2014 SPECIAL SESSION I

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

ENROLLED

An Act to amend and reenact Chapter 806 of the 2013 Acts of Assembly, which appropriated the public revenues and provided a portion of such revenues for the two years ending, respectively, on the thirtieth day of June, 2013, and the thirtieth day of June, 2014.

[H 5001]

Approved

Be it enacted by the General Assembly of Virginia:

1. That Items 1, 42,43, 44, 45, 53, 64.05, 69, 75, 83, 86, 87, 102, 105, 107, 109, 128, 131, 132, 137, 138, 139, 146, 149, 152, 153, 164, 168, 169, 172, 180, 184, 195, 196, 198, 202, 205, 206, 208, 218, 219, 221, 222, 223, 229, 231, 235, 241, 250, 265, 266, 271, 273, 280, 288, 294, 297, 304, 306, 307, 309, 310, 314, 315, 329, 336, 337, 338, 339, 340, 341, 343, 345, 355, 371, 388, 389, 400, 404, 405.05, 406, 407, 409, 417, 423, 442, 459.05, 468, 469, 471, 482, 483, 484, C-4.50. C-36, C-38.10, C-39.05, C-39.40, C-41, 3-1.01, 3-2.03, 3-5.03, 3-5.04, 4-1.04, and 4-5.03 of Chapter 806 of the Acts of Assembly of 2013 be hereby amended and reenacted and that the cited chapter be further amended by adding Items 471.10, C-8.11, C-9.10, 3-5.10, C-31.70, and 3-5.11.

2. §1. The following are hereby appropriated, for the current biennium, as set forth in succeeding parts, sections and items, for the purposes stated and for the years indicated:

A. The balances of appropriations made by previous acts of the General Assembly which are recorded as unexpended, as of the close of business on the last day of the previous biennium, on the final records of the State Comptroller; and

B. The public taxes and arrears of taxes, as well as moneys derived from all other sources, which shall come into the state treasury prior to the close of business on the last day of the current biennium. The term "moneys" means nontax revenues of all kinds, including but not limited to fees, licenses, services and contract charges, gifts, grants, and donations, and projected revenues derived from proposed legislation contingent upon General Assembly passage.

§ 2. Such balances, public taxes, arrears of taxes, and monies derived from all other sources as are not segregated by law to other funds, which funds are defined by the State Comptroller, pursuant to § 2.2-803, Code of Virginia, shall establish and constitute the general fund of the state treasury.

§ 3. The appropriations made in this act from the general fund are based upon the following:

	First Year	**Second Year**	**Total**
Unreserved Balance, June 30, 2012	~~$976,011,000~~ *$1,350,263,527*	$0	~~$976,011,000~~ *$1,350,263,527*
Additions to Balance	($179,378,723)	~~$3,602,508~~ *($82,869,363)*	~~($175,776,215)~~ *($262,248,086)*
Official Revenue Estimates	$16,420,995,305	~~$17,056,958,606~~ *$16,849,456,277*	~~$33,477,953,911~~ *$33,270,451,582*
Transfers	$423,932,936	~~$431,645,366~~ *$537,497,331*	~~$855,578,302~~ *$961,430,267*
Total General Fund Resources Available for Appropriation	~~$17,641,560,518~~ *$18,015,813,045*	~~$17,492,206,480~~ *$17,304,084,245*	~~$35,133,766,998~~ *$35,319,897,290*

The appropriations made in this act from nongeneral fund revenues are based upon the following:

	First Year	**Second Year**	**Total**
Balance, June 30, 2012	$4,307,352,991		$4,307,352,991
Official Revenue Estimates	$24,634,182,779	~~$24,676,667,248~~ *$24,746,878,189*	~~$49,310,850,027~~ *$49,381,060,968*
Lottery Proceeds Fund	$487,300,000	~~$462,000,000~~ *$532,700,000*	~~$949,300,000~~ *$1,020,000,000*
Bond Proceeds	$1,112,939,948	~~$1,185,975,092~~ *$1,501,773,482*	~~$2,298,915,040~~ *$2,614,713,430*

Total Nongeneral Fund Revenues Available for Appropriation	$30,541,775,718	~~$26,324,642,340~~ *$26,781,351,671*	~~$56,866,418,058~~ *$57,323,127,389*
TOTAL PROJECTED REVENUES	~~$48,183,336,236~~ *$48,557,588,763*	~~$43,816,848,820~~ *$44,085,435,916*	~~$92,000,185,056~~ *$92,643,024,679*

§ 4. Nongeneral fund revenues which are not otherwise segregated pursuant to this act shall be segregated in accordance with the acts respectively establishing them.

§ 5. The sums herein appropriated are appropriated from the fund sources designated in the respective items of this act.

§ 6. When used in this act the term:

A. "Current biennium" means the period from the first day of July two thousand twelve, through the thirtieth day of June two thousand fourteen, inclusive.

B. "Previous biennium" means the period from the first day of July two thousand ten, through the thirtieth day of June two thousand twelve, inclusive.

C. "Next biennium" means the period from the first day of July two thousand fourteen, through the thirtieth day of June two thousand sixteen, inclusive.

D. "State agency" means a court, department, institution, office, board, council or other unit of state government located in the legislative, judicial, or executive departments or group of independent agencies, or central appropriations, as shown in this act, and which is designated in this act by title and a three-digit agency code.

E. "Nonstate agency" means an organization or entity as defined in § 2.2-1505 C, Code of Virginia.

F. "Authority" sets forth the general enabling statute, either state or federal, for the operation of the program for which appropriations are shown.

G. "Discretionary" means there is no continuing statutory authority which infers or requires state funding for programs for which the appropriations are shown.

H. "Appropriation" shall include both the funds authorized for expenditure and the corresponding level of full-time equivalent employment.

I. "Sum sufficient" identifies an appropriation for which the Governor is authorized to exceed the amount shown in the Appropriation Act if required to carry out the purpose for which the appropriation is made.

J. "Item Details" indicates that, except as provided in § 6 H above, the numbers shown under the columns labeled Item Details are for information reference only.

K. Unless otherwise defined, terms used in this act dealing with budgeting, planning and related management actions are defined in the instructions for preparation of the Executive Budget.

§ 7. The total appropriations from all sources in this act have been allocated as follows:

BIENNIUM 2012-14

	General Fund	**Nongeneral Fund**	**Total**
OPERATING EXPENSES	~~$35,102,138,453~~ *$34,821,203,912*	~~$50,859,698,273~~ *$51,177,165,939*	~~$85,961,836,726~~ *$85,998,369,851*
LEGISLATIVE DEPARTMENT	$141,535,665	$7,012,870	$148,548,535
JUDICIAL DEPARTMENT	~~$847,261,486~~ *$848,261,486*	$65,810,386	~~$913,071,872~~ *$914,071,872*
EXECUTIVE DEPARTMENT	~~$34,111,941,302~~	~~$49,526,121,691~~	~~$83,638,062,993~~

	$33,830,006,761	*$49,838,093,975*	*$83,668,100,736*
INDEPENDENT AGENCIES	$1,400,000	~~$1,260,753,326~~ *$1,266,248,708*	~~$1,262,153,326~~ *$1,267,648,708*
STATE GRANTS TO NONSTATE AGENCIES	$0	$0	$0
CAPITAL OUTLAY EXPENSES	$20,050,000	~~$2,502,646,508~~ *$2,841,473,295*	~~$2,522,696,508~~ *$2,861,523,295*
TOTAL	~~$35,122,188,453~~ *$34,841,253,912*	~~$53,362,344,781~~ *$54,018,639,234*	~~$88,484,533,234~~ *$88,859,893,146*

§ 8. This chapter shall be known and may be cited as the "2014 Amendments to the 2013 Appropriation Act."

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PART 1: OPERATING EXPENSES

LEGISLATIVE DEPARTMENT

§ 1-1. GENERAL ASSEMBLY OF VIRGINIA (101)

1. Enactment of Laws (78200)				
a sum sufficient, estimated at			$34,175,023	$36,555,381
Legislative Sessions (78204)	$34,175,023	$36,555,381		
Fund Sources: General	$34,175,023	$36,555,381		

Authority: Article IV, Constitution of Virginia.

A. Out of this appropriation, the House of Delegates is funded $21,651,364 the first year and $23,351,570 the second year from the general fund. The Senate is funded $12,523,659 the first year and $13,203,811 the second year from the general fund.

B. Out of this appropriation shall be paid:

1. The salaries of the Speaker of the House of Delegates and other members, and personnel employed by each House; the mileage of members, officers and employees, including salaries and mileage of members of legislative committees sitting during recess; public printing and related expenses required by or for the General Assembly; and the incidental expenses of the General Assembly (§§ 30-19.11 through 30-19.20, inclusive, and § 30-19.4, Code of Virginia). The salary of the Speaker of the House of Delegates shall be $36,321 per year. The salaries of other members of the House of Delegates shall be $17,640 per year. The salaries of the members of the Senate shall be $18,000 per year.

2. The annual salary of the Clerk of the House of Delegates, $151,375 from July 1, 2012 to June 24, 2013 and $151,375 from June 25, 2013 to June 30, 2014.

3. The annual salary of the Clerk of the Senate, $148,184 from July 1, 2012 to June 24, 2013 and $148,184 from June 25, 2013 to June 30, 2014.

4. Expenses of the Speaker of the House of Delegates not otherwise reimbursed, $16,200 each year, to be paid in equal monthly installments during the year.

5. In accordance with § 30-19.4, Code of Virginia, and subject to all other conditions of that section except as otherwise provided in the following paragraphs:

a. $96,856 per calendar year for the compensation of one or more secretaries of the Speaker of the House of Delegates. After June 30, 2014, salary increases shall be governed by the provisions of Item 468 of this act.

b. $145,283 per calendar year for the compensation of one or more legislative assistants of the Speaker of the House of Delegates. After June 30, 2014, salary increases shall be governed by the provisions of Item 468 of this act.

c.1. . $40,000 per calendar year for the compensation of legislative assistants for each member of the House of Delegates and $45,000 for the compensation of legislative assistants for each member of the Senate. After June 30, 2014, salary increases granted shall be governed by the provisions of Item 468 of this act.

2. In addition, $15,000 per calendar year for each member of the House of Delegates and $10,000 per calendar year for each member of the Senate to provide compensation for additional legislative assistant support costs incurred during the legislative session and in the operation of legislative offices within members' districts. After June 30, 2014, salary increases granted shall be governed by the provisions of Item 468 of this act.

d. The per diem for each legislative assistant of each member of the General Assembly, including the Speaker of the House of Delegates. Such per diem shall equal the amount authorized per session day for General Assembly members in paragraph B 7, if such legislative

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assistant maintains a temporary residence during the legislative session or an extension thereof and if the establishment of such temporary residence results from the person's employment by the member. The per diem for a legislative assistant who is domiciled in the City of Richmond or whose domicile is within twenty miles of the Capitol shall equal thirty-five percent of the amount paid to a legislative assistant who maintains a temporary residence during such session. For purposes of this paragraph, (i) a session day shall include such days as shall be established by the Rules Committee of each respective House and (ii) a temporary residence is defined as a residence certified by the member served by the legislative assistant as occupied only by reason of employment during the legislative session or extension thereof. Notwithstanding the provisions of (i) of the preceding sentence, if the House from which the legislative assistant is paid is in adjournment during a regular or special session, he must show to the satisfaction of the Clerk that he worked each day during such adjournment for which such per diem is claimed.

e. A mileage allowance as provided in § 2.2-2823 A, Code of Virginia, and as certified by the member. Such mileage allowance shall be paid to a legislative assistant for one round trip between the City of Richmond and such person's home each week during the legislative session or an extension thereof when such person is maintaining a temporary residence.

f. Per diem and mileage shall be paid only to a person who is paid compensation pursuant to § 30-19.4, Code of Virginia.

g. Not more than one person shall be paid per diem or mileage during a single weekly pay period for serving a member as legislative assistant during a legislative session or extension thereof.

h. No person, by virtue of concurrently serving more than one member, shall be paid mileage or per diem in excess of the daily rates specified in this Item.

i. $19,879 per calendar year additional allowance for secretaries or legislative assistants to the Majority and Minority Leaders of the House of Delegates and the Senate and for secretaries or legislative assistants to the President Pro Tempore of the Senate and the Chairman Emeritus of the Senate Finance Committee. After June 30, 2014, salary increases shall be governed by the provisions of Item 468 of this act.

6.a. All compensation and reimbursement of expenses to members of the General Assembly and non-General Assembly members for attending a meeting described in paragraphs B.6.c., B.6.d., B.7., and B.8. shall be paid solely as provided pursuant to this item.

b. The provisions of paragraphs B.6.c. and B.6.d. of this item shall not apply during any regular session of the General Assembly or extension thereof, or during any special session of the General Assembly; provided, however, that the provisions of such paragraphs shall apply during any recess of the same.

c. Notwithstanding any other provision of law, each General Assembly member shall receive compensation for each day, or portion thereof, of attendance at an official meeting of any joint subcommittee, board, commission, authority, council, compact, or other body that has been created or established by the General Assembly or by resolution of a house of the General Assembly, provided that the member has been appointed to, or designated an official member of, such joint subcommittee, board, commission, authority, council, compact, or other body pursuant to an act of the General Assembly or a resolution of a house of the General Assembly that provides for the appointment or designation.

Notwithstanding any other provision of law, each General Assembly member shall also receive compensation for each day, or portion thereof, of attendance at an official meeting of (i) any standing committee or subcommittee thereof of the House of Delegates to which the member has been appointed, (ii) any standing committee or subcommittee thereof or Committee on Rules of the Senate to which the member has been appointed, or (iii) the Joint Rules Committee of the General Assembly. Any official meeting of a subcommittee of any of the committees described in clauses (i), (ii), or (iii) shall also be an official meeting for which the member shall receive compensation.

Notwithstanding any other provision of law, any General Assembly member whose attendance, in the written opinion of the chairman of (a) any joint subcommittee, board, commission,

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authority, council, or other body that has been created or established in the legislative branch of state government by the General Assembly or by resolution of a house of the General Assembly; (b) any such standing committee of the House of Delegates or of the Senate; (c) the Committee on Rules of the Senate; or (d) the Joint Rules Committee of the General Assembly, is required at an official meeting of the body shall also receive compensation for each day, or portion thereof, of attendance at such official meeting.

Any General Assembly member receiving compensation pursuant to this paragraph for attending an official meeting shall be reimbursed for his or her reasonable and necessary expenses incurred in attending such meeting. Notwithstanding any other provision of law, the reimbursement shall be provided by the respective body holding the meeting or by the entity that supports the work of the body.

d. Compensation to General Assembly members for attendance at any official meeting described under B.6.c.of this item shall be at the rate of $200 for each day, or portion thereof, of attendance. In no case shall a member be paid more than an aggregate of $200 in compensation for each day, or portion thereof, regardless of whether the member attends more than one official meeting during the day. The payment of such compensation shall be subject to the restrictions and limitations set forth in subsections B., C., and G. of § 30-19.12, Code of Virginia. Notwithstanding any other provision of law, compensation to General Assembly members for attendance at such official meetings shall be paid by the offices of the Clerk of the House of Delegates or Clerk of the Senate, as applicable. The body holding the meeting shall as soon as practicable report the member's attendance at any official meeting of such body to the Clerk of the House of Delegates or the Clerk of the Senate, as applicable, in order to facilitate payment of the compensation. Such body shall report the member's attendance in such manner as prescribed by the respective Clerk.

7. Notwithstanding any other provision of law, whenever any General Assembly member is required to travel for official attendance as a representative of the General Assembly at any meeting, conference, seminar, workshop, or conclave, which is not conducted by the Commonwealth of Virginia or any of its agencies or instrumentalities, such member shall be entitled to (i) compensation in an amount not to exceed the per day rate set forth in paragraph B.6.d., and (ii) reimbursement for reasonable and necessary expenses incurred. Such compensation and reimbursement for expenses shall be set by the Speaker of the House of Delegates for members of the House of Delegates and by the Senate Committee on Rules for members of the Senate.

8. The provisions of this paragraph shall apply only to non-General Assembly members (hereinafter, "citizen members") of any (i) board, commission, authority, council, or other body created or established in the legislative branch of state government by the General Assembly or by resolution of a house of the General Assembly, or (ii) joint legislative committee or subcommittee.

Notwithstanding any other provision of law, any citizen member of any body described in this paragraph who is appointed at the state level, or designated an official member of such body, pursuant to an act of the General Assembly or a resolution of a house of the General Assembly that provides for the appointment or designation, shall receive compensation solely for each day, or portion thereof, of attendance at an official meeting of the same. In no event shall any citizen member be paid compensation for attending a meeting of an advisory committee or other advisory body. Subject to any contrary law that provides for a higher amount of compensation to be paid, compensation shall be paid at the rate of $50 for each day, or portion thereof, of attendance at an official meeting.

Such citizen members shall also be reimbursed for reasonable and necessary expenses incurred in attending (i) an official meeting of any body described in this paragraph, or (ii) a meeting of an advisory committee or advisory body of any body described in this paragraph.

Compensation and reimbursement of expenses to such citizen members shall be paid by the body holding the meeting (or for meetings of advisory committees or advisory bodies, the body on whose behalf the meeting is being held) or by the entity that supports the work of the body.

A citizen member, however, who is a full-time employee of the Commonwealth or any of its local political subdivisions, including any full-time faculty member of a public institution of higher education, shall not be entitled to compensation under this paragraph and shall be

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limited to reimbursement for his reasonable and necessary expenses incurred, which shall be reimbursed by his employer.

A citizen member who is also currently a treasurer, sheriff, clerk of court, commissioner of the revenue, or attorney for the Commonwealth by reason of election of the qualified county or city voters shall not be entitled to compensation under this paragraph and shall be limited to reimbursement for his reasonable and necessary expenses incurred, which shall be reimbursed within the budget already established by the Compensation Board and in the same manner as other reasonable and necessary expenses of his office are reimbursed. Full-time employees of one of the foregoing constitutional offices shall also not be entitled to compensation under this paragraph and shall be limited to reimbursement for their reasonable and necessary expenses incurred, which shall be reimbursed within the budget already established by the Compensation Board and in the same manner as other reasonable and necessary expenses of the constitutional office are reimbursed.

9. Pursuant to § 30-19.13, Code of Virginia, allowances for expenses of members of the General Assembly during any regular session of the General Assembly or extension thereof or during any special session of the General Assembly shall be paid in an amount not to exceed the maximum daily amount permitted by the Internal Revenue Service under rates established by the U.S. General Services Administration.

10. Allowance for office expenses and supplies of members of the General Assembly, in the amount of $1,250 for each month of each calendar year. An additional $500 for each month of each calendar year shall be paid to the Majority and Minority Leaders of the House of Delegates and the Senate and to the President Pro Tempore of the Senate.

C. A legislative assistant of a member of the General Assembly regularly employed on a twelve (12) consecutive month salary basis receiving 60 percent or more of the salary allotted pursuant to paragraph A.5.c.1, may, for the purposes of §§ 51.1-124.3 and 51.1-152, Code of Virginia, be deemed a "state employee" and as such will be eligible for participation in the Virginia Retirement System, the group life insurance plan, the VRS short and long term disability plans, and the state health insurance plan. Upon approval by the Joint Rules Committee, legislative assistants shall be eligible to participate in the short and long-term disability plans sponsored by the Virginia Retirement System pursuant to Chapter 11 of Title 51.1, Code of Virginia. Such legislative assistants shall not receive sick leave and family and personal leave benefits under this plan. Short-term disability benefits shall be payable from the Legislative Reversion Clearing Account.

D. Out of this appropriation the Clerk of the House of Delegates shall pay the routine maintenance and operating expenses of the General Assembly Building as apportioned to the Senate, House of Delegates, Division of Legislative Services, Joint Legislative Audit and Review Commission, or other legislative agencies. The funds appropriated to each agency in the Legislative Department for routine maintenance and operating expenses during the current biennium shall be transferred to the account established for this purpose.

E. An amount of up to $10,000 per year shall be transferred from Item 34 of this act, to reflect equivalent compensation allowances for the Lieutenant Governor as were authorized by the 1994 General Assembly. The Lieutenant Governor shall report such increases to the Speaker of the House and the Chairman of the House Appropriations Committee and the Chairman of the Senate Finance Committee.

F.1. The Chairmen of the House Appropriations and Senate Finance Committees shall each appoint four members from their respective committees to a joint subcommittee to review public higher education funding policies and to make recommendations to their respective committees. The objective of the review is to develop policies and formulas to provide the public institutions of higher education with an equitable funding methodology that: (a) recognizes differences in institutional mission; (b) provides incentives for achievement and productivity; (c) recognizes enrollment growth; and (d) establishes funding objectives in areas such as faculty salaries, financial aid, and the appropriate share of educational and general costs that should be borne by resident students. In addition, the review shall include the development of comparable cost data concerning the delivery of higher education through an analysis of the relationship of each public institution to its national peers. The public institutions of higher education and the staff of the State Council of Higher Education for Virginia are directed to provide technical assistance, as required, to the joint subcommittee.

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2. The Joint Subcommittee on Higher Education Funding Policies shall conduct an assessment of the adequacy of the current educational and general funding levels for Virginia's public institutions of higher education. The assessment shall be used to develop guidelines against which to measure funding requests for higher education. The assessment shall include, but not be limited to, the following components:

a) Updated student-to-faculty ratios based on current practice or industry norms.

b) Consideration of support staff needs and the changing requirements of support staff due to technology and privatization of services previously performed by the institutions.

c) Costs of instruction, such as equipment, utilities, facilities maintenance, and other nonpersonal services expenses.

d) Recognition of the individual mission of the institution, student characteristics, location, or other factors that may influence the costs of instruction.

e) Benchmarking of the funding guidelines against a group of peer institutions, or other appropriate comparator group, to assess the validity of the guidelines.

f) Means by which measures of institutional performance can be assessed and incorporated into funding and policy guidelines for higher education.

3. The Joint Subcommittee on Higher Education Funding Policies shall develop a more precise methodology for determining funding needs at Virginia's public institutions of higher education related to enrollment growth. The methodology should take into consideration that support staff and operations may need to be expanded when enrollment growth reaches certain levels.

4. The Joint Subcommittee may seek support from the staff of the Senate Finance and House Appropriations Committees, the public institutions of higher education, or other higher education or state agency representatives, as requested by the Joint Subcommittee. At its discretion, the Joint Subcommittee may contract for consulting services.

5. The Joint Subcommittee is hereby continued to provide direction and oversight of higher education funding policies. The Joint Subcommittee shall review and articulate policies and funding methodologies on: (a) the appropriate share of educational and general costs that should be borne by students; (b) student financial aid; (c) undergraduate medical education funding; (d) the mix of full-time and part-time faculty; (e) the mix of in-state and out-of-state students as it relates to tuition policy; and (f) the viability of statewide articulation agreements between four-year and two-year public institutions.

6. a. It is the objective of the General Assembly that funding for Virginia's public colleges and universities shall be based primarily on the funding guidelines outlined in the November, 2001 report of the Joint Subcommittee on Higher Education Funding Policies.

b. Based on the findings and recommendations of its November, 2001 report, the Joint Subcommittee shall coordinate with the State Council of Higher Education, the Secretary of Education, and the Department of Planning and Budget in incorporating the higher education funding guidelines into the development of budget recommendations.

c. As part of its responsibilities to ensure the fair and equitable distribution and use of public funds among the public institutions of higher education, the State Council of Higher Education shall incorporate the funding guidelines established by the Joint Subcommittee into its budget recommendations to the Governor and the General Assembly.

G. The Chairmen of the Senate Finance and House Appropriations Committees shall each appoint four members from their respective committees to a joint subcommittee to review compensation of state agency heads and cabinet secretaries. The Department of Human Resource Management, the Virginia Retirement System and all other agencies and institutions of the Commonwealth are directed to provide technical assistance, as required, to the joint subcommittee.

H. 1. The Chairmen of the House Appropriations and Senate Finance Committees shall each appoint up to five members from their respective committees to a joint subcommittee to

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provide on-going direction and oversight of Standards of Quality funding cost policies and to make recommendations to their respective committees.

2. The Joint Subcommittee on Elementary and Secondary Education Funding shall: a) study the Commonwealth's use of the prevailing salary and cost approaches to funding the Standards of Quality, as compared with alternative approaches, such as a fixed point in time salary base that is increased annually by some minimum percentage or funding the national average teacher salary; and b) review the "federal revenue deduct" methodology, including the current use of a cap on the deduction; and c) review the methodology for establishing a consistent funding cap process for all state funded instructional and certain support positions.

3. The school divisions, the staff of the Virginia Department of Education, and staff of the Joint Legislative Audit and Review Commission, are directed to provide technical assistance, as required, to the joint subcommittee.

I. Notwithstanding the salaries listed in Item 1, paragraph B.2., of this act, the Speaker of the House may establish a salary range for the Clerk of the House of Delegates.

J. Notwithstanding the salaries listed in Item 1, paragraph B.3. of this act, the Senate Committee on Rules may establish a salary range for the Clerk of the Senate.

K. Notwithstanding the salaries set out in Items 2, 5, and 6, the Committee on Joint Rules may establish salary ranges for such agency heads consistent with the provisions and salary ranges included in Item 4-6.01 of this act.

L. Included within this appropriation is $15,400 each year from the general fund for expenses related to the Joint Subcommittee on Tax Preferences, pursuant to House Bill 777 of the 2012 Session. This includes $6,622 each year to be allocated by the Clerk of the Senate and $8,778 each year to be allocated by the Clerk of the House of Delegates.

M. Included in the appropriations for this item is $25,000 the first year and $25,000 the second year from the general fund for the operations of the Virginia Indian Commemorative Commission and the development of a monument commemorating the life, achievements, and legacy of Native Americans in the Commonwealth.

N. The Special Joint Subcommittee to Consult on the Plan to Close State Training Centers shall continue to conduct a review of the assumptions behind the cost and cost savings of implementing the U.S. Department of Justice (DOJ) settlement agreement including but not limited to a review of the cost of providing care in the state intellectual disability (ID) training centers and in the community and an explanation of the difference in costs.

Total for General Assembly of Virginia.....			**$34,175,023**	**$36,555,381**
General Fund Positions.....	221.00	221.00		
Position Level	221.00	221.00		
Fund Sources: General.....	$34,175,023	$36,555,381		

2. Not set out.

3. Not set out.

4. Not set out.

5. Not set out.

6. Not set out.

7. Not set out.

8. Not set out.

ITEM 9.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
9.	Not set out.				
10.	Not set out.				
11.	Not set out.				
12.	Not set out.				
13.	Not set out.				
14.	Not set out.				
15.	Not set out.				
16.	Not set out.				
17.	Not set out.				
18.	Not set out.				
19.	Not set out.				
20.	Not set out.				
21.	Not set out.				
22.	Not set out.				
23.	Not set out.				
24.	Not set out.				
25.	Not set out.				
26.	Not set out.				
27.	Not set out.				
28.	Not set out.				
29.	Not set out.				
30.	Not set out.				
30.10.	Not set out.				
30.20.	Not set out.				
30.30.	Not set out.				
30.40.	Not set out.				
31.	Not set out.				
32.	Not set out.				
33.	Not set out.				
34.	Not set out.				
	TOTAL FOR LEGISLATIVE DEPARTMENT.....			**$72,989,956**	**$75,558,579**

ITEM 34.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
1	General Fund Positions	577.50	578.50		
2	Nongeneral Fund Positions	29.50	29.50		
3	Position Level	607.00	608.00		
4	Fund Sources: General	$69,483,521	$72,052,144		
5	Special	$3,253,328	$3,253,328		
6	Trust and Agency	$115,673	$115,673		
7	Federal Trust	$137,434	$137,434		

ITEM 35.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

JUDICIAL DEPARTMENT

§ 1-2. SUPREME COURT (111)

35. Not set out.

36. Not set out.

37. Not set out.

38. Not set out.

39. Not set out.

40. Not set out.

41. Not set out.

Circuit Courts (113)

42. Pre-Trial, Trial, and Appellate Processes (32100).....			$103,430,987	~~$103,696,914~~ *$103,770,345*
Trial Processes (32103)	$44,195,507	$44,461,434		
Other Court Costs and Allowances (Criminal Fund) (32104)	$59,235,480	~~$59,235,480~~ *$59,308,911*		
Fund Sources: General.....	$103,425,987	~~$103,691,914~~ *$103,765,345*		
Special.....	$5,000	$5,000		

Authority: Article VI, Section 1, Constitution of Virginia; Title 17.1, Chapter 5; § 19.2-163, Code of Virginia.

A. Out of the amounts in this Item for Trial Processes shall be paid:

1. The annual salaries of Circuit Court judges, each at $158,134 from July 1, 2012, to November 24, 2012, $158,134 from November 25, 2012, to November 24, 2013, and $158,134 from November 25, 2013, to June 30, 2014. Such salaries shall represent the total compensation from all sources for Circuit Court judges.

2. Expenses necessarily incurred for the position of judge of the Circuit Court, including clerk hire not exceeding $1,500 a year for each judge.

3. The state's share of expenses incident to the prosecution of a petition for a writ of habeas corpus by an indigent petitioner, including payment of counsel fees as fixed by the Court; the expenses shall be paid upon receipt of an appropriate order from a Circuit Court.

4. A circuit court judge shall only be reimbursed for mileage for commuting if the judge has to travel to a courthouse in a county or city other than the one in which the judge resides and the distance between the judge's residence and the courthouse is greater than 25 miles.

B. The Chief Circuit Court Judge shall restrict the appointment of special justices to conduct involuntary mental commitment hearings to those unusual instances when no General District Court or Juvenile and Domestic Relations District Court Judge can be made available or when the volume of the hearings would require more than eight hours a week.

C. There is hereby reappropriated the unexpended balance remaining at the close of business on June 30, 2012, in the appropriation made in Item 41, Chapter 890, Acts of Assembly of 2011, in the item detail Other Court Costs and Allowances (Criminal Fund) and the balance remaining in this item detail on June 30, 2013.

D. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall

ITEM 42.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.

E.1. General fund appropriations for Other Court Costs and Allowances (Criminal Fund) total $110,956,463 the first year and ~~$111,354,063~~ *$112,354,063* the second year in this Item and Items 35, 41, 43, 44 and 45.

2. The Chief Justice of the Supreme Court of Virginia shall determine how the amounts appropriated to Other Courts Costs and Allowances (Criminal Fund) will be allocated, consistent with statutory provisions in the Code of Virginia. Funds within these appropriations are to be used to fund fully the statutory caps on compensation applicable to attorneys appointed by the court to defend criminal charges. Should this appropriation not be sufficient to fund fully all of the statutory caps on compensation as established by § 19.2-163, Code of Virginia, that this appropriation shall be applied first to fully fund the statutory caps for the most serious noncapital felonies and then, should funds still remain in this appropriation, to the other statutory caps, in declining order of the severity of the charges to which each cap is applicable.

3. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $880,000 the first year and not to exceed $880,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission, for the administration of the physical evidence recovery kit (PERK) program.

4. Notwithstanding the provisions of § 19.2-163, Code of Virginia, the amount of compensation allowed to counsel appointed by the court to defend a felony charge that may be punishable by death shall be calculated on an hourly basis at a rate set by the Supreme Court of Virginia.

F.1. For any hearing conducted pursuant to § 19.2-306, Code of Virginia, the circuit court shall have presented to it a sentencing revocation report prepared on a form designated by the Virginia Criminal Sentencing Commission indicating the condition or conditions of the suspended sentence, good behavior, or probation supervision that the defendant has allegedly violated.

2. For any hearing conducted pursuant to § 19.2-306 in which the defendant is cited for violation of a condition or conditions other than a new criminal offense conviction, the court shall also have presented to it the applicable probation violation guideline worksheets established pursuant to Chapter 1042 of the Acts of Assembly 2003. The court shall review and consider the suitability of the discretionary probation violation guidelines. Before imposing sentence, the court shall state for the record that such review and consideration have been accomplished and shall make the completed worksheets a part of the record of the case and open for inspection. In hearings in which the court imposes a sentence that is either greater or less than that indicated by the discretionary probation violation guidelines, the court shall file with the record of the case a written explanation of such departure.

3. Following any hearing conducted pursuant to § 19.2-306 and the entry of a final order, the clerk of the circuit court in which the hearing was held shall cause a copy of such order or orders, the original sentencing revocation report, any applicable probation violation guideline worksheets prepared in the case, and a copy of any departure explanation prepared pursuant to subsection F.2., to be forwarded to the Virginia Criminal Sentencing Commission within 30 days.

4. The failure to follow any or all of the provisions specified in F.1. through F.3 or the failure to follow any or all of these provisions in the prescribed manner shall not be reviewable on appeal or the basis of any other post-hearing relief.

G. Mandated changes or improvements to court facilities pursuant to § 15.2-1643, Code of Virginia, or otherwise, including any new construction, shall be delayed at the request of the local governing body in which the court is located until June 30, 2014. The provisions of this item shall not apply to facilities that were subject to litigation on or before November 30, 2008.

Total for Circuit Courts			**$103,430,987**	**~~$103,696,914~~** ***$103,770,345***

ITEM 42.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	General Fund Positions	164.00	165.00		
	Position Level	164.00	165.00		
	Fund Sources: General	$103,425,987	~~$103,691,914~~ *$103,765,345*		
	Special	$5,000	$5,000		
	General District Courts (114)				
43.	Pre-Trial, Trial, and Appellate Processes (32100)			$98,614,237	~~$98,079,646~~ *$98,354,456*
	Trial Processes (32103)	$80,550,627	$80,016,036		
	Other Court Costs and Allowances (Criminal Fund) (32104)	$13,254,081	~~$13,254,081~~ *$13,528,891*		
	Involuntary Mental Commitments (32105)	$4,809,529	$4,809,529		
	Fund Sources: General	$98,614,237	~~$98,079,646~~ *$98,354,456*		

Authority: Article VI, Section 8, Constitution of Virginia; §§ 16.1-69.1 through 16.1-137, 19.2-163 and 37.1-67.1 et seq., Code of Virginia.

A. Out of the amounts in this Item for Trial Processes shall be paid:

1. The annual salaries of all General District Court judges, $142,329 from July 1, 2012, to November 24, 2012, $142,329 from November 25, 2012, to November 24, 2013, and $142,329 from November 25, 2013, to June 30, 2014. Such salary shall be 90 percent of the annual salary fixed by law for judges of the Circuit Courts and shall represent the total compensation for General District Court Judges and incorporate all supplements formerly paid by the various localities.

2. The salaries of substitute judges and court personnel.

B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2012, in the appropriation made in Item 42, Chapter 890, Acts of Assembly of 2011, in the item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2013.

C. Any balance, or portion thereof, in the item detail Involuntary Mental Commitments, may be transferred between Items 42, 43, 44, and 304, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

D.1. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.

2. The Committee on District Courts, in consultation with the Virginia Association of Commonwealth's Attorneys and the Virginia Indigent Defense Commission, shall develop policies and procedures to reduce the number of misdemeanor charges for which the Commonwealth will seek incarceration, thereby reducing expenditures through the Criminal Fund for court-appointed counsel or for public defenders. The Executive Secretary of the Supreme Court shall provide a report by October 30, 2013, to the Governor and to the Chairmen of the Senate and House Courts of Justice Committees, and the Chairmen of the Senate Finance and House Appropriations Committees on the implementation of these policies and procedures and their impact on Criminal Fund expenditures.

E. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $40,000 the first year and not to exceed $40,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission, for the administration of the physical evidence recovery kit (PERK) program.

F. A district court judge shall only be reimbursed for mileage for commuting if the judge has

ITEM 43.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	to travel to a courthouse in a county or city other than the one in which the judge resides and the distance between the judge's residence and the courthouse is greater than 25 miles.				
	G. Upon the retirement or separation from employment of any chief general district court clerks from the 7th judicial district or the 13th judicial district, any vacant chief clerk positions in excess of one chief clerk for each general district court shall be reallocated by the Committee on District Courts to district courts with the highest documented unmet staffing requirements.				
	Total for General District Courts			**$98,614,237**	**~~$98,079,646~~** ***$98,354,456***
	General Fund Positions.....	1,068.10	1,056.10		
	Position Level	1,068.10	1,056.10		
	Fund Sources: General	$98,614,237	~~$98,079,646~~ *$98,354,456*		
	Juvenile and Domestic Relations District Courts (115)				
44.	Pre-Trial, Trial, and Appellate Processes (32100).....			$81,585,156	~~$82,594,333~~ *$83,115,702*
	Trial Processes (32103)	$53,797,340	$54,408,917		
	Other Court Costs and Allowances (Criminal Fund) (32104)	$27,472,248	~~$27,869,848~~ *$28,391,217*		
	Involuntary Mental Commitments (32105).....	$315,568	$315,568		
	Fund Sources: General	$81,585,156	~~$82,594,333~~ *$83,115,702*		

Authority: Article VI, Section 8, Constitution of Virginia; §§ 16.1-69.1 through 16.1-69.58, 16.1-226 through 16.1-334, 19.2-163 and 37.1-67.1 et seq., Code of Virginia.

A. Out of the amounts in this Item for Trial Processes shall be paid:

1. The annual salaries of all full-time Juvenile and Domestic Relations District Court Judges, $142,329 from July 1, 2012, to November 24, 2012, $142,329 from November 25, 2012, to November 24, 2013, and $142,329 from November 25, 2013, to June 30, 2014. Such salary shall be 90 percent of the annual salary fixed by law for judges of the Circuit Courts and shall represent the total compensation for Juvenile and Domestic Relations District Court Judges.

2. The salaries of substitute judges and court personnel.

B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2012, in the appropriation made in Item 43, Chapter 890, Acts of Assembly of 2011, in the Item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2013.

C. Any balance, or portion thereof, in the Item detail Involuntary Mental Commitments, may be transferred between Items 43, 44, 45, and 304, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

D. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.

E. Notwithstanding any other provision of law, when a Guardian ad Litem is appointed for a child by the Commonwealth, the juvenile and domestic relations district court or the circuit court, as the case may be, shall order the parent, parents, adoptive parent or adoptive parents of the child, or another party with a legitimate interest therein who has filed a petition with the court to reimburse the Commonwealth the costs of such services in an amount not to exceed the amount awarded the Guardian ad Litem by the court. If the court determines such party is unable to pay, the required reimbursement may be reduced or eliminated. In addition, it is the intent of the General Assembly that the Supreme Court actively administer the Guardian ad

ITEM 44.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Litem program to ensure that payments made to Guardians ad Litem do not exceed that which is required. The Executive Secretary of the Supreme Court shall report August 1 and January 1 of each year to the Chairmen of the House Appropriations and Senate Finance Committees on the amounts paid for Guardian ad Litem purposes, amounts reimbursed by parents and/or guardians, savings achieved, and management actions taken to further enhance savings under this program.				
F. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $870,000 the first year and not to exceed $870,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission for the administration of the physical evidence recovery kit (PERK) program.				
Total for Juvenile and Domestic Relations District Courts			**$81,585,156**	**~~$82,594,333~~** ***$83,115,702***
General Fund Positions	605.10	617.10		
Position Level	605.10	617.10		
Fund Sources: General	$81,585,156	~~$82,594,333~~ *$83,115,702*		
Combined District Courts (116)				
45. Pre-Trial, Trial, and Appellate Processes (32100).....			$22,668,125	~~$22,668,125~~ *$22,798,515*
Trial Processes (32103)	$14,508,614	$14,508,614		
Other Court Costs and Allowances (Criminal Fund) (32104)	$6,778,754	~~$6,778,754~~ *$6,909,144*		
Involuntary Mental Commitments (32105).....	$1,380,757	$1,380,757		
Fund Sources: General	$22,668,125	~~$22,668,125~~ *$22,798,515*		
Authority: Article VI, Section 8, Constitution of Virginia, §§ 16.1-69.1 through 16.1-137, 16.1-226 through 16.1-334, 19.2-163, and 37.1-67.1 et seq., Code of Virginia.				
A. Out of the amounts in this Item for Trial Processes shall be paid the salaries of substitute judges and court personnel.				
B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2012, in the appropriation made in Item 44, Chapter 890, Acts of Assembly of 2011, in the item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2013.				
C. Any balance, or portion thereof, in the Item detail Involuntary Mental Commitments, may be transferred between Items 43, 44, 45, and 304, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.				
D. The appropriation in this Item for Other Court Costs and Allowances shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.				
E. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $95,000 the first year and not to exceed $95,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission, for the administration of the physical evidence recovery kit (PERK) program.				
Total for Combined District Courts			**$22,668,125**	**~~$22,668,125~~** ***$22,798,515***

ITEM 45.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	General Fund Positions	204.55	204.55		
	Position Level	204.55	204.55		
	Fund Sources: General	$22,668,125	~~$22,668,125~~ *$22,798,515*		
46.	Not set out.				
	Grand Total for Supreme Court			**$385,890,764**	~~**$386,392,376**~~ ***$387,392,376***
	General Fund Positions	2,705.71	2,706.71		
	Nongeneral Fund Positions	6.00	6.00		
	Position Level	2,711.71	2,712.71		
	Fund Sources: General	$375,157,246	~~$375,658,858~~ *$376,658,858*		
	Special	$283,655	$283,655		
	Trust and Agency	$25,000	$25,000		
	Dedicated Special Revenue	$9,000,000	$9,000,000		
	Federal Trust	$1,424,863	$1,424,863		
47.	Not set out.				
48.	Not set out.				
49.	Not set out.				
50.	Not set out.				
51.	Not set out.				
52.	Not set out.				

§ 1-3. JUDICIAL DEPARTMENT REVERSION CLEARING ACCOUNT (104)

53.	Across the Board Reductions (71400)	$0	$0

Authority: Discretionary Inclusion.

A.1. Notwithstanding the provisions of §§ 16.1-69.6:1 or 17.1-507, Code of Virginia, the total number of authorized judges in any judicial district or circuit shall be reduced by a number equal to the number of judges retiring, dying or resigning from that district or circuit for any authorized judgeship which was vacant or became vacant on or after February 15, 2010, and before July 1, 2010, effective upon the resignation, death or retirement date of each such judge.

2. Furthermore, notwithstanding the provisions of §§ 16.1-69.6:1 or 17.1-507, Code of Virginia, the total number of authorized judges in any judicial district or circuit shall be reduced by a number equal to the number of judges retiring, dying or resigning from that district or circuit on or after July 1, 2010, and on or before June 30, 2014, effective upon the resignation, death or retirement date of each such judge.

3. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Second Judicial Circuit in which the retiring incumbent judge was a resident of Northampton or Accomack County.

4. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Second Judicial Circuit in which the retiring incumbent judge was a resident of the City of Virginia Beach and retired prior to July 1, 2010.

5. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Fifth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2011.

ITEM 53.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

6. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Sixth Judicial Circuit.

7. Effective July 1, 2011, the provisions of this item shall not apply to any authorized circuit court judgeship in the Ninth Judicial Circuit in which the judgeship became vacant prior to July 1, 2010.

8. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Tenth Judicial Circuit in which the retiring incumbent judge retired after January 1, 2011, but prior to July 1, 2011.

9. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Eleventh Judicial Circuit in which the retiring incumbent judge retired after January 1, 2010, but prior to July 1, 2010.

10. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Fourteenth Judicial Circuit in which the retiring incumbent judge retired after January 1, 2011, but prior to July 1, 2011.

11. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Fifteenth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2011.

12. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Eighteenth Judicial Circuit.

13. Effective July 1, 2011, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twenty-fourth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2010.

14. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Twenty-sixth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2011.

15. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Twenty-seventh Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2010.

16. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized circuit court judgeship in the Thirtieth Judicial Circuit in which the vacancy occurred prior to July 1, 2011.

17. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized general district court judgeship in the Second Judicial District in which the retiring incumbent judge retired prior to July 1, 2010.

18. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized general district court judgeship in the Sixth Judicial District in which the retiring incumbent judge retired prior to July 1, 2010.

19. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized general district court judgeship in the Twelfth Judicial District in which the retiring incumbent judge retired prior to July 1, 2011.

20. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized general district court judgeship in the Twentieth Judicial District in which the retiring incumbent judge retired after January 1, 2010, but prior to July 1, 2010.

21. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized juvenile and domestic relations general district court judgeship in the Eleventh Judicial District in which the retiring incumbent judge retired prior to July 1, 2010.

22. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized juvenile and domestic relations general district court judgeship in the Fifteenth Judicial District

ITEM 53.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

in which the retiring incumbent judge retired prior to July 1, 2010.

23. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized juvenile and domestic relations general district court judgeship in the Twenty-seventh Judicial District in which the retiring incumbent judge retired prior to July 1, 2010.

24. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Sixth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2012.

25. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Ninth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2012.

26. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twelfth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2012.

27. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Thirteenth Judicial Circuit in which the retiring incumbent judge retired prior to January 1, 2011.

28. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Fourteenth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2012.

29. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Sixteenth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2012.

30. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Seventeenth Judicial Circuit in which the retiring incumbent judge retired prior to February 1, 2012.

31. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twenty-second Judicial Circuit in which the retiring incumbent judge retired after July 1, 2011 and prior to August 31, 2012.

32. Effective July 1, 2012, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twenty-eighth Judicial Circuit in which the retiring incumbent judge retired after January 1, 2012 and prior to July 1, 2012.

33. Effective July 1, 2012, the provisions of this item shall not apply to any authorized general district court judgeship in the First Judicial District in which the retiring incumbent judge retired after July 1, 2011 and prior to July 1, 2012.

34. Effective July 1, 2012, the provisions of this item shall not apply to any authorized general district court judgeship in the Sixth Judicial District in which the retiring incumbent judge retired after January 1, 2011 and prior to January 1, 2012.

35. Effective July 1, 2012, the provisions of this item shall not apply to any authorized general district court judgeship in the Twentieth Judicial District in which the retiring incumbent judge retired after April 1, 2012 and prior to July 1, 2012.

36. Effective July 1, 2012, the provisions of this item shall not apply to any authorized general district court judgeship in the Twenty-fifth Judicial District in which the retiring incumbent judge retired prior to January 1, 2009.

37. Effective July 1, 2012, the provisions of this item shall not apply to any authorized general district court judgeship in the Thirty-first Judicial District in which the retiring incumbent judge retired prior to January 1, 2013.

38. Effective July 1, 2012, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Second Judicial District which became

ITEM 53.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

vacant after January 1, 2012 and prior to July 1, 2012.

39. Effective July 1, 2012, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Ninth Judicial District in which the retiring incumbent judge retired prior to July 1, 2012.

40. Effective July 1, 2012, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Tenth Judicial District in which the retiring incumbent judge retired prior to July 1, 2012.

41. Effective July 1, 2012, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Twelfth Judicial District in which the retiring incumbent judge retired prior to July 1, 2012.

42. Effective July 1, 2012, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Fourteenth Judicial District in which the retiring incumbent judge retired prior to July 1, 2010.

43. Effective July 1, 2012, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Twenty-fourth Judicial District in which an incumbent judge died prior to January 1, 2012.

44. Effective July 1, 2012, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Twenty-eighth Judicial District in which the retiring incumbent judge retired prior to July 1, 2012.

45. Effective July 1, 2011, the provisions of this Item shall not apply to any authorized judgeship in which the vacancy occurred as a result of a judge being appointed to a judgeship on another Virginia court, provided such appointment is to another authorized judgeship which is funded as provided herein or by existing law.

46. Effective August 1, 2012, the provisions of this Item shall not apply to any authorized circuit, general district, or juvenile and domestic relations court judgeship in which the vacancy occurred after August 1, 2012, and prior to December 1, 2012, and the incumbent judge would not have been subject to mandatory retirement on or before February 15, 2013.

47. The State Comptroller shall revert to the general fund $4,640,400 on or before June 30, 2013 and ~~$3,902,508~~*$5,244,304* on or before June 30, 2014 representing savings from vacant judgeships.

48. Effective July 1, 2013, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Sixteenth Judicial District in which the retiring incumbent judge retired prior to February 1, 2013.

49. Effective July 1, 2013, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Thirty-first Judicial District in which the retiring incumbent judge retired prior to July 1, 2013.

50. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Fifth Judicial Circuit in which the retiring incumbent judge retired prior to January 1, 2013.

51. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Fifteenth Judicial Circuit in which the retiring incumbent judge retired prior to May 1, 2013.

52. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twenty-second Judicial Circuit in which the retiring incumbent judge retired prior to January 1, 2013.

53. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twenty-fifth Judicial Circuit in which the retiring incumbent judge retired prior to January 1, 2013.

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54. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twenty-sixth Judicial Circuit in which the retiring incumbent judge retired prior to July 1, 2013.

55. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Second Judicial District in which the retiring incumbent judge retired prior to February 1, 2012.

56. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Fourth Judicial District in which the retiring incumbent judge retired prior to February 1, 2012.

57. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Eleventh Judicial District in which the retiring incumbent judge retired prior to February 1, 2013.

58. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Twelfth Judicial District in which the retiring incumbent judge retired prior to February 1, 2013.

59. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Fourteenth Judicial District in which the retiring incumbent judge retired prior to February 1, 2013.

60. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Fifteenth Judicial District in which the retiring incumbent judge retired prior to December 1, 2012.

61. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Twenty-eighth Judicial District in which the retiring incumbent judge retired prior to February 1, 2013.

62. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Twenty-ninth Judicial District in which the incumbent judge vacated the bench prior to September 1, 2012.

63. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Second Circuit in which the retiring incumbent judge retired prior to January 1, 2012.

64. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Nineteenth Circuit in which the retiring incumbent judge retired prior to August 1, 2012.

65. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twentieth Circuit in which the retiring incumbent judge retired prior to May 1, 2013.

66. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Seventeenth Judicial District in which the retiring incumbent judge retired prior to July 1, 2012.

67. Effective July 1, 2013, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Twenty-First Judicial District in which the retiring incumbent judge retired prior to July 1, 2013.

68. Effective January 1, 2014, the provisions of this item shall not apply to any authorized circuit court judgeship in the Third Circuit in which the retiring incumbent judge retired prior to January 1, 2013.

69. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Fourth Circuit in which the retiring incumbent judge retired prior to May 1, 2012.

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70. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twenty-Third Circuit in which the retiring incumbent judge retired prior to March 1, 2013.				
71. Effective July 1, 2013, the provisions of this item shall not apply to any authorized circuit court judgeship in the Twenty-Eighth Circuit in which the retiring incumbent judge retired prior to July 1, 2013.				
72. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Thirteenth Judicial District in which the retiring incumbent judge retired prior to January 1, 2010.				
73. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Fifteenth Judicial District in which the retiring incumbent judge retired prior to February 1, 2013.				
74. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Sixteenth Judicial District in which the retiring incumbent judge retired prior to February 1, 2013.				
75. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Nineteenth Judicial District in which the retiring incumbent judge retired prior to February 1, 2011.				
76. Effective July 1, 2013, the provisions of this item shall not apply to any authorized general district court judgeship in the Twenty-Seventh Judicial District in which the retiring incumbent judge retired prior to January 1, 2011.				
77. Effective July 1, 2013, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Fifteenth Judicial District in which the retiring incumbent judge retired prior to May 1, 2013.				
78. Effective July 1, 2013, the provisions of this item shall not apply to any authorized juvenile and domestic relations district court judgeship in the Twenty-Third Judicial District in which the retiring incumbent judge retired prior to July 1, 2013.				
B. On or before June 30, 2013, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of $38,000, representing additional savings generated within the Indigent Defense Commission.				
C. On or before June 30, 2014, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of ~~$200,000~~*$550,000* representing additional savings generated within the Indigent Defense Commission.				
D. On or before June 30, 2014, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of $175,000 from balances within the Virginia Criminal Sentencing Commission.				
E. On or before June 30, 2014, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of $190,000 from balances within the Judicial Inquiry and Review Commission.				
Total for Judicial Department Reversion Clearing Account.....			**$0**	**$0**
TOTAL FOR JUDICIAL DEPARTMENT			**$455,992,489**	**~~$457,079,383~~** ***$458,079,383***
General Fund Positions.....	3,258.71	3,259.71		
Nongeneral Fund Positions.....	103.00	103.00		
Position Level	3,361.71	3,362.71		
Fund Sources: General.....	$423,087,296	~~$424,174,190~~ *$425,174,190*		

ITEM 53.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
1	Special	$9,690,178	$9,690,178		
2	Trust and Agency	$25,000	$25,000		
3	Dedicated Special Revenue	$21,765,152	$21,765,152		
4	Federal Trust	$1,424,863	$1,424,863		

ITEM 54.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	EXECUTIVE DEPARTMENT				
	EXECUTIVE OFFICES				
54.	Not set out.				
55.	Not set out.				
56.	Not set out.				
57.	Not set out.				
58.	Not set out.				
59.	Not set out.				
60.	Not set out.				
61.	Not set out.				
62.	Not set out.				
62.10.	Not set out.				
63.	Not set out.				
64.	Not set out.				
	§ 1-4. OFFICE OF THE STATE INSPECTOR GENERAL (147)				
64.05.	Inspection, Monitoring, and Auditing Services (78700) ...			$1,400,000	~~$6,176,536~~ *$6,181,232*
	Inspection and Compliance of Program Operations (78701)	$1,400,000	~~$6,176,536~~ *$6,181,232*		
	Fund Sources: General	$1,400,000	~~$4,155,222~~ *$4,159,918*		
	Special	$0	$125,000		
	Commonwealth Transportation	$0	$1,896,314		

Authority: Title 2.2, Chapter 3.2, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the State Inspector General, which shall be within the range of $127,846 and $170,352 from July 1, 2012 to June 30, 2014.

B. The Office of the State Inspector General shall be responsible for investigating the management and operations of state agencies and nonstate agencies to determine whether acts of fraud, waste, abuse, or corruption have been committed or are being committed by state officers or employees or any officers or employees of a nonstate agency, including any allegations of criminal acts affecting the operations of state agencies or nonstate agencies. However, no investigation of an elected official of the Commonwealth to determine whether a criminal violation has occurred, is occurring, or is about to occur under the provisions of § 52-8.1 shall be initiated, undertaken, or continued except upon the request of the Governor, the Attorney General, or a grand jury.

C. The Office of the State Inspector General shall be responsible for coordinating and recommending standards for those internal audit programs in existence as of July 1, 2012, and developing and maintaining other internal audit programs in state agencies and nonstate agencies as needed in order to ensure that the Commonwealth's assets are subject to appropriate internal management controls. The State Inspector General shall assess the condition of the accounting, financial, and administrative controls of state agencies and nonstate agencies.

ITEM 64.05.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
D. The Office of the State Inspector General shall be responsible for providing timely notification to the appropriate attorney for the Commonwealth and law-enforcement agencies whenever the State Inspector General has reasonable grounds to believe there has been a violation of state criminal law.				
E. The Office of the State Inspector General shall be responsible for assisting citizens in understanding their rights and the processes available to them to express concerns regarding the activities of a state agency or nonstate agency or any officer or employee of the foregoing;				
F.1. The Office of the State Inspector General shall be responsible for development, coordination and management of a program to train internal auditors. The Office of the State Inspector General shall assist internal auditors of state agencies and institutions in receiving continued professional education as required by professional standards. The Office of the State Inspector General shall coordinate its efforts with state institutions of higher education and offer training programs to the internal auditors as well as coordinate any special training programs for the internal auditors.				
2. To fund the direct costs of hiring training instructors, the Office of the State Inspector General is authorized to collect fees from training participants to provide training events for internal auditors. A nongeneral fund appropriation of $125,000 the second year is provided for use by the Office of the State Inspector General to facilitate the collection of payments from training participants for this purpose				
G. The State Inspector General shall review the organization structure, staffing levels, and missions of the Office of the State Inspector General, including the required numbers of auditors and investigators, the required numbers of support staff, and the appropriate division of responsibilities between the Department of Corrections and the Office of the State Inspector General for criminal investigations, internal operational reviews, and other studies and activities that are essential to the ongoing security of the Department of Corrections, and shall make recommendations as appropriate for the assignment of investigative staff resources in order to achieve the highest and best utilization of existing personnel resources. The State Inspector General shall provide copies of this report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2013.				
Total for Office of the State Inspector General			**$1,400,000**	**~~$6,176,536~~** ***$6,181,232***
General Fund Positions.....	6.00	24.00		
Nongeneral Fund Positions.....	0.00	16.00		
Position Level	6.00	40.00		
Fund Sources: General.....	$1,400,000	~~$4,155,222~~ *$4,159,918*		
Special.....	$0	$125,000		
Commonwealth Transportation.....	$0	$1,896,314		
65. Not set out.				
TOTAL FOR EXECUTIVE OFFICES.....			**$51,913,511**	**~~$57,741,529~~** ***$57,746,225***
General Fund Positions.....	262.67	287.67		
Nongeneral Fund Positions.....	193.33	219.33		
Position Level	456.00	507.00		
Fund Sources: General.....	$27,701,390	~~$31,115,145~~ *$31,119,841*		
Special.....	$14,489,561	$14,981,061		
Commonwealth Transportation.....	$143,205	$2,039,519		
Federal Trust.....	$9,579,355	$9,605,804		

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OFFICE OF ADMINISTRATION

66. Not set out.

67. Not set out.

§ 1-5. COMPENSATION BOARD (157)

68. Not set out.

69. Financial Assistance for Confinement of Inmates in Local and Regional Facilities (35600)			$56,223,725	~~$50,115,331~~ *$59,431,856*
Financial Assistance for Local Jail Per Diem (35601)	$29,236,337	~~$25,642,213~~ *$27,905,980*		
Financial Assistance for Regional Jail Per Diem (35604)	$26,987,388	~~$24,473,118~~ *$31,525,876*		
Fund Sources: General	$56,223,725	~~$50,115,331~~ *$59,431,856*		

Authority: §§ 53.1-83.1, 53.1-84 and 53.1-85, Code of Virginia.

A. In the event the appropriation in this Item proves to be insufficient to fund all of its provisions, any amount remaining as of June 1, 2013, and June 1, 2014, may be reallocated among localities on a pro rata basis according to such deficiency.

B. For the purposes of this Item, the following definitions shall be applicable:

1. Effective sentence—a convicted offender's sentence as rendered by the court less any portion of the sentence suspended by the court.

2. Local responsible inmate—(a) any person arrested on a state warrant and incarcerated in a local correctional facility, as defined by § 53.1-1, Code of Virginia, prior to trial; (b) any person convicted of a misdemeanor offense and sentenced to a term in a local correctional facility; or (c) any person convicted of a felony offense and given an effective sentence of (i) twelve months or less or (ii) less than one year.

3. State responsible inmate—any person convicted of one or more felony offenses and (a) the sum of consecutive effective sentences for felonies, committed on or after January 1, 1995, is (i) more than 12 months or (ii) one year or more, or (b) the sum of consecutive effective sentences for felonies, committed before January 1, 1995, is more than two years.

C. The individual or entity responsible for operating any facility which receives funds from this Item may, if requested by the Department of Corrections, enter into an agreement with the department to accept the transfer of convicted felons, from other local facilities or from facilities operated by the Department of Corrections. In entering into any such agreements, or in effecting the transfer of offenders, the Department of Corrections shall consider the security requirements of transferred offenders and the capability of the local facility to maintain such offenders. For purposes of calculating the amount due each locality, all funds earned by the locality as a result of an agreement with the Department of Corrections shall be included as receipts from these appropriations.

D. Out of this appropriation, an amount not to exceed $377,010 the first year and $377,010 the second year from the general fund, is designated to be held in reserve for unbudgeted medical expenses incurred by local correctional facilities in the care of state responsible felons.

E. The following amounts shall be paid out of this appropriation to compensate localities for the cost of maintaining prisoners in local correctional facilities, as defined by § 53.1-1, Code of Virginia, or if the prisoner is not housed in a local correctional facility, in an alternative to incarceration program operated by, or under the authority of, the sheriff or jail board:

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1. For local responsible inmates—$4 per inmate day, or, if the inmate is housed and maintained in a jail farm not under the control of the sheriff, the rate shall be $18 per inmate day.

2. For state responsible inmates—$12 per inmate day.

F. For the payment specified in paragraph E 1 of this Item for prisoners in alternative punishment or alternative to incarceration programs:

1. Such payment is intended to be made for prisoners that would otherwise be housed in a local correctional facility. It is not intended for prisoners that would otherwise be sentenced to community service or placed on probation.

2. No such payment shall be made unless the program has been approved by the Department of Corrections or the Department of Criminal Justice Services. Alternative punishment or alternative to incarceration programs, however, may include supervised work experience, treatment, and electronic monitoring programs.

G.1. Except as provided for in paragraph G 2, and notwithstanding any other provisions of this Item, the Compensation Board shall provide payment to any locality with an average daily jail population of under ten in FY 1995 an inmate per diem rate of $22 per day for local responsible inmates and $28 per day for state responsible inmates held in these jails in lieu of personal service costs for corrections' officers.

2. Any locality covered by the provisions of this paragraph shall be exempt from the provisions thereof provided that the locally elected sheriff, with the assistance of the Compensation Board, enters into good faith negotiations to house his prisoners in an existing local or regional jail. In establishing the per diem rate and capital contribution, if any, to be charged to such locality by a local or regional jail, the Compensation Board and the local sheriff or regional jail authority shall consider the operating support and capital contribution made by the Commonwealth, as required by §§ 15.2-1613, 15.2-1615.1, 53.1-80, and 53.1-81, Code of Virginia. The Compensation Board shall report periodically to the Chairmen of the House Appropriations and Senate Finance Committees on the progress of these negotiations and may withhold the exemption granted by this paragraph if, in the board's opinion, the local sheriff fails to negotiate in good faith.

H.1. The Compensation Board shall recover the state-funded costs associated with housing federal inmates, District of Columbia inmates or contract inmates from other states. The Compensation Board shall determine, by individual jail, the amount to be recovered by the Commonwealth by multiplying the jail's current inmate days for this population by the proportion of the jail's per inmate day salary funds provided by the Commonwealth, as identified in the most recent Jail Cost Report prepared by the Compensation Board. Beginning July 1, 2009, the Compensation Board shall determine, by individual jail, the amount to be recovered by the Commonwealth by multiplying the jail's current inmate days for this population by the proportion of the jail's per inmate day operating costs provided by the Commonwealth, excluding payments otherwise provided for in this Item, as identified in the most recent Jail Cost Report prepared by the Compensation Board. If a jail is not included in the most recent Jail Cost Report, the Compensation Board shall use the statewide average of per inmate day salary funds provided by the Commonwealth.

2. The Compensation Board shall deduct the amount to be recovered by the Commonwealth from the facility's next quarterly per diem payment for state-responsible and local-responsible inmates. Should the next quarterly per diem payment owed the locality not be sufficient against which to net the total quarterly recovery amount, the locality shall remit the remaining amount not recovered to the Compensation Board.

3. Any local or regional jail which receives funding from the Compensation Board shall give priority to the housing of local-responsible, state-responsible, and state contract inmates, in that order, as provided in paragraph H 1.

4. The Compensation Board shall not provide any inmate per diem payments to any local or regional jail which holds federal inmates in excess of the number of beds contracted for with the Department of Corrections, unless the Director, Department of Corrections, certifies to the Chairman of the Compensation Board that a) such contract beds are not required; b) the facility

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has operational capacity built under contract with the federal government; c) the facility has received a grant from the federal government for a portion of the capital costs; or d) the facility has applied to the Department of Corrections for participation in the contract bed program with a sufficient number of beds to meet the Department of Corrections' need or ability to fund contract beds at that facility in any given fiscal year.

5. The Compensation Board shall apply the cost recovery methodology set out in paragraph H 1 of this Item to any jail which holds inmates from another state on a contractual basis. However, recovery in such circumstances shall not be made for inmates held pending extradition to other states or pending transfer to the Virginia Department of Corrections.

6. The provisions of this paragraph shall not apply to any local or regional jail where the cumulative federal share of capital costs exceeds the Commonwealth's cumulative capital contribution.

7. For a local or regional jail which operates bed space specifically built utilizing federal capital or grant funds for the housing of federal inmates and for which Compensation Board funding has never been authorized for staff for such bed space, the Compensation Board shall allow an exemption from the recovery provided in paragraph H.1. for a defined number of federal prisoners upon certification by the sheriff or superintendent that the federal government has paid for the construction of bed space in the facility or provided a grant for a portion of the capital cost. Such certification shall include specific funding amounts paid by the federal government, localities, and/or regional jail authorities, and the Commonwealth for the construction of bed space specifically built for the housing of federal inmates and for the construction of the jail facility in its entirety. The defined number of federal prisoners to be exempted from the recovery provided in paragraph H.1. shall be based upon the proportion of funding paid by the federal government and localities and/or regional jail authorities for the construction of bed space to house federal prisoners to the total funding paid by all sources, including the Commonwealth, for all construction costs for the jail facility in its entirety.

8. Beginning March 1, 2013, federal inmates placed in the custody of a regional jail pursuant to a work release program operated by the federal Bureau of Prisons shall be exempt from the recovery of costs associated with housing federal inmates pursuant to paragraph H.1. of this item if such federal inmates have been assigned by the federal Bureau of Prisons to a home electronic monitoring program in place for such inmates by agreement with the jail on or before January 1, 2012 and are not housed in the jail facility. However, no such exemption shall apply to any federal inmate while they are housed in the regional jail facility.

I. Any amounts in the program Financial Assistance for Confinement of Inmates in Local and Regional Facilities, may be transferred between Items 68 and 69, as needed, to cover any deficits incurred in the programs Financial Assistance for Sheriffs' Offices and Regional Jails and Financial Assistance for Confinement of Inmates in Local and Regional Facilities.

J. Projected growth in per diem payments for the support of prisoners in local and regional jails shall be based on actual inmate population counts up through the first quarter of the affected fiscal year.

K. The Compensation Board shall provide an annual report on the number and diagnoses of inmates with mental illnesses in local and regional jails, the treatment services provided, and expenditures on jail mental health programs. The report shall be prepared in cooperation with the Virginia Sheriffs Association, the Virginia Association of Regional Jails, the Virginia Association of Community Services Boards, and the Department of Behavioral Health and Developmental Services, and shall be coordinated with the data submissions required for the annual jail cost report. Copies of this report shall be provided by November 1 of each year to the Governor, Director, Department of Planning and Budget, and the Chairmen of the Senate Finance and House Appropriations Committees.

L. The Compensation Board shall work with local and regional jails to determine the number of local-responsible offenders hospitalized off-site, the costs for such hospitalization, and the numbers of such hospitalized local-responsible offenders who are either 65 years of age or older, blind, disabled, or pregnant in order to determine the population of local-responsible offenders who may be eligible for enrollment in Medicaid. The Departments of Medical Assistance Services and Social Services shall provide any assistance necessary to the Compensation Board in determining the eligibility of those local-responsible offenders for

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Medicaid enrollment and the process that would be necessary for localities who choose to enroll eligible local-responsible offenders in Medicaid. The Compensation Board, with any necessary assistance from the Departments of Medical Assistance Services and Social Services, shall provide a report on the number of local-responsible offenders who could be enrolled in Medicaid to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2013.

70. Not set out.

71. Not set out.

72. Not set out.

73. Not set out.

74. Not set out.

75. Administrative and Support Services (79900).....			$3,191,928	~~$3,237,627~~ *$3,240,050*
General Management and Direction (79901).....	$2,069,587	~~$2,257,499~~ *$2,259,922*		
Information Technology Services (79902).....	$1,040,518	$898,305		
Training Services (79925)	$81,823	$81,823		
Fund Sources: General.....	$3,191,928	~~$3,237,627~~ *$3,240,050*		

Authority: Title 2.2-1839; Title 15.2, Chapter 16, Articles 2, 3, 4 and 6.1; Title 17.1, Chapter 2, Article 7, Code of Virginia.

A.1. In determining the salary of any officer specified in Items 68, 70, 71, 72, 73 and 74 of this act, the Compensation Board shall use the greater of the most recent actual United States census count or the most recent provisional population estimate from the United States Bureau of the Census or the Weldon Cooper Center for Public Service of the University of Virginia available when fixing the officer's annual budget and shall adjust such population estimate, where applicable, for any annexation or consolidation order by a court when such order becomes effective. There shall be no reduction in salary by reason of a decline in population during the terms in which the incumbent remains in office.

2. In determining the salary of any officer specified in Items 68, 70, 71, 72, 73 and 74 of this act, nothing herein contained shall prevent the governing body of any county or city from supplementing the salary of such officer in such county or city for the provisions of Chapter 822, 2012 Acts of Assembly or for additional services not required by general law; provided, however, that any such supplemental salary shall be paid wholly by such county or city.

3. Any officer whose salary is specified in Items 68, 70, 71, 72, 73 and 74 of this act shall provide reasonable access to his work place, files, records, and computer network as may be requested by his duly elected successor after the successor has been certified.

B.1. Notwithstanding any other provision of law, the Compensation Board shall authorize and fund permanent positions for the locally elected constitutional officers, subject to appropriation by the General Assembly, including the principal officer, at the following levels:

	FY 2013	**FY 2014**
Sheriffs	11,039	11,051
Partially Funded: Jail Medical, Treatment, and Classification and Records Positions	750	753
Commissioners of the Revenue	846	846
Treasurers	861	861
Directors of Finance	383	383
Commonwealth's Attorneys	1,266	1,266
Clerks of the Circuit Court	1,144	1,144

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TOTAL	**16,289**	**16,304**		

2. The Compensation Board is authorized to provide funding for 549 temporary positions the first year and 549 temporary positions the second year.

3. The board is authorized to adjust the expenses and other allowances for such officers to maintain approved permanent and temporary manpower levels.

4. Paragraphs B 1 and B 2 of this Item shall not apply to the clerks of the circuit courts and their employees specified in § 17.1-288, Code of Virginia, or those under contract pursuant to § 17.1-290, Code of Virginia.

C.1. Reimbursement by the Compensation Board for the use of vehicles purchased or leased with public funds used in the discharge of official duties shall be at a rate equal to that approved by the Joint Legislative Audit and Review Commission for Central Garage Car Pool services. No vehicle purchased or leased with public funds on or after July 1, 2002, shall display lettering on the exterior of the vehicle that includes the name of the incumbent sheriff.

2. Reimbursement by the Compensation Board for the use of personal vehicles in the discharge of official duties shall be at a rate equal to that established in § 4-5.04 e 2. of this act. All such requests for reimbursement shall be accompanied by a certification that a publicly owned or leased vehicle was unavailable for use.

D. The Compensation Board is directed to examine the current level of crowding of inmates in local jails among the several localities and to reallocate or reduce temporary positions among local jails as may be required, consistent with the provisions of this act.

E. Any new positions established in Item 75 of this act shall be allocated by the Compensation Board upon request of the constitutional officers in accordance with staffing standards and ranking methodologies approved by the Compensation Board to fulfill the requirements of any court order occurring from proceedings under § 15.2-1636.8, Code of Virginia, in accordance with the provisions of Item 68 of this act.

F. Any funds appropriated in this act for performance pay increases for designated deputies or employees of constitutional officers shall be allocated by the Compensation Board upon certification of the constitutional officer that the performance pay plan for that office meets the minimum standards for such plans as set by the Compensation Board. Nothing herein, and nothing in any performance pay plan set by the Compensation Board or adopted by a constitutional officer, shall change the status of employees or deputies of constitutional officers from employees at will or create a property or contractual right to employment. Such deputies and employees shall continue to be employees at will who serve at the pleasure of the constitutional officers.

G. The Compensation Board shall apply the current fiscal stress factor, as determined by the Commission on Local Government, to any general fund amounts approved by the board for the purchase, lease or lease purchase of equipment for constitutional officers. In the case of equipment requests from regional jail superintendents and regional special prosecutors, the highest stress factor of a member jurisdiction will be used.

H. The Compensation Board shall not approve or commit additional funds for the operational cost, including salaries, for any local or regional jail construction, renovation, or expansion project which was not approved for reimbursement by the State Board of Corrections prior to January 1, 1996, unless: (1) the Secretary of Public Safety certifies that such additional funding results in an actual cost savings to the Commonwealth or (2) an exception has been granted as provided for in Item 386 of this act.

I. Subject to appropriations by the General Assembly for this purpose, the Compensation Board may provide funding for executive management, lawful employment practices, and jail management training for constitutional officers, their employees, and regional jail superintendents.

J. Any local or regional jail that receives funding from the Compensation Board shall report inmate populations to the Compensation Board, through the local inmate data system, no less

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frequently than weekly. Each local or regional jail that receives funding from the Compensation Board shall use the Virginia Crime Codes (VCC) in identifying and describing offenses for persons arrested and/or detained in local and regional jails in Virginia.

K.1. The Compensation Board shall provide the Chairmen of the Senate Finance and House Appropriations Committees and the Secretaries of Finance and Administration with an annual report, on December 1 of each year, of jail revenues and expenditures for all local and regional jails and jail farms which receive funds from the Compensation Board. Information provided to the Compensation Board is to include an audited statement of revenues and expenses for inmate canteen accounts, telephone commission funds, inmate medical co-payment funds, any other fees collected from inmates and investment/interest monies for inclusion in the report.

