$44.4 million GF the second year the estimate of the sales tax revenue which is dedicated to public education.
- ***Other Statutory Education Programs.*** The introduced budget increases by \$0.5 million GF the first year and \$4.2 million GF the second year the estimate of the state share of the cost of education to homebound children, children in foster care,

children in special education regional programs, and children in hospitals, clinics and detention homes. State funding for these programs is required by the *Code of Virginia*.

- ***Full Funding of Remedial Summer School.*** The introduced budget increases funding for remedial summer school by \$1.2 million GF the first year and \$1.3 million GF the second year to reflect additional students. In 1995-96, enrollment was 51,645 students and an increase of \$675,806 GF was included in HB/SB 29 to avoid proration of funding to local school divisions.
- ***Educational Opportunities Initiatives.*** The introduced budget increases funding for a number of programs included in the Education Omnibus Act of 1995 by a total of \$23.5 million GF the first year and \$23.1 million GF the second year.

Since the 1992 Session, the General Assembly has initiated a number of programs aimed at improving the educational opportunities available to Virginia's students. The Education Omnibus Act of 1995 codified many of these programs.

Inflation and increased enrollment in these programs drive \$23.9 million of the \$46.6 million increase proposed, while an additional \$22.7 million has been proposed to expand access to preschool programs for at-risk four-year-olds unserved in a federal program from the current 30 percent (about 3,400 children) to 60 percent (about 6,800 children).

Preschool for At-Risk 4-Year Olds	\$27.1 million
At-Risk Funding	12.6 million
Reduced K-3 Class Sizes	3.1 million
Enrollment Loss	2.7 million
English as a Second Language	1.0 million
Maintenance Supplement	0.1 million
Total	\$46.6 million

- ***Lottery Distribution Proposal.*** The introduced budget provides \$15.0 million GF the second year, which is described as the distribution of a portion of the Lottery proceeds to local school divisions. The distribution is to be made on the basis of the state share of \$24.20 per pupil, based on the locality's

composite index of local ability-to-pay. The funds may be used by school divisions for any educational purposes determined by the local governing body and school board.

- ***Educational Technology.*** The introduced budget proposes funding of \$75.0 million for technology improvements through two programs.

First, an estimated \$55.0 million in funding is projected to be available to expand the K-12 Technology program, through the sale of Notes by the Virginia Public School Authority (VPSA) in the Spring of 1997. The \$55.0 million will be used to make \$26,300 grants to each elementary, middle and high school and an additional \$53,000 grant per school division. The grants may be used for a variety of technology improvements.

Literary Fund revenues will be the source of payment for the five-year Notes. To make the first payment, an additional \$11.7 million GF is being recommended for teacher retirement in the second year, thus freeing up a corresponding amount of Literary Fund revenues. In addition a transfer of \$1.0 million of excess VPSA revenues will be made to the Literary Fund in the second year, for a total estimated FY 1998 debt service payment of \$12.7 million.

Second, an estimated \$20.0 million is projected to be distributed through the Literary Fund, from unclaimed Trigon supplemental co-payment refunds, for the purchase of graphing calculators and science probes/kits required under the new math Standards of Learning.

- ***Literary Fund Programs.*** The introduced budget authorizes the Board of Education to make direct loans from the Literary Fund during the biennium, after teacher retirement transfers (\$35.0 million in the first year and \$23.3 million the second year) and debt service payments on the technology programs (\$10.1 million in the first year and \$22.8 million the second year) have been made. It is estimated that this will leave approximately \$55.0 million in Literary Fund revenues available in each year to make direct loans.

The introduced budget includes language directing the Virginia Public School Authority to conduct Literary Fund Interest Rate Subsidy programs in the Fall of both 1996 and 1997. The subsidy amount is limited to \$10.0 million in each

year, which should provide funding for up to \$40.0 million in Board of Education Literary Fund Waiting List projects in each year. At this level, when combined with direct loans, about \$95.0 million will be available to fund projects on the Literary Fund Waiting List each year.

- ***Regional Alternative Education Programs.*** The introduced budget increases funding by \$2.9 million GF the first year and \$2.3 million GF the second year for the expansion of regional alternative education program sites throughout the state. The current programs (19 in FY 1995-96) are provided for students who may be disruptive or present serious behavior problems in the normal school setting. The increased funding would establish an additional 14 sites in 1996-98.
 - ***Teacher Liability Insurance.*** The introduced budget increases funding by \$600,000 GF in each year to provide liability insurance for public school instructional personnel.
 - ***Specialized Treatment and Rehabilitation Program.*** Provides \$225,000 GF in the second year to initiate a program modeled after the STAR program in Texas which provides an alternative approach to dealing with juvenile offenders.
 - ***Shenandoah Valley Discovery Museum.*** The introduced budget provides \$25,000 GF in each year to the Shenandoah Valley Discovery Museum.
- **Comprehensive Services Act:**
 - ***Increased Funding.*** The introduced budget increases funding by \$13.3 million GF the first year and \$18.4 million GF the second year to reflect caseload growth and increases in the cost of services for the Comprehensive Services Act for At-Risk Youth and Families programs. Base funding has been re-benchmarked from FY 1992 to FY 1995. Additionally, funds are provided for six percent annual growth in FY 1997 and FY 1998.
 - ***Language to Control State Costs.*** The introduced budget adds language which (1) authorizes the state to prorate its share of the cost if funds are not available to cover cost overruns and (2) increases the maximum local match rate, based on an ability-to-pay measure, from 45 percent to 80 percent for payments above base funding. This provides for a higher local match requirement in 28 localities, reducing the state's potential liability in 1996-98.

- **Virginia School for the Deaf and the Blind (Staunton):**
 - *Impact of WTA.* The introduced budget decreases funding for Staunton by \$150,708 GF in each year, as a result of Workforce Transition Act savings.
- **Virginia School for the Deaf and the Blind (Hampton):**
 - *Impact of WTA and Declining Enrollment.* The introduced budget decreases funding for Hampton by \$295,941 GF the first year and \$410,566 GF the second year, as a result of Workforce Transition Act savings. It also decreases \$105,408 NGF in each year due to reduced enrollment.

A listing, by locality, of proposed funding for Direct Aid to Public Education is provided in Appendix A.

Higher Education

The budget as introduced provides \$2.0 billion in general funds for higher education in the 1996-98 biennium, an increase of 5.6 percent over the 1994-96 base appropriation. Nongeneral funds of \$5.3 billion are also recommended for higher education, an increase of 1.7 percent.

- **General Issues:**
 - *Tuition and Fee Policy.* The budget as introduced recommends the following tuition and fee policy:

For 1997, tuition and mandatory educational and general fees for resident undergraduates would not increase unless a board of visitors, in consultation with the State Council of Higher Education, determines that an increase is necessary to accommodate new programs or high priority initiatives. Under this condition, 1997 tuition and fees for resident undergraduates may increase no more than 3 percent. No tuition increase limits would be in effect for resident graduate and professional students, or non-resident students.

For 1998, tuition and fee increases for resident undergraduates would be limited to 3 percent. No tuition increase lim-

its would be in effect for resident graduate and professional students, or non-resident students.

Tuition and fee revenues share in the financing of two initiatives in the proposed budget: (1) second year salary increases for faculty and classified staff, and (2) the increased cost for operating and maintaining new facilities coming on-line. The Department of Planning and Budget calculations indicate that these tuition and fee contributions would be well within the 3 percent increase limitations.

- ***Tuition Contracts.*** The introduced budget includes a policy which states that four-year public institutions shall offer to each resident undergraduate student enrolled during the 1996-97 and 1997-98 academic years a contract limiting increases in tuition and mandatory educational and general fees for the next three academic years. The contracted level of increase would be no higher than the growth rate in the Consumer Price Index for urban consumers. The contract would require approval by the Secretary of Education.
- ***Position Level Policy.*** Language in the proposed budget would set a combined limit on the number of full-time classified and administrative faculty positions at each of the institutions. The limit for each institution equals the average number of such positions filled during the peak hiring month (November) for the period 1992-94, as adjusted for enrollment growth for the period 1995-98. No limit is placed on the number of instructional or research faculty, or auxiliary enterprise positions.
- ***Enrollment Growth.*** The proposed budget includes \$49.1 million from the general fund for enrollment growth at each of the institutions. Student tuition and fees would not contribute to this funding growth. Enrollment growth for resident students ranges among the institutions from less than 1 percent to 13.7 percent by the second year. The additional amount provided to each institution was determined by applying the percentage increase in enrollment to the current general fund share of the institution's instructional program. The enrollment dollars are not accompanied by additional positions. It is expected that the institutions will fill current instructional vacancies or provide instruction through technological improvements. Also, the Department of Planning and Budget, under its administrative

authority, would consider requests for additional instructional positions.

- ***Faculty Salaries.*** The proposed budget provides \$14.3 million from the general fund in the second year to increase faculty salaries an average of 5 percent. The tuition and fee share provides an additional \$12.2 million. The increases range from 3.7 percent to 6.8 percent, depending on the relationship of each institution to its peer group. The State Council of Higher Education estimates that this level of increase over four consecutive years would return faculty salaries to the 60th percentile of peer groups, a policy objective met in 1988-90.
- ***New Facilities On-Line.*** The budget as introduced provides \$5.1 million from the general fund for the operation and maintenance of new facilities coming on-line. The tuition and fee share provides an additional \$3.7 million.
- ***Additional General Fund Support.*** The proposed budget includes \$20.7 million from the general fund to cover inflation, estimated at 2.7 percent per year, for all nonpersonal services, including materials and supplies, equipment, contracts and library books. Student tuition and fees would not contribute to this funding growth.

**Higher Education Initiatives
Biennial General Fund Amounts**

	Faculty Salaries	Enrollment Growth	Inflation	New Facilities
VCCS	\$ 3,128,314	\$ 0	\$ 4,955,477	\$ 2,835,288
UVA	1,430,590	3,117,877	2,759,232	132,248
CVC	91,747	1,024,242	133,055	110,997
VPI&SU	2,217,214	9,737,977	1,654,742	655,130
VPI&SU Ext.	708,451	0	0	0
VCU	1,860,253	10,953,014	4,293,678	0
ODU	812,928	5,723,960	1,291,412	264,828
GMU	994,643	5,922,019	981,969	50,464
CWM	543,808	436,353	1,377,436	29,904
RBC	32,206	114,088	32,797	0
VIMS	136,976	0	161,402	200,344
JMU	465,099	7,206,759	825,369	0
CNU	219,579	27,188	201,163	396,211
LC	225,053	829,763	238,044	84,330
MWC	205,658	599,106	101,462	174,918
NSU	373,585	892,424	647,667	24,650
RU	467,307	38,135	441,091	99,457
VMI	106,591	0	321,447	0
VSU	251,335	2,508,425	264,523	20,615
TOTAL	\$ 14,271,337	\$ 49,131,330	\$ 20,681,966	\$ 5,079,384

Technology Enhancement and Equipment Replacement.

The budget as introduced proposes the issuance of \$50.0 million in short-term bonds through the Higher Education Equipment Trust Fund for the following purposes: \$26.4 million for network hardware and video and electronic classrooms at each institution; \$11.9 million to support technology for three proposed capital projects – Phase II of the GMU Prince William Institute, expansion of the ODU Teletechnet project, and new facilities for a proposed Midlothian campus of John Tyler Community College; \$11.2 million to replace obsolete equipment at nine institutions; and \$0.5 million for the Virtual Library program at each institution.

Two \$25.0 million bonds would be issued; one in the spring of 1997 and one in the spring of 1998. Debt service payments from the general fund would begin in FY 1998 with \$1.1 million. The payments would grow to \$7.0 million in 1999, and then to \$11.8 million annually for the years 2000 through 2003 before falling to \$5.9 million in 2004.

- ***Workforce Transition Act.*** In accordance with existing state law, the budget returns \$37.0 million in general fund savings to the higher education institutions from restructuring activities related to employees who left state employment under the Workforce Transition Act. The budget proposes to restore virtually all of the general fund savings from the WTA, but only 720 of the 1,182 positions affected by the Act.
- **State Council of Higher Education for Virginia:**
 - ***Virtual Library.*** The proposed budget provides an additional \$0.9 million from the general fund to SCHEV for the virtual library, which provides training and software to facilitate the sharing of library materials among all institutions. Funding is also distributed among the institutions.
 - ***Tuition Assistance Grants.*** The proposed budget increases the annual grant to an estimated 12,900 Virginia students attending Virginia independent colleges and universities from the current \$1,500 per student to \$1,700 in the first year, and \$2,000 in the second year. The total appropriation for Tuition Assistance Grants is increased by \$8.8 million GF for the biennium.
 - ***Women's Institute for Leadership.*** The proposed budget increases support for the Mary Baldwin College Women's Institute for Leadership by \$1.4 million GF, to reflect enrollment growth. The institute is part of Virginia's plan to provide equal opportunities for both men and women to participate in a "Virginia Corps of Cadets," and to receive a military-oriented education similar to that offered by the Virginia Military Institute (VMI). Other participants in the "Virginia Corps of Cadets" are men and women at Virginia Tech and men at VMI. In addition, \$0.3 million is transferred from the budget of VMI to support the Women's Institute.

- **VCCS - Independent College Pilot Program.** The budget proposes that the \$350,000 pilot program begun in 1996 involving VCCS college transfer students and three independent colleges continue during the next biennium. The program provides \$3,500 a year to 100 VCCS college transfer students as an incentive to attend a four-year independent college in their home areas to complete their education. Participating students are not eligible for Tuition Assistance Grants. The pilot program is being conducted at Averett, Bluefield, and St. Paul's Colleges. Public four-year institutions are not located in the same localities as these independent institutions. The budget, as introduced, requires an evaluation of the pilot program by November 1, 1996. Allotment of the second year appropriation is made contingent upon the Governor's approval.
- **Savings.** The introduced budget discontinues the Shenandoah University contract with George Mason University and phases out the Virginia Scholars Program, saving \$0.6 million GF.
- **WTA Reduction.** The proposed SCHEV budget is reduced by \$0.4 million GF and 4.0 positions, to reflect savings under the Workforce Transition Act.
- **Virginia Community Colleges:**
 - **Apprenticeship-Related Instruction.** The introduced budget transfers to the community college system the Department of Labor and Industry's apprenticeship-related instruction program, along with a proposed addition of \$1.6 million GF for the program.
- **Virginia Tech:**
 - **Unique Military Program.** The proposed budget creates a Unique Military Program for the co-educational Corps of Cadets and provides \$2.6 million in funding for the program as part of Virginia's plan to provide equal opportunities for both men and women to participate in a "Virginia Corps of Cadets." Other participants in the "Virginia Corps of Cadets" are women at Mary Baldwin College's Women's Institute for Leadership and men at the Virginia Military Institute.

- **Virginia Commonwealth University:**
 - *Engineering School.* The proposed budget includes \$2.3 million from the general fund to hire faculty for the new school of engineering.
- **Old Dominion University:**
 - *Teletechnet.* The proposed budget includes \$2.6 million from the general fund to expand the Teletechnet program to the six remaining community college sites. Currently, 17 sites are located at community colleges across the Commonwealth. This program uses interactive television to provide third and fourth-year courses originating at ODU to students in electronic classrooms at the various community college campuses.

Other Education

- **Southwest Virginia Higher Education Center:**
 - *New Facility Coming On-Line.* General fund support of \$0.3 million is recommended for operation and maintenance of the new center, which will open in 1998.
- **Library of Virginia:**
 - *New Facility Coming On-Line.* General fund support of \$4.0 million is recommended for the operation and maintenance of the new library facility, and continued operation of the old facility until a new records center is constructed.
 - *Increased Staff Support.* General fund support of \$0.3 million and 11 positions are recommended to support library operations and customer service in the new facility.

- ***Increased Support for Material Collection Department.*** The bill, as introduced, recommends that five percent of state aid to local libraries (\$0.7 million) be retained and designated for the library's material collection. Section 42.1-53 of the *Code of Virginia* allows the library to use up to 30 percent of the state aid appropriation for costs of administering the local aid program and to provide other library extension functions.
- **Virginia Museum of Fine Arts:**
 - ***New Facility Coming On-Line.*** General fund support of \$0.1 million is recommended to support maintenance and utilities for the new Center on Education and Outreach.
 - ***Technology.*** General fund support of \$0.4 million is recommended to support technology initiatives which will replace the collections management information system, computer equipment, and the telephone system, and to acquire an on-line catalogue system.
- **Science Museum of Virginia:**
 - ***New Facility Coming On-Line.*** General fund support of \$0.7 million is recommended to support maintenance and utilities for new indoor and outdoor exhibit space and parking areas at the museum.
- **Jamestown-Yorktown Foundation:**
 - ***Elimination of Positions.*** The bill, as introduced, recommends the elimination of \$0.4 million in general funds for two positions that will not be filled due to the administrative hiring freeze.
- **Frontier Culture Museum:**
 - ***Changed Fund Source for Positions.*** The bill, as introduced, recommends a decrease of \$0.1 million in general funds and a corresponding increase in nongeneral funds to reflect a shift of fund source for five positions at the museum.
 - ***Computing Equipment.*** Funding of \$55,146 in general funds is recommended to allow the museum to update its computer system.

- **Operations Funding Policy for Museums:**
 - *Language Change.* The bill, as introduced, includes language requiring all state museums to move toward generating not less than 30 percent of their annual operating budgets from nongeneral funds sources by June 30, 1998. The language in the current Appropriation Act does not require compliance by a set date, and contains provisions for those museums which may be unable to generate the required level of non-general fund support.

Finance

- **Secretary of Finance:**
 - *Increase in Nonpersonal Services Costs.* The introduced budget proposes increased funding for nonpersonal services costs in the Secretary's office of \$40,000 over the biennium. The funding would be used for rent, utilities, printing, office supplies, and travel.
- **Department of Planning and Budget:**
 - *Impact of WTA.* The Governor's introduced budget proposes restoring \$53,404 of the agency's \$468,288 in WTA savings to replace one staff person. The budget also provides \$155,142 for a new regulatory economist position unrelated to WTA.
- **Department of Accounts:**
 - *Payroll Service Center.* The Governor's introduced budget proposes establishing a pilot administrative service center for state government. Initially, the center would provide payroll services for 15 agencies throughout state government. Eventually, it is contemplated that the center could provide other services, such as benefits accounting, accounts payable/receivable processing, and procurement. This agency would receive \$278,772 and three positions to staff the center. Reductions are made in the budgets of the 15 agencies included in the pilot, so that a net savings to the Commonwealth would be \$274,392 and two positions.

- ***Increased Operating Costs.*** The Governor's introduced budget provides an additional \$0.9 million GF for increased operating costs for DOA. The Department attributes the need for additional funding due to anticipated DIT savings that did not materialize.
- **Department of Taxation:**
 - ***Harper Related Actions.*** The Governor's introduced budget removes \$17.6 million included in the agency's base for the special litigation reserve fund for the Harper case because the courts have now issued a ruling in this federal retiree litigation, and the claimants have been paid in full. The budget provides \$2.3 million GF to fund this biennium's payments to those federal retirees who were unable to participate in the original settlement (pursuant to Chapter 203 of the 1995 Acts of Assembly).
 - ***Purchase of Computer Technology.*** The introduced budget contains language allowing the Department to enter into contracts with private vendors who would provide new technology and processes to update Taxation's current computer system. The private vendor or vendors would be paid with a percentage of additional revenues collected from the new system.
 - ***Purchase of Imaging/Scanning Equipment.*** The Governor's introduced budget contains language allowing the Department of Taxation to pay for an imaging/scanning system, using the savings expected to be generated by this new system.
 - ***Expand Use of Private Collection Agencies.*** The Governor's budget assumes the passage of legislation by the 1996 General Assembly that would expand the use of private collection agencies. Currently, Taxation uses private agencies for out-of-state collections, paying these firms by adding a fee to taxpayers. If the legislation is adopted, private agencies would also be used to collect in-state accounts and their fees would come from amounts collected, with the remainder deposited to the general fund. The proposal is expected to generate an additional \$10.0 million in revenues over the biennium. The budget includes an additional 19 positions and funding for Taxation to hire personnel to handle the additional telephone calls, letters, and offers in compromise associated with sending 12,000 accounts per month out to private collectors.

- *Toll-Free Telephone Lines.* The Governor's introduced budget provides \$0.8 million GF to begin toll-free telephone service for taxpayers to call the agency about refunds, to request forms, and to ask about collection issues.
- *Impact of WTA.* Under the WTA, 106 departmental employees voluntarily separated. The 1995 General Assembly approved reduction actions equivalent to 92 of the 106 positions. The Governor's introduced budget proposes restoring the remainder of the WTA savings.
- **Department of the Treasury:**
 - *Revenue Stabilization Fund Payments.* The Governor's introduced budget includes \$66.7 million GF for a payment to the Revenue Stabilization Fund, which is required to be made in the first year of the biennium. The budget also includes a second payment to the fund (\$42.3 million GF), which will be required based on current estimates of tax collections for FY96.
 - *Expansion of Tax-Exempt Commercial Paper Program.* The introduced budget includes \$84,470 and one position for the Department to expand the Tax-Exempt Commercial Paper program, a short-term borrowing mechanism, to tax-supported debt such as 9(c) and that issued by the Virginia Public Building Authority. The program is currently being used for 9(b) interim financing. This proposal would replace the use of Treasury loans to provide interim and construction period financing for capital projects. It is anticipated that the change would lower overall debt service by .09 percent, generating \$143,518 in general fund savings and \$45,000 in nongeneral fund savings per year.
 - *Expansion of Virginia College Building Authority Pooled Bond Program.* The introduced budget includes \$89,352 and one position for the Department to allow bond financing for non-revenue producing capital projects and equipment purchases for institutions of higher education. It is anticipated that institutions with lower credit ratings would use the program to secure better interest rates. The participating institutions would reimburse the general fund for the costs of the added position.

- **Unclaimed Property Actions.** The introduced budget provides \$0.9 million to complete the system design, install, and maintain new computer equipment for the Unclaimed Property Division. The funding, like all administrative costs for the division, would come from unclaimed property proceeds. The Governor's budget includes \$150,000 for the last payment in legal fees for the Attorney General's Office for their work in a court case leading to additional recoveries. Finally, the budget also provides \$40,000 for a national toll-free hotline, similar to the existing hotline for Virginia residents.

- **Impact of WTA.** Eleven of the Department's employees voluntarily separated under WTA. The 1995 General Assembly approved reduction actions equivalent to two of the 11 positions. The Governor's introduced budget proposes restoring the rest of the agency's WTA savings and three positions.

- **Treasury Board:**
 - **Increased Debt Service Costs.** The Governor's introduced budget increases funding by \$18.0 million GF the first year and \$38.6 million GF the second year for principal and interest payments on General Obligation bonds and Virginia Public Building Authority bonds.

Type of Debt	FY 1997	FY 1998
G.O.	\$4,894,685	\$12,292,907
VPBA	13,071,141	26,303,194
Total	<u>\$17,965,826</u>	<u>\$38,596,101</u>

The Department of the Treasury has made a series of assumptions regarding interest rates, bond issuance sizes, and the timing of bond issuances in determining the funding for the 1996-98 biennium. Based on those assumptions, the increased appropriation is recommended to service the debt issued to meet construction requirements during the 1996-98 biennium, and to provide full-year debt service costs for bonds issued in FY 1996.

- ***Savings on Regional Jail Reimbursement Costs.*** The Governor's introduced budget assumes passage of legislation authorizing financing through the Virginia Public Building Authority of the state share (50 percent) of the capital and financing costs of regional jail projects approved in the 1996-98 biennium.

Under current statutes, the Commonwealth enters into a payment agreement with the regional jail authority and pays the state share of the costs in annual cash installments. Continuation of the current practice would require the appropriation of an additional \$11.4 million GF in the first year and \$12.3 million GF the second year. The budget, however, assumes passage of legislation amending the current Regional Jail Authority program and Virginia Public Building Authority statutes. The budget, however, assumes the issuance of VPBA bonds to cover the state share of the cost of any regional jails currently approved, but for which no payment agreement has yet been executed, and for regional jail projects to be approved in the 1996-98 biennium. An appropriation of \$1.1 million GF in the first year and \$6.7 million GF the second year is proposed to pay debt service costs on VPBA bonds issued for this program.

Although language has been included to allow the cash payments required under the current practice to be made if the legislation fails, funds appropriated to make those payments would be \$10.3 million GF short in the first year and \$5.6 million GF short in the second year.

- ***Increased Regional Jail Reimbursement Costs.*** The Governor's introduced budget increases funding by \$7.4 million GF the first year and \$8.3 million GF the second year to reimburse localities for 50 percent of the capital and financing costs of jail projects approved through FY 1996.

- **State Internal Auditor:**

- ***Transfer Audit Personnel to Other Finance Agencies.*** The Governor's introduced budget transfers four auditors from this agency to the Departments of Accounts, Taxation, and Treasury. This action would put these auditors back in the agencies for which their audits are performed. Five posi-

tions would remain in the agency -- the State Internal Auditor, two auditors for special projects, and one auditor and one support position to staff the Waste, Fraud, and Abuse Hotline.

Health & Human Resources

- **Department for the Aging:**
 - *Local Initiatives.* The budget approved by the 1995 General Assembly included \$300,000 in funding for four specific local initiatives -- three one-time projects and a three-year pilot Guardianship program. The Governor's budget, as introduced, proposes reducing the amount for local initiatives by \$14,801. The introduced budget retains full funding for two of the four projects -- transportation for Floyd County seniors and funding for the Oxbow Project in Southwest Virginia. The remaining two projects are not separately delineated in language in the bill.

- **Board for People With Disabilities:**
 - *Anticipated Reductions in Federal Grant Funding.* The introduced budget anticipates that current budget negotiations in Washington will result in a reduction of \$0.3 million in federal Developmental Disabilities program funding. However, the agency does not anticipate the reduction will change the type of services currently provided.

- **Department for Rights of Virginians With Disabilities:**
 - *Impact of WTA.* The Governor's introduced budget restores the positions and nongeneral fund dollars for two of the three positions approved for participation in WTA.
 - *New Federal Grants/Contracts.* The introduced budget includes increased nongeneral fund dollars that will expand the agency's activities. Specifically, the agency obtained a contract through the Department of Rehabilitative Services to provide protection and advocacy services to persons requiring assistive technology. The agency also obtained new

federal funding to expand protection and advocacy services to people ineligible for services under the agency's existing federal funding streams.

- **Department for the Deaf and Hard of Hearing:**

- *Transfer of Telecommunication Relay Service Fund.* The introduced budget transfers the Telecommunication Relay Service Fund from the State Corporation Commission (SCC) to the Department. While the SCC collects the excise tax used to fund the Telecommunication Relay Service in Norton, this Department actually provides the service. No change in services or in the amount of the current excise tax is contemplated.
- *Impact of WTA.* The introduced budget restores \$63,800, or 41 percent of the Department's WTA savings, to contract for outreach services in Central Virginia. These services (training, and resource and referral) were formerly provided by employees who voluntarily separated. The Department also proposes to contract out the same services in Northern Virginia the first year and in the Hampton Roads area the second year.