2. Local and regional jails and jail farms and local governments receiving funds from the Compensation Board shall, as a condition of receiving such funds, provide such information as may be required by the Compensation Board, necessary to prepare the annual jail cost report.

3. If any sheriff, superintendent, county administrator, or city manager fails to send such information within five working days after the information should be forwarded, the Chairman of the Compensation Board shall notify the sheriff, superintendent, county administrator or city manager of such failure. If the information is not provided within ten working days from that date, then the chairman shall cause the information to be prepared from the books of the city, county, or regional jail and shall certify the cost thereof to the State Comptroller. The State Comptroller shall issue his warrant on the state treasury for that amount, deducting the same from any funds that may be due the sheriff or regional jail from the Commonwealth.

L. In the event of the transition of a city to town status pursuant to the provisions of Chapter 41 (§ 15.2-4100 et seq.) of Title 15.2, Code of Virginia, or the consolidation of a city and a county into a single city pursuant to the provisions of Chapter 35 (§ 15.2-3500 et seq.) of Title 15.2, Code of Virginia, subsequent to July 1, 1999, the Compensation Board shall provide funding from Items 68, 71, 72, 73 and 74 of this act, consistent with the requirements of § 15.2-1302, Code of Virginia. Notwithstanding the provisions of paragraph E of this Item, any positions in the constitutional offices of the former city or former county which are available for reallocation as a result of the transition or consolidation shall be first reallocated in accordance with Compensation Board staffing standards to the constitutional officers in the county in which the town is situated or to the consolidated city, without regard to the Compensation Board's priority of need ranking for reallocated positions. The salary and fringe benefit costs for these positions shall be deducted from any amounts due the county or to the consolidated city, as provided in § 15.2-1302, Code of Virginia.

M. Notwithstanding any other provisions of § 15.2-1605, Code of Virginia, the Compensation Board shall provide no reimbursement for accumulated vacation time for employees of Constitutional Officers.

N. The Compensation Board is hereby authorized to deduct, from reimbursements made each year to localities out of the amounts in Items 68, 70, 71, 72, 73 and 74 of this act, an amount equal to 100 percent of each locality’s share of the insurance premium paid by the Compensation Board on behalf of the constitutional offices, directors of finance, and regional jails.

O. Effective July 1, 2007, the Compensation Board is authorized to withhold reimbursements due the locality for sheriff and jail expenses upon notification from the Superintendent of State Police that there is reason to believe that crime data reported by a locality to the Department of State Police in accordance with § 52-28, Code of Virginia, is missing, incomplete or incorrect. Upon subsequent notification by the Superintendent that the data is accurate, the Compensation Board shall make reimbursement of withheld funding due the locality when such corrections are made within the same fiscal year that funds have been withheld.

P. Notwithstanding the provisions of § 51.1-1403 A, Code of Virginia, the Compensation Board is hereby authorized to deduct, from reimbursements made each year to localities out of the amounts in Items 68, 70, 71, 72, 73 and 74 of this act, an amount equal to each locality’s retiree health premium paid by the Compensation Board on behalf of the constitutional offices, directors of finance, and regional jails.

Q.1. Compensation Board payments of, or reimbursements for, the employer paid contribution

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to the Virginia Retirement System, or any system offering like benefits, shall not exceed the Commonwealth's proportionate share of the following, whichever is less: (a) the actual retirement rate for the local constitutional officer's office or regional correctional facility as set by the Board of the Virginia Retirement System or (b) the employer rate established for the general classified workforce of the Commonwealth covered under and payable to the Virginia Retirement System.

2. The rate specified in paragraph Q.1. shall exclude the cost of any early retirement program implemented by the Commonwealth.

3. Any employer paid contribution costs for rates exceeding those specified in paragraph Q.1. shall be borne by the employer.

4. The benefits rate reimbursed by the Compensation Board to localities and regional jails shall not exceed the rate identified for fiscal year 2011 in Chapter 890, Item 469, paragraph I.1.

R.1. Effective July 1, 2013 the Career Development Programs operated by the Compensation Board within the Constitutional Offices shall be reinstated and individuals may be included in the programs within amounts appropriated for such programs.

2. The funding identified in paragraphs R.3., R.4., R.5. and R.6. of this Item shall be used to support individuals that have not been provided Career Development Program salary adjustments even though they met all required program criteria.

3. Included in this appropriation is $639,878 the first year and $703,866 the second year from the general fund to support the Sheriffs' Career Development Program and the Master Deputy Program. The Department of Planning and Budget shall transfer these amounts to Item 68 of this act.

4. Included in this appropriation is $71,083 the first year and $78,191 the second year from the general fund to support the Career Development Programs for commissioners and deputy commissioners of revenue. The Department of Planning and Budget shall transfer these amounts to Item 71 of this act.

5. Included in this appropriation is $150,612 the first year and $165,673 the second year from the general fund to support the Career Prosecutor Career Development Program for Commonwealth's attorneys. The Department of Planning and Budget shall transfer these amounts to Item 72 of this act.

6. Included in this appropriation is $112,346 the first year and $72,204 the second year from the general fund to support the Career Development Programs for treasurers and deputy treasurers. The Department of Planning and Budget shall transfer these amounts to Item 74 of this act.

S. Localities shall not utilize Compensation Board funding to supplant local funds provided for the salaries of constitutional officers and their employees under the provisions of Chapter 822, 2012 Acts of Assembly, who were affected members in service on June 30, 2012.

Total for Compensation Board			**$629,540,978**	**~~$626,470,871~~** ***$635,789,819***
General Fund Positions	20.00	20.00		
Nongeneral Fund Positions	1.00	1.00		
Position Level	21.00	21.00		
Fund Sources: General	$613,540,266	~~$610,470,159~~ *$619,789,107*		
Trust and Agency	$8,000,712	$8,000,712		
Dedicated Special Revenue	$8,000,000	$8,000,000		

76. Not set out.

77. Not set out.

ITEM 78.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
78.	Not set out.				
79.	Not set out.				
80.	Not set out.				
81.	Not set out.				
82.	Not set out.				
	§ 1-6. DEPARTMENT OF HUMAN RESOURCE MANAGEMENT (129)				
83.	Personnel Management Services (70400)			$11,027,911	~~$12,414,382~~ *$12,422,763*
	Agency Human Resource Services (70401)	$3,045,331	~~$3,651,770~~ *$3,660,151*		
	Equal Employment Services (70403)	$936,062	$936,062		
	Health Benefits Services (70406)	$3,474,960	$3,374,960		
	Employee Dispute Resolution Services (70416)	$0	$882,892		
	State Employee Program Services (70417)	$1,679,296	$1,679,296		
	State Employee Workers' Compensation Services (70418)	$1,358,969	$1,358,969		
	Administrative and Support Services (70419)	$533,293	$530,433		
	Fund Sources: General	$3,609,587	~~$4,684,046~~ *$4,692,427*		
	Special	$6,059,355	$6,371,367		
	Trust and Agency	$1,358,969	$1,358,969		

Authority: Title 2.2, Chapters 12, 28, and 29, Code of Virginia.

A. The department shall report any proposed changes in premiums, benefits, carriers, or provider networks to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees at least sixty days prior to implementation.

B.1. The Department of Human Resource Management shall operate a human resource service center to support the human resource needs of those agencies identified by the Secretary of Administration in consultation with the Department of Planning and Budget. The agencies so identified shall cooperate with the Department of Human Resource Management by transferring such records and functions as may be required.

2. The Department of Human Resource Management shall recover the cost of the human resource service center's services in a manner determined by the Director, Department of Planning and Budget and the State Comptroller.

3. Nothing in this paragraph shall prohibit additional agencies from using the services of the center; however, these additional agencies' use of the human resource service center shall be subject to approval by the affected cabinet secretary and the Secretary of Administration.

C. The institutions of higher education shall be exempt from the centralized advertising requirements identified in Executive Order 73 (01).

D.1. To ensure fair and equitable performance reviews, the Department of Human Resource Management, within available resources, is directed to provide performance management training to agencies and institutions of higher education with classified employees.

2. Agency heads in the Executive Department are directed to require appropriate performance management training for all agency supervisors and managers.

E.1. The Department of Human Resource Management shall take into account the claims experience of each agency and institution when setting premiums for the workers' compensation program.

2. All financial obligations of the Commonwealth to the Virginia Workers' Compensation

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Commission for payroll taxes on behalf of the state employees' workers' compensation program are satisfied in full through calendar year 2009.

F. The Department of Human Resource Management shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2013, on its recommended workers' compensation premiums for state agencies for the following biennium. This report shall also include the basis for the department's recommendations, the number and amount of workers' compensation settlements concluded in the previous fiscal year, and the impact of those settlements on the workers' compensation program's reserves.

G. The Department of Human Resource Management shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees, by October 15 of each year, on the renewal cost of the state employee health insurance program premiums that will go into effect on July 1 of the following year. This report shall include the impact of the renewal cost on employee and employer premiums and a valuation of liabilities as required by Other Post Employment Benefits reporting standards. *By June 30, 2014, the Department shall evaluate new strategies for treatments associated with muscular-skeletal disorders, and implement such strategies where cost savings reasonably appear indicated.*

H. Included in these amounts is $606,439 in the second year for the implementation of an automated time, attendance and leave system. The Department of Human Resource Management shall report on the status of an automated time, attendance and leave (TAL) application for use by executive branch agencies to the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2013.

I. Out of this appropriation, $100,000 from the general fund in the first year is included for the Department of Human Resource Management to conduct an actuarial review of the impact of including of employees, and their dependents, of local governments including local school divisions in the state employee health benefits plan in a manner consistent with the provisions of House Bill 1356 of the 2013 General Assembly session as it was introduced. This Department shall report its findings and recommendations to the Chairmen of the House Appropriations and Senate Finance Committees no later than October 15, 2013.

J. The Department of Human Resource Management shall develop and distribute instructions and guidelines to all executive department agencies for the provision of an annual statement of total compensation for each classified employee. The statement should account for the full cost to the Commonwealth and the employee of cash compensation as well as Social Security, Medicare, retirement, deferred compensation, health insurance, life insurance, and any other benefits. The Director, Department of Human Resources Management, shall ensure that all executive department agencies provide this notice to each employee. The Department of Accounts and the Virginia Retirement System shall provide assistance upon request. Further, the Director of the Department of Human Resources Management shall provide instructions and guidelines for the development notices of total compensation to all independent, legislative, and judicial agencies, and institutions of higher education for preparation of annual statements to their employees

Total for Department of Human Resource Management..			**$11,027,911**	**~~$12,414,382~~** ***$12,422,763***
General Fund Positions.....	48.50	58.00		
Nongeneral Fund Positions.....	39.50	46.00		
Position Level	88.00	104.00		
Fund Sources: General.....	$3,609,587	~~$4,684,046~~ *$4,692,427*		
Special.....	$6,059,355	$6,371,367		
Trust and Agency	$1,358,969	$1,358,969		

84. Not set out.

ITEM 84.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	Grand Total for Department of Human Resource Management			**$301,027,911**	**~~$302,414,382~~** ***$302,422,763***
	General Fund Positions	48.50	58.00		
	Nongeneral Fund Positions	39.50	46.00		
	Position Level	88.00	104.00		
	Fund Sources: General	$3,609,587	~~$4,684,046~~ *$4,692,427*		
	Special	$6,059,355	$6,371,367		
	Enterprise	$290,000,000	$290,000,000		
	Trust and Agency	$1,358,969	$1,358,969		
85.	Not set out.				
	§ 1-7. DEPARTMENT OF MINORITY BUSINESS ENTERPRISE (232)				
86.	Economic Development Services (53400)			$2,096,312	~~$2,072,822~~ *$2,072,874*
	Minority Business Enterprise Procurement Reporting and Coordination (53406)	$625,116	~~$625,116~~ *$625,168*		
	Minority Business Enterprise Outreach (53407)	$913,676	$913,128		
	Minority Business Enterprise Certification (53414)	$494,739	$494,743		
	Capital Access Fund for Disadvantaged Businesses (53417)	$62,781	$39,835		
	Fund Sources: General	$573,650	~~$550,160~~ *$550,212*		
	Commonwealth Transportation	$1,522,662	$1,522,662		
	Authority: Title 2.2, Chapter 14; Title 56, Chapter 57, Article 3, Code of Virginia.				
	The Department of Minority Business Enterprise, in conjunction with the Department of General Services, the Virginia Employment Commission, and the Virginia Department of Transportation, is authorized to conduct analyses of the availability of minority business enterprises in Virginia and the utilization of such businesses by the Commonwealth of Virginia, localities, or private industry in the acquisition of goods and services. The department also is authorized to receive and accept from the United States government, or any agency thereof, and from any other source, private or public, any and all gifts, grants, allotments, bequests or devises of any nature that would assist the department in conducting such analyses or otherwise strengthen its services to minority business enterprises. The Director, Department of Planning and Budget, is authorized to establish a nongeneral fund appropriation for the purposes of expending revenues that may be received for this effort.				
	Total for Department of Minority Business Enterprise			**$2,096,312**	**~~$2,072,822~~** ***$2,072,874***
	General Fund Positions	0.50	0.50		
	Nongeneral Fund Positions	27.50	27.50		
	Position Level	28.00	28.00		
	Fund Sources: General	$573,650	~~$550,160~~ *$550,212*		
	Commonwealth Transportation	$1,522,662	$1,522,662		
	§ 1-8. STATE BOARD OF ELECTIONS (132)				
87.	Electoral Services (72300)			$7,587,817	~~$7,060,622~~ *$7,090,104*
	Electoral Uniformity, Legality, and Quality Assurance Services (72302)	$1,562,248	$1,708,498		
	Statewide Voter Registration System Services (72304)	$2,699,456	$2,398,915		

ITEM 87.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Campaign Finance Disclosure Administration Services (72309)	$241,903	$241,903		
Election Administration Services (72310)	$1,634,236	$1,357,626		
Voter Services (72311)	$660,336	$660,336		
Administrative Services (72312)	$789,638	~~$693,344~~ *$722,826*		
Fund Sources: General	$2,994,557	~~$2,716,052~~ *$2,745,534*		
Special	$116,250	$116,250		
Trust and Agency	$4,139,740	$4,139,740		
Federal Trust	$337,270	$88,580		

Authority: Title 24.2, Chapter 1, Code of Virginia.

A. It is the intention of the General Assembly that all local precincts, other than central absentee precincts established under § 24.2-712, Code of Virginia will use electronic pollbooks for elections held beginning in November, 2010.

B. Any locality using paper pollbooks for elections held beginning in November, 2010, shall be responsible for entering voting credit as provided in § 24.2-668. Additionally, any locality using paper pollbooks for elections held after November, 2010 may be required to reimburse the State Board of Elections for state costs associated with providing paper pollbooks.

C. Municipalities will pay all expenses associated with May elections after June 30, 2009, including those costs incurred by the State Board of Elections.

D. The State Board of Elections shall by regulation provide for an administrative fee up to $25 for each non-electronic report filed with the Board under § 24.2-947.5. The regulation shall provide for waiver of the fee based upon indigence.

E. All unpaid charges and civil penalties assessed under Title 24.2 shall be subject to interest, the administrative collection fee and late penalties authorized in the Virginia Debt Collection Act, Chapter 48 of Title 2.2, § 2.2-4800 et seq.

F. Included in the appropriation for Statewide Voter Registration System Services is $166,250 from the general fund in the second year for the purchase of equipment required to implement voter registration photo identification requirements pursuant to Senate Bill 1256 of the 2013 Session of the General Assembly. It is the intent of the General Assembly that registration cards containing the voter's photograph and signature be provided free to any eligible voter upon request to the general registrar. The State Board shall be responsible for procuring this equipment in a cost effective manner and providing any necessary equipment to each local registrar.

G. Included in the appropriation for Administrative Services is $25,382 from the general fund in the second year to reimburse the town of Bedford for reimbursements the City of Bedford was eligible to receive during fiscal year 2013 but did not due to a clerical error.

88. Not set out.

Total for State Board of Elections			**$13,111,603**	~~**$12,521,046**~~ ***$12,550,528***
General Fund Positions	30.00	30.00		
Nongeneral Fund Positions	7.00	7.00		
Position Level	37.00	37.00		
Fund Sources: General	$8,518,343	~~$8,176,476~~ *$8,205,958*		
Special	$116,250	$116,250		
Trust and Agency	$4,139,740	$4,139,740		
Federal Trust	$337,270	$88,580		

ITEM 88.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
1	TOTAL FOR OFFICE OF ADMINISTRATION			**$1,007,950,230**	**~~$1,004,686,999~~**
2					***$1,014,043,862***
3	General Fund Positions	376.50	370.50		
4	Nongeneral Fund Positions	483.00	489.00		
5	Position Level	859.50	859.50		
6	Fund Sources: General	$648,195,568	~~$644,717,476~~		
7			*$654,074,339*		
8	Special	$12,967,021	$12,967,021		
9	Commonwealth Transportation	$1,522,662	$1,522,662		
10	Enterprise	$315,582,432	$316,072,432		
11	Trust and Agency	$13,499,421	$13,499,421		
12	Dedicated Special Revenue	$8,000,000	$8,000,000		
13	Federal Trust	$8,183,126	$7,907,987		

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OFFICE OF AGRICULTURE AND FORESTRY

89. Not set out.

90. Not set out.

91. Not set out.

92. Not set out.

93. Not set out.

94. Not set out.

95. Not set out.

96. Not set out.

97. Not set out.

98. Not set out.

99. Not set out.

100. Not set out.

101. Not set out.

§ 1-9. DEPARTMENT OF FORESTRY (411)

102. Forest Management (50100)			$37,081,956 $27,660,741
Reforestation Incentives to Private Forest Land Owners (50102)	$2,104,502	$2,354,502	
Forest Conservation, Wildfire & Watershed Services (50103)	$31,578,841	$21,907,626	
Tree Restoration and Improvement, Nurseries & State-Owned Forest Lands (50104)	$2,723,613	$2,723,613	
Financial Assistance for Forest Land Management (50105)	$675,000	$675,000	
Fund Sources: General	$14,907,209	$15,025,902	
Special	$7,061,919	$7,359,871	
Trust and Agency	$100,000	$102,830	
Dedicated Special Revenue	$10,052,060	$211,370	
Federal Trust	$4,960,768	$4,960,768	

Authority: Title 10.1, Chapter 11, and Title 58.1, Chapter 32, Article 4, Code of Virginia.

A. The State Forester is hereby authorized to utilize any unobligated balances in the fire suppression fund authorized by § 10.1-1124, Code of Virginia, for the purpose of acquiring replacement equipment for forestry management and protection operations.

B. In the event that budgeted amounts for forest fire suppression are insufficient to meet forest fire suppression demands, such amounts as may be necessary for this purpose may be transferred from Item 469 of this act to the Department of Forestry, with the approval of the Director, Department of Planning and Budget.

C. This appropriation includes annual membership dues to the Southeast Interstate Forest Fire Protection Compact, $1,000 the first year and $1,000 the second year from nongeneral funds.

D. The department shall provide technical assistance and project supervision in the aerial spraying of herbicides on timberland on landowner property. In addition to recovering the direct cost associated with the spraying contract, the department may charge an administrative

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fee for this service.

E. The Department of Forestry, in cooperation with the Department of Corrections, shall increase the use of inmate labor for routine and special work projects in state forests.

F. The department shall report by December 15 of each year on the progress of implementing the silvicultural water quality laws in Virginia. The report shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees.

G. The appropriation in Reforestation Incentives to Private Forest Land Owners include $697,570 the first year and $947,570 the second year from the general fund for the Reforestation of Timberlands Program. This appropriation shall be deemed sufficient to meet the provisions of Titles 10.1 and 58.1, Code of Virginia. Out of this appropriation, up to ~~$240,000~~ *$92,500* over the biennium from the general fund may be used for replacement of the Department of Forestry's accounts receivable fiscal system.

H. Out of this appropriation, $464,398 the first year and $394,605 the second year from the general fund is included for the purchase of forest fire protection equipment through the state's master equipment lease purchase program.

I. The department is authorized to enter into an agreement with a private entity for a pilot program to place a communication tower on department-owned property that is designed to blend with the surrounding landscape to the greatest extent practicable. Notwithstanding any other provision of law, any revenues received from such an agreement shall be retained by the department and used for forest land management.

J. The department is authorized to sell property located at the following: 564 Planters Road, Lawrenceville, Virginia, 23868; 2010 Sandy Hook Road, Goochland, Virginia, 23063; and, 717 East Third Street, Farmville, Virginia, 23901. Notwithstanding any other provision of law, the net proceeds of these transactions, estimated at $498,500, shall be retained by the department, deposited into a nongeneral fund account, and used for costs incurred replacing current information technology equipment with technology and equipment appropriate to the department's operational needs.

K.1.a. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia State Forest Mitigation and Acquisition Fund, which shall be administered by the Department of Forestry. The fund shall be established on the books of the Comptroller. All amounts appropriated and such other funds as may be made available to the fund from any other source, public or private, shall be paid into the state treasury and credited to the fund. Interest earned on moneys in the fund shall remain in the fund and be credited to it. Any moneys remaining in the fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the fund. Moneys in the fund shall be used solely for the i) long term management and stewardship of any mitigation plan, and ii) acquisition of additional state forest lands or conservation easements to be administered by the Department of Forestry.

b. There is hereby created in the state treasury a special nonreverting fund to be known as the Long Term Mitigation Fund, a subfund of the Virginia State Forest Mitigation and Acquisition Fund which shall be administered by the Department of Forestry. The subfund shall be established on the books of the Comptroller. All amounts appropriated and such other funds as may be made available to the subfund from any other source, public or private, shall be paid into the state treasury and credited to the subfund. Interest earned on moneys in the subfund shall remain in the subfund and be credited to it. Any moneys remaining in the subfund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the subfund. Moneys in the subfund shall be used solely for the long term management and stewardship of any mitigation plan administered by the Department of Forestry.

2.a. ~~Included in this appropriation is a~~ *A*n amount estimated at $9,840,690 ~~in the first year~~ from dedicated special revenue, ~~to~~ *shall* be deposited into the Virginia State Forest Mitigation Acquisition Fund, contingent upon ratification of a stream mitigation purchase and sale agreement between the Department of Forestry and Henrico County. This amount represents the proceeds from the stream mitigation transaction, which is based upon the Cumberland State Forest Stream Buffer Preservation Stewardship Plan. Such agreement shall be limited to fulfill

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no more than 75 percent of the required stream credits for the Cobbs Creek Reservoir project. All additional required credits shall be acquired from other sources. With the exception of the amounts prescribed in paragraph K.2.b of this item, these funds shall be used solely for forest land or conservation easement acquisition.				
b. Out of these amounts, a minimum of seven percent, or such amount as agreed to by the parties in the purchase and sale agreement shall be deposited into the Long Term Mitigation Fund, and shall be used only for long term management in accordance with the terms of the final mitigation plan, as approved by the U.S. Army Corps of Engineers, the State Water Control Board, and any other applicable authorities.				
3. For any such future mitigation projects, no state forest land shall be used to provide compensatory mitigation for wetland or stream impacts of any public or private project until such time as due consideration has been given to the availability of mitigation credits available from private sources. State forest land means all sites, roadways, game food patches, ponds, lakes, streams, rivers, beaches, and lakes to which the Department of Forestry holds title for use, development, and administration.				
Total for Department of Forestry			**$37,081,956**	**$27,660,741**
General Fund Positions	177.39	173.59		
Nongeneral Fund Positions	112.61	113.41		
Position Level	290.00	287.00		
Fund Sources: General	$14,907,209	$15,025,902		
Special	$7,061,919	$7,359,871		
Trust and Agency	$100,000	$102,830		
Dedicated Special Revenue	$10,052,060	$211,370		
Federal Trust	$4,960,768	$4,960,768		
103. Not set out.				
TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY			**$96,971,831**	**$87,492,392**
General Fund Positions	486.39	490.59		
Nongeneral Fund Positions	312.61	303.41		
Position Level	799.00	794.00		
Fund Sources: General	$45,757,231	$46,484,200		
Special	$13,660,843	$13,292,295		
Trust and Agency	$5,492,954	$5,495,784		
Dedicated Special Revenue	$18,665,480	$8,824,790		
Federal Trust	$13,395,323	$13,395,323		

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OFFICE OF COMMERCE AND TRADE

§ 1-10. SECRETARY OF COMMERCE AND TRADE (192)

104. Not set out.

Economic Development Incentive Payments (312)

105. Economic Development Services (53400)			$54,986,745	~~$56,833,955~~ *$57,506,455*
Financial Assistance for Economic Development (53410)	$54,986,745	~~$56,833,955~~ *$57,506,455*		
Fund Sources: General	$54,451,745	~~$56,458,955~~ *$56,331,455*		
Dedicated Special Revenue	$535,000	~~$375,000~~ *$1,175,000*		

Authority: Discretionary Inclusion.

A.1. Out of the amounts in this Item, $11,811,055 the first year and $11,811,055 the second year from the general fund shall be deposited to the Governor's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds shall be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance Committees, to attract economic development prospects to locate or expand in Virginia. If the Governor, pursuant to the provisions of § 2.2-115, E.1., Code of Virginia, determines that a project is of regional or statewide interest and elects to waive the requirement for a local matching contribution, such action shall be included in the report on expenditures from the Governor's Development Opportunity Fund required by § 2.2-115, F., Code of Virginia. Such report shall include an explanation on the jobs anticipated to be created, the capital investment made for the project, and why the waiver was provided.

2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans shall be approved by the Governor and made in accordance with procedures established by the Virginia Economic Development Partnership and approved by the State Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid to the general fund of the state treasury. The Governor may establish the interest rate to be charged, otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the State Comptroller as required.

3. Funds may be used for public and private utility extension or capacity development on and off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and other activity required to prepare a site for construction; construction or build-out of publicly-owned buildings; grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision pursuant to their duties or powers; training; or anything else permitted by law.

4. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

5. It is the intent of the General Assembly that the Virginia Economic Development Partnership shall work with localities awarded grants from the Governor's Development Opportunity Fund to recover such moneys when the economic development projects fail to meet minimal agreed-upon capital investment and job creation targets. All such recoveries shall be deposited and credited to the Governor's Development Opportunity Fund.

6. Up to $5,000,000 of previously awarded funds and funds repaid by political subdivisions or business beneficiaries and deposited to the Governor's Development Opportunity Fund may be used to assist Prince George County with site improvements related to the location of a major

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aerospace engine manufacturer to the Commonwealth.

7. Any funds appropriated in Item 105, paragraph B. 6, Chapter 781, Acts of Assembly of 2009, to offset training expenses for a major automotive employer operating a diesel assembly and test facility in the City of Newport News, contingent upon such employer having entered into a performance agreement with the Virginia Economic Development Partnership describing the employer's commitments regarding job creation and retention, remaining on June 30, 2012, shall be carried forward and available for expenditure. The funds shall be administered in a manner similar to existing training grant programs permitted under § 2.2-902, Code of Virginia. The major automotive employer shall certify to the Secretary of Commerce and Trade that it has retained at least 500 jobs in the Commonwealth and has taken actions to increase employment by at least 250 new full-time jobs in the Commonwealth.

B. Out of the appropriation for this Item, $5,400,000 the first year and $5,400,000 the second year from the general fund shall be deposited to the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Fund to be used to pay semiconductor memory or logic wafer manufacturing performance grants in accordance with § 59.1-284.14.1, Code of Virginia.

C.1. Out of the appropriation for this Item, $2,492,329 the first year and ~~$3,872,539~~ *$3,745,039* the second year from the general fund shall be deposited to the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia. In the first year, $160,000 from the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund is hereby appropriated and shall be used to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia.

2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

D.1. Out of the appropriation for this Item, $5,000,000 the first year and $5,000,000 the second year from the general fund shall be deposited to the Major Eligible Employer Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5102, Code of Virginia.

2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

E. Out of the appropriation for this Item, $3,000,000 the first year and $3,000,000 the second year from the general fund and an amount estimated at $375,000 the first year and $375,000 the second year from nongeneral funds shall be deposited to the Governor's Motion Picture Opportunity Fund, as established in § 2.2-2320, Code of Virginia. These nongeneral fund revenues shall be deposited to the fund from revenues generated by the digital media fee established pursuant to § 58.1-1731, et seq., Code of Virginia. Such funds shall be used at the discretion of the Governor to attract film industry production activity to the Commonwealth.

F. Out of the appropriation for this Item, $1,000,000 the first year from the general fund shall be used to pay grants in accordance with § 2.2-2240.1, Code of Virginia. It is the intent of the General Assembly to fulfill the commitment made to provide incentive payments for the location of a research related entity in accordance with the time frames set out in § 2.2-2240.1 D, Code of Virginia.

G. Out of the appropriation for this Item, $9,273,000 the first year and $10,400,000 the second year from the general fund shall be used in support of the location of an aerospace engine facility in Prince George County. In accordance with a memorandum of understanding between the Commonwealth and the aerospace engine manufacturer, the funds may be used for chaired professorships, research, community college programs, graduate student and internship endowments, workforce training, project management, and training grants in accordance with § 59.1-284.22, Code of Virginia. The Director, Department of Planning and Budget shall transfer these funds to the impacted state agencies and institutions upon request to the Director, Department of Planning and Budget by the respective state agency or institution.

H.1. Out of the appropriation for this Item, $800,000 the first year and $1,300,000 the second

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year from the general fund shall be deposited to the Virginia Economic Development Incentive Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5102.1, Code of Virginia. *In the second year, $800,000 from the Virginia Economic Development Incentive Grant subfund of the Virginia Investment Partnership Grant Fund is hereby appropriated and shall be used to pay investment performance grants in accordance with § 2.2-5102.1, Code of Virginia.*

2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

I. Out of the appropriation for this Item, $5,000,000 the first year and $5,000,000 the second year from the general fund shall be deposited to the Advanced Shipbuilding Training Facility Fund to be used to pay grants in accordance with § 59.1-284.23, F., Code of Virginia.

J. Out of the appropriation for Item 470 K.1. of House Bill 1300, Special Session I, 2012 Session of the General Assembly, $2,000,000 the first year shall be deposited to the site planning fund created pursuant to § 2.2-2240.2, Code of Virginia, to assist political subdivisions in the performance of site and site development work for prospective Major Employment and Investment (MEI) Projects, as defined in § 2.2-2260, Code of Virginia or in the performance of site and site development work in communities that are not tobacco-dependent communities eligible for assistance from the Tobacco Indemnification and Community Revitalization Commission, to accommodate a project anticipated to have a capital investment in real and tangible personal property exceeding $50,000,000, create more than 100 full-time jobs, and likely have a substantial direct and indirect economic impact on surrounding communities. Grants allocated from this appropriation shall be approved by the Governor and made in accordance with procedures and guidelines established by the Virginia Economic Development Partnership. The guidelines and procedures shall give consideration in order to (i) ensure geographical representation of awards, (ii) limit the amount of annual recipients, (iii) identify strategic targets and select sites that are compatible with the strategic targets, and (iv) promote regional revenue sharing. This appropriation is contingent upon the conditions established in Item 470 K. 5. of House Bill 1300, Special Session I, 2012 Session of the General Assembly.

K. Out of the appropriation for Item 470 K.1. of House Bill 1300, Special Session I, 2012 Session of the General Assembly, $2,000,000 the second year shall be provided to the Commonwealth Center for Advanced Manufacturing for workforce development. Upon request filed with the Director, Department of Planning and Budget, by the Commonwealth Center for Advanced Manufacturing, the director is authorized to provide these funds to the center. This appropriation is contingent upon the conditions established in Item 470 K. 5. of House Bill 1300, Special Session I, 2012 Session of the General Assembly.

L. Out of the appropriation for this Item, $8,000,000 the first year and $8,000,000 the second year from the general fund, shall be utilized for the purposes set forth in Chapter 816 and Chapter 874, 2011 Acts of Assembly, as follows: $3,200,000 the first year and $3,200,000 the second year shall be deposited into the Center for Innovative Technology's GAP Funds and $4,800,000 the first year and $4,800,000 the second year shall be deposited into the Commonwealth Research Commercialization Fund created pursuant to § 2.2-2233.1, Code of Virginia. Of the amounts provided for the Commonwealth Research Commercialization Fund, up to $1,500,000 the first year and $1,500,000 the second year shall be used for a Small Business Innovation Research Matching Fund Program for Virginia-based technology businesses and, for matching funds for recipients of federal Small Business Technology Transfer (STTR) awards for Virginia-based small businesses. Any monies from these amounts that have not been allocated at the end of each fiscal year shall not revert to the general fund but shall be distributed for other purposes designated by the Research and Technology Investment Advisory Committee and aligned with the Research and Technology Roadmap.

Businesses meeting the following criteria shall be eligible to apply for an award to be administered by the Research and Technology Investment Advisory Committee:

1. The applicant has received an STTR award targeted at the development of qualified research or technologies;

2. At least 51 percent of the applicant's employees reside in Virginia; and

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3. At least 51 percent of the applicant's property is located in Virginia.

Applicants shall be eligible for matching grants of up to $100,000 for Phase I awards and up to $500,000 for Phase II awards. All applicants shall be required to submit a commercialization plan with their application. Any unused funds shall not revert to the general fund but shall remain in the Commonwealth Research and Commercialization Fund. Notwithstanding the provisions of § 2.2-2233.1 D.6 unused funding from the Fund shall be awarded as originally intended by the Research and Technology Investment Advisory Committee and only reallocated if sufficient demand does not exist for the original allocation.

M.1. Out of the appropriation for this Item, $2,500,000 the first year and $2,500,000 the second year from the general fund shall be provided for a non-stock corporation research consortium initially comprised of the University of Virginia, Virginia Commonwealth University, Virginia Polytechnic Institute and State University, George Mason University and the Eastern Virginia Medical School. The consortium will contract with private entities, foundations and other governmental sources to capture and perform research in the biosciences. Initial exclusive focus will be around the Virginia core strength areas of Bio-Informatics and Medical Informatics, Point of Care Diagnostics and Drug Discovery and Delivery. The funding to be provided for research under this Item must be matched at least dollar-for-dollar by funding provided by such private entities, foundations and other governmental sources. The Director, Department of Planning and Budget, is authorized to provide these funds to the non-stock corporation research consortium referenced in this paragraph upon request filed with the Director, Department of Planning and Budget by the non-stock corporation research consortium.

2. Other publicly-supported institutions of higher education in the Commonwealth may choose to join the consortium *as participating institutions*. Participation in the consortium by the five founding institutions and by other *participating* institutions choosing to join will require a cash contribution from each institution in each ~~of the first and second years of~~ *year of participation of* at least $50,000, or a larger amount to be determined by the consortium.

3. No research will be funded by the consortium unless at least two of the participating institutions, *including the five founding institutions and any other institutions choosing to join,* are actively and significantly involved in collaborating on the research. No research will be funded by the consortium unless the research topic has been vetted by a scientific advisory board and holds potential for high impact near-term success in generating other sponsored research, creating spin-off companies or otherwise creating new jobs. The consortium will set guidelines to disburse research funds based on advisory board findings. The consortium will have near-term sustainability as a goal, along with corporate-sponsored research gains, new Virginia company start-ups, and job creation milestones.

4. Of these funds, up to $250,000 the first year and $250,000 the second year may be used to pay the administrative, promotional and legal costs of establishing and administering the consortium, including the creation of intellectual property protocols, and the publication of research results.

5. The Virginia Economic Development Partnership, in consultation with the publicly-supported institutions of higher education in the Commonwealth participating in the consortium, shall provide to the Governor, and the Chairmen of the Senate Finance and House Appropriations committees, by November 1 of each year a written report summarizing the activities of the consortium, including, but not limited to, a summary of how any funds disbursed to the consortium during the previous fiscal year were spent, and the consortium's progress during the fiscal year in expanding upon existing research opportunities and stimulating new research opportunities in the Commonwealth.

6. The accounts and records of the consortium shall be made available for review and audit by the Auditor of Public Accounts upon request.

N.1. Out of this appropriation, $175,361 the first year and $175,361 the second year from the general fund shall be provided to the Virginia-Israel Advisory Board.

2. The Virginia-Israel Advisory Board shall seek prior approval of all travel and related expenditures from the Secretary of Commerce and Trade.

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3. The Virginia-Israel Advisory Board shall report by January 15 of each year to the Chairmen of the Senate Finance and House Appropriations Committees on the board's activities and expenditure of state funds.				
Total for Economic Development Incentive Payments.....			**$54,986,745**	**~~$56,833,955~~** ***$57,506,455***
Fund Sources: General.....	$54,451,745	~~$56,458,955~~ *$56,331,455*		
Dedicated Special Revenue.....	$535,000	~~$375,000~~ *$1,175,000*		
Grand Total for Secretary of Commerce and Trade.....			**$55,618,466**	**~~$57,466,368~~** ***$58,138,868***
General Fund Positions.....	7.00	7.00		
Position Level.....	7.00	7.00		
Fund Sources: General.....	$55,083,466	~~$57,091,368~~ *$56,963,868*		
Dedicated Special Revenue.....	$535,000	~~$375,000~~ *$1,175,000*		
106. Not set out.				
§ 1-11. DEPARTMENT OF BUSINESS ASSISTANCE (325)				
107. Economic Development Services (53400).....			$13,329,505	~~$13,140,670~~ *$13,144,574*
Virginia Jobs Investment Program (53403).....	$7,867,220	$7,713,643		
Business Information Services (53418).....	$1,445,299	$1,411,681		
Administrative Services (53422).....	$703,660	~~$702,020~~ *$705,924*		
Financial Services for Economic Development (53423)...	$3,313,326	$3,313,326		
Fund Sources: General.....	$11,670,375	~~$11,481,540~~ *$11,485,444*		
Special.....	$883,192	$883,192		
Dedicated Special Revenue.....	$775,938	$775,938		

Authority: Title 2.2, Chapter 9; Chapter 22, Article 7; and Chapter 24, Article 7, Code of Virginia.

A.1. Out of this appropriation, $7,867,220 the first year and $7,713,643 the second year from the general fund is provided for the Virginia Jobs Investment Program at the Department of Business Assistance. Of this amount, $1,570,628 the first year and $1,413,829 the second year may be used for operating expenses. The remaining $6,296,592 the first year and $6,299,814 the second year shall be available for eligible businesses. Except as provided for in § 2.2-904.2, beginning in the second year, the appropriation provided for the Virginia Jobs Investment Program for eligible businesses shall be deposited to the Virginia Jobs Investment Program Fund, pursuant to § 2.2-903.1 D., Code of Virginia. It is the intent of the General Assembly that a minimum of 10 percent of the amounts provided for the Virginia Jobs Investment Program each year shall be transferred to the Small Business Jobs Grant Fund established pursuant to § 2.2-904.2, Code of Virginia, and shall only be used for the purposes of that section.

2. Periodically, the agency shall report to the Governor and the Secretary of Commerce and Trade the expenditures of the Small Business Jobs Grant Fund and anticipated needs for small business development in order to monitor the effective use of funds and provide additional funding as needed for small businesses.

3. Any moneys remaining in the Virginia Jobs Investment Program Fund at the end of fiscal years 2013 and 2014 shall not revert to the general fund.

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B.1. The Virginia Small Business Financing Authority is authorized to withdraw revenues of up to $50,000 the first year and $50,000 the second year from the accrued interest balances of the Virginia Small Business Growth Fund in order to cover the costs of administering the Virginia Capital Access Program.

2. Also included in this appropriation is $154,196 the first year and $154,196 the second year from the general fund to support the operating expenses of the Virginia Small Business Financing Authority.

3. To meet changing financing needs of small businesses, the Executive Director, Virginia Small Business Financing Authority, with the approval of the Director, Department of Business Assistance, may transfer moneys between funds managed by the authority. These include the Virginia Small Business Growth Fund (§ 2.2-2310, Code of Virginia); the Virginia Export Fund (§ 2.2-2309, Code of Virginia); and the Insurance or Guarantee Fund (§ 2.2-2290, Code of Virginia). The Executive Director, Virginia Small Business Financing Authority, shall report, by fund, the transfers made by January 1 of each year to the Chairmen of the Senate Finance and House Appropriations Committees.

4. The Virginia Small Business Financing Authority is authorized to insure additional loans for eligible small businesses, pursuant to § 2.2-2290, Code of Virginia, up to an aggregate amount not to exceed four times the principal amount in the Insurance or Guarantee Fund, or up to an aggregate amount of $15,000,000, whichever is less. In the event that the authority is called upon to pay on guaranties of loans of more than 10 percent of the aggregate amount of all outstanding insured loans, the authority shall not insure any further loans and shall immediately notify the Governor and the Chairmen of the House Appropriations and Senate Finance Committees. Pursuant to § 4-1.03.5 of this act, the Director, Department of Planning and Budget, is authorized to transfer a sum sufficient to the Insurance or Guarantee Fund in the event the amount in the fund falls below the amount needed to honor any guarantee.

5. For the I-95 HOV/HOT Lanes project as evidenced by the Comprehensive Agreement approved pursuant to the Public-Private Transportation Act of 1995, the maximum fee and/or premium charged by the Virginia Small Business Financing Authority pursuant to §§ 2.2-2291 and 2.2-2285, Code of Virginia, for acting as the conduit issuer for any bond financing is not to exceed $25,000 per annum.

C. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is provided to support the Business One-Stop Program at the Department of Business Assistance.

D. Out of this appropriation, $875,464 the first year and $911,681 the second year from the general fund is provided for the business information services operating expenses.

E. Out of this appropriation, $682,487 the first year and $682,652 the second year from the general fund is provided for agency administration.

F. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund is provided to establish the Small Business Investment Grant Fund, pursuant to the provisions of Senate Bill 344, 2012 Session of the General Assembly.

Total for Department of Business Assistance.....			**$13,329,505**	**~~$13,140,670~~** ***$13,144,574***
General Fund Positions.....	34.00	34.00		
Nongeneral Fund Positions.....	7.00	7.00		
Position Level	41.00	41.00		
Fund Sources: General.....	$11,670,375	~~$11,481,540~~ *$11,485,444*		
Special.....	$883,192	$883,192		
Dedicated Special Revenue.....	$775,938	$775,938		

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§ 1-12. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (165)

108. Not set out.				
109. Community Development Services (53300)			$45,529,173	~~$45,790,328~~ *$46,491,948*
Community Development and Revitalization (53301)	$5,021,549	$13,096,678		
Financial Assistance for Regional Cooperation (53303)	$2,104,076	$2,104,076		
Financial Assistance for Community Development (53305)	$38,403,548	~~$30,589,574~~ *$31,291,194*		
Fund Sources: General	$16,521,161	~~$18,282,316~~ *$18,983,936*		
Special	$212,012	$212,012		
Dedicated Special Revenue	$2,000,000	$500,000		
Federal Trust	$26,796,000	$26,796,000		

Authority: Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11; and Title 59.1, Chapter 22, Code of Virginia.

A. This appropriation includes annual membership dues to the Appalachian Regional Commission, $351,930 the first year and $351,930 the second year, from the general fund. These dues are payable from the amounts for Community Development and Revitalization.

B. The department and local program administrators shall make every reasonable effort to provide participants basic financial counseling to enhance their ability to benefit from the Indoor Plumbing Program and to foster their movement to economic self-sufficiency.

C. Out of the amounts for Community Development Services shall be paid from the general fund in four equal quarterly installments each year:

1. To the Lenowisco Planning District Commission, $75,971 the first year and $75,971 the second year, which includes $38,610 the first year and $38,610 the second year for responsibilities originally undertaken and continued pursuant to § 15.2-4207, Code of Virginia, and the Virginia Coalfield Economic Development Authority.

2. To the Cumberland Plateau Planning District Commission, $75,971 the first year and $75,971 the second year, which includes $42,390 the first year and $42,390 the second year for responsibilities originally undertaken and continued pursuant to § 15.2-4207, Code of Virginia, and the Virginia Coalfield Economic Development Authority.

3. To the Mount Rogers Planning District Commission, $75,971 the first year and $75,971 the second year.

4. To the New River Valley Planning District Commission, $75,971 the first year and $75,971 the second year.

5. To the Roanoke Valley-Alleghany Regional Commission, $75,971 the first year and $75,971 the second year.

6. To the Central Shenandoah Planning District Commission, $75,971 the first year and $75,971 the second year.

7. To the Northern Shenandoah Valley Regional Commission, $75,971 the first year and $75,971 the second year.

8. To the Northern Virginia Regional Commission, $151,943 the first year and $151,943 the second year.

9. To the Rappahannock-Rapidan Regional Commission, $75,971 the first year and $75,971 the second year.

10. To the Thomas Jefferson Planning District Commission, $75,971 the first year and $75,971

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the second year.

11. To the Region 2000 Local Government Council, $75,971 the first year and $75,971 the second year.

12. To the West Piedmont Planning District Commission, $75,971 the first year and $75,971 the second year.

13. To the Southside Planning District Commission, $75,971 the first year and $75,971 the second year.

14. To the Commonwealth Regional Council, $75,971 the first year and $75,971 the second year.

15. To the Richmond Regional Planning District Commission, $113,957 the first year and $113,957 the second year.

16. To the George Washington Regional Commission, $75,971 the first year and $75,971 the second year.

17. To the Northern Neck Planning District Commission, $75,971 the first year and $75,971 the second year.

18. To the Middle Peninsula Planning District Commission, $75,971 the first year and $75,971 the second year.

19. To the Crater Planning District Commission, $75,971 the first year and $75,971 the second year.

20. To the Accomack-Northampton Planning District Commission, $75,971 the first year and $75,971 the second year.

21. To the Hampton Roads Planning District Commission $151,943 the first year, and $151,943 the second year.

D. Out of the amounts provided to the department shall be provided $968,442 the first year and $968,442 the second year from the general fund for the Southeast Rural Community Assistance Project (formerly known as the Virginia Water Project) operating costs and water and wastewater grants. The department shall disburse the total payment each year in twelve equal monthly installments.

E. 1. Out of the amounts in this Item shall be provided $95,000 the first year and $95,000 the second year from the general fund for the Center for Rural Virginia. The department shall report periodically to the Chairmen of the Senate Finance and House Appropriations Committees on the status, needs and accomplishments of the center.

2. As part of its mission, the Center for Rural Virginia shall monitor the implementation of the budget initiatives approved by the 2005 Session of the General Assembly for rural Virginia and shall report periodically to the Chairmen of the Senate Finance and House Appropriations Committees on the effectiveness of these various programs in addressing rural economic development problems.

F. The department shall leverage any appropriation provided for the capital costs for safe drinking water and wastewater treatment in the Lenowisco, Cumberland Plateau, or Mount Rogers planning districts with other state moneys, federal grants or loans, local contributions, and private or nonprofit resources.

G. Out of the amounts for Community Development Services shall be provided $71,250 the first year and $71,250 the second year from the general fund to support The Crooked Road: Virginia's Heritage Music Trail.

H.1. Out of the amounts in this Item shall be provided $4,716,495 the first year and ~~$5,065,150~~ *$5,766,770* the second year from the general fund for the Commonwealth's share of the estimated operating expenses of the Fort Monroe Authority (FMA). This appropriation

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represents the Commonwealth's share of the authority's estimated operating expenses. These expenses may not be reimbursed by the federal government and shall be reduced by any federal funding the authority may receive for expenditures funded through the Commonwealth's contribution that ultimately qualify for federal reimbursement. Any such reimbursements shall be repaid to the general fund. Amounts for this purpose shall be paid from the general fund in no more than four quarterly installments.

2. All moneys of the FMA, from whatever source derived, shall be paid to the treasurer of the FMA. The Auditor of Public Accounts or his legally authorized representatives, shall annually examine the accounts of the books of the FMA.

3. Employees of the FMA shall be eligible for membership in the Virginia Retirement System and participation in all of the health and related insurance and other benefits, including premium conversion and flexible benefits, available to state employees as provided by law.

4. For the purposes of § 2.2-2708, the board of trustees of the Fort Monroe Authority created pursuant to § 15.2-7301 shall be deemed a state public body and may meet by electronic communication means in accordance with the requirements set forth in § 2.2-3708. Electronic communication shall mean the same as that term is defined in § 2.2-3701.

5. Notwithstanding any other provision of law or agreement, the amount paid from all sources of funds by the Fort Monroe Authority to the City of Hampton pursuant to § 2.2-2342, Code of Virginia, shall not exceed $562,540 in FY 2013 and $983,960 in FY 2014.

I. Included in this appropriation is $2,000,000 the first year and $500,000 the second year from the Water Quality Improvement Fund for grants to communities located outside the Chesapeake Bay watershed for: 1) the construction of mandated water quality improvement facilities at publicly owned treatment works for projects that would otherwise result in a financial hardship for the residential users of the facilities; 2) the design and construction of managed on-site community wastewater treatment systems in isolated areas that cannot be addressed through active treatment facilities; and 3) planning grants to develop regional or county wide wastewater treatment strategies in areas that have not previously completed planning and engineering studies. Priority will be given to the elimination of straight piping of household wastewater into the Commonwealth's waterways. The department shall leverage the appropriation with other state moneys, federal grants or loans, local contributions, and private or nonprofit resources.

J. Out of the amounts in this Item, $1,000,000 the first year and $2,000,000 the second year from the general fund shall be deposited to the Virginia Removal or Rehabilitation of Derelict Structures Fund to support industrial site revitalization.

K. Out of the amounts in this Item, $500,000 the first year and $500,000 the second year from the general fund shall be provided for the Virginia Main Street Program. This amount shall be in addition to other appropriations for this activity.

L. Out of the amounts in this item, $50,000 the second year from the general fund shall be provided to the City of Falls Church for a community revitalization effort for the Tinner Hill Historic Park and Creative Cauldron.

M. Out of the amounts in this item, $250,000 the second year from the general fund shall be provided to the Town of Abingdon to support detailed planning of construction of an academic medical facility.

110. Not set out.

111. Not set out.

112. Not set out.

113. Not set out.

Total for Department of Housing and Community Development.....			**$107,169,943**	**~~$115,091,474~~** ***$115,793,094***

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General Fund Positions	55.90	55.90		
Nongeneral Fund Positions	51.10	51.10		
Position Level	107.00	107.00		
Fund Sources: General	$47,722,330	~~$57,143,861~~ *$57,845,481*		
Special	$3,089,834	$3,089,834		
Dedicated Special Revenue	$2,400,000	$900,000		
Federal Trust	$53,957,779	$53,957,779		

114. Not set out.

115. Not set out.

116. Not set out.

117. Not set out.

118. Not set out.

119. Not set out.

120. Not set out.

121. Not set out.

122. Not set out.

123. Not set out.

124. Not set out.

125. Not set out.

126. Not set out.

§ 1-13. VIRGINIA RACING COMMISSION (405)

127. Not set out.

128. Regulation of Horse Racing and Pari-Mutuel Betting (55800)			$1,917,726	~~$1,917,726~~ *$1,650,728*
License and Regulate Horse Racing and Pari-Mutuel Wagering (55801)	$1,917,726	~~$1,917,726~~ *$1,650,728*		
Fund Sources: Special	$1,917,726	~~$1,917,726~~ *$1,650,728*		

Authority: Title 59.1, Chapter 29, Code of Virginia.

A. Out of this appropriation, the members of the Virginia Racing Commission shall receive compensation and reimbursement for their reasonable expenses in the performance of their duties, as provided in § 2.2-2104, Code of Virginia.

B. Notwithstanding the provisions of § 59.1-392, Code of Virginia, up to $255,000 the first year and $255,000 the second year shall be transferred to Virginia Polytechnic Institute and State University to support the Virginia-Maryland Regional College of Veterinary Medicine.

C. Any revenues received during the biennium and which are due to the commission pursuant to § 59.1-364 et seq., Code of Virginia, shall be used first to fund the operating expenses of the commission as appropriated in this Item. Any change in operating expenses as herein appropriated requires the approval of the Department of Planning and Budget. Any revenues in

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excess of amounts required for commission operations as appropriated under the provisions of this act and amounts payable to specific entities pursuant to § 59.1-392 and appropriated in paragraphs B and D of this Item, shall revert to the general fund.				
D. Out of these amounts, the obligations set out in § 59.1-392 D. 5., D. 6., G. 5., G. 6., K. 3., K. 4., K. 5., N. 3., N. 4., and N. 5., Code of Virginia, shall be fully funded.				
E. In the event revenues exceed the appropriated amounts in this Item, the Virginia Racing Commission is authorized to seek an administrative appropriation, up to $700,000, from the Director, Department of Planning and Budget, to develop programs or award grants for the promotion and marketing, sustenance and growth of the Virginia horse industry, including horse breeding. In no event, however, shall any funds be expended for that purpose that would cause the reversion to the general fund required by Paragraph C above to fall below $734,356 the first year and ~~$734,356~~ *$184,356* the second year.				
Total for Virginia Racing Commission.....			**$3,417,726**	**~~$3,417,726~~** ***$3,150,728***
Nongeneral Fund Positions.....	10.00	10.00		
Position Level	10.00	10.00		
Fund Sources: Special.....	$3,417,726	~~$3,417,726~~ *$3,150,728*		
129. Not set out.				
TOTAL FOR OFFICE OF COMMERCE AND TRADE.....			**$1,012,100,500**	**~~$912,100,919~~** ***$913,211,945***
General Fund Positions.....	364.44	370.44		
Nongeneral Fund Positions.....	1,294.56	1,298.56		
Position Level	1,659.00	1,669.00		
Fund Sources: General.....	$170,794,886	~~$182,738,390~~ *$183,316,414*		
Special.....	$34,024,553	~~$23,283,850~~ *$23,016,852*		
Trust and Agency	$706,961,829	$607,186,203		
Dedicated Special Revenue.....	$26,293,396	~~$24,732,502~~ *$25,532,502*		
Federal Trust.....	$74,025,836	$74,159,974		

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OFFICE OF EDUCATION

130. Not set out.

§ 1-14. DEPARTMENT OF EDUCATION, CENTRAL OFFICE OPERATIONS (201)

131. Instructional Services (18100)			$18,235,009	$18,559,953
Public Education Instructional Services (18101)	$9,880,173	$9,984,926		
Program Administration and Assistance for Instructional Services (18102)	$6,775,334	$6,995,525		
Adult Education and Literacy (18104)	$1,579,502	$1,579,502		
Fund Sources: General	$5,346,019	$5,670,963		
Special	$300,000	$300,000		
Commonwealth Transportation	$243,919	$243,919		
Trust and Agency	$5,000	$5,000		
Federal Trust	$12,340,071	$12,340,071		

Authority: Public Education Instructional Services: Title 22.1, Chapter 13, Code of Virginia; P.L. 107-110, P.L. 105-332, P.L.108-447, P.L. 102-305, Federal Code.

Program Administration and Assistance for Instructional Services: Title 22.1, Chapter 13, Code of Virginia; P.L. 107-110, P.L. 105-332, P.L. 108-447, P.L. 102-305, Federal Code.

Compliance and Monitoring of Instructional Services: Title 22.1, Chapter 13, Code of Virginia; P.L. 107-110, P.L. 105-332, P.L. 108-447, Federal Code.

Adult Education and Literacy: §§ 2.2-2670, 22.1-223-226, 22.1-253.13:1, 22.1-254.2, Code of Virginia; P.L. 105-220, Federal Code.

A. The Superintendent of Public Instruction is encouraged to implement school/community team training.

B. The Superintendent of Public Instruction shall provide direction and technical assistance to local school divisions in the revision of their Vocational Education curriculum and instructional practices.

C. The Superintendent of Public Instruction, in cooperation with the Commissioner of Social Services, shall encourage local departments of social services and local school divisions to work together to develop cooperative arrangements for the use of school resources, especially computer labs, for the purpose of training Temporary Assistance for Needy Families (TANF) recipients for the workforce.

D. Notwithstanding § 4-1.04 a 3 of this act, the Superintendent of Public Instruction may apply for grant funding to be used by local school divisions consistent with the provisions of Chapter 447, 1999 Acts of Assembly. The nongeneral fund appropriation for this agency shall be adjusted by the amount of the proceeds of any such grant awards.

E. Out of the amounts for Public Education Instructional Services, $100,000 the first year and $100,000 the second year from the general fund is provided for the Career Pathways Program.

F. 1. Out of the appropriations in this item, $1,500,000 the first year and $1,500,000 the second year from the general fund is provided to support students and teachers pursuing information technology industry certifications through an information technology academy model. The funding is provided for the information technology academy model and shall be used to provide outreach, training, instructional resources, industry recognized certification opportunities for teachers and students enrolled in Virginia public high schools and regional career and technical education programs, and information technology curriculum resources for use by students' parents.

2. The funds provided in this initiative shall be used to support the following priority objectives: a) increase the percentage of students enrolled in career and technical education courses who receive instruction in the information technology academy program leading to an

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increased number of students achieving industry recognized certifications in information technology; b) increase the number of high schools and regional career and technical education programs that receive the training and technical support to be ready to implement the information technology academy model leading to increased statewide implementation and use; c) increase the number of teachers teaching targeted career and technical education courses and other high school teachers who receive training in the information technology academy program and in industry recognized certifications leading to an increased number of teachers achieving industry recognized certifications in information technology; and, d) support implementation of the information technology academy program in school divisions in Southside and Southwest Virginia so that implementation in those regions is at least comparable to implementation in other regions of Virginia.

G. Out of this appropriation, $220,191 the second year from the general fund is provided to establish the Virginia Center for Excellence in Teaching. The Department of Education will solicit competitive proposals for funding from institutions of higher education to create and operate the Center. The Center will offer a series of residential summer professional development academies for exemplary teachers. The curriculum developed for the academies will incorporate national issues, current research, and trends in education aligned with the focus areas of instructional supervision, strategies for school improvement, addressing the learning needs of diverse populations, assessment practices and use of data to drive instructional decision making, grant utilization and partnership opportunities, and community outreach. The Center will incorporate experiential learning through exploration of case studies on educational policy and instructional leadership. To be eligible to attend the Center, teachers must meet the following criteria: 1) hold a teaching license issued by the Virginia Department of Education; 2) have a minimum of 5 years of successful teaching experience; 3) a consistent record of effective instruction; ~~and~~ 4) demonstrated leadership ability*; and 5) teach in a public school division in Virginia*. The institution of higher education selected to create and operate the Center will be responsible for the selection of teachers to attend the academies.

132.	Special Education and Student Services (18200)		$12,825,359	$13,102,359
	Special Education Instructional Services (18201)	$8,000,000	$8,000,000	
	Special Education Administration and Assistance Services (18202)	$510,001	$510,001	
	Special Education Compliance and Monitoring Services (18203)	$2,528,393	$2,528,393	
	Student Assistance and Guidance Services (18204)	$1,786,965	$2,063,965	
	Fund Sources: General	$0	$277,000	
	Special	$120,000	$120,000	
	Federal Trust	$12,705,359	$12,705,359	

Authority: Special Education Instructional Services: §§ 22.1-213 through 22.1-221, 22.1-253.13:1 through 22.1-253.13:8, 22.1-319 through 22.1-332, Code of Virginia; P.L. 108-446, Federal Code.

Special Education Administration and Assistance Services: §§ 22.1-253.13:1 through 22.1-253.13:8, Code of Virginia; P.L. 108-446, Federal Code.

Special Education Compliance and Monitoring Services: §§ 22.1-213 through 22.1-221, 22.1-253.13:1 through 22.1-253.13:8, 22.1-319 through 22.1-332, Code of Virginia; P.L. 108-446, Federal Code.

Student Assistance and Guidance Services: Title 22.1, Chapters 1, 13, 14, 16; §§ 22.1-16.2, 22.1-17.1, 22.1-17.2, 22.1-199.4, 22.1-206, 22.1-207.1, 22.1-208.01, 22.1-209.1, 22.1-209.2, Code of Virginia; P.L. 107-110 and P.L. 108-446, Federal Code.

A. The Department of Education, in collaboration with the Office of Comprehensive Services, shall provide training to local staff serving on Family Assessment and Planning Teams and Community Policy and Management Teams. Training shall include, but need not be limited to, the federal and state requirements pertaining to the provision of the special education services funded under § 2.2-5211, Code of Virginia. The training shall also include written guidance concerning which services remain the financial responsibility of the local school divisions. In addition, the Department of Education shall provide ongoing local oversight of its federal and state requirements related to the provision of services funded under § 2.2-5211, Code of

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Virginia.

B. The Board of Education shall consider the caseload standards for speech-language pathologists as part of its review of the Standards of Quality, pursuant to § 22.1-18.01, Code of Virginia.

C. The Board of Education shall consider the inclusion of instructional positions needed for blind and visually impaired students enrolled in public schools and shall consider developing a caseload requirement for these instructional positions as part of its review of the Standards of Quality, pursuant to § 22.1-18.01, Code of Virginia.

D. Out of this appropriation, $277,000 the second year from the general fund is provided to the Department of Education to develop and conduct statewide training for public school teachers and administrators on implementation of a *positive behavioral intervention and supports program* ~~n~~ ~~effective~~ ~~schoolwide discipline~~ ~~system~~ that reduces disruptive behavior in the classroom.

133. Not set out.

134. Not set out.

135. Not set out.

136. Not set out.

137. Administrative and Support Services (19900)			$16,341,391	$16,786,615
General Management and Direction (19901)	$3,740,818	$3,729,238		
Information Technology Services (19902)	$8,204,065	$8,667,063		
Accounting and Budgeting Services (19903)	$2,940,942	$2,934,748		
Policy, Planning, and Evaluation Services (19929)	$1,455,566	$1,455,566		
Fund Sources: General	$13,884,701	$14,329,925		
Special	$1,806,690	$1,806,690		
Federal Trust	$650,000	$650,000		

Authority: Article VIII, Sections 2, 4, 5, 6, 8, Constitution of Virginia; Title 2.2, Chapters 10, 12, 29, 30, 31, and 32; Title 22.1, 22.1-8 through 20, 22.1-21 through 24; Title 51.1, Chapters 4, 5, 6.1, and 11; Title 60.2, Chapters 60.2-100, 60.2-106; Title 65.2, Chapters 1, 6, and 9, Code of Virginia; P.L. 108-446, P.L. 107-110, Federal Code.

A. Out of this appropriation, $90,500 the first year and $90,500 the second year from the general fund is designated to support annual membership dues to the Education Commission of the States.

In addition, $5,000 the first year and $5,000 the second year from the general fund is designated to pay registration and travel expenses of citizens appointed as either Virginia commissioners for the Education Commission of the States or to the Southern Regional Education Board.

B. Out of this appropriation, $9,000 the first year and $9,000 the second year from the general fund, is designated to support annual membership dues to the Southern Regional Education Board.

C. Out of this appropriation $70,000 the first year and $70,000 the second year from the general fund is provided for the fees and travel expenses associated with the Interstate Compact on Educational Opportunity for Military Children, established pursuant to Chapter 187, of the 2009 Acts of Assembly.

D. The Department of Education is authorized to collect proceeds from the sale of educational resources it has developed, such as technology applications, on-line course content, assessments, and other educational content, to out-of-state individuals or entities and to in-state, for-profit entities. The Department of Education is further authorized to deposit such proceeds in a non-reverting special fund account established in its financial records for this purpose. *Net p*~~P~~roceeds from such sales shall be expended by the Department of Education to further

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develop existing educational resources or to create new educational resources for the benefit of the commonwealth's public schools and which may also be sold under the provisions of this paragraph. Proceeds from the sale of any educational resources sold under the provisions of this paragraph that were developed using general funds shall be deposited to the general fund until the general fund cost of development is recovered. The Secretary of Administration shall authorize any licensing agreements executed by the Department of Education pursuant to this paragraph.

E. Out of this appropriation, $100,812 the first year and $200,812 the second year from the general fund is provided to support the Innovative Education Technical Advisory Group to assist new applicants seeking to establish charter, college laboratory, or virtual schools, or other instructional delivery or school governance models in Virginia.

F. Out of this appropriation, $277,000 the first year and $138,500 the second year from the general fund shall be used to provide performance evaluation training to teachers, principals, division superintendents, and other affected school division personnel in support of the transition from continuing employment contracts to annual employment contracts for teachers and principals.

Total for Department of Education, Central Office Operations			**$93,735,120**	**$94,932,511**
General Fund Positions	136.00	136.00		
Nongeneral Fund Positions	178.50	178.50		
Position Level	314.50	314.50		
Fund Sources: General	$51,178,037	$52,375,428		
Special	$4,462,690	$4,462,690		
Commonwealth Transportation	$243,919	$243,919		
Trust and Agency	$279,663	$279,663		
Federal Trust	$37,570,811	$37,570,811		

Direct Aid to Public Education (197)

138. Financial Assistance for Educational, Cultural, Community, and Artistic Affairs (14300)			$9,982,652	$11,330,677
Financial Assistance for Supplemental Education (14304)	$9,982,652	$11,330,677		
Fund Sources: General	$9,982,652	$11,330,677		

Authority: Discretionary Inclusion.

A. Out of this appropriation, the Department of Education shall provide $373,776 the first year and $373,776 the second year from the general fund for the Jobs for Virginia Graduates initiative.

B. Out of this appropriation, the Department of Education shall provide $124,011 the first year and $124,011 the second year from the general fund for the Southwest Virginia Public Education Consortium at the University of Virginia's College at Wise. An additional $71,849 the first year and $71,849 the second year from the general fund is provided to the Consortium to continue the Van Gogh Outreach program with Lee and Wise County Public Schools and expand the program to the twelve school divisions in Southwest Virginia.

C. This appropriation includes $58,905 the first year and $58,905 the second year from the general fund for the Southside Virginia Regional Technology Consortium to expand the research and development phase of a technology linkage.

D. An additional state payment of $145,896 the first year and $145,896 the second year from the general fund is provided as a Small School Division Assistance grant for the City of Norton. To receive these funds, the local school board shall certify to the Superintendent of Public Instruction that its division has entered into one or more educational, administrative or support service cost-sharing arrangements with another local school division.

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E. Out of this appropriation, $298,021 the first year and $298,021 the second year from the general fund shall be allocated for the Career and Technical Education Resource Center to provide vocational curriculum and resource instructional materials free of charge to all school divisions.

F. It is the intent of the General Assembly that the Department of Education provide bonuses from state funds to classroom teachers in Virginia's public schools who hold certification from the National Board of Professional Teaching Standards. Such bonuses shall be $5,000 the first year of the certificate and $2,500 annually thereafter for the life of the certificate. This appropriation includes an amount estimated at $5,100,000 the first year and $5,310,000 the second year from the general fund for the purpose of paying these bonuses. By October 15 of each year, school divisions shall notify the Department of Education of the number of classroom teachers under contract for that school year that hold such certification.

G.1.a. This appropriation includes $708,000 the first year from the general fund for the Virginia Teaching Scholarship Loan Program. These scholarships shall be for undergraduate students at or beyond the sophomore year in college with a cumulative grade point average of at least 2.7 who are nominated by their college and students at the graduate level and who meet the criteria and qualifications, pursuant to § 22.1-290.01, Code of Virginia. Awards shall be made to students who are enrolled full-time or part-time in approved undergraduate or graduate teacher education programs for (i) critical teacher shortage disciplines, such as special education, chemistry, physics, earth and space science, foreign languages, or technology education or (ii) as students meeting the qualifications in § 22.1-290.01, Code of Virginia, who have been identified by a local school board to teach in any discipline or at any grade level in which the school board has determined that a shortage of teachers exists; however, such persons shall meet the qualifications for awards granted pursuant to this item; or (iii) those students seeking degrees in Career and Technical education. Minority students may be enrolled in any content area for teacher preparation and male students may be enrolled in any approved elementary or middle school teacher preparation program; therefore, this provision shall satisfy the requirements for the Diversity in Teaching Initiative and Fund, pursuant to Chapters 570, 597, 623, 645, and 719 of the Acts of Assembly of 2000. Scholarship recipients may fulfill the teaching obligation by accepting a teaching position (i) in one of the critical teacher shortage disciplines; or (ii) regardless of teaching discipline, in a school with a high concentration of students eligible for free or reduced price lunch; or (iii) in any discipline or at grade levels with a shortage of teachers; or (iv) in a rural or urban region of the state with a teacher shortage. For the purposes of this item, "critical teacher shortage area and discipline" means subject areas and grade levels identified by the Board of Education in which the demand for classroom teachers exceeds the supply of teachers, as defined in the Board of Education's Regulations Governing the Determination of Critical Teacher Shortage Areas. Scholarship amounts are based on $3,720 per year for full-time students, and shall be prorated for part-time students based on the number of credit hours. The Board of Education is authorized to recover total funds awarded as scholarships or the appropriate proportion thereof in the event that scholarship recipients fail to honor the stipulated teaching obligation. The Department of Education shall report annually on the critical shortage teaching areas in Virginia.

b. This appropriation includes $708,000 the second year from the general fund for the Virginia Teaching Scholarship Loan Program. These scholarships shall be for undergraduate students at or beyond the sophomore year in college with a cumulative grade point average of at least 2.7, who were in the top 10 percent of their high school class, who are nominated by their college and students at the graduate level, and who meet the criteria and qualifications, pursuant to § 22.1-290.01, Code of Virginia. Awards shall be made to students who are enrolled full-time or part-time in approved undergraduate or graduate teacher education programs for (i) critical teacher shortage disciplines, such as special education, chemistry, physics, earth and space science, foreign languages, or technology education or (ii) as students meeting the qualifications in § 22.1-290.01, Code of Virginia, who have been identified by a local school board to teach in any discipline or at any grade level in which the school board has determined that a shortage of teachers exists; however, such persons shall meet the qualifications for awards granted pursuant to this item; or (iii) those students seeking degrees in Career and Technical education. Minority students may be enrolled in any content area for teacher preparation and male students may be enrolled in any approved elementary or middle school teacher preparation program; therefore, this provision shall satisfy the requirements for the Diversity in Teaching Initiative and Fund, pursuant to Chapters 570, 597, 623, 645, and 719 of the Acts of Assembly of 2000. Scholarship recipients may fulfill the teaching obligation by accepting a teaching position (i) in one of the critical teacher shortage disciplines; or (ii) regardless of

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teaching discipline, in a school with a high concentration of students eligible for free or reduced price lunch; or (iii) in any discipline or at grade levels with a shortage of teachers; or (iv) in a rural or urban region of the state with a teacher shortage. For the purposes of this item, "critical teacher shortage area and discipline" means subject areas and grade levels identified by the Board of Education in which the demand for classroom teachers exceeds the supply of teachers, as defined in the Board of Education's Regulations Governing the Determination of Critical Teacher Shortage Areas. Scholarship amounts are based on $10,000 per year for full-time students, and shall be prorated for part-time students based on the number of credit hours. The Board of Education is authorized to recover total funds awarded as scholarships or the appropriate proportion thereof in the event that scholarship recipients fail to honor the stipulated teaching obligation. The Department of Education shall report annually on the critical shortage teaching areas in Virginia.

2. The Department of Education shall make payments on behalf of the scholarship recipients directly to the Virginia institution of higher education where the scholarship recipient is enrolled full-time or part-time in an approved undergraduate or graduate teacher education program.

3. The Board of Education is authorized to recover total funds awarded as scholarships, or the appropriate portion thereof, in the event that scholarship recipients fail to honor the stipulated teaching obligation. Any funds collected by the Board on behalf of this program shall revert to the general fund on June 30 each year. Such reversion shall be the net of any administrative or legal fees associated with the collection of these funds.

H. Out of the amounts for this Item, shall be provided $31,003 the first year and $31,003 the second year from the general fund for the Virginia Career Education Foundation.

I. Out of this appropriation, $212,500 the first year and $212,500 the second year from the general fund shall be distributed to the Greater Richmond Area Scholarship Program, Incorporated (GRASP) to provide students and families in need access to financial aid, scholarships, and counseling to maximize educational opportunities for students.

J. Out of this appropriation, the Department of Education shall provide $525,000 the first year and $525,000 the second year from the general fund to Communities in Schools.

K. This appropriation includes $100,000 the first year and $100,000 the second year from the general fund for the Superintendent of Public Education to award supplemental grants to charter schools.

L. Out of this appropriation, $80,000 the first year from the general fund is provided for one-time planning and implementation grants to support the establishment of Governor's Health Sciences Academies. In spring 2012, the Department of Education will solicit competitive proposals for funding from school divisions in each of the eight superintendents' planning regions. The Department of Education will award eight planning grants of $5,000 each during the first semester of the 2012-2013 school year to support the program development process. Upon approval by the Board of Education to implement an Academy in the second half of FY 2013, the Department of Education will award eight implementation grants of $5,000 to each of the approved Academies.

M. This appropriation includes $203,691 the first year and $543,176 the second year from the general fund to support implementation of the Youth Development Academy pilot program for rising 9th and 10th grade students. The local applicant(s) selected to conduct a pilot academy, in consultation with the Department of Education, will develop the curriculum and content for the pilot academy to include a focus on civics education, financial literacy, community service, preventive health, character education, and leadership skills. Each of the eight superintendents' planning regions will be invited to apply to host a pilot academy the first year and each of the eight regional superintendent regions will host an academy the second year. The Department of Education will make the final determination on which regions will implement a pilot academy based on the proposals received the first year and which division or divisions in the case of a joint application, in each of the eight regions will host an academy the second year.

N. Out of this appropriation, $500,000 the first year and $808,000 the second year from the general fund is provided to fund a pilot initiative to attract, recruit, and retain high-quality diverse individuals to teach science, technology, engineering, or mathematics (STEM) subjects

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in Virginia's middle and high schools. A teacher with up to three years of teaching experience employed full-time in a Virginia school division who has been issued a five-year Virginia teaching license with an endorsement in Middle Education 6-8: Mathematic, Mathematics-Algebra-I, mathematics, Middle Education 6-8: Science, Biology, Chemistry, Earth and Space Science, physics, or technology education and assigned to a teaching position in a corresponding STEM subject area is eligible to receive a $5,000 initial incentive award after the completion of the first, second, or third year of teaching with a satisfactory performance evaluation and a signed contract *in the same school division* for the following school year. A teacher, holding one or more of the aforementioned endorsements and assigned to a teaching position in a corresponding STEM subject area and regardless of teaching experience, who is reassigned from a fully accredited school in a Virginia school division to a hard-to-staff school or a school that is not fully accredited and receives a satisfactory performance evaluation and a signed contract *in the same school division* for the following year is also eligible to receive an initial incentive award of $5,000. An additional $1,000 incentive award may be granted for each year the eligible teacher receives a satisfactory evaluation and teaches a qualifying STEM subject in which the teacher has an endorsement for up to three years in a Virginia school division following the year in which the teacher receives the initial incentive award. The maximum incentive award for each eligible teacher is $8,000. Funding will be awarded on a first-come, first-served basis with preference to teachers assigned to teach in hard-to-staff schools or low-performing schools not fully accredited.

O. This appropriation includes $200,000 the first year from the general fund to support the feasibility of establishing the Virginia Science, Technology, Engineering, and Applied Mathematics (STEAM) Academy.

P. Out of this appropriation, the Department of Education shall provide $350,000 the first year and $425,000 the second year from the general fund for Project Discovery. These funds are towards the cost of the program in Abingdon, Accomack/Northampton, Alexandria, Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, Cumberland, Danville/Pittsylvania, Fairfax, Franklin/Patrick, Goochland/Powhatan, Lynchburg, Newport News, Norfolk, Richmond City, Roanoke City, Smyth, Surry/Sussex, Tazewell, Williamsburg/James City, and Wythe and the salary of a fiscal officer for Project Discovery. The Department of Education shall determine the Project Discovery funding distributions to each community action agency. The contract with Project Discovery should specify the allocations to each local program and require the submission of a financial and budget report and program evaluation performance measures. Allocations shall be on a per pupil basis.

Q. Out of this appropriation, $175,000 the first year and $87,500 the second year from the general fund is provided for a pilot program in one public local school division for a College Readiness Center as selected by the Superintendent of Public Instruction from submitted proposals. The Center would provide an extended school calendar in grades six through eight for selected students. The goals of the program shall be to increase the number of students who attain a college degree without the need for remedial services at the college level. The local school division shall provide an evaluation of initial outcomes related to the Center by June 30, 2013.

R. Out of this appropriation, the Department of Education shall provide $425,000 the first year and $225,000 the second year from the general fund for the Virginia Student Training and Refurbishment Program.

S. Out of this appropriation, $300,000 the first year and $400,000 the second year from the general fund is provided to establish a comprehensive pilot initiative to recruit students to major in the fields of mathematics and science to help alleviate the shortage of qualified teachers in these fields.

T. Out of this appropriation, $341,040 the second year from the general fund is provided to expand the number of schools implementing ~~an effective school-wide discipline system~~ *a positive behavioral interventions and supports program* that reduces disruptive behavior in the classroom. Any school division which desires to apply for this competitive grant must submit a proposal to the Department of Education by August 1, 2013. The proposal must define student outcome objectives including, but not limited to, reductions in disciplinary referrals and out-of-school suspension rates. In making the competitive grant awards, the Department of Education shall give priority to school divisions proposing to serve schools identified by the Department as having high suspension rates. School divisions currently implementing Effective

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School-wide Discipline in one or more schools shall be eligible to apply for grants to support expansion of the program to additional schools. No funds awarded to a school division under this grant may be used to supplant funding for schools already implementing the program.

U. Out of this appropriation, $412,500 the second year from the general fund is provided for planning grants of no more than $50,000 each for local school divisions pursuing the creation of new year-round school programs for divisions or individual schools in support of the findings from the 2012 JLARC review. School divisions must submit applications to the Department of Education by August 1, 2013. Applications shall include evidence of commitment to pursue implementation in the 2014-15 school year. If balances exist, existing extended school year programs may be eligible to apply for remaining funds.

V. Out of this appropriation, $129,500 the second year from the general fund is provided for the Fairfax and Loudoun school divisions to support the development of a STEM model program for pre-kindergarten and kindergarten students. Each developed model will focus on enhancing the children's learning experiences through the arts.

139.	State Education Assistance Programs (17800)		$5,805,208,720	~~$5,932,601,606~~ *$5,909,550,492*
	~~Standards of Quality for Public Education (SOQ) (17801)~~	$5,178,177,305	~~$5,261,418,866~~ *$5,199,078,786*	
	Standards of Quality for Public Education (Soq) (17801)			
	Financial Incentive Programs for Public Education (17802)	$72,087,786	~~$150,861,610~~ *$137,851,224*	
	Financial Assistance for Categorical Programs (17803) ...	$55,483,629	~~$58,321,130~~ *$55,420,482*	
	Distribution of Lottery Funds (17805).....	$499,460,000	~~$462,000,000~~ *$517,200,000*	
	Fund Sources: General	$5,162,194,292	~~$5,331,142,893~~ *$5,228,943,919*	
	Special	$895,000	$895,000	
	Commonwealth Transportation	$2,173,000	$2,173,000	
	Trust and Agency	$639,946,428	~~$598,390,713~~ *$677,538,573*	

Authority: Standards of Quality for Public Education (SOQ) (17801): Article VIII, Section 2, Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; §§ 22.1-176 through 22.1-198, 22.1-199.1, 22.1-199.2, 22.1-213 through 22.1-221, 22.1-227 through 22.1-237, 22.1-253.13:1 through 22.1-253.13:8, 22.1-254.01, Code of Virginia; Title 51.1, Chapters 1, 5, 6.2, 7, and 14, Code of Virginia; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 98-524, as amended, Federal Code.

Financial Incentive Programs for Public Education (17802): §§ 22.1-24, 22.1-289.1 through 22.1-318, Code of Virginia; P.L. 79-396, as amended; P.L. 89-10, as amended; P.L. 89-642, as amended; P.L. 108-265, as amended; Title II P.L. 99-159, as amended, Federal Code.

Financial Assistance for Categorical Programs (17803): Discretionary Inclusion; Treaty of 1677 between Virginia and the Indians; §§ 22.1-3.4, 22.1-101, 22.1-108, 22.1-199 through 22.1-212.2:3, 22.1-213 through 22.1-221, 22.1-223 through 22.1-237, 22.1-254, Code of Virginia; P.L. 89-10, as amended; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 94-588; P.L. 95-561, as amended; P.L. 98-211, as amended; P.L. 98-524, as amended; P.L. 99-570; P.L. 100-297, as amended; P.L. 102-73, as amended; P.L. 105-220, as amended, Federal Code.

Distribution of Lottery Funds (17805): §§ 58.1-4022 and 58.1-4022.1, Code of Virginia

Appropriation Detail of Education Assistance Programs (17800)

Standards of Quality (17801)	**FY 2013**	**FY 2014**
Basic Aid	$2,922,926,071	~~$2,898,507,568~~

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			$2,926,926,187	
Sales Tax	$1,211,600,000		~~$1,257,500,000~~	
			$1,219,700,000	
Textbooks	$0		~~$45,846,044~~	
			$0	
Vocational Education	$53,785,080		~~$53,823,405~~	
			$53,873,016	
Gifted Education	$32,083,080		~~$32,245,796~~	
			$32,299,221	
Special Education	$362,234,349		~~$366,787,264~~	
			$367,217,196	
Prevention, Intervention, and Remediation	$85,106,596		~~$85,280,308~~	
			$85,370,938	
Remedial Summer School (split funded)	$15,329,431		~~$23,435,017~~	
			$0	
VRS Retirement (includes RHCC)	$302,492,718		~~$304,272,866~~	
			$304,754,993	
Social Security	$181,217,441		~~$182,252,781~~	
			$182,538,742	
Group Life	$11,402,539		~~$11,467,817~~	
			$11,486,365	
Total	**$5,178,177,305**		**~~$5,261,418,866~~**	
			$5,184,166,658	
Incentive Programs (17802)				
Governor's School	$14,382,635		~~$14,958,873~~	
			$14,626,609	
Governor’s School Planning and Startup/ Expansion Grants	$100,000		$100,000	
Governor’s School Planning Grant - Hampton Roads Site	$100,000		$0	
Clinical Faculty	$318,750		$318,750	
Career Switcher Mentoring Grants	$279,983		$279,983	
Special Education Endorsement Program	$600,000		$600,000	
Special Education - Vocational Education	$200,089		$200,089	
Virginia Workplace Readiness Skills Assessment	$308,655		$308,655	
EpiPen Grants	$200,000		$0	
Additional Assistance with Retirement, Inflation and Preschool Costs *(split funded)*	$55,000,000		~~$55,000,000~~	
			$51,212,111	
Performance Pay Incentive	$597,673		$0	
Compensation Supplement	$0		~~$70,164,391~~	
			$60,963,418	
Early Reading Specialists Initiative	$0		~~$1,430,868~~	
			$956,068	
Strategic Compensation Grants Initiative	$0		~~$7,500,000~~	
			$4,497,651	
Total	**$72,087,785**		**~~$150,861,609~~**	
			$134,063,335	
Categorical Programs (17803)				
Adult Education	$1,051,800		$1,051,800	
Adult Literacy	$2,480,000		$2,480,000	
Virtual Virginia	$4,347,808		$4,347,808	
American Indian Treaty Commitment	$61,531		~~$63,446~~	
			$45,094	
School Lunch Program	$5,801,932		$5,801,932	
Special Education - Homebound	$5,224,513		~~$5,605,452~~	
			$5,372,903	
Special Education - Jails	$3,544,117		~~$3,815,919~~	
			$3,414,375	

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Special Education - State Operated Programs	$32,971,928		~~$35,154,773~~ *$32,906,570*	
Total	**$55,483,629**		**~~$58,321,130~~** ***$55,420,482***	
Lottery (17805)				
Foster Care	$9,016,406		~~$9,413,338~~	
	$78,734,853		*$8,962,411*	
At-Risk Add-On			~~$78,626,984~~ *$78,687,071*	
Virginia Preschool Initiative	$64,953,097		~~$68,569,714~~ *$67,424,295*	
Early Reading Intervention	$15,332,606		~~$14,972,241~~ *$17,482,065*	
Mentor Teacher	$1,000,000		$1,000,000	
K-3 Primary Class Size Reduction	$102,671,654		~~$106,431,479~~ *$103,971,881*	
School Breakfast Program	$3,693,543		~~$3,837,586~~ *$3,612,556*	
SOL Algebra Readiness	$11,173,155		~~$11,352,196~~ *$11,394,145*	
Regional Alternative Education	$7,802,104		~~$8,061,000~~ *$8,048,710*	
ISAEP	$2,247,581		$2,247,581	
Special Education - Regional Tuition	$72,429,258		~~$77,703,941~~ *$77,774,168*	
Career and Technical Education - Categorical	$10,400,829		$10,400,829	
Project Graduation	$2,774,478		$2,774,478	
Virginia Teacher Corps (NCLB/EFAL)	$415,000		$415,000	
Race to GED (NCLB/EFAL)	$2,485,988		$2,410,988	
Path to Industry Certification (NCLB/EFAL)	$1,065,133		$1,331,464	
Supplemental Basic Aid	$892,395		~~$878,076~~ *$903,152*	
English as a Second Language	$44,675,649		~~$45,863,224~~ *$45,258,661*	
Textbooks ~~(split funded)~~	$61,262,666		~~$15,709,881~~ *$61,660,423*	
Remedial Summer School (split funded)	$6,433,605		~~$0~~ *$23,152,232*	
Additional Assistance with Retirement, Inflation and Preschool Costs (split funded)	*$0*		*$3,787,889*	
Total	**$499,460,000**		**~~$462,000,000~~** ***$532,700,000***	
Technology - VPSA	$59,846,000		~~$59,612,000~~ *$64,316,100*	
Security Equipment - VPSA			*$6,000,000*	

Payments out of the above amounts shall be subject to the following conditions:

A. Definitions

1. "March 31 Average Daily Membership," or "March 31 ADM" - The responsible school division's average daily membership for grades K-12 including (1) handicapped students ages 5-21 and (2) students for whom English is a second language who entered school for the first time after reaching their twelfth birthday, and who have not reached twenty-two years of age on or before August 1 of the school year, for the first seven (7) months (or equivalent period) of the school year through March 31 in which state funds are distributed from this appropriation. Preschool and postgraduate students shall not be included in March 31 ADM.

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a. School divisions shall take a count of September 30 fall membership and report this information to the Department of Education no later than October 15 of each year.

b. Except as otherwise provided herein, by statute, or by precedent, all appropriations to the Department of Education shall be calculated using March 31 ADM unadjusted for half-day kindergarten programs, estimated at 1,221,485.85 the first year and ~~1,228,510.35~~ *1,230,128.95* the second year.

c. March 31 ADM adjusted for half-day kindergarten at 85 percent of March 31 ADM, is estimated at 1,220,774.28 the first year~~and 1,227,769.61 the second year~~.

d. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home instruction pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a full-time basis in any mathematics, science, English, history, social science, vocational education, health education or physical education, fine arts or foreign language course, or receiving special education services required by a student's individualized education plan, shall be counted in the funded fall membership and March 31 ADM of the responsible school division. Each course shall be counted as 0.25, up to a cap of 0.5 of a student.

e. Students enrolled in an Individualized Student Alternative Education Program (ISAEP) pursuant to § 22.1-254 D shall be counted in the March 31 Average Daily Membership of the responsible school division. School divisions shall report these students separately in their March 31 reports of Average Daily Membership.

2. "Standards of Quality" - Operations standards for grades kindergarten through 12 as prescribed by the Board of Education subject to revision by the General Assembly.

3.a. "Basic Operation Cost" - The cost per pupil, including provision for the number of instructional personnel required by the Standards of Quality for each school division with a minimum ratio of 51 professional personnel for each 1,000 pupils or proportionate number thereof, in March 31 ADM for the same fiscal year for which the costs are computed, and including provision for driver, gifted, occupational-vocational, and special education, library materials and other teaching materials, teacher sick leave, general administration, division superintendents' salaries, free textbooks (including those for free and reduced price lunch pupils), school nurses, operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, remedial work, fixed charges and other costs in programs not funded by other state and/or federal aid.

b. The state and local shares of funding resulting from the support cost calculation for school nurses shall be specifically identified as such and reported to school divisions annually. School divisions may spend these funds for licensed school nurse positions employed by the school division or for licensed nurses contracted by the local school division to provide school health services.

4.a. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The composite index is the sum of 2/3 of the index of wealth per pupil in unadjusted March 31 ADM reported for the first seven (7) months of the 2009-2010 school year and 1/3 of the index of wealth per capita (population estimates for 2009 as determined by the Weldon Cooper Center for Public Service of the University of Virginia) multiplied by the local nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 2009 - 50 percent; (2) adjusted gross income for the calendar year 2009 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar year 2009 which are subject to the state general sales and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index element for a locality is its sum per March 31 ADM, or per capita, expressed as a percentage of the state average per March 31 ADM, or per capita, for the same element. A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing all payments based on the composite index of local ability-to-pay. Each constituent index element for a locality used to determine the composite index of local ability-to-pay for the current biennium shall be the latest available data for the specified official base year provided to the Department of Education by the responsible source agencies no later than November 15, 2011.

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b. For any locality whose total calendar year 2009 Virginia Adjusted Gross Income is comprised of at least 3 percent or more by nonresidents of Virginia, such nonresident income shall be excluded in computing the composite index of ability-to-pay. The Department of Education shall compute the composite index for such localities by using adjusted gross income data which exclude nonresident income, but shall not adjust the composite index of any other localities. The Department of Taxation shall furnish to the Department of Education such data as are necessary to implement this provision.

c.1) In the event that two or more school divisions become one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, which shall include the transition of a city to town status, all state payments from this item adjusted by the composite index of local ability to pay to such resulting division or interest rates on approved Literary Fund loans shall be made on the basis of a composite index established by the Board of Education, which shall equal the *composite index* no lower than the lowest nor higher than the highest composite index of any of the individual school divisions involved in such consolidation. In addition, the local share of state payments adjusted by the composite index shall also be based on the same composite index of any of the individual school divisions involved in such consolidation. This index shall remain in effect for a period of no less than five nor more than fifteen years, unless a lower composite index is calculated for the combined division through the process for computing an index figure as set forth above. The Governor shall approve the composite index determined by the Board of Education prior to disbursement of funds under such index. The department shall report to the Chairmen of the House Appropriations and Senate Finance Committees the composite indices approved by the Governor and the board in the event this provision is implemented.

2) In the case of the consolidation of Clifton Forge and Alleghany County school divisions, the fifteen year period for the application of a new composite index shall apply beginning with the fiscal year that starts on July 1, 2004. Notwithstanding the provisions of paragraph c.1) the composite index established by the Board of Education shall equal the lowest composite index that was in effect prior to July 1, 2004, of any individual localities involved in such consolidation, and this index shall remain in effect for a period of fifteen years, unless a lower composite index is calculated for the combined division through the process for computing an index as set forth above.

3) Pursuant to paragraph c.1) above, if the composite index of a consolidated school division is reduced during the course of the fifteen year period to a level that would entitle the school division to a lower interest rate for a Literary Fund loan than it received when the loan was originally released, the Board of Education shall reduce the interest rate of such loan for the remainder of the period of the loan. Such reduction shall be based on the interest rate that would apply at the time of such adjustment. This rate shall remain in effect for the duration of the loan and shall apply only to those years remaining to be paid.

4) In the case of the consolidation of Bedford County and Bedford City school divisions, the fifteen year period for the application of a new composite shall apply beginning with the fiscal year that starts on July 1, 2013. Notwithstanding the provisions of paragraph c.1) the composite index established by the Board of Education shall equal the lowest composite index that was in effect prior to July 1, 2013, of any individual localities involved in such consolidation, and this index shall remain in effect for a period of fifteen years, unless a lower composite index is calculated for the combined division through the process for computing an index as set forth above.

5) Bedford County Public Schools shall undergo a School Efficiency Review pursuant to Item 271, 4.a. Such review shall include division administration; human resources; finance; purchasing; educational service delivery costs, including school size; special education; facilities; transportation; technology management; and food service.

6) JLARC is hereby directed, with assistance from the Commission on Local Government, to analyze and make recommendations going forward regarding the most effective balance between the costs of incentives for government and school consolidations with the expected resulting savings and operational benefits, and how best to structure such state incentives to achieve both clarity for localities as well as justification that incentives are adequate, but not more than necessary. JLARC shall complete its study and submit a final report no later than October 1, 2014.

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d. When it is determined that a substantial error exists in a constituent index element, the Department of Education will make adjustments in funding for the current school year only in the division where the error occurred. The composite index of any other locality shall not be changed as a result of the adjustment. No adjustment during the biennium will be made as a result of updating of data used in a constituent index element.

e. In the event that any school division consolidates two or more small schools, the division shall continue to receive Standards of Quality funding and provide for the required local expenditure for a period of five years as if the schools had not been consolidated. Small schools are defined as any elementary, middle, or high school with enrollment below 200, 300 and 400 students, respectively.

5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on the composite index of local ability-to-pay of the cost required by all the Standards of Quality minus its estimated revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item, both of which are returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in *paragraph B.20. of* this Item, collected by the Department of Education and distributed to school divisions in the fiscal year in which the school year begins.

6. "Required Local Match" - The locality's required share of program cost based on the composite index of local ability-to-pay for all Lottery and Incentive programs, where required, in which the school division has elected to participate in a fiscal year.

7. "Planning District Eight" - The nine localities which comprise Planning District Eight are Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.

8. "State Share of the Standards of Quality" - The state share of the Standards of Quality (SOQ) shall be equal to the total funded SOQ cost for a school division less the school division's estimated revenues from the state sales and use tax dedicated to public education based on the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service *paragraph B. 20. of this Item*, adjusted for the state's share of the composite index of local ability to pay.

9. In the event that the general fund appropriations in this item are not sufficient to meet the entitlements payable to school divisions pursuant to the provisions of this Item, the Department of Education is authorized to transfer any available general fund funds between these Items to address such insufficiencies. If the total general fund appropriations after such transfers remain insufficient to meet the entitlements of any program funded with general fund dollars, the Department of Education is authorized to prorate such shortfall proportionately across all of the school divisions participating in any program where such shortfall occurred. In addition, the Department of Education is authorized each year to temporarily suspend textbook payments made to school divisions from Lottery funds to ensure that any shortfall in Lottery revenue can be accounted for in the remaining textbook payments to be made for the year.

10. The Department of Education is directed to apply a cap on inflation rates in the same manner prescribed in § 51.1-166.B, Code of Virginia, when updating funding to school divisions during the biennial rebenchmarking process.

11. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to combine the end-of-year Average Daily Membership (ADM) for those school divisions who have partnered together as a fiscal agent division and a contractual division for the purposes of calculating prevailing costs included in the Standards of Quality (SOQ).

12. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to include zeros in the linear weighted average calculation of support non-personal costs for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ).

13. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to eliminate the corresponding and appropriate object code(s) related to reported

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travel expenditures included the linear weighted average non-personal cost calculations for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ).

14. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to eliminate the corresponding and appropriate object code(s) related to reported leases and rental and facility expenditures included the linear weighted average non-personal cost calculations for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ).

15. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to fund transportation costs using a 15 year replacement schedule, which is the national standard guideline, for school bus replacement schedule for the purpose of calculating funded transportation costs included in the Standards of Quality (SOQ).

16. To provide temporary flexibility, notwithstanding any other provision in statute or in this Item, school divisions may elect to increase the teacher to pupil staffing ratios in kindergarten through grade 7 and English classes for grades 6 through twelve by one additional student; the teacher to pupil staffing ratio requirements for Elementary Resource teachers, Prevention, Intervention and Remediation, English as a Second Language, Gifted and Talented, Career and Technical funded programs (other than on Career and Technical courses where school divisions will have to maintain a maximum class size based on federal Occupational Safety & Health Administration safety requirements) are waived; and the instructional and support technology positions, librarians and guidance counselors staffing ratios for new hires are waived.

17. To provide additional flexibility, notwithstanding the provisions of § 22.1-79.1 of the Code of Virginia, any school division that was granted a waiver regarding the opening date of the school year for the 2011-12 school year under the good cause requirements shall continue to be granted a waiver for the 2012-13 school year and the 2013-2014 school year.

B. General Conditions

1. The Standards of Quality cost in this Item related to fringe benefits shall be limited for instructional staff members to the employer's cost for a number not exceeding the number of instructional positions required by the Standards of Quality for each school division and for their salaries at the statewide prevailing salary levels as printed below.

Instructional Position	First Year Salary	Second Year Salary
Elementary Teachers	$45,118	$45,118
Elementary Assistant Principals	$63,824	$63,824
Elementary Principals	$78,510	$78,510
Secondary Teachers	$47,267	$47,267
Secondary Assistant Principals	$67,824	$67,824
Secondary Principals	$86,464	$86,464
Instructional Aides	$16,223	$16,223

a.1) Payment by the state to a local school division shall be based on the state share of fringe benefit costs of 55 percent of the employer's cost distributed on the basis of the composite index.

2) A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing fringe benefit funds under this provision.

3) The state payment to each school division for retirement, social security, and group life insurance costs for non-instructional personnel is included in and distributed through Basic Aid.

b. Payments to school divisions from this Item shall be calculated using March 31 Average Daily Membership adjusted for half-day kindergarten programs.

c. Payments for health insurance fringe benefits are included in and distributed through Basic Aid.

2. Each locality shall offer a school program for all its eligible pupils which is acceptable to the Department of Education as conforming to the Standards of Quality program requirements.

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3. In the event the statewide number of pupils in March 31 ADM results in a state share of cost exceeding the general fund appropriation in this Item, the locality's state share of Basic Aid shall be reduced proportionately so that this general fund appropriation will not be exceeded. In addition, the required local share of Basic Aid shall also be reduced proportionately to the reduction in the state's share.

4. The Department of Education shall make equitable adjustments in the computation of indices of wealth and in other state-funded accounts for localities affected by annexation, unless a court of competent jurisdiction makes such adjustments. However, only the indices of wealth and other state-funded accounts of localities party to the annexation will be adjusted.

5. In the event that the actual revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item (both of which are returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service *paragraph B. 20. of this Item*) for sales in the fiscal year in which the school year begins are different from the number estimated as the basis for this appropriation, the estimated state sales and use tax revenues shall not be adjusted.

6. This appropriation shall be apportioned to the public schools with guidelines established by the Department of Education consistent with legislative intent as expressed in this act.

7.a. Appropriations of state funds in this Item include the number of positions required by the Standards of Quality. This Item includes a minimum of 51 professional instructional positions and aide positions (C 2); Education of the Gifted, 1.0 professional instructional position (C 3); Occupational-Vocational Education Payments and Special Education Payments; a minimum of 6.0 professional instructional positions and aide positions (C 4 and C 5) for each 1,000 pupils in March 31 ADM each year in support of the current Standards of Quality. Funding in support of one hour of additional instruction per day based on the percent of students eligible for the federal free lunch program with a pupil-teacher ratio range of 18:1 to 10:1, depending upon a school division's combined failure rate on the English and Math Standards of Learning, is included in Remedial Education Payments (C 8).

b. No actions provided in this section signify any intent of the General Assembly to mandate an increase in the number of instructional personnel per 1,000 students above the numbers explicitly stated in the preceding paragraph.

c. Appropriations in this Item include programs supported in part by transfers to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this Act. These transfers combined together with other appropriations from the general fund in this Item funds the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support technology position per 1,000 students; one instructional technology position per 1,000 students; and a full daily planning period for teachers at the middle and high school levels in order to relieve the financial pressure these education programs place on local real estate taxes.

d. To provide flexibility, school divisions may use the state and local funds for instructional technology resource teachers required by the Standards of Quality to employ a data coordinator position, an instructional technology resource teacher position, or a data coordinator/instructional resource teacher blended position. The data coordinator position is intended to serve as a resource to principals and classroom teachers in the area of data analysis and interpretation for instructional and school improvement purposes, as well as for overall data management and administration of state assessments. School divisions using these SOQ funds in this manner shall only employ instructional personnel licensed by the Board of Education.

e. To provide flexibility in the provision of reading intervention services, school divisions may use the state Early Reading Intervention initiative funding provided from the Lottery Proceeds Fund and the required local matching funds to employ reading specialists to provide the required reading intervention services. School divisions using the Early Reading Intervention Initiative funds in this manner shall only employ instructional personnel licensed by the Board of Education.

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f. To provide flexibility in the provision of mathematics intervention services, school divisions may use the state Standards of Learning Algebra Readiness initiative funding provided from the Lottery Proceeds Fund and the required local matching funds to employ mathematics teacher specialists to provide the required mathematics intervention services. School divisions using the Standards of Learning Algebra Readiness initiative funding in this manner shall only employ instructional personnel licensed by the Board of Education.

8.a.1) Pursuant to § 22.1-97, Code of Virginia, the Department of Education is required to make calculations at the start of the school year to ensure that school divisions have appropriated adequate funds to support their estimated required local expenditure for the corresponding state fiscal year. In an effort to reduce the administrative burden on school divisions resulting from state data collections, such as the one needed to make the aforementioned calculations, the requirements of § 22.1-97, Code of Virginia, pertaining to the adequacy of estimated required local expenditures, shall be satisfied by signed certification by each division superintendent at the beginning of each school year that sufficient local funds have been budgeted to meet all state required local effort and required local match amounts. This provision shall only apply to calculations required of the Department of Education related to estimated required local expenditures and shall not pertain to the calculations associated with actual required local expenditures after the close of the school year.

2) The Department of Education shall also make calculations after the close of the school year to verify that the required local effort level, based on actual March 31 Average Daily Membership, was met. Pursuant to § 22.1-97, Code of Virginia, the Department of Education shall report annually, no later than the first day of the General Assembly session, to the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health, the results of such calculations made after the close of the school year and the degree to which each school division has met, failed to meet, or surpassed its required local expenditure. The Department of Education shall specify the calculations to determine if a school division has expended its required local expenditure for the Standards of Quality. This calculation may include but is not limited to the following calculations:

b. The total expenditures for operation, defined as total expenditures less all capital outlays, expenditures for debt service, facilities, non-regular day school programs (such as adult education, preschool, and non-local education programs), and any transfers to regional programs will be calculated.

c. The following state funds will be deducted from the amount calculated in paragraph a. above: revenues from the state sales and use tax (returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in *paragraph B. 20. of* this Item) for sales in the fiscal year in which the school year begins; total receipts from state funds (except state funds for non-regular day school programs and state funds used for capital or debt service purposes); and the state share of any balances carried forward from the previous fiscal year. Any qualifying state funds that remain unspent at the end of the fiscal year will be added to the amount calculated in paragraph a. above.

d. Federal funds, and any federal funds carried forward from the previous fiscal year, will also be deducted from the amount calculated in paragraph a above. Any federal funds that remain unspent at the end of the fiscal year and any capital expenditures paid from federal funds will be added to the amount calculated in paragraph a. above.

e. Tuition receipts, receipts from payments from other cities or counties, and fund transfers will also be deducted from the amount calculated in paragraph a, then

f. The final amount calculated as described above must be equal to or greater than the required local expenditure defined in paragraph A. 5.

g. The Department of Education shall collect the data necessary to perform the calculations of required local expenditure as required by this section.

h. A locality whose expenditure in fact exceeds the required amount from local funds may not reduce its expenditures unless it first complies with all of the Standards of Quality.

9.a. Any required local matching funds which a locality, as of the end of a school year, has not expended, pursuant to this Item, for the Standards of Quality shall be paid by the locality into

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the general fund of the state treasury. Such payments shall be made not later than the end of the school year following that in which the under expenditure occurs.

b. Whenever the Department of Education has recovered funds as defined in the preceding paragraph a, the Secretary of Education is authorized to repay to the locality affected by that action, seventy-five percent (75%) of those funds upon his determination that:

1) The local school board agrees to include the funds in its June 30 ending balance for the year following that in which the under expenditure occurs;

2) The local governing body agrees to reappropriate the funds as a supplemental appropriation to the approved budget for the second year following that in which the under expenditure occurs, in an appropriate category as requested by the local school board, for the direct benefit of the students;

3) The local school board agrees to expend these funds, over and above the funds required to meet the required local expenditure for the second year following that in which the under expenditure occurs, for a special project, the details of which must be furnished to the Department of Education for review and approval;

4) The local school board agrees to submit quarterly reports to the Department of Education on the use of funds provided through this project award; and

5) The local governing body and the local school board agree that the project award will be cancelled and the funds withdrawn if the above conditions have not been met as of June 30 of the second year following that in which the under expenditure occurs.

c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum sufficient, not to exceed 75 percent of the funds deposited in the general fund pursuant to the preceding paragraph a.

10. The Department of Education shall specify the manner for collecting the required information and the method for determining if a school division has expended the local funds required to support the actual local match based on all Lottery and Incentive programs in which the school division has elected to participate. Unless specifically stated otherwise in this Item, school divisions electing to participate in any Lottery or Incentive program that requires a local funding match in order to receive state funding, shall certify to the Department of Education its intent to participate in each program by July 1 each fiscal year in a manner prescribed by the Department of Education. As part of this certification process, each division superintendent must also certify that adequate local funds have been appropriated, above the required local effort for the Standards of Quality, to support the projected required local match based on the Lottery and Incentive programs in which the school division has elected to participate. State funding for such program(s) shall not be made until such time that the school division can certify that sufficient local funding has been appropriated to meet required local match. The Department of Education shall make calculations after the close of the fiscal year to verify that the required local match was met based on the state funds that were received.

11. Any sum of local matching funds for Lottery and Incentive program which a locality has not expended as of the end of a fiscal year in support of the required local match pursuant to this Item shall be paid by the locality into the general fund of the state treasury unless the carryover of those unspent funds is specifically permitted by other provisions of this act. Such payments shall be made no later than the end of the school year following that in which the under expenditure occurred.

12. The Superintendent of Public Instruction shall provide a report annually, no later than the first day of the General Assembly session, on the status of teacher salaries, by local school division, to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees. In addition to information on average salaries by school division and statewide comparisons with other states, the report shall also include information on starting salaries by school division and average teacher salaries by school.

13. All state and local matching funds required by the programs in this Item shall be appropriated to the budget of the local school board.

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14. By November 15 of each year, the Department of Planning and Budget, in cooperation with the Department of Education, shall prepare and submit a preliminary forecast of Standards of Quality expenditures, based upon the most current data available, to the Chairmen of the House Appropriations and Senate Finance Committees. In odd-numbered years, the forecast for the current and subsequent two fiscal years shall be provided. In even-numbered years, the forecast for the current and subsequent fiscal year shall be provided. The forecast shall detail the projected March 31 Average Daily Membership and the resulting impact on the education budget.

15. School divisions may choose to use state payments provided for Standards of Quality Prevention, Intervention, and Remediation in both years as a block grant for remediation purposes, without restrictions or reporting requirements, other than reporting necessary as a basis for determining funding for the program.

16. Except as otherwise provided in this act, the Superintendent of Public Instruction shall provide guidelines for the distribution and expenditure of general fund appropriations and such additional federal, private and other funds as may be made available to aid in the establishment and maintenance of the public schools.

17. At the Department of Education's option, fees for audio-visual services may be deducted from state Basic Aid payments for individual local school divisions.

18. For distributions not otherwise specified, the Department of Education, at its option, may use prior year data to calculate actual disbursements to individual localities.

19. Payments for accounts related to the Standards of Quality made to localities for public education from the general fund, as provided herein, shall be payable in twenty-four semi-monthly installments at the middle and end of each month.

20. Notwithstanding §22.1-638 D., Code of Virginia, and other language in this item, the Department of Education shall, for purposes of calculating the state and local shares of the Standards of Quality, apportion state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based on the July 1, 2010, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2011, estimate of school age population provided by the Weldon Cooper Center for Public Service.

Notwithstanding §22.1-638 D., Code of Virginia, and other language in this item, the State Comptroller shall distribute the state sales and use tax revenues dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based on the July 1, 2010, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2011, estimate of school age population provided by the Weldon Cooper Center for Public Service.

21. The school divisions within the Tobacco Region, as defined by the Tobacco Indemnification and Community Revitalization Commission, shall jointly explore ways to maximize their collective expenditure reimbursement totals for all eligible E-Rate funding.

22. This Item includes appropriations totaling an estimated $499,460,000 the first year and ~~$462,000,000~~*$532,700,000* the second year from the revenues deposited to the Lottery Proceeds Fund. These amounts are appropriated for distribution to counties, cities, and towns to support public education programs pursuant to Article X, Section 7-A Constitution of Virginia. Any county, city, or town which accepts a distribution from this fund shall provide its portion of the cost of maintaining an educational program meeting the Standards of Quality pursuant to Section 2 of Article VIII of the Constitution without the use of distributions from the fund.

23. For reporting purposes, the Department of Education shall include Lottery Proceeds Funds as state funds.

24.a. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2013 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2013 may carry over into fiscal year 2014 any

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remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2014 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2014.

b. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2014 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2014 may carry over into FY 2015 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2015 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2015.

25. Localities are encouraged to allow school boards to carry over any unspent local allocations into the next fiscal year. Localities are also encouraged to provide increased flexibility to school boards by appropriating state and local funds for public education in a lump sum.

26. The Department of Education shall include in the annual School Performance Report Card for school divisions the percentage of each division's annual operating budget allocated to instructional costs. For this report, the Department of Education shall establish a methodology for allocating each school division's expenditures to instructional and non-instructional costs in a manner that is consistent with the funding of the Standards of Quality as approved by the General Assembly. Further, at the discretion of the Superintendent of Public Instruction, the Department of Education may also report on other methods of measuring instructional spending such as those used by the U.S. Census Bureau and the U.S. Department of Education.

27. By August 15, 2012, each superintendent is requested to submit to the Department of Education a brief description of the range of online learning opportunities currently underway in the school division and any being planned or under consideration in the future, if applicable.

28. By August 30, 2013, each school superintendent is requested to submit to the Department of Education a brief description of the division's interest in pursuing the development and implementation of year-round school to improve academic performance for those students who are at high risk of educational failure, minority, ESL or economically disadvantaged. Superintendents are encouraged to describe which students would benefit from year-round school and potential costs. The Department of Education shall take into consideration those submissions when developing the Direct Aid to Public Education proposed budget for the 2014 General Assembly Session.

C. Apportionment

1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each locality shall receive sums as listed above within this program for the basic operation cost and payments in addition to that cost. The apportionment herein directed shall be inclusive of, and without further payment by reason of, state funds for library and other teaching materials.

2. School Employee Retirement Contributions

a. This Item provides funds to each local school board for the state share of the employer's retirement cost incurred by it, on behalf of instructional personnel, for subsequent transfer to the retirement allowance account as provided by Title 51.1, Chapter 1, Code of Virginia.

b. Notwithstanding § 51.1-1401 of the Code of Virginia, the Commonwealth shall provide payments for only the state share of the Standards of Quality fringe benefit cost of the retiree health care credit. This Item includes payments in both years based on the state share of fringe benefit costs of 55 percent of the employer's cost on funded Standards of Quality instructional positions, distributed based on the composite index of the local ability-to-pay.

3. School Employee Social Security Contributions

a. This Item provides funds to each local school board for the state share of the employer's Social Security cost incurred by it, on behalf of the instructional personnel for subsequent transfer to the Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia.

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b. Appropriations for contributions in paragraphs 2 and 3 above include payments from funds derived from the principal of the Literary Fund in accordance with Article III, Section 8, of the Constitution of Virginia. The amounts set aside from the Literary Fund for these purposes shall not exceed $140,086,428 the first year and ~~$135,990,713~~*$144,438,573* the second year.

4. School Employee Insurance Contributions

This Item provides funds to each local school board for the state share of the employer's Group Life Insurance cost incurred by it on behalf of instructional personnel who participate in group insurance under the provisions of Title 51.1, Chapter 5, Code of Virginia.

5. Basic Aid Payments

a.1) A state share of the Basic Operation Cost, which cost per pupil in March 31 ADM is established individually for each local school division based on the number of instructional personnel required by the Standards of Quality and the statewide prevailing salary levels (adjusted in Planning District Eight for the cost of competing) as well as recognized support costs calculated on a prevailing basis for an estimated March 31 ADM (adjusted for half-day kindergarten programs).

2) This appropriation includes funding to recognize the common labor market in the Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area. Standards of Quality salary payments for instructional positions in school divisions of the localities set out below have been adjusted for the equivalent portion of the Cost of Competing Adjustment (COCA) rates that are paid to local school divisions in Planning District 8. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, the SOQ payments have been increased by 25 percent each year of the COCA rates paid to school divisions in Planning District 8.

3) This appropriation includes funding for the Standards of Quality salary payments for support positions in school divisions of the localities set out below and have been adjusted for the equivalent portion of the Cost of Competing Adjustment (COCA) rates that are paid to the local school divisions in Planning District 8 for SOQ Basic Aid support positions, which is 22.70 percent in the first year and 6.98 percent in the second year. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, the SOQ payments have been increased each year by 25 percent of the COCA rates paid to school divisions in Planning District 8.

b. The state share for a locality shall be equal to the Basic Operation Cost for that locality less the locality's estimated revenues from the state sales and use tax (returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in *paragraph B. 20. of* this Item), in the fiscal year in which the school year begins and less the required local expenditure.

c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use tax estimates are as cited in this Item.

d. 1) In accordance with the provisions of § 37.2-713, Code of Virginia, the Department of Education shall deduct the locality's share for the education of handicapped pupils residing in institutions within the Department of Behavioral Health and Developmental Services from the locality's Basic Aid payments.

2) The amounts deducted from Basic Aid for the education of intellectually disabled persons shall be transferred to the Department of Behavioral Health and Developmental Services in support of the cost of educating such persons; the amount deducted from Basic Aid for the education of emotionally disturbed persons shall be used to cover extraordinary expenses incurred in the education of such persons. The Department of Education shall establish guidelines to implement these provisions and shall provide for the periodic transfer of sums due from each local school division to the Department of Behavioral Health and Developmental Services and for Special Education categorical payments. The amount of the actual transfers will be based on data accumulated during the prior school year.

e. 1) The apportionment to localities of all driver education revenues received during the school year shall be made as an undesignated component of the state share of Basic Aid in accordance

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with the provisions of this Item. Only school divisions complying with the standardized program established by the Board of Education shall be entitled to participate in the distribution of state funds appropriated for driver education. The Department of Education will deduct a designated amount per pupil from a school division's Basic Aid payment when the school division is not in compliance with § 22.1-205 C, Code of Virginia. Such amount will be computed by dividing the current appropriation for the Driver Education Fund by actual March 31 ADM.

2) Local school boards may charge a per pupil fee for behind-the-wheel driver education provided, however, that the fee charged plus the per pupil basic aid reimbursement for driver education shall not exceed the actual average per pupil cost. Such fees shall not be cause for a pro rata reduction in Basic Aid payments to school divisions.

f. Textbooks

1) The appropriation in this Item includes ~~$45,846,044 the second year from the general fund and~~ $61,262,666 the first year and ~~$15,709,881~~*$61,660,423* the second year from the Lottery Proceeds Fund as the state's share of the cost of textbooks based on a per pupil amount of $89.73 the first year and $89.73 the second year. ~~The state's share of textbooks will be fund split between the general fund and Lottery Proceeds Fund.~~ A school division shall appropriate these funds for textbooks or any other public education instructional expenditure by the school division. The state's distributions for textbooks shall be based on adjusted March 31 ADM. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

2) School divisions shall provide free textbooks to all students.

3) School divisions may use a portion of this funding to purchase Standards of Learning instructional materials. School divisions may also use these funds to purchase electronic textbooks or other electronic media resources integral to the curriculum and classroom instruction and the technical equipment required to read and access the electronic textbooks and electronic curriculum materials.

4) Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2013, or June 30, 2014, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose. School divisions are permitted to carry forward any remaining balance of textbook funds until the funds are expensed for a qualifying purpose.

g. The one-cent state sales and use tax earmarked for education and the sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item which are distributed to localities on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service as specified in *paragraph B. 20. of* this Item shall be reflected in each locality's annual budget for educational purposes as a separate revenue source for the current fiscal year.

h. The appropriation for the Standards of Quality for Public Education (SOQ) includes amounts estimated at $222,800,000 the first year and ~~$230,400,000~~*$334,700,000* the second year from the amounts transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this act which are derived from the ~~1/4~~*0.375* cent increase in the state sales and use tax levied pursuant to ~~Chapter 3, 2004 Special Session I~~*§58.1-638, Code of Virginia*. These additional funds are provided to local school divisions and local governments in order to relieve the financial pressure education programs place on local real estate taxes.

i. From the total amounts in paragraph h. above, an amount estimated at $105,300,000 the first year and ~~$108,300,000~~*$223,200,000* the second year (approximately ~~1/8~~*1/4* cent of sales and use tax) is appropriated to support a portion of the cost of the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support and one instructional technology position per 1,000 students; a full daily planning period for teachers at the middle and high school levels in order to relieve the pressure on local real estate taxes and shall be taken into account by the governing body of the county, city, or town in setting real estate tax

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rates.

j. From the total amounts in paragraph h. above, an amount estimated at $117,500,000 the first year and ~~$122,100,000~~*$117,800,000* the second year (approximately 1/8 cent of sales and use tax) is appropriated in this Item to distribute the remainder of the revenues collected and deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service as specified in *paragraph B. 20. of* this Item.

k. For the purposes of funding certain support positions in Basic Aid a funding ratio methodology is used based upon the prevailing ratio of support positions to SOQ funded instructional positions as established in Chapter 781, 2009 Acts of Assembly. For the purposes of making the required spending adjustments, the appropriation and distribution of Basic Aid shall reflect this methodology. Local school divisions shall have the discretion as to where the adjustment may be made, consistent with the Standards of Quality funded in this Act.

6. Education of the Gifted Payments

a. An additional payment shall be disbursed by the Department of Education to local school divisions to support the state share of one full-time equivalent instructional position per 1,000 students in adjusted March 31 ADM.

b. Local school divisions are required to spend, as part of the required local expenditure for the Standards of Quality the established per pupil cost for gifted education (state and local share) on approved programs for the gifted.

7. Occupational-Vocational Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Vocational Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. An amount estimated at $107,592,002 the first year and $107,779,695 the second year from the general fund included in Basic Aid Payments relates to vocational education programs in support of the Standards of Quality.

8. Special Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Special Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. Out of the amounts for special education payments, general fund support is provided to fund the caseload standards for speech pathologists at 68 students for each year of the biennium.

9. Remedial Education Payments

a. An additional payment estimated at $85,106,596 the first year and ~~$85,280,308~~*$85,370,938* the second year from the general fund shall be disbursed by the Department of Education to support the Board of Education's Standards of Quality Prevention, Intervention, and Remediation program adopted in June 2003.

b. The payment shall be calculated based on one hour of additional instruction per day for identified students, using the three year average percent of students eligible for the federal Free Lunch program as a proxy for students needing such services. Fall membership shall be multiplied by the three year average division-level Free Lunch eligibility percentage to determine the estimated number of students eligible for services. Pupil-teacher ratios shall be applied to the estimated number of eligible students to determine the number of instructional positions needed for each school division. The pupil-teacher ratio applied for each school division shall range from 10:1 for those divisions with the most severe combined three year average failure rates for English and math Standards of Learning test scores to 18:1 for those divisions with the lowest combined three year average failure rates for English and math

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Standards of Learning test scores.

c. Funding shall be matched by the local government based on the composite index of local ability-to-pay.

d. To provide flexibility in the instruction of English Language Learners who have limited English proficiency and who are at risk of not meeting state accountability standards, school divisions may use state and local funds from the SOQ Prevention, Intervention, and Remediation account to employ additional English Language Learner teachers to provide instruction to identified limited English proficiency students. Using these funds in this manner is intended to supplement the instructional services provided through the SOQ staffing standard of 17 instructional positions per 1,000 limited English proficiency students. School divisions using the SOQ Prevention, Intervention, and Remediation funds in this manner shall only employ instructional personnel licensed by the Board of Education.

e. An additional state payment estimated at $78,734,853 the first year and ~~$78,626,984~~*$78,687,071* the second year from the Lottery Proceeds Fund shall be disbursed based on the estimated number of federal Free Lunch participants, in support of programs for students who are educationally at risk. The additional payment shall be based on the state share of:

1) A minimum one percent add-on, as a percent of the per pupil basic aid cost, for each child who qualifies for the federal Free Lunch Program; and

2) An addition to the add-on, based on the concentration of children qualifying for the federal Free Lunch Program. Based on its percentage of Free Lunch participants, each school division will receive between 1 and 12 percent in additional basic aid per Free Lunch participant. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

3a) Local school divisions are required to spend the established at-risk payment (state and local share) on approved programs for students who are educationally at risk.

b) To receive these funds, each school division shall certify to the Department of Education that the state and local share of the at-risk payment will be used to support approved programs for students who are educationally at risk. These programs may include: Dropout Prevention, community and school-based truancy officer programs, Advancement Via Individual Determination (AVID), Project Discovery, Reading Recovery, programs for students who speak English as a second language, or programs related to increasing the success of disadvantaged students in completing a high school degree and providing opportunities to encourage further education and training. Further, any new funds a school division receives in excess of the amounts received in FY 2008 may be used first to provide data coordinators or to purchase similar services for schools that have not met Adequate Yearly Progress (AYP) under the federal No Child Left Behind Act or are not fully accredited under the Standards of Accreditation. The data coordinator position is intended to provide schools with needed support in the area of data analysis and interpretation for instructional purposes, as well as overall data management and the administration of state assessments. The position would primarily focus on data related to instruction and school improvement, including: student assessment, student attendance, student/teacher engagement, behavior referrals, suspensions, retention, and graduation rates.

f. Regional Alternative Education Programs

1) An additional state payment of $7,802,104 the first year and ~~$8,061,000~~*$8,048,710* the second year from the Lottery Proceeds Fund shall be disbursed for Regional Alternative Education programs. Such programs shall be for the purpose of educating certain expelled students and, as appropriate, students who have received suspensions from public schools and students returned to the community from the Department of Juvenile Justice.

2) Each regional program shall have a small student/staff ratio. Such staff shall include, but not be limited to education, mental health, health, and law enforcement professionals, who will collaborate to provide for the academic, psychological, and social needs of the students. Each program shall be designed to ensure that students make the transition back into the "mainstream" within their local school division.

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3) a) Regional alternative education programs are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs. This incremental per pupil payment shall be adjusted for the composite index of local ability-to-pay of the school division that counts such students attending such program in its March 31 Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the regional programs for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the school day or school year that the student does not attend such program.

b) In the event a school division does not use all of the student slots it is allocated under this program, the unused slots may be reallocated or transferred to another school division.

1. A school division must request from the Department of Education the availability and possible use of any unused student slots. If any unused slots are available and if the requesting school division chooses to utilize any of the unused slots, the requesting school division shall only receive the state's share of tuition for the unused slot that was allocated in this Item for the originally designated school division.

2. However, no requesting school division shall receive more tuition funding from the state for any requested unused slot than what would have been the calculated amount for the requesting school division had the unused slot been allocated to the requesting school division in the original budget. Furthermore, the requesting school division shall pay for any remaining tuition payment necessary for using a previously unused slot.

3. The Department of Education shall provide assistance for the state share of the incremental cost of Regional Alternative Education program operations based on the composite index of local ability-to-pay.

g. Remedial Summer School

1) This appropriation includes $15,329,431 the first year ~~and $23,435,017 the second year~~ from the general fund and $6,433,605 the first year *and $23,152,232 the second year* from the Lottery Proceeds Fund for the state's share of Remedial Summer School Programs. These funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer school session or during an intersession in the case of year-round schools. These funds may be used in conjunction with other sources of state funding for remediation or intervention. School divisions shall have maximum flexibility with respect to the use of these funds and the types of remediation programs offered; however, in exercising this flexibility, students attending these programs shall not be charged tuition and no high school credit may be awarded to students who participate in this program.

2) For school divisions charging students tuition for summer high school credit courses, consideration shall be given to students from households with extenuating financial circumstances who are repeating a class in order to graduate.

10. K-3 Primary Class Size Reduction Payments

a. An additional payment estimated at $102,671,654 the first year and ~~$106,431,479~~*$103,971,881* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education as an incentive for reducing class sizes in the primary grades.

b. The Department of Education shall calculate the payment based on the incremental cost of providing the lower class sizes based on the lower of the division average per pupil cost of all divisions or the actual division per pupil cost.

c. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.

d. By October 15 of each year school divisions must provide data to the Department of

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Education that each participating school has a September 30 pupil/teacher ratio in grades K through 3 that meet the following criteria:

Qualifying School Percentage of Students Approved

Eligible for Free Lunch	Grades K-3 School Ratio	Maximum Individual K-3 Class Size
30% but less than 45%	19 to 1	24
45% but less than 55%	18 to 1	23
55% but less than 65%	17 to 1	22
65% but less than 70%	16 to 1	21
70% but less than 75%	15 to 1	20
75% or more	14 to 1	19

e. School divisions may elect to have eligible schools participate at a higher ratio, or only in a portion of grades kindergarten through three, with a commensurate reduction of state and required local funds, if local conditions do not permit participation at the established ratio and/or maximum individual class size. In the event that a school division requires additional actions to ensure participation at the established ratio and/or maximum individual class size, such actions must be completed by December 1 of the impacted school year. Special education teachers and instructional aides shall not be counted towards meeting these required pupil/teacher ratios in grades kindergarten through three.

f. The Superintendent of Public Instruction may grant waivers to school divisions for the class size requirement in eligible schools that have only one class in an affected grade level in the school.

g. It is the intent of the General Assembly that for the first and second year only, school divisions may have the flexibility to be considered to meet the requirements of this program if the ratio for each school is no more than three students higher than those otherwise required for this program.

11. Literary Fund Subsidy Program Payments

a. The *Department* ~~Board~~ of Education and the Virginia Public School Authority (VPSA) shall provide a program of funding for school construction and renovation through the Literary Fund and through VPSA bond sales. The program shall be used to provide funds, through Literary Fund loans and subsidies, and through VPSA bond sales, to fund a portion of the projects on the First or Second Literary Fund Waiting List, or other critical projects which may receive priority placement on the First or Second Literary Fund Waiting List by the *Department* ~~Board~~ of Education. Interest rate subsidies will provide school divisions with the present value difference in debt service between a Literary Fund loan and a borrowing through the VPSA. To qualify for an interest rate subsidy, the school division's project must be eligible for a Literary Fund loan and shall be subject to the same restrictions. The VPSA shall work with the Board of Education in selecting those projects to be funded through the interest rate subsidy/bond financing program, so as to ensure the maximum leverage of Literary Fund moneys and a minimum impact on the VPSA Bond Pool.

b. The *Department* ~~Board~~ of Education may offer Literary Fund loans from the uncommitted balances of the Literary Fund after meeting the obligations of the interest rate subsidy sales and the amounts set aside from the Literary Fund for Debt Service Payments for Education Technology in this Item.

c. 1) In the event that on any scheduled payment date of bonds of the Virginia Public School Authority (VPSA) authorized under the provisions of a bond resolution adopted subsequent to June 30, 1997, issued subsequent to June 30, 1997, and not benefiting from the provisions of either § 22.1-168 (iii), (iv), and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the sum of (i) the payments on general obligation school bonds of cities, counties, and towns (localities) paid to the VPSA and (ii) the proceeds derived from the application of the provisions of § 15.2-2659, Code of Virginia, to such bonds of localities, is less than the debt service due on such bonds of the VPSA on such date, there is hereby appropriated to the VPSA, first, from available moneys of the Literary Fund and, second, from the general fund a sum equal to such deficiency.

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2) The Commonwealth shall be subrogated to the VPSA to the extent of any such appropriation paid to the VPSA and shall be entitled to enforce the VPSA's remedies with respect to the defaulting locality and to full recovery of the amount of such deficiency, together with interest at the rate of the defaulting locality's bonds.

d. The chairman of the Board of Commissioners of the VPSA shall, on or before November 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds of the VPSA issued and projected to be issued during such biennium pursuant to the bond resolution referred to in paragraph a above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

12. Educational Technology Payments

a. Any unobligated amounts transferred to the educational technology fund shall be disbursed on a pro rata basis to localities. The additional funds shall be used for technology needs identified in the division's technology plan approved by the Department of Education.

b. The *Department* ~~Board~~ of Education shall authorize amounts estimated at $12,610,500 the first year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2008.

c. The *Department* ~~Board~~ of Education shall authorize amounts estimated at $12,156,000 the first year and $12,154,000 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2009.

d.1) The *Department* ~~Board~~ of Education shall authorize amounts estimated at $11,911,750 the first year and $11,907,250 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2010.

2) It is the intent of the General Assembly to authorize sufficient appropriate Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2014-16 biennial budget for public education, the *Department* ~~Board~~ of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program in FY 2015.

e. 1) The *Department* ~~Board~~ of Education shall authorize amounts estimated at $11,666,600 the first year and $11,669,000 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2011.

2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2014-16 biennial budget for public education, the *Department* ~~Board~~ of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program in FY 2015 and FY 2016.

f.1) The *Department* ~~Board~~ of Education shall authorize amounts estimated at $12,353,630 the first year and $11,982,000 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2012.

2) The Department of Education shall authorize amounts estimated at $12,386,619 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2013.

~~2~~*3*) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2014-16 and 2016-18 biennial budgets for public education, the *Department* ~~Board~~ of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program

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in fiscal years 2015, 2016, and 2017.

g. 1) An education technology grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at $59,846,000 in FY 2013 and ~~$59,612,000~~ *$64,316,100* in FY 2014. Proceeds of the notes will be used to establish a computer-based instructional and testing system for the Standards of Learning (SOL) and to develop the capability for high speed Internet connectivity at high schools followed by middle schools followed by elementary schools. By FY 2011, high schools within the division shall administer 100 percent of SOL tests online; by FY 2012, middle and high schools shall administer 100 percent of SOL tests online; and by FY 2013, elementary, middle, and high schools shall administer 100 percent of SOL tests online. School divisions shall use these funds first to develop and maintain the capability to support the administration of online SOL testing for all students with the exception of students with a documented need for a paper SOL test.

2) The *Department* ~~Board~~ of Education shall authorize amounts estimated at $12,512,675 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in FY 2013.

3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for education technology grant programs in FY 2013 and in FY 2014. In developing the proposed 2014-16, 2016-2018, and 2018-2020 biennial budgets for public education, the Board of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2015, 2016, 2017, 2018, and 2019.

4) Grant funds from the issuance of $59,846,000 in FY 2013 and ~~$59,612,000~~ *$64,316,100* in FY 2014 in equipment notes are based on a grant of $26,000 per school and $50,000 per school division. For purposes of this grant program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2012, for the FY 2013 issuance, and September 30, 2013, for the FY 2014 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, and the School for the Deaf and the Blind. Schools that serve only pre-kindergarten students shall not be eligible for this grant.

5) Supplemental grants shall be allocated to eligible divisions to support schools that are not fully accredited in accordance with this paragraph. Schools that administer SOL tests in Spring 2012 and that are not fully accredited based on school accreditation ratings in effect for FY 2013 will qualify for a supplemental grant of $26,000 per school in fiscal year 2013. Schools that are fully accredited or that are new schools with conditional accreditation in their first year shall not be eligible to receive this supplemental grant. Schools that administer SOL tests in Spring 2013 and that are not fully accredited based on school accreditation ratings in effect for FY 2014 will qualify to participate in the Virginia e-Learning Backpack Initiative in FY 2014 and receive: (1) a supplemental grant of $400 per student reported in ninth grade fall membership in a qualifying school for the purchase of a tablet computer device for that student and (2) a supplemental grant of $2,400 per qualifying school to purchase two content creation packages for teachers. Schools eligible to receive this supplemental grant in FY 2014 shall continue to receive the grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. *Grants awarded to qualifying schools that do not have grades 10, 11, or 12 may transition with the students to the primary receiving school for all years subsequent to grade 9.* Schools eligible to receive these grants for a period of up to four years beginning in FY 2014 shall not be eligible to receive a separate award in the future once the original award period has concluded. Schools that are fully accredited or that are new schools with conditional accreditation in their first year shall not be eligible to receive this supplemental grant.

6) Required local match:

a) Localities are required to provide a match for these funds equal to 20 percent of the grant amount, including the supplemental grants provided pursuant to paragraph g. 5). At least 25 percent of the local match shall be used for teacher training in the use of instructional technology. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The

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Virginia School for the Deaf and the Blind is exempt from the match requirement.

b) School divisions that administer 100 percent of SOL tests online in all elementary, middle, and high schools may use up to 75 percent of their required local match to purchase targeted technology-based interventions. Such interventions may include the necessary technology and software to support online learning, technology-based content systems, content management systems, technology equipment systems, information and data management systems, and other appropriate technologies that support the individual needs of learners. School divisions that receive supplemental grants in the first year of $26,000 per school pursuant to paragraph g. 5) and where 100 percent of SOL tests are administered online in the schools receiving the supplemental grants shall give first priority to purchasing these technology-based interventions as well as teacher training in the use of the interventions from their required local match. School divisions that receive supplemental grants in the second year pursuant to paragraph g.5) above shall use the funds in qualifying schools to purchase tablet computer devices for ninth grade students reported in fall membership and content creation packages for teachers.

7) The goal of the education technology grant program is to improve the instructional, remedial, and testing capabilities of the Standards of Learning for local school divisions and to increase the number of schools achieving full accreditation.

8) Funds shall be used in the following manner:

a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to computer ratio; (2) an Internet-ready local area network (LAN) capability; and (3) high speed access to the Internet. School connectivity (computers, LANs and network access) shall include sufficient download/upload capability to ensure that each student will have adequate access to Internet-based instructional, remedial and assessment programs.

b) When each high school in a division meets the goals established in paragraph a) above, the remaining funds shall be used to develop similar capability in first the middle schools and then the elementary schools.

c) For purposes of establishing or enhancing a computer-based instructional program supporting the Standards of Learning pursuant to paragraph g. 1) above, these grant funds may be used to purchase handheld multifunctional computing devices that support a broad range of applications and that are controlled by operating systems providing full multimedia support and mobile Internet connectivity. School divisions that elect to use these grant funds to purchase such qualifying handheld devices must continue to meet the on-line testing requirements stated in paragraph g. 1) above.

d) School divisions shall be eligible to apply for and receive supplemental grants of $26,000 per qualifying school in the first year pursuant to paragraph g. 5). These supplemental grants shall be used first for the purpose of developing and maintaining capacity to support 100 percent online SOL testing of all students in qualifying schools and helping the schools achieve full accreditation with the assistance of targeted technology-based interventions. Any purchase of technology-based interventions as described in paragraph g. 6) b) with supplemental grant funds must be qualifying expenses under the technology notes program. Eligibility for these funds requires divisions to submit an application and plan that includes goals, objectives, strategies, and a timeline for implementation. Division plans will be reviewed and approved by the Superintendent of Public Instruction prior to disbursement of the supplemental grant funds.

e) School divisions shall be eligible to receive supplemental grants in the second year pursuant to paragraph g.5) above. These supplemental grants shall be used in qualifying schools for the purchase of tablet computer devices for ninth grade students reported in fall membership and content creation packages for teachers. Participating school divisions will be required to select a core set of electronic textbooks, applications and online services for productivity, learning management, collaboration, practice, and assessment to be included on all devices. In addition, participating school divisions will assume recurring costs for electronic textbook purchases and maintenance.

f) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be provided funding through this program on the basis of having the same number of school divisions as existed

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prior to September 30, 2000.

9) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds, and to the extent possible, use such funds to supplement the program and meet the goals of this program.

h. The Department of Education shall maintain criteria to determine if high schools, middle schools, or elementary schools have the capacity to meet the goals of this initiative. The Department of Education shall be responsible for the project management of this program.

i.1) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the amounts authorized for debt service due on such bonds or notes of the VPSA on such date, there is hereby appropriated to the VPSA from the general fund a sum equal to such deficiency.

2) The Chairman of the Board of Commissioners of the VPSA shall, on or before November 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes of the VPSA issued and projected to be issued during such biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

j. Unspent proceeds of the notes, including investment income derived from the proceeds of the notes may be used to pay interest on, or to decrease principal of the notes.

k.1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies with State Government" and for the purposes of § 56-234 "Contracts for Service Rendered by a Telephone Company for the State Government" shall be deemed to include communications lines into public schools which are used for educational technology. The rate structure for such lines shall be negotiated by the Superintendent of Public Instruction and the Chief Information Officer of the Virginia Information Technologies Agency. Further, the Superintendent and Director are authorized to encourage the development of "by-pass" infrastructure in localities where it fails to obtain competitive prices or prices consistent with the best rates obtained in other parts of the state.

2) The State Corporation Commission, in its consideration of the discount for services provided to elementary schools, secondary schools, and libraries and the universal service funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is hereby encouraged to make the discounts for intrastate services provided to elementary schools, secondary schools, and libraries for educational purposes as large as is prudently possible and to fund such discounts through the universal fund as provided in § 254 of the Telecommunications Act of 1996. The commission shall proceed as expeditiously as possible in implementing these discounts and the funding mechanism for intrastate services, consistent with the rules of the Federal Communications Commission aimed at the preservation and advancement of universal service.

13. Security Equipment Payments

1) A security equipment grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at up to $6,000,000 in fiscal year 2013 and $6,000,000 in fiscal year 2014 in conjunction with the Virginia Public School Authority technology notes program authorized in 139.C.12. above. Proceeds of the notes will be used to help offset the related costs associated with the purchase of appropriate security equipment that will improve and help ensure the safety of students attending public schools in Virginia.

2) The Board of Education shall authorize ~~amounts estimated at $1,300,000~~ *$1,288,145* the second year from the Literary Fund to provide debt service payments for the security equipment grant program conducted through the Virginia Public School Authority in fiscal year 2013.

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3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2014-16, 2016-2018, and 2018-2020 biennial budgets for public education, the Board of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2015, 2016, 2017, 2018, and 2019.

4) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the amounts authorized for debt service due on such bonds or notes on such date, there is hereby appropriated to the Virginia Public School Authority from the general fund a sum equal to such deficiency.

5) The Chairman of the Board of Commissioners of the Virginia Public School Authority shall, on or before November 1 of each year, deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes issued and projected to be issued during such biennium. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

6) Grant award funds from the issuance of up to $6,000,000 in fiscal year 2013 and $6,000,000 in fiscal year 2014 in equipment notes shall be distributed to eligible school divisions. The grant awards will be based on a competitive grant basis of up to $100,000 per school division. School divisions will be permitted to apply annually for grant funding. For purposes of this program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2012, for the fiscal year 2013 issuance, and September 30, 2013, for the fiscal year 2014 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, and the Virginia School for the Deaf and the Blind.

7) School divisions would submit their application to Department of Education by August 1 of each year based on the criteria developed by the Department of Education in collaboration with the Department of Criminal Justice Services who will provide requested technical support. Furthermore, the Department of Education will have the authority to make such grant awards to such school divisions.

8) It is also the intent of the General Assembly that the total amount of the grant awards shall not exceed $30,000,000 over any ongoing revolving five year period.

9) Required local match:

a) Localities are required to provide a match for these funds equal to 25 percent of the grant amount. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match requirement.

b) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be provided funding through this program on the basis of having the same number of school divisions as existed prior to September 30, ~~2012~~ *2000*.

c) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds, and to the extent possible, use such funds to supplement the program and meet the goals of this program.

14. Virginia Preschool Initiative Payments

a.1) It is the intent of the General Assembly that a payment estimated at $64,953,097 the first year and $~~68,569,714~~ *$67,424,295* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to schools and community-based organizations to provide quality preschool programs for at-risk four-year-olds unserved by Head Start program

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funding. In no event shall distributions from the Lottery Proceeds Fund be made directly to community-based or private providers.

2) These state funds and required local matching funds shall be used to provide programs for at-risk four-year-old children, which include quality preschool education, health services, social services, parental involvement and transportation. It shall be the policy of the Commonwealth that state funds and required local matching funds for the Virginia Preschool Initiative not be used for capital outlay. Programs must provide full-day or half-day and, at least, school-year services.

3) The Department of Education, in cooperation with the Council on Child Day Care and Early Childhood Programs, shall establish academic standards that are in accordance with appropriate preparation for students to be ready to successfully enter kindergarten. These standards shall be established in such a manner as to be measurable for student achievement and success. Students shall be required to be evaluated in the fall and in the spring by each participating school division and the school divisions must certify that the Virginia Preschool Initiative program follows the established standards in order to receive the funding for quality preschool education and criteria for the service components. Such guidelines shall be consistent with the findings of the November 1993 study by the Board of Education, the Department of Education, and the Council on Child Day Care and Early Childhood Programs.

4)a) Grants shall be distributed based on an allocation formula providing the state share of a $6,000 grant for 100 percent of the unserved at-risk four-year-olds in each locality for a full-day program. The number of unserved at-risk four-year-olds in each locality shall be based on the projected number of kindergarten students, updated once each biennium for the Governor's introduced biennial budget. For FY 2013 and FY 2014 only, the number of slots funded in each school division shall be the higher of the calculated slots based on projected kindergarten enrollments or the lesser of either the calculated slots using projections of four-year-olds from the Virginia Employment Commission or the actual number of slots utilized in FY 2012. Programs operating half-day shall receive state funds based on a fractional basis determined by the pro-rata portion of a full-day, school year program provided. Half-day programs shall operate for a minimum of three hours of classroom instructional time per day, excluding breaks for lunch or recess, and grants to half-day programs shall be funded based on the state share of $3,000 per unserved at-risk four-year-old in each locality. Full-day programs shall operate for a minimum of five and one-half instructional hours, excluding breaks for meals and recess. No additional state funding is provided for programs operating greater than three hours per day but less than five and one-half hours per day. In determining the state and local shares of funding, the composite index of local ability-to-pay is capped at 0.5000.

b) For new programs in the first year of implementation only, programs operating less than a full school year shall receive state funds on a fractional basis determined by the pro-rata portion of a school year program provided. In determining the prorated state funds to be received, a school year shall be 180 days.

b.1) Any locality which desires to participate in this grant program must submit a proposal through its chief administrator (county administrator or city manager) by June 15 of each year. The chief administrator, in conjunction with the school superintendent, shall identify a lead agency for this program within the locality. The lead agency shall be responsible for developing a local plan for the delivery of quality preschool services to at-risk children which demonstrates the coordination of resources and the combination of funding streams in an effort to serve the greatest number of at-risk four-year-old children.

2) The proposal must demonstrate coordination with all parties necessary for the successful delivery of comprehensive services, including the schools, child care providers, local social services agency, Head Start, local health department, and other groups identified by the lead agency.

3) A local match, based on the composite index of local ability-to-pay, shall be required. For purposes of meeting the local match, localities may use local expenditures for existing qualifying programs, however, at least seventy-five percent of the local match will be cash and no more than twenty-five percent will be in-kind. In-kind contributions are defined as cash outlays that are made by the locality that benefit the program but are not directly charged to the program. The value of fixed assets cannot be considered as an in-kind contribution.

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Localities shall also continue to pursue and coordinate other funding sources, including child care subsidies. Funds received through this program must be used to supplement, not supplant, any funds currently provided for programs within the locality. However, in the event a locality is prohibited from continuing the previous level of support to programs for at-risk four-year-olds from Title I of the federal Elementary and Secondary Education Act (ESEA), the state and local funds provided in this grants program may be used to continue services to these Title I students. Such prohibition may occur due to amendments to the allocation formula in the reauthorization of ESEA as the No Child Left Behind Act of 2001 or due to a percentage reduction in a locality's Title I allocation in 20011-2012 or 2012-2013. Any locality so affected shall provide written evidence to the Superintendent of Public Instruction and request his approval to continue the services to Title I students.

c. Local plans must provide clear methods of service coordination for the purpose of reducing the per child cost for the service, increasing the number of at-risk children served and/or extending services for the entire year. Examples of these include:

1) "Wraparound Services" — methods for combining funds such as child care subsidy dollars administered by local social service agencies with dollars for quality preschool education programs.

2) "Wrap-out Services" - methods for using grant funds to purchase quality preschool services to at-risk four-year-old children through an existing child care setting by purchasing comprehensive services within a setting which currently provides quality preschool education.

3) "Expansion of Service" - methods for using grant funds to purchase slots within existing programs, such as Head Start, which provide comprehensive services to at-risk four-year-old children.

Local plans must indicate the number of at-risk four-year-old children to be served, and the criteria by which they will be determined to be at risk.

d.1) The Department of Education and the Council on Child Day Care and Early Childhood Programs shall provide technical assistance for the administration of this grant program to provide assistance to localities in developing a comprehensive, coordinated, quality preschool program for serving at-risk four-year-old children.

2) A pre-application session shall be provided by the Department and the Council on Child Day Care and Early Childhood Programs prior to the proposal deadline. The Department shall provide interested localities with information on models for service delivery, methods of coordinating funding streams, such as funds to match federal IV-A child care dollars, to maximize funding without supplanting existing sources of funding for the provision of services to at-risk four-year-old children. A priority for technical assistance in the design of programs shall be given to localities where the majority of the at-risk four-year-old population is currently unserved.

e. The Department of Education is authorized to expend unobligated balances in this program's adopted budget allocations for grants to qualifying school divisions for one-time expenses, other than capital, related to start-up or expansion of programs.

15. Early Reading Intervention Payments

a. An additional payment of $15,332,606 the first year and ~~$14,972,241~~ *$17,482,065* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing early reading intervention services to students in grades kindergarten through 3 who demonstrate deficiencies based on their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests of any local school board which requests authority to use a test other than the state-provided test to ensure that such local test uses criteria for the early diagnosis of reading deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

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b. These payments shall be based on the state's share of the cost of providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio of five to one. The estimated number of students in each school division in each year shall be determined by multiplying the projected number of students reported in each school division's fall membership in grades kindergarten, 1, 2, and 3 by the percent of students who are determined to need services based on diagnostic tests administered in the previous year in that school division and adjusted in the following manner:

	Year 1	**Year 2**
Kindergarten	100%	100%
Grade 1	100%	100%
Grade 2	100%	100%
Grade 3	100%	100%

c. These payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. At the beginning of the school year, local school divisions shall partner with the parents of those third grade students in the division who demonstrate reading deficiencies, discussing with them a developed plan for remediation and retesting. Such intervention programs, at the discretion of the local school division, may include, but not be limited to, the use of: special reading teachers; trained aides; volunteer tutors under the supervision of a certified teacher; computer-based reading tutorial programs; aides to instruct in-class groups while the teacher provides direct instruction to the students who need extra assistance; or extended instructional time in the school day or year for these students. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

d. In the event that a school division does not use the diagnostic test provided by the Department of Education in the year that serves as the basis for updating the funding formula for this program but has used it in past years, the Department of Education shall use the most recent data available for the division for the state-provided diagnostic test.

e. The results of all reading diagnostic tests and reading remediation shall be discussed with the student and the student's parent prior to the student being promoted to grade four.

f. Funds appropriated for Standards of Quality Prevention, Intervention, and Remediation, Remedial Summer School, or At-Risk Add-On may also be used to meet the requirements of this program.