- **Department of Health:**

- *Elimination of General Fund Support for School Nurses.* The introduced budget proposes saving \$1.4 million GF and 16 positions by removing general fund support for Department of Health nurses providing school health services to the local school divisions of Arlington, Chesterfield and Norfolk.
- *Impact of WTA.* The Department had 328 positions approved for WTA, for a savings of \$12.4 million GF and \$14.6 million NGF. The Governor's introduced budget allows the Department to keep funding to contract for services performed by 81 of these 328 positions. Of the 81 positions, 62 were in local health departments and provided services such as nursing, dental assistance, and well and septic inspections. The amount restored for contracting these services is \$4.4 million (all funds). The Department's request to replace an additional 83 of the 328 positions was approved, but the Governor's budget assumes that the positions will be filled from existing vacancies with existing agency resources.

- ***Loss of Indirect Cost Exemption.*** Previously, the Department was allowed to keep statewide indirect cost recoveries (the overhead the State is allowed to charge federal grantees) related to health department grants. The Governor's introduced budget proposes that the Department keep only enough cost recoveries to help fund the facilities regulation function, reverting the remainder to the general fund. This results in a reduction for the Department of \$614,900 for the biennium.
- **Department of Medical Assistance Services:**
 - ***Utilization and Inflation.*** The Governor's introduced budget contains an additional \$123.0 million GF and \$129.9 million in federal funds for increased demand and inflation in medical costs for the Medicaid program. This increase anticipates that Medicaid will grow 3.9 percent in FY 1997 and 3.7 percent in FY 1998. This forecast assumes that the voluntary managed care program for the AFDC population (Options) will continue to be expanded in the next biennium. However, the introduced budget does not anticipate savings from expansion of the mandatory managed care program (Medallion II) beyond the "Tidewater" area.
 - ***Transfer to Medicaid for Mental Health Services.*** The introduced budget transfers general funds from the Department of Mental Health, Mental Retardation and Substance Abuse Services to this agency for Medicaid-covered mental health services provided by mental health facilities and community services boards. The amount transferred to the agency is \$48.7 million GF over the biennium. The Governor's budget also proposes expanding Medicaid covered services provided by community services boards (see Department of Mental Health, Mental Retardation and Substance Abuse Services).
 - ***Compliance with Court Decision.*** The Commonwealth has exhausted all appeals of a United States District Court decision requiring Virginia Medicaid to reimburse physical therapy, speech therapy and occupational therapy providers for the full amount of the Medicare co-payment and deductible for care provided to those nursing home residents eligible for both Medicare and Medicaid. The court decision impacts not only these specialized rehabilitation providers but also all providers where Medicaid is a secondary payer behind

Medicare (for instance, physicians and laboratories). The introduced budget contains an additional \$25.4 million GF and \$26.8 million in federal funds to comply with the decision.

- ***Restricted Drug Formulary/Pharmacy Benefits Manager.*** The Governor's introduced budget includes savings of \$12.0 million GF and \$12.8 million in federal funds by contracting with an outside pharmacy benefits manager to administer Medicaid's prescription drug program. The savings would be generated by adoption of a restricted drug formulary by the pharmacy benefits manager. A restricted formulary would reimburse providers only for specific drugs on an approved list. The Department anticipates that the formulary would be developed in conjunction with the DMAS Pharmacy Advisory Board and would initially focus on the AFDC and long-term care populations. The Department anticipates that the seriously mentally ill would not be included in the initial phase.

- ***Specialized Care Rates for Nursing Homes.*** The Governor's introduced budget proposes saving \$8.3 million GF and \$8.8 million in federal funds by adopting new rates for specialized care in nursing homes. Currently, Virginia pays nursing homes special rates for residents who have a medical condition requiring care beyond what is typically provided by a nursing home. These residents have long-term health conditions requiring close supervision, 24-hour nursing care, and specialized equipment (such as ventilators). It is estimated that the proposal would affect 39 of the Commonwealth's 172 nursing homes receiving Medicaid payments. Daily rates would be changed as shown in the following table.

<u>Daily Rates for Specialized Care</u>		
	<u>Current</u>	<u>Proposed</u>
Ventilator Dependent	\$358.06	\$345.28
Comprehensive Rehab. Services	\$436.25	\$273.44
Complex Health Care	\$423.59	\$265.51

- ***Specialized Contracting for Durable Medical Equipment.*** The introduced budget proposes saving \$1.1 million GF and \$1.2 million in federal funds by allowing Medicaid to competitively bid for selected durable medical equipment statewide or by region. Initially, the equipment would be for incontinence and ostomy products. The change would affect Medicaid recipients not covered under voluntary or mandatory managed care (Options or Medallion II). The number of recipients impacted is estimated to be 7,952.
- ***Federal Funding Match Increases.*** The introduced budget captures additional federal funds resulting from a slight increase in the federal match to Virginia's Medicaid program (from 51.05 in FY96 to 51.43 percent in FY 1997 and 51.45 in FY 1998).
- **Dept. of Mental Health, Mental Retardation, Substance Abuse Services:**
 - ***Expansion of NVMHI.*** The introduced budget proposes \$3.3 million GF, \$1.1 million NGF, and 99 new positions to open a 60-bed expansion at the Northern Virginia Mental Health Institute, approved for construction in 1992 with general obligation bonds. The new section is projected to open between October, 1996 and January, 1997.
 - ***Expansion of Forensic Unit at CSH.*** The introduced budget proposes \$1.5 million GF and 61 new positions for a 78-bed expansion in the forensic unit at Central State Hospital, also approved for construction in 1992 with general obligation bonds. The expansion is projected to open in May, 1997.
 - ***Corrective Action at NVTC.*** The introduced budget recommends \$0.8 million GF and \$0.6 million NGF to improve patient care at the Northern Virginia Training Center, as negotiated with the federal Justice Department. In FY 1996, the corrective action plan was funded with one-time agency balances.
 - ***Expanded Medicaid Coverage of Community Services.*** The Department proposes to expand Medicaid coverage to a number of services offered by Community Services Boards (CSBs) that are not now covered by Medicaid. These services include certain mental health services for children and

adults, substance abuse services for new mothers and young children, and supported living and other services for mentally retarded persons.

No increase in funding is proposed. Rather, a savings to the general fund would occur because the cost of these services, estimated at \$4.8 million in FY 1997 and \$9.6 million in FY 1998, would now be supported 50 percent with federal Medicaid funds. The resulting biennial savings would be \$7.2 million. The appropriation for these programs is shifted to the Department of Medical Assistance Services (DMAS).

- ***Increased Medicaid Funding for Community Services.*** In addition to the expansion of Medicaid for additional services, the introduced budget assumes growth in the use and cost of services currently covered by Medicaid. The budget for DMAS contains an increase of \$5.4 million the first year and \$11.9 million the second year for services provided by CSBs. A technical adjustment transfers the funds from DMHMRSAS to DMAS.
 - ***Administrative Consolidations and Contracts.*** The introduced budget proposes 15 fewer positions in the central office and facilities, by consolidating or contracting housekeeping, grounds maintenance, food service, management information centers in facilities; and eliminating personnel assistance for CSBs. Total biennial savings are \$0.8 million.
 - ***WTA Impacts.*** A total of 216 positions were approved for reduction under the Workforce Transition Act, for a biennial savings of \$9.5 million GF and \$4.7 million NGF. Approximately 40 percent of the funds, or \$4.2 million GF and \$1.7 million NGF, are restored for replacement of direct care staff and for contracts of administrative and support services at facilities. No positions are added, since vacancies within the department's authorized position level are expected to be sufficient.
- **Department of Social Services:**
 - ***Welfare Reform.*** The introduced budget proposes to add \$6.2 million GF and \$9.3 million NGF the first year and \$17.9 million GF and \$21.6 million NGF the second year for welfare reform. Funding is designated for increased job training (\$16.8 million) and child day care (\$38.2 million) associated with new work requirements adopted by the General As-

sembly. In addition to the full-year costs of the 28 localities phased in during FY 1996, the budget contains funding to phase in an additional 55 localities during the 1996-98 biennium.

- ***New Regulations for Adult Care Residences.*** The introduced budget recommends \$2.8 million GF for the biennium to implement new levels of care in homes for adults adopted by the General Assembly in 1994 and 1995. Payment rates for the standard level of care would be increased from \$675 to \$695 per month. In the DMAS budget, \$5.2 million GF and \$3.3 million NGF is added for payment supplements of \$90 and \$180 per month for the two higher levels of care.
- ***Privatize Additional Child Support Enforcement Offices.*** The introduced budget recommends \$3.3 million NGF for the biennium to privatize collection of child support in the western and central regions of Virginia. The department currently contracts with private agencies for collections in parts of Northern Virginia and Hampton Roads. Funding is provided through a portion of child support collections allowed for enforcement costs.
- ***Other Contracts for Services.*** Contracts with private agencies for other services are proposed, all supported with nongeneral fund revenue collections or federal funds of \$4.4 million for the biennium. Services include automation enhancements to the child support enforcement system, paternity establishment, absent parent visitation services, collection for foster care support, and collection of AFDC and food stamp overpayments.
- ***AFDC Caseload Decline.*** The introduced budget recommends a reduction in funding for Aid to Families with Dependent Children (AFDC) payments, based on projected declines of about 6,000 cases per year in the 1996-98 biennium. Expected savings are \$34.2 million GF and \$36.2 million in federal funds for the biennium.
- ***Elimination of State Support for Community Action Agencies.*** The introduced budget proposes to eliminate state funds provided by DSS for community action agencies, a reduction of \$2.2 million GF per year. Elimination of these funds represents about 3.5 percent of the total estimated \$63 million in annual revenue received from federal, local, private, and other state agencies. Impacts on individual agen-

cies would vary, since some (like Eastern Shore, Powhatan/Goochland, Skyline, and Sussex/Surry community action agencies) are more dependent on state funds.

- ***Reduction in General Relief.*** The introduced budget proposes to reduce the General Relief program by \$3.4 million GF each year, a 41 percent reduction in state funds for the program. Components of the program that would be eliminated include financial assistance for unemployed persons who do not qualify for other programs and for persons with continuous medical expenses. The remaining \$4.8 million per year for the program would continue to support other components: interim assistance for persons waiting for disability payments; assistance for poor children who do not qualify for AFDC; short-term emergency assistance for shelter, clothing, medical, and other expenses; and support for residents of two public homes for adults in Manassas and Waynesboro.
- ***Reduction in Local Administrative Funding.*** The introduced budget proposes to reduce state funding for local costs of social services by five percent, or \$1.9 million per year. Funds were previously used for determination of benefits eligibility and for administrative costs of service programs, such as child and adult protective services.
- ***Discontinue Funding for Local Automation.*** Funding for purchase and installation of an automated system for benefit applications, included in the 1994-96 budget, is not continued in the 1996-98 budget. Removal of \$3.0 million GF and \$3.7 million NGF is proposed for each year.
- **Council on Child Day Care and Early Childhood Programs:**
 - ***Elimination of Independent Agency.*** The introduced budget proposes to eliminate the independent council, by transferring \$16.5 million in federal day care funds each year and four positions to the Department of Social Services. The proposal assumes legislation to eliminate the council would be adopted by the 1996 General Assembly.
- **Other:**
 - ***Recission of Federal Job Training Funds.*** A federal reduction of \$8.2 million per year in the Job Training Partnership Act (JTPA) has been approved. This represents a 16 percent cut

in federal funds for the Governor's Employment and Training Department, supported almost entirely with federal funds. No reductions are proposed for "Opportunity Knocks," a program supported by \$0.6 million GF annually.

- ***Reduction in Woodrow Wilson Rehabilitation Center.*** The introduced budget proposes to reduce funding for WWRC by \$0.5 million GF each year, a 10 percent reduction in state funds and a two percent reduction in total funds. Proposed methods for achieving the savings include privatization of accounting, housekeeping, and other support activities; merging of food services, material management, and information services with other nearby state facilities; and increased collection of nongeneral fund revenues to offset general fund reductions.

Natural Resources

- **Consolidating Chesapeake Bay Programs:**

- ***Reorganization.*** The introduced budget proposes to transfer a number of Bay-related programs from several Natural Resources agencies to the Chesapeake Bay Local Assistance Department (CBLAD). The intent is to improve financial and policy actions regarding the Chesapeake Bay. Total resources to be transferred in 1996-98 are \$2.4 million GF, \$6.6 million NGF, and 17 positions. There are no cost savings.

The transferred activities include \$0.3 million GF from the Marine Resources Commission for an educational grant for the Chesapeake Bay Foundation; \$2.0 million GF, \$6.6 million NGF, and 16 positions from the Department of Environmental Quality (DEQ) for the Virginia Coastal Resources Management Program and the Chesapeake Bay Program; and \$0.1 million GF and 1 position from the Department of Conservation and Recreation (DCR) for an accountant.

- **Department of Environmental Quality:**

- ***Stormwater Management and Erosion Control.*** The Departments of Environmental Quality, Conservation and Recreation, and Chesapeake Bay Local Assistance have major roles in stormwater management. DCR's responsibilities

include reviewing state capital projects prior to construction, reviewing and approving localities' stormwater management programs, providing technical assistance to localities, and evaluating state and local programs' effectiveness. The introduced budget would consolidate these activities in DEQ by transferring \$1.5 million GF, \$0.6 million NGF, and 22 positions from the Department of Conservation and Recreation to DEQ. There are no cost savings. Also, the General Assembly would have to change the enabling legislation of both agencies.

- ***Litter Tax Revenue.*** In 1995, the General Assembly enacted legislation to create a special fund for deposit of litter tax revenue, effective July 1, 1996. The revenue is currently deposited to the general fund. The introduced budget reflects the legislative change by decreasing the agency's general fund appropriation in the next biennium by \$2.0 million and increasing the nongeneral fund appropriation by \$0.8 million.

- **Department of Historic Resources:**

- ***Historic Attractions and Societies.*** The agency's current services budget includes \$1.3 million for grants to historic organizations and landmarks. The introduced budget proposes \$0.8 million for the biennium -- \$500,000 for the Virginia Historical Society and \$300,000 for Montpelier.
- ***Main Street Program.*** The agency participates in this program with the Department of Housing and Community Development (DHCD). The program's purpose is to stimulate investment and redevelopment of Virginia's small towns through renovation efforts. The introduced budget proposes to transfer \$0.1 million GF in 1996-98 to DHCD for an architectural services contract.

- **Department of Conservation and Recreation:**

- ***George Washington Grist Mill State Park.*** In 1995, the General Assembly directed the agency to develop a pilot program to privatize a state park. As a result, the agency proposes to enter into an agreement with the Mount Vernon Ladies Association to operate the Grist Mill in conjunction with the Mount Vernon attraction. The introduced budget reflects this proposed action by reducing the agency's budget for the biennium by \$16,704 GF.

- ***Dam Safety and Flood Plain Management.*** The introduced budget proposes to transfer \$0.7 million GF, \$0.2 million NGF, and 8 positions to the Department of Emergency Services. There are no cost savings. The General Assembly would also have to approve changes to both agencies' enabling legislation.
- ***Natural Heritage Program.*** The Departments of Conservation and Recreation, Game and Inland Fisheries, and Agriculture and Consumer Services share responsibilities for the protection and management of rare and endangered plants and animals. The introduced budget proposes to transfer DCR's activities to the Department of Game and Inland Fisheries (DGIF). The DCR activities, including management of natural area preserves, would be supported entirely by the Game Department's special funds. Because no general fund dollars would be transferred, there is a savings in 1996-98 of \$1.2 million. Nineteen positions from DCR would be transferred to DGIF. Also, DCR would transfer to DGIF the remaining 1992 General Obligation Bond funds for the purchase and development of access to natural area preserves. This proposal would require amending the *Code of Virginia*.
- ***Other Reductions.*** The introduced budget proposes additional reductions for the biennium of \$1.9 million GF, \$1.4 million NGF, and 27 positions affecting the Virginia Outdoors Foundation, public water access planning, state park operations, stormwater management, Chesapeake Bay grants, and the Buena Vista floodwall.
- **Department of Game and Inland Fisheries:**
 - ***Natural Heritage Program.*** The introduced budget proposes that the agency absorb within its non-general fund budget the responsibilities for the natural heritage activities now performed by the Department of Conservation and Recreation. The budget proposes an increase of \$2.6 million NGF and 19 positions in 1996-98.
 - ***Privatization of Facilities Maintenance.*** The introduced budget proposes \$1.8 million NGF for the biennium to contract for increased facilities maintenance at wildlife management areas, public fishing lakes, and public boating access facilities.

- *Boating Program.* The introduced budget includes \$2.5 million NGF in 1996-98 to expand public boating access, increase law enforcement efforts, and develop new educational programs.
- *Program Operations.* The introduced budget proposes \$3.2 million NGF in new spending for the agency's programs. This item will bring the agency's total biennial appropriation closer to anticipated revenues.
- **Marine Resources Commission:**
 - *Chesapeake Bay Foundation.* The introduced budget proposes to transfer \$0.3 million GF from MRC in 1996-98 to the Chesapeake Bay Local Assistance Department, as part of the effort to consolidate all Chesapeake Bay programs.
- **Chesapeake Bay Local Assistance Department:**
 - *Consolidation of Chesapeake Bay Programs.* The introduced budget proposes to increase the agency's general fund appropriation by \$2.4 million, the nongeneral fund appropriation by \$6.6 million, and the position level by 17 in 1996-98. The funds and positions would be transferred from the Marine Resources Commission and the Departments of Environmental Quality and Conservation and Resources.

Public Safety

- **Department of Criminal Justice Services:**
 - *Pre-Release And Post-Incarceration Services (PAPIS) Program.* The introduced budget transfers administrative responsibility and funding for pre-release and post-incarceration services to the Department of Corrections. Funding of \$1.5 million GF and \$10,622 NGF each year would be transferred. Currently, \$1.3 million of this amount is designated for a grant to Virginia Community Action Re-Entry System, Inc. (VaCARES) with the balance expended for contracts with various service providers. The Governor's proposal also eliminates the requirement for a specific grant to VaCARES, Inc.

- ***Criminal Justice Information System.*** The introduced budget recommends \$0.1 million GF the first year and \$0.2 million the second year to develop an integrated criminal justice information system.
- ***Planning And Forecasting Positions.*** The introduced budget transfers positions and funding of \$0.5 million GF each year from the Departments of State Police (three FTE and \$0.15 million), Corrections (four FTE and \$0.2 million), and Youth and Family Services (four FTE and \$0.19 million) to the Criminal Justice Research Center. The purpose of the transfer is to make this unit the primary entity for criminal justice forecasting and statistical analysis. This budget proposal reflects administrative action initiated by the Secretary of Public Safety and approved by the Director of Planning and Budget to implement the proposal in December 1995.
- ***HB 599 Funding Formula.*** The introduced budget recommends removing language requiring that FY 1992 data, rather than the most current year data, be used in the distribution formula. This language was adopted during the 1992 session to minimize the impact of lower HB 599 funding levels during the recession. The net effect of this change will be an increase in funding for growing suburban areas and a reduction in funding for central city urban areas.
- **Commonwealth's Attorneys' Services and Training Council:**
 - ***Training and MIS support.*** The introduced budget adds \$0.15 million GF the first year and \$0.14 million GF the second year to expand training and provide technical assistance in computerized case management systems.
- **Department of Fire Programs:**
 - ***Revenue Increase.*** The introduced budget allocates NGF revenue increases of \$3.1 million the first year and \$3.5 million the second year for expanded fire training, local aid, and agency administration. The revenue increase is a result of 1995 legislative action increasing the tax on fire insurance premiums from 0.8 to 1.0 percent.
 - ***Fire Programs Emergency Fund.*** The introduced budget adds \$0.1 million to the Fire Programs Emergency Fund created by the Governor's proposed amendments to the current Appropriations Act in HB/SB 29.

- **Department of State Police:**

- ***Workforce Transition Act.*** The introduced budget proposes \$4.0 million GF the first year and \$2.4 million GF the second year to replace 76 sworn and 10 non-sworn personnel expected to retire under the Workforce Transition Act prior to June 30, 1996. These amounts are in addition to \$4.0 million recommended for this purpose in amendments in HB/SB 29.
- ***Motor Vehicle Safety Inspection Program.*** The introduced budget transfers responsibility for the Motor Vehicle Safety Inspection program to the Department of Motor Vehicles. This function has a FY 1996 appropriation of \$5.9 million NGF, with 59 sworn and 22 civilian staff. Revenue to support this program is derived from a \$1.50 assessment on each vehicle registration which is collected by DMV and then transferred to the State Police. The Governor's proposal would move the 22 civilian positions and \$1.7 million NGF each year to DMV, which would then hire 22 additional civilian staff to replace the troopers currently carrying out the field activities of the program. The balance of special funds in this program would remain with the State Police, to continue funding the 59 sworn positions for highway patrol duties rather than safety inspection duties. The proposal is contingent upon passage of appropriate legislation.
- ***Motorist Assistance Program.*** The introduced budget transfers responsibility for the motorist assistance program to the Department of Transportation. The State Police Motorist Assistance program was an initiative of the 1988 General Assembly. Under the Governor's proposal, the part-time staff positions assigned to this activity would be transferred to the Department of Transportation. However the \$1.0 million each year in Transportation Trust Funds used to support these positions would remain in the State Police budget, to supplant a like amount in general funds.
- ***Patrol Vehicle Costs.*** The introduced budget increases proposes using \$1.5 million the first year in projected excess motor vehicle inspection fee balances to cover the increased cost of patrol cars. Patrol car costs have risen significantly due to a lack of competition in the automotive industry. In 1997, only one manufacturer will produce a full size police pursuit vehicle.

- **Restructuring Savings.** The introduced budget saves \$0.2 million GF and \$0.1 million NGF each year as a result of administrative restructuring initiated by the 1995 General Assembly, to reassign sworn officers from administrative to field duties.

- **Department of Corrections:**

- **New Prison Operations.** The introduced budget recommends \$6.3 million for start-up costs and 20 new positions in the first year and \$1.3 million with a total of 24 positions in the second year to operate four new state correctional facilities (4,855 beds) which are scheduled to begin operation in the 1996-98 biennium. Budget documents submitted by the Department of Corrections to the Secretary of Public Safety indicate that the total cost to open these prisons as scheduled is \$13.9 million GF and 897 positions in FY 1997 with an additional \$47.7 million and 918 more positions in FY 1998.

Facility	Scheduled Open Date	FY 97 in millions	FY 98	FY 97 FTE	FY 98 FTE
Fluvanna	June, 97	\$1.0	\$0.5	11	11
Sussex I	Aug. 97	\$5.2	\$0.2	5	5
Sussex II	Jan. 98	\$0.1	\$0.3	4	4
Red Onion	July 98	\$0.0	\$0.3	0	4

- **Wallen's Ridge Prison.** The introduced budget provides \$6.7 million GF each year to begin lease payments on the Wallen's Ridge Correctional Center, the first privately owned, but publicly operated, prison in the Commonwealth. Beginning in FY 1997, lease payments will be paid semi-annually with the facility to begin receiving inmates in July, 1998. Also proposed is \$0.3 million GF and four positions the second year to begin prison operations. Budget documents submitted by the Department of Corrections to the Secretary of Public Safety indicate that if this prison is to receive inmates as scheduled, an additional \$6.8 million and 402 positions will be required in FY 1998.

- **Private Prisons.** The introduced budget provides an additional \$3.4 million GF the first year and \$24.9 million the

second year to contract for up to 3,800 private prison beds. When combined with funds already in the Department's base budget, the amount for private prisons will total \$12.4 million GF the first year and \$33.0 million GF the second year.

- ***Juvenile Justice Reform Impact.*** The introduced budget includes funding for the fiscal impact of recommendations by the Governor's Commission on Juvenile Justice Reform. The proposal consists of three parts, all of which are contingent upon passage of legislation.

(1) Recommends \$12.2 million be set aside in the special fund established to "reserve" the highest fiscal year impact over a ten-year period of any legislation which increases the adult prison population (§30-19.1:4 *Code of Virginia*). The estimate in the proposed budget uses a net cost approach that was not envisioned in the *Code* requirement.

(2) Proposes using \$10.2 million of the amount set aside in the §30-19.1:4 special fund to supplant existing general funds for operation of the Southampton Reception and Classification Center (\$5.2 million) and start-up costs at the new Sussex I prison (\$5.0 million).

(3) Earmarks an additional \$1.4 million of the amount set aside in the §30-19.1:4 special fund to provide educational services to those juveniles who would be confined in adult rather than juvenile facilities under the Governor's proposal.

- ***Direct Inmate Costs.*** The introduced budget adds \$2.5 million GF each year for direct costs related to inmate food, clothing, and medical care.
- ***MCV Rate Increase.*** The introduced budget provides \$1.5 million GF each year for increased rates at the Medical College of Virginia Hospitals and Clinics. MCV is the only hospital in the Commonwealth providing inmate medical care on a routine basis.

- ***Replace Federal Funds.*** The introduced budget replaces federal funding for inmate substance abuse treatment programs and the Abingdon Day reporting Center with general funds of \$0.3 million the first year and \$0.7 million the second year.
 - ***Work Centers.*** The introduced budget adds \$17.2 million GF each year to continue operation of seven new work centers which opened in 1995. Initial operating funds were provided through non-general funds in the Public Safety Fund, which is now depleted.
 - ***Double Celling.*** The introduced budget includes \$0.9 million GF each year for full-year funding of the cost of additional double celling authorized by the 1995 General Assembly.
 - ***Diversion Centers.*** The introduced budget adds \$1.4 million each year for full-year operation of the three diversion centers for non-violent felons authorized by the 1995 General Assembly.
 - ***Lunenburg Prison.*** The introduced budget includes \$4.2 million for full-year operation of the new Lunenburg Correctional Center which opened in December, 1995.
- **Department of Correctional Education:**
 - ***Juvenile Correctional Center Staffing.*** The introduced budget adds \$0.5 million GF each year and 16 positions to address the educational needs of an increased juvenile correctional center population.
 - ***Lunenburg Prison School.*** The introduced budget provides \$0.5 million GF each year to fully fund the academic and vocational school at Lunenburg Correctional Center, which opened in December, 1995.
- **Department of Youth and Family Services:**
 - ***New Bon Air Facility.*** The introduced budget includes \$2.8 million GF the first year and \$4.1 million GF the second year for facility equipment and 141 staff needed to operate the new Bon Air Juvenile Correctional Center, which is projected to open in March, 1997.

- ***Direct Inmate Costs.*** introduced budget adds \$1.1 million GF the first year and \$1.2 million GF the second year for increases related to inmate food, clothing, and medical care costs due to increased juvenile correctional center populations.
- ***Full-year Position Costs.*** The introduced budget includes \$1.2 million GF each year to fully fund additional security and court service unit staff authorized during the 1994-96 biennium.
- ***Security Staff.*** Provides \$0.7 million GF the first year and \$1.6 million the second year for 75 new security positions and security equipment at the juvenile correctional centers. These positions will be phased in over the biennium. This proposal funds a recommendation of the Governor's Commission on Juvenile Justice Reform.
- ***Juvenile Boot Camps.*** The introduced budget recommends an increase of \$1.7 million GF the first year and \$6.2 million GF the second year to fully fund the boot camp initiated by the 1995 General Assembly and to add three new boot camps for juvenile offenders. This proposal funds a recommendation of the Governor's Commission on Juvenile Justice Reform.
- ***Wilderness Work Program.*** The introduced budget adds \$0.6 million the second year to contract for operation of a wilderness work camp for serious juvenile offenders. This proposal funds a recommendation of the Governor's Commission on Juvenile Justice Reform.
- ***Private Facility Placements.*** The introduced budget provides \$2.4 million GF the first year and \$3.1 million the second year to place in existing private residential facilities 95 non-violent offenders currently confined in juvenile correctional centers. The Joint Legislative Audit and Review Commission has indicated that between 308 and 410 such juveniles could safely be placed in existing private facilities.
- ***Automation.*** The introduced budget includes \$0.6 million each year and four positions in the first year with three additional positions in the second year to expand automation efforts, including development of a juvenile tracking system. This amount is in addition to a \$0.7 million base appropriation each year provided by the 1995 General Assembly to de-

velop a statewide automated intake information system. This proposal funds a recommendation of the Governor's Commission on Juvenile Justice Reform.

- ***Local Facility Construction And Operating Costs.*** The introduced budget earmarks \$8.0 million GF the first year and \$11.4 million GF the second year to reimburse localities for 50 percent of the construction and operating costs of new juvenile detention homes and other residential facilities.
- ***Juvenile Community Crime Control Act.*** The introduced budget includes an additional \$2.7 million GF each year to partially fund the Juvenile Community Crime Control Act adopted by the 1995 General Assembly.
- ***Replace Federal Funds.*** The introduced budget provides \$1.2 million GF the first year and \$1.5 million GF the second year to replace federal grant funds for specialized probation services and a substance abuse treatment program at the Barrett facility while adding five new positions for intensive probation supervision.
- ***Offices on Youth.*** Proposes a reduction of \$0.5 million GF the first year and \$0.9 million GF the second year to reflect 1995 General Assembly action for a phased elimination of funding for local Offices on Youth.
- **Department of Alcoholic Beverage Control:**
 - ***Sale of Land and Facilities.*** The introduced budget assumes the sale of the Alcoholic Beverage Control Offices and Warehouse in Richmond with the proceeds to be deposited into the Higher Education Capital Project Fund created pursuant to other proposed budget language.
 - ***Computer Maintenance.*** The introduced budget earmarks \$0.9 million NGF the first year and \$1.2 million NGF the second year for computer maintenance.
- **Department of Emergency Services:**
 - ***HAZMAT Training Funding.*** The introduced budget supplants \$0.13 million GF each year for hazardous materials training with special funds from the Fire Programs Fund. These special funds are generated by a tax on fire insurance premiums.

- ***HAZMAT Response Funding.*** The introduced budget supplants \$0.9 million GF each year with Commonwealth Transportation Funds to support 75 percent of the state cost of local hazardous materials response teams.
- ***Dam Safety And Floodplain Management.*** The introduced budget transfers the Dam Safety and Flood Plain Management program from the Department of Conservation and Recreation. This program primarily involves land use planning, technical assistance, inspection, and regulation in cooperation with private entities and local governments. This budget action is contingent upon passage of appropriate changes to the *Code of Virginia*. This action does not result in any budget savings.
- **Department of Military Affairs:**
 - ***Fort Pickett Headquarters.*** The introduced budget adds \$50,000 GF the first year to develop a plan for assessing the movement of the Department of Military Affairs headquarters and other National Guard facilities to Fort Pickett near Blackstone in Nottoway County.

Transportation

- **Secretary of Transportation:**
 - ***Language on Special Funds.*** Language has been included in the budget, as introduced, to change the name of the Highway Maintenance and Construction Fund to the Commonwealth Transportation Fund and to include the fund designation for all transportation related special funds, such as the Aviation Special Fund and the DMV Special Fund. The language further states that these funds shall be used only for the purposes enumerated in their enabling legislation.
- **Department of Aviation:**
 - ***WTA Savings.*** The proposed budget allows the Department to retain \$46,019 per year in Workforce Transition Act savings to re-fill one of the five positions that left. Total re-

maining WTA savings of \$0.2 million per year were transferred primarily to air services development programs.

- *Revenue Estimates.* Increased revenues and appropriation adjustments of \$3.4 million the first year and \$2.9 million the second year are estimated for airport assistance through the Commonwealth Airport Fund.

- **Department of Transportation:**

- *WTA Savings.* The Department accepted 1,249 positions for Workforce Transition Act reductions. The budget, as introduced, allows the Department to re-fill 233 of these positions. WTA savings of \$34.9 million per year are used for additional contracting and privatizing of services in the programs from which the savings were generated.
- *Revenue Estimates.* Although revenues from state sources are expected to increase, a decrease in federal funds is anticipated during the biennium. This results in a net increase of \$5.2 million for FY 1997 and a net decrease of \$20.4 million for FY 1998.

- **Department of Rail and Public Transportation:**

- *WTA Savings.* Workforce Transition Act savings of \$76,668 per year are re-programmed to contract for strategic planning for rail service.
- *Revenue Estimates.* Although revenues from state sources are expected to increase, a decrease in federal funds is anticipated during the biennium, resulting in a net decrease of \$0.4 million in FY 1997 and a net decrease of \$3.0 million in FY 1998.

- **Department of Motor Vehicles:**

- *WTA Savings.* The Department accepted 222 positions for Workforce Transition Act reductions. The budget, as introduced, allows the Department to re-fill 77 of these positions, leaving net WTA savings of \$11.7 million for the biennium.
- *Upgrade Computer Systems.* Approximately \$7.4 million of \$16.8 million appropriated in 1994-96 for automation improvements is expected to be unspent by the end of this fiscal

year. This \$7.4 million is proposed to be re-appropriated in the 1996-98 biennium to help fund a system upgrade of the branch office IBM Series 1. This upgrade is intended to improve customer service and facilitate data entry from the branch office to DMV headquarters. An additional \$14.4 million in FY 1998 is also recommended to complete the system upgrade. Finally, \$6.0 million which was appropriated for the purchase of one-time computer equipment in FY 1996 was not removed from the agency's base and thus is continued in each year of the 1996-98 biennium.

- ***Dealer Board Transfer.*** As a result of 1995 legislation, \$1.4 million and 20 FTE are transferred from DMV to create a separate motor vehicle dealer board.
 - ***Motor Carrier Regulation.*** As a result of 1995 legislation creating "one-stop shopping" for motor carriers, the SCC will transfer 28 positions to DMV, and appropriations are proposed to be increased by \$2.1 million per year.
 - ***Transfer of State Safety Inspection Program.*** The budget, as introduced, transfers the regulation of the motor vehicle safety inspection program from the Department of State Police to DMV. The budget, as introduced, proposes 44 FTE at DMV for this function, of which 22 are transferred from State Police. Safety inspection fee revenue of \$1.7 million each year is proposed to be added to DMV's budget.
 - ***Implement Withholding of Delinquent Taxpayer Registrations.*** For FY 1997, an increase of \$66,760 is proposed to enable DMV to withhold motor vehicle registrations of delinquent taxpayers.
 - ***Absorb Taxation Payroll Function.*** The transfer of two positions to DMV from Taxation to consolidate the Taxation and DMV payroll functions are recommended. The two payroll positions, costing \$57,379 each year, will be absorbed within DMV Special funds.
- **Motor Vehicle Dealer Board:**
 - ***Initial Funding.*** Instead of regulating motor vehicle dealers through DMV, legislation in the 1995 Session created a Motor Vehicle Dealer Board. 20 positions and \$1.4 million per year are proposed to be transferred from DMV to the Board

to regulate license standards, administer exams, and issue licenses.

- **Virginia Port Authority:**
 - *Shift from Commerce and Trade to Transportation.* Oversight for the Port Authority is proposed to be shifted from Commerce and Trade to the Transportation Secretariat.
 - *Eliminate General Fund Support.* General funds have traditionally been used to support administration, marketing, security, and debt service of the Port Authority. The budget, as introduced, recommends eliminating \$9.3 million per year in general fund support for the Authority and relying entirely on Virginia International Terminals revenue and Commonwealth Port Funds. An additional \$2.4 million which previously provided for general fund debt service is no longer needed due to the retirement of a 1992 refunded bond issue.
 - *Funding for Bond Issuance.* An increase of \$3.3 million NGF is provided in FY 1998 for a \$38.3 million planned debt issuance to support the expansion of Norfolk International Terminals.

Central Appropriations

- **Compensation Supplements:**
 - *December 16, 1996 "Bonus".* The introduced budget proposes to save \$7.0 million in the first year by advancing the pay dates for state employees from the current 1st and 16th of each month to the 7th and 23rd of the month. In lieu of the normal payroll on December 16, 1996, state employees will receive a "bonus" payment equal to one semi-monthly pay period. As a result of this "bonus", the gross pay for state employees will not change because they will continue to get twenty-four separate checks - one in the form of a bonus rather than a normal salary payment. The anticipated savings to the state of \$7.0 million will result from the fact that VRS contributions are not paid on the bonus. The following table shows the effect of this payroll change and "bonus" on an employee with a gross salary of \$1,000 per pay period.

	Current Schedule		Proposed Schedule		Difference	
	Emp. Pay	VRS Payment	Emp. Pay	VRS Payment	Emp. Pay	VRS Payment
Paid in Tax						
Year 1996	\$24,000	\$2,364	\$24,000	\$2,266	\$0	(\$99)
Paid in Tax						
Year 1997	\$24,000	\$2,364	\$24,000	\$2,364	\$0	\$0

The proposal also changes the funding for the final pay period of the fiscal year. At present, the payroll for June 16 to 30 is paid out of funds appropriated for the fiscal year in which the pay period occurs. Under the proposed schedule, this final payroll of the fiscal year would be paid from funds appropriated in the next fiscal year, creating a liability on the general fund balance sheet of the Commonwealth equal to one pay period. The Comptroller would then have to reserve cash at the end of the fiscal year to cover the liability. This is why moving a payroll from the 1996-98 biennium to the next one does not create a large windfall.

- **December 1, 1997 Salary Increase.** The budget, as introduced, recommends \$32.0 million GF the second year to provide a 3.0 percent salary increase for state employees and state-supported local employees on December 1, 1997. The \$14.3 million cost of a merit-based increase for faculty is budgeted directly to the institutions of higher education. The \$33.9 million cost of a 3.0 percent increase for public school employees is budgeted directly to the Department of Education.
- **VRS Contributions.** The introduced budget includes an additional \$2.1 million GF the first year and \$14.8 million GF the second year for increases in VRS rates. This increase is the net result of (1) the three percent benefit increase granted VRS retirees during the Harper Special Session, (2) miscellaneous actuarial adjustments, and (3) a proposed five year phase-in of prefunding for annual cost of living adjustments (COLAs), beginning in the second year.

The pre-funding of COLAs results from changes in the Governmental Accounting Standards Board's (GASB) rules. These new standards require that the Commonwealth either

pay retirement rates based on the actuarial cost of pre-funding planned cost-of-living increases, or enter the difference on its books as a liability. Under the new GASB rules, this liability would be considered in gauging the Commonwealth's overall bonded debt capacity and ratings.

The VRS actuary has not produced a rate corresponding to the proposal contained in the budget, as introduced. The proposed five year phase-in will result in a liability of approximately \$79.6 million GF on the books of the Commonwealth in fiscal year 1998.

- ***Group Life Insurance Premium Holiday.*** The budget, as introduced, recommends savings of \$5.3 million GF in the first year from a "premium holiday" for the group life insurance program. Under this proposal, no premiums would be paid in FY 1996-97, and premiums of 0.35 percent of salary would be paid in FY 1997-98. The VRS actuary has recommended premium rates of 0.72 percent of salary for both years.
- **Higher Education Equipment:**
 - ***Lease Payments.*** The introduced budget provides an additional \$1.1 million GF in the second year to support lease payments on an additional allocation of \$50 million from the Higher Education Equipment Trust Fund. The program provides state of the art equipment for Virginia's public colleges and universities. The base budget includes \$28.7 million GF for the lease payments.
- **Economic Contingency:**
 - ***Economic Contingency Fund.*** The introduced budget proposes an appropriation of \$2.5 million GF each year for the Economic Contingency Fund. This fund may be used to supplement the appropriations to state agencies in case of an emergency or an unexpected cost increase. In addition to this direct appropriation of \$5.0 million for the biennium, language authorizes the Governor to use up to \$1.0 million of the unappropriated general fund balance for purposes of economic contingency.
 - ***Deal Closing Fund.*** The introduced budget proposes spending of \$18.0 million GF in the first year and \$20.0 million GF in the second year. The fund may be used by the Governor for a variety of purposes to further economic development

efforts. These activities are targeted to attract new industry to Virginia and to assist existing companies expand their employment and capital investment.

- ***Solar Photovoltaic Incentive Grants.*** The introduced budget proposes to transfer \$2.0 million GF in the first year and \$4.5 million GF in the second year to the Department of Mines, Minerals and Energy to encourage companies developing new solar panel manufacturing facilities to locate in Virginia. The amount of performance-based grants awarded to a company depends on the kilowatt equivalent amount of the solar panels manufactured in the state.
- ***Buena Vista.*** The introduced budget authorizes the Governor to transfer \$200,000 GF in the first year to the City of Buena Vista to assist the locality in retaining a major employer.

- **Reversion Clearing Account:**

- ***Central Garage Car Pool Rate Reduction.*** The budget, as introduced, proposes to reduce the rates charged for rental of vehicles from the Central Garage Car Pool in the second year to produce savings of \$2.5 million GF. This car pool is operated by the Department of Transportation to provide vehicles for use by state employees on official business.
- ***Hiring Freeze Savings.*** The budget, as introduced, projects savings of \$5.0 million GF each year from vacancies that may occur and may go unfilled as a result of the ongoing hiring freeze in the Executive Branch.

- **Refunds of Taxes and Fees:**

- ***Sum Sufficient.*** The introduced budget proposes to provide a sum sufficient appropriation from which to pay refunds of taxes and fees.

Independent Agencies

- **State Lottery Department.**
 - ***Reduce Advertising Budget.*** The Governor's proposed budget cuts the amount budgeted for Lottery advertising and promotion by about \$4.0 million (16-17%) each year. The change is based on a yet to be released study by the Department of Planning and Budget, which indicates that the Virginia Lottery spends more per capita on advertising than Lotteries in any other state. The report concluded, in part, that Lottery advertising could be more effective and less costly if current interpretations of the *Code of Virginia* based restrictions on "inducing persons to play" were eased. In FY 1995, the Lottery spent \$24.9 million on advertising and promotion, and has budgeted slightly less than (\$23.7) for the current fiscal year.
 - ***Bar Coding/Instant Ticket Redemption.*** HB/SB 30 provides for an increase of \$1.3 million NGF the first year and \$1.8 million NGF the second year to allow the Lottery to implement a new system of full redemption of scratch-off, instant ticket prizes, at any retail outlet. Currently, prize winners must return to the retail vendor who sold the ticket to secure the prize. Implementing a new computerized, on-line, bar-coding system will allow any retailer to redeem prizes for players. Start-up costs for new equipment for the initiative are included in the capital budget. Operating cost increases, however, will include additional telecommunications charges, printing, postage and supplies.
- **Virginia Retirement System.**
 - ***Administrative Service Expansion.*** The introduced budget includes an increase of \$1.8 million NGF the first year and \$1.2 million NGF the second year to expand certain customer service activities, such as handbooks and memos to members, to complete mandated studies, and to provide for upgrades in computer and telecommunications systems.
 - ***Enhance Investment Services.*** The Governor's budget proposal adds \$1.4 million NGF and four positions the first year and \$1.5 million NGF and five positions the second year to enhance investment management services, based on overall growth in assets and related analytical needs.

Capital Outlay

The introduced budget provides \$554.5 million for capital construction projects, \$130.3 million of which would be supported by the general fund. An additional \$222.0 million represents bonded debt, primarily for prison construction and revenue producing projects at the state's colleges and universities. The balance of the program derives from various non-general fund sources, and projected revenues from the sale of surplus real property. The following table summarizes the proposals, with additional details on significant projects and programs discussed below.

1996-98 Capital Outlay Recommendations (in millions)	
General Fund	\$130.3
Nongeneral Fund	\$131.2
Higher Education Bonds (§ 9 c & d)	\$95.9
Public Building Authority Bonds	\$87.8
Va. Port Authority/Transportation	\$38.3
Surplus Property Contingency	<u>\$71.0</u>
Total	\$554.5

- **Maintenance Reserve.** The Governor recommends \$60.0 million GF for general and deferred maintenance projects for all state agencies and institutions. This is a 20 percent increase above the \$50.0 million GF provided for such projects during the 1994-96 biennium. The funds would be made available in two installments totaling \$30.0 million GF each fiscal year.
- **Surplus Property Fund.** The introduced budget proposes that *a sum sufficient*, estimated at \$71.0 million in revenues derived from the sale of surplus property, be devoted to 19 projects at selected higher education institutions.
 - **§ 2.1-512 Notwithstanding.** The *Code of Virginia* currently provides that 50 percent of the proceeds from the sale of surplus real property, less the cost of the transaction, shall be deposited into the Conservation Resources Fund. That fund is used for maintenance and improvements in the state park system.

The remaining 50 percent of the proceeds from such sales are currently deposited in the general fund, and may be appropriated to the agency controlling the property at the time it was declared surplus. That portion of the proceeds may be used to support other capital projects of the respective agency.

In the case of properties acquired by nongeneral funds, specific gifts, grants, or other encumbrances, the proceeds from sale at surplus are not deposited to the general fund as described above, but are deposited to the credit of the respective fund or original purpose.

- ***HB/SB 30 Language.*** Item C-5 establishes a new “Higher Education Capital Projects Fund” into which all the proceeds from the sale or lease of surplus property – general or special fund – shall be deposited. The Department of Planning and Budget would be authorized to administratively allocate revenues from the fund to selected capital projects at institutions of higher education. The legislation does not specify the criteria for making such allocations. It is unclear exactly which parcels of surplus property are likely to be sold for these purposes, and what the projected revenue to be received into the Fund totals.
- ***Contingent Projects.*** A total of \$72.5 million is earmarked for 19 projects at higher education institutions in the introduced budget. A listing of each project eligible for funding from the surplus property sales is contained in the attachment.
- **Sale of ABC Warehouse.** Item 483 of the operating section of the introduced budget directs the Alcoholic Beverage Control Board to declare the Department’s Richmond Warehouse surplus to the agency’s needs, and further directs the agency to attempt to sell the property. The language directs that the proceeds from the sale are to be deposited into the Higher Education Capital Projects Fund.
- **Virginia Public Building Authority.** The Governor’s capital recommendations include approximately \$87.8 million in bond financing through the Virginia Public Building Authority, as follows:

1996 VPBA Proposals	(millions)
Equip Fluvanna Women's Prison	\$4.2
Equip Sussex I Prison	\$3.4
Renovate Southampton Reception	\$5.1
Const. Southampton Housing-Youth	\$11.6
Const. Culpeper Juvenile Close Custody	\$30.4
Const. New Juvenile Recpt. & Diagnostic	\$24.4
Beaumont Med./Max.-Cost Over-run	\$1.2
Science Museum Renovations	\$7.6
Total	\$87.8

- John Tyler Community College - Midlothian Campus.** The introduced budget includes \$8.0 million NGF the first year for site preparation and related work for a satellite campus for John Tyler Community College, and \$9.3 million GF the second year to construct the first phase of the campus buildings. An additional \$3.0 million in technology equipment for the facility is to be made available for the project through bonds, based on the Governor's proposals involving the Higher Education Equipment Trust Fund.
- J. Sargeant Reynolds Community College - Downtown Campus.** HB/SB 30 includes \$0.8 million GF the second year to supplement the General Obligation Bond project providing for an addition to the Downtown Campus of J. Sargeant Reynolds Community College. The supplement will allow the college's Hotel and Restaurant Management school to be relocated from leased space to the Downtown Campus.
- Virginia Commonwealth University - Engineering School.** The introduced budget provides authority to construct a new Engineering School utilizing \$23.9 million in § 9 (d) bonds and an additional \$11.0 million GF. The bond portion of the project is to be paid from nongeneral fund revenues provided by the VCU Engineering School Foundation, and the general fund component is earmarked for "clean room" facilities. The project is associated with the economic incentive package involving the Motorola Corporation plan for a Goochland County plant.

- **Old Dominion University - Virginia Beach Center.** The Governor's proposed budget authorizes Old Dominion University to enter into a long-term lease purchase agreement with the City of Virginia Beach to construct an approximately 85,000 gross square feet facility, which will provide space for the educational programs of ODU and Norfolk State University. The facility is estimated to cost \$14.9 million, the lease payments for which are to be made from nongeneral funds.
- **George Mason University - Prince William Institute.** The introduced budget includes \$13.3 million § 9 (c) and (d) revenue bond authority to construct Phase II of the Prince William Institute of George Mason University. The project is associated with the economic incentive package developed with the American Type Culture Collection. Revenues from user fees, institutional revenues, and the general fund may be used to pay debt service on the bonds.
- **Science Museum of Virginia.** The Governor's introduced budget proposes utilizing Virginia Public Building Authority bonds totaling \$7.6 million to provide for new office and exhibit space (Phase III Renovations) at the Science Museum of Virginia. In addition, \$337,000 GF is included in the proposed budget to address fire and life safety projects at the facility.
- **Adult Prison Construction.** The Governor's budget proposals provide no new funds for additional adult prison construction, however \$18.2 million GF is set aside for a variety of security, life safety, and renovation projects. The projects include upgrades to electrical, locking, HVAC, plumbing, and wastewater systems at various public safety institutions.

In addition, about \$12.7 million in Virginia Public Building Authority bond authorizations are contained in the Governor's proposals, to equip new prisons and to renovate existing facilities.

- **Juvenile Prison Construction.** The Governor's proposed budget provides \$73.8 million in funding for juvenile facility construction projects:
 - **Southampton Housing Unit.** Legislation involving the Virginia Public Building Authority (VPBA) would provide \$11.6 million in bond authority for a new housing unit for serious juvenile offenders, whose custody has been proposed to be transferred to the Department of Corrections.

- ***Reception & Diagnostic Center.*** Two proposals involve the RDC facility in Chesterfield. VPBA bonds totaling \$24.2 million would be utilized to construct a new reception facility at a new location, as part of a plan to convert the existing facility to a long-term care and custody institution. An additional \$3.0 million in balances from the Virginia Public Safety Fund would be earmarked for construction of a new school building at the existing site, to support the conversion plan.
- ***Culpeper Close-Custody Facility.*** New construction of a state juvenile correctional facility on land also containing the Coffeewood adult prison is included in the Governor's proposals, utilizing VPBA bonds totaling \$30.4 million.
- ***Beaumont Cost Over-runs.*** A \$1.2 million supplement to the VPBA sponsored Beaumont Medium and Maximum Security project is included in the Governor's budget proposals, to address cost over-runs resulting after the project was bid.
- ***Security & Life Safety.*** \$2.9 million GF is included in the introduced budget to upgrade locking, security, HVAC, and fire safety systems at existing Youth and Family Services institutions.
- **Department of State Police-Headquarters Warehouse.** HB/SB 30 provides \$1.8 million GF the second year to construct a 25,000 gross square feet Warehouse at the Administrative Headquarters of the Department of State Police in Chesterfield County.
- **Virginia Port Authority-NIT Expansion.** Language in the operating portion (Item 526) in the Governor's budget proposals directs the Virginia Port Authority to issue \$38.3 million in bonds to provide for construction of the Phase II Expansion of the Norfolk International Terminals. Debt service on the bonds would be paid from Commonwealth Transportation funds appropriated to the agency.
- **State Lottery Department.** The Governor's budget proposals allocate \$16.2 million NGF lottery revenues the first year and \$3.7 million in such revenues the second year for capital equipment purchases by the Virginia State Lottery. The Lottery has maintained capital project accounts for several years to address new and replacement equipment needs.

The 1996-98 plan contemplates a major upgrade and replacement initiative involving retailer equipment. The center piece of the initiative will be installing scanner and bar-coding computer equipment at retail sites, which will allow for full redemption of prizes at the local level.

Non-State Agencies

- **Nonstate Agencies:**
 - *Nonstate Agencies.* The Governor's proposed budget includes a general fund appropriation of \$7.1 million for grants to sixteen nonstate agencies for operating and capital expenses. Unless specifically exempted, these grants must be matched by the recipient organization.

<i>Nonstate Agencies</i>	<i>1996-97</i>	<i>1997-98</i>
Art Museum of Western Virginia	\$115,000	\$115,000
Barter Theater	50,000	50,000
Chrysler Museum	471,816	471,816
Council for America's First Freedom	316,000	316,000
Mariners' Museum	20,000	20,000
Maymont Foundation	50,000	50,000
Peninsula Fine Arts Center	80,000	80,000
Science Museum of Western Virginia	250,000	250,000
Smithsonian's Nat'l Air & Space Museum	500,000	0
Virginia Air and Space Center	200,000	200,000
Virginia Equine Center Foundation	599,615	599,615
Virginia Living Museum	246,910	246,910
Virginia Museum of Transportation	100,000	100,000
Virginia Recreational Facilities Authority	400,000	400,000
Western Va. Foundation for Arts & Sciences	311,915	311,915
William King Regional Arts Center	100,000	100,000
Total	\$3,811,256	\$3,311,256

- **Historic Landmarks.** The introduced budget includes a general fund appropriation of \$0.8 million to the Department of Historic Resources in the Natural Resources section for restoration and maintenance of historic landmarks.