16. Standards of Learning Algebra Readiness Payments

a. An additional payment of $11,173,155 the first year and ~~$11,352,196~~ *$11,394,145* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing math intervention services to students in grades 6, 7, 8 and 9 who are at-risk of failing the Algebra I end-of-course test, as demonstrated by their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests to ensure that such local test uses state-provided criteria for diagnosis of math deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

b. These payments shall be based on the state’s share of the cost of providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio of ten to one. The estimate number of students in each school division shall be determined by multiplying the projected number of students reported in each school division’s fall membership by the percent of students that qualify for the federal Free Lunch Program.

c. These payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. Localities receiving these payments are required to match these funds based on the composite index of

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local ability-to-pay.

17. School Construction Grants Program Escrow

Notwithstanding the requirements of Section 22.1-175.5 of the Code of Virginia, school divisions are permitted to withdraw funds from local escrow accounts established pursuant to Section 22.1-175.5 to pay for recurring operational expenses incurred by the school division. Localities are not required to provide a local match of the withdrawn funds.

18. English as a Second Language Payments

A payment of $44,675,649 the first year and ~~$45,863,224~~ *$45,258,661* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions to support the state share of 17 professional instructional positions per 1,000 students for whom English is a second language. Local school divisions shall provide a local match based on the composite index of local ability-to-pay.

19. Special Education Instruction Payments

a. The Department of Education shall establish rates for all elements of Special Education Instruction Payments.

b. Out of the appropriations in this Item, the Department of Education shall make available, subject to implementation by the Superintendent of Public Instruction, an amount estimated at $72,429,258 the first year and ~~$77,703,941~~ *$77,774,168* the second year from the Lottery Proceeds Fund for the purpose of the state's share of the tuition rates for approved public school regional programs. Notwithstanding any contrary provision of law, the state's share of the tuition rates shall be based on the composite index of local ability-to-pay.

c. Out of the amounts for Financial Assistance for Categorical Programs, $32,971,928 the first year and ~~$35,154,773~~ *$32,906,570* the second year from the general fund is appropriated to permit the Department of Education to enter into agreements with selected local school boards for the provision of educational services to children residing in certain hospitals, clinics, and detention homes by employees of the local school boards. *The portion of these funds provided for educational services to children residing in local or regional detention homes shall only be determined on the basis of children detained in such facilities through a court order issued by a court of the Commonwealth.* The selection and employment of instructional and administrative personnel under such agreements will be the responsibility of the local school board in accordance with procedures as prescribed by the local school board. State payments for the first year to the local school boards operating these programs will be based on certified expenditures from the fourth quarter of FY 2012 and the first three quarters of FY 2013. State payments for the second year to the local school boards operating these programs will be based on certified expenditures from the fourth quarter of FY 2013 and the first three quarters of FY 2014.

20. Vocational Education Instruction Payments

a. It is the intention of the General Assembly that the Department of Education explore initiatives that will encourage greater cooperation between jurisdictions and the Virginia Community College System in meeting the needs of public school systems.

b. This appropriation includes $1,800,000 the first year from the Lottery Proceeds Fund and $1,800,000 the second year from the Lottery Proceeds Fund for secondary vocational-technical equipment. A base allocation of $2,000 each year shall be available for all divisions, with the remainder of the funding distributed on the basis of student enrollment in secondary vocational-technical courses. State funds received for secondary vocational-technical equipment must be used to supplement, not supplant, any funds currently provided for secondary vocational-technical equipment within the locality. Local school divisions are not required to provide a local match in order to receive these state funds.

21. Adult Education Payments

State funds shall be used to reimburse general adult education programs on a fixed cost per pupil or cost per class basis. No state funds shall be used to support vocational noncredit

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courses.

22. General Education Payments

a. This appropriation includes $2,485,988 the first year and $2,410,988 the second year from the Lottery Proceeds Fund to support Race to GED. Out of this appropriation, $465,375 the first year and $465,375 the second year shall be used for PluggedIn VA.

b. This appropriation includes $2,774,478 the first year from the general fund and $2,774,478 the second year from the Lottery Proceeds Fund to support Project Graduation and any associated administrative and contractual service expenditures related to this initiative.

23. Virtual Virginia Payments

a. From appropriations in this Item, the Department of Education shall provide assistance for the Virtual Virginia program.

b. The local share of costs associated with the operation of the Virtual Virginia program shall be computed using the composite index of local ability-to-pay.

24. Individual Student Alternative Education Program (ISAEP) Payments

Out of this appropriation, $2,247,581 the first year from the Lottery Proceeds Fund and $2,247,581 in the second year from the Lottery Proceeds Fund shall be provided for the secondary schools' Individual Student Alternative Education Program (ISAEP), pursuant to Chapter 488 and Chapter 552 of the 1999 Session of the General Assembly.

25. Foster Children Education Payments

a. An additional state payment is provided from the Lottery Proceeds Fund for the prior year's local operations costs, as determined by the Department of Education, for each pupil of school age as defined in § 22.1-1, Code of Virginia, not a resident of the school division providing his education (a) who has been placed in foster care or other custodial care within the geographical boundaries of such school division by a Virginia agency, whether state or local, which is authorized under the laws of this Commonwealth to place children; (b) who has been placed in an orphanage or children's home which exercises legal guardianship rights; or (c) who is a resident of Virginia and has been placed, not solely for school purposes, in a child-caring institution or group home.

b. This appropriation provides $9,016,406 the first year and ~~$9,413,338~~ *$8,962,411* the second year from the Lottery Proceeds Fund to support children attending public school who have been placed in foster care or other such custodial care across jurisdictional lines, as provided by subsections A and B of § 22.1-101.1, Code of Virginia. To the extent these funds are not adequate to cover the full costs specified therein, the Department is authorized to expend unobligated balances in this Item for this support.

26. Sales Tax Payments

a. This is a sum-sufficient appropriation for distribution to counties, cities and towns a portion of net revenue from the state sales and use tax, in support of the Standards of Quality (Title 22.1, Chapter 13.2, Code of Virginia) (See the Attorney General's opinion of August 3, 1982).

b. Certification of payments and distribution of this appropriation shall be made by the State Comptroller.

c. The distribution of state sales tax funds shall be made in equal bimonthly payments at the middle and end of each month.

27. Adult Literacy Payments

a. Appropriations in this Item include $125,000 the first year and $125,000 the second year from the general fund for the ongoing literacy programs conducted by Mountain Empire Community College.

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b. Out of this appropriation, the Department of Education shall provide $100,000 the first year and $100,000 the second year from the general fund for the Virginia Literacy Foundation grants to support programs for adult literacy including those delivered by community-based organizations and school divisions providing services for adults with 0-9th grade reading skills.

28. Governor’s School Payments

a. Out of the amounts for Governor's School Payments, the Department of Education shall provide assistance for the state share of the incremental cost of regular school year Governor's Schools based on each participating locality's composite index of local ability-to-pay. Participating school divisions must certify that no tuition is assessed to students for participation in this program.

b. Out of the amounts for Governor's School Payments, the Department of Education shall provide assistance for the state share of the incremental cost of summer residential Governor's Schools and Foreign Language Academies to be based on the greater of the state's share of the composite index of local ability-to-pay or 50 percent. Participating school divisions must certify that no tuition is assessed to students for participation in this program if they are enrolled in a public school.

c. For the Summer Governor's Schools and Foreign Language Academies programs, the Superintendent of Public Instruction is authorized to adjust the tuition rates, types of programs offered, length of programs, and the number of students enrolled in order to maintain costs within the available state and local funds for these programs.

d. It shall be the policy of the Commonwealth that state general fund appropriations not be used for capital outlay, structural improvements, renovations, or fixed equipment costs associated with initiation of existing or proposed Governor's schools. State general fund appropriations may be used for the purchase of instructional equipment for such schools, subject to certification by the Superintendent of Public Instruction that at least an equal amount of funds has been committed by participating school divisions to such purchases.

e. The Board of Education shall not take any action that would increase the state's share of costs associated with the Governor's Schools as set forth in this Item. This provision shall not prohibit the Department of Education from submitting requests for the increased costs of existing programs resulting from updates to student enrollment for school divisions currently participating in existing programs or for school divisions that begin participation in existing programs.

f.1) Regular school year Governor's Schools are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs for each student attending a Governor's School up to a cap of 1,650 students per Governor's School in the first year and a cap of 1,725 students per Governor's School in the second year. This incremental per pupil payment shall be adjusted for the composite index of the school division that counts such students attending an academic year Governor's School in their March 31 Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the Governor's Schools for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the day that the student does not attend a Governor's School.

2) Students attending a revolving Academic Year Governor’s School program for only one semester shall be counted as 0.50 of a full-time equivalent student and will be funded for only fifty percent of the full-year funded per pupil amount. Funding for students attending a revolving Academic Year program will be adjusted based upon actual September 30thand January 30th enrollment each fiscal year. For purposes of this Item, revolving programs shall mean Academic Year Governor’s School programs that admit students on a semester basis.

3) Students attending a continuous, non-revolving Academic Year Governor’s School program shall be counted as a full-time equivalent student and will be funded for the full-year funded per pupil amount. Funding for students attending a continuous, non-revolving Academic Year Governor’s School program will be adjusted based upon actual September 30th student enrollment each fiscal year. For purposes of this Item, continuous, non-revolving programs

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shall mean Academic Year Governor's School programs that only admit students at the beginning of the school year. Fairfax County Public Schools shall not reduce local per pupil funding for the Thomas Jefferson Governor's School below the amounts appropriated for the 2003-2004 school year.

g. All regional Governor's Schools are encouraged to provide full-day grades 9 through 12 programs. Out of the amounts in this item, $100,000 the first year from the general fund is provided for existing Governor's Schools, as distributed by the Superintendent of Public Instruction, to plan for or study the feasibility of expanding, including via a merger with another Governor's School. Up to $100,000 the second year is provided as one-time start-up funding for such expansions.

h. Out of the amounts in this item, $100,000 the first year from the general fund is available towards planning for a full-day grades 9 through 12 regional science and technology Governor's School in the greater Hampton Roads area.

29. School Nutrition Payments

It is provided that, subject to implementation by the Superintendent of Public Instruction, no disbursement shall be made out of the appropriation for school nutrition to any locality in which the schools permit the sale of competitive foods in food service facilities or areas during the time of service of food funded pursuant to this Item.

30. School Breakfast Payments

a. Out of this appropriation, $3,693,543 the first year and ~~$3,837,586~~ *$3,612,556* the second year from the Lottery Proceeds Fund is included for the purpose of establishing a state funded incentive program to maximize federal school nutrition revenues and increase student participation in the school breakfast program. These funds are available to any school division as a reimbursement for breakfast meals served that are in excess of the baseline established by the Department of Education. The per meal reimbursement shall be $0.22; however, the department is authorized, but not required to reduce this amount proportionately in the event that the actual number of meals to be reimbursed exceeds the number on which this appropriation is based so that this appropriation is not exceeded.

b. In order to receive these funds, school divisions must certify that these funds will be used to supplement existing funds provided by the local governing body and that local funds derived from sources that are not generated by the school nutrition programs have not been reduced or eliminated. The funds shall be used to improve student participation in the school breakfast program. These efforts may include, but are not limited to, reducing the per meal price paid by students, reducing competitive food sales in order to improve the quality of nutritional offerings in schools, increasing access to the school breakfast program, or providing programs to increase parent and student knowledge of good nutritional practices. In no event shall these funds be used to reduce local tax revenues below the level appropriated to school nutrition programs in the prior year. Further, these funds must be provided to the school nutrition programs and may not be used for any other school purpose.

31. Clinical Faculty and Mentor Teacher Program Payments

This appropriation includes $1,000,000 the first year and $1,000,000 the second year from the Lottery Proceeds Fund to be paid to local school divisions for statewide Mentor Teacher Programs to assist pre-service teachers and beginning teachers to make a successful transition into full-time teaching. This appropriation also includes $318,750 the first year and $318,750 the second year from the general fund for Clinical Faculty programs to assist pre-service teachers and beginning teachers to make a successful transition into full-time teaching. Such programs shall include elements which are consistent with the following:

a. An application process for localities and school/higher education partnerships that wish to participate in the programs;

b. For Clinical Faculty programs only, provisions for a local funding or institutional commitment of 50 percent, to match state grants of 50 percent;

c. Program plans which include a description of the criteria for selection of clinical faculty and

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mentor teachers, training, support, and compensation for clinical faculty and mentor teachers, collaboration between the school division and institutions of higher education, the clinical faculty and mentor teacher assignment process, and a process for evaluation of the programs;

d. The Department of Education shall allow flexibility to local school divisions and higher education institutions regarding compensation for clinical faculty and mentor teachers consistent with these elements of the programs; and

e. It is the intent of the General Assembly that no preference between pre-service or beginning teacher programs be construed by the language in this Item. School divisions operating beginning teacher mentor programs shall receive equal consideration for funding.

32. Career Switcher/Alternative Licensure Payments

Appropriations in this Item include $279,983 the first year and $279,983 the second year from the general fund to provide grants to school divisions that employ mentor teachers for new teachers entering the profession through the alternative route to licensure as prescribed by the Board of Education.

33. Performance Pay Pilots

Out of this appropriation, $597,673 the first year from the general fund shall be used to provide competitive grants to school divisions to pilot models for awarding performance pay for instructional personnel in hard-to-staff schools as determined by the Department of Education, pursuant to grant proposals submitted pursuant to Item 132 C.34. Performance Pay Pilots, Chapter 890, 2011 Session.

34. Virginia Workplace Readiness Skills Assessment

Appropriations in this Item include $308,655 the first year and $308,655 the second year from the general fund to provide support grants to school divisions for standard diploma graduates. To provide flexibility, school divisions may use the state grants for the actual assessment or for other industry certification preparation and testing.

35. Out of this appropriation, $200,000 the first year from the general fund is allocated to support the purchase of EpiPens in the public schools in the Commonwealth.

36. Additional Assistance with Retirement, Inflation, and Preschool Costs

Out of this appropriation, $55,000,000 ~~each year~~ *the first year and $51,212,111 the second year from the general fund and $3,787,889 the second year from the Lottery Proceeds Fund* as one-time allocations shall be provided to school divisions as specified below to assist with costs of inflation, payments for the increase in the retirement employer contribution rates, and any one-time costs associated with local Virginia Preschool Initiative programs. No local match is required.

School Division	**FY 2013**	**FY 2014**
Accomack	$333,821	$331,854
Albemarle	$346,469	$347,509
Alleghany	$79,620	$80,950
Amelia	$99,474	$100,579
Amherst	$267,829	$262,835
Appomattox	$127,682	$129,076
Arlington	$440,137	$443,434
Augusta	$482,561	$485,749
Bath	$11,309	$10,709
Bedford	$396,230	$393,920
Bland	$51,189	$49,674
Botetourt	$184,575	$185,535
Brunswick	$172,639	$165,161
Buchanan	$165,528	$162,632
Buckingham	$116,568	$120,167
Campbell	$464,221	$460,210
Caroline	$241,094	$244,875

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1	Carroll	$141,860	$142,977		
2	Charles City	$38,416	$37,553		
3	Charlotte	$131,264	$134,202		
4	Chesterfield	$2,433,377	$2,461,414		
5	Clarke	$68,477	$67,502		
6	Craig	$38,923	$38,334		
7	Culpeper	$353,732	$361,755		
8	Cumberland	$102,456	$101,463		
9	Dickenson	$110,612	$108,805		
10	Dinwiddie	$231,651	$235,857		
11	Essex	$70,446	$71,304		
12	Fairfax	$4,075,421	$4,084,358		
13	Fauquier	$352,149	$356,247		
14	Floyd	$120,052	$120,843		
15	Fluvanna	$172,613	$173,291		
16	Franklin	$333,612	$332,655		
17	Frederick	$603,305	$609,929		
18	Giles	$148,501	$149,164		
19	Gloucester	$299,348	$298,736		
20	Goochland	$55,864	$56,323		
21	Grayson	$104,025	$102,767		
22	Greene	$152,824	$150,103		
23	Greensville	$88,186	$85,578		
24	Halifax	$277,003	$276,108		
25	Hanover	$729,463	$728,615		
26	Henrico	$2,244,737	$2,252,588		
27	Henry	$461,258	$452,295		
28	Highland	$12,510	$11,786		
29	Isle of Wight	$170,874	$180,398		
30	James City	$321,169	$332,798		
31	King George	$174,941	$180,273		
32	King & Queen	$42,983	$44,088		
33	King William	$109,481	$113,655		
34	Lancaster	$38,374	$39,462		
35	Lee	$212,928	$212,832		
36	Loudoun	$2,059,168	$2,141,738		
37	Louisa	$188,751	$191,830		
38	Lunenburg	$94,046	$97,009		
39	Madison	$69,818	$68,736		
40	Mathews	$38,058	$38,773		
41	Mecklenburg	$253,904	$250,370		
42	Middlesex	$28,483	$30,299		
43	Montgomery	$460,246	$464,146		
44	Nelson	$69,154	$69,859		
45	New Kent	$104,024	$105,214		
46	Northampton	$103,274	$103,811		
47	Northumberland	$46,726	$46,802		
48	Nottoway	$117,183	$117,181		
49	Orange	$222,910	$224,514		
50	Page	$187,900	$191,909		
51	Patrick	$128,565	$130,139		
52	Pittsylvania	$570,082	$567,604		
53	Powhatan	$196,224	$197,259		
54	Prince Edward	$130,404	$130,033		
55	Prince George	$374,834	$378,368		
56	Prince William	$3,867,010	$3,924,140		
57	Pulaski	$297,708	$293,120		
58	Rappahannock	$14,611	$14,033		
59	Richmond	$39,627	$40,941		
60	Roanoke	$629,707	$630,559		
61	Rockbridge	$102,293	$102,122		
62	Rockingham	$558,249	$561,639		
63	Russell	$215,638	$214,436		
64	Scott	$148,203	$152,977		

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Shenandoah		$316,165	$319,355		
Smyth		$307,294	$303,302		
Southampton		$119,910	$121,660		
Spotsylvania		$1,185,839	$1,197,347		
Stafford		$1,258,623	$1,271,531		
Surry		$25,378	$24,345		
Sussex		$93,740	$91,548		
Tazewell		$227,409	$238,435		
Warren		$284,035	$284,356		
Washington		$337,769	$338,131		
Westmoreland		$100,694	$99,648		
Wise		$357,801	$358,938		
Wythe		$218,460	$219,221		
York		$532,993	$532,416		
Alexandria		$748,551	$698,074		
Bristol		$102,102	$104,202		
Buena Vista		$53,168	$51,323		
Charlottesville		$224,089	$222,024		
Colonial Heights		$111,619	$110,181		
Covington		$44,260	$44,439		
Danville		$414,168	$416,652		
Falls Church		$26,408	$26,631		
Fredericksburg		$58,452	$52,707		
Galax		$56,672	$55,574		
Hampton		$1,291,315	$1,262,208		
Harrisonburg		$307,595	$318,329		
Hopewell		$234,149	$231,452		
Lynchburg		$468,992	$466,336		
Martinsville		$124,954	$123,959		
Newport News		$1,613,866	$1,572,192		
Norfolk		$2,089,089	$2,051,361		
Norton		$7,385	$6,928		
Petersburg		$324,722	$307,474		
Portsmouth		$812,752	$793,661		
Radford		$87,618	$86,400		
Richmond City		$1,651,427	$1,598,967		
Roanoke City		$563,065	$560,008		
Staunton		$103,500	$103,453		
Suffolk		$731,077	$762,901		
Virginia Beach		$3,479,228	$3,442,748		
Waynesboro		$150,816	$150,040		
Williamsburg		$12,926	$13,233		
Winchester		$150,492	$150,411		
Fairfax City		$63,875	$62,679		
Franklin City		$98,665	$92,009		
Chesapeake		$2,233,936	$2,231,102		
Lexington		$17,287	$17,175		
Emporia		$41,875	$36,966		
Salem		$134,631	$134,716		
Bedford City		$45,664	$45,270		
Poquoson		$75,891	$75,394		
Manassas City		$344,899	$344,710		
Manassas Park		$155,927	$155,981		
Colonial Beach		$26,129	$28,169		
West Point		$30,073	$31,240		
Total		**$55,000,000**	**$55,000,000**		

37. Compensation Supplements

a.1) The appropriation in this item includes ~~$70,164,391~~*$60,963,418* the second year from the general fund for the state share of a payment equivalent to a 2.0 percent salary incentive increase, effective August 1, 2013, for funded SOQ instructional and support positions. Funded SOQ instructional positions shall include the teacher, guidance counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for

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each school division in the biennium.

2) It is the intent of the General Assembly that the instructional and support position salaries be improved in school divisions throughout the state by at least 2.0 percent in the second year. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of a 2.0 percent salary increase for funded SOQ instructional and support positions, effective August 1, 2013, to school divisions which certify to the Department of Education, by June 15, 2013, that salary increases of a minimum of 2.0 percent have been provided in the second year by January 1, 2014, to instructional and support personnel. In certifying that the salary increases have been provided, school divisions may not include any salary increases that were provided in the second year solely to offset the cost of required member contributions to the Virginia Retirement System under § 51.1-144, Code of Virginia.

3) It is the intent of the General Assembly that all school divisions annually provide their employees, upon request, with a user-friendly statement of total compensation, including contract duration if less than 12 months.

b. The state funds for which the division is eligible to receive shall be matched by the local government, based on the composite index of local ability-to-pay, which shall be calculated using an effective date of January 1, 2014, as the basis for the local match requirement for both funded SOQ instructional and support positions.

c. This funding is not intended as a mandate to increase salaries.

d. This appropriation is contingent on passage of House Bill 2151/ Senate Bill 1223, which passed the 2013 Session of the General Assembly.

e. The Governor is hereby authorized to allocate a sum of up to ~~$70,164,391~~*$60,963,418* from this appropriation to the extent necessary to offset any downward revisions of the general fund revenue estimate prepared for fiscal years 2013 and 2014 after the enactment by the General Assembly of the 2012 Appropriation Act. If the general fund revenue estimates prepared subsequent to the 2012 General Assembly Session do not result in downward revisions and, if within five days of the preliminary close of the fiscal year ending on June 30, 2013, the Comptroller's analysis does not determine that a revenue re-forecast is required pursuant to § 2.2-1503.3, Code of Virginia, then such appropriation shall be used in the manner stated in paragraphs C.36.a.1) and 2), C.36.b.1) and 2), C.36.c., and C.36.d.1) and 2) and 3) above.

38. Strategic Compensation Grants Initiative

a. Out of this appropriation, ~~$7,500,000~~*$4,497,651* the second year from the general fund is provided to support implementation of the Strategic Compensation Grants (SCG) Initiative. This program will award competitive grants to school divisions for the design and implementation of compensation systems for teachers that provide incentives that are tailored to each participating school division's strategic goals and objectives. School divisions may expend up to five percent of the awarded grant funds for the design and implementation of compensation systems or for the administration of the program.

b. Any locality which desires to apply for this grant program must submit a proposal to the Department of Education by July 15, 2013. The proposal must designate the groups or types of teachers targeted for incentives in the compensation system. Incentives may focus on all teachers where quantitative student achievement data are available or specific groups of teachers within a division or school. These proposals may include, but are not limited to, the following incentives: 1) rewarding teachers who help students make significant academic progress; 2) rewarding teachers who seek opportunities to assist in the leadership needs of the school division, such as serving as instructional coaches or professional developers; 3) providing pay incentives for effective teachers with needed expertise who are willing to transfer to hard-to-staff or low-performing schools; 4) providing incentives for team performance in schools that achieve student learning goals; or 5) rewarding effective teachers who are assigned to teach critical shortage areas, such as mathematics and special education.

c. In order to be eligible to receive a strategic compensation grant, a school division's proposal must meet the following criteria: 1) stakeholder involvement in the development and implementation of the strategic compensation model at the school division; 2) teachers in the initiative must be evaluated using an effective evaluation system with quality measure systems,

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consistent with the Board of Education's evaluation standards and criteria, including a weight of 40 percent on student academic progress for the summative evaluation; 3) a significant component of the model for awarding incentives must include measureable and appropriate achievement goals for student academic progress; and 4) professional development must be an integral component of the model, including how a teacher will be supported to develop a school culture of teaching and learning, to improve instruction, and to increase student achievement. The Department of Education may also consider the geographic distribution of school divisions and the percentage of students attending hard-to-staff schools in making the competitive grant awards.

d. In order to be eligible to receive an award from the incentive program administered by the local school division and supported by the state SCG initiative, a teacher must meet the following eligibility criteria as well as other requirements established by the school division to receive incentives: 1) the teacher must be licensed to teach in Virginia and endorsed in the subject or grade level of the assignment; 2) in the case of federal core areas, the teacher must be highly qualified; 3) the teacher must be employed under a teacher contract (substitute teachers, hourly employees, or teacher aides are not eligible for an award); 4) the teacher must be employed by the local school board and provide or support direct instruction; and 5) the teacher receiving the award must be rated as successful, which shall be defined as "proficient or above" in performance evaluation ratings.

e. Any incentive for teachers included in a compensation system developed and implemented by a local school division must meet the following criteria: 1) designate incentive payments as a range or tiers for target groups, such as differentiating between the teacher of record or teachers in support positions; 2) have a maximum payment to a teacher of $5,000 per year; 3) prorate payments for teachers who have taught for less than a full school year; and 4) performance evaluations for participating teachers must be completed in a timeline that provides sufficient time to distribute incentive funds to teachers and submit reimbursement requests to the Department of Education no later than June 1, 2014.

39. Reading Specialists Initiative

a. An additional payment of ~~$1,430,868~~*$956,068* the second year from the general fund shall be disbursed by the Department of Education to qualifying local school divisions for the purpose of providing a reading specialist for any school with a third grade that has a school-wide pass rate of less than 75 percent on the reading Standards of Learning (SOL) assessments.

b. These payments shall be based on the state's share of the cost of providing one reading specialist per qualifying school based on the 2011-2012 SOL pass rates for reading.

c. These payments are available to any school division with a qualifying school that (1) certifies to the Department of Education that the division has hired a reading specialist to provide direct services to children reading below grade level in the school to improve reading achievement and (2) applies and receives a waiver for up to two years from the Board of Education for the administration of third grade SOL assessments in science or history and social science or both for the purpose of creating additional instructional time for reading specialists to work with students reading below grade level to improve reading achievement.

d. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

140. Not set out.

Total for Direct Aid to Public Education			**$6,686,096,372**	**~~$6,814,837,283~~** ***$6,791,786,169***
Fund Sources: General	$5,172,176,944	~~$5,342,473,570~~ *$5,240,274,596*		
Special	$895,000	$895,000		
Commonwealth Transportation	$2,173,000	$2,173,000		
Trust and Agency	$639,946,428	~~$598,390,713~~ *$677,538,573*		
Federal Trust	$870,905,000	$870,905,000		

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Grand Total for Department of Education, Central Office Operations			**$6,779,831,492**	**~~$6,909,769,794~~** ***$6,886,718,680***
General Fund Positions	136.00	136.00		
Nongeneral Fund Positions	178.50	178.50		
Position Level	314.50	314.50		
Fund Sources: General	$5,223,354,981	~~$5,394,848,998~~ *$5,292,650,024*		
Special	$5,357,690	$5,357,690		
Commonwealth Transportation	$2,416,919	$2,416,919		
Trust and Agency	$640,226,091	~~$598,670,376~~ *$677,818,236*		
Federal Trust	$908,475,811	$908,475,811		

141. Not set out.

142. Not set out.

143. Not set out.

§ 1-15. STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA (245)

144. Not set out.

145. Not set out.

146. Higher Education Academic, Fiscal, and Facility Planning and Coordination (11100)			$12,984,494	~~$13,196,461~~ *$13,200,920*
Higher Education Coordination and Review (11104)	$12,014,445	~~$12,226,412~~ *$12,230,871*		
Regulation of Private and Out-Of-State Institutions (11105)	$970,049	$970,049		
Fund Sources: General	$11,574,445	~~$11,786,412~~ *$11,790,871*		
Special	$970,049	$970,049		
Internal Service	$290,000	$290,000		
Federal Trust	$150,000	$150,000		

Authority: §§ 23-9.3, 23-9.6:1, 23-20, 23-38.13, and 23-38.45, Code of Virginia; SJR 22 (1949).

A. 1. It is the intent of the General Assembly to provide general fund support to contract at a level equivalent to the Tuition Assistance Grant undergraduate award with Mary Baldwin College for Virginia women resident students to participate in the Virginia Women's Institute for Leadership at Mary Baldwin College.

2. The amounts included in this item are $307,899 the first year and $307,899 the second year from the general fund for the programmatic administration of this program.

3. General fund appropriations provided under this contract include financial incentive for the participating students at Mary Baldwin College in the Virginia Women's Institute for Leadership Program. Students receiving this financial incentive will not be eligible for Tuition Assistance Grants.

B. In discharging the responsibilities specified in § 23-272 D, Code of Virginia, the State Council of Higher Education for Virginia shall provide exemptions to individual proprietorships, associations, co-partnerships or corporations which are now or in the future will be using the words "college" or "university" in their training programs solely for their employees or customers, which do not offer degree-granting programs, and whose name includes the word "college" or "university" in a context from which it clearly appears that such

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entity is not an educational institution.

C. Out of the appropriation for Higher Education Coordination and Review, $7,403,177 the first year and $7,403,177 the second year from the general fund is provided for continuation of the Virtual Library of Virginia. Funding for the Virtual Library of Virginia is provided for the benefit of students and faculty at the Commonwealth's public institutions of higher education and participating nonprofit, independent private colleges and universities. Out of this amount, $396,785 the first year and $396,785 the second year is earmarked to allow the participation of nonprofit, independent private colleges and universities.

D. The State Council of Higher Education for Virginia and the Secretary of Education, in conjunction with the three medical schools, University of Virginia, Virginia Commonwealth University, and Eastern Virginia Medical School, shall monitor the results of the Generalist Initiative, especially the decisions of graduates from the undergraduate medical programs to enter generalist residencies, and the composition of the residencies in the two associated academic health centers. It is the intent of the General Assembly that the three medical schools shall maintain the efforts to educate and train sufficient generalist physicians to meet the needs of the Commonwealth, recognizing the Commonwealth’s need for generalist physicians in medically underserved regions of the state. Further, the medical schools shall support medical education and training in the principles of generalist medicine for all undergraduate medical students, regardless of their chosen specialty or field of study.

E. Out of this appropriation, $950,366 and eight positions the first year and $950,366 and eight positions the second year from nongeneral funds is provided to support higher education coordination and review services, including expenses incurred in the regulation and oversight of the private and out-of-state postsecondary institutions and proprietary schools operating in Virginia. These funds will be generated through fee schedules developed pursuant to § 23-276.9, Code of Virginia.

F. The State Council of Higher Education for Virginia, in consultation with the House Appropriations Committee, the Senate Finance Committee, the Department of General Services, and the Department of Planning and Budget, shall develop a six-year capital outlay plan for higher education institutions including affiliated entities. As a part of this plan SCHEV shall consider (i) current funding mechanisms for capital projects and improvements at the Commonwealth's institutions of higher education, including general obligation bonds and other viable funding methods; (ii) mechanisms to assist private institutions of higher education in the Commonwealth with their capital needs.

G. The Executive Director, State Council of Higher Education for Virginia, may appoint an advisory committee to assist the council with technology-enriched learning initiatives. The advisory committee may assist the council in (i) developing innovative, cost-effective, technology-enriched teaching and learning initiatives, including distance and distributed learning initiatives; (ii) improving cooperation among and between the public and private institutions of higher education in the Commonwealth; (iii) improving efficiency and expand the availability of technology-enriched courses; and (iv) facilitating the sharing of research and experience to improve student learning.

H. Out of this appropriation, $150,000 the first year and $150,000 the second year from nongeneral funds is designated to cover the costs of federal education support programs.

I. The State Council of Higher Education for Virginia shall include Eastern Virginia Medical School in any calculations used to determine the funding requirements for state medical schools.

J.1. Higher Education Coordination and Review includes an internal service fund to support review of capital projects. This internal service fund shall consist of fees imposed upon capital projects approved for institutions of higher education for the review of proposed capital outlay projects. The estimated total amount to be collected by this fund is a sum sufficient estimated at $290,000 each year.

2. In administering this internal service fund, the State Council of Higher Education for Virginia shall provide capital project review services to institutions of higher education and produce capital project analysis work products for the Department of Planning and Budget and the General Assembly.

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K. In addition to the reviews conducted under §§ 23-9.6:1.01 and 23-38.87:17, the State Council of Higher Education shall evaluate the progress of individual initiatives funded in this Act as part of the incentive funding provided to colleges and universities with regard to improvements in retention, graduation, degree production and other criteria the Council deems appropriate.

L. Out of this appropriation, $160,295 the second year from the general fund is designated to support research and analysis and the enhancement of consumer information regarding higher education.

147. Not set out.

148. Not set out.

Total for State Council of Higher Education for Virginia			**$87,315,583**	**~~$90,409,583~~** ***$90,414,042***
General Fund Positions	31.00	32.00		
Nongeneral Fund Positions	17.00	17.00		
Position Level	48.00	49.00		
Fund Sources: General	$77,890,077	~~$80,984,077~~ *$80,988,536*		
Special	$1,055,049	$1,055,049		
Internal Service	$290,000	$290,000		
Dedicated Special Revenue	$250,000	$250,000		
Federal Trust	$7,830,457	$7,830,457		

§ 1-16. CHRISTOPHER NEWPORT UNIVERSITY (242)

149. Educational and General Programs (10000)			$58,839,749	~~$59,735,022~~ *$61,257,452*
Higher Education Instruction (100101)	$28,173,419	~~$29,065,940~~ *$29,722,455*		
Higher Education Research (100102)	$1,961,180	$1,961,180		
Higher Education Academic Support (100104)	$7,871,032	~~$7,871,032~~ *$7,961,032*		
Higher Education Student Services (100105)	$5,609,973	~~$5,609,973~~ *$5,938,970*		
Higher Education Institutional Support (100106)	$7,121,845	~~$7,121,845~~ *$7,258,587*		
Operation and Maintenance of Plant (100107)	$8,102,300	~~$8,105,052~~ *$8,415,228*		
Fund Sources: General	$23,779,417	$24,479,716		
Higher Education Operating	$35,060,332	~~$35,255,306~~ *$36,777,736*		

Authority: Title 23, Chapter 5.3, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

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	C.1. Out of this appropriation, $751,663 each year from the general fund is designated for base operating support.				
	2. Out of this appropriation, $255,673 each year from the general fund is designated to address efforts to improve retention and graduation through the student success initiative.				
	D. 1. Out of this appropriation, $440,847 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the Christopher Newport University in the fall 2011. Christopher Newport University shall utilize these funds to implement expansion of the President's Leadership Program and new academic STEM programs consistent with its liberal arts and science mission.				
	2. Christopher Newport University shall reallocate $334,796 the first year and $446,394 the second year from current educational and general program funds either to support the initiatives identified in paragraph D.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.				
	3. Christopher Newport University may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.				
150.	Not set out.				
151.	Not set out.				
152.	Higher Education Auxiliary Enterprises (80900)				
	a sum sufficient, estimated at			$58,039,686	~~$58,811,548~~ *$60,050,008*
	Food Services (80910)	$9,645,664	~~$9,968,517~~ *$10,305,262*		
	Bookstores and other Stores (80920)	$4,709,300	$4,709,300		
	Residential Services (80930)	$20,371,468	~~$20,367,968~~ *$21,269,683*		
	Parking and Transportation Systems and Services (80940)	$1,663,520	$1,662,538		
	Recreational and Intramural Programs (80980)	$135,000	$135,000		
	Other Enterprise Functions (80990)	$11,959,892	$12,009,610		
	Intercollegiate Athletics (80995)	$9,554,842	$9,958,615		
	Fund Sources: Higher Education Operating	$41,832,378	~~$41,832,378~~ *$43,070,838*		
	Debt Service	$16,207,308	$16,979,170		
	Authority: Title 23, Chapter 5.3, Code of Virginia.				
	Total for Christopher Newport University			**$123,592,807**	**~~$125,511,559~~** ***$128,272,449***
	General Fund Positions	337.96	337.96		
	Nongeneral Fund Positions	500.78	~~500.78~~ *505.78*		
	Position Level	838.74	~~838.74~~ *843.74*		
	Fund Sources: General	$28,108,907	$29,060,823		
	Higher Education Operating	$79,276,592	~~$79,471,566~~ *$82,232,456*		
	Debt Service	$16,207,308	$16,979,170		
	§ 1-17. THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA (204)				
153.	Educational and General Programs (10000)			$164,473,474	~~$166,907,843~~ *$170,707,843*
	Higher Education Instruction (100101)	$89,281,150	~~$91,721,457~~		

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		$94,651,457		
Higher Education Research (100102)	$829,512	$829,512		
Higher Education Public Services (100103)	$8,498	$8,498		
Higher Education Academic Support (100104)	$23,843,342	~~$23,843,342~~		
		$24,713,342		
Higher Education Student Services (100105)	$6,895,964	$6,895,964		
Higher Education Institutional Support (100106)	$17,179,678	$17,179,678		
Operation and Maintenance of Plant (100107)	$26,435,330	$26,429,392		
Fund Sources: General	$36,843,298	$38,343,452		
Higher Education Operating	$118,453,744	~~$119,393,897~~		
		$123,193,897		
Debt Service	$9,176,432	$9,170,494		

Authority: Title 23, Chapter 5, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between the College of William and Mary and the Commonwealth, as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly.

D.1. Out of this appropriation, $416,352 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $193,080 each year from the general fund is designated to continue the increase in access for in-state undergraduate students begun in the 2011 Session.

E.1. Out of this appropriation, $487,758 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the College of William and Mary in the fall 2011. The College of William and Mary shall utilize these funds to implement a new minor in marine science and expansion of student research opportunities consistent with its Quality Enhancement Program.

2. The College of William and Mary shall reallocate $535,824 the first year and $714,432 the second year from current educational and general program funds either to support the initiatives identified in paragraph E.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. The College of William and Mary may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

F. Out of this appropriation, $200,000 the second year from the general fund is designated to support the planning and activities related to a potential merger or partnership with the Eastern Virginia Medical School.

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154.	Not set out.				
155.	Not set out.				
156.	Not set out.				
	Total for The College of William and Mary in Virginia..			**$284,968,225**	**~~$289,002,010~~** ***$292,802,010***
	General Fund Positions	542.66	542.66		
	Nongeneral Fund Positions	868.96	868.96		
	Position Level	1,411.62	1,411.62		
	Fund Sources: General	$40,663,169	$42,402,263		
	Higher Education Operating	$221,002,110	~~$221,942,263~~ *$225,742,263*		
	Debt Service	$23,302,946	$24,657,484		
157.	Not set out.				
158.	Not set out.				
159.	Not set out.				
160.	Not set out.				
161.	Not set out.				
162.	Not set out.				
163.	Not set out.				
	Grand Total for The College of William and Mary in Virginia			**$340,452,119**	**~~$345,114,348~~** ***$348,914,348***
	General Fund Positions	892.86	894.11		
	Nongeneral Fund Positions	1,009.67	1,009.67		
	Position Level	1,902.53	1,903.78		
	Fund Sources: General	$63,729,868	$66,063,220		
	Higher Education Operating	$253,419,305	~~$254,393,644~~ *$258,193,644*		
	Debt Service	$23,302,946	$24,657,484		
	§ 1-18. GEORGE MASON UNIVERSITY (247)				
164.	Educational and General Programs (10000)			$411,849,640	~~$423,481,625~~ *$438,481,625*
	Higher Education Instruction (100101)	$241,883,066	~~$253,515,051~~ *$268,515,051*		
	Higher Education Research (100102)	$7,845,215	$7,845,215		
	Higher Education Public Services (100103)	$1,898,284	$1,898,284		
	Higher Education Academic Support (100104)	$57,285,072	$57,285,072		
	Higher Education Student Services (100105)	$18,467,328	$18,467,328		
	Higher Education Institutional Support (100106)	$42,874,155	$42,874,155		
	Operation and Maintenance of Plant (100107)	$41,596,520	$41,596,520		
	Fund Sources: General	$112,149,834	$116,066,517		
	Higher Education Operating	$299,699,806	~~$307,415,108~~ *$322,415,108*		
	Authority: Title 23, Chapter 9.1, Code of Virginia.				

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A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals as described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. Out of this appropriation, an amount estimated at $289,614 the first year and $289,614 the second year from the general fund and $124,120 the first year and $124,120 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

C. Out of this appropriation, $459,125 the first year and $459,125 the second year from the general fund is designated for the Institute for Conflict Analysis.

D. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

E. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is designated to support the Potomac Bay Science Center.

F.1. Out of this appropriation, $1,838,892 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $1,478,839 each year from the general fund is designated to address the projected growth in transfer students and support efforts to improve retention and graduation through the MapWorks project.

3. Out of this appropriation, $100,000 the second year from the general fund is designated to support a partnership between George Mason University and the Center for Excellence in Education to enhance the capabilities of school teachers to teach STEM programs. The funding will allow for (a) five additional "Bite of Science" programs impacting over 125 teachers and 17,125 students, (b) four Teacher Roundtables impacting over 100 teachers and 13,700 students and (c) a part-time staff dedicated to the enhancement of materials in the Teacher Enrichment Program Clearinghouse, an online compendium of science resources for Virginia teachers.

G.1. Out of this appropriation, $1,174,753 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the George Mason University in the fall 2011. George Mason University shall utilize these funds to implement expansion of distance education offerings and expand facilities and space utilization across the University's distributed campuses.

2. George Mason University shall reallocate $1,605,735 the first year and $2,140,980 the second year from current educational and general program funds either to support the initiatives identified in paragraph G.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. George Mason University may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

H. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech and CISCO Systems, Inc., was established to utilize emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the four institutions will be leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. It is expected

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	that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.				
165.	Not set out.				
166.	Not set out.				
167.	Not set out.				
	Total for George Mason University			**$824,536,809**	**~~$856,217,946~~** ***$871,217,946***
	General Fund Positions	1,082.14	1,082.14		
	Nongeneral Fund Positions	2,876.57	~~2,886.57~~ *3,056.57*		
	Position Level	3,958.71	~~3,968.71~~ *4,138.71*		
	Fund Sources: General	$129,421,398	$134,694,996		
	Higher Education Operating	$652,273,211	~~$678,680,750~~ *$693,680,750*		
	Debt Service	$42,842,200	$42,842,200		
	§ 1-19. JAMES MADISON UNIVERSITY (216)				
168.	Educational and General Programs (10000)			$246,835,534	~~$250,955,830~~ *$260,591,595*
	Higher Education Instruction (100101)	$132,555,218	~~$136,669,628~~ *$138,406,058*		
	Higher Education Research (100102)	$720,917	~~$720,917~~ *$742,354*		
	Higher Education Public Services (100103)	$846,663	~~$846,663~~ *$1,145,164*		
	Higher Education Academic Support (100104)	$31,643,552	~~$31,643,552~~ *$34,141,187*		
	Higher Education Student Services (100105)	$13,959,876	~~$13,959,876~~ *$15,729,895*		
	Higher Education Institutional Support (100106)	$36,725,978	~~$36,731,864~~ *$38,378,610*		
	Operation and Maintenance of Plant (100107)	$30,383,330	~~$30,383,330~~ *$32,048,327*		
	Fund Sources: General	$66,728,837	$69,808,843		
	Higher Education Operating	$178,245,611	~~$179,285,901~~ *$188,921,666*		
	Debt Service	$1,861,086	$1,861,086		

Authority: Title 23, Chapter 12.1, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. The university is authorized to continue offering its existing doctoral degree in psychology and a limited number of other doctoral programs in specialized areas with approval from the State Council of Higher Education for Virginia. These doctoral programs are niche programs, consistent with the comprehensive mission of the university, and are targeted to meet critical needs in the Commonwealth.

C. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of

ITEM 168.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

D.1. Out of this appropriation, $1,647,698 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $1,820,338 each year from the general fund is designated to continue the increase in access for in-state undergraduate students begun in the 2011 Session, support the projected growth in transfer students and improve retention and graduation through additional advising for both transfers and students in high demand majors.

E.1. Out of this appropriation, $991,683 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the James Madison University in the fall 2011. James Madison University shall utilize these funds to implement expansion of nursing programs and to expand existing programs in computer forensics and biophysical chemistry.

2. James Madison University shall reallocate $933,998 the first year and $1,245,331 the second year from current educational and general program funds either to support the initiatives identified in paragraph E.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. James Madison University may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

F. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech and CISCO Systems, Inc., was established to utilize emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the four institutions will be leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.

169. Higher Education Student Financial Assistance (10800)..			$11,178,961	~~$11,732,430~~ *$12,532,493*
Scholarships (10810).....	$10,788,739	~~$11,190,560~~ *$11,990,623*		
Fellowships (10820).....	$390,222	$541,870		
Fund Sources: General.....	$7,407,489	$7,960,958		
Higher Education Operating.....	$3,771,472	~~$3,771,472~~ *$4,571,535*		

Authority: Title 23, Chapter 12.1, Code of Virginia.

170. Not set out.

171. Not set out.

Total for James Madison University.....			**$467,748,894**	**~~$485,927,207~~** ***$496,363,035***
General Fund Positions.....	1,032.18	~~1,032.18~~ *1,071.17*		
Nongeneral Fund Positions.....	2,110.58	~~2,110.58~~ *2,157.59*		
Position Level	3,142.76	~~3,142.76~~ *3,228.76*		

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	Fund Sources: General	$74,136,326	$77,769,801		
	Higher Education Operating	$361,542,595	~~$365,132,301~~ *$375,568,129*		
	Debt Service	$32,069,973	$43,025,105		

§ 1-20. LONGWOOD UNIVERSITY (214)

172.	Educational and General Programs (10000)			$55,894,159	~~$56,632,601~~ *$58,435,026*
	Higher Education Instruction (100101)	$27,508,773	~~$28,244,757~~ *$29,200,042*		
	Higher Education Public Services (100103)	$619,982	$619,982		
	Higher Education Academic Support (100104)	$8,865,239	~~$8,865,239~~ *$9,694,354*		
	Higher Education Student Services (100105)	$3,844,859	~~$3,844,859~~ *$3,862,884*		
	Higher Education Institutional Support (100106)	$8,835,493	$8,837,951		
	Operation and Maintenance of Plant (100107)	$6,219,813	$6,219,813		
	Fund Sources: General	$23,038,180	$23,618,254		
	Higher Education Operating	$32,855,979	~~$33,014,347~~ *$34,816,772*		

Authority: Title 23, Chapter 15, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in Section 4-2.01 b. of this Act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C.1. Out of this appropriation, $543,557 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $202,614 each year from the general fund is designated to address the projected growth in transfer students and efforts to improve retention and graduation through the student success initiative.

D.1. Out of this appropriation, $372,592 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the Longwood University in the fall 2011. Longwood University shall utilize these funds to increase the use of distance learning to off-campus sites in Emporia, South Boston and Martinsville, to expand nursing programs and to develop a center of logistics research at Fort Lee in cooperation with the University of Virginia and Virginia State University.

2. Longwood University shall reallocate $329,061 the first year and $438,749 the second year from current educational and general program funds either to support the initiatives identified in paragraph D.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. Longwood University may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

ITEM 173.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
173.	Not set out.				
174.	Not set out.				
175.	Not set out.				
	Total for Longwood University.....			**$108,305,612**	**~~$111,549,210~~** ***$113,351,635***
	General Fund Positions.....	282.89	283.89		
	Nongeneral Fund Positions.....	451.67	471.67		
	Position Level	734.56	755.56		
	Fund Sources: General.....	$26,994,115	$27,801,096		
	Higher Education Operating.....	$73,724,186	~~$76,160,803~~ *$77,963,228*		
	Debt Service.....	$7,587,311	$7,587,311		
176.	Not set out.				
177.	Not set out.				
178.	Not set out.				
179.	Not set out.				

§ 1-21. OLD DOMINION UNIVERSITY (221)

180.	Educational and General Programs (10000).....			$225,044,227	~~$232,000,772~~ *$239,289,561*
	Higher Education Instruction (100101).....	$122,229,577	~~$129,186,122~~ *$131,186,122*		
	Higher Education Research (100102)	$4,736,100	$4,736,100		
	Higher Education Public Services (100103).....	$254,489	$254,489		
	Higher Education Academic Support (100104).....	$40,989,479	~~$40,989,479~~ *$45,903,268*		
	Higher Education Student Services (100105).....	$10,918,633	~~$10,918,633~~ *$11,293,633*		
	Higher Education Institutional Support (100106).....	$25,128,091	$25,128,091		
	Operation and Maintenance of Plant (100107).....	$20,787,858	$20,787,858		
	Fund Sources: General.....	$97,649,766	$103,809,827		
	Higher Education Operating.....	$127,394,461	~~$128,190,945~~ *$135,479,734*		

Authority: Title 23, Chapter 5.2, Code of Virginia.

A.1. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

2. Out of this appropriation, the university may allocate funds to expand enrollment capacity through expansion of distance learning, TELETECHNET and summer school.

B. Out of this appropriation, $431,013 the first year and $431,013 the second year from the general fund and $198,244 the first year and $198,244 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

C.1. Out of this appropriation, $4,017,308 and 23.88 positions the first year and $4,017,308 and 23.88 positions the second year from the general fund and $1,440,000 and 12.62 positions

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the first year and $1,440,000 and 12.62 positions the second year from nongeneral funds are designated to operate distance learning sites across the Commonwealth.

2. Out of this appropriation, $60,527 the first year and $60,527 the second year from the general fund is designated for the expansion of distance learning to the Lord Fairfax Community College's Luray-Page Center to establish a bachelor's degree program.

D. Notwithstanding § 55-297, Code of Virginia, Old Dominion University is hereby designated as the administrative agency for the Virginia Coordinate System.

E. Notwithstanding § 23-7.4:2, Code of Virginia, the governing board of Old Dominion University may charge reduced tuition to any person enrolled in one of Old Dominion University's TELETECHNET sites or higher education centers who lives within a 50-mile radius of the site/center, is domiciled in, and is entitled to in-state tuition charges in the institutions of higher learning in any state, or the District of Columbia, which is contiguous to Virginia and which has similar reciprocal provisions for persons domiciled in Virginia.

F. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

G. Old Dominion University shall collaborate with the Virginia Maritime Foundation in support of its maritime and sailing programs in the College of Arts and Letters, the College of Science and the Athletics Department. To that end, the General Assembly authorizes Old Dominion University to accept and utilize assets of the Virginia Maritime Foundation.

H.1. Out of this appropriation, $3,539,864 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $1,709,439 each year from the general fund is designated to address the projected growth in transfer students, efforts to improve retention and graduation through the addition of upper level courses, and increased advising at the sophomore level.

I.1. Out of this appropriation, $1,373,927 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the Old Dominion University in the fall 2011. Old Dominion University shall utilize these funds to implement expansion of on-line degree programs in high demand fields, increased STEM production, and increased modeling and simulation capacity.

2. Old Dominion University shall reallocate $1,361,685 the first year and $1,815,581 the second year from current educational and general program funds either to support the initiatives identified in paragraph I.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. Old Dominion University may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

4. Out of this appropriation, $220,000 the first year and $320,000 the second year from the general fund is designated to provide opportunity for 80 students per year to be engaged in STEM education using aerospace, high tech science, technology and engineering in partnership with NASA Wallops Flight Facility. Old Dominion University will collaborate with the Virginia Space Grant Consortium and STEM educators to identify the students who will participate in the program each year. The funding in paragraph I.4. will not be considered as a resource for purposes of funding guidelines.

J. Out of this appropriation, $125,000 the second year from the general fund is designated to plan a joint School of Public Health with Eastern Virginia Medical School.

ITEM 181.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
181.	Not set out.				
182.	Not set out.				
183.	Not set out.				
	Total for Old Dominion University			**$353,848,408**	**~~$361,925,280~~** ***$369,214,069***
	General Fund Positions.....	981.21	981.21		
	Nongeneral Fund Positions.....	1,324.98	1,324.98		
	Position Level	2,306.19	2,306.19		
	Fund Sources: General.....	$118,560,361	$125,840,749		
	Higher Education Operating.....	$212,670,566	~~$213,467,050~~ *$220,755,839*		
	Debt Service.....	$22,617,481	$22,617,481		
	§ 1-22. RADFORD UNIVERSITY (217)				
184.	Educational and General Programs (10000)			$102,003,630	~~$105,789,076~~ *$112,636,304*
	Higher Education Instruction (100101).....	$62,005,457	~~$64,898,912~~ *$69,172,690*		
	Higher Education Public Services (100103).....	$599,951	$599,951		
	Higher Education Academic Support (100104).....	$9,103,642	~~$9,315,525~~ *$9,892,881*		
	Higher Education Student Services (100105).....	$5,011,134	~~$5,127,768~~ *$5,456,903*		
	Higher Education Institutional Support (100106).....	$16,296,100	~~$16,648,656~~ *$17,727,506*		
	Operation and Maintenance of Plant (100107).....	$8,987,346	~~$9,198,264~~ *$9,786,373*		
	Fund Sources: General.....	$42,168,708	$43,456,527		
	Higher Education Operating.....	$59,834,922	~~$62,332,549~~ *$69,179,777*		

Authority: Title 23, Chapter 11.1, Code ofVirginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C.1. Out of this appropriation, $962,943 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $866,958 each year from the general fund is designated to address the projected growth in transfer students and efforts to improve retention and graduation through increased advising and student engagement programs.

D.1. Out of this appropriation, $666,535 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the Radford University in the fall 2011. Radford University shall utilize these funds to establish accelerated degree options to

ITEM 184.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	include expanded distance education options.				
	2. Radford University shall reallocate $594,920 the first year and $793,227 the second year from current educational and general program funds either to support the initiatives identified in paragraph D.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.				
	3. Radford University may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.				
185.	Not set out.				
186.	Not set out.				
187.	Not set out.				
	Total for Radford University.....			**$175,277,520**	**~~$184,464,867~~** ***$191,312,095***
	General Fund Positions.....	633.91	633.91		
	Nongeneral Fund Positions.....	756.13	~~756.13~~ *811.17*		
	Position Level	1,390.04	~~1,390.04~~ *1,445.08*		
	Fund Sources: General.....	$49,754,037	$51,543,757		
	Higher Education Operating.....	$123,423,483	~~$129,521,110~~ *$136,368,338*		
	Debt Service.....	$2,100,000	$3,400,000		
188.	Not set out.				
189.	Not set out.				
190.	Not set out.				
191.	Not set out.				
192.	Not set out.				
193.	Not set out.				
194.	Not set out.				
	§ 1-23. UNIVERSITY OF VIRGINIA (207)				
195.	Educational and General Programs (10000).....			$541,384,335	~~$548,072,346~~ *$574,665,346*
	Higher Education Instruction (100101).....	$269,753,335	~~$276,441,346~~ *$284,432,913*		
	Higher Education Research (100102)	$8,115,000	~~$8,115,000~~ *$7,467,578*		
	Higher Education Public Services (100103).....	$4,290,000	~~$4,290,000~~ *$4,693,060*		
	Higher Education Academic Support (100104).....	$90,021,000	~~$90,021,000~~ *$98,468,060*		
	Higher Education Student Services (100105).....	$25,382,000	~~$25,382,000~~ *$35,577,917*		
	Higher Education Institutional Support (100106).....	$37,927,000	~~$37,927,000~~ *$37,346,385*		
	Operation and Maintenance of Plant (100107).....	$105,896,000	~~$105,896,000~~ *$106,679,433*		

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Fund Sources: General	$115,745,947	$119,515,037		
Higher Education Operating	$422,758,388	~~$425,677,309~~ *$452,270,309*		
Debt Service	$2,880,000	$2,880,000		

Authority: Title 23, Chapter 9, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B.1. This appropriation includes an amount not to exceed $1,349,795 the first year and $1,393,959 the second year from the general fund for the operation of the Family Practice Residency Program and Family Practice medical student programs. This appropriation for Family Practice programs, whether ultimately implemented by contract, agreement or other means, is considered to be a grant.

2. The university shall report by July 1 annually to the Department of Planning and Budget an operating plan for the Family Practice Residency Program.

3. The University of Virginia, in cooperation with the Virginia Commonwealth University Health System Authority, shall establish elective Family Practice Medicine experiences in Southwest Virginia for both students and residents.

4. In the event the Governor imposes across-the-board general fund reductions, pursuant to his executive authority in §4-1.02 of this act, the general fund appropriation for the Family Practice programs shall be exempt from any reductions, provided the general fund appropriation for the family practice program is excluded from the total general fund appropriation for the University of Virginia for purposes of determining the university's portion of the statewide general fund reduction requirement.

C. Out of this appropriation, $1,044,176 the first year and $1,119,176 the second year from the general fund is designated for the Virginia Foundation for Humanities and Public Policy. Pursuant to House Joint Resolution 762, 1999 Session of the General Assembly, funds in this Item begin to address the objective of appropriating one dollar per capita for the support of the Foundation.

D. Out of this appropriation, an amount estimated at $527,610 the first year and $527,610 the second year from the general fund and at least $468,850 the first year and at least $468,850 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

E. Out of this appropriation, $192,954 the first year and $192,954 the second year from the general fund, and at least $283,500 the first year and at least $283,500 the second year from nongeneral funds are designated for the independent Virginia Institute of Government at the University of Virginia Center for Public Service.

F. It is the intent of the General Assembly that the University of Virginia, in conjunction with the Eastern Virginia Medical School and Virginia Commonwealth University, maintain its efforts to educate and train sufficient generalist physicians to meet the needs of the Commonwealth, recognizing the Commonwealth's need for generalist physicians in medically underserved regions of the state. Further, it is the intent that the university support medical education and training in the principles of generalist medicine for all undergraduate medical students, regardless of their chosen specialty or field of study.

G. It is the intent of the General Assembly to assist the three Virginia medical schools as they respond to changes in the need for delivery and financing of medical education, both undergraduate and graduate.

H. Out of this appropriation, at least $156,397 the first year and $156,397 the second year from

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the general fund is designated for support of diabetes education and public service at the Virginia Center for Diabetes Professional Education at the University of Virginia.

I.1. Out of this appropriation, $446,074 the first year and $446,074 the second year from the general fund is designated for the Center for Politics at the University of Virginia to conduct and preserve oral histories with senior public officials, to conduct the Virginia Youth Leadership Initiative which educates students in Virginia's secondary schools in the democratic process, and to develop programs that foster increased public awareness of the electoral system.

2. Out of this appropriation, $88,480 the first year and $88,480 the second year from the general fund is designated to the Center of Politics to provide civic education resources to all public elementary and secondary schools in the Commonwealth.

J. Out of this appropriation $251,146 the first year and $251,146 the second year from the general fund and $53,189 the first year and $53,189 the second year from nongeneral funds are designated for support of the State Arboretum at Blandy Farm.

K. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

L. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between the University of Virginia and the Commonwealth, as set forth in Chapters 933 and 943, of the 2006 Acts of Assembly.

M.1. Out of this appropriation, $1,760,311 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $691,207 each year from the general fund is designated to continue the increase in access for in-state undergraduate students begun in the 2011 Session.

N.1. Out of this appropriation, $800,324 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the University of Virginia in the fall 2011. The University of Virginia shall utilize these funds to increase degree production in STEM disciplines, to develop a center of logistics research at Fort Lee in cooperation with Virginia State University and the Longwood University and to continue growth of degree programs with an online component including the Commonwealth Graduate Engineering Program, Produced in Virginia program, Master of Education partnership with Teach for America and the Global Executive MBA programs.

2. The University of Virginia shall reallocate $1,682,135 first year and $2,242,847 the second year from current educational and general program funds either to support the initiatives identified in paragraph N.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. The University of Virginia may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

4. Out of this appropriation, $218,400 each year from the general fund is designated to develop a summer STEM experience program in partnership with the Virginia Space Grant Consortium and the National Institute of Aerospace. The program will provide hands-on experience in science, technology, engineering and mathematics for 120 students. The Virginia Space Grant Consortium will work with the University of Virginia to identify the students and collect program evaluation data. The funding in paragraph N.3. will not be considered as a resource for purposes of funding guidelines.

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O. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech and CISCO Systems, Inc., was established to utilize emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the four institutions will be leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.				
196. Higher Education Student Financial Assistance (10800)..			$69,278,488	~~$73,350,365~~ *$75,309,365*
Scholarships (10810).....	$29,273,455	~~$37,971,695~~ *$39,575,735*		
Fellowships (10820).....	$40,005,033	~~$35,378,670~~ *$35,733,630*		
Fund Sources: General.....	$9,878,488	$10,524,365		
Higher Education Operating.....	$59,400,000	~~$62,826,000~~ *$64,785,000*		
Authority: Title 23, Chapter 9, Code of Virginia.				
A. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the revenue collected to meet student financial aid needs, under the terms of the management agreement between the university and the Commonwealth as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly.				
B. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund, shall be provided to support public-private sector partnerships in order to maximize the number of newly licensed nurses and increase the supply of nursing faculty.				
197. Not set out.				
198. Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at.....			$177,274,000	~~$181,117,000~~ *$200,415,000*
Food Services (80910).....	*$0*	*$4,172,700*		
Residential Services (80930).....	$26,243,000	~~$26,243,000~~ *$37,823,244*		
Parking and Transportation Systems and Services (80940).....	$12,444,000	~~$12,444,000~~ *$11,498,400*		
Telecommunications Systems and Services (80950).....	$195,000	~~$195,000~~ *$15,752,662*		
Student Health Services (80960).....	$8,770,000	~~$8,770,000~~ *$8,837,978*		
Student Unions and Recreational Facilities (80970).....	*$0*	*$5,315,551*		
Recreational and Intramural Programs (80980).....	$4,545,000	~~$4,545,000~~ *$9,400,926*		
Other Enterprise Functions (80990).....	$94,116,000	~~$97,959,000~~ *$65,529,489*		
Intercollegiate Athletics (80995).....	$30,961,000	~~$30,961,000~~ *$42,084,050*		
Fund Sources: Higher Education Operating.....	$155,416,000	~~$159,259,000~~ *$178,557,000*		
Debt Service.....	$21,858,000	$21,858,000		
Authority: Title 23, Chapter 9, Code of Virginia.				
Total for University of Virginia.....			**$1,096,300,155**	~~**$1,096,605,043**~~ ***$1,144,455,043***

ITEM 198.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	General Fund Positions	1,082.63	1,082.63		
	Nongeneral Fund Positions	6,735.33	~~6,735.33~~ *6,658.43*		
	Position Level	7,817.96	~~7,817.96~~ *7,741.06*		
	Fund Sources: General	$130,356,767	$136,771,734		
	Higher Education Operating	$920,527,388	~~$912,285,309~~ *$960,135,309*		
	Debt Service	$45,416,000	$47,548,000		
199.	Not set out.				
200.	Not set out.				
201.	Not set out.				
	University of Virginia's College at Wise (246)				
202.	Educational and General Programs (10000)			$20,626,587	~~$21,139,661~~ *$21,385,661*
	Higher Education Instruction (100101)	$10,000,600	~~$10,503,674~~ *$10,653,674*		
	Higher Education Public Services (100103)	$188,780	$188,780		
	Higher Education Academic Support (100104)	$3,652,105	$3,652,105		
	Higher Education Student Services (100105)	$1,615,493	$1,615,493		
	Higher Education Institutional Support (100106)	$3,242,470	~~$3,252,470~~ *$3,348,470*		
	Operation and Maintenance of Plant (100107)	$1,927,139	$1,927,139		
	Fund Sources: General	$12,560,895	$12,937,643		
	Higher Education Operating	$8,065,692	~~$8,202,018~~ *$8,448,018*		

Authority: §§ 23-91.20 through 23-91.23, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. The software engineering curriculum being established to insure success of recent economic development projects in Southwest Virginia, shall be considered on its merits by the State Council of Higher Education for Virginia and shall not be dependent on funding by the Commonwealth.

C. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

D. Out of this appropriation, $233,358 the first year and $233,358 the second year from the general fund and $138,577 the first year and $138,577 the second year from nongeneral funds are designated to facilitate the technical training programs for the Northrop Grumman state backup data center.

E. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between the University of Virginia and the Commonwealth, as set forth in Chapters

ITEM 202.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
933 and 943, of the 2006 Acts of Assembly.				
F.1. Out of this appropriation, $146,268 each year from the general fund is designated for base operating support.				
2. Out of this appropriation, $266,537 each year from the general fund is designated to address the projected growth in transfer students and efforts to improve retention and graduation through the Early Alert program.				
G.1. Out of this appropriation, $475,641 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the University of Virginia at Wise in the fall 2011. The University of Virginia at Wise shall utilize these funds to implement its Science Consortium initiative.				
2. The University of Virginia at Wise shall reallocate $170,935 first year and $227,913 the second year from current educational and general program funds either to support the initiatives identified in paragraph G.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.				
3. The University of Virginia at Wise may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.				
H. Out of this appropriation, $275,000 each year from the general fund is designated to support the University of Virginia's College at Wise Scholars program to increase recruitment and retention of students from the service region especially in STEM-related programs.				
203. Not set out.				
204. Not set out.				
205. Higher Education Auxiliary Enterprises (80900)				
a sum sufficient, estimated at			$15,028,772	~~$15,028,772~~ *$16,141,272*
Food Services (80910)	$283,376	$283,376		
Bookstores and other Stores (80920)	$156,531	$156,531		
Residential Services (80930)	$5,322,679	~~$5,322,679~~ *$5,500,179*		
Parking and Transportation Systems and Services (80940)	$172,996	$172,996		
Student Health Services (80960)	$144,880	~~$144,880~~ *$156,880*		
Student Unions and Recreational Facilities (80970)	$612,343	$612,343		
Other Enterprise Functions (80990)	$6,731,418	~~$6,731,418~~ *$6,884,418*		
Intercollegiate Athletics (80995)	$1,604,549	~~$1,604,549~~ *$2,374,549*		
Fund Sources: Higher Education Operating	$12,038,772	~~$12,038,772~~ *$13,151,272*		
Debt Service	$2,990,000	$2,990,000		
Authority: §§ 23-91.20 through 23-91.23, Code of Virginia.				
Total for University of Virginia's College at Wise			**$39,778,882**	**~~$40,405,692~~** ***$41,764,192***
General Fund Positions	165.26	165.26		
Nongeneral Fund Positions	151.28	151.28		
Position Level	316.54	316.54		

ITEM 205.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	Fund Sources: General	$14,547,097	$15,037,581		
	Higher Education Operating	$22,241,785	~~$22,378,111~~ *$23,736,611*		
	Debt Service	$2,990,000	$2,990,000		
	Grand Total for University of Virginia			**$2,464,174,196**	~~**$2,507,045,856**~~ ***$2,556,254,356***
	General Fund Positions	1,247.89	1,247.89		
	Nongeneral Fund Positions	12,490.83	~~12,648.83~~ *12,571.93*		
	Position Level	13,738.72	~~13,896.72~~ *13,819.82*		
	Fund Sources: General	$144,903,864	$151,809,315		
	Higher Education Operating	$2,253,217,867	~~$2,287,052,076~~ *$2,336,260,576*		
	Debt Service	$66,052,465	$68,184,465		

§ 1-24. VIRGINIA COMMONWEALTH UNIVERSITY (236)

206.	Educational and General Programs (10000)			$492,639,743	~~$498,830,651~~ *$511,404,682*
	Higher Education Instruction (100101)	$284,823,929	~~$290,839,837~~ *$303,413,868*		
	Higher Education Research (100102)	$10,406,249	$10,531,249		
	Higher Education Public Services (100103)	$6,887,358	$6,937,358		
	Higher Education Academic Support (100104)	$81,874,176	$81,874,176		
	Higher Education Student Services (100105)	$20,179,817	$20,179,817		
	Higher Education Institutional Support (100106)	$47,959,730	$47,959,730		
	Operation and Maintenance of Plant (100107)	$40,508,484	$40,508,484		
	Fund Sources: General	$150,550,115	$154,889,637		
	Higher Education Operating	$342,089,628	~~$343,941,014~~ *$356,515,045*		

Authority: Title 23, Chapter 6.1, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B.1. Out of this appropriation, $4,217,317 the first year and $4,336,607 the second year from the general fund is provided for the operation of the Family Practice Residency Program and Family Practice medical student programs. This appropriation for Family Practice programs, whether ultimately implemented by contract, agreement or other means, is considered to be a grant.

2. The university shall report by July 1 annually to the Department of Planning and Budget an operating plan for the Family Practice Residency Program.

3. The university, in cooperation with the University of Virginia, shall establish elective Family Practice Medicine experiences in Southwest Virginia for both students and residents.

4. In the event the Governor imposes across-the-board general fund reductions, pursuant to his executive authority in § 4-1.02 of this act, the general fund appropriation for the Family Practice programs shall be exempt from any reductions, provided the general fund appropriation for the family practice program is excluded from the total general fund appropriation for Virginia Commonwealth University for purposes of determining the University's portion of the statewide general fund reduction requirement.

C. Out of this appropriation, an amount estimated at $332,140 the first year and $332,140 the second year from the general fund and $168,533 the first year and $168,533 the second year

ITEM 206.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

D.1. Out of this appropriation, not less than $261,685 the first year and not less than $386,685 the second year from the general fund is designated for the Virginia Center on Aging. This includes $194,750 the first year and $319,750 the second year for the Alzheimer's and Related Diseases Research Award Fund.

2. Out of this appropriation, $253,244 the first year and $253,244 the second year from the general fund and $356,250 the first year and $356,250 the second year from nongeneral funds are designated for the operation of the Virginia Geriatric Education Center and the Geriatric Academic Career Awards Program, both to be administered by the Virginia Center on Aging.

E. It is the intent of the General Assembly that Virginia Commonwealth University, in conjunction with the University of Virginia and Eastern Virginia Medical School, maintain its efforts to educate and train sufficient generalist physicians to meet the needs of the Commonwealth, recognizing the Commonwealth's need for generalist physicians in medically underserved regions of the state. Further, it is the intent that the university support medical education and training in the principles of generalist medicine for all undergraduate medical students, regardless of their chosen specialty or field of study.

F. All costs for maintenance and operation of the physical plant of the School of Engineering, Phase I and future renovations, repairs, and improvements as they become necessary shall be financed from nongeneral funds.

G. It is the intent of the General Assembly to assist the three Virginia medical schools as they respond to changes in the need for delivery and financing of medical education, both undergraduate and graduate.

H. Out of this appropriation, $243,675 the first year and $243,675 the second year from the general fund is designated for support of the Council on Economic Education.

I. Out of this appropriation, $32,753 the first year and $32,753 the second year from the general fund is designated for support of the Education Policy Institute.

J.1. Notwithstanding any other provisions of law, Virginia Commonwealth University is authorized to remit tuition and fees for merit scholarships for students of high academic achievement subject to the following limitations and restrictions:

2. The number of such scholarships annually awarded to undergraduate Virginia students shall not exceed 20 percent of the fall headcount enrollment of Virginia students in undergraduate studies in the institution from the preceding academic year. The total value of such merit scholarships annually awarded shall not exceed in any year the amount arrived at by multiplying the applicable figure for undergraduate tuition and required fees by 20 percent of the headcount enrollment of Virginia students in undergraduate studies in the institution for the fall semester from the preceding academic year.

3. The number of such scholarships annually awarded to undergraduate non-Virginia students shall not exceed 20 percent of the fall headcount enrollment of non-Virginia students in undergraduate studies in the institution from the preceding academic year. The total value of such merit scholarships annually awarded shall not exceed in any year the amount arrived at by multiplying the applicable figure for undergraduate tuition and required fees by 20 percent of the fall headcount enrollment of non-Virginia students in undergraduate studies in the institution during the preceding academic year.

4. A scholarship awarded under this program shall entitle the holder to receive an annual remission of an amount not to exceed the cost of tuition and required fees to be paid by the student.

K. Out of this appropriation, $202,595 the first year and $252,595 the second year from the general fund is provided for the Medical College of Virginia Palliative Care Partnership.

ITEM 206.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

L. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

M. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between Virginia Commonwealth University and the Commonwealth, as set forth in Chapters 594 and 616, of the 2008 Acts of Assembly.

N.1. Out of this appropriation, $3,565,354 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $2,916,627 each year from the general fund is designated to address the projected growth in transfer students and efforts to improve retention and graduation through the University College initiative and enhanced advising.