Historic Landmarks	1996-97	1997-98
Virginia Historical Society	\$250,000	\$250,000
Montpelier	150,000	150,000
	\$400,000	\$400,000

APPENDIX A

AID FOR PUBLIC EDUCATION

DIVISION	COMPOSITE INDEX	AVERAGE DAILY MEMBERSHIP		1996-97			1997-98			1996-97			1997-98		
		1996-97		1997-98		SOQ PAYMENTS	TECHNOLOGY GRANTS*	TOTAL	SOQ PAYMENTS	ADDITIONAL \$15 MILLION DISTRIBUTION	TOTAL	SOQ PAYMENTS	ADDITIONAL \$15 MILLION DISTRIBUTION	TOTAL	
		1996-97	1997-98	1996-97	1997-98										
ACCOMACK	0.3276	5,459	5,505	\$17,354,378	\$368,600	\$17,722,978	\$17,820,841	\$89,578	\$17,910,418						
ALBEMARLE	0.6081	11,234	11,509	21,821,372	657,900	22,479,272	22,722,556	109,151	22,831,707						
ALLEGHANY	0.2854	2,346	2,332	7,470,551	263,400	7,733,951	7,665,176	40,328	7,705,504						
AMELIA	0.3395	1,760	1,787	5,538,310	131,900	5,670,210	5,729,462	28,564	5,758,025						
AMHERST	0.3029	4,760	4,804	14,730,045	316,000	15,046,045	15,154,505	81,043	15,235,548						
APPOMATTOX	0.2729	2,335	2,350	7,693,559	158,200	7,851,759	7,903,234	41,350	7,944,584						
ARLINGTON	0.8000	17,369	17,761	24,665,524	815,700	25,481,224	25,654,170	84,806	25,738,976						
AUGUSTA	0.3551	10,890	11,125	30,243,383	552,700	30,796,083	31,486,088	173,623	31,659,711						
BATH	0.8000	876	887	1,105,616	131,900	1,237,516	1,143,611	4,293	1,147,904						
BEDFORD	0.3770	9,403	9,807	24,435,294	552,700	24,987,994	25,939,579	147,856	26,087,435						
BLAND	0.2358	991	976	4,173,680	158,200	4,331,880	3,824,212	18,050	3,842,261						
BOTETOURT	0.3832	4,591	4,728	13,057,376	289,700	13,347,076	13,694,263	70,573	13,764,836						
BRUNSWICK	0.2675	2,535	2,520	9,263,560	210,800	9,474,360	9,387,066	44,671	9,431,737						
BUCHANAN	0.2377	4,963	4,755	17,716,017	500,100	18,216,117	17,341,689	87,719	17,429,408						
BUCKINGHAM	0.2840	2,253	2,302	7,879,046	210,800	8,089,846	8,198,253	39,887	8,238,140						
CAMPBELL	0.2952	8,470	8,514	24,878,451	421,200	25,299,651	25,509,882	145,216	25,655,099						
CAROLINE	0.3336	3,627	3,652	10,829,863	210,800	11,040,663	11,153,065	58,895	11,211,960						
CARROLL	0.2727	4,060	4,135	14,759,523	316,000	15,075,523	15,327,560	72,779	15,400,339						
CHARLES CITY	0.3666	1,020	1,010	3,264,704	131,900	3,396,604	3,308,134	15,482	3,323,615						
CHARLOTTE	0.2543	2,211	2,256	7,761,943	210,800	7,972,743	8,076,842	40,712	8,117,554						
CHESTERFIELD	0.3977	49,898	50,886	124,481,767	1,499,500	125,981,267	129,398,137	741,697	130,139,834						
CLARKE	0.5367	1,903	1,974	4,184,747	184,500	4,369,247	4,412,510	22,132	4,434,643						
CRAIG	0.3065	711	724	2,366,375	105,600	2,471,975	2,495,771	12,151	2,507,922						
CULPEPER	0.3969	5,182	5,226	14,540,716	237,100	14,777,816	14,956,949	76,274	15,033,223						
CUMBERLAND	0.3188	1,176	1,185	4,190,417	131,900	4,322,317	4,303,419	19,535	4,322,953						
DICKENSON	0.2236	3,116	3,055	11,221,901	263,400	11,485,301	11,230,413	57,400	11,287,813						
DINWIDDIE	0.2924	3,930	3,982	12,264,113	237,100	12,501,213	12,686,625	68,187	12,754,813						
ESSEX	0.4339	1,584	1,598	4,535,341	131,900	4,667,241	4,664,874	21,892	4,686,766						
FAIRFAX	0.7236	139,897	142,213	215,223,723	5,391,900	220,615,623	223,499,034	941,052	224,440,085						
FAUQUIER	0.6191	9,132	9,377	17,100,496	500,100	17,600,596	17,880,013	86,435	17,966,448						
FLOYD	0.3175	1,838	1,831	5,805,937	184,500	5,990,437	5,904,496	30,242	5,934,738						
FLUVANNA	0.3766	2,728	2,856	7,345,218	210,800	7,556,018	7,817,786	43,086	7,860,872						

AID FOR PUBLIC EDUCATION

DIVISION	COMPOSITE INDEX	AVERAGE DAILY MEMBERSHIP		EDUCATIONAL TECHNOLOGY		1996-97		1997-98		1996-97		1997-98		ADDITIONAL \$15 MILLION DISTRIBUTION	TOTAL
		1996-97		1997-98		SOQ PAYMENTS	GRANTS*	TOTAL	SOQ PAYMENTS	TOTAL	ADDITIONAL \$15 MILLION DISTRIBUTION	TOTAL			
		1996-97	1997-98	1996-97	1997-98										
FRANKLIN	0.3717	6,882	7,011	19,377,720	421,200	19,798,920	20,120,291	106,601	20,226,892						
FREDERICK	0.3925	9,876	10,223	24,563,402	421,200	24,984,602	25,902,303	148,529	26,050,832						
GILES	0.3003	2,569	2,567	8,008,603	184,500	8,193,103	8,155,374	43,466	8,198,840						
GLOUCESTER	0.3026	6,728	6,916	19,642,132	263,400	19,905,532	20,566,871	116,722	20,683,593						
GOOCHLAND	0.7084	1,993	2,091	3,463,348	184,500	3,647,848	3,680,180	14,756	3,694,936						
GRAYSON	0.2475	2,281	2,310	8,816,295	342,300	9,158,595	9,105,290	42,066	9,147,356						
GREENE	0.3076	2,327	2,412	8,134,956	158,200	8,293,156	8,588,674	40,416	8,629,090						
GREENSVILLE	0.2157	1,707	1,696	6,447,479	210,800	6,658,279	6,529,815	31,811	6,561,626						
HALIFAX	0.2380	6,402	6,397	22,010,996	526,400	22,537,396	22,447,352	117,963	22,565,315						
HANOVER	0.4680	14,673	15,331	32,911,215	500,100	33,411,315	34,956,216	197,377	35,153,593						
HENRICO	0.5249	38,329	39,538	83,102,754	1,473,200	84,575,954	87,271,595	454,585	87,726,180						
HENRY	0.3033	9,124	9,137	27,851,314	579,000	28,430,314	28,441,367	154,051	28,595,418						
HIGHLAND	0.5010	380	379	1,158,578	105,600	1,264,178	1,183,625	4,577	1,188,202						
ISLE OF WIGHT	0.3759	4,726	4,832	13,598,444	263,400	13,861,844	14,164,641	72,979	14,237,620						
JAMES CITY	0.5994	6,938	7,267	13,025,384	0	13,025,384	13,814,061	70,450	13,884,511						
KING GEORGE	0.3754	2,847	2,911	8,081,084	158,200	8,239,284	8,416,649	44,001	8,460,650						
KING QUEEN	0.3497	864	854	3,130,365	131,900	3,262,265	3,153,397	13,440	3,166,837						
KING WILLIAM	0.3514	1,609	1,623	5,091,342	131,900	5,223,242	5,236,949	25,475	5,262,424						
LANCASTER	0.6469	1,636	1,644	3,124,971	131,900	3,256,871	3,211,993	14,048	3,226,041						
LEE	0.1730	4,225	4,179	17,326,209	394,900	17,721,109	17,478,284	83,636	17,561,920						
LOUDOUN	0.7323	21,452	23,147	29,591,883	973,500	30,565,383	32,213,013	148,056	32,361,069						
LOUISA	0.6787	3,923	3,990	6,993,657	184,500	7,178,157	7,257,044	31,024	7,288,069						
LUNENBURG	0.2239	2,043	1,997	7,626,052	158,200	7,784,252	7,615,146	37,507	7,652,652						
MADISON	0.3776	1,986	2,021	5,773,960	184,500	5,958,460	5,990,247	30,440	6,020,687						
MATHEWS	0.4883	1,252	1,244	3,092,312	131,900	3,224,212	3,139,332	15,405	3,154,736						
MECKLENBURG	0.3071	4,987	4,959	16,323,276	342,300	16,665,576	16,572,268	83,153	16,655,421						
MIDDLESEX	0.5685	1,368	1,393	3,109,725	131,900	3,241,625	3,227,934	14,546	3,242,480						
MONTGOMERY	0.3626	9,029	9,150	26,576,488	552,700	27,129,188	27,450,847	141,139	27,591,987						
NELSON	0.4879	2,070	2,075	5,156,627	184,500	5,341,127	5,279,047	25,715	5,304,762						
NEW KENT	0.4226	2,167	2,223	6,058,754	158,200	6,216,954	6,331,215	31,062	6,362,277						
NORTHAMPTON	0.2979	2,493	2,506	8,233,141	158,200	8,391,341	8,354,432	42,579	8,397,011						
NORTHUMBERLAND	0.6016	1,557	1,570	3,223,587	158,200	3,381,787	3,317,729	15,137	3,332,866						

AID FOR PUBLIC EDUCATION

DIVISION	1996-98 COMPOSITE INDEX	AVERAGE		1996-97			1997-98			1996-97			1997-98		
		DAILY MEMBERSHIP		SOQ PAYMENTS	EDUCATIONAL TECHNOLOGY GRANTS*	TOTAL	SOQ PAYMENTS	ADDITIONAL \$15 MILLION DISTRIBUTION	TOTAL	SOQ PAYMENTS	ADDITIONAL \$15 MILLION DISTRIBUTION	TOTAL			
		1996-97	1997-98												
NOTTOWAY	0.2466	2,490	2,510	9,008,382	210,800	9,219,182	9,254,512	45,763	9,300,275						
ORANGE	0.4224	3,773	3,766	10,373,792	237,100	10,610,892	10,576,521	52,641	10,629,162						
PAGE	0.3167	3,494	3,497	11,087,735	237,100	11,324,835	11,330,749	57,826	11,388,575						
PATRICK	0.2961	2,578	2,571	8,400,253	237,100	8,637,353	8,547,520	43,795	8,591,315						
PITTSYLVANIA	0.2631	9,403	9,468	30,869,465	579,000	31,448,465	31,700,029	168,843	31,868,872						
POWHATAN	0.3938	2,864	2,979	7,569,328	131,900	7,701,228	8,004,821	43,702	8,048,523						
PRINCE EDWARD	0.3096	2,630	2,642	8,485,155	131,900	8,617,055	8,688,434	44,142	8,732,576						
PRINCE GEORGE	0.2613	5,725	5,942	17,459,561	316,000	17,775,561	18,447,516	106,222	18,553,739						
PRINCE WILLIAM	0.4316	47,875	48,867	122,569,582	1,788,800	124,358,382	127,611,850	664,297	128,276,147						
PULASKI	0.3012	5,068	5,018	15,638,070	342,300	15,980,370	15,759,720	84,859	15,844,579						
RAPPAHANNOCK	0.7422	1,091	1,138	1,723,025	105,600	1,828,625	1,814,967	7,100	1,822,066						
RICHMOND	0.3756	1,315	1,325	3,765,379	131,900	3,897,279	3,868,956	20,021	3,888,977						
ROANOKE	0.4177	13,776	13,838	35,631,881	736,800	36,368,681	36,539,283	195,000	36,734,284						
ROCKBRIDGE	0.3713	3,013	3,031	8,589,350	263,400	8,852,750	8,811,157	46,115	8,857,272						
ROCKINGHAM	0.3480	10,460	10,702	28,809,413	552,700	29,362,113	30,044,065	168,860	30,212,925						
RUSSELL	0.2445	4,666	4,615	15,754,350	394,900	16,149,250	15,888,814	84,377	15,973,190						
SCOTT	0.2175	3,830	3,802	14,401,373	394,900	14,796,273	14,578,590	71,997	14,650,587						
SHENANDOAH	0.3756	5,369	5,491	14,638,656	289,700	14,928,356	15,249,367	82,972	15,332,339						
SMYTH	0.2534	5,168	5,119	17,138,254	342,300	17,480,554	17,331,311	92,489	17,423,800						
SOUTHAMPTON	0.3109	2,915	2,979	9,111,327	237,100	9,348,427	9,483,007	49,678	9,532,686						
SPOTSYLVANIA	0.3838	15,805	16,416	41,132,130	631,600	41,763,730	43,490,140	244,796	43,734,936						
STAFFORD	0.3663	17,714	18,914	45,845,402	552,700	46,398,102	49,799,012	287,265	50,086,278						
SURRY	0.8000	1,337	1,378	1,681,954	131,900	1,813,854	1,743,853	6,670	1,750,522						
SUSSEX	0.3528	1,531	1,546	5,144,894	184,500	5,329,394	5,285,240	24,214	5,309,454						
TAZEWELL	0.2481	7,803	7,593	25,655,242	500,100	26,155,342	25,507,290	138,162	25,645,452						
WARREN	0.4066	4,615	4,671	11,813,121	210,800	12,023,921	12,195,722	67,077	12,262,799						
WASHINGTON	0.3098	7,548	7,579	22,440,777	447,500	22,888,277	22,991,309	126,591	23,117,900						
WESTMORELAND	0.4015	2,048	2,058	5,739,244	184,500	5,923,744	5,882,831	29,807	5,912,638						
WISE	0.2155	7,688	7,518	25,882,438	447,500	26,329,938	25,839,850	142,728	25,982,578						
WYTHE	0.3047	4,308	4,276	13,665,101	316,000	13,981,101	13,850,049	71,949	13,921,998						
YORK	0.3853	10,800	10,875	27,679,356	473,800	28,153,156	28,433,408	160,167	28,593,575						
ALEXANDRIA	0.8000	10,058	10,215	14,017,462	526,400	14,543,862	14,541,032	49,441	14,590,473						

AID FOR PUBLIC EDUCATION

DIVISION	COMPOSITE INDEX	AVERAGE DAILY MEMBERSHIP		1996-97			1997-98			1997-98		
		1996-97		1997-98			EDUCATIONAL TECHNOLOGY			ADDITIONAL \$15 MILLION		
		1996-97	1997-98	SOQ PAYMENTS	GRANTS*	TOTAL	SOQ PAYMENTS	DISTRIBUTION	TOTAL			
BRISTOL	0.3564	2,521	2,526	7,770,922	210,800	7,981,722	7,944,661	39,343	7,984,004			
BUENA VISTA	0.2418	1,050	1,041	3,747,701	158,200	3,905,901	3,806,760	19,101	3,825,860			
CHARLOTTESVILLE	0.5447	4,380	4,344	10,335,980	289,700	10,625,680	10,495,392	47,863	10,543,256			
CLIFTON FORGE	0.2543	717	724	2,321,172	0	2,321,172	2,404,851	13,065	2,417,916			
COLONIAL HEIGHTS	0.4731	2,773	2,811	6,466,286	184,500	6,650,786	6,685,130	35,843	6,720,973			
COVINGTON	0.3702	949	943	2,796,608	131,900	2,928,508	2,834,233	14,190	2,848,423			
DANVILLE	0.3014	8,100	8,036	24,160,070	447,500	24,607,570	24,458,598	135,858	24,594,455			
FALLS CHURCH	0.8000	1,525	1,596	1,912,133	158,200	2,070,333	2,026,931	7,725	2,034,656			
FREDERICKSBURG	0.6569	2,264	2,322	4,452,920	131,900	4,584,820	4,653,058	19,280	4,672,338			
GALAX	0.3767	1,257	1,281	3,386,178	131,900	3,518,078	3,513,850	19,322	3,533,172			
HAMPTON	0.2947	23,778	24,018	67,591,188	947,200	68,538,388	69,632,424	404,825	70,037,249			
HARRISONBURG	0.5484	3,531	3,545	7,761,360	210,800	7,972,160	7,963,586	38,742	8,002,328			
HOPEWELL	0.2695	4,035	4,018	12,648,665	184,500	12,833,165	12,852,715	71,031	12,923,746			
LYNCHBURG	0.3845	9,457	9,507	26,566,014	552,700	27,118,714	27,251,992	141,608	27,393,600			
MARTINSVILLE	0.3661	2,825	2,834	7,877,503	210,800	8,088,303	8,065,129	43,475	8,108,604			
NEWPORT NEWS	0.2942	31,303	31,611	92,907,486	1,105,000	94,012,486	95,630,052	539,927	96,169,980			
NORFOLK	0.2993	34,960	35,053	109,429,178	1,394,300	110,823,478	112,498,958	594,392	113,093,350			
NORTON	0.3434	759	731	2,230,240	105,600	2,335,840	2,194,955	11,615	2,206,570			
PETERSBURG	0.2437	6,031	5,981	20,570,460	289,700	20,860,160	20,810,890	109,467	20,920,357			
PORTSMOUTH	0.2372	17,721	17,771	62,326,177	763,100	63,089,277	63,768,932	328,048	64,096,980			
RADFORD	0.3377	1,506	1,515	4,257,253	158,200	4,415,453	4,372,667	23,961	4,396,629			
RICHMOND CITY	0.4508	26,943	27,151	72,485,671	1,525,800	74,011,471	74,506,148	360,854	74,867,002			
ROANOKE CITY	0.4046	13,170	13,295	37,237,480	815,700	38,053,180	38,385,736	191,563	38,577,299			
STAUNTON	0.3860	2,860	2,830	8,182,744	210,800	8,393,544	8,275,657	42,050	8,317,708			
SUFFOLK	0.3228	10,134	10,393	31,918,230	473,800	32,392,030	33,308,237	170,323	33,478,560			
VIRGINIA BEACH	0.3426	76,564	77,294	207,097,627	2,130,700	209,228,327	213,305,043	1,215,183	214,520,227			
WAYNESBORO	0.3980	3,093	3,170	7,673,715	210,800	7,884,515	8,009,378	46,182	8,055,560			
WILLIAMSBURG	0.8000	761	784	1,060,889	316,000	1,376,889	1,124,427	3,795	1,128,222			
WINCHESTER	0.5941	3,306	3,358	6,555,503	237,100	6,792,603	6,793,326	32,985	6,826,311			
FAIRFAX CITY	0.8000	2,449	2,476	3,219,922	0	3,219,922	3,329,708	11,863	3,341,571			
FRANKLIN CITY	0.2878	1,791	1,798	5,962,272	131,900	6,094,172	6,108,244	30,989	6,139,233			
CHESAPEAKE CITY	0.3523	35,703	36,503	95,315,634	1,052,400	96,368,034	99,344,381	566,016	99,910,397			

AID FOR PUBLIC EDUCATION

DIVISION	1996-98 COMPOSITE INDEX	AVERAGE		1996-97			1997-98			1997-98		
		DAILY MEMBERSHIP		EDUCATIONAL			ADDITIONAL					
		1996-97	1997-98	SOQ PAYMENTS	TECHNOLOGY GRANTS*	TOTAL	SOQ PAYMENTS	\$15 MILLION DISTRIBUTION	TOTAL			
LEXINGTON	0.4205	695	702	1,716,521	105,600	1,822,121	1,757,381	9,845	1,767,226			
EMPORIA	0.3143	993	966	3,166,404	0	3,166,404	3,139,534	15,781	3,155,315			
SALEM	0.4357	3,895	3,956	9,284,900	210,800	9,495,700	9,614,626	54,023	9,668,650			
BEDFORD CITY	0.3665	1,046	1,080	2,725,680	0	2,725,680	2,864,626	16,557	2,881,183			
POQUOSON	0.3344	2,432	2,426	6,381,280	158,200	6,539,480	6,499,382	38,690	6,538,073			
MANASSAS CITY	0.4969	5,768	5,930	13,552,879	263,400	13,816,279	14,216,080	71,297	14,287,377			
MANASSAS PARK	0.3336	1,645	1,726	5,352,185	184,500	5,536,685	5,715,662	27,448	5,743,110			
COLONIAL BEACH	0.3193	709	740	2,133,136	79,300	2,212,436	2,267,208	12,190	2,279,398			
WEST POINT	0.3473	771	794	2,252,272	105,600	2,357,872	2,364,394	12,541	2,376,935			
TOTALS	0.4500	1,087,619	1,105,134	\$2,779,040,895	\$53,836,300	\$2,832,877,195	\$2,873,349,266	\$14,995,793	\$2,888,345,059			

* The Educational Technology Grants for some cities have been combined with their respective counties.

APPENDIX B

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
LEGISLATIVE BRANCH			
Legislative Branch			
The amounts included in HB/SB 30 do not yet reflect agency budgets approved by the Joint Rules Committee.			
Agency totals are therefore not included in this summary.			
Governor's Recommended Budget	75,914,674	3,953,262	595.00
JUDICIAL BRANCH			
Supreme Court			
1994-96 Adjusted Budget	351,200,372	1,340,950	2,111.56
Enhance Supreme Court Security/Office Space	248,717	0	0.00
Governor's Recommended Budget	351,449,089	1,340,950	2,111.56
% Net Change	0.07%	0.00%	0.00%
Judicial Inquiry & Review Commission			
1994-96 Adjusted Budget	676,204	0	3.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	676,204	0	3.00
% Net Change	0.00%	NA	0.00%
Virginia State Bar			
1994-96 Adjusted Budget	740,000	15,859,085	73.00
Document Imaging/Computer Systems Upgrade	0	270,000	0.00
Reduce Unfilled Positions	0	0	(2.50)
Governor's Recommended Budget	740,000	16,129,085	70.50
% Net Change	0.00%	1.70%	(3.42%)
State Board of Bar Examiners			
1994-96 Adjusted Budget	1,231,844	0	4.00
Increased Applicants Process Cost and Rent	392,912	0	0.00
Governor's Recommended Budget	1,624,756	0	4.00
% Net Change	31.90%	NA	0.00%
Public Defender Commission			
1994-96 Adjusted Budget	25,571,624	0	253.50
Annualize Positions Phased in FY 96	525,002	0	0.00
Governor's Recommended Budget	26,096,626	0	253.50
% Net Change	2.05%	NA	0.00%
Virginia Criminal Sentencing Commission			
1994-96 Adjusted Budget	1,411,938	70,000	10.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	1,411,938	70,000	10.00
% Net Change	0.00%	0.00%	0.00%
Judicial Branch			
1994-96 Adjusted Budget	380,831,982	17,270,035	2,454.06
Governor's Recommended Increases	1,166,631	270,000	0.00
Governor's Recommended Decreases	0	0	(2.50)
Governor's Recommended Budget	381,998,613	17,540,035	2,452.56
% Net Change	0.31%	1.56%	(0.10%)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
EXECUTIVE OFFICES			
Office of the Governor			
1994-96 Adjusted Budget	4,283,388	0	35.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	4,283,388	0	35.0
% Net Change	0.57%	NA	0.00%
Office of the Lieutenant Governor			
1994-96 Adjusted Budget	716,000	0	6.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	716,000	0	6.0
% Net Change	0.00%	NA	0.00%
Attorney General & Dept. of Law			
1994-96 Adjusted Budget	25,974,950	10,303,548	269.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	25,974,950	10,303,548	269.0
% Net Change	0.00%	0.00%	0.00%
Secretary of the Commonwealth			
1994-96 Adjusted Budget	2,031,602	0	21.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	2,031,602	0	21.0
% Net Change	4.65%	NA	0.00%
Virginia Liaison Office			
1994-96 Adjusted Budget	355,292	170,066	3.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	355,292	170,066	3.0
% Net Change	0.00%	0.00%	0.00%
Interstate Organization Contributions			
1994-96 Adjusted Budget	425,357	0	0.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	425,357	0	0.0
% Net Change	(10.71%)	NA	N.
Executive Offices			
1994-96 Adjusted Budget	33,786,589	10,473,614	334.0
Governor's Recommended Increases	0	0	0.0
Governor's Recommended Decreases	0	0	0.0
Governor's Recommended Budget	33,786,589	10,473,614	334.00
% Net Change	0.19%	0.00%	0.00%
ADMINISTRATION			
Secretary of Administration			
1994-96 Adjusted Budget	1,700,874	0	15.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	1,700,874	0	15.0
% Net Change	0.00%	NA	0.00%
Virginia Veterans' Care Center			
1994-96 Adjusted Budget	0	306,608	2.0
No Agency Change	0	0	0.0

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Governor's Recommended Budget	0	306,608	2.00
% Net Change	NA	0.00%	0.00%
Council on Human Rights			
1994-96 Adjusted Budget	516,718	0	4.00
Federal EEOC Investigation Subcontract	0	100,000	0.00
Director's Salary Adjustment	26,000	0	0.00
Governor's Recommended Budget	542,718	100,000	4.00
% Net Change	5.03%	NA	0.00%
Department of Personnel & Training			
1994-96 Adjusted Budget	9,124,500	2,445,286	77.00
Study State Employee Disability Insurance Pgm. Language	0	0	0.00
WTA-Add Back	73,823	0	0.00
WTA-Adjustment	(943,093)	0	(10.00)
Shift SEAS Program Fund Source	(260,470)	260,470	0.00
Centralize Payroll Processing	(33,534)	0	0.00
Governor's Recommended Budget	7,961,226	2,705,756	67.00
% Net Change	(12.75%)	10.65%	(12.99%)
Department of Employee Relations Counselors			
1994-96 Adjusted Budget	1,826,816	105,322	14.00
WTA-Add Back	2,916	0	0.00
WTA Adjustment	(124,952)	0	(1.00)
Governor's Recommended Budget	1,704,780	105,322	13.00
% Net Change	(6.68%)	0.00%	(7.14%)
Department of General Services			
1994-96 Adjusted Budget	65,796,258	17,612,250	916.00
Biotech Park/Forensic Unit Lease Payment	2,700,000	0	0.00
Expand Privatization & Contract Efforts	571,158	96,638	0.00
Transfer Division of Energy from DMME	0	1,021,096	6.00
WTA-Add Back	51,324	2,106,583	0.00
Establish Fund to Pay Cost of Surplus Prop. Sale Language	0	0	0.00
WTA Adjustment	(3,293,516)	(2,203,221)	(77.00)
Contract for Forensic Photo Services	(280,000)	0	(3.00)
VDAC's to Internal Service Fund	(720,000)	0	0.00
Lynchburg Human Service Bldg. Consolidation	(1,394,000)	0	0.00
Governor's Recommended Budget	63,431,224	18,633,346	842.00
% Net Change	(3.59%)	5.80%	(8.08%)
State Board of Elections			
1994-96 Adjusted Budget	14,931,596	0	24.00
Motor Voter Act Implementation (Supplement)	1,200,850	0	0.00
WTA-Position Add Back	66,212	0	1.00
Centralize Payroll Processing	(16,398)	0	0.00
WTA-Adjustment	(189,532)	0	(3.00)
Governor's Recommended Budget	15,992,728	0	22.00
% Net Change	7.11%	NA	(8.33%)
Compensation Board			
1994-96 Adjusted Budget	724,198,541	0	13.00
Additional Deputies-Bedford, Loudoun, York	134,314	0	0.00
Risk Management Bond Premium Increase	84,000	0	0.00
931 Deputy & 164 Support Positions-New Jails	25,935,821	0	0.00
Salary Adjustments-Population Growth	139,644	0	0.00
Salary Increase - Sheriffs (4.5%,2.6%,9.5%)	1,841,666	0	0.00
Jail Per Diem Payments/Forecast	1,497,235	0	0.00