O.1. Out of this appropriation, $684,120 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the Virginia Commonwealth University in the fall 2011. Virginia Commonwealth University shall utilize these funds to implement development of the summer session as a "third semester" to reduce time to degree, expansion of undergraduate research opportunities, expansion of health career options through enhanced advising of pre-health and STEM majors, and the advancement of newly established degree programs in the Center for Clinical and Translational Research.

2. Virginia Commonwealth University shall reallocate $2,150,379 the first year and $2,867,172 the second year from current educational and general program funds either to support the initiatives identified in paragraph O.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. Virginia Commonwealth University may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

P. Out of this appropriation, $500,000 the second year from the general fund is designated for the Virginia Commonwealth University School of Pharmacy to support the Center for Compounding Practice and Research. The allocation will serve to support any costs associated with creating the Center including facility-related expenses as well as the purchase of the compounding equipment necessary for this state of the art teaching and research facility and will be leveraged as a matching gift with private funds. The Center will train Pharm.D. students to meet technical compounding demands, provide continuing education to registered pharmacists and conduct ongoing research on compounded medications.

207. Not set out.

208. Financial Assistance for Educational and General Services (11000)			$255,024,481	~~$256,274,481~~ *$266,624,481*
Eminent Scholars (11001)	$2,695,800	~~$2,695,800~~ *$3,045,800*		
Sponsored Programs (11004)	$252,328,681	~~$253,578,681~~ *$263,578,681*		
Fund Sources: General	$8,912,500	$10,162,500		
Higher Education Operating	$238,552,661	~~$238,552,661~~ *$248,902,661*		
Debt Service	$7,559,320	$7,559,320		

ITEM 208.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Authority: Title 23, Chapter 6.1, Code of Virginia.				
A. Out of this appropriation, $1,162,500 the first year and $1,162,500 the second year from the general fund and $6,600,000 the first year and $6,600,000 the second year from nongeneral funds are designated to build research capacity in the areas of biomedical engineering and regenerative medicine.				
B. Out of this appropriation, $7,500,000 the first year and $8,500,000 the second year from the general fund is designated for the support of cancer research.				
C. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.				
D. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is designated to support the operations of the Biotechnology Research Park.				
E. Out of this appropriation, $250,000 the second year from the general fund is designated to support the Parkinson's and Movement Disorders Center.				
209. Not set out.				
210. Not set out.				
211. Not set out.				
Total for Virginia Commonwealth University.....			**$1,008,924,839**	**~~$1,017,526,421~~** ***$1,040,450,452***
General Fund Positions.....	1,507.80	1,507.80		
Nongeneral Fund Positions.....	3,792.29	3,792.29		
Position Level	5,300.09	5,300.09		
Fund Sources: General.....	$182,372,124	$189,122,320		
Higher Education Operating.....	$790,764,800	~~$792,616,186~~ *$815,540,217*		
Debt Service.....	$35,787,915	$35,787,915		
212. Not set out.				
213. Not set out.				
214. Not set out.				
215. Not set out.				
216. Not set out.				
217. Not set out.				
§ 1-25. VIRGINIA MILITARY INSTITUTE (211)				
218. Educational and General Programs (10000).....			$33,529,761	~~$33,949,851~~ *$34,649,851*
Higher Education Instruction (100101).....	$13,302,900	$13,721,852		
Higher Education Public Services (100103).....	$67,237	$67,237		
Higher Education Academic Support (100104).....	$5,009,489	$5,009,489		
Higher Education Student Services (100105).....	$2,484,209	~~$2,484,209~~ *$2,584,209*		
Higher Education Institutional Support (100106).....	$6,273,322	$6,274,460		
Operation and Maintenance of Plant (100107).....	$6,392,604	~~$6,392,604~~ *$6,992,604*		

ITEM 218.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	Fund Sources: General	$8,065,051	$8,332,004		
	Higher Education Operating	$25,064,710	~~$25,217,847~~ *$25,917,847*		
	Debt Service	$400,000	$400,000		

Authority: Title 23, Chapter 10, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals as described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. 1. Out of this appropriation, $328,589 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $84,330 each year from the general fund is designated to address the projected growth of in-state students and improve retention.

D.1. Out of this appropriation, $243,812 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by the Virginia Military Institute in the fall 2011. Virginia Military Institute shall utilize these funds to implement the "Right-Size" initiative to reduce reliance on adjunct faculty.

2. Virginia Military Institute shall reallocate $111,080 the first year and $148,107 the second year from current educational and general program funds either to support the initiatives identified in paragraph D.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. Virginia Military Institute may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

E. Resources determined by the State Council of Higher Education for Virginia to be uniquely military shall be excluded from the base adequacy funding guidelines.

219.	Higher Education Student Financial Assistance (10800)			$2,523,760	~~$2,570,928~~ *$2,830,928*
	Scholarships (10810)	$2,523,760	~~$2,570,928~~ *$2,830,928*		
	Fund Sources: General	$823,760	$870,928		
	Higher Education Operating	$1,700,000	~~$1,700,000~~ *$1,960,000*		

Authority: Title 23, Chapter 10, § 23-105, Code of Virginia.

Out of the amounts for Scholarships and Loans, the Institute shall provide for State Cadetships and for discretionary student aid.

220. Not set out.

221.	Unique Military Activities (11300)			$7,188,904	~~$7,463,904~~ *$7,563,904*

ITEM 221.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	Fund Sources: General	$3,294,904	$3,569,904		
	Higher Education Operating	$3,894,000	~~$3,894,000~~ *$3,994,000*		
	Authority: Discretionary Inclusion.				
	A.1. Personnel associated with performance of activities designated by the State Council of Higher Education for Virginia to be uniquely military shall be excluded from the calculation of employment guidelines.				
	2. It is the intent of the General Assembly that nonresident cadets receive the same general fund support in the Unique Military program as resident cadets.				
222.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$24,500,000	~~$24,500,000~~ *$25,750,000*
	Food Services (80910)	$6,632,000	~~$6,632,000~~ *$6,832,000*		
	Bookstores and other Stores (80920)	$1,079,894	~~$1,079,894~~ *$1,179,894*		
	Residential Services (80930)	$1,981,367	~~$1,981,367~~ *$2,081,367*		
	Student Health Services (80960)	$171,448	~~$171,448~~ *$221,448*		
	Student Unions and Recreational Facilities (80970)	$1,320,134	~~$1,320,134~~ *$1,820,134*		
	Recreational and Intramural Programs (80980)	$536,902	$536,902		
	Other Enterprise Functions (80990)	$7,390,147	~~$7,390,147~~ *$7,690,147*		
	Intercollegiate Athletics (80995)	$5,388,108	$5,388,108		
	Fund Sources: Higher Education Operating	$23,359,000	~~$23,359,000~~ *$24,359,000*		
	Debt Service	$1,141,000	~~$1,141,000~~ *$1,391,000*		
	Authority: Title 23, Chapter 10, Code of Virginia.				
	Total for Virginia Military Institute			**$68,637,323**	~~**$69,379,581**~~ ***$71,689,581***
	General Fund Positions	185.71	185.71		
	Nongeneral Fund Positions	278.06	278.06		
	Position Level	463.77	463.77		
	Fund Sources: General	$12,183,715	$12,772,836		
	Higher Education Operating	$54,912,608	~~$55,065,745~~ *$57,125,745*		
	Debt Service	$1,541,000	~~$1,541,000~~ *$1,791,000*		

§ 1-26. VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (208)

223.	Educational and General Programs (10000)			$534,926,676	~~$541,782,117~~ *$559,532,141*
	Higher Education Instruction (100101)	$307,784,226	~~$314,639,667~~ *$325,601,438*		
	Higher Education Research (100102)	$20,587,580	$20,587,580		
	Higher Education Public Services (100103)	$17,161,292	$17,161,292		
	Higher Education Academic Support (100104)	$65,591,518	~~$65,591,518~~ *$67,940,691*		
	Higher Education Student Services (100105)	$16,494,100	~~$16,494,100~~ *$17,085,911*		
	Higher Education Institutional Support (100106)	$48,867,185	~~$48,867,185~~		

ITEM 223.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
		$50,623,337		
Operation and Maintenance of Plant (100107).....	$58,440,775	~~$58,440,775~~		
		$60,531,892		
Fund Sources: General.....	$136,463,558	$140,532,623		
Higher Education Operating.....	$398,463,118	~~$401,249,494~~		
		$418,999,518		

Authority: Title 23, Chapter 11, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. Out of this appropriation shall be expended an amount estimated at $869,882 the first year and $869,882 the second year from the general fund and $436,357 the first year and $436,357 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

C. Out of this appropriation, $128,903 the first year and $128,903 the second year from the general fund and $250,813 the first year and $250,813 the second year from nongeneral funds are designated to support the Educational and General portion of the debt service for the coal-fired facility, as approved in Item D-6.1, Chapter 459, Acts of Assembly of 1991.

D. Out of this appropriation, $358,594 the first year and $358,594 the second year from the general fund is designated to support the Marion duPont Scott Equine Center of the Virginia-Maryland Regional College of Veterinary Medicine.

E. Out of this appropriation, $112,956 and one position the first year and $112,956 and one position the second year from the general fund is designated for the Virginia Center for Coal and Energy Research.

F. Out of this appropriation, $11,953 the first year and $11,953 the second year from the general fund is designated to support continuing education activities at the Reynolds Homestead.

G. Out of this appropriation, $67,236 the first year and $67,236 the second year from the general fund is designated to support the research activities of the Virginia Water Resources Center.

H. Out of this appropriation, $268,557 the first year and $268,557 the second year from the general fund is designated to support tobacco research for medicinal purposes and field tests at sites in Blackstone and Abingdon.

I. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

J. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between Virginia Polytechnic Institute and State University and the Commonwealth, as set forth in Chapters 933 and 943, of the 2006 Acts of Assembly.

K.1. Out of this appropriation, $1,725,992 each year from the general fund is designated for

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base operating support.

2. Out of this appropriation, $685,667 each year from the general fund is designated to continue the increase in access for in-state undergraduate students begun in the 2011 Session, to address the growth in transfer students and support efforts to improve retention and graduation through enhanced student advising services.

L.1. Out of this appropriation, $1,175,420 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by Virginia Tech in the fall 2011. Virginia Tech shall utilize these funds to implement new and expanded summer academic opportunities, expand and enhance STEM degree production and support the Virginia Vital Information for Education and Work (VIEW) Program to provide students, parents, counselors, and teachers with access to resources for career exploration, college and work force readiness, and STEM career preparation.

2. Virginia Tech shall reallocate $1,989,523 the first year and $2,652,698 the second year from current educational and general program funds either to support the initiatives identified in paragraph L.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. Virginia Tech may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

4. Out of this appropriation, $300,000 each year from the general fund is designated to develop a STEM Industry Internship program in partnership with the Virginia Space Grant Consortium, Virginia Regional Technology Councils and industry. The program will provide 75 undergraduate students across the Commonwealth an opportunity to centrally apply for real world work experience and provide Virginia's industries with access to qualified interns. Virginia Tech will partner with the Virginia Space Grant Consortium and work with Virginia's Regional Technology Councils who will serve as the program's conduit to industry, advertising the program and linking with interested industry partners. The funding in paragraph L.3. will not be considered as a resource for purposes of funding guidelines.

M. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech and CISCO Systems, Inc., was established to utilize emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the four institutions will be leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.

224. Not set out.

225. Not set out.

226. Not set out.

227. Not set out.

Total for Virginia Polytechnic Institute and State University			**$1,093,236,698**	**~~$1,102,779,058~~** ***$1,120,529,082***
General Fund Positions	1,911.53	1,911.53		
Nongeneral Fund Positions	4,933.45	4,933.45		
Position Level	6,844.98	6,844.98		
Fund Sources: General	$159,705,380	$166,461,364		
Higher Education Operating	$923,180,818	~~$925,967,194~~		

ITEM 227.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
			$943,717,218		
	Debt Service	$10,350,500	$10,350,500		
228.	Not set out.				
	Grand Total for Virginia Polytechnic Institute and State University			**$1,172,382,867**	**~~$1,183,409,959~~** ***$1,201,159,983***
	General Fund Positions	2,633.47	2,638.77		
	Nongeneral Fund Positions	5,317.92	5,321.72		
	Position Level	7,951.39	7,960.49		
	Fund Sources: General	$220,197,175	$228,366,130		
	Higher Education Operating	$941,835,192	~~$944,693,329~~ *$962,443,353*		
	Debt Service	$10,350,500	$10,350,500		

§ 1-27. VIRGINIA STATE UNIVERSITY (212)

229.	Educational and General Programs (10000)			$68,678,440	~~$70,518,513~~ *$70,880,513*
	Higher Education Instruction (100101)	$40,293,760	~~$42,133,833~~ *$42,395,833*		
	Higher Education Research (100102)	$2,110,453	$2,110,453		
	Higher Education Public Services (100103)	$120,448	$120,448		
	Higher Education Academic Support (100104)	$5,910,648	$5,910,648		
	Higher Education Student Services (100105)	$4,335,982	$4,335,982		
	Higher Education Institutional Support (100106)	$8,858,565	$8,858,565		
	Operation and Maintenance of Plant (100107)	$7,048,584	~~$7,048,584~~ *$7,148,584*		
	Fund Sources: General	$29,672,881	$30,167,239		
	Higher Education Operating	$39,005,559	~~$40,351,274~~ *$40,713,274*		

Authority: Title 23, Chapter 13, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B.1. Out of this appropriation, $3,790,639 the first year and $3,790,639 the second year from the general fund is designated for continued enhancement of the existing Bachelor of Science academic programs in Computer Science, Manufacturing Engineering, Computer Engineering, Mass Communications and Criminal Justice, and the doctoral program in Education.

2. Out of this appropriation, $37,500 the first year and $37,500 the second year from the general fund is provided to serve in lieu of endowment income for the Eminent Scholars Program.

3. Any unexpended balances in paragraphs B.1. and B.2. in this Item at the close of business on June 30, 2012 and June 30, 2013, shall not revert to the surplus of the general fund but shall be carried forward on the books of the State Comptroller and reappropriated in the succeeding year.

C. This appropriation includes $200,000 the first year and $200,000 the second year from the general fund to increase the number of faculty with terminal degrees to at least 85 percent of the total teaching faculty.

D. Out of this appropriation, Virginia State University is authorized to use up to $600,000 the first year and $600,000 the second year from the general fund to address extremely critical deferred maintenance deficiencies in its facilities, including residence halls and dining facilities.

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E. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

F. Out of this appropriation, $1,300,000 the first year and $1,300,000 the second year from the general fund is designated to support the Manufacturing Engineering and Logistics Technology program.

G.1. Out of this appropriation, $328,814 each year from the general fund is designated for base operating support.

2. Out of this appropriation, $962,789 each year from the general fund is designated to address the projected growth in transfer students and efforts to improve retention and graduation through enhanced advising, summer bridge programs and the VSU Cohort Program.

H.1. Out of this appropriation, $440,187 each year from the general fund is designated to achieve the goals of the six-year academic plan submitted by Virginia State University in the fall 2011. Virginia State University shall utilize these funds to restructure the summer session and create a hybrid trimester system in order to decrease time to degree, to support faculty research initiative grants to multi-disciplinary teams and to develop a center of logistics research at Fort Lee in cooperation with the University of Virginia and Longwood University.

2. Virginia State University shall reallocate $305,385 the first year and $407,180 the second year from current educational and general program funds either to support the initiatives identified in paragraph H.1. and / or to address programs and strategies that serve to advance the objectives of the Higher Education Opportunity Act of 2011.

3. Virginia State University may reallocate up to an additional 1.5 percent from current educational and general program funds in the second year to address faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.

230. Not set out.

231. Financial Assistance for Educational and General Services (11000)				
a sum sufficient, estimated at			$28,964,447	~~$30,464,447~~ *$31,575,447*
Sponsored Programs (11004)	$28,964,447	~~$30,464,447~~ *$31,575,447*		
Fund Sources: Higher Education Operating	$28,964,447	~~$30,464,447~~ *$31,575,447*		

Authority: Title 23, Chapter 13, Code of Virginia.

232. Not set out.

Total for Virginia State University			**$149,004,036**	~~**$157,465,817**~~ ***$158,938,817***
General Fund Positions	326.77	329.97		
Nongeneral Fund Positions	458.29	460.09		
Position Level	785.06	790.06		
Fund Sources: General	$35,574,323	$36,430,473		
Higher Education Operating	$106,097,168	~~$110,702,799~~		

ITEM 232.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
			$112,175,799		
	Debt Service	$7,332,545	$10,332,545		
233.	Not set out.				
	Grand Total for Virginia State University			**$159,691,290**	**~~$169,140,725~~** ***$170,613,725***
	General Fund Positions	357.52	361.72		
	Nongeneral Fund Positions	525.29	527.09		
	Position Level	882.81	888.81		
	Fund Sources: General	$40,711,013	$41,744,373		
	Higher Education Operating	$111,647,732	~~$117,063,807~~ *$118,536,807*		
	Debt Service	$7,332,545	$10,332,545		
234.	Not set out.				
	§ 1-28. GUNSTON HALL (417)				
235.	Museum and Cultural Services (14500)			$759,758	~~$759,787~~ *$763,447*
	Collections Management and Curatorial Services (14501)	$68,729	$68,729		
	Education and Extension Services (14503)	$157,427	$157,427		
	Operational and Support Services (14507)	$533,602	~~$533,631~~ *$537,291*		
	Fund Sources: General	$494,363	~~$494,392~~ *$498,052*		
	Special	$265,395	$265,395		
	Authority: Title 23, Chapter 24, Code of Virginia.				
	Total for Gunston Hall			**$759,758**	**~~$759,787~~** ***$763,447***
	General Fund Positions	8.00	8.00		
	Nongeneral Fund Positions	3.00	3.00		
	Position Level	11.00	11.00		
	Fund Sources: General	$494,363	~~$494,392~~ *$498,052*		
	Special	$265,395	$265,395		
236.	Not set out.				
237.	Not set out.				
238.	Not set out.				
239.	Not set out.				
240.	Not set out.				
	§ 1-29. THE SCIENCE MUSEUM OF VIRGINIA (146)				
241.	Museum and Cultural Services (14500)			$10,855,745	~~$11,356,669~~ *$11,362,225*
	Collections Management and Curatorial Services (14501)	$1,692,232	$1,692,232		

ITEM 241.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Education and Extension Services (14503)	$4,782,328	$4,932,328		
Operational and Support Services (14507)	$4,381,185	~~$4,732,109~~ *$4,737,665*		
Fund Sources: General	$4,555,367	~~$5,056,291~~ *$5,061,847*		
Special	$5,000,378	$5,000,378		
Trust and Agency	$300,000	$300,000		
Federal Trust	$1,000,000	$1,000,000		

Authority: Title 23, Chapter 18, Code of Virginia.

A. This appropriation from the general fund shall be in addition to any appropriation from nongeneral funds, notwithstanding any contrary provisions in this act.

B. Out of this appropriation, $50,000 and two positions the first year and $50,000 and two positions the second year from the general fund shall be provided to support the Danville Science Center in Danville, Virginia.

C. Out of the appropriation for this Item, $351,314 the second year from the general fund is included for the purchase of an IMAX digital projection system through the state's master equipment lease program.

D. Out of this appropriation, $150,000 in the second year is provided to pilot a STEM partnership between the Science Museum of Virginia, the Virginia Air and Space Center, and the Virginia Living Museum for programs that promote achievement for K-12 students in Hampton Roads and across the state, leveraging technology in the vital STEM component of the workforce pipeline.

Total for The Science Museum of Virginia			**$10,855,745**	**~~$11,356,669~~** ***$11,362,225***
General Fund Positions	57.19	57.19		
Nongeneral Fund Positions	34.81	34.81		
Position Level	92.00	92.00		
Fund Sources: General	$4,555,367	~~$5,056,291~~ *$5,061,847*		
Special	$5,000,378	$5,000,378		
Trust and Agency	$300,000	$300,000		
Federal Trust	$1,000,000	$1,000,000		

242. Not set out.

243. Not set out.

244. Not set out.

245. Not set out.

246. Not set out.

247. Not set out.

248. Not set out.

249. Not set out.

§ 1-30. SOUTHERN VIRGINIA HIGHER EDUCATION CENTER (937)

250. Administrative and Support Services (19900)			$4,216,144	~~$4,341,161~~ *$4,344,068*
Operation of Higher Education Centers (19931)	$4,216,144	~~$4,341,161~~ *$4,344,068*		

ITEM 250.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Fund Sources: General	$2,158,993	~~$2,284,010~~ *$2,286,917*		
Special	$2,057,151	$2,057,151		

Authority: Title 23, Chapter 16.5, Code of Virginia.

A. It is the intent of the General Assembly that the Southern Virginia Higher Education Center, the Institute for Advanced Learning and Research, and the New College Institute coordinate their activities, both instructional and research, to the maximum extent possible to best meet the needs of the citizens of the region, to ensure effective utilization of resources, and to avoid unnecessary duplication. The three entities shall report annually by October 1 to the Secretary of Education and the State Council of Higher Education for Virginia on their joint efforts in this regard.

B. Out of this appropriation, $29,050 the first year and $29,050 the second year from the general fund is designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and the General Assembly.

C. Out of this appropriation, $266,000 and three positions the first year and $266,000 and three positions the second year from the general fund is designated for additional operational support of the Southern Virginia Higher Education Center and its efforts to provide specialized workforce training to the citizens of Southside Virginia.

D. The requirements of § 4-5.05 shall not apply to this appropriation.

Total for Southern Virginia Higher Education Center			**$4,216,144**	**~~$4,341,161~~** ***$4,344,068***
General Fund Positions	19.80	19.80		
Nongeneral Fund Positions	24.00	24.00		
Position Level	43.80	43.80		
Fund Sources: General	$2,158,993	~~$2,284,010~~ *$2,286,917*		
Special	$2,057,151	$2,057,151		

251. Not set out.

252. Not set out.

253. Not set out.

254. Not set out.

TOTAL FOR OFFICE OF EDUCATION			**$16,108,740,831**	**~~$16,409,968,385~~** ***$16,528,534,568***
General Fund Positions	18,309.05	~~18,327.47~~ *18,366.46*		
Nongeneral Fund Positions	38,388.99	~~38,583.92~~ *38,784.07*		
Position Level	56,698.04	~~56,911.39~~ *57,150.53*		
Fund Sources: General	$6,942,335,280	~~$7,176,933,611~~ *$7,074,751,219*		
Special	$41,694,247	$41,811,747		
Higher Education Operating	$7,249,218,532	~~$7,337,077,438~~ *$7,478,428,153*		
Commonwealth Transportation	$2,416,919	$2,416,919		
Enterprise	$5,226,870	$5,221,870		

ITEM 254.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
1	Internal Service	$290,000	$290,000		
2	Trust and Agency	$640,526,091	~~$598,970,376~~		
3			*$678,118,236*		
4	Debt Service	$292,675,217	~~$312,888,749~~		
5			*$313,138,749*		
6	Dedicated Special Revenue	$10,019,457	$10,019,457		
7	Federal Trust	$924,338,218	$924,338,218		

ITEM 255.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

OFFICE OF FINANCE

255. Not set out.

§ 1-31. DEPARTMENT OF ACCOUNTS (151)

256. Not set out.

257. Not set out.

258. Not set out.

259. Not set out.

260. Not set out.

261. Not set out.

262. Not set out.

263. Not set out.

264. Not set out.

Department of Accounts Transfer Payments (162)

265. Financial Assistance to Localities - General (72800) a sum sufficient, estimated at			$603,960,000	~~$546,299,150~~ *$546,499,150*
Distribution of Rolling Stock Taxes (72806)	$6,900,000	$6,900,000		
Distribution of Recordation Taxes (72808)	$40,000,000	$40,000,000		
Financial Assistance to Localities - Rental Vehicle Tax (72810)	$36,000,000	$36,000,000		
Distribution of Sales Tax Revenues From Certain Public Facilities (72811)	$1,040,000	$1,040,000		
Distribution of Tennessee Valley Authority Payments in Lieu of Taxes (72812)	$1,420,000	~~$1,200,000~~ *$1,400,000*		
Distribution of Sales Tax on Fuel in Certain Transportation Districts (72815)	$78,600,000	$0		
Distribution of the Virginia Communications Sales and Use Tax (72816)	$440,000,000	$440,000,000		
Distribution of Payments to Localities for Enhanced Emergency Communications Services (72817)	$0	$21,159,150		
Fund Sources: General	$49,360,000	~~$49,140,000~~ *$49,340,000*		
Trust and Agency	$36,000,000	$36,000,000		
Dedicated Special Revenue	$518,600,000	$461,159,150		

Authority: §§ 4.1-116, 4.1-117, 4.1-235, 15.2-5814, 15.2-5914, 58.1-608.3, 58.1-662, 58.1-815.1, 58.1-816, 58.1-1720, 58.1-1736, 58.1-1741, 58.1-2658.1, and 58.1-3406, Code of Virginia.

A. Out of this appropriation, amounts estimated at $20,000,000 the first year and $20,000,000 the second year from the general fund shall be deposited into the Northern Virginia Transportation District Fund, as provided in § 58.1-815.1, Code of Virginia. Said amount shall consist of recordation taxes attributable to and transferable to the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the counties of Arlington, Fairfax, Loudoun, and Prince William, pursuant to § 58.1-816, Code of Virginia. This amount shall be transferred to Item 450 of this act and shall be used to support the Northern Virginia Transportation District Program as defined in § 33.1-221.1:3, Code of Virginia. The Commonwealth Transportation Board shall make such allocations and expenditures from the fund as are

ITEM 265.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

provided in the Northern Virginia Transportation District, Commonwealth of Virginia Revenue Bond Act of 1993 (Chapter 391, 1993 Acts of Assembly). The Commonwealth Transportation Board also shall make such allocations and expenditures from the fund as are provided in Chapters 470 and 597 of the 1994 Acts of Assembly (amendments to Chapter 391, 1993 Acts of Assembly).

B. Pursuant to Chapters 233 and 662, 1994 Acts of Assembly, out of this appropriation, an amount estimated at $1,000,000 the first year and $1,000,000 the second year from the general fund shall be deposited into the set-aside fund as requested in an ordinance adopted March 28, 1995, and in compliance with the requirements provided for in § 58.1-816.1, Code of Virginia, for an account for the City of Chesapeake. These amounts shall be transferred to Item 450 of this act and shall be allocated by the Commonwealth Transportation Board to provide for the debt service pursuant to the Oak Grove Connector, City of Chesapeake, Commonwealth of Virginia Transportation Program Revenue Bond Act of 1994 (Chapters 233 and 662, 1994 Acts of Assembly).

C. Out of this appropriation, the Virginia Baseball Stadium Authority shall be paid a sum sufficient equal to the state personal, corporate, and pass-through entity income and sales and use tax revenues to which the authority is entitled.

D. Out of this appropriation, amounts estimated at $78,600,000 the first year from the additional sales tax on fuel in certain transportation districts revenues collected pursuant to § 58.1-1720 et seq., Code of Virginia, are designated for payment to the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission. Such funds shall be returned to the respective commissions in amounts equivalent to the shares collected in the respective member jurisdictions.

E 1. In order to carry out the provisions of § 58.1-645 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $440,000,000 in the first year and $440,000,000 in the second year equal to the revenues collected pursuant to § 58.1-645 et seq., Code of Virginia, from the Virginia Communications Sales and Use Tax. All revenue received by the Commonwealth pursuant to the provisions of § 58.1-645 et seq., Code of Virginia, shall be paid into the state treasury and deposited to the Virginia Communications Sales and Use Tax Fund and shall be distributed pursuant to § 58.1-662, Code of Virginia and Item 288 of this act. For the purposes of the State Comptroller's preliminary and final annual reports required by § 2.2-813, Code of Virginia, however, all deposits to and disbursements from the fund shall be accounted for as part of the general fund of the state treasury.

2. It is the intent of the General Assembly that all such revenues be distributed to counties, cities, and towns, the Department for the Deaf and Hard-of-Hearing, and to the Department of Taxation for the costs of administering the Virginia Communications Sales and Use Tax Fund.

F. In order to carry out the provisions of § 58.1-1734 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $36,000,000 in the first year and $36,000,000 in the second year equal to the revenues collected pursuant to A. 2 of § 58.1-1736 Code of Virginia, from the Virginia Motor Vehicle Rental Tax.

266. Revenue Stabilization Fund (73500).....			$132,688,650	$339,645,117
Payments to the Revenue Stabilization Fund (73501).....	$132,688,650	$339,645,117		
Fund Sources: General.....	$132,688,650	$339,645,117		

Authority: Title 2.2, Chapter 18, Article 4, Code of Virginia.

A. On or before November 1 of each year, the Auditor of Public Accounts shall report to the General Assembly the certified tax revenues collected in the most recently ended fiscal year. The auditor shall, at the same time, provide his report on the 10 percent limitation and the amount that could be paid into the fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia as well as the additional deposit requirement of § 2.2-1829, Code of Virginia.

B. Out of this appropriation, $132,688,650 the first year from the general fund attributable to actual tax collections for FY 2011 shall be paid by the State Comptroller on or before June 30,

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2013, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia. This amount is based on the certification of the Auditor of Public Accounts of actual tax revenues for FY 2011. This appropriation meets the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

C. Out of this appropriation, $244,645,117 the second year from the general fund attributable to estimated tax collections for FY 2012 shall be paid by the State Comptroller on or before June 30, 2014, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia. This amount is contingent on the certification of the Auditor of Public Accounts of actual tax revenues for FY 2012. This appropriation meets the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

D.1. Out of this appropriation, $95,000,000 the second year from the general fund is included in this item in excess of the minimum deposit for fiscal year 2014 as certified by the Auditor of Public Accounts on November 1, 2012. This amount is an advance reservation of any required deposit to the Revenue Stabilization Fund attributable to actual tax collections for FY 2013 or FY 2014, as determined by the Auditor of Public Accounts, for deposit to the Revenue Stabilization Fund in the 2014-2016 biennium.

2. The State Comptroller shall ~~deposit~~ *reflect the unexpended balance of* the advance reservation of $95,000,000 referenced in paragraph D.1., above, *as a commitment against general fund assets on the balance sheet for* ~~to a reserve account for the Revenue Stabilization Fund prior to~~ June 30, 2014.

267. Not set out.

268. Not set out.

269. Not set out.

269.10. Not set out.

270. Not set out.

Total for Department of Accounts Transfer Payments			**$1,730,314,179**	**~~$1,879,609,796~~** ***$1,879,809,796***
Nongeneral Fund Positions.....	1.00	1.00		
Position Level	1.00	1.00		
Fund Sources: General.....	$1,132,048,650	~~$1,338,785,117~~ *$1,338,985,117*		
Trust and Agency	$78,339,185	$78,339,185		
Dedicated Special Revenue.....	$519,926,344	$462,485,494		
Grand Total for Department of Accounts.....			**$1,741,155,228**	**~~$1,891,279,450~~** ***$1,891,479,450***
General Fund Positions.....	100.00	104.00		
Nongeneral Fund Positions.....	39.00	55.00		
Position Level	139.00	159.00		
Fund Sources: General.....	$1,142,067,743	~~$1,349,632,815~~ *$1,349,832,815*		
Special.....	$821,956	$821,956		
Trust and Agency	$78,339,185	$78,339,185		
Dedicated Special Revenue.....	$519,926,344	$462,485,494		

§ 1-32. DEPARTMENT OF PLANNING AND BUDGET (122)

271. Planning, Budgeting, and Evaluation Services (71500)....			$7,099,898	~~$7,314,064~~ *$7,322,094*
Budget Development and Budget Execution Services (71502)	$4,571,488	~~$4,613,507~~		

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		$4,621,537		
Legislation and Executive Order Review Service (71504)	$40,402	$40,402		
Forecasting and Regulatory Review Services (71505)	$596,999	$596,999		
Program Evaluation Services (71506)	$1,540,923	$1,720,923		
Administrative Services (71598)	$350,086	$342,233		
Fund Sources: General	$6,849,898	~~$7,014,064~~ *$7,022,094*		
Special	$250,000	$300,000		

Authority: Title 2.2, Chapter 15 and Chapter 26, Article 8, Code of Virginia.

A. The Department of Planning and Budget shall be responsible for continued development and coordination of an integrated, systematic policy analysis, planning, budgeting, performance measurement and evaluation process within state government. The department shall collaborate with the Governor's Secretaries and all other agencies of state government and other entities as necessary to ensure that information generated from these processes is useful for managing and improving the efficiency and effectiveness of state government operations.

B. The Department of Planning and Budget shall be responsible for the continued development and coordination of a review process for strategic plans and performance measures of the state agencies. The review process shall assess on a periodic basis the structure and content of the plans and performance measures, the processes used to develop and implement the plans and measures, the degree to which agencies achieve intended goals and results, and the relation between intended and actual results and budget requirements.

C.1. Notwithstanding § 2.2-1508, Code of Virginia, or any other provisions of law, on or before December 20, the Department of Planning and Budget shall deliver to the presiding officer of each house of the General Assembly a copy of the budget document containing the explanation of the Governor's budget recommendations. This copy may be in electronic format.

2. The Department of Planning and Budget shall include in the budget document the amount of projected spending and projected net tax-supported state debt for each year of the biennium on a per capita basis. For this purpose, "spending" is defined as total appropriations from all funds for the cited fiscal years as shown in the Budget Bill. The most current population estimates from the Weldon Cooper Center for Public Services shall be used to make the calculations.

E.1. Out of this appropriation, $200,000 the first year and $325,000 the second year from the general fund is provided to support the continuation of the school efficiency reviews program. Any school division undergoing an efficiency review shall provide a report to the Department of Planning and Budget indicating what action has been taken on each recommendation identified in the efficiency review along with any budget savings realized for each recommendation. The report shall also include a schedule for implementation of the remaining recommendations not implemented to date. The Department of Planning and Budget shall forward copies of the reports to the Chairmen of the House Appropriations, House Finance, and Senate Finance Committees within 30 days of receiving such reports. The first report shall be made within six months following the receipt of the final efficiency review, and subsequent follow-up reports shall be submitted annually by June 30 until 100 percent of the recommendations have been implemented or rationale reported that explain and address the division's lack of such implementation. The Department of Planning and Budget shall provide the format for such report that shall include budget savings realized for each recommendation implemented.

2.a. Notwithstanding any contrary provision of law, each participating school division shall pay a local share of the cost incurred by the state for that school division's efficiency review to be conducted. The local share of cost for the review shall be computed using the composite index of local ability-to-pay for each participating school division, however, such share shall not be less than 50 percent of the total cost. However, consistent with language and intent contained in Item 134, any school division that elects to participate in a school efficiency review as a component unit of a division level academic review shall be exempt from the local share of the

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costs of the review but will not be exempt from paying a recovery cost of 25 percent if the school division does not initiate at least 50 percent of the review's recommendations within 24 months of receiving their final school efficiency review report.				
b. Effective for all reviews after July 1, 2013, the local share payment shall be made prior to the initiation of the review and shall be based upon the contracted price for the review. All subsequent payments to recover the local share of the balance of the cost of the review shall be made in the fiscal year immediately following the completion of the final school efficiency review report. The cost shall include the direct cost incurred by the state for that fiscal year to coordinate the school efficiency review and 100 percent of the costs awarded to the contractor(s) to conduct that school division's review.				
3. Additionally, commencing in FY 2007, a recovery of a separate and additional 25 percent payment not to exceed 100 percent of the cost of individual reviews shall be made in the fiscal year beginning not less than 12 months and not more than 24 months following the release of a final efficiency review report for an individual school division. Such recovery shall occur if the affected school division superintendent or superintendent's designee has not certified that at least half the recommendations have been initiated or at least half of the equivalent savings of such efficiency review have been realized. Lacking such certification the school division shall reimburse the state for an additional 25 percent of the cost, not to exceed 100 percent of the cost, of the school efficiency review. Such reimbursement shall be paid into the general fund of the state treasury. The Department of Planning and Budget shall provide the format for such certification.				
4.a. Notwithstanding any contrary provision of law, commencing in FY 2014, any school division may also request the Department of Planning and Budget to coordinate a school efficiency review for the division, including but not limited to the selection of the contractor to conduct that school division's review, by entering into an agreement with the Department of Planning and Budget to participate in a locally-funded school efficiency review. Each participating school division shall pay 100 percent of the cost of the review. Any division that elects to participate in a locally-funded school efficiency review shall not be subject to the availability of state general fund appropriation provided in paragraph E.1 above; however, the number of divisions that could make use of this provision is limited to the amount of nongeneral fund appropriation provided for this purpose in this paragraph. A nongeneral fund appropriation of $300,000 the second year is provided for use by the Department of Planning and Budget to facilitate the collection of payments from school divisions for the purposes of this item.				
b. Payment shall be made in full from the participating school division to the Department of Planning and Budget following successful award of the contract to conduct the review. Under no circumstances shall state general fund appropriation be used to pay the costs of contracts awarded for a locally-funded school efficiency review under the provisions of paragraph E.4.a above.				
5. The Department shall conduct a follow-up review of the implementation status of the recommendations from the 2007 Petersburg Schools efficiency review and submit a report to the Chairmen of the Senate Finance and House Appropriations Committees by December 1, 2013. If contractual support is needed for such a follow-up review, the Department may use a portion of the funds in this section of this Item.				
Total for Department of Planning and Budget.....			**$7,099,898**	**~~$7,314,064~~** ***$7,322,094***
General Fund Positions.....	67.00	63.00		
Nongeneral Fund Positions.....	2.00	2.00		
Position Level	69.00	65.00		
Fund Sources: General.....	$6,849,898	~~$7,014,064~~ *$7,022,094*		
Special.....	$250,000	$300,000		

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	§ 1-33. DEPARTMENT OF TAXATION (161)				
272.	Not set out.				
273.	Revenue Administration Services (73200)			$60,198,015	~~$59,311,398~~ *$59,544,014*
	Tax Return Processing (73214)	$9,854,471	$9,582,590		
	Customer Services (73217)	$10,703,047	$10,500,892		
	Compliance Audit (73218)	$19,320,439	~~$18,907,858~~ *$19,140,474*		
	Compliance Collections (73219)	$20,320,058	$20,320,058		
	Fund Sources: General	$47,775,700	~~$47,114,083~~ *$47,346,699*		
	Special	$11,496,559	$11,526,559		
	Commonwealth Transportation	$250,000	$250,000		
	Dedicated Special Revenue	$675,756	$420,756		

Authority: Title 3.2; Title 58.1, Code of Virginia.

A. Pursuant to § 58.1-1803, Code of Virginia, the Tax Commissioner is hereby authorized to contract with private collection agencies for the collection of delinquent accounts. The State Comptroller is hereby authorized to deposit collections from such agencies into the Contract Collector Fund (§ 58.1-1803, Code of Virginia). Revenue in the Contract Collector Fund may be used to pay private collection agencies/attorneys and perform oversight of their operations, upgrade audit and collection systems and data interfaces, and retain experts to perform analysis of receivables and collection techniques. Any balance in the fund remaining after such payment shall be deposited into the appropriate general, nongeneral, or local fund no later than June 30 of each year.

B. There is hereby appropriated, for the first year of the biennium, revenues from the sales tax on fuel in certain transportation districts to cover only the direct cost of administration incurred by the department in collecting these taxes as provided by § 58.1-1724, Code of Virginia.

C.1. The Department of Taxation is authorized to retain, as special revenue, its reasonable share of any court fines and fees to reimburse the department for any ongoing operational collection expenses.

2. Any form of state debt assigned to the Department of Taxation for collection may be collected by the department in the same manner and means as state taxes may be collected pursuant to Title 58.1, Chapter 18, Code of Virginia.

D. The Department of Taxation is authorized to make tax incentive payments to small tobacco product manufacturers who do not participate in the 1998 Tobacco Master Settlement Agreement, pursuant to Chapter 901 of the 2005 Acts of Assembly.

E. The Department of Taxation is hereby appropriated revenues from the Communications Sales and Use Tax Trust Fund to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § 58.1-662, Code of Virginia.

F. The Tax Commissioner shall have the authority to waive penalties and grant extensions of time to file a return or pay a tax, or both, to any class of taxpayers when the Tax Commissioner in his discretion finds that the normal due date has, or would, cause undue hardship to taxpayers who were, or would be, unable to use electronic means to file a return or pay a tax because of a power or systems failure that causes the department's electronic filing or payment systems to be nonfunctional for all or a portion of a day on or about the due date for a return or payment.

G. The Department of Taxation is hereby appropriated Land Conservation Incentive Act fees imposed under § 58.1-513 C. 2., Code of Virginia, on the transferring of the value of the donated interest. The Code of Virginia specifies such fees will be used by the Departments of Taxation and Conservation and Recreation to recover the direct cost of administration incurred in implementing the Virginia Land Conservation Act.

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H. In the event that the United States Congress adopts legislation allowing local governments, with the assistance of the Commonwealth, to collect delinquent local taxes using offsets from federal income taxes, the Department of Accounts shall provide a treasury loan to the Department of Taxation to finance the costs of modifying the agency's computer systems to implement this federal debt setoff program. This treasury loan shall be repaid from the proceeds collected from the offsets of federal income taxes collected on behalf of localities by the Department of Taxation.

I. Funds collected pursuant to § 58.1-1720 et seq., Code of Virginia, from the additional sales tax on fuel in certain transportation districts under § 58.1-1720 et seq., Code of Virginia, shall be returned to the respective commissions in amounts equivalent to the shares collected in the respective member jurisdictions.

J. 1. All revenue received by the Commonwealth pursuant to the provisions of § 58.1-645 et seq., Code of Virginia, shall be paid into the state treasury and deposited to the Virginia Communications Sales and Use Tax Fund and shall be distributed pursuant to § 58.1-662, Code of Virginia, and items 265 and 288 of this act. For the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, Code of Virginia, however, all deposits to and disbursements from the Fund shall be accounted for as part of the general fund of the state treasury.

2. It is the intent of the General Assembly that all such revenues be distributed to counties, cities, and towns, the Department for the Deaf and Hard-of-Hearing, and for the costs of administering the Virginia Communications Sales and Use Tax.

K. Notwithstanding the provisions of § 58.1-478, Code of Virginia, effective July 1, 2011, every employer whose average monthly liability can reasonably be expected to be $1,000 or more and the aggregate amount required to be withheld by any employer exceeds $500 shall file the annual report required by § 58.1-478, Code of Virginia, and all forms required by § 58.1-472, Code of Virginia, using an electronic medium using a format prescribed by the Tax Commissioner. Waivers shall be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the employer. All requests for waiver shall be submitted to the Tax Commissioner in writing.

L. Notwithstanding the provisions of § 58.1-214, Code of Virginia, the department shall not be required to mail its forms and instructions unless requested by a taxpayer or his representative.

M. Notwithstanding the provisions of § 58.1-609.12, Code of Virginia, no report on the fiscal, economic and policy impact of the miscellaneous Retail Sales and Use Tax exemptions under § 58.1-609.10, Code of Virginia shall be required after the completion of the final report in the first five-year cycle of the study, due December 1, 2011. The Department of Taxation shall satisfy the requirement of § 58.1-609.12 that it study and report on the annual fiscal impact of the Retail Sales and Use Tax exemptions for nonprofit entities provided for in § 58.1-609.11, Code of Virginia, by publishing such fiscal impact on its website.

N. 1. Notwithstanding any provision of the Code of Virginia or this act to the contrary,

a. Effective January 1, 2013, all corporations are required to file estimated tax payments and their annual income tax return and final payment using an electronic medium in a format prescribed by the Tax Commissioner. *Provided however, homeowner associations with no tax liability shall be exempt from the electronic filing requirement.*

b. Effective July 1, 2013, every employer shall file the annual report required by § 58.1-478 and all forms required by § 58.1-472, Code of Virginia, using an electronic medium in a format prescribed by the Tax Commissioner.

2. The Tax Commissioner shall have the authority to waive the requirement to file or pay by electronic means. Waivers shall be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the person required to use an electronic medium. All requests for waiver shall be submitted to the Tax Commissioner in writing.

O.1. Notwithstanding any other provision of law, Retail Sales and Use Tax returns and payments shall be made using an electronic medium prescribed by the Tax Commissioner beginning with the June 2012 return, due July 2012, for monthly filers and, for less frequent

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filers, with the first return they are required to file after July 1, 2013.				
2. The Tax Commissioner shall have the authority to waive the requirement to file by electronic means upon a determination that the requirement would cause an undue hardship. All requests for waiver shall be transmitted to the Tax Commissioner in writing.				
P. The Department of Taxation is hereby appropriated revenues from the Virginia Motor Vehicle Rental Tax to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § 58.1-1741, Code of Virginia.				
Q. The Virginia Department of Taxation shall develop a return for a pass-through entity required by § 58.1-392, Code of Virginia, to file using an electronic medium in a format prescribed by the Tax Commissioner before, but no later than, January 1, 2015.				
R. Notwithstanding the provisions of § 2.2-507 and § 2.2-510, when the Tax Commissioner determines that an issue may have a major impact on tax policies, revenues or expenditures, he may request that the Attorney General appoint special counsel to render such assistance or representation as needed. The compensation for such special counsel shall be paid out of the funds appropriated for the administration of the Department of Taxation.				
274. Not set out.				
275. Not set out.				
Total for Department of Taxation			**$96,335,384**	**~~$98,654,565~~** ***$98,887,181***
General Fund Positions	890.00	888.00		
Nongeneral Fund Positions	37.00	42.00		
Position Level	927.00	930.00		
Fund Sources: General	$82,800,439	~~$85,344,620~~ *$85,577,236*		
Special	$12,609,189	$12,639,189		
Commonwealth Transportation	$250,000	$250,000		
Dedicated Special Revenue	$675,756	$420,756		
276. Not set out.				
277. Not set out.				
278. Not set out.				
§ 1-34. TREASURY BOARD (155)				
279. Not set out.				
280. Bond and Loan Retirement and Redemption (74300)			$654,696,794	~~$663,082,662~~ *$657,982,600*
Debt Service Payments on General Obligation Bonds (74301)	$105,983,892	~~$98,827,066~~ *$98,866,267*		
Capital Lease Payments (74302)	$12,762,630	$14,089,879		
Debt Service Payments on Public Building Authority Bonds (74303)	$295,531,851	~~$283,102,027~~ *$276,821,534*		
Debt Service Payments on College Building Authority Bonds (74304)	$240,418,421	~~$267,063,690~~ *$268,204,920*		
Fund Sources: General	$605,053,516	~~$613,451,785~~ *$608,351,723*		
Special	$899,122	$524,772		
Higher Education Operating	$29,394,107	$29,774,267		

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Federal Trust.....	$19,350,049	$19,331,838		

Authority: Title 2.2, Chapter 18; Title 33.1, Chapter 3, Article 5, Code of Virginia; Article X, Section 9, Constitution of Virginia.

A. The Director, Department of Planning and Budget is authorized to transfer appropriations between Items in the Treasury Board to address legislation affecting the Treasury Board passed by the General Assembly.

B.1. Out of the amounts for Debt Service Payments on General Obligation Bonds, the following amounts are hereby appropriated from the general fund for debt service on general obligation bonds issued pursuant to Article X, Section 9 (b), of the Constitution of Virginia:

Series	**FY 2013**		**FY 2014**	
	General Fund	**Federal Funds**	**General Fund**	**Federal Funds**
2002 Refunding	$0	$0	$0	$0
2003A	$2,646,000	$0	$0	$0
2004A	$8,964,000	$0	$8,536,501	$0
2004B Refunding	$11,361,050	$0	$10,908,300	$0
2005	$7,424,727	$0	~~$7,115,976~~ *$297,501*	$0
2006A Refunding	$9,005,500	$0	$8,468,000	$0
2006	$8,390,088	$0	~~$8,094,088~~ *$6,183,250*	$0
2007A	$10,740,463	$0	~~$10,427,963~~ *$7,750,001*	$0
2007B	$6,738,025	$0	~~$6,538,025~~ *$5,319,550*	$0
2008A	$8,257,563	$0	$8,060,563	$0
2008B	$8,651,438	$0	$8,501,438	$0
2008B Refunding	$5,052,062	$0	$0	$0
2009A	$7,085,000	$0	$6,885,000	$0
2009B	$3,409,968	$562,675	~~$3,376,148~~ *$3,415,349*	$544,464
2009 Refunding	$6,064,750	$0	$6,064,750	$0
2012 Refunding	$3,308,850	$0	$12,323,850	$0
Projected debt service & expenses	$40,000	$0	~~$40,000~~ *$5,607,750*	$0
Refunding Savings - Series 2005A, 2006B, 2007A, 2007B	($1,718,267)	$0	~~($7,058,000)~~ *$0*	$0
Total Service Area	**$105,421,217**	**$562,675**	~~**$98,282,602**~~ ***$98,321,803***	**$544,464**

2. Out of the amounts for Debt Service Payments on General Obligation Bonds, sums needed to fund issuance costs and other expenses are hereby appropriated.

C. Out of the amounts for Capital Lease Payments, the following amounts are hereby appropriated for capital lease payments:

	FY 2013	**FY 2014**
Big Stone Gap RHA (DOC) (Wallens Ridge, 1995)	$6,012,500	$6,008,625
Norfolk RHA (VCCS-TCC), Series 1995	$2,018,055	$2,012,610
Innovative and Entrepreneurship Investment Authority (VEDP) (1997)	$1,333,600	$1,311,744

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Virginia Biotech Research Park, 2009		$3,398,475	$4,756,900	
Total Capital Lease Payments		**$12,762,630**	**$14,089,879**	

D.1. Out of the amounts for Debt Service Payments on Virginia Public Building Authority Bonds shall be paid to the Virginia Public Building Authority the following amounts for use by the authority for its various bond issues:

	FY 2013		**FY 2014**	
Series	**General Fund**	**Nongeneral Fund**	**General Fund**	**Nongeneral Fund**
2002	$2,593,250	$0	$0	$0
2003 Refunding	$4,866,787	$176,113	$4,867,859	$176,016
2004A	$23,867,256	$0	$23,294,756	$0
2004B	$14,996,481	$0	$14,976,775	$0
2004C	$4,551,500	$0	$4,555,500	$0
2004D	$12,533,338	$0	$12,520,963	$0
2005A Refunding	$5,123,125	$0	$5,104,875	$0
2005B Refunding	$14,935,982	$348,543	$14,946,269	$348,756
2005C	$4,488,375	$0	$4,489,500	$0
STARS 2005C	$12,248,875	$0	$12,251,375	$0
2005D		$0		$0
	$1,220,000		~~$2,220,000~~ *$1,250,000*	
2006A	$5,955,993	$0	~~$5,953,118~~ *$1,346,876*	$0
STARS 2006A	$7,143,125	$0	~~$7,145,500~~ *$4,891,532*	$0
2006B	$13,999,925	$0	~~$13,996,925~~ *$11,291,175*	$0
STARS 2006B	$4,469,250	$0	$4,466,250	$0
2007A	$14,714,850	$0	$14,719,475	$0
STARS 2007A	$7,515,500	$0	$7,517,625	$0
2008A Refunding	$16,281,784	$374,466	$0	$0
2008B	$11,994,813	$0	$11,993,225	$0
2009A	$4,677,085	$0	$4,679,738	$0
2009B	$16,742,305	$0	$16,745,680	$0
2009B STARS	$6,583,725	$0	$6,585,100	$0
2009C	$1,086,531	$0	$1,088,693	$0
2009D	$3,684,125	$0	$6,277,400	$0
2010A	$22,020,957	$4,511,477	~~$21,894,332~~ *$22,252,994*	$4,511,477
2010B	$22,235,001	$3,484,627	~~$22,234,826~~ *$22,511,854*	$3,484,627
2011A STARS	$627,000	$0	$630,800	$0
2011A	$20,818,500	$0	$20,815,900	$0
2011B	$1,298,924	$0	$1,299,774	$0
2012 Refunding	$3,262,263	$0	$3,474,600	$0
Projected debt service and expenses	$100,000	$0	~~$7,115,500~~ *$8,986,892*	$0
Refunding Savings - Series 2006A and 2006B	$0	$0	~~($3,281,182)~~ *$0*	$0
Total Service Area	**$286,636,625**	**$8,895,226**	**~~$274,581,151~~** ***$269,833,455***	**$8,520,876**

2.a. Funding is included in this Item for the Commonwealth's reimbursement of a portion of the approved capital costs as determined by the Board of Corrections and other interest costs as provided in §§ 53.1-80 through 53.1-82.2 of the Code of Virginia, for the following:

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Project	Commonwealth Share of Approved Capital Costs
Loudoun County Adult Detention Center Phase 2	$8,389,677
Blue Ridge Regional Jail	$31,664,995
Meherrin River Regional Jail	$32,189,469
Richmond City Jail Replacement	$29,702,708
Newport News Public Safety Building Life Safety Renovation	$875,294
RSW Regional Jail	$32,840,850
Southwest Virginia Regional Jail	$16,910,186
Central Virginia Regional Jail	$8,464,891
Total Approved Capital Costs	**$161,038,070**

b. The Commonwealth's share of the total cost of construction for Meherrin River Regional Jail shall not exceed $32,189,469. The Commonwealth's share of the total cost of construction of the Richmond City Jail Replacement shall not exceed $29,702,708. The Commonwealth's share of the total cost of construction of the Newport News Public Safety Building Life Safety Renovation project shall not exceed $875,294. The Commonwealth's share of the total cost of construction of the RSW Regional Jail project shall not exceed $32,840,850. Reimbursement of the Commonwealth's portion of the construction costs of these projects shall be subject to the approval of the Department of Corrections of the final expenditures and will not occur before July 1, 2012.

c. This paragraph shall constitute the authority for the Virginia Public Building Authority to issue bonds for the foregoing projects pursuant to § 2.2-2261 of the Code of Virginia.

E.1. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds shall be paid to the Virginia College Building Authority the following amounts for use by the Authority for payments on obligations issued for financing authorized projects under the 21st Century College Program:

Series	FY 2013	FY 2014
2003A	$5,262,400	$0
2004A	$6,245,750	$6,247,500
2004B Refunding	$9,469,825	$9,470,275
2005A	$3,483,250	$3,483,250
2006	$9,569,050	~~$9,557,000~~
		$8,058,657
2007A Refunding	$2,937,300	$3,867,300
2007B	$2,852,925	$2,854,125
2008A	$7,445,231	$7,446,981
2009A&B	$33,304,325	$33,301,007
2009C Refunding	$2,363,050	$1,297,550
2009E Refunding	$14,252,350	$19,514,750
2009F	$34,234,136	~~$34,229,886~~
		$34,762,641
2010B	$28,164,064	~~$28,162,314~~
		$28,487,465
2011 A	$17,777,344	$17,778,100
Projected 21st Century debt service & expenses	$21,600,000	~~$41,127,277~~
		$48,908,944
Subtotal 21st Century	**$197,487,988**	**~~$224,337,315~~**
		$225,478,545

2. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds shall be paid to the Virginia College Building Authority the following amounts for the payment of debt service on authorized bond issues to finance equipment:

Series	FY 2013	FY 2014
2008A	$8,230,750	$8,230,250
2009D	$9,046,175	$9,048,925
2010A	$8,756,500	$8,550,000
2011A	$8,534,115	$8,535,200
Projected debt service & expenses	$8,362,893	$8,362,000

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Subtotal Equipment	$42,930,433	$42,726,375		
Total Service Area	**$240,418,421**	**~~$267,063,690~~** ***$268,204,920***		

3. Beginning with the FY 2008 allocation of the higher education equipment trust fund, the Treasury Board shall amortize equipment purchases at seven years, which is consistent with the useful life of the equipment.

4. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds, the following nongeneral fund amounts from a capital fee charged to out-of-state students at institutions of higher education shall be paid to the Virginia College Building Authority in each year for debt service on bonds issued under the 21st Century Program:

Institution	**FY 2013**	**FY 2014**
George Mason University	$2,281,257	$2,535,489
Old Dominion University	$1,063,161	$1,059,300
University of Virginia	$4,768,632	$4,670,622
Virginia Polytechnic Institute and State University	$4,625,280	$4,656,663
Virginia Commonwealth University	$1,714,383	$2,132,460
College of William and Mary	$1,412,532	$1,493,811
Christopher Newport University	$119,097	$112,167
University of Virginia's College at Wise	$41,085	$48,510
James Madison University	$2,672,109	$2,635,578
Norfolk State University	$499,356	$458,766
Longwood University	$118,701	$111,276
University of Mary Washington	$339,669	$293,535
Radford University	$277,002	$275,022
Virginia Military Institute	$347,490	$370,260
Virginia State University	$858,726	$845,856
Richard Bland College	$6,930	$9,900
Virginia Community College System	$3,406,095	$3,222,450
TOTAL	**$24,551,505**	**$24,931,665**

5. Out of the amounts for Debt Service Payments of College Building Authority Bonds, the following is the estimated general and nongeneral fund breakdown of each institution's share of the debt service on the Virginia College Building Authority bond issues to finance equipment. The nongeneral fund amounts shall be paid to the Virginia College Building Authority in each year for debt service on bonds issued under the equipment program:

	FY 2013		**FY 2014**	
Institution	**General Fund**	**Nongeneral Fund**	**General Fund**	**Nongeneral Fund**
College of William & Mary	$1,541,950	$259,307	$1,469,205	$259,307
University of Virginia	$10,093,515	$1,088,024	$9,339,830	$1,088,024
Virginia Polytechnic Institute and State University	$9,354,885	$992,321	$8,755,725	$992,321
Virginia Military Institute	$593,290	$88,844	$505,625	$88,844
Virginia State University	$949,330	$108,886	$872,855	$108,886
Norfolk State University	$1,337,165	$108,554	$806,885	$108,554
Longwood University	$520,085	$54,746	$487,775	$54,746
University of Mary Washington	$494,188	$97,063	$437,530	$97,063

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James Madison University	$1,671,180	$254,504	$1,511,855	$254,504
Radford University	$1,115,115	$135,235	$1,066,500	$135,235
Old Dominion University	$3,379,770	$374,473	$3,147,225	$374,473
Virginia Commonwealth University	$7,726,995	$401,647	$7,322,975	$401,647
Richard Bland College	$121,730	$2,027	$111,875	$2,027
Christopher Newport University	$558,715	$17,899	$512,725	$17,899
University of Virginia's College at Wise	$211,295	$19,750	$184,280	$19,750
George Mason University	$3,520,240	$205,665	$3,357,410	$205,665
Virginia Community College System	$9,426,165	$633,657	$8,675,410	$633,657
Virginia Institute of Marine Science	$516,760	$0	$489,925	$0
Roanoke Higher Education Authority	$56,105	$0	$52,315	$0
Southwest Virginia Higher Education Center	$53,375	$0	$49,810	$0
Institute for Advanced Learning and Research	$680,565	$0	$135,475	$0
Southern Virginia Higher Education Center	$19,175	$0	$23,435	$0
New College Institute	$24,205	$0	$34,845	$0
TOTAL	**$38,491,738**	**$4,842,602**	**$47,995,653**	**$4,842,602**

F. Pursuant to various Payment Agreements between the Treasury Board and the Commonwealth Transportation Board, funds required to pay the debt service due on Commonwealth Transportation Board bonds shall be paid to the Trustee for the bondholders by the Treasury Board after transfer of these funds to the Treasury Board from the Commonwealth Transportation Board pursuant to Item 450, paragraph E of this act and §§ 58.1-815, 58.1-815.1 and 58.1-816.1, Code of Virginia.

G. Under the authority of this act, an agency may transfer funds to the Treasury Board for use as lease, rental, or debt service payments to be used for any type of financing where the proceeds are used to acquire equipment and to finance associated costs, including but not limited to issuance and other financing costs. In the event such transfers occur, the transfers shall be deemed an appropriation to the Treasury Board for the purpose of making the lease, rental, or debt service payments described herein.

281. Not set out.

Total for Treasury Board			**$657,333,314**	**~~$663,272,902~~** ***$658,172,840***
Fund Sources: General	$607,690,036	~~$613,642,025~~ *$608,541,963*		
Special	$899,122	$524,772		
Higher Education Operating	$29,394,107	$29,774,267		
Federal Trust	$19,350,049	$19,331,838		
TOTAL FOR OFFICE OF FINANCE			**$2,521,765,967**	**~~$2,679,451,218~~** ***$2,674,791,802***

ITEM 281.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
1	General Fund Positions	1,096.50	1,094.50		
2	Nongeneral Fund Positions	163.50	184.50		
3	Position Level	1,260.00	1,279.00		
4	Fund Sources: General	$1,848,512,465	~~$2,063,825,967~~		
5			*$2,059,166,551*		
6	Special	$14,921,861	$14,627,511		
7	Higher Education Operating	$29,394,107	$29,774,267		
8	Commonwealth Transportation	$435,187	$435,187		
9	Trust and Agency	$87,844,441	$87,844,441		
10	Dedicated Special Revenue	$521,307,857	$463,612,007		
11	Federal Trust	$19,350,049	$19,331,838		

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OFFICE OF HEALTH AND HUMAN RESOURCES

282. Not set out.

283. Not set out.

284. Not set out.

285. Not set out.

286. Not set out.

287. Not set out.

§ 1-35. DEPARTMENT FOR THE DEAF AND HARD-OF-HEARING (751)

288. Social Services Research, Planning, and Coordination (45000)			$11,406,109	$11,783,168
Technology Services for Deaf and Hard-Of-Hearing (45004)	$10,442,176	$10,819,226		
Consumer, Interpreter, and Community Support Services (45005)	$635,591	$635,591		
Administrative Services (45006)	$328,342	$328,351		
Fund Sources: General	$844,985	$844,994		
Special	$10,461,124	$10,838,174		
Federal Trust	$100,000	$100,000		

Authority: Title 51.5, Chapter 13, Code of Virginia.

~~A. – The Virginia Department for the Deaf and Hard-of-Hearing shall locate the relay center in Norton, Virginia. Any request for proposals issued for basic relay services shall require an employment level of 85 at the center unless, during the previous contract period, the employment level has been reduced to less than 85 through attrition, voluntary separation, transfers, voluntary retirements, and disability retirement, in which case the employment level of the subsequent contract may reflect the employment level at the end of the previous contract period, but may not be less than that level. The center is also prohibited from filling vacant positions, unless employment at the center drops below 75 positions.~~

B. Out of this appropriation, $40,000 the first year and $40,000 the second year from the general fund shall be provided to the Connie Reasor Deaf Resource Center in Planning District 1.

C. Notwithstanding § 58.1-662 of the Code of Virginia, prior to the distribution of monies from the Communications Sales and Use Tax Trust Fund to counties, cities and towns, there shall be distributed monies in the fund to pay for the Technology Assistance Program. This requirement shall not change any other distributions required by law from the Communications Sales and Use Tax Trust Fund.

Total for Department for the Deaf and Hard-Of-Hearing			**$11,406,109**	**$11,783,168**
General Fund Positions	8.37	8.37		
Nongeneral Fund Positions	2.63	2.63		
Position Level	11.00	11.00		
Fund Sources: General	$844,985	$844,994		
Special	$10,461,124	$10,838,174		
Federal Trust	$100,000	$100,000		

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§ 1-36. DEPARTMENT OF HEALTH (601)

289. Not set out.

290. Not set out.

291. Not set out.

292. Not set out.

293. Not set out.

294. Health Research, Planning, and Coordination (40600).....			$13,870,954	~~$14,125,886~~ *$14,205,886*
Health Research, Planning and Coordination (40603).....	$2,794,251	~~$2,794,251~~ *$2,874,251*		
Regulation of Health Care Facilities (40607).....	$9,831,371	$10,086,303		
Certificate of Public Need (40608).....	$1,245,332	$1,245,332		
Fund Sources: General.....	$2,699,102	~~$2,965,734~~ *$3,045,734*		
Special.....	$1,989,234	$1,989,234		
Dedicated Special Revenue.....	$451,798	$451,798		
Federal Trust.....	$8,730,820	$8,719,120		

Authority: §§ 32.1-102.1 through 32.1-102.12; 32.1-122.01 through 32.1-122.08; and 32.1-123 through 32.1-138.5, Code of Virginia; and P.L. 96-79, as amended, Federal Code; and Title XVIII and Title XIX of the U.S. Social Security Act, Federal Code.

A. Supplemental funding for the regional health planning agencies shall be provided from the following sources:

1. Special funds from Certificate of Public Need (40608) application fees in excess of those required to operate the COPN Program, provided the program may retain special fund balances each year equal to of one month's operational needs in case of revenue shortfalls in the subsequent year.

2. The Department of Health shall revise annual agreements with the regional health planning agencies to require an annual independent financial audit to examine the use of state funds and the reasonableness of those expenditures.

B. Failure of any regional health planning agency to establish or sustain business operations shall cause funds to revert to the Central Office to support health planning and Certificate of Public Need functions.

C. The State Health Commissioner shall continue implementation of the "Five-Year Action Plan: Improving Access to Primary Health Care Services in Medically Underserved Areas and Populations of the Commonwealth." A minimum of $150,000 the first year and $150,000 the second year from the general fund shall be provided to the Virginia Office of Rural Health, as the state match for the federal Office of Rural Health Policy Grant. The commissioner is authorized to contract for services to accomplish the plan.

D. Out of the this appropriation, $278,000 the first year and $278,000 the second year is appropriated to the department from statewide indirect cost recoveries to match federal funds and support the programs of the Office of Licensure and Certification. Amounts recovered in excess of the special fund appropriation shall be deposited to the general fund.

E. The State Health Commissioner shall accept applications for, and may issue a Certificate of Public Need authorizing an application for an increase of five licensed nursing home beds in Planning District 14, provided that any such application shall come from a facility (i) which offers independent living, assisted living, skilled nursing and rehabilitation on the same site, (ii) that is not a registered continuing care provider with the State Corporation Commission pursuant to Section 38.2-4900 et seq. of the Code of Virginia, and (iii) which is located within

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	10 miles of a general hospital.				
295.	Not set out.				
296.	Not set out.				
297.	Financial Assistance to Community Human Services Organizations (49200).....			$15,475,065	$14,150,518
	Payments to Human Services Organizations (49204).....	$15,475,065	$14,150,518		
	Fund Sources: General.....	$15,475,065	$13,750,518		
	Federal Trust.....	$0	$400,000		

Authority: § 32.1-2, Code of Virginia.

A.1. Out of this appropriation, $1,910,574 the first year and $1,382,946 the second year from the general fund and $400,000 the second year from the federal Temporary Assistance for Needy Families (TANF) block grant is provided to the Comprehensive Health Investment Project (CHIP) of Virginia.

2. In addition, the CHIP of Virginia shall receive $100,000 the first year and $100,000 the second year from other nongeneral funds subject to the availability of foster care prevention funding transferred from the Department of Social Services.

3. The purpose of the program is to develop, expand, and operate a network of local public-private partnerships providing comprehensive care coordination, family support and preventive medical and dental services to low-income, at-risk children.

4. The general fund appropriation in this Item for the CHIP of Virginia projects shall not be used for administrative costs.

5. CHIP of Virginia shall continue to pursue raising funds and in-kind contributions from local communities. It is the intent of the General Assembly that the CHIP program increases its efforts to raise funds from local communities and other private or public sources with the goal of reducing reliance on general fund appropriations in the future.

6. Of this appropriation, from the amounts in paragraph A.1., $48,371 the first year and $24,679 the second year from the general fund is provided to the CHIP of Roanoke and shall be used as matching funds to add three full-time equivalent public health nurse positions to expand services in the Roanoke Valley and Allegheny Highlands.

B. Out of this appropriation $69,496 the first year and $34,748 the second year from the general fund shall be provided to the Alexandria Neighborhood Health Services, Inc. The organization shall pursue raising funds and in-kind contributions from the local community.

C. Out of this appropriation $7,653 the first year and $3,904 the second year from the general fund shall be provided to the Louisa County Resource Council. The council shall continue to pursue raising funds and in-kind contributions from the local community.

D. Out of this appropriation, $10,230 the first year and $5,115 the second year from the general fund shall be provided to the Olde Towne Medical Center.

E.1. Out of this appropriation, $433,750 the first year and $433,750 the second year from the general fund shall be provided to the Virginia Community Healthcare Association for the purchase of pharmaceuticals and medically necessary pharmacy supplies, and to provide pharmacy services to low-income, uninsured patients of the Community and Migrant Health Centers throughout Virginia. The uninsured patients served with these funds shall have family incomes no greater than 200 percent of the federal poverty level. The amount allocated to each Community and Migrant Health Center shall be determined through an allocation methodology developed by the Virginia Community Healthcare Association. The allocation methodology shall ensure that funds are distributed such that the Community and Migrant Health Centers are able to serve the pharmacy needs of the greatest number of low-income, uninsured persons. The Virginia Community Healthcare Association shall establish accounting and reporting mechanisms to track the disbursement and expenditure of these funds.

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2. Out of this appropriation, $175,000 the first year and $175,000 the second year from the general fund shall be provided to the Virginia Community Healthcare Association to expand access to care provided through community health centers.

3. Out of this appropriation, $1,800,000 the first year and $1,800,000 the second year from the general fund shall be provided to the Virginia Community Healthcare Association to support community health center operating costs for services provided to uninsured clients. The amount allocated to each Community and Migrant Health Center shall be determined through an allocation methodology developed by the Virginia Community Healthcare Association. The allocation methodology shall ensure that funds are distributed such that the Community and Migrant Health Centers are able to serve the needs of the greatest number of uninsured persons. The Virginia Community Healthcare Association shall establish accounting and reporting mechanisms to track the disbursement and expenditure of these funds.

F.1. Out of this appropriation, $1,321,400 the first year and $1,321,400 the second year from the general fund shall be provided to the Virginia Association of Free Clinics for the purchase of pharmaceuticals and medically necessary pharmacy supplies, and to provide pharmacy services to low-income, uninsured patients of the Free Clinics throughout Virginia. The amount allocated to each Free Clinic shall be determined through an allocation methodology developed by the Virginia Association of Free Clinics. The allocation methodology shall ensure that funds are distributed such that the Free Clinics are able to serve the pharmacy needs of the greatest number of low-income, uninsured adults. The Virginia Association of Free Clinics shall establish accounting and reporting mechanisms to track the disbursement and expenditure of these funds.

2. Out of this appropriation, $175,000 the first year and $175,000 the second year from the general fund shall be provided to the Virginia Association of Free Clinics to expand access to health care services.

3. Out of this appropriation, $1,700,000 the first year and $1,700,000 the second year from the general fund shall be provided to the Virginia Association of Free Clinics to support free clinic operating costs for services provided to uninsured clients. The amount allocated to each free clinic shall be determined through an allocation methodology developed by the Virginia Association of Free Clinics. The allocation methodology shall ensure that funds are distributed such that the free clinics are able to serve the needs of the greatest number of uninsured persons. The Virginia Association of Free Clinics shall establish accounting and reporting mechanisms to track the disbursement and expenditure of these funds.

G. Out of this appropriation, $38,250 the first year and $19,125 the second year from the general fund shall be provided to expand services at the Jeanie Schmidt Free Clinic.

H. Out of this appropriation, $210,759 the first year and $107,530 the second year from the general fund shall be provided to the Southwest Virginia Graduate Medical Education Consortium to create and support medical residency preceptor sites in rural and underserved communities in Southwest Virginia. *GMEC is a program of the University of Virginia's College at Wise.*

I. Out of this appropriation, $454,828 the first year and $232,055 the second year from the general fund shall be provided to the regional AIDS resource and consultation centers and one local early intervention and treatment center.

J. Out of this appropriation, $75,660 the first year and $37,830 the second year from the general fund shall be provided to the Arthur Ashe Health Center in Richmond.

K. Out of this appropriation, $13,919 the first year and $6,959 the second year from the general fund shall be provided to the Fan Free Clinic for AIDS related services.

L.1. Out of this appropriation, $4,080,571 the first year and $4,080,571 the second year from the general fund shall be provided to the Virginia Health Care Foundation. These funds shall be matched with local public and private resources and shall be awarded to proposals which enhance access to primary health care for Virginia's uninsured and medically underserved residents, through innovative service delivery models. The foundation, in coordination with the Virginia Department of Health, the Area Health Education Centers program, the Joint Commission on Health Care, and other appropriate organizations, is encouraged to undertake

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initiatives to reduce health care workforce shortages. The foundation shall account for the expenditure of these funds by providing the Governor, the Secretary of Health and Human Resources, the Chairmen of the House Appropriations and Senate Finance Committees, the State Health Commissioner, and the Chairman of the Joint Commission on Health Care with a certified audit and full report on the foundation's initiatives and results, including evaluation findings, not later than October 1 of each year for the preceding fiscal year ending June 30.

2. On or before October 1 of each year, the foundation shall submit to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees a report on the actual amount, by fiscal year, of private and local government funds received by the foundation since its inception. The report shall include certification that an amount equal to the state appropriation for the preceding fiscal year ending June 30 has been matched from private and local government sources during that fiscal year.

3. Of this appropriation, from the amounts in paragraph L.1., $125,000 the first year and $125,000 the second year from the general fund shall be provided to the Virginia Health Care Foundation to expand the Pharmacy Connection software program to unserved or underserved regions of the Commonwealth.

4. Of this appropriation, from the amounts in paragraph L.1., $105,000 the first year and $105,000 the second year from the general fund shall be provided to the Virginia Health Care Foundation for the Rx Partnership to improve access to free medications for low-income Virginians.

5. Of this appropriation, from the amounts in paragraph L.1., $1,850,000 the first year and $1,850,000 the second year from the general fund shall be provided to the Virginia Health Care Foundation to increase the capacity of the Commonwealth's health safety net providers to expand services to unserved or underserved Virginians. Of this amount, (i) $850,000 the first year and $850,000 the second year shall be used to underwrite service expansions and/or increase the number of patients served at existing sites or at new sites, (ii) $850,000 the first year and $850,000 the second year shall be used for Medication Assistance Coordinators who provide outreach assistance, and (iii) $150,000 the first year and $150,000 the second year shall be made available for locations with existing medication assistance programs.

M. Out of this appropriation, $17,371 the first year and $8,685 the second year from the general fund shall be provided to the Chesapeake Adult General Medical Clinic.

N. Out of this appropriation, $242,367 the first year and $247,313 the second year from the general fund is provided to support the administration of the patient level data base, including the outpatient data reporting system.

O. Out of this appropriation, $76,712 the first year and $76,712 the second year from the general fund shall be provided to the St. Mary's Health Wagon.

P. Out of this appropriation, $88,200 the first year and $105,000 the second year from the general fund shall be provided to the Statewide Sickle Cell Chapters of Virginia (SSCCV) for grants to community-based programs that provide patient assistance, education, and family-centered support for individuals suffering from sickle cell disease. The SSCCV shall develop criteria for distributing these funds including specific goals and outcome measures. A report shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees detailing program outcomes by October 1 of each year.

Q. Out of this appropriation, $20,825 the first year and $10,625 the second year from the general fund shall be provided to the Virginia Dental Health Foundation for the Mission of Mercy (M.O.M.) dental project.

R.1. Out of this appropriation, $500,000 the first year and $1,000,000 the second year from the general fund shall be provided to fund three Poison Control Centers. The appropriation of general fund amounts the second year shall be divided between the three poison control centers in proportion to the Virginia population served by the centers.

2. The State Health Commissioner shall report to the Chairmen of the Senate Finance and House Appropriations Committees by November 1, 2012 on the level of funding needed to support the operations and services of Poison Control Centers. The commissioner shall assess

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the level of funding needed to provide statewide coverage of poison control services by two centers and the services that are required to be provided.

3. The State Health Commissioner shall work with the poison control centers to ensure continued statewide coverage of poison control services through the existing centers.

S. Out of this appropriation, $42,500 the first year and $21,250 the second year from the general fund shall be provided to the Community Health Center of the Rappahannock Region.

T. The State Health Commissioner shall allocate $255,000 the second year from the general fund to health safety net providers contained within this item who have entered into performance agreements that are consistent with § 4-5.04, paragraph l. of the general provisions of this act.

U. Out of this appropriation, $2,010,000 the first year and $510,000 the second year from the general fund is designated to the Hampton Roads Proton Beam Therapy Institute at Hampton University, LLC to support efforts for proton therapy in the treatment of cancerous tumors with fewer side effects.

298. Not set out.

299. Not set out.

300. Not set out.

301. Not set out.

Total for Department of Health.....			**$621,434,928**	**~~$626,963,628~~** ***$627,043,628***
General Fund Positions.....	1,544.00	1,544.00		
Nongeneral Fund Positions.....	2,215.00	2,215.00		
Position Level	3,759.00	3,759.00		
Fund Sources: General.....	$156,842,622	~~$153,929,573~~ *$154,009,573*		
Special.....	$138,646,382	$138,702,416		
Dedicated Special Revenue.....	$101,568,122	$101,568,122		
Federal Trust.....	$224,377,802	$232,763,517		

302. Not set out.

303. Not set out.

§ 1-37. DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (602)

304. Pre-Trial, Trial, and Appellate Processes (32100).....			$12,383,986	~~$12,930,761~~ *$12,405,178*
Reimbursements for Medical Services Related to Involuntary Mental Commitments (32107).....	$12,383,986	~~$12,930,761~~ *$12,405,178*		
Fund Sources: General.....	$12,383,986	~~$12,930,761~~ *$12,405,178*		

Authority: § 37.2-809, Code of Virginia.

A. Any balance, or portion thereof, in Reimbursements for Medical Services Related to Involuntary Mental Commitments (32107), may be transferred between Items 43, 44, 45, and 304 as needed, to address any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

B. Out of this appropriation, payments may be made to licensed health care providers for medical screening and assessment services provided to persons with mental illness while in

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emergency custody pursuant to § 37.2-808, Code of Virginia.				
C. To the extent that the appropriation in this Item is insufficient, the Department of Planning and Budget shall transfer general fund appropriation from Items 306, 307, and 309 to this Item, if available.				
305. Not set out.				
306. Children's Health Insurance Program Delivery (44600)...			$162,328,462	~~$196,844,869~~ *$172,201,266*
Reimbursements for Medical Services Provided Under the Family Access to Medical Insurance Security Plan (44602)	$162,328,462	~~$196,844,869~~ *$172,201,266*		
Fund Sources: General	$42,749,335	~~$54,830,077~~ *$46,204,816*		
Dedicated Special Revenue	$14,065,627	$14,065,627		
Federal Trust	$105,513,500	~~$127,949,165~~ *$111,930,823*		

Authority: Title 32.1, Chapter 13, Code of Virginia; Title XXI, Social Security Act, Federal Code.

A. Pursuant to Chapter 679, Acts of Assembly of 1997, the State Corporation Commission shall annually, on or before June 30, 1998, and each year thereafter, calculate the premium differential between: (i) 0.75 percent of the direct gross subscriber fee income derived from eligible contracts and (ii) the amount of license tax revenue generated pursuant to subdivision A 4 of § 58.1-2501 for the immediately preceding taxable year and notify the Comptroller of the Commonwealth to transfer such amounts to the Family Access to Medical Insurance Security Plan Trust Fund as established on the books of the State Comptroller.

B. As a condition of this appropriation, revenues from the Family Access to Medical Insurance Security Plan Trust Fund, shall be used to match federal funds for the Children's Health Insurance Program.

C. Every eligible applicant for health insurance as provided for in Title 32.1, Chapter 13, Code of Virginia, shall be enrolled and served in the program.

D. To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation from Items 307 and 309, if available, into this Item, to be used as state match for federal Title XXI funds.

E. The Department of Medical Assistance Services shall make the monthly capitation payment to managed care organizations for the member months of each month in the first week of the subsequent month.

F. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director, Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the alternative method.

G. The Department of Medical Assistance Services shall have authority to amend the Virginia State Plan for Title XXI of the Social Security Act and the Virginia Health Insurance Flexibility and Accountability (HIFA) Waiver to require that Family Access to Medical Insurance Security (FAMIS) and FAMIS MOMS applicants and enrollees furnish their Social

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Security numbers as a condition of eligibility in order to have citizenship and identity verified by the Social Security Administration, unless the applicant is otherwise exempt from this requirement. The department shall have the authority to implement this change prior to the completion of any regulatory process undertaken in order to effect such change.

H. The Department of Medical Assistance Services is directed to develop enrollment and retention provisions, consistent with those outlined in Section 104 of the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009, P.L. 111-3, and implement provisions determined to be budget-neutral, cost-effective or that would lead to an award of a CHIP performance bonus.

I. The Department of Medical Assistance Services shall have the authority to amend the Title XIX State Plan of Medical Assistance Services, the Virginia Plan for Title XXI of the Social Security Act and the Family Access to Medical Insurance Security Plan (FAMIS) MOMS waiver to include coverage of pregnant women who are lawfully residing in the United States and who are otherwise eligible for Medicaid services, pursuant to Section 214 of the Children's Health Insurance Program Reauthorization Act of 2009. The department shall have the authority to promulgate emergency regulations to implement this change effective July 1, 2012.

307. Medicaid Program Services (45600)			$7,610,298,210	~~$8,061,586,025~~ *$8,001,607,601*
Reimbursements to State-Owned Mental Health and Intellectual Disabilities Facilities (45607)	$263,128,981	$263,128,981		
Reimbursements for Behavioral Health Services (45608)	$663,363,194	~~$725,639,169~~ *$696,565,922*		
~~Reimbursements for Professional and Institutional Medical Services (45609)~~	$4,427,240,033	~~$4,682,278,063~~ *$4,705,330,084*		
Reimbursements for Medical Services (45609)				
Reimbursements for Long-Term Care Services (45610)	$2,256,566,002	~~$2,390,539,812~~ *$2,336,582,614*		
Fund Sources: General	$3,401,990,672	~~$3,690,739,927~~ *$3,519,763,424*		
Dedicated Special Revenue	$450,208,672	~~$370,765,117~~ *$461,883,222*		
Federal Trust	$3,758,098,866	~~$4,000,080,981~~ *$4,019,960,955*		

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Title XIX, Social Security Act, Federal Code.

A. Out of this appropriation, $131,564,490 the first year and $131,564,490 the second year from the general fund and $131,564,490 the first year and $131,564,490 the second year from the federal trust fund is provided for reimbursement to the institutions within the Department of Behavioral Health and Developmental Services.

B.1. Included in this appropriation is $69,408,988 the first year and ~~$66,984,546~~ *$67,872,189* the second year from the general fund and $85,375,471 the first year and ~~$86,665,429~~ *$84,973,939* the second year from nongeneral funds to reimburse the Virginia Commonwealth University Health System for indigent health care costs. This funding is composed of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

2. Included in this appropriation is $37,921,346 the first year and ~~$38,172,887~~ *$39,128,622* the second year from the general fund and $48,940,486 the first year and ~~$51,955,177~~ *$51,160,627* the second year from nongeneral funds to reimburse the University of Virginia Health System for indigent health care costs. This funding is comprised of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

3. The general fund amounts for the state teaching hospitals have been reduced to mirror the

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general fund impact of no inflation for inpatient services, including DSH, GME and IME, for private hospitals plus an additional reduction for indigent care. However, the nongeneral funds are appropriated. In order to receive the nongeneral funds in excess of the amount of the general fund appropriated, the health systems shall certify the public expenditures.

4. The Department of Medical Assistance Service shall have the authority to increase Medicaid payments for Type One hospitals and physicians consistent with the appropriations to compensate for limits on disproportionate share hospital (DSH) payments to Type One hospitals that the department would otherwise make. In particular, the department shall have the authority to amend the State Plan for Medical Assistance to increase physician supplemental payments for physician practice plans affiliated with Type One hospitals up to the average commercial rate as demonstrated by University of Virginia Health System and Virginia Commonwealth University Health System, to change reimbursement for Graduate Medical Education to cover costs for Type One hospitals, to case mix adjust the formula for indirect medical education reimbursement for HMO discharges for Type One hospitals and to increase the adjustment factor for Type One hospitals to 1.0. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

C.1. The estimated revenue for the Virginia Health Care Fund is $450,208,672 the first year and ~~$370,765,117~~ *$461,883,222* the second year, to be used pursuant to the uses stated in §32.1-367, Code of Virginia.

2. Notwithstanding §32.1-366, Code of Virginia, the State Comptroller shall deposit 41.5 percent of the Commonwealth's allocation of the Master Settlement Agreement with tobacco product manufacturers, as defined in §3.2-3100, Code of Virginia, to the Virginia Health Care Fund.

3. Notwithstanding any other provision of law, the State Comptroller shall deposit 50 percent of the Commonwealth's allocation of the Strategic Contribution Fund payment pursuant to the Master Settlement Agreement with tobacco product manufacturers into the Virginia Health Care Fund.

4. Notwithstanding any other provision of law, revenues deposited to the Virginia Health Care Fund shall only be used as the state share of Medicaid unless specifically authorized by this act.

D. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director, Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the alternative method.

E.1. The Director, Department of Medical Assistance Services shall seek the necessary waivers from the United States Department of Health and Human Services to authorize the Commonwealth to cover health care services and delivery systems, as may be permitted by Title XIX of the Social Security Act, which may provide less expensive alternatives to the State Plan for Medical Assistance.

2. The director shall promulgate such regulations as may be necessary to implement those programs which may be permitted by Titles XIX and XXI of the Social Security Act, in conformance with all requirements of the Administrative Process Act.

F. It is the intent of the General Assembly to develop and cause to be developed appropriate, fiscally responsible methods for addressing the issues related to the cost and funding of long-term care. It is the further intent of the General Assembly to promote home-based and community-based care for individuals who are determined to be in need of nursing facility care.

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G. To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation from Item 306 and 309, if available, to be used as state match for federal Title IX funds.

H. It is the intent of the General Assembly that the medically needy income limits for the Medicaid program are adjusted annually to account for changes in the Consumer Price Index.

I. It is the intent of the General Assembly that the use of the new atypical medications to treat seriously mentally ill Medicaid recipients should be supported by the formularies used to reimburse claims under the Medicaid fee-for-service and managed care plans.

J. The Department of Medical Assistance Services shall establish a program to more effectively manage those Medicaid recipients who receive the highest cost care. To implement the program, the department shall establish uniform criteria for the program, including criteria for the high cost recipients, providers and reimbursement, service limits, assessment and authorization limits, utilization review, quality assessment, appeals and other such criteria as may be deemed necessary to define the program. The department shall seek any necessary approval from the Centers for Medicare and Medicaid Services, and shall promulgate such regulations as may be deemed necessary to implement this program.

K. The Department of Medical Assistance Services and the Virginia Department of Health shall work with representatives of the dental community: to expand the availability and delivery of dental services to pediatric Medicaid recipients; to streamline the administrative processes; and to remove impediments to the efficient delivery of dental services and reimbursement thereof. The Department of Medical Assistance Services shall report its efforts to expand dental services to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget by December 15 each year.

L. The Department of Medical Assistance Services shall not require dentists who agree to participate in the delivery of Medicaid pediatric dental care services, or services provided to enrollees in the Family Access to Medical Insurance Security (FAMIS) Plan or any variation of FAMIS, to also deliver services to subscribers enrolled in commercial plans of the managed care vendor, unless the dentist is a willing participant in the commercial managed care plan.

M. The Department of Medical Assistance Services shall implement continued enhancements to the drug utilization review (DUR) program. The department shall continue the Pharmacy Liaison Committee and the DUR Board. The department shall continue to work with the Pharmacy Liaison Committee to implement initiatives for the promotion of cost-effective services delivery as may be appropriate. The department shall report on the Pharmacy Liaison Committee's and the DUR Board’s activities to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than December 15 each year of the biennium.

N.1. The Department of Medical Assistance Services shall have the authority to seek federal approval of changes to its MEDALLION waiver and its Medallion II waiver.

2. In order to conform the state regulations to the federally approved changes and to implement the provisions of this act, the department shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. The department shall implement these necessary regulatory changes to be consistent with federal approval of the waiver changes.

O. The Department of Medical Assistance Services shall have the authority to seek federal approval of changes to its managed care waiver to limit the Primary Case Management program to localities of the state with only one participating managed care organization. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

P.1. The Department of Medical Assistance Services shall develop and pursue cost saving strategies internally and with the cooperation of the Department of Social Services, Virginia Department of Health, Office of the Attorney General, Comprehensive Services Act program, Department of Education, Department of Juvenile Justice, Department of Behavioral Health and Developmental Services, Virginia Department for the Aging, Department of the Treasury, University of Virginia Health System, Virginia Commonwealth University Health System

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Authority, Department of Corrections, federally qualified health centers, local health departments, local school divisions, community service boards, local hospitals, and local governments, that focus on optimizing Medicaid claims and cost recoveries. Any revenues generated through these activities shall be transferred to the Virginia Health Care Fund to be used for the purposes specified in this Item.

2. The Department of Medical Assistance Services shall retain the savings necessary to reimburse a vendor for its efforts to implement paragraph . P 1. of this Item. However, prior to reimbursement, the department shall identify for the Secretary of Health and Human Resources each of the vendor's revenue maximization efforts and the manner in which each vendor would be reimbursed. No reimbursement shall be made to the vendor without the prior approval of the above plan by the Secretary.

Q. The Department of Medical Assistance Services shall have the authority to pay contingency fee contractors, engaged in cost recovery activities, from the recoveries that are generated by those activities. All recoveries from these contractors shall be deposited to a special fund. After payment of the contingency fee any prior year recoveries shall be transferred to the Virginia Health Care Fund. Beginning November 1, 2011, and each year thereafter, the Director, Department of Medical Assistance Services shall report to the Chairmen of the House Appropriations and Senate Finance Committees the increase in recoveries associated with this program as well as the areas of audit targeted by contractors.

R. The Department of Medical Assistance Services in cooperation with the State Executive Council, shall provide semi-annual training to local Comprehensive Services Act teams on the procedures for use of Medicaid for residential treatment and treatment foster care services, including, but not limited to, procedures for determining eligibility, billing, reimbursement, and related reporting requirements. The department shall include in this training information on the proper utilization of inpatient and outpatient mental health services as covered by the Medicaid State Plan.

S.1. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, the Department of Medical Assistance Services, in consultation with the Department of Behavioral Health and Developmental Services, shall amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a Preferred Drug List. In developing the modifications, the department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, and others, as appropriate.

2.a. The department shall utilize a Pharmacy and Therapeutics Committee to assist in the development and ongoing administration of the Preferred Drug List program. The Pharmacy and Therapeutics Committee shall be composed of 8 to 12 members, including the Commissioner, Department of Behavioral Health and Developmental Services, or his designee. Other members shall be selected or approved by the department. The membership shall include a ratio of physicians to pharmacists of 2:1 and the department shall ensure that at least one-half of the physicians and pharmacists are either direct providers or are employed with organizations that serve recipients for all segments of the Medicaid population. Physicians on the committee shall be licensed in Virginia, one of whom shall be a psychiatrist, and one of whom specializes in care for the aging. Pharmacists on the committee shall be licensed in Virginia, one of whom shall have clinical expertise in mental health drugs, and one of whom has clinical expertise in community-based mental health treatment. The Pharmacy and Therapeutics Committee shall recommend to the department (i) which therapeutic classes of drugs should be subject to the Preferred Drug List program and prior authorization requirements; (ii) specific drugs within each therapeutic class to be included on the preferred drug list; (iii) appropriate exclusions for medications, including atypical anti-psychotics, used for the treatment of serious mental illnesses such as bi-polar disorders, schizophrenia, and depression; (iv) appropriate exclusions for medications used for the treatment of brain disorders, cancer and HIV-related conditions; (v) appropriate exclusions for therapeutic classes in which there is only one drug in the therapeutic class or there is very low utilization, or for which it is not cost-effective to include in the Preferred Drug List program; and (vi) appropriate grandfather clauses when prior authorization would interfere with established complex drug regimens that have proven to be clinically effective. In developing and maintaining the preferred drug list, the cost effectiveness of any given drug shall be considered only after it is determined to be safe and clinically effective.

b. The Pharmacy and Therapeutics Committee shall schedule meetings at least semi-annually

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and may meet at other times at the discretion of the chairperson and members. At the meetings, the Pharmacy and Therapeutics committee shall review any drug in a class subject to the Preferred Drug List that is newly approved by the Federal Food and Drug Administration, provided there is at least thirty (30) days notice of such approval prior to the date of the quarterly meeting.

3. The department shall establish a process for acting on the recommendations made by the Pharmacy and Therapeutics Committee, including documentation of any decisions which deviate from the recommendations of the committee.

4. The Preferred Drug List program shall include provisions for (i) the dispensing of a 72-hour emergency supply of the prescribed drug when requested by a physician and a dispensing fee to be paid to the pharmacy for such supply; (ii) prior authorization decisions to be made within 24 hours and timely notification of the recipient and/or the prescribing physician of any delays or negative decisions; (iii) an expedited review process of denials by the department; and (iv) consumer and provider education, training and information regarding the Preferred Drug List prior to implementation, and ongoing communications to include computer access to information and multilingual material.

5. The Preferred Drug List program shall generate savings as determined by the department that are net of any administrative expenses to implement and administer the program.

6. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, to implement these changes, the Department of Medical Assistance Services shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. With respect to such state plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code of Virginia, shall not apply. In addition, the department shall work with the Department of Behavioral Health and Development Services to consider utilizing a Preferred Drug List program for its non-Medicaid clients.

7. The Department of Medical Assistance Services shall (i) exempt antidepressant, antianxiety and antipsychotic medications used for the treatment of mental illness from the Medicaid Preferred Drug List program through June 30, 2014; (ii) continually review utilization of behavioral health medications under the State Medicaid Program for Medicaid recipients; and (iii) ensure appropriate use of these medications according to federal Food and Drug Administration (FDA) approved indications and dosage levels. The department may also require retrospective clinical justification according to FDA approved indications and dosage levels for the use of multiple behavioral health drugs for a Medicaid patient. For individuals 18 years of age and younger who are prescribed three or more behavioral health drugs, the department may implement clinical edits that target inefficient, ineffective, or potentially harmful prescribing patterns in accordance with FDA-approved indications and dosage levels.

8. The Department of Medical Assistance Services shall ensure that in the process of developing the Preferred Drug List, the Pharmacy and Therapeutics Committee considers the value of including those prescription medications which improve drug regimen compliance, reduce medication errors, or decrease medication abuse through the use of medication delivery systems that include, but are not limited to, transdermal and injectable delivery systems.

T.1. The Department of Medical Assistance Services may amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a specialty drug program. In developing the modifications, the department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, the Pharmacy Liaison Committee, and others as appropriate.

2. In developing the specialty drug program to implement appropriate care management and control drug expenditures, the department shall contract with a vendor who will develop a methodology for the reimbursement and utilization through appropriate case management of specialty drugs and distribute the list of specialty drug rates, authorized drugs and utilization guidelines to medical and pharmacy providers in a timely manner prior to the implementation of the specialty drug program and publish the same on the department's website.

3. In the event that the Department of Medical Assistance Services contracts with a vendor, the department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The department may not offer or pay directly or indirectly any material

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inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

4. The department shall: (i) review, update and publish the list of authorized specialty drugs, utilization guidelines, and rates at least quarterly; (ii) implement and maintain a procedure to revise the list or modify specialty drug program utilization guidelines and rates, consistent with changes in the marketplace; and (iii) provide an administrative appeals procedure to allow dispensing or prescribing provider to contest the listed specialty drugs and rates.

5. The department shall report on savings and quality improvements achieved through the implementation measures for the specialty drug program to the Chairmen of the House Appropriations and Senate Finance Committees, the Joint Commission on Health Care, and the Department of Planning and Budget by November 1 of each year.

6. The department shall have authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act to effect these provisions.

U.1. The Department of Medical Assistance Services shall reimburse school divisions who sign an agreement to provide administrative support to the Medicaid program and who provide documentation of administrative expenses related to the Medicaid program 50 percent of the Federal Financial Participation by the department.

2. The Department of Medical Assistance Services shall retain five percent of the Federal Financial Participation for reimbursement to school divisions for medical and transportation services.

V. In the event that the Department of Medical Assistance Services decides to contract for pharmaceutical benefit management services to administer, develop, manage, or implement Medicaid pharmacy benefits, the department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

W. The Department of Medical Assistance Services, in cooperation with the Department of Social Services' Division of Child Support Enforcement (DSCE), shall identify and report third party coverage where a medical support order has required a custodial or noncustodial parent to enroll a child in a health insurance plan. The Department of Medical Assistance Services shall also report to the DCSE third party information that has been identified through their third party identification processes for children handled by DCSE.

X.1. Within the limits of this appropriation, the Department of Medical Assistance Services shall work with its contracted managed care organizations and fee-for-service health care providers to: (i) raise awareness among the providers who serve the Medicaid population about the health risks of chronic kidney disease; (ii) establish effective means of identifying patients with this condition; and (iii) develop strategies for improving the health status of these patients. The department shall work with the National Kidney Foundation to prepare and disseminate information for physicians and other health care providers regarding generally accepted standards of clinical care and the benefits of early identification of individuals at highest risk of chronic kidney disease.

2. The department shall request any clinical laboratory performing a serum creatinine test on a Medicaid recipient over the age of 18 years to calculate and report to the physician the estimated glomerular filtration rate (eGFR) of the patient and shall report it as a percent of kidney function remaining.

Y.1. Notwithstanding the provisions of § 32.1-325.1:1, Code of Virginia, upon identifying that an overpayment for medical assistance services has been made to a provider, the Director,

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Department of Medical Assistance Services shall notify the provider of the amount of the overpayment. Such notification of overpayment shall be issued within the earlier of (i) four years after payment of the claim or other payment request, or (ii) four years after filing by the provider of the complete cost report as defined in the Department of Medical Assistance Services' regulations, or (iii) 15 months after filing by the provider of the final complete cost report as defined in the Department of Medical Assistance Services' regulations subsequent to sale of the facility or termination of the provider.

2. Notwithstanding the provisions of § 32.1-325.1, Code of Virginia, the director shall issue an informal fact-finding conference decision concerning provider reimbursement in accordance with the State Plan for Medical Assistance, the provisions of § 2.2-4019, Code of Virginia, and applicable federal law. The informal fact-finding conference decision shall be issued within 180 days of the receipt of the appeal request. If the agency does not render an informal fact-finding conference decision within 180 days of the receipt of the appeal request, the decision is deemed to be in favor of the provider. An appeal of the director's informal fact-finding conference decision concerning provider reimbursement shall be heard in accordance with § 2.2-4020 of the Administrative Process Act (§ 2.2-4020 et seq.) and the State Plan for Medical Assistance provided for in § 32.1-325, Code of Virginia. Once a final agency case decision has been made, the director shall undertake full recovery of such overpayment whether or not the provider disputes, in whole or in part, the informal fact-finding conference decision or the final agency case decision. Interest charges on the unpaid balance of any overpayment shall accrue pursuant to § 32.1-313, Code of Virginia, from the date the Director's agency case decision becomes final.

Z. Any hospital that was designated a Medicare-dependent small rural hospital, as defined in 42 U.S.C. §1395ww (d) (5) (G) (iv) prior to October 1, 2004, shall be designated a rural hospital pursuant to 42 U.S.C. §1395ww (d) (8) (ii) (II) on or after September 30, 2004.

AA. The Department of Medical Assistance Services shall implement one or more Program for All Inclusive Care for the Elderly (PACE) programs.

BB. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance Services to develop and implement a regional model for the integration of acute and long-term care services. This model would be offered to elderly and disabled clients on a mandatory basis. The department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

CC.1. Contingent upon approval by the Centers for Medicare and Medicaid Services as part of the Money Follows the Person demonstration grant, the Department of Medical Assistance Services shall seek federal approval for necessary changes to home and community-based 1915(c) waivers to allow individuals transitioning from institutions to receive care in the community. The Department of Medical Assistance Services shall promulgate any necessary emergency regulations within 280 days or less from the enactment date of this act.

2. The Department of Medical Assistance Services shall amend the Individual and Family Developmental Disabilities Support (DD) Waiver to add up to 30 new slots (up to 15 each fiscal year) and the Intellectual Disabilities (ID) Waiver to add up to 220 new slots (up to 110 each fiscal year) which will be reserved for individuals transitioning out of institutional settings through the Money Follows the Person Demonstration. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the DD and ID waiver applications to add the additional slots.

DD. The Department of Medical Assistance Services shall have the authority to implement prior authorization and utilization review for community-based mental health services for children and adults. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

EE. The Department of Medical Assistance Services shall delay the last quarterly payment of certain quarterly amounts paid to hospitals, from the end of each state fiscal year to the first quarter of the following year. Quarterly payments that shall be delayed from each June to each July shall be Disproportionate Share Hospital payments, Indirect Medical Education payments, and Direct Medical Education payments. The department shall have the authority to implement this reimbursement change effective upon passage of this act, and prior to the completion of

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any regulatory process undertaken in order to effect such change.

FF. The Department of Medical Assistance Services shall make the monthly capitation payment to managed care organizations for the member months of each month in the first week of the subsequent month. The department shall have the authority to implement this reimbursement schedule change effective upon passage of this act, and prior to the completion of any regulatory process undertaken in order to effect such change.

GG. In every June the remittance that would normally be paid to providers on the last remittance date of the state fiscal year shall be delayed one week longer than is normally the practice. This change shall apply to the remittances of Medicaid and FAMIS providers. This change does not apply to providers who are paid a per-month capitation payment. The department shall have the authority to implement this reimbursement change effective upon passage of this act, and prior to the completion of any regulatory process undertaken in order to effect such change.

HH. Upon approval by the Centers for Medicare and Medicaid Services of the application for renewal of the Intellectual Disabilities Waiver, expeditious implementation of any revisions shall be deemed an emergency situation pursuant to § 2.2-4002 of the Administrative Process Act. Therefore, to meet this emergency situation, the Department of Medical Assistance Services shall promulgate emergency regulations to implement the provisions of this act.

II. The Department of Medical Assistance Services shall provide information to personal care agency providers regarding the options available to meet staffing requirements for personal care aides including the completion of provider-offered training or DMAS Personal Care Aide Training Curriculum.

JJ. The Department of Medical Assistance Services, in consultation with the Department of Behavioral Health and Developmental Services, shall amend the State Plan for Medical Assistance Services in order to comply with the payor of last resort requirements of Part C of the Individuals with Disabilities Education Act (IDEA) of 2004. The Department of Medical Assistance Services shall promulgate regulations to become effective within 280 days or less from the enactment date of this act. The department shall implement these necessary regulatory changes to be consistent with federal requirements for the Part C program.

KK. The Department of Medical Assistance Services shall impose an assessment equal to 5.5 percent of revenue on all ICF-MR providers. The department shall determine procedures for collecting the assessment, including penalties for non-compliance. The department shall have the authority to adjust interim rates to cover new Medicaid costs as a result of this assessment.

LL. The Department of Medical Assistance Services shall make programmatic changes in the provision of Intensive In-Home services and Community Mental Health services in order ensure appropriate utilization and cost efficiency. The department shall consider all available options including, but not limited to, prior authorization, utilization review and provider qualifications. The Department of Medical Assistance Services shall promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

MM. Notwithstanding Chapters 228 and 303 of the 2009 Virginia Acts of Assembly and §32.1-323.2 of the Code of Virginia, the Department of Medical Assistance Services shall not add any slots to the Intellectual Disabilities Medicaid Waiver or the Individual and Family Developmental Disabilities and Support Medicaid Waiver other than those slots authorized to specifically to support the Money Follows the Person Demonstration, individuals who are exiting state institutions, any slots authorized under Chapters 724 and 729 of the 2011 Virginia Acts of Assembly or §37.2-319, Code of Virginia, or authorized elsewhere in this act.

NN. The Department of Medical Assistance Services shall not adjust rates or the rate ceiling of residential psychiatric facilities for inflation.

OO.1. Effective July 1, 2010, the Department of Medical Assistance Services (DMAS) shall amend the State Plan for Medical Assistance to modify reimbursement for Durable Medical Equipment (DME) to:

a. Reduce reimbursement for DME that has a Durable Medical Equipment Regional Carrier (DMERC) rate from 100 percent of Medicare reimbursement level to 90 percent of the

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Medicare level.

b. Reduce fee schedule rates for DME and supplies by category-specific amounts as recommended in the November 1, 2009, Report on Durable Medical Equipment Reimbursement to the Senate Finance and House Appropriations Committees. The Department of Medical Assistance Services shall also modify the pricing of incontinence supplies from case to item, which is the industry standard.

c. Establish rates for additional procedure codes where benchmark rates are available.

d. Reimburse at cost plus 30 percent for any item not on the fee schedule. Cost shall be no more than the net manufacturer's charge to the provider, less shipping and handling.

e. Determine alternate pricing for any code that does not have a rate.

f. Limit service day reimbursement to intravenous and oxygen therapy equipment.

2. The department shall promulgate regulations to implement this amendment within 280 days or less from the enactment of this act. The department shall implement these reimbursement changes prior to the completion of the regulatory process.

PP. The Department of Medical Assistance Services shall have the authority to modify reimbursement for Durable Medical Equipment for incontinence supplies based on competitive bidding subject to approval by the Centers for Medicare and Medicaid Services (CMS). The department shall have the authority to promulgate regulations to become effective within 280 days or less from the enactment of this act.

QQ. The Department of Medical Assistance Services shall work with the Department of Behavioral Health and Developmental Services in consultation with the Virginia Association of Community Services Boards, the Virginia Network of Private Providers, the Virginia Coalition of Private Provider Associations, and the Association of Community Based Providers, to establish rates for the Intensive In-Home Service based on quality indicators and standards, such as the use of evidence-based practices.

RR. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to expand principles of care coordination to all geographic areas, populations, and services under programs administered by the department. The expansion of care coordination shall be based on the principles of shared financial risk such as shared savings, performance benchmarks or risk and improving the value of care delivered by measuring outcomes, enhancing quality, and monitoring expenditures. The department shall engage stakeholders, including beneficiaries, advocates, providers, and health plans, during the development and implementation of the care coordination projects. Implementation shall include specific requirements for data collection to ensure the ability to monitor utilization, quality of care, outcomes, costs, and cost savings. The department shall report by November 1 of each year to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees detailing implementation progress including, but not limited to, the number of individuals enrolled in care coordination, the geographic areas, populations and services affected and cost savings achieved. Unless otherwise delineated, the department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change. The intent of this Item may be achieved through several steps, including, but not limited to, the following:

a. In fulfillment of this Item, the department may seek any necessary federal authority through amendment to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to expand the current managed care program, Medallion II, to the Roanoke/Alleghany area by January 1, 2012, and far Southwest Virginia by July 1, 2012. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

b. In fulfillment of this Item, the department may seek federal authority through amendments to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to allow, on a pilot basis, foster care children, under the custody of the City of Richmond Department of Social Services, to be enrolled in Medicaid managed care (Medallion II)

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effective July 1, 2011. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

c. In fulfillment of this item, the department may seek federal authority to implement a care coordination program for Elderly or Disabled with Consumer Direction (EDCD) waiver participants effective October 1, 2011. This service would be provided to adult EDCD waiver participants on a mandatory basis. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

d. In fulfillment of this item, the department may seek federal authority through amendments to the State Plan under Title XIX of the Social Security Act, and any necessary waivers, to allow individuals enrolled in Home and Community Based Care (HCBC) waivers to also be enrolled in contracted Medallion II managed care organizations for the purposes of receiving acute and medical care services. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

e. In fulfillment of this item, the department and the Department of Behavioral Health and Developmental Services, in collaboration with the Community Services Boards and in consultation with appropriate stakeholders, shall develop a blueprint for the development and implementation of a care coordination model for individuals in need of behavioral health services not currently provided through a managed care organization. The overall goal of the project is to improve the value of behavioral health services purchased by the Commonwealth of Virginia without compromising access to behavioral health services for vulnerable populations. Targeted case management services will continue to be the responsibility of the Community Services Boards. The blueprint shall: (i) describe the steps for development and implementation of the program model(s) including funding, populations served, services provided, timeframe for program implementation, and education of clients and providers; (ii) set the criteria for medical necessity for community mental health rehabilitation services; and (iii) include the following principles:

1. Improves value so that there is better access to care while improving equity.

2. Engages consumers as informed and responsible partners from enrollment to care delivery.

3. Provides consumer protections with respect to choice of providers and plans of care.

4. Improves satisfaction among providers and provides technical assistance and incentives for quality improvement.

5. Improves satisfaction among consumers by including consumer representatives on provider panels for the development of policy and planning decisions.

6. Improves quality, individual safety, health outcomes, and efficiency.

7. Develops direct linkages between medical and behavioral services in order to make it easier for consumers to obtain timely access to care and services, which could include up to full integration.

8. Builds upon current best practices in the delivery of behavioral health services.

9. Accounts for local circumstances and reflects familiarity with the community where services are provided.

10. Develops service capacity and a payment system that reduces the need for involuntary commitments and prevents default (or diversion) to state hospitals.

11. Reduces and improves the interface of vulnerable populations with local law enforcement, courts, jails, and detention centers.

12. Supports the responsibilities defined in the Code of Virginia relating to Community Services Boards and Behavioral Health Authorities.

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13. Promotes availability of access to vital supports such as housing and supported employment.

14. Achieves cost savings through decreasing avoidable episodes of care and hospitalizations, strengthening the discharge planning process, improving adherence to medication regimens, and utilizing community alternatives to hospitalizations and institutionalization.

15. Simplifies the administration of acute psychiatric, community mental health rehabilitation, and medical health services for the coordinating entity, providers, and consumers.

16. Requires standardized data collection, outcome measures, customer satisfaction surveys, and reports to track costs, utilization of services, and outcomes. Performance data should be explicit, benchmarked, standardized, publicly available, and validated.

17. Provides actionable data and feedback to providers.

18. In accordance with federal and state regulations, includes provisions for effective and timely grievances and appeals for consumers.

f. The department may seek the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to develop and implement a care coordination model, that is consistent with the principles in Paragraph e, for individuals in need of behavioral health services not currently provided through managed care to be effective July 1, 2012. This model may be applied to individuals on a mandatory basis. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

g. The department may seek the necessary waiver(s) and/or State Plan authorization under Title XIX of the Social Security Act to develop and implement a care coordination model for individuals dually eligible for services under both Medicare and Medicaid. The Director of the Department of Medical Assistance Services, in consultation with the Secretary of Health and Human Resources, shall establish a stakeholder advisory committee to support implementation of dual-eligible care coordination systems. The advisory committee shall support the dual-eligible initiatives by identifying care coordination and quality improvement priorities, assisting in securing analytic and care management support resources from federal, private and other sources and helping design and communicate performance reports. The advisory committee shall include representation from health systems, health plans, long-term care providers, health policy researchers, physicians, and others with expertise in serving the aged, blind, and disabled, and dual-eligible populations. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

h. In fulfillment of this item, the department may seek the federal authority through amendment to the State Plan under Title XIX of the Social Security Act, and any necessary waivers, to allow for the implementation of a Health Home Program for Chronic Kidney Disease utilizing available funding included in the Patient Protection and Affordable Care Act of 2010 to be effective May 1, 2012. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

SS. The Department of Medical Assistance Services shall make programmatic changes in the provision of Residential Treatment Facility (Level C) and Levels A and B residential services (group homes) for children with serious emotional disturbances in order ensure appropriate utilization and cost efficiency. The department shall consider all available options including, but not limited to, prior authorization, utilization review and provider qualifications. The department shall have authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

TT. The Department of Medical Assistance Services, in consultation with the appropriate stakeholders, shall seek federal authority to implement a pricing methodology to modify or replace the current pricing methodology for pharmaceutical products as defined in 12 VAC 30-80-40, including the dispensing fee, with an alternative methodology that is budget neutral or that creates cost savings. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this

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act.

UU. The Department of Medical Assistance Services shall make programmatic changes to the recipient utilization (Client Medical Management) program in order ensure appropriate utilization, prevent abuse, and promote improved and cost efficient medical management of essential Medicaid client health care. The department shall consider all available options including, but not limited to, utilization review, program criteria, and client enrollment. The Department of Medical Assistance Services shall promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

VV. The Department of Medical Assistance Services shall mandate that payment rates negotiated between participating Medicaid managed care organizations and out-of-network providers for emergency or otherwise authorized treatment shall be considered payment in full. In the absence of rates negotiated between the managed care organization and the out-of-network provider, these services shall be reimbursed at the Virginia Medicaid fees and/or rates and shall be considered payment in full. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

WW. The Department of Medical Assistance Services shall, contingent on federal approval, amend the Elderly and Disabled with Consumer Direction waiver to allow individuals in the waiver with special needs, who have a diagnosis of intellectual disability (ID), to receive respite services from a residential facility licensed for respite for individuals with ID. The department shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. The department shall implement these changes to be consistent with federal approval of the waiver changes.

XX. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to convert the current cost-based reimbursement methodology for outpatient hospitals to an Enhanced Ambulatory Patient Group (EAPG) methodology. Reimbursement for laboratory services shall be included in the new outpatient hospital reimbursement methodology. The new EAPG reimbursement methodology shall be implemented in a budget-neutral manner. The department shall have the authority to promulgate regulations to become effective within 280 days or less from the enactment of this act.

YY. The Department of Medical Assistance Services shall amend certain 1915 (c) home- and community-based waivers to cap agency and consumer directed personal care at 56 hours per week. The 1915 (c) waivers shall include the Elderly or Disabled with Consumer Direction, and HIV/AIDS Waivers. The department shall provide for individual exceptions to this limit using criteria based on dependency in activities of daily living, level of care, and taking into account the risk of institutionalization if additional hours are not provided. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

ZZ. The Department of Medical Assistance Services shall seek federal authority to move the family planning eligibility group from a demonstration waiver to the State Plan for Medical Assistance. The department shall seek approval of coverage under this new state plan option for individuals with income up to 200 percent of the federal poverty level. For the purposes of this section, family planning services shall not cover payment for abortion services and no funds shall be used to perform, assist, encourage or make direct referrals for abortions. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

AAA. The Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance to enroll and reimburse freestanding birthing centers accredited by the Commission for the Accreditation of Birthing Centers. Reimbursement shall be based on the Enhanced Ambulatory Patient Group methodology applied in a manner similar to the reimbursement methodology for ambulatory surgery centers. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

BBB. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to pay Medicare rates for primary care services performed by primary care

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physicians as mandated in §1202 of the federal Health Care and Education Reconciliation Act of 2010 ("HCERA"; P.L. 111-152). Primary care services are defined as certain evaluation and management (E&M) services and services related to immunization administration for vaccines and toxoids. Eligible physicians are defined as physicians with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine. The department shall have the authority to establish procedures to determine which providers meet the criteria. The rate increase shall be effective for a two-year period with dates of service beginning January 1, 2013, through December 31, 2014. As prescribed in HCERA, the department shall claim 100 percent federal matching funds for the difference in payments between the Medicaid fee schedule effective July 1, 2009, and the Medicare rate effective January 1, 2013. HCERA also mandates that the increase be applied to Managed Care services. The department shall have authority to implement these reimbursement changes, including any requirements as a result of the federal rule implementing §1202 of HCERA and consistent with the State Plan Amendment approved by the Centers for Medicare and Medicaid Services, prior to the completion of any regulatory process undertaken in order to effect such change.

CCC.1. In response to the unfavorable outcome to an appeal by the Department of Medical Assistance Services in federal court regarding reimbursement for services furnished to Medicaid members in a residential treatment center or freestanding psychiatric hospital, the department shall have the authority to implement this paragraph.

2. Notwithstanding current regulations, the department shall have the authority to implement the amendment to the State Plan for Medical Assistance submitted by the department and as approved by the Centers for Medicare and Medicaid Services (CMS) effective April 1, 2010, until a new prospective reimbursement methodology is finalized. The department has the authority to recover payments, which have been disallowed by CMS, to providers for services furnished to Medicaid members in residential treatment centers or freestanding psychiatric hospitals for dates of service on or after April 1, 2010. Subject to approval of the State Plan Amendment by CMS, the department shall make supplemental payments to residential treatment centers or freestanding psychiatric hospitals so that they can reimburse providers for services furnished to Medicaid members in residential treatment centers or freestanding psychiatric hospitals for dates of service on or after April 1, 2010. The supplemental payment shall be determined based on the number of services furnished times the Medicaid rate. For claims after the effective date of this act, the department shall establish an interim rate for residential treatment centers and freestanding psychiatric facilities to cover the cost of reimbursing other providers. Providers shall submit information to DMAS on reimbursement paid to providers, which DMAS will settle.

3. The department shall develop a prospective payment methodology to be implemented as soon as practicable after the unfavorable federal court decision to reimburse residential treatment centers and freestanding psychiatric hospitals for services furnished by the facility and services furnished by other providers in and by the facility. The department shall revise reimbursement for services furnished Medicaid members in residential treatment centers and freestanding psychiatric hospitals to include professional, pharmacy and other services to be reimbursed separately as long as the services are in the plan of care developed by the residential treatment center or the freestanding psychiatric hospital and arranged by the residential treatment center or the freestanding psychiatric hospital. The department shall require residential treatment centers to include all services in the plan of care needed to meet the member's physical and psychological well-being while in the facility but may also include services in the community or as part of an emergency.

4. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days from the enactment of this act.

DDD. The Department of Medical Assistance Services may seek federal authority through amendments to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to allow foster care children, on a regional basis to be determined by the department, to be enrolled in Medicaid managed care (Medallion II). The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

EEE. The Department of Medical Assistance Services shall have the authority to amend the State Plans under Title XIX and Title XXI of the Social Security Act in order to comply with the mandated provider screening provisions of the federal Affordable Care Act (P.L. 111-148

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and 111-152). The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

FFF. The department may seek federal authority through amendments to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to develop and implement programmatic and system changes that allow expedited enrollment of Medicaid eligible recipients into Medicaid managed care, most importantly for pregnant women. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

GGG.1. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to eliminate inflation adjustments in FY 2013 and FY 2014 for: (i) outpatient rehabilitation agency rates; and (ii) home health agency rates.

2. The department shall have the authority to implement these reimbursement changes effective July 1, 2012, and prior to completion of any regulatory process undertaken in order to effect such changes.

HHH. The Department of Medical Assistance Services shall amend the Children's Mental Health demonstration program to provide coverage of transition coordinator services for up to 15 months. The department shall have authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

III.1. The Department of Medical Assistance Services, related to appeals administered by and for the department, shall have authority to amend regulations to:

i. Utilize the method of transmittal of documentation to include email, fax, courier, and electronic transmission.

ii. Clarify that the day of delivery ends at normal business hours of 5:00 pm.

iii. Eliminate an automatic dismissal against DMAS for alleged deficiencies in the case summary that do not relate to DMAS's obligation to substantively address all issues specified in the provider's written notice of informal appeal. A process shall be added, by which the provider shall file with the informal appeals agent within 12 calendar days of the provider's receipt of the DMAS case summary, a written notice that specifies any such alleged deficiencies that the provider knows or reasonably should know exist. DMAS shall have 12 calendar days after receipt of the provider's timely written notification to address or cure any of said alleged deficiencies. The current requirement that the case summary address each adjustment, patient, service date, or other disputed matter identified in the provider's written notice of informal appeal in the detail set forth in the current regulation shall remain in force and effect, and failure to file a written case summary with the Appeals Division in the detail specified within 30 days of the filing of the provider's written notice of informal appeal shall result in dismissal in favor of the provider on those issues not addressed by DMAS.

iv. Clarify that appeals remanded to the informal appeal level via Final Agency Decision or court order shall reset the timetable under DMAS' appeals regulations to start running from the date of the remand.

v. Clarify the department's authority to administratively dismiss untimely filed appeal requests.

vi. Clarify the time requirement for commencement of the formal administrative hearing.

2. The Department of Medical Assistance Services shall have authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

JJJ. The Department of Medical Assistance Services shall have the authority to amend the 1915(c) home-and-community-based Elderly or Disabled with Consumer-Direction waiver, subject to approval by the Centers for Medicare and Medicaid Services to incorporate the HIV/AIDS waiver. Pending CMS approval, the HIV/AIDS waiver will cease as of June 30, 2012. The department shall implement this change effective July 1, 2012, and prior to the completion of any regulatory process undertaken in order to effect such changes.

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LLL. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to limit hospital inflation to 2.6 percent in fiscal year 2013 and 0 percent in fiscal year 2014. This shall apply to inpatient hospital (including long-stay and freestanding psychiatric) operating, graduate medical education (GME) and disproportionate share hospital (DSH) rates. The department shall have the authority to implement these reimbursement changes effective July 1, 2012, and prior to completion of any regulatory process undertaken in order to effect such changes.

MMM. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to eliminate ceiling rebasing in fiscal year 2013, to increase rates and current ceilings for regular and specialized care nursing facilities by 2.2 percent in fiscal year 2013 and 2.2 percent in fiscal year 2014, and to increase ceilings an additional one percent in fiscal year 2013. The department shall have the authority to implement these reimbursement changes effective July 1, 2012, and prior to completion of any regulatory process undertaken in order to effect such changes.

NNN. Out of this appropriation, $3,187,405 from the general fund and $3,187,405 from nongeneral funds the first year and $3,527,562 from the general fund and $3,527,526 from nongeneral funds the second year shall be used to increase personal care reimbursement rates provided under community-based Medicaid waiver programs by one percent effective July 1, 2012.

OOO. The Department of Medical Assistance Services shall increase reimbursement rates for congregate care provided through Medicaid home- and community-based waivers by one percent effective July 1, 2012.

PPP. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the rate for Part C Early Intervention Targeted Case Management from $120 to $132 per month. The department shall have the authority to implement this reimbursement change effective July 1, 2012, and prior to the completion of any regulatory process undertaken in order to effect such change.

QQQ. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to set reimbursement rates for ground and air emergency transportation and neonatal transport at 40 percent of the Medicare Virginia urban rates in effect for calendar year 2011. The department shall have the authority to implement these reimbursement changes effective July 1, 2012, and prior to the completion of any regulatory process undertaken in order to effect such a change.

RRR. The Department of Medical Assistance Services shall amend the 1915 (c) home- and community-based Intellectual Disabilities waiver to add 75 slots effective July 1, 2012 and an additional 350 slots effective July 1, 2013.

SSS. The Department of Medical Assistance Services shall amend the Individual and Family Developmental Disabilities Support (DD) waiver to add 25 new slots effective July 1, 2012 and an additional 105 slots effective July 1, 2013. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the DD waiver to add the additional slots.

TTT. The Department of Medical Assistance Services shall have the authority to amend the Title XIX State Plan of Medical Assistance Services, the Virginia Plan for Title XXI of the Social Security Act and the Family Access to Medical Insurance Security Plan (FAMIS) MOMS waiver to include coverage of pregnant women who are lawfully residing in the United States and who are otherwise eligible for Medicaid services, pursuant to Section 214 of the Children's Health Insurance Program Reauthorization Act of 2009. The department shall have the authority to promulgate emergency regulations to implement this change effective July 1, 2012.

UUU. Effective July 1, 2012, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to provide that the reimbursement floor for the nursing facility FRV "rental rate" shall be 8.5 percent in fiscal year 2013 and fiscal year 2014. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process undertaken in order to effect such change.

VVV. The Director of the Department of Medical Assistance Services, in consultation with the

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Secretary of Health and Human Resources and the Director of the Medicaid Fraud Control Unit within the Office of the Attorney General, shall develop a report containing recommendations to strengthen the prevention, detection, and prosecution of Medicaid fraud and abuse committed by recipients and service providers. To the extent feasible, the report shall provide estimates of the cost of implementing any new strategies to reduce and prevent Medicaid fraud and abuse as well as the potential cost savings that might be achieved. Specific consideration shall be given to enhancing the Commonwealth's ability, within federal law, of excluding or removing providers that are determined to pose a threat to the health and safety of recipients and/or to the fiscal integrity of the program. The report shall be provided to the Chairmen of the Senate Finance and House Appropriations Committees by December 1, 2012.

WWW. The Department of Medical Assistance Services shall develop a plan to strengthen its authority to use liens to recover the cost of providing long-term care services to Medicaid recipients. In developing the plan, the department shall survey other state Medicaid programs to determine the most effective strategies to impose Medicaid liens for estate recovery. The plan shall explain at what stage of the application process individuals will be notified about the department's use of liens to recover Medicaid costs. The plan shall also detail the additional resources that may be required to enforce lien authority and the potential cost-savings that might be achieved. The report shall be provided to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2012.

XXX. The Department of Medical Assistance Services shall amend its regulations, subject to the federal Centers for Medicare and Medicaid Services approval, to strengthen the qualifications and responsibilities of the Consumer Directed Service Facilitator to ensure the health, safety and welfare of Medicaid home- and community-based waiver enrollees. The department shall have the authority to promulgate emergency regulations to implement this change effective July 1, 2012.

YYY. The Department of Medical Assistance Services shall establish an advisory group of representatives of providers of home- and community-based care services to continue improvements in the audit process and procedures for home- and community-based utilization and review audits. The Department of Medical Assistance Services shall report on any revisions to the methodology for home- and community-based utilization and review audits, including progress made in addressing provider concerns and solutions to improve the process for providers while ensuring program integrity. The report shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2012.

ZZZ. It is the intent of the General Assembly that the implementation and administration of the care coordination contract for behavioral health services be conducted in a manner that insures system integrity and engages private providers in the independent assessment process. In addition, it is the intent that in the provision of services that ethical and professional conflicts are avoided and that sound clinical decisions are made in the best interests of the individuals receiving behavioral health services. As part of this process, the department shall monitor the performance of the contract to ensure that these principles are met and that stakeholders are involved in the assessment, approval, provision, and use of behavioral health services provided as a result of this contract.

AAAA. 1. Notwithstanding the requirements of Code of Virginia §2.2-4000, et seq., the Department of Medical Assistance Services shall amend the state plan and appropriate waivers under Title XIX of the Social Security Act to implement a process for administrative appeals of Medicaid/Medicare dual eligible recipients in accordance with terms of the Memorandum of Understanding between the department and the Centers for Medicare and Medicaid Services for the financial alignment demonstration program for dual eligible recipients. The department shall implement this change within 280 days or less from the enactment of this Appropriation Act.

2. The department shall report by November 1 of each year to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget detailing implementation progress of the financial alignment demonstration waiver. This report shall include, but is not limited to, costs of implementation, projected cost savings, number of individuals enrolled, and any other implementation issues that arise.

BBBB.1. Effective July 1, 2013, the Department of Medical Assistance Services shall have the

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authority, to establish a 25 percent higher reimbursement rate for congregate residential services for individuals with complex medical or behavioral needs currently residing in an institution and unable to transition to integrated settings in the community due to the need for services that cannot be provided within the maximum allowable rate, or individuals whose needs present imminent risk of institutionalization and enhanced waiver services are needed beyond those available within the maximum allowable rate. The department shall have authority to promulgate regulations to implement this change within 280 days or less from the enactment of this act.

2. The department, in cooperation with the Department of Behavioral Health and Developmental Services, shall report to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget on the effectiveness of this rate increase in addressing the transition of institutionalized individuals to the community. This report shall include, but is not limited to, the number of individuals eligible for the higher reimbursement rate, whether they transitioned from an institution or were already receiving community services, and the costs to the Medicaid program. A report shall be due by February 1, 2014, that covers the first six months of FY 2014 and another report is due by August 1, 2014, that covers the last six months of FY 2014.

CCCC. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to reduce the occupancy requirement for indirect operating and capital reimbursement for nursing facilities from 90 percent to 88 percent. The department shall have the authority to implement these reimbursement changes effective July 1, 2013, and prior to the completion of any regulatory process undertaken in order to effect such change.

DDDD. The Department of Medical Assistance Services shall not rebase hospital Disproportionate Share Hospital (DSH) amounts in FY 2014 and instead shall freeze DSH at the FY 2013 eligible providers and amounts. The department shall have the authority to implement these reimbursement changes effective July 1, 2013, and prior to the completion of any regulatory process undertaken in order to effect such change.

EEEE. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to allow for delivery of notices of program reimbursement or other items referred to in the regulations related to provider appeals by electronic means consistent with the Uniform Electronic Transactions Act. The department shall implement this change effective July 1, 2013, and prior to completion of any regulatory process undertaken in order to effect such changes.

FFFF. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to convert the current cost-based reimbursement methodology for nursing facility operating rates to a price-based methodology. The new price-based reimbursement methodology shall be implemented in a budget neutral manner. The department shall promulgate regulations to become effective within 280 days or less from the enactment of this act.

GGGG. The Department of Medical Assistance Services shall amend its State Plan under Title XIX of the Social Security Act to implement reasonable restrictions on the amount of incurred dental expenses allowed as a deduction from income for nursing facility residents. Such limitations shall include: (i) that routine exams and x-rays, and dental cleaning shall be limited to twice yearly; (ii) full mouth x-rays shall be limited to once every three years; and (iii) deductions for extractions and fillings shall be permitted only if medically necessary as determined by the department.

HHHH. Notwithstanding §32.1-325, et seq. and §32.1-351, et seq. of the Code of Virginia, and effective upon the availability of subsidized private health insurance offered through a Health Benefits Exchange in Virginia as articulated through the federal Patient Protection and Affordable Care Act (PPACA), the Department of Medical Assistance Services shall eliminate, to the extent not prohibited under federal law, Medicaid Plan First and FAMIS Moms program offerings to populations eligible for said subsidized coverage in order to remove disincentives for subsidized private healthcare coverage through publicly-offered alternatives. To ensure, to the extent feasible, a smooth transition from public coverage, DMAS shall endeavor to phase out such coverage for existing enrollees once subsidized private insurance is available through a Health Benefits Exchange in Virginia. The department shall implement any necessary changes upon federal approval and prior to the completion of any regulatory process

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undertaken in order to effect such change.

IIII. The Department of Medical Assistance Services shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any waivers thereof, to implement requirements of the federal Patient Protection and Affordable Care Act (PPACA) as it pertains to implementation of Medicaid and CHIP eligibility determination and case management standards and practices, including the Modified Adjusted Gross Income (MAGI) methodology. The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

JJJJ. Out of this appropriation, $800,000 the first year and $870,000 the second year from the general fund is provided for a contract with George Mason University for health innovation efforts as well as grants to public and private organizations for projects designed to reduce the rising cost of health care. The department shall provide a report on the allocation of funds to the Chairmen of the House Appropriations and Senate Finance Committee by September 30, 2013.

KKKK. Out of this appropriation, $754,854 from the general fund and $754,854 from nongeneral funds the second year shall be used to increase reimbursement rates by 5 percent for private duty nursing services provided under the Medicaid home- and community-based Technology Assisted waiver program. The department shall have the authority to implement this reimbursement change effective July 1, 2013, and prior to the completion of any regulatory process undertaken in order to effect such change.

LLLL. Out of this appropriation, $667,902 from the general fund and $667,902 from nongeneral funds the second year shall be used to increase reimbursement rates for adult day health services provided through Medicaid home- and community-based waiver programs by $10.00 per unit. The department shall have the authority to implement this reimbursement change effective July 1, 2013, and prior to the completion of any regulatory process undertaken in order to effect such change.

MMMM. Effective July 1, 2013, the Department of Medical Assistance Services shall establish a Medicaid Physician and Managed Care Liaison Committee including, but not limited to, representatives from the following organizations: the Virginia Academy of Family Physicians; the American Academy of Pediatricians - Virginia Chapter; the Virginia College of Emergency Physicians; the American College of Obstetrics and Gynecology - Virginia Section; Virginia Chapter, American College of Radiology; the Psychiatric Society of Virginia; the Virginia Medical Group Management Association; and the Medical Society of Virginia. The committee shall also include representatives from each of the department’s contracted managed care organizations and a representative from the Virginia Association of Health Plans. The committee will work with the department to investigate the implementation of quality, cost-effective health care initiatives, to identify means to increase provider participation in the Medicaid program, to remove administrative obstacles to quality, cost-effective patient care, and to address other matters as raised by the department or members of the committee. The committee shall meet semi-annually, or more frequently if requested by the department or members of the committee. The department, in cooperation with the committee, shall report on the committee’s activities annually to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than October 1 each year.

NNNN. The Department of Medical Assistance Services shall establish a work group of representatives of providers of home- and community-based care services to continue improvements in the audit process and procedures for home- and community-based utilization and review audits. The Department of Medical Assistance Services shall report on any revisions to the methodology for home- and community-based utilization and review audits, including progress made in addressing provider concerns and solutions to improve the process for providers while ensuring program integrity. In addition, the report shall include documentation of the past year's audits, a summary of the number of audits to which retractions were assessed and the total amount, the number of appeals received and the results of appeals. The report shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees by December 1 of each year.

OOOO. The Department of Medical Assistance Services shall amend the State Plan for Medical

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Assistance to calculate an indirect medical education (IME) factor for Virginia freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009. Total payments for IME in combination with other payments for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 may not exceed the federal uncompensated care cost limit that disproportionate share hospital payments are subject to. The department shall have the authority to implement these reimbursement changes effective July 1, 2013, and prior to completion of any regulatory process undertaken in order to effect such change.

PPPP. The Department of Medical Assistance Services shall realign the billable activities paid for individual supported employment provided under the Medicaid home- and community-based waivers to be consistent with job development and job placement services provided through employment services organizations that are reimbursed by the Department for Aging and Rehabilitative Services. The department shall have the authority to implement this reimbursement change effective July 1, 2013, and prior to the completion of any regulatory process undertaken in order to effect such change.

QQQQ. Effective July 1, 2013, the Department of Medical Assistance Services shall take the steps necessary to amend the Intellectual Disability Waiver and the Individual and Family Developmental Disabilities Support Waiver to change the unit of service for skilled and private duty nursing from the current one hour to one-quarter of an hour. The department shall implement this change using a methodology that is budget neutral.

RRRR.1. The Department of Medical Assistance Services shall seek federal authority through any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to implement a comprehensive value-driven, market-based reform of the Virginia Medicaid/FAMIS programs. This reform shall be implemented in three phases as outlined in paragraphs 2, 3 and 4. The department shall have authority to implement necessary changes when feasible after federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

2. In the first phase of reform, the Department of Medical Assistance Services shall continue currently authorized reforms of the Virginia Medicaid/FAMIS service delivery model that shall, at a minimum, include (i) implementation of a Medicare-Medicaid Enrollee (dual eligible) Financial Alignment demonstration as evidenced by a Memorandum of Understanding with the Centers for Medicare and Medicaid Services (CMS), signing of a three-way contract with CMS and participating plans, and approval of the necessary amendments to the State Plan for Medical Assistance and any waivers thereof; (ii) enhanced program integrity and fraud prevention efforts to include at a minimum: recovery audit contracting (RAC), data mining, service authorization, enhanced coordination with the Medicaid Fraud Control Unit (MFCU), and Payment Error Rate Measurement (PERM); (iii) inclusion of children enrolled in foster care in managed care; (iv) implementation of a new eligibility and enrollment information system for Medicaid and other social services; (v) improved access to Veterans services through creation of the Veterans Benefit Enhancement Program; and (vi) expedite the tightening of standards, services limits, provider qualifications, and licensure requirements for community behavioral health services.

3. In the second phase of reform, the Department of Medical Assistance Services shall implement value-based purchasing reforms for all recipients subject to a Modified Adjusted Gross Income (MAGI) methodology for program eligibility and any other recipient categories not excluded from the Medallion II managed care program. Such reforms shall, at a minimum, include the following: (i) the services and benefits provided are the types of services and benefits provided by commercial insurers and may include appropriate and reasonable limits on services such as occupational, physical, and speech therapy, and home care with the exception of non-traditional behavioral health and substance use disorder services; (ii) reasonable limitations on non-essential benefits such as non-emergency transportation are implemented; and (iii) patient responsibility is required including reasonable cost-sharing and active patient participation in health and wellness activities to improve health and control costs.

To administer this reformed delivery model, the department is authorized to contract with qualified health plans to offer recipients a Medicaid benefit package adhering to these principles. Any coordination of non-traditional behavioral health services covered under contract with qualified health plans or through other means shall adhere to the principles outlined in paragraph RR. e. This reformed service delivery model shall be mandatory, to the extent allowed under the relevant authority granted by the federal government and shall, at a

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minimum, include (i) limited high-performing provider networks and medical/health homes; (ii) financial incentives for high quality outcomes and alternative payment methods; (iii) improvements to encounter data submission, reporting, and oversight; (iv) standardization of administrative and other processes for providers; and (v) support of the health information exchange.

The second phase of reform shall also include administrative simplification of the Medicaid program through any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act and outline agreed upon parameters and metrics to provide maximum flexibility and expedited ability to develop and implement pilot programs to test innovative models that (i) leverage innovations and variations in regional delivery systems; (ii) link payment and reimbursement to quality and cost containment outcomes; or (iii) encourage innovations that improve service quality and yield cost savings to the Commonwealth.

4. In the third phase of reform, the Department of Medical Assistance Services shall seek reforms to include all remaining Medicaid populations and services, including long-term care and home- and community-based waiver services into cost-effective, managed and coordinated delivery systems. The department shall begin designing the process and obtaining federal authority to transition all remaining Medicaid beneficiaries into a coordinated delivery system. A report shall be provided to the 2014 General Assembly regarding the progress of designing and implementing such reforms.

5. The Department of Medical Assistance Services shall provide a report to the Medicaid Innovation and Reform Commission on the specific waiver and/or State Plan changes that have been approved and status of implementing such changes, and associated cost savings or cost avoidance to Medicaid/FAMIS expenditures.

6.a. The Department shall seek the approval of the Medicaid Innovation and Reform Commission to amend the State Plan for Medicaid Assistance under Title XIX of the Social Security Act, and any waivers thereof, to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act. If the Medicaid Innovation and Reform Commission determines that the conditions in paragraphs 2, 3, 4, and 5 have been met, then the Commission shall approve implementation of coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act.

b. Upon approval by the Medicaid Innovation and Reform Commission, the department shall implement the provisions in paragraph 6.a. of this item by July 1, 2014, or as soon as feasible thereafter.

7.a. Contingent upon the expansion of eligibility in paragraph 6.a., there is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Health Reform and Innovation Fund, hereafter referred to as the "Fund." The Fund shall be established on the books of the Comptroller and any moneys remaining in the Fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. For purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, however, all deposits to and disbursements from the Fund shall be accounted for as part of the general fund of the state treasury.

b. The Director of the Department of Medical Assistance Services, in consultation with the Director of the Department of Planning and Budget, shall annually identify projected general fund savings attributable to enrollment of newly eligible individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA, including behavioral health services, inmate health care, and indigent care. Beginning with development of the fiscal year 2015 budget, these projected savings shall be reflected in reduced appropriations to the affected agencies and the amounts deposited into the Fund net of any appropriation increases necessary to meet resulting programmatic requirements of the Department of Medical Assistance Services. Beginning in fiscal year 2015, funding to support health innovations described in Paragraph 3 shall be appropriated from the Fund not to exceed $3.5 million annually. Funding shall be distributed through health innovation grants to private and public entities in order to reduce the annual rate of growth in health care spending or improve the delivery of health care in the Commonwealth. When the department, in consultation with the Department of Planning and Budget, determines that the general fund expenses incurred from coverage of newly eligible individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA exceed any associated savings, a percentage of

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the principle of the Fund as determined necessary by the department and the Department of Planning and Budget to cover the cost of the newly eligible population shall be reallocated to the general fund and appropriated to the department to offset the cost of this population. Principle shall be allocated on an annual basis for as long as funding is available.

8. In the event that the increased federal medical assistance percentages for newly eligible individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA is modified through federal law or regulation from the methodology in effect on January 1, 2014, resulting in a reduction in federal medical assistance as determined by the department in consultation with the Department of Planning and Budget, the Department of Medical Assistance Services shall disenroll and eliminate coverage for individuals who obtained coverage through 42 U.S.C. § 1396d(y)(1) [2010] of the PPACA. The disenrollment process shall include written notification to affected Medicaid beneficiaries, Medicaid managed care plans, and other providers that coverage will cease as soon as allowable under federal law from the date the department is notified of a reduction in Federal Medical Assistance Percentage.

9. There is hereby appropriated sum sufficient nongeneral funds for such costs as may be incurred to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act.

SSSS.1. The Director of the Department of Medical Assistance Services shall continue to make improvements in the provision of health and long-term care services under Medicaid/FAMIS that are consistent with evidence-based practices and delivered in a cost effective manner to eligible individuals.

2. In order to effect such improvements and ensure that reform efforts are cost effective relative to current forecasted Medicaid/FAMIS expenditure levels, the Department of Medical Assistance Services shall (i) develop a five-year consensus forecast of expenditures and savings associated with the Virginia Medicaid/FAMIS reform efforts by November 15 of each year in conjunction with the Department of Planning and Budget, and with input from the House Appropriations and Senate Finance Committees, and (ii) engage stakeholder involvement in meeting annual targets for quality and cost-effectiveness.

TTTT. Contingent upon the Commonwealth not receiving the expected revenue in fiscal year 2013 from the arbitration settlement with tobacco companies as part of the Master Settlement Agreement, the Director, Department of Planning and Budget, is authorized to appropriate from the unappropriated general fund balance in this act, and, if necessary, transfer general fund appropriation from the second year to the first year to backfill the shortage of up to $21,680,000 in general fund for the Medicaid program.

308. Not set out.

309. Medical Assistance Services for Low Income Children (46600)			$120,286,661	~~$135,725,727~~ *$124,693,194*
Reimbursements for Medical Services Provided to Low-Income Children (46601)	$120,286,661	~~$135,725,727~~ *$124,693,194*		
Fund Sources: General	$41,607,923	~~$46,478,149~~ *$43,642,618*		
Federal Trust	$78,678,738	~~$89,247,578~~ *$81,050,576*		

Authority: Title 32.1, Chapters 9, 10 and 13, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code.

To the extent that appropriations in this Item are insufficient, the Director, Department of Planning and Budget shall transfer general fund appropriation from Items 306 and 307, if available, into this Item, to be used as state match for federal Title XXI funds.

310. Administrative and Support Services (49900)			$146,765,841	~~$123,141,276~~ *$138,177,186*
General Management and Direction (49901)	$129,808,704	~~$103,245,833~~		

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		$119,039,920		
Information Technology Services (49902).....	$10,970,975	$13,969,281		
Administrative Support for the Family Access to Medical Insurance Security Plan (49932).....	$5,986,162	~~$5,926,162~~ *$5,167,985*		
Fund Sources: General.....	$48,247,694	~~$44,883,941~~ *$46,608,428*		
Special.....	$1,465,000	$1,565,000		
Dedicated Special Revenue.....	$300,000	$0		
Federal Trust.....	$96,753,147	~~$76,692,335~~ *$90,003,758*		

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code.

A. By November 15 of each year, the Department of Planning and Budget, in cooperation with the Department of Medical Assistance Services, shall prepare and submit a forecast of Medicaid expenditures, upon which the Governor's budget recommendations will be based, for the current and subsequent two years to the Chairmen of the House Appropriations and Senate Finance Committees.

B. The Department of Medical Assistance Services shall submit expenditure reports of the Medicaid program to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees. These reports shall be submitted on a quarterly basis.

C. Out of this appropriation, $50,000 the first year and $50,000 the second year from the special fund is appropriated to the Department of Medical Assistance Services for the administration of the disbursement of civil money penalties levied against and collected from Medicaid nursing facilities for violations of rules identified during survey and certification as required by federal law and regulation. Based on the nature and seriousness of the deficiency, the Agency or the Centers for Medicare and Medicaid Services may impose a civil money penalty, consistent with the severity of the violations, for the number of days a facility is not in substantial compliance with the facility's Medicaid participation agreement. Civil money penalties collected by the Commonwealth must be applied to the protection of the health or property of residents of nursing facilities found to be deficient. Penalties collected are to be used for (1) the payment of costs incurred by the Commonwealth for relocating residents to other facilities; (2) payment of costs incurred by the Commonwealth related to operation of the facility pending correction of the deficiency or closure of the facility; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of actions by the facility or individuals used by the facility to provide services to residents. These funds are to be administered in accordance with the revised federal regulations and law, 42 CFR 488.400 and the Social Security Act § 1919(h), for Enforcement of Compliance for Long-Term Care Facilities with Deficiencies. Any special fund revenue received for this purpose, but unexpended at the end of the fiscal year, shall remain in the fund for use in accordance with this provision.

D. The Department of Medical Assistance Services, to the extent permissible under federal law, shall enter into an agreement with the Department of Behavioral Health and Developmental Services to share Medicaid claims and expenditure data on all Medicaid-reimbursed mental health, intellectual disability and substance abuse services, and any new or expanded mental health, intellectual disability retardation and substance abuse services that are covered by the State Plan for Medical Assistance. The information shall be used to increase the effective and efficient delivery of publicly funded mental health, intellectual disability and substance abuse services.

E. In addition to any regional offices that may be located across the Commonwealth, any statewide, centralized call center facility that operates in conjunction with a brokerage transportation program for persons enrolled in Medicaid or the Family Access to Medical Insurance Security plan shall be located in Norton, Virginia.

F. The Department of Planning and Budget, is authorized to transfer amounts, as needed, from Medicaid Program Services (45600), Medical Assistance Services for Low Income Children

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(46600) and Children's Health Insurance Program Delivery (44600), to Administrative and Support Services (49900), to fund administrative expenditures associated with contracts between the department and companies providing dental benefit services, consumer-directed payroll services, claims processing, behavioral health management services and disease state / chronic care programs for Medicaid and FAMIS recipients.

G. The Department of Medical Assistance Services shall report on the results of the federally required review in the Payment Error Rate Measurement program for federal fiscal year 2012. This report shall include the error rates for both claims and eligibility determinations. If locality specific error rates for the eligibility review are available, they should be included in the report. The department shall report the findings to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2013.

H. The Department of Medical Assistance Services shall report on the feasibility and potential savings to the Medicaid program of an initiative, in cooperation with the Department of Veterans Services, to assist veterans, who also happen to be Medicaid members, in accessing veterans benefits through the federal government. The department shall submit the report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2012.

I. The Department of Medical Assistance Services shall, to the extent possible, require web-based electronic submission of provider enrollment applications, revalidations and other related documents necessary for participation in the fee-for-service program under the State Plans for Title XIX and XXI of the Social Security Act.