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
WTA Adjustment	(125,456)	0	(2.00)
Use Comm. Attorneys for Substitute Prosecutors	(190,000)	0	0.00
Turnover, Vacancy, Late Jail Open Balances	(8,023,502)	0	0.00
Automated Systems Devl.-Finance & Time Calc.	(1,398,714)	0	0.00
Centralize Payroll Processing	(20,578)	0	0.00
Jail Per Diem Payments	(1,915,904)	0	0.00
Governor's Recommended Budget	742,157,065	0	11.00
% Net Change	2.48%	NA	(15.38%
Commission on Local Government			
1994-96 Adjusted Budget	1,153,226	0	6.00
WTA Position Add-Back	110,974	0	1.00
WTA Adjustment	(151,168)	0	(1.00)
Governor's Recommended Budget	1,113,032	0	6.00
% Net Change	(3.49%)	NA	0.00%
Department of Information Technology			
1994-96 Adjusted Budget	13,922,134	0	386.00
Position Increases	0	0	5.00
WTA-Position Add-Back	672,357	0	0.00
Abolish Resource Management/Planning Unit	0	0	(10.00)
WTA Adjustment	(672,357)	0	(38.00)
Reduce Public TV Grants (-25%,-50%)	(2,221,557)	0	0.00
Reduce Public Radio Grants (-25%,-50%)	(395,607)	0	0.00
Governor's Recommended Budget	11,304,970	0	343.00
% Net Change	(18.80%)	NA	(11.14%
Council on Information Management			
1994-96 Adjusted Budget	1,191,496	0	7.00
DIT Resource Unit/Technology Initiative	0	0	9.00
Director's Salary Adjustment	20,342	0	0.00
NGF Technology Infrastructure Fund Created	Language	0	0.00
No Agency Decrease	0	0	0.00
Governor's Recommended Budget	1,211,838	0	16.00
% Net Change	1.71%	NA	128.57%
Department of Veterans' Affairs			
1994-96 Adjusted Budget	4,164,372	0	49.00
Open State Veterans Cemetery	135,000	0	0.00
Governor's Recommended Budget	4,299,372	0	49.00
% Net Change	3.24%	NA	0.00%
Charitable Gaming Commission			
1994-96 Adjusted Budget	Sum sufficient	Sum sufficient	Sum sufficient
No Agency Change	0	0	0.00
Governor's Recommended Budget	Sum sufficient	Sum sufficient	Sum sufficient
% Net Change	NA	NA	NA
Office of Administration			
1994-96 Adjusted Budget	838,526,531	20,469,466	1,513.00
Governor's Recommended Increases	35,263,636	3,324,317	22.00
Governor's Recommended Decreases	(22,370,338)	(1,942,751)	(145.00)
Governor's Recommended Budget	851,428,245	21,851,032	1,390.00
% Net Change	1.54%	6.75%	(8.13%

COMMERCE AND TRADE

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Secretary of Commerce & Trade			
1994-96 Adjusted Budget	927,884	0	7.00
Base Closing and Defense Adjustment Office	450,000	0	2.00
Rent	43,486	0	0.00
Office support	67,708	0	0.00
Governor's Recommended Budget	1,489,078	0	9.00
% Net Change	60.48%	NA	28.57%
Dept. of Housing & Community Dev.			
1994-96 Adjusted Budget	56,381,633	107,544,320	120.00
Transfer Main Street Program to DHCD	67,500	0	0.00
Increase funding for Indoor Plumbing Program	0	2,005,500	0.00
Increase funding for Regional Consortiums	0	2,174,500	0.00
Implement Family Savings Initiative	116,268	0	1.00
WTA Replacements	497,212	100,442	5.00
Consolidate housing funds	(15,558,248)	(73,214)	0.00
WTA Adjustment	(865,169)	(675,640)	(17.00)
Fund switch with Fire Program Fund	(250,000)	250,000	0.00
Eliminate Rural Economic Development Grants	(240,000)	0	0.00
Governor's Recommended Budget	40,149,196	111,325,908	109.00
% Net Change	(28.79%)	3.52%	(9.17%)
VA Economic Development Partnership			
1994-96 Adjusted Budget	47,897,618	2,681,940	127.50
Transfer international marketing from DACS	1,540,604	0	7.00
Increase national business development	1,698,900	0	6.00
Increase international business development	1,665,300	0	3.00
Increase Export Promotion Assistance	344,500	0	3.00
Tourism Marketing and Film Office Marketing	8,000,000	0	0.00
Office support for Tourism and Film Office	600,000	0	0.00
Increase tourism marketing support	800,800	0	5.00
Business development financing effort	291,800	0	1.00
Increase business development research	878,500	0	5.00
Increase business development advertising	5,207,500	0	2.00
Geographic information system initiative	1,600,500	0	4.00
Performance compensation	586,000	61,000	0.00
Governor's Recommended Budget	71,112,022	2,742,940	163.50
% Net Change	48.47%	2.27%	28.24%
Department of Economic Development			
1994-96 Adjusted Budget	66,858,918	7,522,012	164.50
Increase workforce services	5,648,000	0	2.00
Increase business retention program	1,242,000	0	4.00
Transfer to VA Economic Dev. Partnership Auth.	(47,897,618)	(2,681,940)	(127.50)
WTA Adjustment	(508,815)	(288,366)	(10.00)
Governor's Recommended Budget	25,342,485	4,551,706	33.00
% Net Change	(62.10%)	(39.49%)	(79.94%)
Dept. of Minority Business Enterprise			
1994-96 Adjusted Budget	936,694	1,173,164	21.00
Centralize payroll process for selected agencies	(5,000)	0	0.00
WTA Adjustment	(68,756)	(191,620)	(3.00)
Downsizing activities	11,383	(41,311)	0.00
Fund Switch	(399,873)	498,113	0.00
Governor's Recommended Budget	474,448	1,438,346	18.00
% Net Change	(49.35%)	22.60%	(14.29%)
Department of Labor and Industry			

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
1994-96 Adjusted Budget	12,863,578	9,208,984	208.0
Increase support for operations	112,000	200,000	0.0
WTA replacements	288,966	146,110	5.0
Restructure agency operations	(300,000)	(213,164)	(9.0)
WTA-Waive certain costs	(81,679)	(81,679)	0.0
WTA Adjustment	(758,902)	(608,030)	(16.0)
Governor's Recommended Budget	12,123,963	8,652,221	188.0
% Net Change	(5.75%)	(6.05%)	(9.62%)
Dept. of Occupation & Profession Reg.			
1994-96 Adjusted Budget	0	18,658,752	147.0
Privatize certain regulatory activities	0	(15,500)	(1.0)
Install new integrated licensing systems	0	(86,862)	(4.0)
WTA Replacements	0	318,082	2.0
Privatize Board of Accountancy	0	(227,200)	(2.0)
Eliminate certain regulatory activities	0	(83,500)	(1.0)
Deregulate certain regulatory activities	0	(18,800)	0.0
WTA Adjustment	0	(927,358)	(14.0)
Governor's Recommended Budget	0	17,617,614	127.0
% Net Change	NA	(5.58%)	(13.61%)
Dept. of Agriculture & Consumer Services			
1994-96 Adjusted Budget	46,277,456	36,310,894	566.0
Transfer laboratory testing funds from DGS	720,000	0	0.0
WTA replacements	1,076,140	235,656	17.0
Contract for seed laboratory testing	0	(240,000)	0.0
Eliminate Richmond animal health lab	(384,274)	(23,950)	(10.0)
Eliminate nuisance bird control program	(144,010)	(21,300)	(5.0)
Eliminate assistance to bond livestock buyers	(5,000)	0	0.0
Eliminate beneficial insect laboratory	(54,868)	0	(1.0)
Eliminate apilary inspection services	(154,438)	0	(1.0)
Eliminate review of veterinary inspection tags	(3,456)	0	0.0
Waive certain WTA costs for necessary layoffs	(150,340)	0	0.0
Transfer Office of International Marketing	(1,540,604)	0	(7.0)
WTA Adjustment	(4,711,702)	(1,119,852)	(69.0)
Governor's Recommended Budget	40,924,904	35,141,448	490.0
% Net Change	(11.57%)	(3.22%)	(13.43%)
Virginia Agriculture Council			
1994-96 Adjusted Budget	0	580,668	0.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	0	580,668	0.0
% Net Change	NA	0.00%	N
Milk Commission			
1994-96 Adjusted Budget	0	1,518,450	11.0
Commissioners per diems	0	(6,000)	0.0
Additional agency reductions	0	(58,430)	0.0
WTA Adjustment	0	(108,400)	(1.0)
Governor's Recommended Budget	0	1,345,620	10.0
% Net Change	NA	(11.38%)	(9.09%)
Dept. of Mines, Minerals & Energy			
1994-96 Adjusted Budget	20,248,404	28,568,098	281.0
WTA replacements	170,642	0	1.0
Transfer Division of Energy to DGS	0	(1,021,096)	(6.0)
Eliminate vacant positions	(122,720)	(122,720)	(12.0)
WTA Adjustment	(966,356)	(811,697)	(20.0)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Governor's Recommended Budget	19,329,970	26,612,585	244.00
% Net Change	(4.54%)	(6.85%)	(13.17%)
Virginia Employment Commission			
1994-96 Adjusted Budget	0	722,921,324	1,070.00
Purchase new imaging system	0	6,000,000	0.00
Fund new accounting software system	0	530,000	0.00
Replace data processing equipment	0	3,882,011	0.00
Contract for supplies inventory	0	(38,400)	0.00
WTA Adjustment	0	(10,072,533)	(120.00)
Governor's Recommended Budget	0	723,222,402	950.00
% Net Change	NA	0.04%	(11.21%)
Department of Forestry			
1994-96 Adjusted Budget	24,559,510	16,448,712	358.00
WTA replacements	252,290	67,064	4.00
Privatize aerial application of herbicides	0	(2,200,150)	0.00
WTA Adjustment	(1,717,710)	(602,846)	(28.00)
Governor's Recommended Budget	23,094,090	13,712,780	334.00
% Net Change	(5.97%)	(16.63%)	(6.70%)
Virginia Racing Commission			
1994-96 Adjusted Budget	0	0	0.00
Provide support for the Commission	0	2,200,000	8.00
Governor's Recommended Budget	0	2,200,000	8.00
% Net Change	NA	NA	NA
Innovative Technology Authority			
1994-96 Adjusted Budget	16,473,512	0	0.00
Use general fund dollars in place of reserves	3,000,000	0	0.00
Governor's Recommended Budget	19,473,512	0	0.00
% Net Change	18.21%	NA	NA
Office of Commerce & Trade			
1994-96 Adjusted Budget	293,425,207	953,137,318	3,081.00
Governor's Recommended Increases	36,966,616	17,818,003	65.00
Governor's Recommended Decreases	(76,878,155)	(21,811,083)	(462.50)
Governor's Recommended Budget	253,513,668	949,144,238	2,683.50
% Net Change	(13.60%)	(0.42%)	(12.90%)
EDUCATION			
Secretary of Education			
1994-96 Adjusted Budget	989,500	0	5.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	989,500	0	5.00
% Net Change	0.00%	NA	0.00%
Department of Education			
1994-96 Adjusted Budget	34,851,340	41,973,674	310.00
Expand Student Testing Program	23,194,229	0	0.00
Transfer of VA.PEN from Direct Aid	1,000,000	0	0.00
WTA-Maintain Effort for Federal Programs	354,598	0	0.00
WTA Adjustment	(2,047,290)	0	(38.00)
Centralize Payroll Processing	(67,428)	0	(1.00)
Governor's Recommended Budget	57,285,449	41,973,674	271.00
% Net Change	64.37%	0.00%	(12.58%)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Direct Aid to Public Education			
1994-96 Adjusted Budget	5,333,316,976	729,772,274	0.00
Increase SOQ Funding	364,514,170	0	0.00
Teacher Salary Increase	33,928,270	0	0.00
Sales Tax Increase	63,078,000	0	0.00
Foster Care	6,926,477	0	0.00
Homebound Instruction	187,894	0	0.00
Hospitals, Clinics, and Detention Homes	782,155	0	0.00
Remedial Summer School	2,423,445	0	0.00
Expand At-Risk Four-Year-Olds Programs	27,190,019	0	0.00
At-Risk Funding	12,553,364	0	0.00
Enrollment Loss Payments	2,729,855	0	0.00
Reduced Class Size in Grades K-3	3,062,212	0	0.00
English as a Second Language (ESL)	1,070,388	0	0.00
Maintenance Supplement	123,539	0	0.00
Distribute Lottery Proceeds	15,000,000	0	0.00
New Educational Technology Grant Program	11,700,000	976,000	0.00
Expand Alternative Education Programs	5,242,000	0	0.00
Provide Teacher Liability Insurance	1,200,000	0	0.00
Pilot Specialized Treatment & Rehab. Program	225,000	0	0.00
Discovery Museum	50,000	0	0.00
1995-96 Educational Technology Grant Prog.	(14,663,996)	0	0.00
Transfer VA.PEN to DOE-Central Office	(1,000,000)	0	0.00
Special Education Regional Tuition	(3,240,284)	0	0.00
Eliminate Funding-Middle Peninsula Alt. Ed.	(200,000)	0	0.00
Governor's Recommended Budget	5,866,199,484	730,748,274	0.00
% Net Change	9.99%	0.13%	NA
Comprehensive Services Act for At-Risk Youth and Families			
1994-96 Adjusted Budget	128,009,166	16,839,996	0.00
Increased Caseloads	31,700,000	0	0.00
Governor's Recommended Budget	159,709,166	16,839,996	0.00
% Net Change	24.76%	0.00%	NA
School for the Deaf & Blind (Staunton)			
1994-96 Adjusted Budget	10,709,384	1,094,574	154.00
WTA Correction for Health Benefits	25,572	0	0.00
WTA Adjustment	(754,120)	0	(10.00)
Governor's Recommended Budget	9,980,836	1,094,574	144.00
% Net Change	(6.80%)	0.00%	(6.49%)
School for the Deaf & Blind (Hampton)			
1994-96 Adjusted Budget	12,463,628	893,050	146.00
WTA Adjustment	(1,086,991)	0	(16.00)
Governor's Recommended Budget	11,376,637	893,050	130.00
% Net Change	(8.72%)	0.00%	(10.96%)
Subtotal-Department of Education			
1994-96 Adjusted Budget	5,519,350,494	790,573,568	610.00
Governor's Recommended Increases	608,261,187	976,000	0.00
Governor's Recommended Decreases	(23,060,109)	0	(65.00)
Governor's Recommended Budget	6,104,551,572	791,549,568	545.00
% Net Change	10.60%	0.12%	(10.66%)

HIGHER EDUCATION

Council of Higher Education

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
1994-96 Adjusted Budget	74,004,056	7,850,680	61.00
Expand Virtual Library Project	880,398	0	0.00
Increase TAG Grants	8,838,534	0	0.00
Support for Va. Women's Inst. for Leadership	1,418,160	0	0.00
WTA Reduction	(399,834)	0	(4.00)
Phase-Out Virginia Scholars Program	(380,400)	0	0.00
Discontinue Shenandoah Contract	(225,000)	0	0.00
Discontinue Federal SPRE Program	0	(950,000)	(4.00)
Discontinue Private Work Study Program	(50,000)	0	0.00
Discontinue Paul Douglas Teach. Scholarships	0	(1,000,000)	0.00
Remove Unfunded Positions	0	0	(9.00)
Decentralize Equipment Trust Fund Admin.	(40,000)	0	(0.25)
Governor's Recommended Budget	84,045,914	5,900,680	43.75
% Net Change	13.57%	(24.84%)	(28.28%)
Virginia Community College System			
1994-96 Adjusted Budget	395,543,058	324,257,228	7,186.90
WTA Restoration	5,006,855	3,206,033	31.00
Increase General Fund Support	4,955,477	0	0.00
Support for Operating New Facilities	2,835,288	1,633,955	0.00
Increase Faculty Salaries-2nd Year	3,128,314	1,802,824	0.00
Apprenticeship-Related Instruction	1,634,000	0	1.00
Position Technical Adjustment	0	0	3.00
Increase for Community Ed/Public Service	0	9,600,000	0.00
Increase Sponsored Programs	0	6,069,000	0.00
WTA Reduction	(5,006,855)	(3,206,033)	(112.00)
Distance Learning Programs	(750,000)	0	0.00
Virtual Library	(474,110)	0	(3.00)
Tuition Revenue Adjustment	0	(6,000,000)	0.00
Governor's Recommended Budget	406,872,027	337,363,007	7,106.90
% Net Change	2.86%	4.04%	(1.11%)
University of Virginia			
1994-96 Adjusted Budget	222,035,008	721,985,038	5,738.00
WTA Restoration	1,292,797	2,598,569	16.00
Increase Sponsored Programs	0	6,000,000	0.00
Increase Auxiliary Enterprises	0	17,164,724	0.00
Increase Nongeneral Fund Revenues	0	850,000	14.00
Increase General Fund Support	2,759,232	0	0.00
Support for Operating New Facilities	132,248	157,960	0.00
Increase for Enrollment Growth	3,117,877	0	0.00
Faculty Salary Increase-2nd Year	1,430,590	1,640,225	0.00
Virtual Library	36,422	0	0.00
Adjust Law and Business Tuition Revenue	0	2,200,000	13.00
WTA Reduction	(1,292,797)	(2,598,569)	(52.00)
Governor's Recommended Budget	229,511,377	749,997,947	5,729.00
% Net Change	3.37%	3.88%	(0.16%)
University of Virginia Medical Center			
1994-96 Adjusted Budget	1,046,000	744,823,674	3,582.30
WTA Reduction	0	(6,159,234)	(86.00)
Cost Cutting/Revenue Adjustments	0	(12,487,896)	0.00
Governor's Recommended Budget	1,046,000	726,176,544	3,496.30
% Net Change	0.00%	(2.50%)	(2.40%)
Clinch Valley College			
1994-96 Adjusted Budget	12,070,910	14,184,432	208.30
WTA Positions	115,083	68,142	2.00

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Increase General Fund Support	133,055	0	0.00
Support for Operating New Facilities	110,997	65,721	0.00
Increase Auxiliary Enterprise	0	500,000	0.00
Increase for Enrollment Growth	1,024,242	0	0.00
Faculty Salary Increase-2nd Year	91,747	54,324	0.00
Governor's Recommended Budget	13,430,951	14,804,477	208.34
% Net Change	11.27%	4.37%	0.00%
Virginia Tech. - Instructional Division			
1994-96 Adjusted Budget	245,708,534	612,180,977	5,100.05
WTA Restoration	3,618,681	6,915,070	130.00
Unique Military Program (Corps of Cadets)	2,565,000	0	0.00
Increase General Fund Support	1,654,742	0	0.00
Support for Operating New Facilities	655,130	729,339	0.00
Increase for Enrollment Growth	9,737,977	0	0.00
Faculty Salary Increase-2nd Year	2,217,214	2,468,361	0.00
Virtual Library Increase	36,422	0	0.00
Increase Auxiliary Enterprise Revenue	0	13,611,357	17.00
WTA Reduction	(3,618,681)	(6,915,070)	(154.00)
Governor's Recommended Budget	262,575,019	628,990,034	5,093.05
% Net Change	6.86%	2.75%	(0.14%)
Virginia Tech. - Va. Coop. & Agr. Exp. Station Division			
1994-96 Adjusted Budget	87,258,692	31,149,052	1,197.12
Faculty Salary Increase-2nd Year	708,451	277,632	0.00
Increase Nongeneral Fund Revenues	0	854,000	0.00
NGF for Master Gardener Program	0	180,000	0.00
WTA Restoration	4,603,018	3,381,363	36.00
WTA Reduction	(4,603,018)	(3,381,363)	(105.00)
Governor's Recommended Budget	87,967,143	32,460,684	1,128.12
% Net Change	0.81%	4.21%	(5.76%)
Virginia Commonwealth University			
1994-96 Adjusted Budget	235,163,562	452,878,010	4,504.77
WTA Positions	12,196,034	18,290,911	277.00
Increase General Fund Support	4,293,678	0	0.00
Increase for Enrollment Growth	10,953,014	0	0.00
Faculty Salary Increase-2nd Year	1,860,253	1,389,206	0.00
Virtual Library	36,422	0	0.00
School of Engineering Faculty	2,250,000	1,521,620	0.00
Tuition Revenue from Advertising Center	0	380,244	0.00
Parking Deck Debt Service	0	1,073,000	0.00
Fine Arts Building Debt Service	0	145,011	0.00
Siegle Center Debt Service	0	3,800,000	0.00
Medical Sciences Building Debt Service	0	1,130,000	0.00
Increase Medical School Tuition Revenue	0	608,000	0.00
Increase Auxiliary Enterprise Revenue	0	11,190,839	0.00
WTA Positions	(12,196,034)	(18,290,911)	(336.00)
Governor's Recommended Budget	254,556,929	474,115,930	4,445.77
% Net Change	8.25%	4.69%	(1.31%)
MCV Health Sciences Division			
1994-96 Adjusted Budget	280,000	847,121,306	4,320.87
WTA Restoration	0	17,482,560	0.00
WTA Reduction	0	(17,482,560)	(254.00)
Governor's Recommended Budget	280,000	847,121,306	4,066.87
% Net Change	0.00%	0.00%	(5.88%)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Old Dominion University			
1994-96 Adjusted Budget	107,772,410	175,834,648	2,181.9
WTA Restoration	1,009,195	2,315,551	31.0
Increase General Fund Support	1,291,412	0	0.0
Support for Operating New Facilities	264,828	244,065	0.0
Increase for Enrollment Growth	5,723,960	0	0.0
Faculty Salary Increase-2nd Year	812,928	749,193	0.0
Expand Teletechnet-6 Additional Comm. Coll's.	2,609,679	0	14.5
WTA Reduction	(1,009,195)	(2,315,551)	(47.0)
Reduce Virtual Library	(3,578)	0	0.0
Governor's Recommended Budget	118,471,639	176,827,906	2,180.4
% Net Change	9.93%	0.56%	(0.07%)
George Mason University			
1994-96 Adjusted Budget	125,457,568	312,272,118	2,485.0
WTA Restoration	1,642,416	4,155,249	29.0
Increase General Fund Support	981,969	0	0.0
Support for Operating New Facilities	50,464	47,543	0.0
Increase for Enrollment Growth	5,922,019	0	0.0
Faculty Salary Increase-2nd Year	994,643	937,078	0.0
Virtual Library	36,422	0	0.0
Increase Auxiliary Enterprises	0	11,000,000	8.0
Increase Sponsored Programs	0	6,000,000	0.0
WTA Reduction	(1,642,416)	(4,155,249)	(75.0)
Governor's Recommended Budget	133,443,085	330,256,739	2,447.0
% Net Change	6.37%	5.76%	(1.53%)
College of William & Mary			
1994-96 Adjusted Budget	60,674,298	186,329,386	1,328.4
WTA Restoration	464,794	1,464,560	29.0
Increase General Fund Support	1,377,436	0	0.0
Support for Operating New Facilities	29,904	33,654	0.0
Increase for Enrollment Growth	436,353	0	0.0
Faculty Salary Increase-2nd Year	543,808	612,001	0.0
Virtual Library Increase	36,422	0	0.0
WTA Reduction	(464,794)	(1,464,560)	(29.0)
Governor's Recommended Budget	63,098,221	186,975,041	1,328.4
% Net Change	3.99%	0.35%	0.00%
Richard Bland College			
1994-96 Adjusted Budget	6,153,488	5,709,920	98.1
WTA Restoration	88,422	58,946	3.0
Increase General Fund Support	32,797	0	0.0
Increase for Enrollment Growth	114,088	0	0.0
Faculty Salary Increase-2nd Year	32,206	22,380	0.0
WTA Reduction	(88,422)	(58,946)	(3.0)
Governor's Recommended Budget	6,332,579	5,732,300	98.1
% Net Change	2.91%	0.39%	0.00%
Virginia Institute of Marine Science			
1994-96 Adjusted Budget	23,486,384	24,290,686	329.7
WTA Restoration	975,278	108,403	12.0
Increase General Fund Support	161,402	0	0.0
Support for Operating New Facilities	200,344	9,902	0.0
Faculty Salary Increase-2nd Year	136,976	6,770	0.0
WTA Reduction	(975,278)	(108,403)	(13.0)
Governor's Recommended Budget	23,985,106	24,307,358	328.7
% Net Change	2.12%	0.07%	(0.30%)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
James Madison University			
1994-96 Adjusted Budget	72,741,750	216,019,644	1,927.30
WTA Restoration	618,066	1,491,467	22.00
Increase General Fund Support	825,369	0	0.00
Faculty Salary Increase-2nd Year	465,099	413,607	0.00
Enhance Computer Literacy Program	0	535,000	0.00
Increase Funding for Enrollment Growth	7,206,759	0	0.00
Increase Nongeneral Fund Revenues	0	3,626,780	3.00
WTA Adjustment	(618,066)	(1,491,467)	(35.00)
Governor's Recommended Budget	81,238,977	220,595,031	1,917.30
% Net Change	11.68%	2.12%	(0.52%)
Christopher Newport University			
1994-96 Adjusted Budget	25,491,644	40,455,784	505.10
WTA Restoration	385,049	486,617	1.00
Increase General Fund Support	201,163	0	0.00
Increase Support for New Facilities	396,211	389,299	0.00
Faculty Salary Increase-2nd Year	219,579	215,748	0.00
Increase Funding for Enrollment Growth	27,188	0	0.00
Increase Sponsored Programs Revenues	0	1,225,000	1.50
WTA Adjustment	(385,049)	(486,617)	(16.00)
Governor's Recommended Budget	26,335,785	42,285,831	491.60
% Net Change	3.31%	4.52%	(2.67%)
Longwood College			
1994-96 Adjusted Budget	25,203,758	55,742,258	547.40
WTA Restoration	809,229	941,413	9.00
Increase General Fund Support	238,044	0	0.00
Increase Support for New Facilities	84,330	61,620	0.00
Faculty Salary Increase-2nd Year	225,053	164,447	0.00
Increase Funding for Enrollment Growth	829,763	0	0.00
WTA Adjustment	(809,229)	(941,413)	(23.00)
Governor's Recommended Budget	26,580,948	55,968,325	533.40
% Net Change	5.46%	0.41%	(2.56%)
Mary Washington College			
1994-96 Adjusted Budget	20,931,496	59,172,152	560.10
WTA Restoration	734,397	1,826,784	16.00
Increase General Fund Support	101,462	0	0.00
Increase Support for New Facilities	174,918	189,191	0.00
Faculty Salary Increase-2nd Year	205,658	222,439	0.00
Appropriate Funds for Excellence Program	0	400,000	10.00
Increase Funding for Enrollment Growth	599,106	0	0.00
WTA Adjustment	(734,397)	(1,826,784)	(45.00)
Governor's Recommended Budget	22,012,640	59,983,782	541.10
% Net Change	5.17%	1.37%	(3.39%)
Melchers-Monroe Memorials			
1994-96 Adjusted Budget	418,068	170,000	5.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	418,068	170,000	5.00
% Net Change	0.00%	0.00%	0.00%
Norfolk State University			
1994-96 Adjusted Budget	49,810,948	123,571,516	1,001.20
WTA Restoration	276,915	530,221	8.00