J. The Department of Medical Assistance Services shall be authorized to issue a Request for Proposals (RFP) in order to contract with a single vendor to provide a centralized customer service call center for applicants/recipients of programs administered by the department under Titles XIX and XXI of the Social Security Act for application assistance functions necessary under provisions of the Patient Protection and Affordable Care Act (PPACA), and other related functions necessary for the efficient and effective implementation of Medicaid and CHIP eligibility determinations and enrollment. The RFP shall include a provision for a cost structure with tiered levels of service based on workload. The procurement of this contract is deemed an emergency and the provisions of §2.2-4303 F., Code of Virginia, shall apply in order for the department to comply with federal law and initiate the contract by October 1, 2013, or as soon as practicable thereafter. The department shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI, and any waivers thereof, and shall have authority to implement this contract upon federal approval, and prior to the completion of any regulatory process undertaken to effect such change.

Total for Department of Medical Assistance Services.....			**$8,072,884,862**	**~~$8,579,861,305~~** ***$8,498,717,072***
General Fund Positions.....	183.82	198.32		
Nongeneral Fund Positions.....	212.18	226.68		
Position Level	396.00	425.00		
Fund Sources: General.....	$3,547,761,312	~~$3,850,644,557~~ *$3,669,406,166*		
Special.....	$1,465,000	$1,565,000		
Dedicated Special Revenue.....	$464,614,299	~~$384,870,744~~ *$475,988,849*		
Federal Trust.....	$4,059,044,251	~~$4,342,781,004~~ *$4,351,757,057*		

§ 1-38. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720)

311. Not set out.

312. Not set out.

313. Not set out.

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314.	Administrative and Support Services (49900)			$64,939,952	~~$60,536,435~~ *$60,940,155*
	General Management and Direction (49901)	$6,999,814	$7,811,949		
	Information Technology Services (49902)	$27,683,506	~~$21,207,854~~ *$21,457,854*		
	Architectural and Engineering Services (49904)	$2,465,094	$2,465,094		
	Collection and Locator Services (49905)	$2,584,316	$2,584,316		
	Human Resources Services (49914)	$1,685,838	$1,685,838		
	Planning and Evaluation Services (49916)	$356,956	$356,956		
	Program Development and Coordination (49933)	$23,164,428	~~$24,424,428~~ *$24,578,148*		
	Fund Sources: General	$36,014,066	~~$34,980,102~~ *$35,133,822*		
	Special	$18,063,453	~~$14,693,900~~ *$14,943,900*		
	Federal Trust	$10,862,433	$10,862,433		

Authority: Title 16.1, Article 18, and Title 37.2, Chapters 2, 3, 4, 5, 6 and 7, and Title 2.2, Chapters 26 and 53 Code of Virginia; P.L. 102-119, Federal Code.

A. The Commissioner, Department of Behavioral Health and Developmental Services shall, at the beginning of each fiscal year, establish the current capacity for each facility within the system. When a facility becomes full, the commissioner or his designee shall give notice of the fact to all sheriffs.

B. The Commissioner, Department of Behavioral Health and Developmental Services shall work in conjunction with community services boards to develop and implement a graduated plan for the discharge of eligible facility clients to the greatest extent possible, utilizing savings generated from statewide gains in system efficiencies.

C. Notwithstanding § 4-5.09 of this act and paragraph C of § 2.2-1156, Code of Virginia, the Department of Behavioral Health and Developmental Services is hereby authorized to deposit the entire proceeds of the sales of surplus land at state-owned behavioral health and intellectual disability facilities into a revolving trust fund. The trust fund may initially be used for expenses associated with restructuring such facilities. Remaining proceeds after such expenses shall be dedicated to continuing services for current patients as facility services are restructured. The trust fund will receive any savings resulting from facility restructuring. Thereafter, the fund will be used to enhance services to individuals with mental illness, intellectual disability and substance abuse problems.

D. The Department of Behavioral Health and Developmental Services shall identify and create opportunities for public-private partnerships and develop the incentives necessary to establish and maintain an adequate supply of acute-care psychiatric beds for children and adolescents.

E. The Department of Behavioral Health and Developmental Services, in cooperation with the Department of Juvenile Justice, where appropriate, shall identify and create opportunities for public-private partnerships and develop the incentives necessary to establish and maintain an adequate supply of residential beds for the treatment of juveniles with behavioral health treatment needs, including those who are mentally retarded, aggressive, or sex offenders, and those juveniles who need short-term crisis stabilization but not psychiatric hospitalization.

F. Out of this appropriation, $656,538 the first year and $656,538 the second year from the general fund shall be provided for placement and restoration services for juveniles found to be incompetent to stand trial pursuant to Title 16.1, Chapter 11, Article 18, Code of Virginia.

G. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be used to pay for legal and medical examinations needed for individuals living in the community and in need of guardianship services.

H. Out of this appropriation, $1,388,423 the first year and ~~$1,388,423~~*$1,542,143* the second year from the general fund shall be provided for services for the civil commitment of sexually violent predators as follows: (i) $642,700 the first year and $642,700 the second year for clinical evaluations and court testimony for sexually violent predators who are being considered

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for release from state correctional facilities and who will be referred to the Clinical Review Committee for psycho-sexual evaluations prior to the state seeking civil commitment, (ii) $529,465 the first year and ~~$529,465~~*$683,185* the second year for conditional release services, including treatment, and (iii) $216,528 the first year and $216,258 the second year for the costs associated with contracting with a Global Positioning System service to closely monitor the movements of individuals who are civilly committed to the sexually violent predator program but conditionally released.

I. Out of this appropriation, $25,000 the first year and $25,000 the second year from the general fund shall be used to operate a real-time reporting system for public and private acute psychiatric beds in the Commonwealth.

J.1. The Commissioner, Department of Behavioral Health and Developmental Services shall work in collaboration with the Health Planning Region (HPR) V Community Services Boards to plan, develop and implement transitional mental health services to qualified individuals discharged from the Eastern State Hospital.

2. The HPR V Community Services Boards shall involve local and regional partners, including local governments, in the planning and development of these programs and services.

K. The Department of Behavioral Health and Developmental Services shall submit a report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than December 1 of each year for the preceding fiscal year that provides information on the operation of Virginia's publicly-funded behavioral health and developmental services system. The report shall include a brief narrative and data on the numbers of individuals receiving state facility services or CSB services, including purchased inpatient psychiatric services, the types and amounts of services received by these individuals, and CSB and state facility service capacities, staffing, revenues, and expenditures. The annual report also shall describe major new initiatives implemented during the past year and shall provide information on the accomplishment of systemic outcome and performance measures during the year.

L. The Commissioner of the Department of Behavioral Health and Developmental Services shall provide a plan to the General Assembly, developed in consultation with the Secretary of Health and Human Resources and the Chairmen of the House Appropriations and Senate Finance Committees, related to the closure of state training centers by the end fiscal year 2021, in compliance with the settlement agreement relating to United States of America v. Commonwealth of Virginia (Civil Action No. 312cv0059-JAG), subject to judicial approval. In developing the plan, the Commissioner shall solicit input from all relevant stakeholders including, but not limited to, individuals with intellectual or developmental disabilities or their guardians, and public and private providers. The plan shall be completed within one year of the effective date of the settlement agreement.

M. Out of this appropriation, $250,000 the first year from the general fund is designated for the Department to preplan the construction/renovation of the Virginia Center for Behavioral Rehabilitation II (VCBR II) facility on state-owned property in and around the current VCBR site. The project options shall include costs for any relocation of current services as well as re-purposing of current facilities. The Department shall report the options for this project to the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2013. If an agreement on an option is reached by the Secretary of Health and Human Resources and the Chairmen of the House Appropriations and Senate Finance Committees, the Secretary of Finance is authorized to allocate up to $1,000,000 from the Central Capital Planning Fund established under § 2.2-1520, Code of Virginia for detailed planning of this project.

N. Out of this appropriation, $500,000 the second year from the general fund shall be used to develop and implement a comprehensive statewide suicide prevention program. The Commissioner of the Department of Behavioral Health and Developmental Services (DBHDS), in collaboration with the Departments of Health, Education, Veterans Services, Aging and Rehabilitative Services, and other partners shall develop and implement a statewide program of public education, evidence-based training, health and behavioral health provider capacity-building, and related suicide prevention activity. The Commissioner shall provide a progress report on this effort to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2013.

O.1. Beginning October 1, 2013, the Commissioner of the Department of Behavioral Health

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and Developmental Services shall provide quarterly reports to the House Appropriations and Senate Finance Committees on progress in implementing the plan to close state training centers and transition residents to the community. The reports shall provide the following information on each state training center: (i) the number of authorized representatives who have made decisions regarding the long-term type of placement for the resident they represent and the type of placement they have chosen; (ii) the number of authorized representatives who have not yet made such decisions; (iii) barriers to discharge; (iv) the general fund and nongeneral fund cost of the services provided to individuals transitioning from training centers; and (v) the use of increased Medicaid reimbursement for congregate residential services to meet exceptional needs of individuals transitioning from state training centers in fiscal year 2014, provided in item 307, paragraphs BBB.1. and BBB.2.

2. At least six months prior to the closure of a state intellectual disabilities training center, the Commissioner of Behavioral Health and Developmental Services shall complete a comprehensive survey of each individual residing in the facility slated for closure to determine the services and supports the individual will need to receive appropriate care in the community. The survey shall also determine the adequacy of the community to provide care and treatment for the individual, including but not limited to, the appropriateness of current provider rates, adequacy of waiver services, and availability of housing. The Commissioner shall report quarterly findings to the Governor and Chairmen of the House Appropriations and Senate Finance Committees beginning October 1, 2013.

3. The department shall convene quarterly meetings with authorized representatives, families, and service providers in Health Planning Regions I, II, III and IV to provide a mechanism to (i) promote routine collaboration between families and authorized representatives, the department, community services boards, and private providers; (ii) ensure the successful transition of training center residents to the community; and (iii) gather input on Medicaid waiver redesign to better serve individuals with intellectual and developmental disability.

4. In the event that provider capacity cannot meet the needs of individuals transitioning from training centers to the community, the department shall work with community services boards and private providers to explore the feasibility of developing (i) a limited number of small community group homes or intermediate care facilities to meet the needs of residents transitioning to the community, and/or (ii) a regional support center to provide specialty services to individuals with intellectual and developmental disabilities whose medical, dental, rehabilitative or other special needs cannot be met by community providers. The Commissioner shall report on these efforts to the House Appropriations and Senate Finance Committees as part of his quarterly report, pursuant to paragraph 1."

P. The State Comptroller shall provide the Department of Behavioral Health and Developmental Services an interest-free anticipation loan not to exceed $3,100,000 to serve as an advance stream of funds in anticipation of Medicare Meaningful Use funds related to successful implementation of the Electronic Health Records project at state-operated behavioral health and intellectual disability facilities. The loan will be repaid no later than June 30, 2015.

Total for Department of Behavioral Health and Developmental Services.....			**$67,673,350**	**~~$62,760,014~~** ***$63,163,734***
General Fund Positions.....	208.85	214.85		
Nongeneral Fund Positions.....	13.40	11.40		
Position Level	222.25	226.25		
Fund Sources: General.....	$38,542,721	~~$37,153,681~~ *$37,307,401*		
Special.....	$18,268,196	~~$14,743,900~~ *$14,993,900*		
Federal Trust.....	$10,862,433	$10,862,433		

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	Grants to Localities (790)				
315.	Financial Assistance for Health Services (44500).....			$347,621,560	$331,621,560
	Community Substance Abuse Services (44501).....	$95,871,968	$95,871,968		
	Community Mental Health Services (44506).....	$187,403,320	$192,553,320		
	Community Developmental Disability Services (44507)..	$64,346,272	$43,196,272		
	Fund Sources: General.....	$285,397,318	$269,347,318		
	Special.....	$544,795	$594,795		
	Federal Trust.....	$61,679,447	$61,679,447		

Authority: Title 37.2, Chapters 5 and 6; Title 2.2, Chapter 53, Code of Virginia.

A. It is the intent of the General Assembly that community mental health, intellectual disability and substance abuse services are to be improved throughout the state. Funds provided in this Item shall not be used to supplant the funding effort provided by localities for services existing as of June 30, 1996.

B. Further, it is the intent of the General Assembly that funds appropriated for this Item may be used by Community Services Boards to purchase, develop, lease, or otherwise obtain, in accordance with §§ 37.2-504 and 37.2-605, Code of Virginia, real property necessary to the provision of residential services funded by this Item.

C. Out of the appropriation for this Item, funds are provided to Community Services Boards in an amount sufficient to reimburse the Virginia Housing Development Authority for principal and interest payments on residential projects for the mentally disabled financed by the Housing Authority.

D. The Department of Behavioral Health and Developmental Services shall make payments to the Community Services Boards from this Item in twenty-four equal semimonthly installments, except for necessary budget revisions or the operational phase-in of new programs.

E. Failure of a board to participate in Medicaid covered services and to meet all requirements for provider participation shall result in the termination of a like amount of state grant support.

F. Community Services Boards may establish a line of credit loan for up to three months' operating expenses to assure adequate cash flow.

G. Out of this appropriation $190,000 the first year and $190,000 the second year from the general fund shall be provided to ~~Grafton School~~ *Virginia Commonwealth University* for the continued operation and expansion of the Virginia Autism Resource Center.

H.1. Out of this appropriation, $9,453,366 the first year and $13,203,366 the second year from the general fund shall be provided for Virginia's Part C Early Intervention System for infants and toddlers with disabilities.

2. By October 1 of each year, the department shall report to the Chairmen of the House Appropriations and Senate Finance Committees on the (a) total revenues used to support Part C services, (b) total expenses for all Part C services, (c) total number of infants, toddlers and families served using all Part C revenues, and (d) services provided to those infants, toddlers, and families.

3. Any additional funds received by local early intervention systems pursuant to the federal American Recovery and Reinvestment Act (ARRA) of 2009 for early intervention services through Part C of the Individuals with Disabilities Education Act (IDEA) of 2004 shall be used to supplement, not supplant federal, state and local funding at the level in effect upon the date of enactment of the ARRA.

4. The Department of Behavioral Health and Developmental Services shall promulgate regulations to comply with 34 CFR Parts 300 and 303. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

I. Out of this appropriation $6,148,128 the first year and $6,148,128 the second year from the

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general fund shall be provided for mental health services for children and adolescents with serious emotional disturbances and related disorders, with priority placed on those children who, absent services, are at-risk for custody relinquishment, as determined by the Family and Assessment Planning Team of the locality. The Department of Behavioral Health and Developmental Services shall provide these funds to Community Services Boards through the annual Performance Contract. These funds shall be used exclusively for children and adolescents, not mandated for services under the Comprehensive Services Act for At-Risk Youth, who are identified and assessed through the Family and Assessment Planning Teams and approved by the Community Policy and Management Teams of the localities. The department shall provide these funds to the Community Services Boards based on an individualized plan of care methodology.

J. Beginning July 1, 2007, the Commissioner, Department of Behavioral Health and Developmental Services shall allocate $1,000,000 the first year and $1,000,000 the second year from the federal Community Mental Health Services Block Grant for two specialized geriatric mental health services programs. One program shall be located in Health Planning Region II and one shall be located in Health Planning Region V. The programs shall serve elderly populations with mental illness who are transitioning from state mental health geriatric units to the community or who are at risk of admission to state mental health geriatric units. *The commissioner is authorized to reduce the allocation in each year in an amount proportionate to any reduction in the federal Community Mental Health Services Block Grant funds awarded to the Commonwealth.*

K. Beginning July 1, 2007, the Commissioner, Department of Behavioral Health and Developmental Services shall allocate $750,000 the first year and $750,000 the second year from the federal Community Mental Health Services Block Grant for consumer-directed programs offering specialized mental health services that promote wellness, recovery and improved self-management.

L. Out of this appropriation, $2,197,050 the first year and $2,197,050 the second year from the general fund shall be used for jail diversion and reentry services. Funds shall be distributed to community-based contractors based on need and community preparedness as determined by the commissioner. *The commissioner is authorized to reduce the allocation in each year in an amount proportionate to any reduction in the federal Community Mental Health Services Block Grant funds awarded to the Commonwealth.*

M. Out of this appropriation, $2,400,000 the first year and $2,400,000 the second year from the general fund shall be used for treatment and support services for substance use disorders. Funded services shall focus on recovery models and the use of best practices.

N. Out of this appropriation, $2,780,645 the first year and $2,780,645 the second year from the general fund shall be used to provide outpatient clinician services to children with mental health needs. Each Community Services Board shall receive funding as determined by the commissioner to increase the availability of specialized mental health services for children. The department shall require that each Community Services Board receiving these funds agree to cooperate with Court Service Units in their catchment areas to provide services to mandated and nonmandated children, in their communities, who have been brought before Juvenile and Domestic Relations Courts and for whom treatment services are needed to reduce the risk these children pose to themselves and their communities or who have been referred for services through family assessment and planning teams through the Comprehensive Services Act for At-Risk Youth and Families.

P. Out of this appropriation, $17,701,997 the first year and $17,701,997 the second year from the general fund shall be used to provide emergency services, crisis stabilization services, case management, and inpatient and outpatient mental health services for individuals who are in need of emergency mental health services or who meet the criteria for mental health treatment set forth pursuant to House Bill 559 and Senate Bill 246, 2008 Session of the General Assembly. Funding provided in this item also shall be used to offset the fiscal impact of (i) establishing and providing mandatory outpatient treatment, pursuant to House Bill 499 and Senate Bill 246, 2008 Session of the General Assembly; and (ii) attendance at involuntary commitment hearings by community services board staff who have completed the prescreening report, pursuant to House Bill 560 and Senate Bill 246, 2008 Session of the General Assembly.

Q. Out of this appropriation, $5,000,000 the first year and $8,800,000 the second year from the

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general fund shall be used to provide community crisis intervention services in each region for individuals with intellectual or developmental disabilities and co-occurring mental health or behavioral disorders.

R. Out of this appropriation, $1,900,000 the first year and $1,900,000 the second year from the general fund shall be used to expand community-based services in Health Planning Region V. These funds shall be used for services intended to delay or deter placement, or provide discharge assistance for patients in a state mental health facility.

S. Out of this appropriation, $2,000,000 the first year and $2,000,000 the second year from the general fund shall be used to expand crisis stabilization and related services statewide intended to delay or deter placement in a state mental health facility.

T.1. Out of this appropriation, $30,000,000 the first year from the general fund shall be used to implement the provisions of the settlement agreement relating to United States of America v. Commonwealth of Virginia (Civil Action No. 312cv0059-JAG).

2. Any funds appropriated for the purposes of complying with the agreement that are unspent ~~in the first year may be carried forward into the second year~~*at the end of a fiscal year may be carried forward for expenditure into the subsequent fiscal year*.

U. Notwithstanding any contrary provision of law, the unexpended appropriation as of June 30, 2012 in the Behavioral Health and Developmental Services Trust Fund, appropriated for the expansion of community-based services in anticipation of an agreement with the U.S. Department of Justice, pursuant to Item 305, Chapter 890, 2011 Acts of Assembly, shall be reappropriated. Upon approval by the Secretary of Health and Human Resources and the Secretary of Finance, the Director, Department of Planning and Budget, shall transfer the reappropriated amount from the Trust Fund to the general fund. The general fund appropriation shall be transferred to Item 315 of this act and made available for the purposes of complying with the agreement with the U.S. Department of Justice. The State Comptroller shall transfer the equivalent amount of cash from the Trust Fund to the general fund. Any cash in the fund not associated with implementation of the agreement shall remain in the fund.

V.1. In order to meet the terms of the settlement agreement, the appropriations in Items 307 and 315 include the following estimated general fund amounts.

Estimated Amounts

	FY 2013	**FY 2014**
Facility Transition	$11,309,540	$19,534,660
Community Waiver Slots	$19,615,150	$27,642,275
Program of Individual and Family Supports	$2,400,000	$3,200,000
Rental Subsidies	$800,000	$0
Crisis Stabilization	$5,000,000	$10,000,000
Facility Closure Costs	$2,749,885	$8,397,855
Administration	$1,313,682	$1,807,338
Quality Management	$1,787,000	$1,537,000
Independent Review	$300,000	$300,000
Facility Savings	($5,846,989)	($23,364,535)
Total	**$39,428,269**	**$49,054,594**

These amounts may vary as needs are identified throughout the year. Changes to the amounts described above require the review and approval of the Secretary of Health and Human Resources and the Secretary of Finance. Upon approval of the Secretary of Health and Human Resources and the Secretary of Finance, the Director, Department of Planning and Budget, shall transfer appropriation between Items 307, 311, 312, and 314, as needed. The Department of Behavioral Health and Developmental Services shall provide updates on July 1 and December 1 of each year to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees regarding expenditures and progress in meeting implementation targets established in the agreement.

2.a. The Department of Medical Assistance Services shall amend the Intellectual Disabilities

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Waiver to add 160 slots each year for individuals who are exiting training centers and 225 slots each year to address the community waiting list in accordance with the agreement.

b. The Department of Medical Assistance Services shall amend the Individual and Family Developmental Disabilities Supports Waiver to add 25 slots each year in accordance with the agreement.

3. The State Board of Behavioral Health and Developmental Services shall promulgate emergency regulations to implement an individual and family supports program. These regulations shall become effective within 280 days or less from the enactment date of this act.

4. Any funds appropriated for the purposes of complying with the agreement that are unspent in the first year may be carried forward into the second year.

W. Out of this appropriation, $1,500,000 the first year and $3,650,000 the second year from the general fund shall be used to provide child psychiatry and children's crisis response services for children with mental health and behavioral disorders. These funds, divided among the health planning regions based on the current availability of the services, shall be used to hire or contract with child psychiatrists who can provide direct clinical services, including crisis response services, as well as training and consultation with other children's health care providers in the health planning region such as general practitioners, pediatricians, nurse practitioners, and community service boards staff, to increase their expertise in the prevention, diagnosis, and treatment of children with mental health disorders. Funds may also be used to create new or enhance existing community-based crisis response services in a health planning region, including mobile crisis teams and crisis stabilization services, with the goal of diverting children from inpatient psychiatric hospitalization to less restrictive services in or near their communities. The Department of Behavioral Health and Developmental Services shall report on the use and impact of this funding to the Chairmen of the House Appropriations and Senate Finance Committees beginning on October 1, 2013 and each year thereafter.

X. Out of this appropriation, $600,000 the first year and $1,500,000 the second year from the general fund shall be used to expand capacity for up to eight drop-off centers to provide an alternative to incarceration for people with serious mental illness. Priority for new funding shall be given to programs that have implemented Crisis Intervention Teams pursuant to § 9.1-102 and § 9.1-187 et seq. of the Code of Virginia and have undergone planning to implement drop-off centers.

Y. Out of this appropriation, $1,250,000 the second year from the general fund shall be used to develop and implement crisis services for children with intellectual or developmental disabilities.

Z. Out of this appropriation, $1,500,000 the second year from the general fund shall be used to provide community-based services to individuals residing in state hospitals who have been determined clinically ready for discharge.

AA. Out of this appropriation, $600,000 the second year from the general fund shall be used to provide mental health first aid training and certification to recognize and respond to mental or emotional distress. Funding shall be used to cover the cost of personnel dedicated to this activity, training and certification, and manuals and certification for all those receiving the training.

Total for Grants to Localities.....			**$347,621,560**	**$331,621,560**
Fund Sources: General.....	$285,397,318	$269,347,318		
Special.....	$544,795	$594,795		
Federal Trust.....	$61,679,447	$61,679,447		

316. Not set out.

317. Not set out.

318. Not set out.

319. Not set out.

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320.	Not set out.				
321.	Not set out.				
322.	Not set out.				
323.	Not set out.				
324.	Not set out.				
325.	Not set out.				
326.	Not set out.				
	Virginia Center for Behavioral Rehabilitation (794)				
326.05.	Not set out.				
327.	Not set out.				
327.05.	Not set out.				
328.	Not set out.				
329.	Facility Administrative and Support Services (49800)			$8,976,635	$8,976,635
	General Management and Direction (49801).....	$8,930,600	$8,930,600		
	Information Technology Services (49802).....	$15,345	$15,345		
	Food and Dietary Services (49807)	$10,230	$10,230		
	Housekeeping Services (49808)	$10,230	$10,230		
	Physical Plant Services (49815).....	$10,230	$10,230		
	Fund Sources: General.....	$8,976,635	$8,976,635		

Authority: Title 37.1, Chapter 2, Article 1.1, and 37.1-70.1 through 37.1-70.l9. Code of Virginia.

1. The Department of Behavioral Health and Developmental Services (DBHDS) shall implement a plan to accommodate additional sexually violent predators committed to the Virginia Center for Behavioral Rehabilitation (VCBR). Such plan may include double-bunking dormitory-style, repurposing existing space, or the addition of new housing units at the current VCBR site. The department shall not reopen a temporary facility for the housing, confinement and treatment of civilly committed sexually violent predators at the Southside Virginia Training Center in Dinwiddie County. Further, the department shall not undertake a capital project to expand or construct additional units or facilities at a new site for the housing, confinement and treatment of these individuals until a comprehensive review of the current program for the civil commitment of sexually violent predators is completed. The Department of Corrections shall assist DBHDS in developing the plan to accommodate additional capacity and shall provide risk assessment data of the affected population. The department may make necessary capital renovations to the facility in Nottoway County to accommodate the increased capacity in order to ensure resident safety.

2. In the event that services are not available in Virginia to address the specific needs of an individual committed for treatment at the VCBR or conditionally released, or additional capacity cannot be met at the VCBR, the Commissioner is authorized to seek such services from another state.

3. Beginning on July 1, 2011, the department shall provide quarterly reports to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on the plan for the housing of additional individuals committed for treatment.

Total for Virginia Center for Behavioral Rehabilitation...			**$27,264,911**	**$28,237,999**
General Fund Positions.....	449.00	475.50		
Position Level	449.00	475.50		

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	Fund Sources: General	$27,264,911	$28,237,999		
	Grand Total for Department of Behavioral Health and Developmental Services			**$1,007,180,741**	**~~$985,791,909~~** ***$986,195,629***
	General Fund Positions	6,635.85	6,668.35		
	Nongeneral Fund Positions	2,627.40	2,625.40		
	Position Level	9,263.25	9,293.75		
	Fund Sources: General	$589,718,318	~~$571,803,782~~ *$571,957,502*		
	Special	$344,520,543	~~$341,046,247~~ *$341,296,247*		
	Federal Trust	$72,941,880	$72,941,880		
330.	Not set out.				
330.05.	Not set out.				
330.10.	Not set out.				
330.15.	Not set out.				
331.	Not set out.				
332.	Not set out.				
333.	Not set out.				
334.	Not set out.				
335.	Not set out.				
	§ 1-39. DEPARTMENT OF SOCIAL SERVICES (765)				
336.	Program Management Services (45100)			$34,688,327	$36,432,247
	Training and Assistance to Local Staff (45101)	$4,165,605	$4,165,605		
	Central Administration and Quality Assurance for Benefit Programs (45102)	$11,811,192	$11,618,654		
	Central Administration and Quality Assurance for Family Services (45103)	$6,747,519	$7,246,262		
	Central Administration and Quality Assurance for Community Programs (45105)	$8,691,719	$8,135,689		
	Central Administration for the Comprehensive Services Act (Csa) (45106)	$1,092,728	$1,267,728		
	Central Administration and Quality Assurance for Child Care Activities (45107)	$2,179,564	$3,998,309		
	Fund Sources: General	$15,822,104	$15,367,182		
	Special	$100,000	$100,000		
	Federal Trust	$18,766,223	$20,965,065		

Authority: Title 2.2, Chapter 54; Title 63.2, Chapter 2, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A. The Department of Social Services, in collaboration with the Office of Comprehensive Services, shall provide training to local staff serving on Family Assessment and Planning Teams and Community Policy and Management Teams. Training shall include, but need not be limited to, the federal and state requirements pertaining to the provision of the foster care services funded under § 2.2-5211, Code of Virginia. The training shall also include written guidance concerning which services remain the financial responsibility of the local departments of social services. Training shall be provided on a regional basis at least once per year. Written guidance shall be updated and provided to local Comprehensive Services Act teams whenever

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there is a change in allowable expenses under federal or state guidelines. In addition, the Department of Social Services shall provide ongoing local oversight of its federal and state requirements related to the provision of services funded under § 2.2-5211, Code of Virginia.

B. By November 1 of each year, the Department of Planning and Budget, in cooperation with the Department of Social Services, shall prepare and submit a forecast of expenditures for cash assistance provided through the Temporary Assistance for Needy Families (TANF) program, mandatory child day care services under TANF, foster care maintenance and adoption subsidy payments, upon which the Governor's budget recommendations will be based, for the current and subsequent two years to the Chairmen of the House Appropriations and Senate Finance Committees.

C. Out of this appropriation, $1,925,380 the first year and $1,829,111 the second year from the general fund and $1,925,380 the first year and $1,829,111 the second year from nongeneral funds shall be provided to fund the Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) contract cost.

D. The Department of Social Services may revise the current schedule for the issuance of federal Supplemental Nutrition Assistance Program (SNAP) benefits over a two-month conversion period while minimizing the impact on current recipients, provided that no general fund dollars are required to implement the conversion. If the department determines that there are any general fund costs required to implement the conversion, the department may revise the current schedule for the issuance of federal Supplemental Nutrition Assistance Program (SNAP) benefits for new enrollees only. The department may spread out the issuance of SNAP benefits over nine calendar days with payments occurring on the first, fourth, seventh, and ninth day of the month. The department has the authority to accept private donations to complete the transition to this revised schedule of payments by December 1, 2012.

E. Out of this appropriation, $175,000 the first year and $175,000 the second year from the general fund shall be available for utilization management services. The Office of Comprehensive Services and the Department of Behavioral Health and Developmental Services, in cooperation with representatives of the Virginia Association of Counties, the Virginia Municipal League, and the State Executive Council, shall develop the criteria and guidelines to be followed when providing these utilization management services.

F. 1. Out of this appropriation, ten positions and the associated funding shall be dedicated to providing on-going financial oversight of foster care services. Each of the ten positions, with two working out of each regional office, shall assess and review all foster care spending to ensure that state and federal standards are met. None of these positions shall be used for quality, information technology, or clerical functions.

2. By September 1 of each year, the department shall report to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget regarding the foster care program's statewide spending, error rates and compliance with state and federal reviews.

G. The Department of Social Services shall provide administrative support and technical assistance to the Family and Children's Trust Fund (FACT) Board of Trustees established in Sections 63.2-2100 through 63.2-2103, Code of Virginia.

337. Financial Assistance for Self-Sufficiency Programs and Services (45200).....			$264,054,765	~~$268,063,141~~ *$249,451,028*
~~Temporary Assistance for Needy Families (TANF) Cash Assistance (45201)~~.....	$101,663,954	~~$104,514,209~~		
Temporary Assistance for Needy Families (Tanf) Cash Assistance (45201).....		*$94,118,604*		
~~Temporary Assistance for Needy Families (TANF) Employment Services (45212)~~	$19,657,832	$19,657,832		
Temporary Assistance for Needy Families (Tanf) Employment Services (45212)				
~~Supplemental Nutrition Assistance Program Employment and Training (SNAPET) Services (45213)~~..	$1,017,742	$1,017,742		

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Supplemental Nutrition Assistance Program Employment and Training (Snapet) Services (45213)				
~~Temporary Assistance for Needy Families (TANF) Child Care Subsidies (45214)~~	$61,363,154	~~$62,513,275~~		
Temporary Assistance for Needy Families (Tanf) Child Care Subsidies (45214)		*$54,296,767*		
At-Risk Child Care Subsidies (45215)	$71,837,914	$71,845,914		
Unemployed Parents Cash Assistance (45216)	$8,514,169	$8,514,169		
Fund Sources: General	$82,667,388	$82,675,388		
Federal Trust	$181,387,377	~~$185,387,753~~ *$166,775,640*		

Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 1 through 7, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A. It is hereby acknowledged that as of June 30, 2011 there existed with the federal government an unexpended balance of $25,574,493 in federal Temporary Assistance for Needy Families (TANF) block grant funds which are available to the Commonwealth of Virginia to reimburse expenditures incurred in accordance with the adopted State Plan for the TANF program. Based on projected spending levels and appropriations in this act, the Commonwealth's accumulated balance for authorized federal TANF block grant funds is estimated at $30,053,974 on June 30, 2012; ~~$22,192,651~~ *$39,078,902* on June 30, 2013; and ~~$2,844,730~~ *$31,385,231* on June 30, 2014.

B. The Department of Social Services (DSS) shall report annually on October 1 to the Governor, the Secretary of Health and Human Resources, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget regarding spending; program results; clients served; the location, size, implementation status, and nature of projects funded with TANF funds; results of all formal evaluations; and recommendations for continuation, expansion, and redesign of the projects. Such report shall be combined with the report required by § 63.2-619, Code of Virginia.

C. No less than 30 days prior to submitting any amendment to the federal government related to the State Plan for the Temporary Assistance for Needy Families program, the Commissioner of the Department of Social Services shall provide the Chairmen of the House Appropriations and Senate Finance Committees as well as the Director, Department of Planning and Budget written documentation detailing the proposed policy changes. This documentation shall include an estimate of the fiscal impact of the proposed changes and information summarizing public comment that was received on the proposed changes.

D. To the extent permitted by federal law, the State Plan for Temporary Assistance for Needy Families (TANF) shall provide that the eligibility for assistance of an alien who is a qualified alien (as defined in § 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law Number 104-193) shall be determined without regard to alienage.

E. Notwithstanding any other provision of state law, the Department of Social Services shall maintain a separate state program, as that term is defined by federal regulations governing the Temporary Assistance for Needy Families (TANF) program, 45 C.F.R. § 260.30, for the purpose of providing welfare cash assistance payments to able-bodied two-parent families. The separate state program shall be funded by state funds and operated outside of the TANF program. Able-bodied two-parent families shall not be eligible for TANF cash assistance as defined at 45 C.F.R. § 260.31 (a)(1), but shall receive benefits under the separate state program provided for in this paragraph. Although various conditions and eligibility requirements may be different under the separate state program, the basic benefit payment for which two-parent families are eligible under the separate state program shall not be less than what they would have received under TANF. The Department of Social Services shall establish regulations to govern this separate state program.

F. As a condition of this appropriation, the Department of Social Services shall disregard the value of one motor vehicle per assistance unit in determining eligibility for cash assistance in the Temporary Assistance for Needy Families (TANF) program and in the separate state program for able-bodied two-parent families.

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G. The Department of Social Services, in collaboration with local departments of social services, shall maintain minimum performance standards for all local departments of social services participating in the Virginia Initiative for Employment, Not Welfare (VIEW) program. The department shall allocate VIEW funds to local departments of social services based on these performance standards and VIEW caseloads. The allocation formula shall be developed and revised in cooperation with the local social services departments and the Department of Planning and Budget.

H. A participant whose Temporary Assistance for Needy Families (TANF) financial assistance is terminated due to the receipt of 24 months of assistance as specified in § 63.2-612, Code of Virginia, or due to the closure of the TANF case prior to the completion of 24 months of TANF assistance, excluding cases closed with a sanction for noncompliance with the Virginia Initiative for Employment Not Welfare program, shall be eligible to receive employment and training assistance for up to 12 months after termination, if needed, in addition to other transitional services provided pursuant to § 63.2-611, Code of Virginia.

I. The Department of Social Services, in conjunction with the Department of Correctional Education, shall identify and apply for federal, private and faith-based grants for pre-release parenting programs for non-custodial incarcerated parent offenders committed to the Department of Corrections, including but not limited to the following grant programs: Promoting Responsible Fatherhood and Healthy Marriages, State Child Access and Visitation Block Grant, Serious and Violent Offender Reentry Initiative Collaboration, Special Improvement Projects, § 1115 Social Security Demonstration Grants, and any new grant programs authorized under the federal Temporary Assistance for Needy Families (TANF) block grant program.

J. Included in this Item is funding to carry out the former responsibilities of the Virginia Council on Child Day Care and Early Childhood Programs. Nongeneral fund appropriations allocated for uses associated with the Head Start program shall not be transferred for any other use until eligible Head Start families have been fully served. Any remaining funds may be used to provide services to enrolled low-income families in accordance with federal and state requirements. Families, who are working or in education and training programs, with income at or below the poverty level, whose children are enrolled in Head Start wraparound programs paid for with the federal block grant funding in this Item shall not be required to pay fees for these wraparound services.

K. Out of this appropriation, $2,639,305 the first year and $2,647,305 the second year from the general fund and $54,466,586 the first year and $54,466,586 the second year from federal funds shall be provided to support state child care programs which will be administered on a sliding scale basis to income eligible families. The sliding fee scale and eligibility criteria are to be set according to the rules and regulations of the State Board of Social Services, except that the income eligibility thresholds for child care assistance shall account for variations in the local cost of living index by metropolitan statistical areas. The Department of Social Services shall report on the sliding fee scale and eligibility criteria adopted by the Board of Social Services by December 15 of each year. The Department of Social Services shall make the necessary amendments to the Child Care and Development Funds Plan to accomplish this intent. Funds shall be targeted to families who are most in need of assistance with child care costs. Localities may exceed the standards established by the state by supplementing state funds with local funds.

L. The department shall report to the Governor, General Assembly, and Director, Department of Planning and Budget by October 15 of each year regarding the status of its child care assistance automation efforts. The annual report shall include system adequacy, programmatic and financial efficiencies gained and the need for any further actions.

M. Out of this appropriation, $600,000 the first year and $600,000 the second year from nongeneral funds shall be used to provide scholarships to students in early childhood education and related majors who plan to work in the field, or already are working in the field, whether in public schools, child care or other early childhood programs, and who enroll in a state community college or a state supported senior institution of higher education.

N. Out of this appropriation, $505,000 the first year and $505,000 the second year from nongeneral funds shall be used to provide training of individuals in the field of early childhood education.

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O. Out of this appropriation, $300,000 the first year and $300,000 the second year from nongeneral funds shall be used to provide child care assistance for children in homeless and domestic violence shelters.				
338. Financial Assistance for Local Social Services Staff (46000)			$375,068,444	$377,679,017
Eligibility Determination Local Staff and Operations (46003)	$198,293,667	$201,793,667		
Social Worker Local Staff and Operations (46006)	$176,774,777	$175,885,350		
Fund Sources: General	$115,234,376	~~$115,254,321~~ *$109,483,123*		
Dedicated Special Revenue	$3,000,000	$3,000,000		
Federal Trust	$256,834,068	~~$259,424,696~~ *$265,195,894*		
Authority: Title 63.2, Chapters 1 through 7 and 9 through 16, Code of Virginia; P.L. 104-193, Titles IV A, XIX, and XXI, Social Security Act, Federal Code, as amended.				
A. The amounts in this Item shall be expended under regulations of the Board of Social Services to reimburse county and city welfare/social services boards pursuant to § 63.2-401, Code of Virginia, and subject to the same percentage limitations for other administrative services performed by county and city public welfare/social services boards and superintendents of public welfare/social services pursuant to other provisions of the Code of Virginia, as amended.				
B. Pursuant to the provisions of §§ 63.2-403, 63.2-406, 63.2-407, 63.2-408, and 63.2-615 Code of Virginia, all moneys deducted from funds otherwise payable out of the state treasury to the counties and cities pursuant to the provisions of § 63.2-408, Code of Virginia, shall be credited to the applicable general fund account.				
C. Included in this appropriation are funds to reimburse local social service agencies for eligibility workers who interview applicants to determine qualification for public assistance benefits which include but are not limited to: Temporary Assistance for Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP); and Medicaid.				
D. Included in this appropriation are funds to reimburse local social service agencies for social workers who deliver program services which include but are not limited to: child and adult protective services complaint investigations; foster care and adoption services; and adult services.				
E. Out of the federal fund appropriation for local social services staff, amounts estimated at $47,000,000 the first year and $47,000,000 the second year shall be set aside for allowable local costs which exceed available general fund reimbursement and amounts estimated at $16,000,000 the first year and $16,000,000 the second year shall be set aside to reimburse local governments for allowable costs incurred in administering public assistance programs.				
F. Out of this appropriation, $439,338 the first year and $439,338 the second year from the general fund and $422,109 the first year and $422,109 the second year from nongeneral funds is provided to cover the cost of the health insurance credit for retired local social services employees.				
339. Child Support Enforcement Services (46300)			$764,992,149	$764,992,149
Support Enforcement and Collection Services (46301)	$94,793,978	$94,793,978		
Public Assistance Child Support Payments (46302)	$11,000,000	$11,000,000		
Non-Public Assistance Child Support Payments (46303)	$659,198,171	$659,198,171		
Fund Sources: General	$7,033,311	~~$7,033,311~~ *$9,919,511*		
Special	$699,626,813	~~$699,626,813~~ *$696,740,613*		
Federal Trust	$58,332,025	$58,332,025		

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Authority: Title 20, Chapters 1 through 9; Title 63.2, Chapter 19, Code of Virginia; P.L. 104-193, as amended; P.L. 105-200, P.L. 105-33, P.L. 106-113, Federal Code.

A. Any net revenue from child support enforcement collections, after all disbursements are made in accordance with state and federal statutes and regulations, and after the state's share of the cost of administering the program is paid, shall be estimated and deposited into the general fund by June 30 of the fiscal year in which it is collected. Any additional moneys determined to be available upon final determination of a fiscal year's costs of administering the program shall be deposited to the general fund by September 1 of the subsequent fiscal year in which it is collected.

B. In determining eligibility and amounts for cash assistance, pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the department shall continue to disregard up to $100 per month in child support payments and return to recipients of cash assistance up to $100 per month in child support payments collected on their behalf.

C. The state share of amounts disbursed to recipients of cash assistance pursuant to paragraph B of this Item shall be considered part of the Commonwealth's required Maintenance of Effort spending for the federal Temporary Assistance for Needy Families program established by the Social Security Act.

D. The department shall expand collections of child support payments through contracts with private vendors. However, the Department of Social Services and the Office of the Attorney General shall not contract with any private collection agency, private attorney, or other private entity for any child support enforcement activity until the State Board of Social Services has made a written determination that the activity shall be performed under a proposed contract at a lower cost than if performed by employees of the Commonwealth.

E. The Division of Child Support Enforcement, in cooperation with the Department of Medical Assistance Services, shall identify cases for which there is a medical support order requiring a noncustodial parent to contribute to the medical cost of caring for a child who is enrolled in the Medicaid or Family Access to Medical Insurance Security (FAMIS) Programs. Once identified, the division shall work with the Department of Medical Assistance Services to take appropriate enforcement actions to obtain medical support or repayments for the Medicaid program.

340. Adult Programs and Services (46800)			$38,476,417	~~$39,961,169~~ *$37,961,169*
Auxiliary Grants for the Aged, Blind, and Disabled (46801)	$23,414,217	~~$24,898,969~~ *$22,898,969*		
Adult In-Home and Supportive Services (46802)	$6,822,995	$6,822,995		
Domestic Violence Prevention and Support Activities (46803)	$8,239,205	$8,239,205		
Fund Sources: General	$23,771,389	~~$25,256,141~~ *$23,256,141*		
Dedicated Special Revenue	$1,000,000	$1,000,000		
Federal Trust	$13,705,028	$13,705,028		

Authority: Title 63.2, Chapters 1, 16 and 22, Code of Virginia; Title XVI, federal Social Security Act, as amended.

A.1. Effective January 1, ~~2013~~ *2014*, the Department of Social Services is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of ~~$1,161~~ *$1,207* per month, which rate is also applied to approved adult foster care homes, unless modified as indicated below. The department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight.

2. Effective January 1, 2013, the monthly personal care allowance for auxiliary grant recipients who reside in licensed assisted living facilities and approved adult foster care homes shall be $82 per month, unless modified as indicated below.

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3. The Department of Social Services is authorized to increase the assisted living facility and adult foster care home rates and/or the personal care allowance cited above on January 1 of each year in which the federal government increases Supplemental Security Income or Social Security rates or at any other time that the department determines that an increase is necessary to ensure that the Commonwealth continues to meet federal requirements for continuing eligibility for federal financial participation in the Medicaid program. Any such increase is subject to the prior concurrence of the Department of Planning and Budget. Within thirty days after its effective date, the Department of Social Services shall report any such increase to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees with an explanation of the reasons for the increase.

~~4. Effective July 1, 2013, the Department of Social Services is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of $1,196 per month, which rate is also applied to approved adult foster care homes, unless modified as indicated below. The department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight.~~

B. Out of this appropriation, $4,843,286 the first year and $4,843,286 in the second year from the federal Social Services Block Grant shall be allocated to provide adult companion services for low-income elderly and disabled adults.

C. The toll-free telephone hotline operated by the Department of Social Services to receive child abuse and neglect complaints shall also be publicized and used by the department to receive complaints of adult abuse and neglect.

D.1. Out of this appropriation, $248,750 the first year and $248,750 the second year from the general fund and $1,000,000 the first year and $1,000,000 the second year from nongeneral funds shall be provided as a grant to local domestic violence programs for purchase of crisis and core services for victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency transportation, and other crisis services as a first priority.

2. The nongeneral fund amounts in D.1. shall be supported with $500,000 the first year and $500,000 the second year from the Virginia Domestic Violence Victim Fund and $500,000 the first year and $500,000 the second year from the Virginia Crime Victim-Witness Fund.

E. Out of this appropriation, $75,000 the first year and $75,000 the second year from the general fund and $400,000 the first year and $400,000 the second year from nongeneral funds shall be provided for the purchase of services for victims of domestic violence as stated in § 63.2-1615, Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

F. The Director, Department of Planning and Budget, shall, on or before June 30, 2013, unallot $500,000 from the general fund in this item, which reflects unused balances in the auxiliary grants program.

341. Child Welfare Services (46900)			$172,542,871	~~$174,137,067~~ *$180,572,962*
Foster Care Payments (46901)	$44,531,466	~~$44,931,466~~ *$40,752,662*		
Supplemental Child Welfare Activities (46902)	$23,210,945	$24,405,141		
Adoption Subsidy Payments (46903)	$104,800,460	~~$104,800,460~~ *$115,415,159*		
Fund Sources: General	$90,227,695	~~$92,516,099~~ *$95,923,040*		
Special	$325,030	$325,030		
Dedicated Special Revenue	$235,265	$235,265		
Federal Trust	$81,754,881	~~$81,060,673~~ *$84,089,627*		

Authority: Title 63.2, Chapters 1, 2, 4 and 8 through 15, Code of Virginia; P.L. 100-294, P.L. 101-126, P.L. 101-226, P.L. 105-89, as amended, Federal Code.

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A. Expenditures meeting the criteria of Title IV-E of the Social Security Act shall be fully reimbursed except that expenditures otherwise subject to a standard local matching share under applicable state policy, including local staffing, shall continue to require local match. The commissioner shall ensure that local social service boards obtain reimbursement for all children eligible for Title IV-E coverage.

B. The commissioner, in cooperation with the Department of Planning and Budget, shall establish a reasonable, automatic adjustment for inflation each year to be applied to the room and board maximum rates paid to foster parents. However, this provision shall apply only in fiscal years following a fiscal year in which salary increases are provided for state employees.

C. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be provided for the purchase of services for victims child abuse and neglect prevention activities as stated in §63.2-1502, Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

D. Out of this appropriation, $180,200 the first year and $180,200 the second year from the general fund and $99,800 the first year and $99,800 the second year from nongeneral funds shall be provided to continue respite care for foster parents.

E. Out of this appropriation, $100,000 the first year and $100,000 the second year from nongeneral funds shall be provided to support the Virginia Child Protection Accountability System.

F. Notwithstanding the provisions of §§63.2-1300 through 63.2-1303, Code of Virginia, adoption assistance subsidies and supportive services shall not be available for children adopted through parental placements. This restriction does not apply to existing adoption assistance agreements.

G.1. Out of this appropriation, $828,734 the first year from federal funds and $1,500,000 the second year from the general fund shall be provided to implement pilot programs that increase the number of foster care children adopted.

2. Beginning October 1, 2013, the department shall provide a quarterly report, within 30 days of quarter end, on the use and effectiveness of this funding including, but not limited to, the additional number of special needs children adopted from foster care as a result of this effort and the types of ongoing supportive services provided, to the Governor, Chairmen of House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget.

H. Out of this appropriation, $32,829,644 the first year and ~~$32,829,644~~ *$33,207,631* the second year from the general fund and $7,000,000 the first year and $7,000,000 the second year from nongeneral funds shall be provided for special needs adoptions.

I. Out of this appropriation $32,485,408 the first year and ~~$32,485,408~~ *$37,603,764* the second year from the general fund and $32,485,408 the first year and ~~$32,485,408~~ *$37,603,764* the second year from nongeneral funds shall be provided for Title IV-E adoption subsidies.

J. The Commissioner, Department of Social Services, shall ensure that local departments that provide independent living services to persons between 18 and 21 years of age make certain information about and counseling regarding the availability of independent living services is provided to any person who chooses to leave foster care or who chooses to terminate independent living services before his twenty-first birthday. Information shall include the option for restoration of independent living services following termination of independent living services, and the processes whereby independent living services may be restored should he choose to seek restoration of such services in accordance with § 63.2-905.1 of the Code of Virginia.

342. Not set out.

ITEM 342.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
343.	Financial Assistance to Community Human Services Organizations (49200)			$24,150,789	$24,700,789
	Community Action Agencies (49201)	$12,888,048	$12,888,048		
	Volunteer Services (49202)	$3,866,340	$3,866,340		
	Other Payments to Human Services Organizations (49203)	$7,396,401	$7,946,401		
	Fund Sources: General	$4,406,725	$4,098,621		
	Federal Trust	$19,744,064	$20,602,168		

Authority: Title 2.2, Chapter 54; Title 63.2, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A.1. All increased state or federal funds distributed to Community Action Agencies shall be distributed as follows: The funds shall be distributed to all local Community Action Agencies according to the Department of Social Services funding formula (75 percent based on low-income population, 20 percent based on number of jurisdictions served, and five percent based on square mileage served), adjusted to ensure that no agency receives less than 1.5 percent of any increase.

2. Out of this appropriation, $185,725 the first year and $185,725 the second year from the general fund shall be provided to the Virginia Community Action Partnership to support the Virginia Earned Income Tax Coalition (EITC) and provide grants to local organizations to provide outreach, education and tax preparation services to citizens who may be eligible for the federal Earned Income Tax Credit. The Virginia Community Action Partnership shall report on its efforts to expand the number of Virginians who are able to claim the federal EITC, including the number of individuals identified who could benefit from the credit, the number of individuals counseled on the availability of the federal EITC, and the number of individuals assisted with tax preparation to claim the federal EITC. This report shall be provided to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees and the Chairman of the Joint Legislative Audit and Review Commission by December 1 each year.

3. Out of this appropriation, $500,000 the first year from the general fund and $500,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to Community Action Agencies.

B. The department shall continue to fund from this Item all organizations recognized by the Commonwealth as community action agencies as defined in §2.2-540 et seq.

C. Out of this appropriation, $760,000 the first year and $951,896 the second year from the general fund and $2,475,501 the first year and $2,833,605 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to Healthy Families Virginia. These funds shall be used at the discretion of local sites for obtaining matching Title IV-E nongeneral funds when available. The Department of Social Services shall continue to allocate funds from this item to the statewide office of Prevent Child Abuse Virginia for providing the coordination, technical support, quality assurance, training and evaluation of the Healthy Families Virginia program.

D.1. Out of this appropriation, $1,500,000 the first year and $1,250,000 the second year from the general fund shall be provided to the Virginia Early Childhood Foundation (VECF). These funds shall be matched with local public and private resources with a goal of leveraging a dollar for each state dollar provided. Funds shall be awarded to proposals that seed and foster community programs that enhance the health, safety and well-being of Virginia's youth. The Foundation shall account for the expenditure of these funds by providing the Governor, Secretary of Health and Human Resources, and the Chairmen of the House Appropriations and Senate Finance Committees with a certified audit and full report on Foundation initiatives and results not later than October 1 of each year for the preceding fiscal year ending June 30.

2. On or before October 1 of each year, the foundation shall submit to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees a report on the actual amount, by fiscal year, of private and local government funds received by the foundation.

E. Out of this appropriation, $100,000 the first year and $100,000 the second year from

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nongeneral funds shall be provided for Volunteer Emergency Families for Children to expand its shelter care network for abused, neglected, runaway, homeless, and at-risk children throughout Virginia.

F. Out of this appropriation, $100,000 the first year and $100,000 the second year from nongeneral funds shall be provided for the Child Abuse Prevention Play administered by Theatre IV of Richmond.

G. Out of this appropriation, $70,000 the first year and $70,000 the second year from the general fund shall be provided for dementia-specific training of long-term care workers dealing with Alzheimer's disease and related disorders through the Virginia Alzheimer's Association Chapters.

H. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be provided to Northern Virginia Family Services to provide comprehensive safety net services for children and families.

I. Out of this appropriation, $931,000 the first year and $931,000 the second year from the general fund shall be used to sustain statewide services provided through child advocacy centers. The department shall develop a request for proposal to (i) distribute 67 percent of the allocated funds for accredited child advocacy centers and 30 percent for associate/developing child advocacy centers, as recognized and in good standing with the National Children's Alliance, with input from Children's Advocacy Centers of Virginia (CACVA); (ii) allocate three percent to Children's Advocacy Centers of Virginia, the recognized chapter of National Children's Alliance for Virginia's child advocacy centers, for the purpose of assisting and supporting the development, continuation and sustainability of community-coordinated, child-focused services delivered by children's advocacy centers; and (iii) distribute any non-allocated funding equally to accredited and associate/developing child advocacy centers awarded funding in section (i) of this paragraph.

J. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund shall be provided to Youth for Tomorrow (YFT) to provide comprehensive residential, education and counseling services to at-risk adolescents and youth. The department shall include in the contract with YFT specific goods and services that will be delivered to adolescents and youth of the Commonwealth as a result of this appropriation. The department shall report outcomes to the Chairmen of the Senate Finance and House Appropriations Committees on October 1, 2013 and each year thereafter.

K. Out of this appropriation, $250,000 the second year from the general fund shall be provided to Elevate Early Education for the purpose of implementing a pilot program for a kindergarten readiness assessment. The contract with Elevate Early Education to administer this program shall require the submission of a final report from the organization detailing the assessment method(s) utilized, actual expenditures for the program, and outcome analysis and evaluation. This report shall be submitted to the Governor, Chairmen of the House Appropriations and Senate Finance Committees, and the Secretaries of Health and Human Resources and Education. Prior to the receipt of any state funding for this purpose, Elevate Early Education must provide evidence of private matching funds secured for this purpose.

L. Out of this appropriation, $25,000 the second year from the federal Temporary Assistance to Needy Families block grant shall be provided to the Visions of Truth Community Development Corporation to support self-sufficiency programs for at-risk youth. The Department of Social Services shall require that an update on the use of these funds to promote self-sufficiency be provided to the department by January 1, 2014.

344. Not set out.

345. Administrative and Support Services (49900).....			$116,107,125	~~$87,802,609~~ *$92,173,807*
General Management and Direction (49901).....	$3,067,632	$3,222,675		
Information Technology Services (49902).....	$97,212,220	~~$68,881,307~~ *$73,252,505*		
Accounting and Budgeting Services (49903).....	$6,916,443	$6,916,443		
Human Resources Services (49914).....	$2,047,260	$2,047,260		
Planning and Evaluation Services (49916).....	$1,229,761	$1,229,761		

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Procurement and Distribution Services (49918)	$3,184,910	$3,056,264		
Public Information Services (49919)	$2,151,509	$2,151,509		
Financial and Operational Audits (49929)	$297,390	$297,390		
Fund Sources: General	$33,513,756	~~$39,507,954~~ *$43,879,152*		
Special	$175,000	$175,000		
Federal Trust	$82,418,369	$48,119,655		

Authority: Title 63.2, Chapter 1; § 2.2-4000 et seq., Code of Virginia; P.L. 98-502, P.L. 104-156, P.L. 104-193, P.L. 104-327, P.L. 105-33, as amended; P.L. 105-89; P.L. 105-178, Federal Code; Titles IV-A, IV-B, IV-D, IV-E, XIX, XX, XXI of the federal Social Security Act, as amended.

A. The Department of Social Services shall require localities to report all expenditures on designated social services, regardless of reimbursement from state and federal sources. The Department of Social Services is authorized to include eligible costs in its claim for Temporary Assistance for Needy Families Maintenance of Effort requirements.

B. It is the intent of the General Assembly that the Commissioner, Department of Social Services shall work with localities that seek to voluntarily merge and consolidate their respective local departments of social services. No funds appropriated under this act shall be used to require a locality to merge or consolidate local departments of social services.

C. The Commissioner, Department of Social Services, in consultation with relevant state and local agencies, shall develop proposed criteria for assessing funding requests for addressing space needs among local departments of social services, as well as proposed consolidated human services buildings. The criteria shall include but not be limited to compliance with the Americans with Disabilities Act, access to public transportation, life safety issues, condition of current space and related major building systems, impact on service delivery, and other factors as may be appropriate. The department shall use the criteria to prioritize local requests for increased state reimbursement for renovating existing space, relocating or constructing new space. For those jurisdictions that, when applying such criteria, achieve high priority ranking for increased state reimbursement, yet initiate local funding actions to address critical space needs or to consolidate human services, they shall nevertheless retain their ranking on the prioritized list of projects for increased state reimbursement for renovating existing space, relocating or constructing new space. The department shall forward a prioritized list of projects to the Secretary of Health and Human Resources and the Department of Planning and Budget by November 1 of each year for consideration by the Governor in the development of the budget. The department shall also submit a copy of the list of prioritized projects by November 1 of each year, to the Chairmen of the House Appropriations and Senate Finance Committees.

D.1. Out of this appropriation, $473,844 the first year and $473,844 the second year from the general fund and $781,791 the first year and $781,791 the second year from nongeneral funds shall be provided to support the statewide 2-1-1 Information and Referral System which provides resource and referral information on many of the specialized health and human resource services available in the Commonwealth, including child day care availability and providers in localities throughout the state, and publish consumer-oriented materials for those interested in learning the location of child day care providers.

2. The Department of Social Services shall request that all state and local child-serving agencies within the Commonwealth be included in the Virginia Statewide Information and Referral System as well as any agency or entity that receives state general fund dollars and provides services to families and youth. The Secretary of Health and Human Resources, the Secretary of Education and Workforce, and the Secretary of Public Safety shall assist in this effort by requesting all affected agencies within their secretariats to submit information to the statewide Information and Referral System and ensure that such information is accurate and updated annually. Agencies shall also notify the Virginia Information and Referral System of any changes in services that may occur throughout the year.

3. The Department of Social Services shall communicate with child-serving agencies within the Commonwealth about the availability of the statewide Information and Referral System. This information shall also be communicated via the Department of Social Services' broadcast system on their agency-wide Intranet so that all local and regional offices can be better

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informed about the Statewide Information and Referral System. Information on the Statewide Information and Referral System shall also be included within the department's electronic mailings to all local and regional offices at least biannually.

E.1. Out of this appropriation, $2,000,000 the first year and ~~$7,500,000~~ *$11,871,198* the second year from the general fund and $44,500,000 the first year and $8,200,000 the second year from nongeneral funds shall be provided to modernize eligibility determination systems in the Department of Social Services. If any additional funding is needed, the department shall complete modernization efforts within existing resources.

2. Within 30 days of awarding a contract related to the eligibility project, the Department of Social Services shall provide the Chairmen of House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget with a copy of the contract including costs.

3. Beginning July 1, 2012, the Department of Social Services shall also provide semi-annual progress reports that must include a current project summary, implementation status, accounting of project expenditures and future milestones. All reports shall be submitted to the Chairmen of House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget.

F. Out of this appropriation, $522,286 the second year from the general fund and $1,924,019 the second year from nongeneral funds shall be provided to supplement management and programmatic support of the agency's eligibility systems modernization effort. In addition, eight positions are added in FY 2013. These resources shall be dedicated to the modernization project until its completion or the end of FY 2017, whichever comes first.

G. On or before June 30, 2013 the Department of Social Services shall deposit to the general fund $4,371,057 resulting from the identification of a prior period general fund refund.

346. Not set out.

347. Not set out.

Total for Department of Social Services			**$1,880,234,670**	**~~$1,863,903,435~~** ***$1,854,098,415***
General Fund Positions.....	405.21	400.21		
Nongeneral Fund Positions.....	1,297.29	1,305.29		
Position Level	1,702.50	1,705.50		
Fund Sources: General.....	$377,008,290	~~$386,033,198~~ *$388,926,339*		
Special.....	$702,096,030	~~$702,096,030~~ *$699,209,830*		
Dedicated Special Revenue.....	$4,235,265	$4,235,265		
Federal Trust.....	$796,895,085	~~$771,538,942~~ *$761,726,981*		

348. Not set out.

349. Not set out.

§ 1-40. DEPARTMENT FOR THE BLIND AND VISION IMPAIRED (702)

350. Not set out.

351. Not set out.

352. Not set out.

353. Not set out.

354. Not set out.

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355.	Administrative and Support Services (49900)			$1,285,539	~~$1,643,992~~ *$1,628,518*
	General Management and Direction (49901)	$839,686	$840,174		
	Information Technology Services (49902)	$68,793	$65,014		
	Physical Plant Services (49915)	$377,060	~~$738,804~~ *$723,330*		
	Fund Sources: General	$770,861	~~$1,129,314~~ *$1,113,840*		
	Special	$331,082	$331,082		
	Federal Trust	$183,596	$183,596		
	Authority: Title 63.2, Chapter 4, Code of Virginia; P.L. 89-313, P.L. 93-112, and P.L. 97-35, Federal Code.				
	Out of the appropriation in this Item, *$346,270* ~~$361,744~~ the second year from the general fund is included for the *installation and purchase of emergency generators at the Azalea Road campus.*~~an emergency generator through the state's master equipment lease purchase program.~~				
	Total for Department for the Blind and Vision Impaired			**$50,760,429**	~~**$50,736,220**~~ ***$50,720,746***
	General Fund Positions	98.80	98.80		
	Nongeneral Fund Positions	65.20	65.20		
	Position Level	164.00	164.00		
	Fund Sources: General	$5,956,564	~~$5,812,355~~ *$5,796,881*		
	Special	$1,408,737	$1,593,737		
	Enterprise	$33,499,228	$33,499,228		
	Trust and Agency	$250,000	$370,000		
	Federal Trust	$9,645,900	$9,460,900		
356.	Not set out.				
357.	Not set out.				
	Grand Total for Department for the Blind and Vision Impaired			**$53,346,429**	~~**$53,322,220**~~ ***$53,306,746***
	General Fund Positions	98.80	98.80		
	Nongeneral Fund Positions	91.20	91.20		
	Position Level	190.00	190.00		
	Fund Sources: General	$6,112,941	~~$5,968,732~~ *$5,953,258*		
	Special	$1,427,737	$1,612,737		
	Enterprise	$33,499,228	$33,499,228		
	Trust and Agency	$250,000	$370,000		
	Federal Trust	$12,056,523	$11,871,523		
	TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES			**$12,198,752,654**	~~**$12,669,075,758**~~ ***$12,578,594,751***
	General Fund Positions	9,076.22	9,127.22		
	Nongeneral Fund Positions	7,498.53	7,520.03		
	Position Level	16,574.75	16,647.25		
	Fund Sources: General	$4,953,510,628	~~$5,239,387,174~~ *$5,061,260,170*		
	Special	$1,232,711,186	~~$1,229,854,974~~		

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		$1,227,218,774		
Enterprise	$33,499,228	$33,499,228		
Trust and Agency	$1,038,798	$1,158,798		
Dedicated Special Revenue	$598,818,949	~~$519,423,394~~		
		$610,541,499		
Federal Trust	$5,379,173,865	~~$5,645,752,190~~		
		$5,644,916,282		

ITEM 358.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	OFFICE OF NATURAL RESOURCES				
358.	Not set out.				
359.	Not set out.				
	§ 1-41. DEPARTMENT OF CONSERVATION AND RECREATION (199)				
360.	Not set out.				
361.	Not set out.				
362.	Administrative and Support Services (59900)			$9,940,244	$8,282,598
	General Management and Direction (59901)	$9,940,244	$8,282,598		
	Fund Sources: General	$8,748,890	$7,091,244		
	Special	$1,140,397	$1,140,397		
	Debt Service	$50,957	$50,957		
	Authority: Title 2.2, Chapters 37, 40, 41, 43; and Title 10.1, Chapter 1 Code of Virginia.				
	Total for Department of Conservation and Recreation			**$151,812,183**	**$123,393,030**
	General Fund Positions	430.50	434.50		
	Nongeneral Fund Positions	100.50	100.50		
	Position Level	531.00	535.00		
	Fund Sources: General	$66,413,820	$44,283,470		
	Special	$25,253,602	$25,380,556		
	Debt Service	$236,144	$236,144		
	Dedicated Special Revenue	$45,695,921	$39,280,164		
	Federal Trust	$14,212,696	$14,212,696		
	§ 1-42. DEPARTMENT OF ENVIRONMENTAL QUALITY (440)				
363.	Not set out.				
364.	Not set out.				
365.	Not set out.				
366.	Environmental Financial Assistance (51500)			$144,224,342	$56,676,198
	Financial Assistance for Environmental Resources Management (51502)	$4,029,723	$4,114,723		
	Virginia Water Facilities Revolving Fund Loans and Grants (51503)	$110,728,437	$23,159,043		
	Financial Assistance for Coastal Resources Management (51507)	$2,424,500	$2,424,500		
	Litter Control and Recycling Grants (51509)	$2,003,259	$1,939,509		
	Petroleum Tank Reimbursement (51511)	$25,038,423	$25,038,423		
	Fund Sources: General	$89,793,174	$2,308,780		
	Trust and Agency	$25,004,646	$25,004,646		
	Dedicated Special Revenue	$2,345,259	$2,281,509		
	Federal Trust	$27,081,263	$27,081,263		
	Authority: Title 10.1, Chapters 11.1, 14, 21.1, and 25 and Title 62.1, Chapters 3.1, 22, 23.2, and 24, Code of Virginia.				
	A. To the extent available, the authorization included in Chapter 781, 2009 Acts of Assembly, Item 368, paragraph E, is hereby continued for the Virginia Public Building Authority to issue				

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revenue bonds in order to finance Virginia Water Quality Improvement Grants, pursuant to Chapter 851, 2007 Acts of Assembly.

C.1. Out of this appropriation, $45,269,394 the first year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997.

2. This appropriation, together with the amounts included in Item 360 of this act, meets the mandatory deposit requirements associated with the FY 2011 excess general fund revenue collections and discretionary year-end general fund balances.

3. Out of this appropriation, the Department of Environmental Quality shall use an amount not to exceed $3,000,000 from the Water Quality Improvement Fund to conduct the James River chlorophyll study pursuant to the approved Virginia Chesapeake Bay Total Maximum Daily Load, Phase I Watershed Implementation Plan. This amount shall be used solely for contractual support for water quality monitoring and analysis and computer modeling. No portion of this funding may be used for administrative costs of the department.

4. Out of this appropriation, the Department of Environmental Quality shall transfer $3,474,862 in the first year to the Department of Corrections for a wastewater treatment plant for use by the Department of Corrections and the Town of Craigsville, per Item C-78.05 of Chapter 890, 2011 Acts of Assembly.

D. Out of the amounts provided for Environmental Financial Assistance is $42,300,000 the first year from the general fund to be deposited to the Virginia Water Quality Improvement Fund established in Title 10.1, Chapter 21.1, Code of Virginia, to finance the costs of design and installation of nutrient removal technology at publicly owned treatment works designated as significant dischargers in order to comply with the effluent limitations for total nitrogen and total phosphorus established for those publicly owned treatment works. Any unexpended balances on June 30, 2013, from the amount appropriated in this paragraph shall not revert to the general fund but shall be carried forward and reappropriated.

E. The Department of Environmental Quality is authorized to capitalize the Nutrient Offset Fund to the extent necessary to facilitate the development of grants or contracts to support animal waste to energy projects.

F.1. Pursuant to the provisions of Item C-39.40 of this act, bonds in an aggregate principle amount not to exceed $186,000,000 are provided for the following purposes:

2. Up to $101,000,000 to finance Nutrient Removal Grants to reimburse entities as provided in § 10.1-2117, Code of Virginia, considered as eligible Significant and Non-Significant Dischargers in the Chesapeake Bay watershed for capital costs incurred for the design and installation of nutrient removal technology. Such reimbursements shall be in accordance with eligibility determinations made by the Department of Environmental Quality pursuant to the provisions of this enactment and Chapter 21.1 of Title 10.1, Code of Virginia, including but not limited to the qualifications of projects for Virginia Water Quality Improvement Grants as set forth in §§ 10.1-2129, 10.1-2130, and 10.1-2131, Code of Virginia, and in written guidelines developed by the Secretary of Natural Resources in accordance with § 10.1-2129, Code of Virginia.

3. Up to $75,000,000 for the Combined Sewer Overflow Matching Fund established pursuant to § 62.1-241.12, Code of Virginia. These bond proceeds shall be used, along with any interest earnings thereon, by the Virginia Resources Authority and the State Water Control Board to make grants to the cities of Lynchburg and Richmond to pay a portion of the capital costs of their combined sewer overflow control projects. Disbursements from these proceeds shall be authorized by the State Water Control Board, under the authority of the Department of Environmental Quality, and administered by the Virginia Resources Authority through the Combined Sewer Overflow Matching Fund. Of the net proceeds, $30,000,000 shall be provided to the City of Lynchburg and $45,000,000 shall be provided to the City of Richmond. No such net proceeds shall be used to pay debt service on obligations of the cities of Lynchburg or Richmond or any other localities or regional or local authorities. As a condition of the additional bond authorization provided to the City of Lynchburg, and pursuant to the authorization issued by the City Council of the City of Lynchburg during its meeting on January 29, 2013, the City of Lynchburg shall not seek further funding from the

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Commonwealth for any costs associated with the completion of its combined sewer overflow project.

4. Up to $5,000,000 for a supplemental Nutrient Removal Grant to reimburse capital costs incurred by the Hopewell Regional Wastewater Treatment Authority for the design and installation of nutrient removal technology. Such reimbursement shall be in addition to any conventional grant awarded for the nutrient removal project to the extent determined by the Department of Environmental Quality pursuant to the provisions of Chapter 21.1 of Title 10.1, Code of Virginia, including but not limited to the qualifications of projects for Virginia Water Quality Improvement Grants as set forth in §§ 10.1-2129, 10.1-2130, and 10.1-2131, Code of Virginia, and in written guidelines developed by the Secretary of Natural Resources in accordance with § 10.1-2129.

5. Up to $5,000,000 for the Appomattox River Water Authority, to increase the supply of drinking water for the counties of Dinwiddie, Prince George, and Chesterfield, the cities of Colonial Heights and Petersburg, and the U.S. Army Garrison at Fort Lee, and to improve streamflow within the Appomattox River. The amount provided shall be matched by local contributions from any one or more of the affected local governments totaling $5,000,000.

G. Out of this appropriation, $85,000 the second year from the general fund is designated to help with the costs of a new wastewater treatment facility at the W. E. Skelton 4-H Educational Conference Center at Smith Mountain Lake.

367. Not set out.

Total for Department of Environmental Quality			**$241,879,033**	**$153,767,475**
General Fund Positions	390.50	386.50		
Nongeneral Fund Positions	503.50	503.50		
Position Level	894.00	890.00		
Fund Sources: General	$118,756,302	$33,663,494		
Special	$9,302,600	$6,972,600		
Enterprise	$12,984,321	$12,359,321		
Trust and Agency	$37,120,570	$37,120,570		
Dedicated Special Revenue	$19,203,758	$19,140,008		
Federal Trust	$44,511,482	$44,511,482		

§ 1-43. DEPARTMENT OF GAME AND INLAND FISHERIES (403)

368. Not set out.

369. Not set out.

370. Not set out.

371. A. Pursuant to Chapter 322 of the 1994 Acts of Assembly, and Chapter 320 of the 1998 Acts of Assembly, deposits to the Game Protection Fund (§ 29.1-101, Code of Virginia) include an estimated $14,335,320 the first year and ~~$14,335,320~~ *$18,700,000* the second year from revenue originating from the general fund.

B. Pursuant to § 29.1-101.01, Code of Virginia, the Department of Planning and Budget shall transfer such funds as designated by the Board of Game and Inland Fisheries from the Game Protection Fund (§ 29.1-101) to the Capital Improvement Fund (§ 29.1-101.01) up to an amount equal to 50 percent or less of the revenue deposited to the Game Protection Fund by § 3-1.01, subparagraph M, of this act.

C. Out of the amounts transferred pursuant to § 3-1.01, subparagraph K, of this act, $881,753 the first year and $881,753 the second year from the Game Protection Fund shall be used for the enforcement of boating laws, boating safety education, and for improving boating access.