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Increase General Fund Support	647,667	0	0.00
Increase Support for New Facilities	24,650	28,124	0.00
Faculty Salary Increase-2nd Year	373,585	426,211	0.00
Increase Funding for Enrollment Growth	892,424	0	0.00
WTA Adjustment	(276,915)	(530,221)	(9.00)
Governor's Recommended Budget	51,749,274	124,025,851	1,000.25
% Net Change	3.89%	0.37%	(0.10%)
Radford University			
1994-96 Adjusted Budget	57,468,720	104,201,832	1,220.04
WTA Restoration	1,056,312	1,516,938	31.00
WTA Restoration for Privatization	142,496	133,550	0.00
Increase General Fund Support	441,091	0	0.00
Increase Support for New Facilities	99,457	77,765	0.00
Faculty Salary Increase-2nd Year	467,307	365,385	0.00
Increase Funding for Enrollment Growth	38,135	0	0.00
WTA Adjustment	(1,389,021)	(2,595,212)	(63.00)
Governor's Recommended Budget	58,324,497	103,700,258	1,188.04
% Net Change	1.49%	(0.48%)	(2.62%)
Virginia Military Institute			
1994-96 Adjusted Budget	19,534,972	37,332,638	433.35
WTA Restoration	731,978	1,123,350	13.00
Increase General Fund Support	321,447	0	0.00
Increase Support for VWIL	315,400	0	0.00
Faculty Salary Increase-2nd Year	106,591	108,788	0.00
WTA Adjustment	(731,978)	(1,123,350)	(27.00)
Governor's Recommended Budget	20,278,410	37,441,426	419.35
% Net Change	3.81%	0.29%	(3.23%)
Virginia State University			
1994-96 Adjusted Budget	33,272,042	78,001,966	797.81
WTA Restoration	670,897	1,024,626	24.00
WTA Restoration for Privatization	113,842	566,294	0.00
Support for New Facilities	20,615	22,914	0.00
Increase General Fund Support	264,523	0	0.00
Increase Funding for Enrollment Growth	2,508,425	0	0.00
Faculty Salary Increase-2nd Year	251,335	279,355	0.00
WTA Adjustment	(784,739)	(1,590,920)	(36.00)
Governor's Recommended Budget	36,316,940	78,304,235	785.81
% Net Change	9.15%	0.39%	(1.50%)
Subtotal-Higher Education			
1994-96 Adjusted Budget	1,901,527,366	5,175,534,945	45,320.25
Governor's Recommended Increases	146,409,052	185,198,218	805.00
Governor's Recommended Decreases	(39,064,889)	(97,228,471)	(1,542.25)
Governor's Recommended Budget	2,008,871,529	5,263,504,692	44,583.00
% Net Change	5.65%	1.70%	(1.63%)

OTHER EDUCATION

Virginia State Library and Archives			
1994-96 Adjusted Budget	42,605,044	9,457,334	156.00
Increase Staffing	675,426	0	11.00
WTA Restoration	843,759	107,902	12.00
Additional Operating Funds for New Library	4,025,000	0	0.00
Use \$694,656/Year of Local Aid for Collections	0	0	0.00
Move Payroll Processing to Central Operation	(79,212)	0	(1.00)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
WTA Reduction	(843,759)	(107,902)	(12.00)
Governor's Recommended Budget	47,226,258	9,457,334	166.00
% Net Change	10.85%	0.00%	6.41%
Virginia Museum of Fine Arts			
1994-96 Adjusted Budget	13,080,802	7,310,132	153.00
WTA Restoration	479,964	0	0.00
Technology	433,082	0	0.00
Housekeeping/Maintenance for New Center	86,785	0	0.00
Service Charge to City of Richmond	82,000	0	0.00
Position Adjustment	0	0	2.00
Increase Nongeneral Fund Revenues	0	846,000	0.00
WTA Reduction	(980,782)	0	(12.00)
Eliminate Unfunded Position	0	0	(1.00)
Governor's Recommended Budget	13,181,851	8,156,132	142.00
% Net Change	0.77%	11.57%	(7.19%)
Science Museum of Virginia			
1994-96 Adjusted Budget	4,566,476	4,164,420	73.00
Housekeeping/Maintenance for New Space	696,000	1,877,638	0.00
Increase Nongeneral Fund Revenues	0	500,000	0.00
Governor's Recommended Budget	5,262,476	6,542,058	73.00
% Net Change	15.24%	57.09%	0.00%
Jamestown-Yorktown Foundation			
1994-96 Adjusted Budget	6,794,750	4,559,730	107.00
Increase Nongeneral Funds for Operations	0	2,257,966	0.00
WTA Restoration	69,792	0	0.00
WTA Reduction	(140,286)	(49,510)	(2.00)
Reduce Positions	(357,896)	0	(2.00)
Governor's Recommended Budget	6,366,360	6,768,186	103.00
% Net Change	(6.30%)	48.43%	(3.74%)
Frontier Culture Museum			
1994-96 Adjusted Budget	2,438,802	980,995	43.00
Replace Computer Equipment	55,146	23,634	0.00
WTA Restoration	205,458	0	0.00
Increase Admissions Revenue	0	70,000	0.00
Shift Positions to Nongeneral Funds	(144,540)	144,540	0.00
WTA Reduction	(239,850)	0	(4.00)
Governor's Recommended Budget	2,315,016	1,219,169	39.00
% Net Change	(5.08%)	24.28%	(9.30%)
Gunston Hall			
1994-96 Adjusted Budget	1,054,239	260,986	11.00
Increase Nongeneral Fund Revenues	0	148,863	0.00
WTA Reduction	(80,832)	0	(1.00)
Governor's Recommended Budget	973,407	409,849	10.00
% Net Change	(7.67%)	57.04%	(9.09%)
Virginia Commission for the Arts			
1994-96 Adjusted Budget	4,518,894	1,272,726	6.00
Federal Grant Reduction	0	(517,726)	0.00
WTA Reduction	(67,572)	0	(1.00)
Move Payroll Processing to Central Operation	(5,418)	0	0.00
Governor's Recommended Budget	4,445,904	755,000	5.00
% Net Change	(1.62%)	(40.88%)	(16.67%)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Medical College of Hampton Roads			
1994-96 Adjusted Budget	24,023,554	0	0.00
Technical Adjustment	10,000	0	0.00
Governor's Recommended Budget	24,033,554	0	0.00
% Net Change	0.04%	NA	NA
Southeastern Univ. Research Assoc.			
1994-96 Adjusted Budget	1,642,550	0	0.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	1,642,550	0	0.00
% Net Change	0.00%	NA	NA
Southwest Va. Higher Education Center			
1994-96 Adjusted Budget	878,672	0	6.50
Operation and Maintenance of New Facility	308,300	22,000	0.00
Governor's Recommended Budget	1,186,972	22,000	6.50
% Net Change	35.09%	NA	0.00%
Subtotal-Other Education			
1994-96 Adjusted Budget	101,603,783	28,006,323	555.50
Governor's Recommended Increases	7,970,712	5,854,003	25.00
Governor's Recommended Decreases	(2,940,147)	(530,598)	(36.00)
Governor's Recommended Budget	106,634,348	33,329,728	544.50
% Net Change	4.95%	19.01%	(1.98%)
Office of Education			
1994-96 Adjusted Budget	7,523,471,143	5,994,114,836	46,490.75
Governor's Recommended Increases	762,640,951	192,028,221	830.00
Governor's Recommended Decreases	(65,065,145)	(97,759,069)	(1,643.25)
Governor's Recommended Budget	8,221,046,949	6,088,383,988	45,677.50
% Net Change	9.27%	1.57%	(1.75%)
FINANCE			
Secretary of Finance			
1994-96 Adjusted Budget	678,452	0	4.00
Increased Nonpersonal Services	40,000	0	0.00
Governor's Recommended Budget	718,452	0	4.00
% Net Change	5.90%	NA	0.00%
Department of Planning & Budget			
1994-96 Adjusted Budget	9,585,394	0	73.00
Regulatory Review Economist	155,142	0	0.00
WTA-Restore Section Assistant	53,404	0	0.00
WTA Savings	(468,288)	0	(5.00)
Centralize Payroll Processing	(24,030)	0	0.00
Governor's Recommended Budget	9,301,622	0	68.00
% Net Change	(2.96%)	NA	(6.85%)
Department of Accounts			
1994-96 Adjusted Budget	151,158,430	6,019,760	154.00
Transfer Finance Agency Audits	70,412	0	1.00
Payroll Service Center	278,772	0	3.00
Aid to Localities	230,666	0	0.00
WTA Adjustment	(1,936,596)	0	(20.00)
Unfunded MEL Adjustment	0	0	(5.00)
Governor's Recommended Budget	149,801,684	6,019,760	133.00

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
% Net Change	(0.90%)	0.00%	(13.64%)
Department of Taxation			
1994-96 Adjusted Budget	232,927,392	3,520,024	944.00
WTA-Restore WTA Savings	3,984,531	0	18.00
Private Collection Agencies/Customer Svcs Reps	986,298	(750,000)	19.00
Transfer Finance Agency Audits	168,683	0	2.00
Supplemental Federal Retiree Refunds	2,313,926	0	0.00
Toll-free Customer Service Line	881,311	0	0.00
Motor Voter Registration	140,000	0	0.00
Motor Vehicle Privileges/Compliance Tax	86,030	0	0.00
Restore DIT Reduction	171,120	0	0.00
Administration of Housing Incentives	97,700	0	0.00
WTA Savings	(5,937,997)	0	(69.00)
Unfunded MEL Adjustment	0	0	(80.00)
Eliminate Cigarette Tax Stamps & Discount	(234,252)	0	0.00
Payroll Processing at DMV	(111,342)	0	(2.00)
Harper Litigation Reserve Fund	(17,619,810)	0	0.00
Governor's Recommended Budget	217,853,590	2,770,024	832.00
% Net Change	(6.47%)	(21.31%)	(11.86%)
Department of the Treasury			
1994-96 Adjusted Budget	11,128,949	5,350,332	86.00
WTA-Restore WTA Savings	285,150	0	3.00
Investment Management	56,600	0	0.00
Transfer Finance Agency Audits	103,187	0	1.00
Replace Check Processing Equipment	104,000	0	0.00
NGF Support for Mail Operations	(248,375)	399,176	0.00
Unclaimed Property Systems Development	0	937,000	1.00
Legal Fees-Unclaimed Property	0	150,000	0.00
Information Technology Upgrades	132,404	93,708	0.00
Debt Mgmt Software	12,500	0	0.00
On-line Cash Mgmt Services	20,000	0	0.00
Telecom Link to Depositories	52,800	0	0.00
Unclaimed Property 800 Number	0	40,000	0.00
Restore DIT Reduction	29,686	85,489	0.00
Revenue Stabilization Fund	108,924,672	0	0.00
Tax Exempt Commercial Paper Program	82,470	0	1.00
VCBA Pooled Bond Program	89,352	0	1.00
WTA Adjustment	(285,150)	(135,956)	(5.00)
Governor's Recommended Budget	120,488,245	6,919,749	88.00
% Net Change	982.66%	29.33%	2.33%
Treasury Board			
1994-96 Adjusted Budget	243,212,870	9,672,818	0.00
VPBA Debt Service	39,374,335	159,027	0.00
Regional Jails	15,710,492	0	0.00
GOB Debt Service	17,187,592	0	0.00
Bond Issuance Fees	90,000	0	0.00
Fiscal Services	(50,000)	0	0.00
Eliminate State Council on Local Debt	(1,000)	0	0.00
Regional Jail Financing Proposal	(15,966,235)	0	0.00
Governor's Recommended Budget	299,558,054	9,831,845	0.00
% Net Change	23.17%	1.64%	N
Department of the State Internal Auditor			
1994-96 Adjusted Budget	1,136,807	0	9.00
Director's Salary Supplement	59,134	0	0.00

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
WTA-Restore Savings	41,249	0	0.00
WTA Savings	(41,249)	0	0.00
Transfer Finance Agency Audits	(342,282)	0	(4.00)
Governor's Recommended Budget	853,659	0	5.00
% Net Change	(24.91%)	NA	(44.44%)
Office of Finance			
1994-96 Adjusted Budget	649,828,294	24,562,934	1,270.00
Governor's Recommended Increases	191,765,243	1,114,400	50.00
Governor's Recommended Decreases	(43,018,231)	(135,956)	(190.00)
Governor's Recommended Budget	798,575,306	25,541,378	1,130.00
% Net Change	22.89%	3.98%	(11.02%)
HEALTH & HUMAN RESOURCES			
Secretary of Health & Human Resources			
1994-96 Adjusted Budget	1,118,118	0	7.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	1,118,118	0	7.00
% Net Change	0.00%	NA	0.00%
Department for the Aging			
1994-96 Adjusted Budget	17,851,882	35,812,526	22.00
Retain Indirect Cost Exemption	0	82,384	0.00
Reduction for One-time/Pilot Programs	(29,602)	0	0.00
Governor's Recommended Budget	17,822,280	35,894,910	22.00
% Net Change	(0.17%)	0.23%	0.00%
Board for People with Disabilities			
1994-96 Adjusted Budget	290,786	2,991,546	7.00
WTA Savings	(24,314)	(72,938)	(1.00)
Agency Efficiencies	(14,828)	0	0.00
Reductions in Federal Grant Funding	0	(317,158)	0.00
Governor's Recommended Budget	251,644	2,601,450	6.00
% Net Change	(13.46%)	(13.04%)	(14.29%)
Dept. for Rights of Disabled			
1994-96 Adjusted Budget	431,770	2,175,876	22.00
Indirect Cost Recovery	0	500,000	0.00
WTA Restorations	112,892	0	2.00
New Federal Grants	0	400,000	0.00
WTA Savings	(132,626)	0	(3.00)
Agency Efficiencies	(8,761)	0	0.00
Transfer Positions to DRS	0	0	(2.00)
Eliminate Part H Contract	0	(10,000)	0.00
Governor's Recommended Budget	403,275	3,065,876	19.00
% Net Change	(6.60%)	40.90%	(13.64%)
Dept. for Deaf & Hard-of-Hearing			
1994-96 Adjusted Budget	2,328,406	27,308	18.00
Transfer of TRS Fund from SCC	0	247,806	0.00
WTA Adjustment - Privatization	63,800	0	0.00
WTA Savings	(157,518)	0	(2.00)
Transfer Position from Cost Review Council	0	0	1.00
Privatize Outreach Services in NOVA & Tidewater	(8,000)	0	(2.00)
Transfer to DRS	(84,400)	0	(1.00)
Governor's Recommended Budget	2,142,288	275,114	14.00

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
% Net Change	(7.99%)	907.45%	(22.22%)
Department of Health Professions			
1994-96 Adjusted Budget	0	20,512,837	127.0
WTA Restorations	0	383,170	5.0
Increased Attorney General's Billing	0	283,970	0.0
WTA Savings	0	(1,054,722)	(13.0)
Governor's Recommended Budget	0	20,125,255	119.0
% Net Change	NA	(1.89%)	(6.30%)
Department of Health			
1994-96 Adjusted Budget	214,079,274	445,912,716	4,512.5
WTA Adjustment - Privatization	2,171,464	2,245,566	0.0
WTA Restorations	868,512	(1,930,370)	1.0
Transfer Please Be Seated Program	0	170,660	0.0
WTA Savings	(12,436,347)	(14,639,725)	(328.0)
Eliminate State Support-School Nurses	(1,382,600)	0	(16.0)
Revoke Exemption for Indirect Cost Retention	0	(614,900)	0.0
Eliminate Unfunded Position Authorization	0	0	(438.5)
Adjustment to Reflect Actual NGF	0	(8,467,249)	0.0
Governor's Recommended Budget	203,300,303	422,676,698	3,731.0
% Net Change	(5.04%)	(5.21%)	(17.32%)
Dept. of Medical Assistance Services			
1994-96 Adjusted Budget	2,119,005,274	2,243,243,054	376.0
Utilization and Inflation Increases	123,000,000	129,891,750	0.0
Compliance with Court Case-Rehab Providers	25,345,000	26,849,000	0.0
Management Information System Increases	3,579,000	(2,234,000)	0.0
Transfer of MHMR Funding/Matched w/ Federal	48,675,000	51,638,480	0.0
Expand State Plan Option Srvs(Mental Health)	7,200,000	7,628,000	0.0
Federal Funding Match Changes	0	2,897,995	0.0
WTA Adjustment - Privatization	492,000	550,000	0.0
WTA Savings	(1,151,385)	(1,601,469)	(40.0)
Reduce Position Authorization	0	0	(16.0)
Selective Contracting/Durable Med Equipment	(1,132,000)	(1,199,000)	0.0
Specialized Care Rates for Nursing Homes	(8,310,000)	(8,803,000)	0.0
Restricted Drug Formulary	(12,000,000)	(12,711,300)	0.0
Governor's Recommended Budget	2,304,702,889	2,436,149,510	320.0
% Net Change	8.76%	8.60%	(14.89%)
Health Services Cost Review Council			
1994-96 Adjusted Budget	376,000	2,209,901	21.0
WTA Savings	0	(89,548)	(1.0)
Reduce Position Authorization	0	0	(6.0)
Governor's Recommended Budget	376,000	2,120,353	14.0
% Net Change	0.00%	(4.05%)	(33.33%)
Mental Health, Retardation, Sub. Abuse			
1994-96 Adjusted Budget	621,075,220	541,424,014	10,242.0
WTA Restoration	3,182,124	1,398,428	0.0
WTA Privatization	928,388	275,238	0.0
Aftercare Pharmacy Revenues	2,262,110	2,262,110	0.0
CSH Forensic Unit Staffing	1,519,035	28,632	61.0
NVMHI Staffing for Expansion	3,262,506	1,137,414	99.0
NVTC Patient Care Improvements	779,270	575,982	0.0
WTA Adjustment	(9,516,057)	(4,695,785)	(216.0)
Move "Please be Seated" Prog to Health Dept	(170,660)	(170,660)	0.0
Transfer Medicaid Match to DMAS	(48,675,000)	2,246,000	0.0

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Consolidate/Contract Admin in Facilities	(400,000)	0	(6.0)
Expand Medicaid Services/Match to DMAS	(14,400,000)	0	0.0
Consolidate MIS Centers	(180,000)	0	(3.0)
Consolidate Admin.-NVMHI & NVTC	(200,000)	0	(5.0)
Cut Personnel Position for CSBs	(30,000)	0	(1.0)
Eliminate Unfunded MEL	0	0	(371.0)
Governor's Recommended Budget	557,345,486	544,481,373	9,800.0
% Net Change	(10.26%)	0.56%	(4.32%)
Dept. of Rehabilitative Services			
1994-96 Adjusted Budget	35,823,592	125,421,676	799.0
Transfer from Dept. of Visually Handicapped	84,400	0	1.0
Added Federal Funds & Indirect Costs	0	27,417,669	0.0
Admin Positions from DRVD & WWRC	0	0	4.5
Retain Indirect Cost Exemption	0	723,052	0.0
Retain WTA Positions	0	0	3.0
WTA Adjustment	(1,746,972)	0	(124.0)
Consolidate Administrative Position	0	0	(1.0)
Governor's Recommended Budget	34,161,020	153,562,397	682.5
% Net Change	(4.64%)	22.44%	(14.58%)
Woodrow Wilson Rehab. Center			
1994-96 Adjusted Budget	10,904,846	34,949,570	423.5
Management Info System	0	1,000,000	0.0
WTA Restorations	0	178,380	4.0
WTA Privatization	0	1,258,232	0.0
WTA Adjustment	(502,442)	(1,702,389)	(31.0)
Transfer Positions to DRS	0	0	(2.5)
Consolidate Admin. Functions	0	0	(8.0)
Reduce GF Support for Center	(1,000,000)	0	0.0
Eliminate Unfunded Vacant Positions	0	0	(18.5)
Governor's Recommended Budget	9,402,404	35,683,793	367.5
% Net Change	(13.78%)	2.10%	(13.22%)
Department of Social Services			
1994-96 Adjusted Budget	490,675,004	1,208,733,068	1,641.0
WTA-Privatization	0	2,678,356	0.0
Full Year Funding-Adult Home New Regs.	2,822,574	0	0.0
Salary Adjustment Match	0	5,303,722	0.0
Contract for Debt Collection	(15,545)	1,079,456	(1.0)
Contract for Access & Visitation Support	0	200,000	0.0
Privatize Western Child Support Offices	0	1,100,000	0.0
Privatize Central Child Support Offices	0	2,200,000	0.0
Child Support MIS Enhancements	0	2,007,152	(2.0)
Contract for Collection-Foster Care Support	0	250,000	0.0
Contract for Establishment of Paternity	0	900,000	0.0
Merge Day Care Council into DSS	0	33,060,160	4.0
Federal Fund Increases	0	19,710,000	0.0
Non-AFDC Child Support Collection Increase	0	86,800,000	0.0
Welfare Reform-Training & Employment	7,094,633	9,722,892	0.0
Welfare Reform-Child Day Care	17,005,375	21,256,719	0.0
WTA Adjustment	(1,825,148)	(6,009,702)	(104.0)
Eliminate Components of General Relief	(6,808,280)	0	0.0
Eliminate Duplicate Monitoring	(108,198)	(122,010)	(2.0)
Remove ADAPT Computer System Funding	(6,076,890)	(7,300,000)	0.0
Eliminate GF for Community Action Agencies	(4,300,550)	0	0.0
AFDC Caseload Declines	(34,211,478)	(36,139,082)	0.0
5% Cut in Local Administration	(3,706,966)	0	0.0

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Transfer Foster Care Rate Increase to CSA	(233,710)	0	0.0
Governor's Recommended Budget	460,310,821	1,345,430,731	1,536.0
% Net Change	(6.19%)	11.31%	(6.40%)
Dept. for the Visually Handicapped			
1994-96 Adjusted Budget	12,270,850	23,652,436	191.0
Adjustments & Increases in NGF	0	1,002,214	3.0
WTA Adjustment	(1,025,906)	(1,135,950)	(26.0)
Consolidate Admin. Functions in DRS	0	0	(2.0)
Decentralize Purchase of Low Vision Aids	(100,000)	0	0.0
Governor's Recommended Budget	11,144,944	23,518,700	166.0
% Net Change	(9.18%)	(0.57%)	(13.09%)
Va. Rehab. Center for the Blind			
1994-96 Adjusted Budget	479,368	2,848,372	35.0
WTA Adjustment	0	(420,076)	(6.0)
Food Service Privatization	0	0	(3.0)
Governor's Recommended Budget	479,368	2,428,296	26.0
% Net Change	0.00%	(14.75%)	(25.71%)
Gov. Employment & Training Dept.			
1994-96 Adjusted Budget	1,278,400	102,996,958	35.0
WTA Adjustment	0	0	(2.0)
JTPA Recisions	0	(16,489,430)	0.0
Governor's Recommended Budget	1,278,400	86,507,528	33.0
% Net Change	0.00%	(16.01%)	(5.71%)
Coun. on Day Care & Early Childhood			
1994-96 Adjusted Budget	0	33,060,160	4.0
Merge Agency into DSS	0	(33,060,160)	(4.0)
Governor's Recommended Budget	0	0	0.0
% Net Change	NA	(100.00%)	(100.00%)
Office of Health & Human Resources			
1994-96 Adjusted Budget	3,527,988,790	4,825,972,018	18,483.0
Governor's Recommended Increases	248,170,428	443,130,219	184.5
Governor's Recommended Decreases	(171,919,978)	(154,580,253)	(1,804.5)
Governor's Recommended Budget	3,604,239,240	5,114,521,984	16,863.00
% Net Change	2.16%	5.98%	(8.76%)

NATURAL RESOURCES

Secretary of Natural Resources			
1994-96 Adjusted Budget	734,008	0	5.0
Restoration (Item 627.k. reduction)	33,788	0	0.0
Non-personal services funding adjustment	69,226	0	0.0
Governor's Recommended Budget	837,022	0	5.0
% Net Change	14.03%	NA	0.00%
Department of Environmental Quality			
1994-96 Adjusted Budget	53,547,844	186,507,280	793.0
Transfer stormwater mgmt. program from DCR	1,544,906	620,658	22.0
Transfer Chesapeake Bay program to CBLAD	(2,015,624)	(6,575,504)	(16.0)
Governor's Recommended Budget	53,077,126	180,552,434	799.0
% Net Change	(0.88%)	(3.19%)	0.76%
Chippokes Plantation Farm Foundation			

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
1994-96 Adjusted Budget	0	158,000	0.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	0	158,000	0.00
% Net Change	NA	0.00%	NA
Department of Historic Resources			
1994-96 Adjusted Budget	4,278,596	1,324,134	41.00
WTA Replacement	83,328	0	1.00
Localities Cost Share Revenue Increase	0	174,698	0.00
Historic Preservation Fdn. Trust Funds	0	42,341	0.00
Increased Federal Grant Revenue	0	135,350	0.00
Historic Landmark Grants	800,000	0	0.00
WTA Adjustment	(134,514)	(37,262)	(2.00)
Transfer Main Street Program to DHCD	(67,500)	0	0.00
Centralize payroll processing in DOA	(44,682)	0	0.00
Governor's Recommended Budget	4,915,228	1,639,261	40.00
% Net Change	14.88%	23.80%	(2.44%)
Department of Conservation and Recreation			
1994-96 Adjusted Budget	40,962,976	15,416,132	338.00
Increase NGF for Additional Grants	0	457,844	0.00
Increased Federal Grants & Other Revenues	0	5,945,014	0.00
WTA-Restoration	502,850	0	7.00
WTA-Privatization-Computer services contract	132,000	0	0.00
WTA Adjustment	(1,715,136)	0	(21.00)
Reduced computer costs	(198,330)	0	0.00
Planning & Recreation Services Reduction	(63,848)	0	0.00
Downgrade Volunteer Director Position	(50,000)	0	0.00
Privatize G Washington Grist Mill State Park	(17,064)	0	0.00
Eliminate Outdoor Foundation Support	(58,923)	0	0.00
Transfer Dam Safety & Flood Plain prgm. to DES	(732,094)	(209,586)	(8.00)
Transfer Stormwater Mgmt. program to DEQ	(1,544,906)	(620,658)	(22.00)
Eliminate public water access planning	(10,000)	0	0.00
Transfer Chesapeake Bay program to CBLAD	(67,142)	0	(1.00)
Transfer Natural Heritage program to DGIF	(1,197,124)	(1,376,266)	(19.00)
Buena Vista floodwall savings	(525,000)	0	0.00
Reduce State Parks Administrative Staff	(614,200)	0	(4.00)
Governor's Recommended Budget	34,804,059	19,612,480	270.00
% Net Change	(15.04%)	27.22%	(20.12%)
Department of Game & Inland Fisheries			
1994-96 Adjusted Budget	0	56,378,646	410.00
WTA Restoration	0	1,286,690	16.00
Contract for increased facilities maintenance	0	1,740,000	0.00
Transfer of Natural Heritage program from DCR	0	2,573,390	19.00
Increase boating program funds	0	2,500,000	0.00
Various program increases	0	5,407,630	0.00
WTA Adjustment	0	(1,356,155)	(16.00)
Reduce equipment expenditures by 4%	0	(2,252,500)	0.00
Privatize water fowl stamp sales	0	(4,424)	0.00
Eliminate Boating Advisory Committee	0	(5,000)	0.00
Governor's Recommended Budget	0	66,268,277	429.00
% Net Change	NA	17.54%	4.63%
Marine Resources Commission			
1994-96 Adjusted Budget	15,100,366	8,832,798	161.00
WTA Privatization	89,800	0	0.00
Increased Federal Grant Revenues	0	940,418	0.00

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Increase Comm. Transp Funds	0	15,640	0.0
WTA Adjustment	(1,060,929)	0	(14.0)
Saltwater Fishing License Revenue Decrease	0	(1,093,900)	0.0
Transfer Chesapeake Bay Fdn. funding to CBLAD	(299,900)	0	0.0
Governor's Recommended Budget	13,829,337	8,694,956	147.0
% Net Change	(8.42%)	(1.56%)	(8.70%)
Chesapeake Bay Local Assistance Department			
1994-96 Adjusted Budget	4,635,928	0	21.0
Consolidate Ches. Bay programs from DEQ, DCR	2,082,766	6,575,504	17.0
Transfer Chesapeake Bay Fdn funding from MRC	299,900	0	0.0
WTA Adjustment	(285,750)	0	(3.0)
Technical Assistance Efficiencies	(152,256)	0	0.0
Centralize payroll processing in DOA	(28,016)	0	0.0
Governor's Recommended Budget	6,552,572	6,575,504	35.0
% Net Change	41.34%	NA	66.67%
Virginia Museum of Natural History			
1994-96 Adjusted Budget	4,007,256	279,432	36.0
WTA Restoration/Reorganization	38,948	0	0.0
Additional Earned Agency Income	0	342,572	0.0
Revenue from outreach activities contract	0	22,000	0.0
Improve repository for collections	0	144,914	1.0
Additional collaborative programs	0	25,000	0.0
WTA Adjustment	(223,206)	0	(3.0)
Governor's Recommended Budget	3,822,998	813,918	34.0
% Net Change	(4.60%)	191.28%	(5.56%)
Office of Natural Resources			
1994-96 Adjusted Budget	123,266,974	268,896,422	1,805.0
Governor's Recommended Increases	5,677,512	28,949,663	82.0
Governor's Recommended Decreases	(11,106,144)	(13,531,255)	(128.0)
Governor's Recommended Budget	117,838,342	284,314,830	1,759.0
% Net Change	(4.40%)	5.73%	(2.55%)
PUBLIC SAFETY			
Secretary of Public Safety			
1994-96 Adjusted Budget	793,508	0	4.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	793,508	0	4.0
% Net Change	0.00%	NA	0.00%
Department of Criminal Justice Services			
1994-96 Adjusted Budget	173,716,402	53,650,176	97.0
Criminal Justice Information System	300,000	0	0.0
Transfer Planning & Forecasting Positions	1,085,178	0	11.0
Private Security Licensure & Certification	0	650,000	0.0
Increase Indirect Cost Recoveries	0	1,000,000	0.0
Transfer PAPIS Program to DOC	(2,982,738)	(21,244)	(0.2)
Centralize Payroll Processing	0	(20,380)	(1.0)
Governor's Recommended Budget	172,118,842	55,258,552	106.8
% Net Change	(0.92%)	3.00%	10.10%
Commonwealth's Attorneys' Services Council			
1994-96 Adjusted Budget	595,164	0	3.0
Expand Attorney Training and MIS Support	289,406	0	0.0

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Governor's Recommended Budget	884,570	0	3.00
% Net Change	48.63%	NA	0.00%
Department of Fire Programs			
1994-96 Adjusted Budget	0	17,724,556	22.00
Increased Revenue Estimate	0	6,595,367	0.00
Restore WTA Reduction	0	129,540	0.00
Governor's Recommended Budget	0	24,449,463	22.00
% Net Change	NA	37.94%	0.00%
Department of State Police			
1994-96 Adjusted Budget	233,177,793	35,175,634	2,257.00
WTA-Replace Troopers	6,409,205	0	86.00
Transfer Vehicle Safety Inspection Program	(8,988,000)	0	81.00
Offset Vehicle Safety Inspection Transfer	8,337,150	0	59.00
Increased Cost of Highway Patrol Cars	0	1,551,360	0.00
Motor Carrier Safety Program	0	2,455,962	0.00
Dulles Greenway Patrol Contract	0	1,050,000	0.00
Private Contract-Print Shop	(12,400)	0	0.00
Transfer Planning and Forecasting Positions	(298,770)	0	(3.00)
Reassign Troopers from Administrative Duties	(442,064)	(211,776)	0.00
Transfer Motorist Assistance Program	(1,900,000)	0	(12.00)
Adjustment-Communications System Funding	(1,100,000)	0	0.00
Governor's Recommended Budget	235,182,914	40,021,180	2,306.00
% Net Change	0.86%	13.78%	2.17%
Department of Corrections			
1994-96 Adjusted Budget	979,064,122	107,194,246	11,043.35
Transfer PAPIS Program from DCJS	2,982,738	21,244	0.20
Increase Training & Internal Affairs Staff	553,600	0	5.00
Increase Funding for Direct Inmate Costs	4,985,600	0	0.00
Increase Funding for Inmate Medical Care	2,958,800	0	0.00
Replace Federal Funds-SA Treatment	334,292	0	0.00
Replace Federal Funds-Abingdon Day Reporting	587,233	0	0.00
General Funds for Work Centers	34,360,470	(34,256,430)	0.00
Operational Costs-New Women's Facility	1,462,575	0	11.00
Operational Costs-Sussex I	421,889	4,961,612	5.00
Operational Costs-Sussex II	341,525	0	4.00
Operational Costs-Red Onion	268,500	0	4.00
Operational Costs/Debt Service-Wallens Ridge	13,608,500	0	4.00
Contracting for Private Prisons	28,348,323	(2,237,534)	0.00
State Share of Local Jail Construction	502,688	0	0.00
Gov Comm Juv Justice Reform (§30-19.1:4)	12,152,000	877,245	9.00
Eliminate Pest Exterminator Positions	(224,000)	0	(4.00)
Transfer Print Shop to Enterprises	(80,000)	0	(3.00)
Transfer Planning & Forecasting Positions	(413,392)	0	(4.00)
Replace GF Support for Southampton Cor. Ctr.	(4,958,144)	4,958,144	0.00
Technical Adjustment-Commissary Automation	0	(851,373)	0.00
Other Adjustment	2	(2)	0.00
Governor's Recommended Budget	1,077,257,321	80,667,152	11,074.55
% Net Change	10.03%	(24.75%)	0.28%
Department of Correctional Education			
1994-96 Adjusted Budget	46,757,725	3,136,522	521.55
Education for Juveniles in DOC Facilities	0	1,425,000	12.00
Education for Juveniles in DYFS Facilities	995,000	0	16.00
Other Adjustment	4	0	0.00
Centralized Payroll Processing	(228,868)	0	(2.00)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
% Net Change	1.64%	45.43%	4.99%
Virginia Parole Board			
1994-96 Adjusted Budget	2,844,665	0	25.0
No Agency Change	0	0	0.0
Governor's Recommended Budget	2,844,665	0	25.0
% Net Change	4.91%	NA	0.00%
Department of Youth & Family Services			
1994-96 Adjusted Budget	237,318,907	3,129,646	1,894.5
Agency Program Structure Adjustment	0	0	0.0
WTA Restoration	84,974	0	1.0
Juvenile Boot Camp-Isle of Wight County	1,171,000	0	0.0
Three New Juvenile Boot Camps	6,735,000	0	0.0
Operational Costs-New Bon Air Facility	6,895,186	0	141.0
Increase Funding for Direct Inmate Costs	2,343,736	0	0.0
Contract for Beds in Private Juv Facilities	5,502,375	0	0.0
Increase Security Costs for DYFS Facilities	2,346,969	0	75.0
DYFS Automation	1,210,800	0	3.0
Wilderness Work Program	550,000	0	0.0
State Share of Local Facility Operating Costs	5,450,984	0	0.0
State Share of Local Facility Capital Costs	13,903,688	0	0.0
Replace Federal Grant/Add'l Probation Officers	1,104,902	0	13.0
Replace Federal Funds for Barrett Treatment	1,621,037	0	0.0
Expand Training Unit	93,670	0	1.0
WTA-Privatization of Food Service Contract	357,962	0	0.0
USDA Revenue Increase	0	600,000	0.0
Phase Out Local Offices on Youth	(1,367,341)	0	0.0
Transfer Planning & Forecasting Positions	(373,014)	0	(4.0)
Governor's Recommended Budget	284,950,835	3,729,646	2,124.5
% Net Change	20.07%	19.17%	12.14%
Department of Alcoholic Beverage Control			
1994-96 Adjusted Budget	0	464,624,441	903.0
Computer Maintenance	0	2,126,019	0.0
WTA Adjustment	0	317,386	0.0
Governor's Recommended Budget	0	467,067,846	903.0
% Net Change	NA	0.53%	0.00%
Department of Emergency Services			
1994-96 Adjusted Budget	6,657,792	7,106,497	73.0
Virginia Power Contract-Warning System	0	88,430	0.0
FBI Contract-Transmitter Tower	0	4,800	0.0
FEMA Federal Grant Increase	0	9,980	0.0
WTA-Retain Fiscal Position	72,256	210,235	1.0
WTA-Retain NGF Savings	0	293,304	0.0
Transfer Dam Safety and Floodplain Program	732,094	209,586	8.0
State Disaster Response Reserve Team	181,762	0	0.0
WTA-Private Contract-Calibr. of Instruments	0	70,298	0.0
Fund HAZMAT with Fire Protection Funds	(260,000)	260,000	0.0
Fund HAZMAT with Com Transportation Funds	(1,740,000)	1,740,000	0.0
Governor's Recommended Budget	5,643,904	9,993,130	82.0
% Net Change	(15.23%)	40.62%	12.33%
Department of Military Affairs			
1994-96 Adjusted Budget	8,808,640	17,060,890	164.5
WTA Adjustment	186,516	81,854	3.0
Planning for Move to Fort Pickett	50,000	0	0.0

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Employ Welfare Recipients for Maintenance	(72,000)	0	0.00
Governor's Recommended Budget	8,973,156	17,142,744	167.50
% Net Change	1.87%	0.48%	1.82%
Office of Public Safety			
1994-96 Adjusted Budget	1,689,601,632	708,802,608	17,007.90
Governor's Recommended Increases	172,012,673	(11,764,742)	413.20
Governor's Recommended Decreases	(25,440,729)	5,853,369	(55.20)
Governor's Recommended Budget	1,836,173,576	702,891,235	17,365.90
% Net Change	8.67%	(0.83%)	2.10%
TRANSPORTATION			
Secretary of Transportation			
1994-96 Adjusted Budget	0	721,134	4.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	0	721,134	4.00
% Net Change	NA	0.00%	0.00%
Department of Aviation			
1994-96 Adjusted Budget	100,198	31,233,148	35.00
WTA-Retain one position	0	92,038	1.00
WTA-Retain client services savings	0	70,050	0.00
WTA -Transfer savings to Air svc develop	0	389,292	0.00
Increase funding for airport assistance	0	6,249,608	0.00
WTA Adjustment	0	(551,380)	(5.00)
Governor's Recommended Budget	100,198	37,482,756	31.00
% Net Change	0.00%	20.01%	(11.43%)
Department of Transportation			
1994-96 Adjusted Budget	80,000,000	3,681,213,082	11,308.00
WTA - Retained FTE's	0	21,106,500	233.00
WTA-Additional contracting and privatizing	0	69,861,032	0.00
Revenue Changes	0	(15,224,271)	0.00
WTA Adjustment	0	(90,107,801)	(1,249.00)
Governor's Recommended Budget	80,000,000	3,666,848,542	10,292.00
% Net Change	0.00%	(0.39%)	(8.98%)
Department of Rail and Public Transp.			
1994-96 Adjusted Budget	0	194,530,446	30.00
WTA-Financial management outsourcing	0	153,336	0.00
Offset federal funding decrease	0	(3,503,026)	0.00
WTA Adjustment	0	(153,336)	(2.00)
Governor's Recommended Budget	0	191,027,420	28.00
% Net Change	NA	(1.80%)	(6.67%)
Department of Motor Vehicles			
1994-96 Adjusted Budget	0	254,604,226	1,888.00
WTA- Position retentions	0	4,319,464	78.00
SCC transfer	0	4,270,800	28.00
Dept. of Taxation payroll positions transfer	0	114,758	2.00
Inflation (postage, rent, etc.)	0	1,172,774	0.00
Rental Vehicle Tax (0745)	0	19,315,000	0.00
Mobile Home Tax (0405)	0	2,238,000	0.00
Appropriation Carryforward (technology)	0	7,439,796	0.00
DIT reversion	0	5,047,983	0.00
Withhold registration program (Tax)	0	66,760	0.00

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Transfer safety inspection program	0	3,465,388	44.00
Upgrade computer systems	0	14,443,066	0.00
WTA Adjustment	0	(16,081,031)	(223.00)
Dealer Board Transfer	0	(2,755,100)	(20.00)
Sheriff's Payments	0	(1,760,000)	0.00
Child Safety Seat	0	(400,000)	0.00
Governor's Recommended Budget	0	295,501,884	1,797.00
% Net Change	NA	16.06%	(4.82%)
Motor Vehicle Dealer Board			
1994-96 Adjusted Budget	0	0	0.00
Initial Agency Funding	0	2,772,300	20.00
Governor's Recommended Budget	0	2,772,300	20.00
% Net Change	NA	NA	NA
Virginia Port Authority			
1994-96 Adjusted Budget	18,843,024	33,420,290	131.00
Bond issue for NIT expansion	0	3,339,169	0.00
WTA Adjustment	(294,134)	0	(4.00)
Remove GF Support	(18,548,890)	19,980,314	1.00
Governor's Recommended Budget	0	56,739,773	128.00
% Net Change	(100.00%)	69.78%	(2.29%)
Total - Transportation			
1994-96 Adjusted Budget	98,943,222	4,195,722,326	13,396.00
Governor's Recommended Increases	0	150,702,843	406.00
Governor's Recommended Decreases	(18,843,024)	(95,331,360)	(1,502.00)
Governor's Recommended Budget	80,100,198	4,251,093,809	12,300.00
% Net Change	(19.04%)	1.32%	(8.18%)

CENTRAL APPROPRIATIONS

Compensation Supplements			
1994-96 Adjusted Budget	0	0	0.00
Classified Salary Increase, Dec. 1997	31,996,207	0	0.00
VRS Contribution Rate Increase	16,931,187	0	0.00
Group Life Insurance Premium Holiday	(5,308,732)	0	0.00
VRS Savings - Change Pay Day Accounting Period	(7,000,000)	0	0.00
Governor's Recommended Budget	36,618,662	0	0.00
% Net Change	NA	NA	NA
Higher Education Equipment			
1994-96 Adjusted Budget	28,635,442	4,845,208	0.00
Lease Payment Support	1,139,175	0	0.00
Governor's Recommended Budget	29,774,617	4,845,208	0.00
% Net Change	3.98%	0.00%	NA
Economic Contingency			
1994-96 Adjusted Budget	23,000,000	0	0.00
Governor's Economic Opportunity Fund	18,000,000	0	0.00
Buena Vista Economic Development Grant	200,000	0	0.00
Economic Contingency Fund	2,000,000	0	0.00
Solar Photovoltaic Grants	6,525,000	0	0.00
Governor's Recommended Budget	49,725,000	0	0.00
% Net Change	116.20%	NA	NA
Reversion Clearing Account			

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
1994-96 Adjusted Budget	0	0	0.00
Hiring Freeze Savings	(10,000,000)	0	0.00
Central Garage Car Pool Rate Reduction	(2,500,000)	0	0.00
Governor's Recommended Budget	(12,500,000)	0	0.00
% Net Change	NA	NA	NA
Oil Overcharge			
1994-96 Adjusted Budget	0	0	0.00
Oil Overcharge additional funds	0	400,000	0.00
Governor's Recommended Budget	0	400,000	0.00
% Net Change	NA	NA	NA
Virginia Plan for Equal Opportunity			
1994-96 Adjusted Budget	7,460,190	0	0.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	7,460,190	0	0.00
% Net Change	0.00%	NA	NA
Legal Defense			
1994-96 Adjusted Budget	100,000	0	0.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	100,000	0	0.00
% Net Change	0.00%	NA	NA
Employee Health Insurance Program			
1994-96 Adjusted Budget	0	119,393,886	0.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	0	119,393,886	0.00
% Net Change	NA	0.00%	NA
Central Appropriations			
1994-96 Adjusted Budget	59,195,632	124,239,094	0.00
Governor's Recommended Increases	76,791,569	400,000	0.00
Governor's Recommended Decreases	(24,808,732)	0	0.00
Governor's Recommended Budget	111,178,469	124,639,094	0.00
% Net Change	87.82%	0.32%	NA

INDEPENDENT

State Corporation Commission			
1994-96 Adjusted Budget	0	108,721,635	611.00
WTA Adjustment	0	(4,951,030)	(50.00)
Governor's Recommended Budget	0	103,770,605	561.00
% Net Change	NA	(4.55%)	(8.18%)
Virginia Workers' Compensation Commission			
1994-96 Adjusted Budget	0	22,209,029	159.00
No Agency Change	0	0	0.00
Governor's Recommended Budget	0	22,209,029	159.00
% Net Change	NA	0.00%	0.00%
Virginia Retirement System			
1994-96 Adjusted Budget	0	25,774,862	136.00
WTA Replacement Positions	0	885,380	10.00
Expand Administrative Services	0	3,034,928	0.00
Technology Enhancements/Investment Consultin	0	2,825,629	5.00
WTA Adjustment	0	(885,380)	(10.00)

Summary of Detailed Actions in HB 30/SB 30

	1996-98 BIENNIAL TOTAL		
	Gen. Fund	Non-gen. Fund	Total FTE
Governor's Recommended Budget	0	31,635,419	141.00
% Net Change	NA	22.74%	3.68%
State Lottery Department			
1994-96 Adjusted Budget	0	127,580,736	302.00
Bar Coding/Decentralize Prize Payments/Other	0	3,098,755	0.00
Instant Ticket Printing	0	4,694,542	0.00
Increase in Contracts	0	250,000	0.00
WTA-Savings	0	(540,000)	(10.00)
Advertising Reductions (DPB Study Recommend)	0	(8,000,000)	0.00
Governor's Recommended Budget	0	127,084,033	292.00
% Net Change	NA	(0.39%)	(3.31%)
Independent Agencies			
1994-96 Adjusted Budget	0	284,286,262	1,208.00
Governor's Recommended Increases	0	14,789,234	15.00
Governor's Recommended Decreases	0	(14,376,410)	(70.00)
Governor's Recommended Budget	0	284,699,086	1,153.00
% Net Change	NA	0.15%	(4.55%)
NON-STATE AGENCIES			
Non-State Agencies			
1994-96 Adjusted Budget	0	0	0.00
Art Museum of Western Virginia	230,000	0	0.00
Barter Theatre	100,000	0	0.00
Chrysler Museum	943,632	0	0.00
Council for America's First Freedom	632,000	0	0.00
Mariners' Museum	40,000	0	0.00
Maymont Foundation	100,000	0	0.00
Peninsula Fine Arts Center	160,000	0	0.00
Science Museum of Western Virginia	500,000	0	0.00
Smithsonian's National Air and Space Museum	500,000	0	0.00
Virginia Air and Space Center	400,000	0	0.00
Virginia Equine Center Foundation	1,199,230	0	0.00
Virginia Living Museum	493,820	0	0.00
Virginia Museum of Transportation	200,000	0	0.00
Virginia Recreational Facilities Authority	800,000	0	0.00
Western Virginia Foundation for the Arts and Sci	623,830	0	0.00
William King Regional Arts Center	200,000	0	0.00
Governor's Recommended Budget	7,122,512	0	0.00
% Net Change	NA	NA	NA
Grand Total: Operating Expenses			
1994-96 Adjusted Budget	15,294,717,051	17,431,900,195	107,637.7
Governor's Recommended Increases	1,537,692,403	840,762,158	2,086.70
Governor's Recommended Decreases	(459,501,489)	(393,614,768)	(6,020.9)
Governor's Recommended Budget	16,372,907,965	17,879,047,585	103,703.46
% Net Change	7.05%	2.57%	(3.66%)

1996-98 BIENNIAL TOTAL

<u>CAPITAL OUTLAY</u>	<u>Gen. Fund</u>	<u>Nongeneral Fund</u>	<u>Bonds</u>	<u>Contingent on Sale Surplus Property</u>	<u>Total</u>
ADMINISTRATION					
Department of General Services					
Monroe Bldg.-Curtainwall Improvements	\$1,237,000				\$1,237,000
Central Accounts					
Maintenance Reserve	\$60,000,000				\$60,000,000
Handicapped Access	\$4,000,000				\$4,000,000
Correct Environmental Hazards	\$4,000,000				\$4,000,000
Replace/Remediate Underground Storage	\$3,000,000				\$3,000,000
Surplus Prop. Fund/Override §2.1-512					Language
Surplus Property-Adjust to HB 30				(\$1,475,000)	(\$1,475,000)
COMMERCE & TRADE					
Va. Employment Commission					
Maintenance Reserve		\$407,000			\$407,000
Modify Local Various Local Offices		\$630,000			\$630,000
Renovate Newport News Office		\$673,000			\$673,000
EDUCATION					
Va. Community College System					
TNCC-Campus Exterior Improvements		\$150,000			\$150,000
TNCC-Parking Facilities		\$355,000			\$355,000
JTCC-Midlothian Campus	\$9,300,000	\$8,000,000			\$17,300,000
JTCC-Chester Landscape Phase IV		\$350,000			\$350,000
TCC-Chesapeake Tennis Courts		\$459,000			\$459,000
JSRCC-Downtown, Phase II, Suppl.	\$805,000				\$805,000
VCCS-Info. Technology Infrastructure				\$15,000,000	\$15,000,000
University of Virginia					
Renovate Academic & Research Facilities		\$4,000,000			\$4,000,000
Renovate Vacant Health Science Spaces		\$3,000,000			\$3,000,000
Renovate Scott Stadium Seating		\$5,000,000			\$5,000,000
Student Residence Hall (§9d)		\$1,000,000	\$6,000,000		\$7,000,000
Renovate Health Sciences Library				\$5,500,000	\$5,500,000
University of Virginia Medical Center					
Construct Parking Garage		\$5,200,000			\$5,200,000
Renovate Pediatrics Department		\$5,500,000			\$5,500,000
Renovate Medical Facilities		\$6,000,000			\$6,000,000
Property Acquisition		\$900,000			\$900,000
Clinch Valley College					
Renovate Science Building				\$3,050,000	\$3,050,000
Va. Polytechnic Institute & State Univ.					
Renovate Academic & Research Facilities		\$3,000,000			\$3,000,000
Plan Special Purpose Housing		\$600,000			\$600,000
Athletic Facilities Renovations (§9d)			\$6,250,000		\$6,250,000
Alumni Hall & Donaldson Brown (§9d)			\$3,946,000		\$3,946,000
Student Residence Hall (§9d)			\$10,000,000		\$10,000,000
Student Residence Hall (§9d)			\$1,731,000		\$1,731,000
Const. Advanced Communications Facility				\$10,000,000	\$10,000,000
Virginia Commonwealth University					
School of Engineering	\$11,000,000				\$11,000,000
Repair Residence Halls (§9d)			\$3,797,000		\$3,797,000
School of Engineering (§9d)			\$23,890,000		\$23,890,000
Deferred Maintenance				\$3,000,000	\$3,000,000
Old Dominion University					
Maintenance Reserve		\$35,000			\$35,000
Va. Beach Center Lease Authority					Language
Telechnet Center (§9d)			\$7,300,000		\$7,300,000
George Mason University					
Maintenance Reserve		\$488,000			\$488,000
Renovate Patriot Center		\$2,000,000			\$2,000,000
Const. School of Information Technology		\$800,000			\$800,000
Prince Wm Inst. Loop Road & Park (§9c)			\$1,400,000		\$1,400,000

CAPITAL OUTLAY	1996-98 BIENNIAL TOTAL				Total
	Gen. Fund	Nongeneral Fund	Bonds	Contingent on Sale Surplus Property	
Prince Wm. Inst, Phase II (\$9d)			\$11,900,000		\$11,900,000
Telecommunications Equipment				\$2,000,000	\$2,000,000
The College of William & Mary				\$12,262,000	\$12,262,000
Renovate Rogers Hall					
Virginia Institute of Marine Science					
Chesapeake Bay Estuarine Research		\$475,000			\$475,000
Gloucester Point Bulkhead Improvements				\$837,000	\$837,000
Wachapreague Bulkhead Improvement				\$281,000	\$281,000
Richard Bland College					
Roof Repairs				\$549,000	\$549,000
James Madison University					
Plan Campus Steam System		\$154,000			\$154,000
Student Residence Hall (\$9d)			\$14,118,000		\$14,118,000
Coll. Integrate Science & Tech. Equipment				\$1,976,000	\$1,976,000
Christopher Newport University					
Blanket Renovations-Auxiliaries		\$250,000			\$250,000
Renovate Ferguson High School, I & II				\$4,420,000	\$4,420,000
Norfolk State University					
Maintenance Reserve		\$476,000			\$476,000
Maintenance Building Addition				\$1,950,000	\$1,950,000
Mary Washington University					
Maintenance Reserve		\$100,000			\$100,000
Renovate Goolrick Hall HVAC				\$1,710,000	\$1,710,000
Longwood College					
East Ruffner Renovation (\$9d)			\$2,000,000		\$2,000,000
Campus Walk & Parking, Ph. I				\$1,548,000	\$1,548,000
Radford University					
Maintenance Reserve		\$1,301,000			\$1,301,000
Blanket Renovations-Auxiliaries		\$750,000			\$750,000
Acquire Land for Auxiliaries		\$750,000			\$750,000
Plan Renovate/Student Center Addition		\$600,000			\$600,000
Construct Track & Soccer Field		\$1,750,000			\$1,750,000
Renovate Ingles Hall (\$9d)			\$3,600,000		\$3,600,000
Renovate Walker Hall				\$1,412,000	\$1,412,000
Virginia Military Institute					
Maintenance Reserve		\$90,000			\$90,000
Renovate Crozet (Dining) Hall		\$3,966,000			\$3,966,000
Renovate/Add to Blair House		\$1,200,000			\$1,200,000
Renovate Scott Shipp Hall, Ph. I				\$5,270,000	\$5,270,000
Virginia State University					
Equipment: School of Business				\$475,000	\$475,000
Renovate Vawter Hall				\$1,235,000	\$1,235,000
Science Museum of Virginia					
Fire Safety/Security System Upgrade	\$337,000				\$337,000
Facility Renovations (VPBA)			\$7,600,000		\$7,600,000
Virginia Museum of Fine Arts					
Alter/Improve Museum Workspace	\$150,000				\$150,000
HEALTH & HUMAN RESOURCES					
Mental Health, Retardation & S. A.					
Renovate Boilers, Steam Lines, HVAC, etc.	\$6,575,000				\$6,575,000
Life Safety Code Renovations	\$1,555,000				\$1,555,000
Authority to Contract in Excess of Appro.				Language	
Renovate Boilers, Steam Lines, HVAC II	\$2,804,000				\$2,804,000
Woodrow Wilson Rehab Center					
Renovate Barnett Hall	\$626,000				\$626,000
Authority to Contract in Excess of Appro.				Language	
Repair Water & Sewer Systems	\$406,000				\$406,000
Authority to Contract in Excess of Appro.				Language	

1996-98 BIENNIAL TOTAL

<u>CAPITAL OUTLAY</u>	<u>Gen. Fund</u>	<u>Nongeneral Fund</u>	<u>Bonds</u>	<u>Contingent on Sale Surplus Property</u>	<u>Total</u>
<u>NATURAL RESOURCES</u>					
Dept. Conservation & Natural Resources					
Maintenance Reserve		\$3,600,000			\$3,600,000
Dept. Game & Inland Fisheries					
Maintenance Reserve		\$1,000,000			\$1,000,000
Boating Access Program		\$1,000,000			\$1,000,000
Wildlife & Boating Facilities		\$500,000			\$500,000
Dam Safety Program		\$1,000,000			\$1,000,000
Hatcheries & Wildlife Management		\$1,100,000			\$1,100,000
<u>PUBLIC SAFETY</u>					
Department of Corrections					
Fire Safety Upgrades	\$201,000				\$201,000
Locking System Upgrades	\$2,533,000				\$2,533,000
Field Unit Electrical Systems	\$892,000				\$892,000
Water System Upgrades	\$4,115,000				\$4,115,000
VCCW Electrical Renovation	\$4,000,000				\$4,000,000
Powhatan Wastewater Upgrade	\$785,000				\$785,000
Heating & Plumbing Upgrades	\$4,617,000				\$4,617,000
Expand & Renovate Housing	\$1,114,000				\$1,114,000
Equip: Fluvanna Womens Prnson (VPBA)			\$4,211,000		\$4,211,000
Equip: Sussex I (VPBA)			\$3,352,000		\$3,352,000
Renovate Southampton Reception (VPBA)			\$5,100,000		\$5,100,000
Const. New Housing Unit Southampton (VPBA)			\$11,600,000		\$11,600,000
Dept. Youth & Family Services					
Security Upgrades	\$1,000,000				\$1,000,000
HVAC Upgrades	\$500,000				\$500,000
Fire Safety Improvements	\$1,000,000				\$1,000,000
School Bldg.-Recpt. & Diagnostic Cntr.		\$3,011,000			\$3,011,000
Wasterwater System Improvements	\$362,000				\$362,000
Const. Close Custody Facility-Culpeper (VPBA)			\$30,430,000		\$30,430,000
Const. New Reception & Diagnostic (VPBA)			\$24,378,000		\$24,378,000
Equip/Cost Over-run @ Beaumont (VPBA)			\$1,151,000		\$1,151,000
Department of Emergency Services					
Cheatham Annex Environmental Cleanup	\$250,000				\$250,000
Department of State Police					
Construct New Warehouse-Headquarters	\$1,786,000				\$1,786,000
New Offices-Area 40 & Area 6	\$580,000				\$580,000
Vanous Area Office Additions	\$749,000				\$749,000
Dept. Alcoholic Beverage Control					
Maintenance Reserve		\$283,000			\$283,000
<u>TRANSPORTATION</u>					
Department of Transportation					
Maintenance Reserve		\$5,600,000			\$5,600,000
Relocate Harrisonburg Residency		\$2,574,000			\$2,574,000
Acquisitions		\$968,000			\$968,000
Const. Chemical Storage Buildings		\$5,217,000			\$5,217,000
Const. Supt. & Timekeepers Offices		\$1,298,000			\$1,298,000
Const. Equipment Storage Buildings		\$1,473,000			\$1,473,000
Const. Residency Office Buildings		\$4,098,000			\$4,098,000
Const. Repair Shop Facilities		\$2,922,000			\$2,922,000
Const. Spreader Racks		\$3,502,000			\$3,502,000
Const. Small Storage Buildings		\$310,000			\$310,000

<u>CAPITAL OUTLAY</u>	1996-98 BIENNIAL TOTAL				<u>Total</u>
	<u>Gen. Fund</u>	<u>Nongeneral Fund</u>	<u>Bonds</u>	<u>Contingent on Sale Surplus Property</u>	
Department of Motor Vehicles					
Maintenance Reserve		\$1,621,000			\$1,621,000
Americans w/ Disabilities Act Improv.		\$2,331,000			\$2,331,000
Virginia Port Authority					
Maintenance Reserve		\$3,800,000			\$3,800,000
Improve Cargo Handling Facilities		\$3,800,000			\$3,800,000
NIT Phase II Expansion (see operating)			\$38,304,490		\$38,304,490
<u>INDEPENDENT</u>					
State Lottery Department					
Blanket Authorization: New Equipment		\$19,802,000			\$19,802,000
GRAND TOTAL-CAPITAL OUTLAY	\$130,279,000	\$131,219,000	\$222,058,490	\$71,000,000	\$554,556,490

APPENDIX C

Proposed Amendments to 1994-96 Budget (Summary of SB/HB 29)

Revenue Changes for 1994-96

HB/SB 29 adopts net changes totaling \$57.4 million to the general fund revenues available during 1994-96. These changes, combined with the \$5.6 million in balances previously embedded in the budget, and a \$0.3 million net increase in existing appropriations will leave a total of \$62.7 million to be carried forward into the next biennium. The \$62.7 million is included as a beginning balance in HB/SB 30. Out of this total balance carried forward into the 1996-98 biennium, plus some unspecified additional funds, \$66.6 million is proposed to be reserved on the fiscal year 1996 year-end books for the FY 1997 Revenue Stabilization Fund appropriation.

Additional General Fund Revenue Available for Appropriation (FY 1996, \$ millions)			
	<u>Original Amount</u>	<u>Revised Amount</u>	<u>Difference</u>
Additions to the Balance	3.1	(13.6)	(16.8)
Official Revenue Estimates	7,212.1	7,286.3	74.2
Transfers	<u>439.1</u>	<u>439.1</u>	<u>0.0</u>
Additional GF Revenues Available for Appropriation	\$7,654.4	\$7,711.8	\$57.4

Changes in the Balance

The budget, as introduced, decreases additions to the balance by \$16.8 million in FY 1996. This decrease is the result of several actions, including the payment of \$78.3 million in Harper court refunds, and the release of FY 1996 set-asides on the FY 1995 Comptroller's balance sheet for \$70 million in Harper refunds and \$27.7 million in Revenue Stabilization deposits. Balances were also reduced \$29.4 million for agency reappropriation adjustments from FY 1995. Other balance adjustments are listed on a table later in this section.

Changes in Revenue

Revenue changes since the 1995 Session have resulted in an increase in expected revenues of \$74.1 million. Expected increases in corporate income tax collections more than offset changes in other revenue sources.

	Estimated <u>FY96</u>	Estimated <u>% Growth</u>	Thru November <u>% Growth</u>	Change From <u>1996 Official</u>
Net Individual	\$4,261.9	5.8%	6.9%	\$9.3
Corporate	409.0	8.7	29.1	93.5
Sales	1,725.9	4.1	4.6	(27.0)
Insurance	224.8	8.0	(10.4)	4.0
Public Service	121.8	12.1	(3.4)	(2.3)
Total Revenues	\$7,286.3	5.9%	7.5%	\$74.2

Transfers

Although several changes are recommended for transfers in FY 1996, the net result is essentially no change in total transfers. A slight downward adjustment is included for Lottery and ABC profit transfers. The VELA asset sale is now projected to be \$16.8 million less than previously expected. Significant transfer increases include \$8.8 million from the Harper Special Litigation Fund since litigants have been paid in full, and \$8.2 million in additional mental health balances. Other transfer changes are listed in a table later in this section.

**General Fund Revenue and Appropriation Changes
Since April 1995
(\$ in Millions)**

<u>Balance Adjustments:</u>	<u>1992-94</u>
Roanoke Hotel Sales Tax	\$ (0.2)
Litter Control Sum Sufficient	(0.5)
Federal Cash Management	(1.2)
C.O. Reverted in Yr 1; Not Yr 2	(1.1)
Balance Sheet Reserve for Federal Retirees	70.0
Balance Sheet Reserve for Stabilization Fund	27.7
Agency Reappropriation Adjustments	(29.4)
Balance Transferred to Economic Contingency	(1.0)
Natural Disaster Sum Sufficient	(4.4)
Refund for DOC Agribusiness	(0.2)
Treasury Board - Local Jails	4.0
Va Racing Commission	(2.1)
Harper Refunds	(78.3)
Veterans Care Center Interest	<u><0.1</u>
Total Additional Balances	\$ (16.8)
 <u>Revenue Amendments:</u>	
December Tax Re-forecast	\$ 65.5
Accrued to Actual on NGF Interest Deposits	4.0
MCI Revenue-Prisons	6.4
Medicaid Recoveries	0.5
Support Enforcement Reserve	<u>(2.3)</u>
Total Revenue Adjustments	\$ 74.1
 <u>Transfers:</u>	
ABC Profits	\$ (0.5)
Lottery Profits	(0.5)
Local & Transp. Sales Tax Compliance	(0.2)
VELA Portfolio Sale	(16.8)
Breathalyzer Testing & Certification	(0.4)
Waived Federal Retiree Refunds	0.1
Harper Special Litigation Fund	8.8
Indirect Cost Recoveries	0.3
Unrefunded Marine Fuels	0.2
IHRIS Repayment	0.9
MH&MR-Excess Special Fund Balances	<u>8.2</u>
Total Transfer Amendments	\$ 0.0
Total Additional GF Revenues	\$ 57.4

Judicial Department

- **Supreme Court of Virginia:**
 - *Payments to Special Justices-Involuntary Mental Commitments.* Recommendations in HB/SB 29 eliminate language regarding payment procedures for special justices hearing involuntary mental commitment cases. Amendments to § 37.1-89 during the 1995 legislative session made the existing language obsolete and in conflict with 1995 changes. The amendment conforms the budget bill with the recently adopted legislation.

Commerce and Trade

- **Department of Economic Development:**
 - *Workforce Training Services.* The introduced budget increases Workforce Training Services by \$2.2 million (GF) in the second year to reflect additional commitments made by the agency to potential economic development prospects and existing Virginia businesses. Under current guidelines, the state will provide financial or technical assistance to companies that invest at least \$500,000 and create 15 new jobs. The current general fund appropriation is \$7.5 million.

Public Education

- **Direct Aid to Public Education:**
 - *Changes in Statutory Education Programs.* The introduced budget increases funding by \$2.8 million GF in the second year to reflect increased enrollments of handicapped children in foster care and reduced enrollments in Special Education Regional programs.
 - *SOQ Funding Increase.* The introduced budget increases funding for the Standards of Quality by \$4.8 million GF in the second year due to reduced student enrollment and to provide additional Basic Aid funding to partially off-set reduced sales tax revenues returned for public education.
 - *Sales Tax Revenue Estimate.* The introduced budget reduces by \$9.5 million GF in the second year the estimate of the one cent of sales tax revenue which is dedicated to public education.

- *Full Funding of Remedial Summer School.* The introduced budget increases funding for remedial summer school by \$675,806 GF in the second year. In 1995-96, enrollment was finalized at 51,645 students. The funding increase is recommended to avoid proration of aid to local school divisions.
- **Comprehensive Services Act:**
 - *Increased Funding.* The introduced budget increases funding by \$11.8 million GF in the second year to reflect caseload growth and increases in the cost of services for the Comprehensive Services Act for At-Risk Youth and Families programs.
 - *Language to Control State Costs.* Language is proposed which authorizes the state to prorate its share of the cost if funds are not available to cover cost overruns in the second year.

Higher Education

- **State Council of Higher Education:**
 - *Virginia Military Institute/Mary Baldwin College.* The bill, as introduced, provides an additional appropriation of \$89,568 GF in 1996 to reflect an increase in enrollment in the Virginia Women's Institute for Leadership.
 - *Language for Tuition Assistance Grant.* The bill, as introduced, includes a language amendment providing for reappropriation of unexpended balances in the program at June 30, 1996. The anticipated balance of \$1.0 million GF is proposed for carry-over into the 1996-98 biennial budget for the program in HB/SB 30.
- **Virginia Military Institute:**
 - *Virginia Corps of Cadets.* An additional appropriation of \$121,600 GF is recommended for 1996 for the Virginia Corps of Cadets program, to reflect increased enrollment at Mary Baldwin College and Virginia Tech. The program is part of the agreement to provide equal opportunities for both men and women in the Corps.

Finance

- **Department of Accounts:**
 - *Revision in Aid to Localities.* The Governor's amendments to the current biennial budget reflect revised forecasts for ABC profits, rolling stock taxes, and the Tennessee Valley Authority payments made to localities. There is a slight increase projected in rolling stock taxes, and declines in the other two sources. For FY 1996, the amendment is a net decrease to localities of \$2.5 million.
 - *Reduction for Integrated Human Resource Information System.* The Governor's amendments reduce the Treasury Loan amount to be used for the development of the integrated human resources system, returning \$900,000 to the General Fund.
- **Department of Taxation:**
 - *Eliminate Litigation Reserve Fund for Harper.* The Governor's amendments remove \$8.8 million included in FY 1996 for the special litigation reserve fund for the Harper case. The action is proposed because the courts have now issued a ruling in this federal retiree litigation, and the claimants have been paid in full.
- **Treasury Board:**
 - *Reduced Debt Service Requirements on G.O. Bonds.* The Governor's amendments reduce the funds provided for General Obligation Bond debt service in the second year by \$6.6 million GF, due to a delay in the issuance of \$116.5 million in new G.O. bonds. The delay is the result of lower-than-projected construction funding needs on the G.O. bond projects during FY 1996.

Human Resources

- **Department of Medical Assistance Services:**
 - *Revised Medicaid Forecast.* Actual expenditures for Medicaid in FY 1996 are exceeding the forecast used to make appropriations during the 1995 Session of the General Assembly. Actual expenditure growth from 1995 to 1996 is now projected at 8.2 percent. The forecast used last year projected 5.8 percent growth.

Additional appropriations of \$20.5 million GF and \$8.6 million in federal funds are recommended in HB/SB 29.

- **Department of Social Services:**

- ***Revised Forecast of AFDC Caseloads.*** The number of recipients of Aid to Families with Dependent Children (AFDC) is projected to decline by 6,400 cases in FY 1996. The revised forecast of AFDC spending now projects a savings of \$11.0 million in the \$114.6 million GF appropriation for this program.
- ***Revised Estimates of Welfare Reform.*** The 1995 General Assembly appropriated \$5.4 million for training, job development, and education during the first phase of welfare reform beginning in FY 1996. Initial spending on these services by the 28 localities in the first phase is projected to be \$1.4 million less than appropriated.
- ***Under-Utilization of General Relief.*** Local spending for services to poor persons who do not qualify for other assistance programs is projected to be \$1.3 million GF less than the amount appropriated for the General Relief program. (Localities draw state funds with a local match of at least 37.5 percent.)

Public Safety

- **Department of Fire Programs:**

- ***Revenue Increase.*** The introduced budget recommends increasing the Fire Programs Fund by \$2.7 million NGF in the second year as a result of an increase in the tax on fire insurance premiums approved by the 1995 General Assembly.
- ***Fire Programs Emergency Fund.*** The introduced budget proposes budget language establishing a Fire Programs Emergency Fund and earmarks \$0.3 million from the Fire Programs Fund in the second year to assist local fire agencies with emergency capital outlay needs that might arise due to man-made or natural disasters.

- **Virginia Parole Board:**

- ***Restore Reduction.*** The introduced budget recommends restoring the \$66,000 GF reduction in the second year enacted during the 1995 General Assembly session.

- **Department of Youth and Family Services:**
 - *Boot Camp.* The introduced budget adds \$62,500 GF in the second year for increased costs of a juvenile boot camp authorized by the 1995 General Assembly.

Central Appropriations

- **Compensation Supplements:**
 - *Employee Health Insurance.* The budget, as introduced, reduces agency appropriations for employee health insurance premiums by \$10.0 million GF in FY 1996.
- **Economic Contingency:**
 - *Deal Closing Fund.* The budget as introduced, increases by \$2.0 million GF second year funding to expand economic development efforts. The fund may be used by the Governor for a variety of purposes to attract new industry to Virginia or to assist existing companies to expand employment and investment. The current legislative general fund appropriation is \$10.0 million. Through executive actions, the Governor has increased the fund an additional \$4.6 million GF in FY 1996. With the requested appropriation increase, the fund will total \$16.6 million in the current year.
- **Reversion Clearing Account:**
 - *Workforce Transition Act - State Police Replacements.* The budget as introduced earmarks \$4.0 million GF in the second year to replace State Troopers who retire under provisions of the Workforce Transition Act.
 - *Workforce Transition Act Expenses.* The budget as introduced recommends \$5.5 million GF for severance costs related to separation under the Workforce Transition Act by executive agencies which could not absorb the costs within their budget.

Summary of Detailed Actions in HB/SB 29

	1995-96		Total FTE
	Gen. Fund	Non-gen. Fund	
JUDICIAL			
Supreme Court			
1995-96 Appropriation - Chapter 853	8,444,588	471,875	108.63
Fees for Special Justices	Language	0	0.00
Governor's Recommended Budget	8,444,588	471,875	108.63
% Net Change	0.00%	0.00%	0.00%
Judicial Branch			
Chapter 853 Appropriation	185,008,413	8,309,545	2,478.16
Governor's Recommended Increases	0	0	0.00
Governor's Recommended Decreases	0	0	0.00
Governor's Recommended Budget	185,008,413	8,309,545	2,478.16
% Net Change	0.00%	0.00%	0.00%
COMMERCE & TRADE			
Department of Economic Development			
1995-96 Appropriation - Chapter 853	33,584,184	4,534,810	170.50
Workforce Training Incentives	2,169,424	0	0.00
Governor's Recommended Budget	35,753,608	4,534,810	170.50
% Net Change	6.46%	0.00%	0.00%
Office of Commerce and Trade			
Chapter 853 Appropriation	125,999,458	505,691,642	3,095.50
Governor's Recommended Increases	2,169,424	0	0.00
Governor's Recommended Decreases	0	0	0.00
Governor's Recommended Budget	128,168,882	505,691,642	3,095.50
% Net Change	1.72%	0.00%	0.00%
EDUCATION			
Department of Education-Direct Aid			
1995-96 Appropriation - Chapter 853	2,730,596,216	374,034,720	0.00
Foster Care Payments	814,056	0	0.00
SOQ-Payments to Localities	4,878,016	0	0.00
Comp. Services Act-Increased Case Loads	11,800,000	0	0.00
Special Education Regional Tuition	(2,802,767)	0	0.00
SOQ-Fringe Benefits	(109,530)	0	0.00
Revised Sales Tax Estimates	(9,461,000)	0	0.00
Governor's Recommended Budget	2,735,714,991	374,034,720	0.00
% Net Change	0.19%	0.00%	NA
State Council of Higher Education			
1995-96 Appropriation - Chapter 853	38,415,463	4,264,908	61.00
Virginia Corps of Cadets-Enrollment Increase	89,568	0	0.00
Tuition Assitance Grant Balances	Language	0	0.00
Governor's Recommended Budget	38,505,031	4,264,908	61.00
% Net Change	0.23%	0.00%	0.00%

Summary of Detailed Actions in HB/SB 29

	1995-96		Total FTE
	Gen. Fund	Non-gen. Fund	
Virginia Military Institute			
1995-96 Appropriation - Chapter 853	10,364,034	18,480,232	433.35
Virginia Corps of Cadets-Enrollment Increase	121,600	0	0.00
Governor's Recommended Budget	10,485,634	18,480,232	433.35
% Net Change	1.17%	0.00%	0.00%
Office of Education			
Chapter 853 Appropriation	3,752,141,602	2,970,455,086	46,536.75
Governor's Recommended Increases	17,703,240	0	0.00
Governor's Recommended Decreases	(12,373,297)	0	0.00
Governor's Recommended Budget	3,757,471,545	2,970,455,086	46,536.75
% Net Change	0.14%	0.00%	0.00%
FINANCE			
Department of Accounts			
1995-96 Appropriation - Chapter 853	75,316,970	3,515,440	154.00
Local Share of Rolling Stock Taxes	4,000	0	0.00
Local Share of ABC Profits	(2,399,878)	0	0.00
Tennessee Valley Authority Payments to Localities	(75,000)	0	0.00
Governor's Recommended Budget	72,846,092	3,515,440	154.00
% Net Change	(3.28%)	0.00%	0.00%
Treasury Board			
1995-96 Appropriation - Chapter 853	121,606,435	4,836,409	0.00
Decreased GO Bond Debt Service	(6,573,528)	0	0.00
Governor's Recommended Budget	115,032,907	4,836,409	0.00
% Net Change	(5.41%)	0.00%	NA
Office of Finance			
Chapter 853 Appropriation	324,061,716	13,472,401	1,270.00
Governor's Recommended Increases	4,000	0	0.00
Governor's Recommended Decreases	(9,048,406)	0	0.00
Governor's Recommended Budget	315,017,310	13,472,401	1,270.00
% Net Change	(2.79%)	0.00%	0.00%
HEALTH AND HUMAN RESOURCES			
Department of Medical Assistance Services			
1995-96 Appropriation - Chapter 853	1,057,882,697	1,150,061,964	376.00
Revised Medicaid Forecast	20,500,000	8,600,000	0.00
Governor's Recommended Budget	1,078,382,697	1,158,661,964	376.00
% Net Change	1.94%	0.75%	0.00%
Department of Social Services			
1995-96 Appropriation - Chapter 853	242,423,847	603,898,920	1,641.00
Welfare Reform Savings	(1,400,000)	0	0.00
Welfare Reform-Reduced ADC Caseload	(11,000,000)	0	0.00

Summary of Detailed Actions in HB/SB 29

	1995-96		Total FTE
	Gen. Fund	Non-gen. Fund	
General Relief Savings	(1,300,000)	0	0.00
Governor's Recommended Budget	228,723,847	603,898,920	1,641.00
% Net Change	(5.65%)	0.00%	0.00%
Office of Human Resources			
Chapter 853 Appropriation	1,741,157,390	2,402,765,839	18,483.00
Governor's Recommended Increases	20,500,000	8,600,000	0.00
Governor's Recommended Decreases	(13,700,000)	0	0.00
Governor's Recommended Budget	1,747,957,390	2,411,365,839	18,483.00
% Net Change	0.39%	0.36%	0.00%
PUBLIC SAFETY			
Department of Fire Programs			
1995-96 Appropriation - Chapter 853	0	8,908,713	24.00
Expanded Training Activity	0	324,123	0.00
Establish Fire Programs Emergency Fund	0	250,000	0.00
Fire Programs Fund Revenue Increase	0	2,421,069	0.00
Governor's Recommended Budget	0	11,903,905	24.00
% Net Change	NA	33.62%	0.00%
Virginia Parole Board			
1995-96 Appropriation - Chapter 853	1,366,198	0	27.00
Restore Budget Reduction	66,000	0	0.00
Governor's Recommended Budget	1,432,198	0	27.00
% Net Change	4.83%	NA	0.00%
Department of Youth and Family Services			
1995-96 Appropriation - Chapter 853	117,919,821	1,564,823	1,917.50
Boot Camp-Educational Program	62,500	0	0.00
Governor's Recommended Budget	117,982,321	1,564,823	1,917.50
% Net Change	0.05%	0.00%	0.00%
Office of Public Safety			
Chapter 853 Appropriation	824,102,989	359,659,944	17,368.90
Governor's Recommended Increases	128,500	2,995,192	0.00
Governor's Recommended Decreases	0	0	0.00
Governor's Recommended Budget	824,231,489	362,655,136	17,368.90
% Net Change	0.02%	0.83%	0.00%

CENTRAL APPROPRIATIONS

Compensation Supplements			
1995-96 Appropriation - Chapter 853	75,267,571	0	0.00
Health Insurance-"Premium Holiday"	(10,000,000)	0	0.00
Governor's Recommended Budget	65,267,571	0	0.00
% Net Change	(13.29%)	NA	NA

Economic Contingency

Summary of Detailed Actions in HB/SB 29

	1995-96		Total FTE
	Gen. Fund	Non-gen. Fund	
1995-96 Appropriation - Chapter 853	11,350,000	0	0.00
Deal Closing Fund	2,000,000	0	0.00
Governor's Recommended Budget	13,350,000	0	0.00
% Net Change	17.62%	NA	NA
Reversion Clearing Account			
1995-96 Appropriation - Chapter 853	(20,728,764)	0	0.00
WTA-State Police Replacements	4,000,000	0	0.00
WTA- Separation Costs	5,500,000	0	0.00
Governor's Recommended Budget	(11,228,764)	0	0.00
% Net Change	NA	NA	NA
Central Appropriations			
Chapter 853 Appropriation	89,836,350	62,198,801	17,368.90
Governor's Recommended Increases	11,500,000	0	0.00
Governor's Recommended Decreases	(10,000,000)	0	0.00
Governor's Recommended Budget	91,336,350	62,198,801	17,368.90
% Net Change	1.67%	0.00%	0.00%
Grand Total: Operating Expenses			
Chapter 853 Appropriation	7,597,249,960	8,693,601,482	107,993.31
Governor's Recommended Increases	52,005,164	11,595,192	0.00
Governor's Recommended Decreases	(45,121,703)	0	0.00
Governor's Recommended Budget	7,604,133,421	8,705,196,674	107,993.31
% Net Change	0.09%	0.13%	0.00%

APPENDIX D

Summary of Employment Level Changes in HB/SB 30

	Chapter 853 - FY 96*		HB/SB 30		Difference		
	GF	NGF	GF	NGF	GF	NGF	Total
Legislative Department	562	33	562	33	0	0	0
Judicial Department	2,404	74	2,381	72	(23)	(3)	(26)
Executive Department							
Executive Offices	273	61	275	59	2	(2)	0
Administration	743	772	647	743	(96)	(29)	(125)
Commerce and Trade	1,375	1,720	1,183	1,501	(192)	(219)	(412)
Public Education	515	135	447	104	(68)	(31)	(99)
Higher Education	15,486	29,841	15,315	29,268	(171)	(573)	(744)
Other Education	460	101	389	156	(72)	55	(17)
Finance	1,230	40	1,087	43	(143)	3	(140)
Health and Human Resources	9,714	8,769	8,984	7,879	(729)	(890)	(1,620)
Natural Resources	990	815	933	826	(57)	11	(46)
Public Safety	15,147	2,222	15,572	1,794	425	(428)	(3)
Transportation	42	13,223	0	12,300	(42)	(923)	(965)
Independent Agencies	0	1,247	0	1,153	0	(94)	(94)
Totals	48,940	59,053	47,774	55,930	-1,166	-3,123	-4,289

*Chapter 853 totals may not equal the 1994-96 Adjusted Totals in Appendix B due to Technical Adjustments