Total for Department of Game and Inland Fisheries			**$55,977,722**	**$57,242,880**

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	Nongeneral Fund Positions	496.00	496.00		
	Position Level	496.00	496.00		
	Fund Sources: Dedicated Special Revenue	$43,893,505	$45,158,663		
	Federal Trust	$12,084,217	$12,084,217		
372.	Not set out.				
373.	Not set out.				
374.	Not set out.				
375.	Not set out.				
375.10.	Not set out.				
376.	Not set out.				
377.	Not set out.				
378.	Not set out.				
	TOTAL FOR OFFICE OF NATURAL RESOURCES			**$481,441,541**	**$368,810,035**
	General Fund Positions	1,021.50	1,019.50		
	Nongeneral Fund Positions	1,160.50	1,160.50		
	Position Level	2,182.00	2,180.00		
	Fund Sources: General	$202,037,318	$97,516,001		
	Special	$42,034,716	$39,831,670		
	Commonwealth Transportation	$413,768	$413,768		
	Enterprise	$12,984,321	$12,359,321		
	Trust and Agency	$37,120,570	$37,120,570		
	Debt Service	$236,144	$236,144		
	Dedicated Special Revenue	$110,518,095	$105,235,952		
	Federal Trust	$76,096,609	$76,096,609		

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	OFFICE OF PUBLIC SAFETY				
379.	Not set out.				
380.	Not set out.				
381.	Not set out.				
382.	Not set out.				
383.	Not set out.				
384.	Not set out.				
	§ 1-44. DEPARTMENT OF CORRECTIONS (799)				
384.05.	Not set out.				
385.	Not set out.				
386.	Not set out.				
387.	Not set out.				
388.	Operation of Secure Correctional Facilities (39800).....			$835,543,549	~~$836,971,103~~ *$837,694,922*
	Supervision and Management of Inmates (39802).....	$409,153,810	~~$418,346,455~~ *$419,070,274*		
	Rehabilitation and Treatment Services - Prisons (39803)	$35,082,574	$35,775,984		
	Prison Management (39805).....	$59,763,466	$61,398,778		
	Food Services - Prisons (39807).....	$40,604,837	$40,878,097		
	Medical and Clinical Services - Prisons (39810).....	$162,384,473	$151,551,306		
	Agribusiness (39811)	$8,864,484	$8,864,484		
	Correctional Enterprises (39812).....	$54,680,835	$54,680,835		
	Physical Plant Services - Prisons (39815).....	$65,009,070	$65,475,164		
	Fund Sources: General.....	$769,942,730	~~$776,887,448~~ *$777,611,267*		
	Special.....	$63,306,724	$57,789,560		
	Dedicated Special Revenue.....	$990,047	$990,047		
	Federal Trust.....	$1,304,048	$1,304,048		

Authority: §§ 53.1-1, 53.1-5, 53.1-8, and 53.1-10, Code of Virginia.

A. Included in this appropriation is $1,005,000 in the first year and $1,005,000 the second year from nongeneral funds for the purposes listed below. The source of the funds is commissions generated by prison commissary operations:

1. $150,000 the first year and $150,000 the second year for Assisting Families of Inmates, Inc., to provide transportation for family members to visit offenders in prison and other ancillary services to family members;

2. $780,000 the first year and $780,000 the second year for distribution to organizations that work to enhance faith-based services to inmates; and

3. $75,000 the first year and $75,000 the second year for the "Pen Pals" program.

B.1. The Department of Corrections is authorized to contract with other governmental entities to house male and female prisoners from those jurisdictions in facilities operated by the department.

2. The State Comptroller shall continue the Contract Prisoners Special Revenue Fund on the

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Commonwealth Accounting and Reporting System to reflect the activities of contracts between the Commonwealth of Virginia and other governmental entities for the housing of prisoners in facilities operated by the Virginia Department of Corrections.

3. The Department of Corrections shall determine whether it may be possible to contract to house additional federal inmates or inmates from other states in space available within state correctional facilities. The department may, subject to the approval of the Governor, enter into such contracts, to the extent that sufficient bedspace may become available in state facilities for this purpose.

C. The Department of Corrections may enter into agreements with local and regional jails to house state-responsible offenders in such facilities and to effect transfers of convicted state felons between and among such jails. Such agreements shall be governed by the provisions of Item 69 of this act.

D. To the extent that the Department of Corrections privatizes food services, the department shall also seek to maximize agribusiness operations.

E. Notwithstanding the provisions of § 53.1-45, Code of Virginia, the Department of Corrections is authorized to sell on the open market and through the Virginia Farmers' Market Network any dairy, animal, or farm products of which the Commonwealth imports more than it exports.

F. It is the intention of the General Assembly that § 53.1-47, the Code of Virginia, concerning articles and services produced or manufactured by persons confined in state correctional facilities, shall be construed such that the term "manufactured" articles shall include "remanufactured" articles.

G. Out of this appropriation, $1,304,048 the first year and $1,304,048 the second year from nongeneral funds is included for inmate medical costs. The sources of the nongeneral funds are an award from the State Criminal Alien Assistance Program, administered by the U.S. Department of Justice.

H.1. The Department of Corrections, in coordination with the Virginia Supreme Court, shall continue to operate a behavioral correction program. Offenders eligible for such a program shall be those offenders: (i) who have never been convicted of a violent felony as defined in § 17.1-805 of the Code of Virginia and who have never been convicted of a felony violation of §§ 18.2-248 and 18.2-248.1 of the Code of Virginia; (ii) for whom the sentencing guidelines developed by the Virginia Criminal Sentencing Commission would recommend a sentence of three years or more in facilities operated by the Department of Corrections; and (iii) whom the court determines require treatment for drug or alcohol substance abuse. For any such offender, the court may impose the appropriate sentence with the stipulation that the Department of Corrections place the offender in an intensive therapeutic community-style substance abuse treatment program as soon as possible after receiving the offender. Upon certification by the Department of Corrections that the offender has successfully completed such a program of a duration of 24 months or longer, the court may suspend the remainder of the sentence imposed by the court and order the offender released to supervised probation for a period specified by the court.

2. If an offender assigned to the program voluntarily withdraws from the program, is removed from the program by the Department of Corrections for intractable behavior, fails to participate in program activities, or fails to comply with the terms and conditions of the program, the Department of Corrections shall notify the court, outlining specific reasons for the removal and shall reassign the defendant to another incarceration assignment as appropriate. Under such terms, the offender shall serve out the balance of the sentence imposed by the court, as provided by law.

3. The Department of Corrections shall collect the data and develop the framework and processes that will enable it to conduct an in-depth evaluation of the program three years after it has been in operation. The department shall submit a report periodically on the program to the Chief Justice as he may require and shall submit a report on the implementation of the program and its usage to the Secretary of Public Safety and the Chairmen of the House Appropriations and Senate Finance Committees by June 30 of each year.

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I. Included in the appropriation for this Item is $250,000 the first year and $250,000 the second year from nongeneral funds for a culinary arts program in which inmates are trained to operate food service activities serving agency staff and the general public. The source of the funds shall be revenues generated by the program. Any revenues so generated by the program shall not be subject to § 4-2.02 of this act and shall be used by the agency for the costs of operating the program. The State Comptroller shall establish the Inmate Culinary Arts Training Program Fund in the Commonwealth Accounting and Reporting System to reflect the revenue and expenditures of this program.

J. The Department of Corrections shall coordinate with the Department of Medical Assistance Services and the Department of Social Services to establish procedures to enroll eligible inmates in Medicaid ,with coverage to start July 1, 2013. To the extent possible, the Department of Corrections shall work to identify potentially eligible inmates on a proactive basis, prior to the time inpatient hospitalization occurs. Procedures shall also include provisions for medical providers to bill the Department of Medical Assistance Services, rather than the Department of Corrections, for inmate inpatient medical expenses. Given the multiple payor sources associated with inpatient and outpatient health care services, beginning July 1, 2013, the Department of Corrections and the Department of Medical Assistance Services shall consult with the applicable provider community to ensure that administrative burdens are minimized and payment for health care services is rendered in a prompt manner. The Departments of Medical Assistance Services and Corrections shall provide a joint report on the implementation of this initiative and the expected cost savings to the Commonwealth. Copies of this report shall be provided to the Secretaries of Health and Human Services and Public Safety, and to the Chairmen of the House Appropriations and Senate Finance Committees, by October 1, 2013.

K. Federal funds received by the Department of Corrections from the federal Residential Substance Abuse Treatment Program shall be exempt from payment of statewide and agency indirect cost recoveries into the general fund.

L. The amounts paid into the Corrections Special Reserve Fund established in accordance with § 30-19.1:4, Code of Virginia, shall be used in the first year to offset a portion of the budgeted amounts for the department's operation of secure correctional facilities.

M. Included in the appropriation for this item is $398,725 the second year from nongeneral funds for the purchase of surveillance cameras for installation in correctional facilities to enable the department to comply with the requirements of the federal Prison Rape Elimination Act. The source of the nongeneral funds is revenue from inmate medical copay fees.

N. Included in the appropriation for this item is $800,000 the first year and $17,200,000 the second year from the general fund to enable the agency to open the River North Correctional Center in Grayson County by October 15, 2013. In determining those state-responsible offenders to transfer to the River North Correctional Center, the department shall prioritize the transfer of any state-responsible offenders housed in any local or regional jail for which a waiver from the Board of Corrections' "Standards for Planning, Design, Construction, and Reimbursement of Local Correctional Facilities" has been provided.

O. Included in the appropriation for this item is $546,426 the second year from the general fund for six medical contract monitors. The persons filling these positions shall have the responsibility of closely monitoring the adequacy and quality of inmate medical services in those correctional facilities for which the department has contracted with a private vendor to provide inmate medical services.

P. Included in the appropriation for this item is $663,757 the second year from the general fund to establish a separate program for inmates under 18 years old who have been tried and convicted as adults and committed to the Department of Corrections. This separation of these offenders from the general prison population is required by the new requirements of the federal Prison Rape Elimination Act.

Q. The amounts paid into the Corrections Special Reserve Fund established in accordance with § 30-19.1:4, Code of Virginia, shall be used in the second year to offset a portion of the

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	budgeted amounts for the early opening of the River North Correctional Center in October 2013.				
389.	Administrative and Support Services (39900)			$91,828,354	~~$94,283,106~~ *$94,625,253*
	General Management and Direction (39901)	$18,025,688	$17,035,656		
	Information Technology Services (39902)	$26,620,593	$31,114,937		
	Accounting and Budgeting Services (39903)	$2,831,709	~~$3,007,343~~ *$3,349,490*		
	Architectural and Engineering Services (39904)	$12,949,576	$9,061,066		
	Human Resources Services (39914)	$3,331,952	$5,154,003		
	Planning and Evaluation Services (39916)	$619,172	$619,172		
	Procurement and Distribution Services (39918)	$12,456,118	$13,056,468		
	Training Academy (39929)	$6,553,531	$6,755,283		
	Offender Classification and Time Computation Services (39930)	$8,440,015	$8,479,178		
	Fund Sources: General	$86,840,854	~~$89,295,606~~ *$89,637,753*		
	Special	$4,987,500	$4,987,500		

Authority: §§ 53.1-1 and 53.1-10, Code of Virginia.

A. 1. Any plan to modernize and integrate the automated systems of the Department of Corrections shall be based on developing the integrated system in phases, or modules. Furthermore, any such integrated system shall be designed to provide the department the data needed to evaluate its programs, including that data needed to measure recidivism.

2. The appropriation in this Item includes $1,562,500 the first year and $1,562,500 the second year from the Contract Prisoners Special Revenue Fund to defray a portion of the costs of maintaining and enhancing the offender management system. In addition to any general fund appropriations, the Department of Corrections may, subject to the authorization of the Director, Department of Planning and Budget, utilize additional revenue deposited in the Contract Prisoners Special Revenue Fund to support the development of the offender management system.

B. Included in this appropriation is $550,000 the first year and $550,000 the second year from nongeneral funds to be used for installation and operating expenses of the telemedicine program operated by the Department of Corrections. The source of the funds is revenue from inmate fees collected for medical services.

C. Included in this appropriation is $2,800,000 the first year and $2,800,000 the second year from nongeneral funds to be used by the Department of Corrections for the operations of its Corrections Construction Unit. The State Comptroller shall continue the Corrections Construction Unit Special Operating Fund on the Commonwealth Accounting and Reporting System to reflect the activities of contracts between the Corrections Construction Unit and (i) institutions within the Department of Corrections for work not related to a capital project and (ii) agencies without the Department of Corrections for work performed for those agencies.

D. Notwithstanding the provisions of § 53.1-20 A. and B., Code of Virginia, the Director, Department of Corrections, shall receive offenders into the state correctional system from local and regional jails at such time as he determines that sufficient, secure and appropriate housing is available, placing a priority on receiving inmates diagnosed and being treated for HIV, mental illnesses requiring medication, or Hepatitis C. The director shall maximize, consistent with inmate and staff safety, the use of bed space in the state correctional system. The director shall report monthly to the Secretary of Public Safety and the Department of Planning and Budget on the number of inmates housed in the state correctional system, the number of inmate beds available, and the number of offenders housed in local and regional jails that meet the criteria set out in § 53.1-20 A. and B.

E. The Department of Corrections is exempted from the approval requirements of Chapter 11 of the Construction and Professional Services Manual as issued by the Division of Engineering

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and Buildings. The Department of Corrections may authorize and initiate design-build contracts as deemed appropriate by the Director, Department of Corrections, in accordance with §§ 2.2-4301 and 2.2-4306, Code of Virginia.

F. Notwithstanding any requirement to the contrary, any building, fixture, or structure to be placed, erected or constructed on, or removed or demolished from the property of the Commonwealth of Virginia under the control of the Department of Corrections shall not be subject to review and approval by the Art and Architectural Review Board as contemplated by § 2.2-2402, Code of Virginia. However, if the Department of Corrections seeks to construct a facility that is not a secure correctional facility or a structure located on the property of a secure correctional facility, then the Department of Corrections shall submit that structure to the Art and Architectural Review Board for review and approval by that board. Such other structures could include probation and parole district offices or regional offices.

G. The Commonwealth of Virginia shall convey 45 acres (more or less) of property, being a portion of Culpeper County Tax Map No. 75, parcel 32, lying in the Cedar Mountain Magisterial District of Culpeper County, Virginia, in consideration of the County's construction of water capacity and service line(s) adequate to serve the needs of the Department of Corrections' Coffeewood Facility and the Department of Juvenile Justice's Culpeper Juvenile Correctional Facility (hereinafter "the facilities"). The cost of the water improvements necessary to serve the facilities, including an eight-inch water service line, and including engineering and land/easement acquisition costs, shall be paid by the Commonwealth, less and except (i) the value of the property for the jail conveyed by the Commonwealth to the County ($150,382.00, based on valuation by the Culpeper County Assessor), and (ii) the cost of increasing the size of the water service line from eight inches to twelve inches, in order to accommodate planned county needs.

H. Notwithstanding the provisions of § 58.1-3403, Code of Virginia, the Department of Corrections shall be exempt from the payment of service charges levied in lieu of taxes by any county, city, or town.

I. From the appropriation for this item, the Director, Department of Planning and Budget, is authorized to transfer up to $150,000 the first year and $150,000 the second year from the general fund to the Secretary of Public Safety, to support a position dedicated to the improvement and coordination of the Commonwealth's efforts related to the re-entry of offenders into society after being incarcerated in prison. Improving re-entry efforts is expected to decrease the recidivism of those offenders and enhance public safety.

J. The Department of Corrections shall serve as the Federal Bonding Coordinator and shall work with the Virginia Community College System and its workforce development programs and services to provide fidelity bonds to those offenders released from jails or state correctional centers who are required to provide fidelity bonds as a condition of employment. The department is authorized to use funds from the Contract Prisoners Special Revenue Fund to pay the costs of this activity.

K. In the event the Department of Corrections closes a correctional facility for which it has entered into an agreement with any locality to pay a proportionate share of the debt service for the establishment of utilities to serve the facility, the department shall continue to pay its agreed upon share of the debt service, subject to the schedule previously agreed upon.

L. Included in the appropriation for this Item is $37,500 the first year and $37,500 the second year from nongeneral funds to be used to purchase video visitation equipment for correctional facilities. The source of the funds is the Contract Prisoners Special Revenue Fund.

M. Included in the appropriation for this item is $5,915,889 the first year from the general fund for the estimated net increase in the operating cost of adult correctional centers resulting from the enactment of bills as listed below for the purposes shown. This amount shall be paid into the Corrections Special Reserve Fund, established in accordance with § 30-19.1:4, Code of Virginia.

a. House Bill 968/Senate Bill 159, concerning penalties for drug trafficking — $5,512,531.

b. House Bill 508/Senate Bill 273, concerning synthetic cannabinoids — $50,000.

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c. House Bill 973/Senate Bill 436, concerning certain sex offenses against children — $50,000.

d. House Bill 752/Senate Bill 459, concerning strangulation — $50,000.

e. House Bill 876/Senate Bill 503, concerning motor vehicle fuels tax — $50,000.

f. House Bill 546, concerning gangs; predicate crimes — $3,358.

g. House Bill 718, concerning transfer of juveniles to adult court — $50,000.

h. House Bill 963, concerning solicitation of child pornography — $50,000.

i. House Bill 964, concerning displaying grooming videos to minors — $50,000.

j. House Bill 1140, concerning moving carisoprodol to Schedule IV — $50,000.

N. Out of this appropriation, $142,644 the second year from the general fund is included for the purchase of a generator for Deep Meadow Correctional Center through the state's master equipment lease purchase program.

O. Included in the appropriation for this item is $200,000 the first year and $100,000 the second year from the general fund to provide transitional assistance to the Town of Boydton following the closure of Mecklenburg Correctional Center. The actual amount distributed each year by the Department of Corrections to the town shall be the lesser of (i) the amount provided in this item for this purpose, or (ii) the amount of revenue received by the town from treatment of wastewater from Mecklenburg Correctional Center in FY 2011 minus the amount of additional revenue for wastewater treatment services received in FY 2013 and FY 2014, respectively, from industrial and commercial customers, including, but not limited to, the new Microsoft data center, compared to revenue received from industrial and commercial customers in FY 2011.

P. Included in the appropriation for this item is $1,786,279 the second year from the general fund for the estimated net increase in the operating cost of adult correctional centers resulting from the enactment of bills as listed below for the purposes shown. This amount shall be paid into the Corrections Special Reserve Fund, established in accordance with § 30-19.1:4, Code of Virginia.

1. House Bill 1559 and Senate Bill 1272: To increase the penalties for any subsequent drunken driving conviction following any previous felony related to drunken driving — $50,000.

2. House Bill 1606 and Senate Bill 1015: To increase the penalties for the solicitation of a minor for prostitution — $50,000.

3. House Bill 1682 and Senate Bill 706: To increase the penalties for the financial exploitation of mentally incapacitated persons — $50,000.

4. House Bill 1684 and Senate Bill 1010: To increase the penalties for identity theft — $30,152.

5. House Bill 1745 and Senate Bill 1031: To prohibit an adult, through the use of electronic means, to propose to a child that he or she fondle his or her own sexual organs — $50,000.

6. House Bill 1746 and Senate Bill 1214: To expand the list of violent crimes for which offenders receive sentence enhancements — $50,000.

7. House Bill 1783 and Senate Bill 1017: To increase the penalties for possession with intent to distribute contraband cigarettes — $50,000.

8. House Bill 1816: To prohibit the presence of any child or incapacitated person where methamphetamine is being manufactured or is attempted to be manufactured — $50,000.

9. House Bill 1820 and Senate Bill 1018: To increase the penalties for the possession, transport, or sale of unstamped cigarettes — $50,000.

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10. House Bill 1847 and Senate Bill 1205: To expand the list of "predicate offenses" that is used to define criminal gang activity — $574,916.

11. House Bill 1850: To prohibit the assault and battery of any person employed by a local or regional jail and involved in the care, treatment, or supervision of inmates — $50,000.

12. House Bill 1862 and Senate Bill 1032: To require offenders, convicted of sex offenses under statutes with different Code section numbers prior to their recodification to register as sex offenders — $50,000.

13. House Bill 1927: To prohibit the assault and battery of any emergency medical services personnel — $50,000.

14. House Bill 1941 and Senate Bill 1083: To penalize and prohibit the production of synthetic cannabinoids and certain research chemicals — $50,000.

15. House Bill 1955: To increase the penalties associated with second and subsequent convictions of impersonating a law-enforcement officer — $4,048.

16. House Bill 2065 and Senate Bill 1033: To increase the penalties for offenses committed by juveniles and other offenders in juvenile correctional centers and in facilities housing sexually violent predators — $299,513.

17. House Bill 2211: To increase the penalties associated with a second conviction for stalking within five years — $23,197.

18. House Bill 2269 and Senate Bill 832: To require that mandatory minimum sentences be served consecutively — $50,000.

19. Senate Bill 811: To prohibit the filing of fraudulent liens or encumbrances against public employees — $50,000.

20. Senate Bill 853: To prohibit the assault and battery of magistrates — $7,680.

21. Senate Bill 1019: To increase the penalties for the distribution or possession with intent to distribute counterfeit cigarettes — $50,000.

22. Senate Bill 1020: To add possession with intent to distribute tax-paid contraband cigarettes as a qualifying offense under the Virginia Racketeer Influenced and Corrupt Organization Act — $50,000.

23. Senate Bill 1378: To increase the penalties for the sale, transfer, gift, or exchange of a firearm to any person he knows is prohibited from possessing or transporting a firearm under Virginia law — $46,773.

Q. Included in the appropriation for this Item is $440,000 the second year from the general fund for the development of an interface between the department's automated systems and the customer portal of the Department of Social Services to support inmate reentry.

Total for Department of Corrections.....			**$1,027,497,798**	**~~$1,057,512,329~~** ***$1,058,578,295***
General Fund Positions.....	11,838.00	12,492.00		
Nongeneral Fund Positions.....	232.50	232.50		
Position Level	12,070.50	12,724.50		
Fund Sources: General.....	$953,294,147	~~$988,556,253~~ *$989,622,219*		
Special.....	$70,079,224	$64,562,060		
Dedicated Special Revenue.....	$2,480,379	$2,480,379		
Federal Trust.....	$1,644,048	$1,913,637		

390. Not set out.

ITEM 391.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
391.	Not set out.				
392.	Not set out.				
393.	Not set out.				
394.	Not set out.				
395.	Not set out.				
396.	Not set out.				
	§ 1-45. DEPARTMENT OF EMERGENCY MANAGEMENT (127)				
397.	Not set out.				
398.	Not set out.				
399.	Not set out.				
400.	Administrative and Support Services (79900).....			$5,576,853	~~$6,389,293~~ *$5,868,392*
	General Management and Direction (79901).....	$5,576,853	~~$6,389,293~~ *$5,868,392*		
	Fund Sources: General.....	$2,812,024	~~$3,624,464~~ *$3,103,563*		
	Special.....	$347,164	$347,164		
	Commonwealth Transportation.....	$63,762	$63,762		
	Federal Trust.....	$2,353,903	$2,353,903		

Authority: Title 44, Chapters 3.2, 3.3, 3.4, Code of Virginia.

A. By September 1 of each year, the State Coordinator of Emergency Management shall assess emergencies and disasters that have been authorized sum sufficient funding by the Governor and provide to the Department of Planning and Budget written justification to support continuing sum sufficient funding longer than one year for a locally declared emergency (or disaster), three years for a state declared disaster, and five years for a nationally declared disaster. At the same time, the state coordinator shall identify any disasters that can be closed due to fulfillment of the state's obligations.

B.1. Localities and eligible private non-profit organizations that have received cost reimbursement through state and/or federal assistance programs to support homeland security and eligible recovery and mitigation projects and initiatives associated with disaster events, that are subsequently notified that either a portion or all of the funds provided are to be returned, shall reimburse the Virginia Department of Emergency Management for such overpayments, including any interest accrued on such funds, within sixty (60) days of being notified and receiving the request for reimbursement.

2. Overpayment amounts shall be based on the difference between the amount reimbursed or prepaid to the entity involved by the Department of Emergency Management and the final amount approved by the granting agency. Localities and eligible private non-profit organizations shall certify that no interest was earned on overpaid funds if no interest is included in the remittance.

3. If the entity does not reimburse the Virginia Department of Emergency Management within 60 days of being notified, the Comptroller is authorized to withhold the amount of overpayment from any eligible funds to be transferred to the locality or organization and redirect the funds withheld to the Virginia Department of Emergency Management to satisfy the outstanding liability.

4. The Department of Emergency Management shall not provide future prepayments to any locality or eligible private non-profit organization once the Comptroller has been required to withhold funding.

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	C. Included within this appropriation is ~~$820,901~~ *$300,000* the second year from the general fund that shall only be used for costs associated with transforming the agency's information systems to conform with standards of the Virginia Information Technologies Agency.				
401.	Not set out.				
	Total for Department of Emergency Management.....			**$47,235,735**	**~~$45,250,013~~** ***$44,729,112***
	General Fund Positions.....	40.85	40.85		
	Nongeneral Fund Positions.....	104.15	104.15		
	Position Level	145.00	145.00		
	Fund Sources: General.....	$7,099,712	~~$5,912,152~~ *$5,391,251*		
	Special.....	$3,316,394	$2,916,394		
	Commonwealth Transportation.....	$933,251	$933,251		
	Federal Trust.....	$35,886,378	$35,488,216		
	§ 1-46. DEPARTMENT OF FIRE PROGRAMS (960)				
402.	Not set out.				
403.	Not set out.				
404.	Regulation of Structure Safety (56200).....			$2,754,626	~~$2,754,827~~ *$2,759,747*
	State Fire Prevention Code Administration (56203).....	$2,754,626	~~$2,754,827~~ *$2,759,747*		
	Fund Sources: General.....	$2,225,471	~~$2,225,672~~ *$2,230,592*		
	Special.....	$529,155	$529,155		
	Authority: §§ 9.1-201, 9.1-206, and 27-94 through 27-99, Code of Virginia.				
	The State Fire Marshall may charge no fee for any permits or inspections of any school, whether it be public or private.				
	Total for Department of Fire Programs.....			**$33,587,024**	**~~$33,587,225~~** ***$33,592,145***
	General Fund Positions.....	29.00	29.00		
	Nongeneral Fund Positions.....	43.00	43.00		
	Position Level	72.00	72.00		
	Fund Sources: General.....	$2,225,471	~~$2,225,672~~ *$2,230,592*		
	Special.....	$31,111,553	$31,111,553		
	Federal Trust.....	$250,000	$250,000		
405.	Not set out.				
	§ 1-47. DEPARTMENT OF JUVENILE JUSTICE (777)				
405.05.	Instruction (19700).....			$0	~~$21,783,397~~ *$21,199,913*
	Youth Instructional Services (19711).....	$0	~~$12,554,925~~ *$11,971,441*		
	Career and Technical Instructional Services for Youth and Adult Schools (19712).....	$0	$4,696,415		
	Instructional Leadership and Support Services (19714)....	$0	$4,532,057		

ITEM 405.05.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Fund Sources: General	$0	~~$19,292,611~~ *$18,709,127*		
Special	$0	$170,536		
Federal Trust	$0	$2,320,250		

Authority: § 66-13.1, Code of Virginia.

The Department of Juvenile Justice, with the assistance of the Department of Education, shall complete a program review and staffing analysis to determine the appropriate teaching staffing ratios for the state-operated juvenile correctional centers and local and regional juvenile detention facilities. The review and analysis shall be provided to the Secretaries of Public Safety and Education and to the Chairmen of the Senate Finance and House Appropriations Committees by September 1, 2013.

406. Operation of Community Residential and Nonresidential Services (35000)			$1,921,241	~~$1,921,241~~ *$2,437,343*
Community Residential and Non-Residential Custody and Treatment Services (35008)	$1,921,241	~~$1,921,241~~ *$2,437,343*		
Fund Sources: General	$1,848,814	~~$1,848,814~~ *$2,364,916*		
Special	$50,000	$50,000		
Federal Trust	$22,427	$22,427		

Authority: §§ 16.1-246 through 16.1-258, 16.1-286, 16.1-291 through 16.1-295, 66-13, 66-14, 66-22 and 66-24, Code of Virginia.

A. Services funded out of this appropriation may include intensive supervision, day treatment, boot camp, and aftercare services, and should be integrated into existing services for juveniles.

B. Included in the appropriation for this Item is $720,000 in the second year from the general fund for a Juvenile Community Placement Program, in which the department may contract with local juvenile detention centers to house juveniles committed to the department prior to their release. The funding provided shall support a minimum of 40 juvenile detention center beds. The department shall develop program guidelines that at a minimum will include which juveniles qualify for placement, length of stay, level of security, mental health services, alcohol and substance abuse services, as well as other services that will be provided to the juvenile while in the detention center.

407. Supervision of Offenders and Re-Entry Services (35100)			$52,751,843	~~$52,751,843~~ *$52,079,762*
Juvenile Probation and Aftercare Services (35102)	$52,751,843	~~$52,751,843~~ *$52,079,762*		
Fund Sources: General	$51,869,894	~~$51,869,894~~ *$51,197,813*		
Special	$145,000	$145,000		
Federal Trust	$736,949	$736,949		

Authority: §§ 16.1-233 through 16.1-238, 16.1-274, 16.1-294, 16.1-322.1 and 66-14, Code of Virginia.

Notwithstanding the provisions of §16.1-273 of the Code of Virginia, the Department of Juvenile Justice, including locally-operated court services units, shall not be required to provide drug screening and assessment services in conjunction with investigations ordered by the courts.

408. Not set out.

409. Operation of Secure Correctional Facilities (39800)			$80,807,099	~~$73,069,943~~ *$68,565,529*

ITEM 409.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	Juvenile Corrections Center Management (39801)	$6,440,884	$6,440,884		
	Food Services - Prisons (39807)	$5,984,307	$5,984,307		
	Medical and Clinical Services - Prisons (39810)	$8,900,581	~~$8,900,581~~ *$8,273,212*		
	Physical Plant Services - Prisons (39815)	$6,171,104	$6,171,104		
	Offender Classification and Time Computation Services (39830)	$1,293,404	$1,293,404		
	Juvenile Supervision and Management Services (39831)	$42,633,054	~~$34,895,898~~ *$31,018,853*		
	Juvenile Rehabilitation and Treatment Services (39832)	$9,383,765	$9,383,765		
	Fund Sources: General	$77,753,073	~~$70,015,917~~ *$65,511,503*		
	Special	$1,551,293	$1,551,293		
	Dedicated Special Revenue	$48,000	$48,000		
	Federal Trust	$1,454,733	$1,454,733		

Authority: §§ 16.1-278.8, 16.1-285.1, 66-13, 66-16, 66-18, 66-19, 66-22 and 66-25.1, Code of Virginia.

A. The Department of Juvenile Justice shall retain all funds paid for the support of children committed to the department to be used for the security, care, and treatment of said children.

B. The Director, Department of Juvenile Justice, in response to the continuing downward trend of the juvenile population and requirements imposed by the federal government, is directed to implement the downsizing and repurposing of its juvenile facilities. It is anticipated that by relocating the department's reception center and the repurposing of the Oak Ridge and Hanover Juvenile Correctional Centers, the agency will be able to increase the efficiency and effectiveness of its operations and enhance the services provided to juveniles committed to state facilities in the areas of education, re-entry, mental health treatment, health services, and various other programmatic areas.

410. Not set out.

Total for Department of Juvenile Justice			**$199,174,308**	**~~$212,930,613~~** ***$207,686,736***
General Fund Positions	2,275.00	~~2,419.50~~ *2,379.50*		
Nongeneral Fund Positions	16.00	21.00		
Position Level	2,291.00	~~2,440.50~~ *2,400.50*		
Fund Sources: General	$192,030,726	~~$203,296,245~~ *$198,052,368*		
Special	$2,726,293	$2,896,829		
Dedicated Special Revenue	$48,000	$48,000		
Federal Trust	$4,369,289	$6,689,539		

411. Not set out.

412. Not set out.

413. Not set out.

414. Not set out.

415. Not set out.

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§ 1-48. DEPARTMENT OF STATE POLICE (156)

416. Not set out.

417. Law Enforcement and Highway Safety Services (31000)			$226,271,653	~~$225,623,693~~ *$230,012,812*
Aviation Operations (31001)	$6,627,960	~~$6,627,960~~ *$9,672,670*		
Commercial Vehicle Enforcement (31002)	$4,831,625	$4,831,625		
Counter-Terrorism (31003)	$4,900,236	$4,900,236		
Help Eliminate Auto Theft (Heat) (31004)	$1,763,991	$1,763,991		
Drug Enforcement (31005)	$19,378,661	$19,065,661		
Crime Investigation and Intelligence Services (31006)	$24,732,771	$24,606,271		
Uniform Patrol Services (Highway Patrol) (31007)	$137,041,890	~~$136,833,430~~ *$138,177,839*		
Motorists Assistance Program (31008)	$1,631,282	$1,631,282		
Insurance Fraud Program (31009)	$5,200,000	$5,200,000		
Vehicle Safety Inspections (31010)	$20,163,237	$20,163,237		
Fund Sources: General	$173,293,011	~~$172,971,551~~ *$174,315,960*		
Special	$26,443,886	~~$26,117,386~~ *$29,162,096*		
Commonwealth Transportation	$8,166,805	$8,166,805		
Trust and Agency	$20,000	$20,000		
Dedicated Special Revenue	$8,047,951	$8,047,951		
Federal Trust	$10,300,000	$10,300,000		

Authority: §§ 27-56, 33.1-292, 46.2-1157 through 46.2-1187, 52-1, 52-4, 52-4.2, 52-4.3, 52-8, 52-8.1, 52-8.2, 52-8.4 and 56-334, Code of Virginia.

A. Included in this appropriation is $810,687 the first year and $810,687 the second year from Commonwealth Transportation Funds for the personal and associated nonpersonal services costs for eight positions. These positions will be dedicated to patrolling the I-95/395/495 Interchange.

B. Included in this appropriation is $4,831,625 the first year and $4,831,625 the second year from the Commonwealth Transportation Fund to support enforcement operations at weigh stations statewide.

C. The Department of State Police shall modify the implementation of the division of drug law enforcement established pursuant to § 52-8.1:1, Code of Virginia, and shall redirect, as may be necessary, resources heretofore provided for that purpose by the General Assembly for the purposes of homeland security, the gathering of intelligence on terrorist activities, the preparation for response to a terrorist attack and any other activity determined by the Governor to be crucial to strengthening the preparedness of the Commonwealth against the threat of natural disasters and emergencies. Nothing in this Item shall be construed to prohibit the Department of State Police from performing drug law enforcement or investigation as otherwise provided for by the Code of Virginia.

D. Included within this appropriation is $3,098,098 the first year and $3,098,098 the second year from the Rescue Squad Assistance Fund to support the department's aviation (med-flight) operations.

E. In the event that special fund revenues for this Item exceed expenditures, the balance of such revenues may be used for air medical evacuation equipment improvements, information technology upgrades or for motor vehicle replacement.

F. Included in this appropriation is $110,000 the first year and $110,000 the second year from the general fund to maintain increased increase traffic enforcement on Interstate 81. These funds shall be used to provide overtime payments for extended and additional work shifts so as to maintain the enhanced level of State Police patrols on this and other public highways in the Commonwealth.

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G.1. Out of this appropriation, $3,729,650 the first year and $3,729,650 the second year from the general fund is provided for the monitoring of offenders required to comply with the Sex Offender Registry requirements. The department shall coordinate monitoring and verification activities related to registry requirements with other state and local law enforcement agencies that have responsibility for monitoring or supervising individuals who are also required to comply with the requirements of the Sex Offender Registry.

2. The Secretary of Public Safety, in conjunction with the Superintendent of State Police, shall report on the implementation of the monitoring of offenders required to comply with the Sex Offender Registry requirements. The report shall include at a minimum: (1) the number of verifications conducted; (2) the number of investigations of violations; (3) the status of coordination with other state and local law enforcement agencies activities to monitor Sex Offender Registry requirements; and (4) an update of the sex offender registration and monitoring section in the department's current "Manpower Augmentation Study." This report shall be provided to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees each year by January 1.

H. Included within this appropriation is $200,000 the first year and $200,000 the second year from nongeneral funds to be used by the Department of State Police to record revenue related to overtime work performed by troopers at the end of a fiscal year and for which reimbursement was not received by the department until the following fiscal year. The Department of Accounts shall establish a revenue code and fund detail for this revenue.

I. Included within this appropriation is $100,000 the first year and $100,000 the second year from the general fund for the Department of State Police to enhance its capabilities in recruiting minority troopers. Funding is to support increased marketing and advertising efforts for recruiting minorities.

J. Included within this appropriation is $116,988 the first year and $116,988 the second year from the Department of Aviation's special fund to support the aviation operations of the Department of State Police.

K.1 Out of the amounts appropriated for this Item, $600,000 the first year and $600,000 the second year from nongeneral funds shall be distributed to the department to expand the operations of the Northern Virginia Internet Crimes Against Children Task Force.

2. Pursuant to paragraph H.2 of Item 393, the Northern Virginia Internet Crimes Against Children Task Force shall provide a report on the actual expenditures and performance results achieved each year. Copies of this report shall be provided each year to the Secretary of Public Safety and the Chairmen of the House Appropriations and Senate Finance Committees by October 1.

L. Included within this appropriation is $4,823,210 the first year and $4,823,210 the second year from the general fund to support the Commonwealth's Fusion Center and counter-terrorism activities.

M. Included within this appropriation is $1,543,733 the first year and $1,543,733 the second year from the general fund for debt service to finance the purchase of two helicopters.

N. Included within this appropriation is $2,654,632 the first year and $2,009,433 the second year from the general fund to support 43 non-sworn positions provided in the first year and 43 non-sworn positions provided in the second year that shall be responsible for monitoring persons required to comply with the requirements of the Sex Offender Registry. The department shall redeploy to other law enforcement activities any state trooper no longer needed for monitoring offenders required to comply with the Sex Offender Registry.

O. Included within this appropriation is $2,911,840 the first year and $3,100,800 the second year from the general fund to fill 40 state trooper positions that shall be used to increase state trooper presence on Virginia's highways.

P. Included in the appropriation for this item is $3,044,710 in the second year from nongeneral funds to be used to purchase patrol vehicles and to maintain aircraft. The source

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	of the nongeneral funds is the FY 2013 year-end balance in the Safety Fund (Fund 0261).				
418.	Not set out.				
419.	Not set out.				
	Total for Department of State Police			**$293,792,305**	**~~$293,224,303~~** ***$297,613,422***
	General Fund Positions	2,526.00	2,541.00		
	Nongeneral Fund Positions	372.00	372.00		
	Position Level	2,898.00	2,913.00		
	Fund Sources: General	$230,575,781	~~$231,706,779~~ *$233,051,188*		
	Special	$31,765,709	~~$30,066,709~~ *$33,111,419*		
	Commonwealth Transportation	$8,166,805	$8,166,805		
	Trust and Agency	$20,000	$20,000		
	Dedicated Special Revenue	$11,772,951	$11,772,951		
	Federal Trust	$11,491,059	$11,491,059		
420.	Not set out.				
421.	Not set out.				
	TOTAL FOR OFFICE OF PUBLIC SAFETY			**$2,556,147,557**	**~~$2,565,854,623~~** ***$2,565,549,850***
	General Fund Positions	17,828.87	~~17,957.32~~ *17,917.32*		
	Nongeneral Fund Positions	2,256.68	2,256.18		
	Position Level	20,085.55	~~20,213.50~~ *20,173.50*		
	Fund Sources: General	$1,690,219,099	~~$1,691,225,643~~ *$1,687,876,160*		
	Special	$150,748,523	~~$142,932,359~~ *$145,977,069*		
	Commonwealth Transportation	$9,100,056	$9,100,056		
	Enterprise	$547,834,736	$563,969,196		
	Trust and Agency	$10,020,000	$10,020,000		
	Dedicated Special Revenue	$27,933,975	$27,933,975		
	Federal Trust	$120,291,168	$120,673,394		

ITEM 422.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	OFFICE OF TECHNOLOGY				
422.	Not set out.				
	§ 1-49. INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY (934)				
423.	Economic Development Services (53400).....			$5,926,877	$8,282,500
	Technology Entrepreneurial Development Services (53415)	$4,237,811	$6,313,434		
	Commonwealth Technology Policy Services (53416).....	$44,392	$44,392		
	Technology Industry Development Services (53419)	$854,258	$814,258		
	Technology Industry Research and Developmental Services (53420).....	$790,416	$1,110,416		
	Fund Sources: General.....	$5,926,877	$8,282,500		

Authority: Title 2.2, Chapter 22, Code of Virginia, and Discretionary Inclusion.

A.1. The appropriation in this Item shall be used for the purpose of and in accordance with the terms and conditions specified in Title 2.2, Chapter 22, Code of Virginia.

2. Out of the amounts appropriated for the Innovation and Entrepreneurship Investment Authority, an amount equal to $50,000 shall be used to create the Commonwealth Innovation and Entrepreneurship Measurement System to measure activities worthy of economic development and institutional focus in furtherance of the Commonwealth Research and Development Roadmap.

B. The Innovation and Entrepreneurship Investment Authority is hereby authorized to transfer funds in this appropriation to the Center for Innovative Technology to expend said funds for realizing the statutory purposes of the Authority, by contracting with governmental and private entities, notwithstanding the provisions of § 4-1.05 b of this act.

C. This appropriation shall be disbursed in twelve equal monthly installments each fiscal year.

D. Before the beginning of each fiscal year, the Innovation and Entrepreneurship Investment Authority shall provide to the Chairmen of the House Appropriations and Senate Finance Committees and the Director, Department of Planning and Budget, a report of its operating plan. Within three months after the end of the fiscal year, the center shall submit to the same entities a detailed expenditure report for the concluded fiscal year. Both reports shall be prepared in the formats as approved by the Director, Department of Planning and Budget.

E. As part of its mission to foster technological innovation in the Commonwealth, the Innovation and Entrepreneurship Investment Authority is encouraged to include in its activities Virginia private research universities.

F.1. The Center for Innovative Technology shall continue to support efforts of public and quasi-public bodies within the Commonwealth to enhance or facilitate the prompt availability of and access to advanced electronic communications services, commonly known as broadband, throughout the Commonwealth, monitoring trends and advances in advanced electronic communications technology to plan and forecast future needs for such technology, and identify funding options.

2. The Center for Innovative Technology shall provide technical assistance to localities where broadband services are not currently available, or where under-served communities have been identified, in order to assist those localities in determining the issues, business practices, and vendor requirements, including an assessment of the existing technologies, for the provision of broadband services to their citizens.

G. The General Assembly supports the Innovation and Entrepreneurship Investment Authority's stated mission to enhance federal research funding to Virginia's colleges and universities and to industry. It is also the intent of the General Assembly to promote a greater reliance by the authority on nongeneral fund revenues for the authority's operations and programs.

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H. Notwithstanding any other provision of law, any interest earned on moneys in the Advanced Communications Assistance Fund, as well as any moneys remaining in the fund at the end of each fiscal year, including interest thereon, shall be reverted to the general fund.

I. From the amounts appropriated in this Item $1,000,000 the first year and $1,000,000 the second year from the general fund shall be allocated to the Commonwealth GAP Fund program to foster the development of Virginia-based technology, biosciences, and energy companies. It is the intent of the General Assembly that this funding shall be used to underwrite immediate first financing for not fewer than 20 new early-stage companies and achieve a rate of return of not less than 11:1. As part of the reporting requirements identified within paragraph D of this item, the Director of the Center for Innovative Technology shall provide a detailed report on the number of companies and jobs created pursuant to this additional funding.

J. Out of the appropriation for this item, $480,000 the first year and $520,000 the second year from the general fund is provided to support research and outreach activities, as well as foster growth and diversification within the Commonwealth's initiatives in modeling and simulation.

K. Out of the appropriation for this item, $520,000 the first year and $480,000 the second year from the general fund is provided to support and expand the Commonwealth's initiatives in cyber security.

L. Notwithstanding the definition of qualifying institutions in § 2.2-2233.1, Code of Virginia, a university research consortium that includes Virginia colleges and university member institutions is a qualifying institution for purposes of seeking funding from the Commonwealth Research Commercialization Fund.

M.1. Out of the amounts in this item, $2,500,000 the second year from the general fund shall be provided to establish a cyber-security accelerator which will be managed by the Center for Innovative Technology (CIT). CIT is directed to recruit companies for the accelerator program regionally, and any participating company must agree to start and operate their company in the Commonwealth. Participating companies will be guided through a company initiation and development process supported by key cyber-security professionals, investors and technologists.

2. It is the intent of the General Assembly that this funding shall be used to defray capital expenses of company formation for not fewer than ten companies. Funding from this item shall not be available to any company for longer than two years. As part of the reporting requirements identified within paragraph D of this item, the Director of the Center for Innovative Technology shall provide a detailed report on the number of companies and jobs created pursuant to this additional funding. Any proceeds from the sale of equity in these companies shall not revert to the general fund but shall be used to support the accelerator program.

3. It is the intention of the General Assembly that no moneys or funds provided herein to the Innovation and Entrepreneurship Investment Authority for the purposes of establishing, procuring, or obtaining a Commonwealth of Virginia cybersecurity accelerator, doing business as a registered trademark or trade name known as MACH37 or any other subsequent trademark or trade name, shall be expended directly or indirectly in support of any activity that will directly or indirectly result in the day-to-day operations of the cybersecurity accelerator being conducted by an entity other than the Center for Innovative Technology, including any public-private partnership or other legal entity that may be established or formed by the Center for Innovative Technology. All appropriations provided by the Commonwealth of Virginia to the Center for Innovative Technology to establish the MACH37 cybersecurity accelerator shall be conditional upon the MACH37 cybersecurity accelerator remaining an independent service line solely within the Center for Innovative Technology and operated by employees of the Center. An assessment regarding the structure and relationship of the cybersecurity accelerator to CIT shall be conducted by the Auditor of Public Accounts and submitted to the Governor and the Chairmen of the House Appropriations and Senate Finance committees by October 15, 2014.

Total for Innovation and Entrepreneurship Investment Authority.....			**$5,926,877**	**$8,282,500**

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	Fund Sources: General	$5,926,877	$8,282,500		
424.	Not set out.				
425.	Not set out.				
426.	Not set out.				
427.	Not set out.				
428.	Not set out.				
429.	Not set out.				
	TOTAL FOR OFFICE OF TECHNOLOGY			**$60,363,835**	**$39,193,769**
	General Fund Positions	31.00	31.00		
	Nongeneral Fund Positions	268.00	268.00		
	Position Level	299.00	299.00		
	Fund Sources: General	$8,560,681	$10,847,565		
	Special	$6,457,324	$6,457,324		
	Dedicated Special Revenue	$42,769,928	$21,812,978		
	Federal Trust	$2,575,902	$75,902		

ITEM 430.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

OFFICE OF TRANSPORTATION

430. Not set out.

431. Not set out.

432. Not set out.

433. Not set out.

434. Not set out.

435. Not set out.

436. Not set out.

437. Not set out.

438. Not set out.

439. Not set out.

§ 1-50. DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION (505)

440. Not set out.

441. Not set out.

442.	Financial Assistance for Rail Programs (61000).....			$57,587,000	$50,062,000
	Rail Industrial Access (61001).....	$3,000,000	$3,000,000		
	Rail Preservation Programs (61002).....	$7,987,000	$7,887,000		
	Passenger and Freight Rail Financial Assistance Programs (61003).....	$46,600,000	$39,175,000		
	Fund Sources: Commonwealth Transportation.....	$57,587,000	$50,062,000		

Authority: Title 33.1, Code of Virginia.

A. Except as provided in Item 440, the Commonwealth Transportation Board shall operate the Shortline Railway Preservation and Development Program in accordance with § 33.1-221.1:1.2, Code of Virginia. The board may allocate funds pursuant to § 33.1-23.1, Code of Virginia, to the Shortline Railway Preservation and Development Fund.

B. The Commonwealth Transportation Board shall operate the Rail Industrial Access Program in accordance with §33.1-221.1:1, Code of Virginia. The board may allocate funds pursuant to §33.1-23.1, Code of Virginia, to the fund for construction of industrial access railroad tracks.

C. Because of the overwhelming need for the development of a balanced transportation system in the Commonwealth, upon approval by the Commonwealth Transportation Board and notwithstanding the provisions of § 33.1-221.1:1.1, Code of Virginia, the 30 percent match requirement for the Rail Enhancement Fund is hereby waived exclusively for funding allocated from such fund for improvements for the Richmond/Hampton Roads Passenger Rail Project between Richmond and Norfolk in the 2012-2014 biennium.

D. Notwithstanding any other provision of law, in implementing the provisions of the Intercity Passenger Rail Operating and Capital Fund created pursuant to § 33.1-221.1:1.3, Code of Virginia, the Commonwealth Transportation Board may allocate such funds as it deems necessary from the Rail Enhancement Fund, created pursuant to § 33.1-221.1:1.1, Code of Virginia. Such funding shall not exceed $6,700,000 the first year and $19,400,000 the second year, unless additional funding shall be required in either year for capital improvements between Petersburg and Richmond in conjunction with the acquisition of slots two and three for regional passenger rail service initiating in Norfolk. Such request shall be made only if the Director notifies the Commonwealth Transportation Board of any verifiable action by any

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federal entity or agency, or any other state, to secure from CSX the slots Virginia would require for this service.

E. Included in the amounts for Passenger and Freight Rail Financial Assistance, $150,000 in the ~~first~~ *second* year is provided for the continued operation of transit connector service from the Roanoke Valley to the Kemper Street Station in Lynchburg as part of the daily intercity passenger rail service. Receipt of this funding is contingent upon the Greater Roanoke Transit Service establishing AMTRAK reservation capabilities for the daily service. It is the intent of the General Assembly that no additional funding in excess of normal transit formula distribution as awarded by the Department shall be appropriated in support of this service in any future years.

F.1. The director, Department of Rail and Public Transportation, with the approval of CSX Transportation, shall initiate infrastructure improvement projects which promote safety or reduce the average dwell times of hazardous material shipments subject to regulation under Title 49 CFR Part 174 et seq. within rail yards, depots, sidings, and other intermediate terminals or facilities and properties located in the City of Fredericksburg to not longer than 24 hours. These improvements may include, but are not limited to, those that (i) increase capacity at existing storage facilities terminating near Fredericksburg; (ii) increase the physical distance between commodity storage areas and residential communities; and (iii) transfer intermediate storage of commodities to locations closer to terminus of the shipment.

2. Out of the funds available for Rail Industrial Access pursuant to § 33.1-221.1:1, Code of Virginia, up to $450,000 in the first year and up to $450,000 in the second year is hereby authorized for associated infrastructure improvements which may be constructed in any location in Virginia so long as their use results in increased safety in Fredericksburg or reduced average dwell times of hazardous materials currently staged in Fredericksburg. Such funds may be awarded to CSX Transportation or other entities or political subdivisions identified by the Department as having responsibility for implementing the associated infrastructure improvement. In the allocation of funds for this project by the Commonwealth Transportation Board, the requirements of § 33.1-22.1:1, Code of Virginia, with the exception of § 33.1-22.1:1 F., are waived.

G. Of the funds appropriated pursuant to Chapters 1019 and 1044 of the 2000 Acts of Assembly for passenger rail capacity improvements in the I-95 passenger rail corridor between Richmond and the District of Columbia, the Director of the Department of Rail and Public Transportation is authorized to utilize any remaining funds along the described corridor for the development of intercity passenger rail enhancements to include rail improvements and passenger station facilities.

H. Notwithstanding any other provision of law, in implementing the provisions of the Intercity Passenger Rail Operating and Capital Fund created pursuant to § 33.1-221.1:1.3, Code of Virginia, the Commonwealth Transportation Board may allocate such funds as dedicated pursuant to § 58.1-638.3.A.2., Code of Virginia.

443. Not set out.

Total for Department of Rail and Public Transportation..			**$379,600,728**	**$379,988,919**
Nongeneral Fund Positions.....	53.00	53.00		
Position Level	53.00	53.00		
Fund Sources: Special.....	$790,156	$790,156		
Commonwealth Transportation	$378,810,572	$379,198,763		

§ 1-51. DEPARTMENT OF TRANSPORTATION (501)

444. Not set out.

445. Not set out.

446. Highway System Acquisition and Construction (60300)..			$1,925,326,072	$1,388,027,944
Dedicated and Statewide Construction (60302).....	$1,347,879,412	$854,154,047		
Interstate Construction (60303)	$166,357,184	$170,187,226		

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Primary Construction (60304)	$221,146,620	$203,337,569		
Secondary Construction (60306)	$65,029,136	$73,681,316		
Urban Construction (60307)	$101,624,158	$64,843,454		
Highway Construction Program Management (60315)	$23,289,562	$21,824,332		
Fund Sources: Commonwealth Transportation	$1,087,708,452	$952,282,581		
Trust and Agency	$837,617,620	$435,745,363		

Authority: Title 33.1, Chapter 1; Code of Virginia; Chapters 8, 9, and 12, Acts of Assembly of 1989, Special Session II.

A. From the appropriation for dedicated and statewide construction, the Commonwealth Transportation Board shall determine an amount each year, not less than $15,000,000 and not to exceed $200,000,000 from the Commonwealth Transportation Fund, which shall be allocated to localities for revenue sharing. No additional amount shall be appropriated from the proceeds of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds for this program.

B. Notwithstanding § 33.1-23.1 of the Code of Virginia, the proceeds from the lease or sale of surplus and residue property purchased under this program in excess of related costs shall be applied to the system and locality where the residue property is located. This funding shall be provided as an increase to the allocations distributed to the systems and localities according to § 33.1-23.1 of the Code of Virginia.

C. The Director, Department of Planning and Budget, is authorized to increase the appropriation as needed to utilize amounts available from prior year balances in the dedicated funds.

D. Included in the amounts for dedicated and statewide construction is the reappropriation of $311,000,000 the first year and $119,300,000 the second year from bond proceeds or dedicated special revenues for anticipated expenditure of amounts collected in prior years. The amounts will be provided from balances in the Northern Virginia Transportation District Fund, State Route 28 Highway Improvement District Fund, U.S. Route 58 Corridor Development Fund and the Priority Transportation Fund. These amounts were originally appropriated when received or forecasted and are not related to FY 2013 and FY 2014 estimated revenues.

E. Projects being developed and procured through adopted state, local or regional design-build provisions, other than those required by § 33.1-12(2)(b), Code of Virginia, may be considered for funding from the Transportation Partnership Opportunity Fund. In addition, an application requesting funding from the fund shall be limited to requesting only one form of assistance and the limitations included in § 33.1-221.1:8(E), Code of Virginia.

F. Prior to annual adoption of the Six Year Improvement Program, the Commonwealth Transportation Board may allocate funding from the highway portion of the Transportation Trust Fund to undertake any park and ride lot improvements for the I-95 Corridor required pursuant to the Comprehensive Agreement for the I-95 High Occupancy Toll Lanes project.

G.1 Prior to the adoption of the Six-Year Improvement Program for the fiscal year beginning July 1, 2013, the Commonwealth Transportation Board shall annually determine an amount, not less than $500,000 and not to exceed $2,500,000, from state transportation revenues deposited to the Commonwealth Transportation Fund to maintain a program for the enhancement of statewide transportation assets, including Virginia Byways.

2. From the amounts allocated by the Commonwealth Transportation Board to the fund set forth in paragraph 1, $500,000 in the second year shall be provided for transportation enhancements consistent with the Route 15 "Journey Through Hallowed Ground" corridor management plan. This funding shall be available for improvements related to the approved corridor management plan.

H. Out of the amounts provided for dedicated and statewide construction, the Commonwealth Transportation Board shall provide up to $5,000,000 the second year from Commonwealth Transportation Funds to begin an environmental assessment for the replacement of the I-64 High Rise Bridge in Chesapeake, Virginia.

447. Not set out.

ITEM 448.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
448.	Not set out.				
449.	Not set out.				
450.	Not set out.				
451.	Not set out.				
452.	Not set out.				
	Total for Department of Transportation.....			**$4,441,250,295**	**$3,988,804,399**
	Nongeneral Fund Positions.....	7,499.00	7,485.00		
	Position Level	7,499.00	7,485.00		
	Fund Sources: General.....	$40,000,000	$40,000,000		
	Commonwealth Transportation	$3,310,656,395	$3,292,685,261		
	Trust and Agency	$1,068,067,699	$633,592,936		
	Federal Trust.....	$22,526,201	$22,526,202		
453.	Not set out.				
454.	Not set out.				
455.	Not set out.				
456.	Not set out.				
457.	Not set out.				
458.	Not set out.				
	TOTAL FOR OFFICE OF TRANSPORTATION			**$5,275,737,075**	**$4,892,681,770**
	Nongeneral Fund Positions.....	9,798.00	9,784.00		
	Position Level	9,798.00	9,784.00		
	Fund Sources: General.....	$40,980,246	$41,980,246		
	Special.....	$108,529,387	$111,728,392		
	Commonwealth Transportation	$3,973,962,589	$3,956,383,041		
	Trust and Agency	$1,094,014,299	$644,539,536		
	Dedicated Special Revenue.....	$0	$79,800,000		
	Federal Trust.....	$58,250,554	$58,250,555		

ITEM 459.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

OFFICE OF VETERANS AFFAIRS AND HOMELAND SECURITY

§ 1-52. SECRETARY OF VETERANS AFFAIRS AND HOMELAND SECURITY (454)

459.	Not set out.			
459.05.	Economic Development Services (53400)		$0	~~$1,286,504~~ *$1,535,562*
	Financial Assistance for Economic Development (53410)	$0 ~~$1,286,504~~ *$1,535,562*		
	Fund Sources: *General*	*$0* *$249,058*		
	Dedicated Special Revenue	$0 $1,286,504		

Authority: Discretionary Inclusion

A. In accordance with Chapter 653 of the 2008 Virginia Acts of Assembly, this item includes the Commonwealth's contribution to address the encroachment of the United States Navy Master Jet Base and shall only be expensed by purchasing property as established under Chapter 653. The contribution includes $1,286,504 from nongeneral funds and out of the appropriation in paragraph J.1.b of Item 469 of this act, an amount equal to $6,213,496 the second year, for a total of $7,500,000.

B. The Secretary of Veterans Affairs and Homeland Security shall develop an annual grant application which shall include at a minimum requirements for the Grantee to (1) report expenditures each quarter, (2) retain all invoices, bills, receipts, cancelled checks, proof of payment and similar documentation to substantiate expenditures of grant funding, (3) provide a 50 percent cash match from non-state funds for each property purchased under this program, (4) return excess state grant funding within thirty (30) days after the grant year expires, and (5) split all proceeds from the sale of any properties under Chapter 653 or Chapter 622 of the 2006 Virginia Acts of Assembly with the Commonwealth.

C.1. Prior to the distribution of any funds, any Grantee seeking funding under this Item shall submit a grant application to the Secretary of Veterans Affairs and Homeland Security for consideration.

2. Payments to Grantees shall be made in equal quarterly installments. After the initial payment, the Secretary of Veterans Affairs and Homeland Security shall make additional quarterly payments to the Grantee based on the quarterly expenditure reports. In making subsequent payments, the Secretary shall ensure the Grantee's match funding is being expensed at the appropriate rate and limit surplus state funding at the local level by withholding quarterly payments as necessary.

3. The Secretary may approve a request by the Grantee for additional state funding in a particular quarterly payment if supporting documentation is provided.

D. The Commonwealth shall have the right to make inspections and copies of the books and records of the Grantee at any time. The Grantee shall undergo an audit for the grant period and provide a copy of the audit report to the Secretary.

E. Included in the appropriation for this Item is $249,058 the second year from the general fund to restore funding returned to the Commonwealth by the Hampton Roads Military and Federal Facilities Alliance that was subsequently deposited into the general fund.

Total for Secretary of Veterans Affairs and Homeland Security			**$1,368,051**	~~**$2,874,743**~~ ***$3,123,801***
General Fund Positions	6.00	6.00		
Nongeneral Fund Positions	3.00	3.00		
Position Level	9.00	9.00		

ITEM 459.05.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	Fund Sources: General	$479,656	~~$699,844~~ *$948,902*		
	Dedicated Special Revenue	$0	$1,286,504		
	Federal Trust	$888,395	$888,395		
460.	Not set out.				
461.	Not set out.				
462.	Not set out.				
463.	Not set out.				
464.	Not set out.				
	TOTAL FOR OFFICE OF VETERANS AFFAIRS AND HOMELAND SECURITY			**$55,492,939**	~~**$59,543,955**~~ ***$59,793,013***
	General Fund Positions	118.00	118.00		
	Nongeneral Fund Positions	564.00	564.00		
	Position Level	682.00	682.00		
	Fund Sources: General	$10,155,723	~~$10,892,199~~ *$11,141,257*		
	Special	$29,781,485	$31,184,183		
	Dedicated Special Revenue	$285,000	$1,696,504		
	Federal Trust	$15,270,731	$15,771,069		

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	CENTRAL APPROPRIATIONS				
	§ 1-53. CENTRAL APPROPRIATIONS (995)				
465.	Not set out.				
466.	Not set out.				
467.	Not set out.				
468.	Compensation and Benefit Adjustments (75700).....			$85,825,318	$246,073,011
	Adjustments to Employee Compensation (75701).....	$0	$87,614,419		
	Adjustments to Employee Benefits (75702).....	$85,825,318	$158,458,592		
	Fund Sources: General.....	$85,825,318	$246,073,011		

Authority: Discretionary Inclusion.

A. Transfers to or from this Item may be made to decrease or supplement general fund appropriations to state agencies for:

1. Adjustments to base rates of pay;

2. Adjustments to rates of pay for budgeted overtime of salaried employees;

3. Salary changes for positions with salaries listed elsewhere in this act;

4. Salary changes for locally elected constitutional officers and their employees;

5. Employer costs of employee benefit programs when required by salary-based pay adjustments;

6. Salary changes for local employees supported by the Commonwealth, other than those funded through appropriations to the Department of Education; and

7. Adjustments to the cost of employee benefits to include but not limited to health insurance premiums and retirement and related contribution rates.

B. Transfers from this Item may be made when appropriations to the state agencies concerned are insufficient for the purposes stated in paragraph A of this Item, as determined by the Department of Planning and Budget, and subject to guidelines prescribed by the department. Further, the Department of Planning and Budget may transfer appropriations within this Item from the second year of the biennium to the first year, when necessary to accomplish the purposes stated in paragraph A of this Item.

C. Except as provided for elsewhere in this Item, agencies supported in whole or in part by nongeneral fund sources, shall pay the proportionate share of changes in salaries and benefits as required by this Item, subject to the rules and regulations prescribed by the appointing or governing authority of such agencies. Nongeneral fund revenues and balances required for this purpose are hereby appropriated.

D. The Governor is hereby authorized to transfer funds from agency appropriations to the accounts of participating state employees in such amounts as may be necessary to match the contributions of the qualified participating employees, consistent with the requirements of the Code of Virginia governing the deferred compensation cash match program. Such transfers shall be made consistent with the following:

1. The maximum cash match provided to eligible employees shall not be less than $20.00 per pay period, or $40.00 per month, in each year of the biennium. The Governor may direct the agencies of the Commonwealth to utilize funds contained within their existing appropriations to meet these requirements.

2. The Governor may direct agencies supported in whole or in part with nongeneral funds to

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utilize existing agency appropriations to meet these requirements. Such nongeneral revenues and balances are hereby appropriated for this purpose, subject to the provisions of § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any existing conditions and restrictions otherwise placed upon such nongeneral funds.

4. The procurement of services related to the implementation of this program shall be governed by standards set forth in § 51.1-124.30 C, Code of Virginia, and shall not be subject to the provisions of Chapter 7 (§ 11-35 et seq.), Title 11, Code of Virginia.

E. The Secretary of Administration, in conjunction with the Secretary of Finance, may establish a program that allows for the sharing of cost savings from improved productivity, efficiency, and performance with agencies and employees. Such gain sharing programs require a management philosophy of open communication encouraging employee participation; a system which seeks, evaluates and implements employee input on increasing productivity; and a formula for measuring productivity gains and sharing these gains between employees and the agency. The Department of Human Resource Management, in conjunction with the Department of Planning and Budget, shall develop specific gain sharing program guidelines for use by agencies. The Department of Human Resource Management shall provide to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees an annual report no later than October 1 of each year detailing identified savings and their usage.

F.1. Out of the appropriation for this Item, amounts estimated at $44,172,400 the first year and $113,886,416 the second year from the general fund shall be transferred to state agencies and institutions of higher education to support the general fund portion of costs associated with changes in the employer's share of premiums paid for the Commonwealth's health benefit plans.

2. Out of the amounts included in subparagraph 1, $526,849 the first year and $981,409 the second year from the general fund shall be transferred to the University of Virginia to cover the state share of the increases in employer premiums for state employees participating in the University of Virginia’s health care plan.

3. Notwithstanding any contrary provision of law, the health benefit plans for state employees resulting from the additional funding in this Item shall allow for a portion of employee medical premiums to be charged to employees.

4. The Department of Human Resource Management shall explore options within the health insurance plan for state employees to promote value-based health choices aimed at creating greater employee satisfaction with lower overall health care costs. It is the General Assembly’s intent that any savings associated with this employee health care initiative be retained and used towards funding state employee salary or fringe benefit cost increases.

5. Notwithstanding any other provision of law, it shall be the sole responsibility and authority of the Department of Human Resource Management to establish and enforce employer contribution rates for any health insurance plan established pursuant to §2.2-2818, Code of Virginia.

6. The Department of Human Resource Management is prohibited from establishing a retail maintenance network for maintenance drugs that includes penalties for non-use of the retail maintenance network. As an alternative, the Department shall include in the upcoming request for proposal a requirement that the successful bidder provide, upon request of the Department, all claims-related financial and utilization information relating to the provision of benefits and all other financial and utilization information relating to benefits to covered individuals. This information shall include information on the nature, type, and amount of all other revenue received in aggregate from pharmaceutical manufacturers or labelers for programs relating to benefits to covered individuals of the State Employee Health Plan.

G.1. Contribution rates paid to the Virginia Retirement System for the retirement benefits of public school teachers, state employees, state police officers, state judges, and state law enforcement officers eligible for the Virginia Law Officers Retirement System shall be based on a valuation of retirement assets and liabilities that are consistent with the provisions of Senate Bill 498 and House Bill 1130.

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2. Retirement contribution rates for the first year and the second year, excluding the five percent employee portion, shall be: 11.66 percent for public school teachers, 8.76 percent for state employees, 24.74 percent for state police officers, 14.80 percent for the Virginia Law Officers Retirement System, and 45.44 percent for the Judicial Retirement System. These rates include both the regular contribution rate and the rate calculated by the Virginia Retirement System actuary for the 10-year payback of the retirement contribution payments deferred for the 2010-12 biennium. From such general fund revenues as are collected for fiscal year 2013 in excess of the First Year Official Revenue Estimate contained in this Act, the first $100.0 million, or portion thereof, that is not required to meet (i) a Constitutionally-mandated deposit to the Revenue Stabilization Fund, (ii) the Water Quality Improvement Fund, Part A deposit, or (iii) the Item 469 J.1., deposit to the Federal Action Contingency Trust Fund shall be reserved by the Comptroller in the Restricted Fund Balance for payment to the Virginia Retirement System (VRS) prior to June 30, 2014. The VRS shall allocate any payments to the retirement system plans proportionate to each plan's, excluding political subdivision plans, unfunded liability estimated as of June 30, 2012. Said payment to VRS shall constitute a prepayment of the general fund 2014-16 biennial installment of the ten-year payback of retirement contributions deferred for the 2010-12 biennium, thereby reducing the general fund contribution rate in the 2014-16 biennium.

3. Payments to the Virginia Retirement System shall be made no later than the tenth day following the close of each month of the fiscal year.

4. Out of the general fund appropriation for this Item is included $42,161,373 the first year and $43,994,437 the second year to support the general fund portion of the net costs resulting from changes in employer contributions for state employee retirement as provided for in this paragraph.

5. The funding necessary to support the cost of reimbursements to Constitutional Officers for retirement contributions are appropriated elsewhere in this act under the Compensation Board.

6. The funding necessary to support the cost of the employer retirement contribution rate for public school teachers is appropriated elsewhere in this act under Direct Aid to Public Education.

H.1. Except as authorized in Paragraph H.2. of this Item, rates paid to the VRS on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions shall be based on the higher of: a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium, eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium, ninety percent of the results of the June 30, 2015 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2016-18 biennium, one-hundred percent of the results of the June 30, 2017 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2018-20 biennium.

2. Rates paid to the VRS on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions may, at each participating employers option, be based on the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees pursuant to § 51.1-145(I), Code of Virginia.

3. Every participating employer must certify to the board of the Virginia Retirement System by resolution adopted by its local governing body that it: has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of electing or not electing to utilize the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees, as provided for in paragraph H.2.

4. Prior to electing to utilize the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees, as authorized in paragraph H.2, local public school divisions must receive the concurrence of the local governing body. Such concurrence

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must be documented by a resolution of the governing body.

5. The board of the Virginia Retirement System shall provide all employers participating in the Virginia Retirement System with a summary of the implications inherent in the use of the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees set out in paragraph H.2, and the alternate employer contribution rates set out in paragraph H.1

I. The Virginia Retirement System Board of Trustees shall account for the employer retirement contribution payments deferred for the 2010-2012 biennium based on limiting employer retirement contributions to the Virginia Retirement System to the actuarial normal cost. In setting the employer retirement contribution rates for subsequent biennia, the board shall calculate a separate, supplemental employer contribution rate that will amortize such deferred payments over a period of ten years using the board's assumed long-term rate of return. The Governor shall include funds to support payment of such board-approved, supplemental employer contribution rates in the budget submitted to the General Assembly.

J.1. Contribution rates paid to the Virginia Retirement System for other employee benefits to include the public employee group life insurance program, the Virginia Sickness and Disability Program, the state employee retiree health insurance credit, and the public school teacher retiree health insurance credit, shall be based on a valuation of assets and liabilities that assume an investment return of eight percent and an amortization period of 30 years.

2. Contribution rates paid on behalf of public employees for other programs administered by the Virginia Retirement System in the first year and the second year shall be: 1.19 percent for the state employee group life insurance program, 0.48 percent for the employer share of the public school teacher group life insurance program, 0.47 percent for the Virginia Sickness and Disability Program, 1.00 percent for the state employee retiree health insurance credit, and 1.11 percent for the public school teacher retiree health insurance credit.

3. The funding necessary to support the cost of reimbursements to Constitutional Officers for public employee group life insurance contributions is appropriated elsewhere in this act under the Compensation Board.

4. The funding necessary to support the cost of the employer public school teacher group life insurance and retiree health insurance credit rates is appropriated elsewhere in this act under Direct Aid to Public Education.

K. Notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § 2.2-3204(A), Code of Virginia for employees who are involuntarily separated from employment with the Commonwealth if the Director of the Department of Planning and Budget certifies that such action results from 1. budget reductions enacted in the Appropriation Act, 2. budget reductions executed in response to the withholding of appropriations by the Governor pursuant to §4-1.02 of the Act, 3. reorganization or reform actions taken by state agencies to increase efficiency of operations or improve service delivery provided such actions have been previously approved by the Governor, or 4. downsizing actions taken by state agencies as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue, and if the Director of the Department of Human Resource Management certifies that the action comports with personnel policy. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

L. The purpose of this paragraph is to provide a transitional severance benefit, under the conditions specified, to eligible city, county, school division or other political subdivision employees who are involuntarily separated from employment with their employer.

1.a. "Involuntary separation" includes, but is not limited to, terminations and layoffs from employment with the employer, or being placed on leave without pay-layoff or equivalent status, due to budget reductions, employer reorganizations, workforce downsizings, or other causes not related to the job performance or misconduct of the employee, but shall not include voluntary resignations. As used in this paragraph, a "terminated employee" shall mean an employee who is involuntarily separated from employment with his employer.

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b. The governing authority of a city, county, school division or other political subdivision electing to cover its employees under the provisions of this paragraph shall adopt a resolution, as prescribed by the Board of Trustees of the Virginia Retirement System, to that effect. An election by a school division shall be evidenced by a resolution approved by the Board of such school division and its local governing authority.

2.a. Any (i) "eligible employee" as defined in § 51.1-132, (ii) "teacher" as defined in § 51.1-124.3, and (iii) any "local officer" as defined in § 51.1.124.3 except for the treasurer, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, or sheriff of any county or city, and (a) for whom reemployment with his employer is not possible because there is no available position for which the employee is qualified or the position offered to the employee requires relocation or a reduction in salary and (b) whose involuntary separation was due to causes other than job performance or misconduct, shall be eligible, under the conditions specified, for the transitional severance benefit conferred by this paragraph. The date of involuntary separation shall mean the date an employee was terminated from employment or placed on leave without pay-layoff or equivalent status.

b. Eligibility shall commence on the date of involuntary separation.

3.a. On his date of involuntary separation, an eligible employee with (i) two years' service or less to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary; (ii) three years through and including nine years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary plus one additional week of salary for every year of service over two years; (iii) ten years through and including fourteen years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to twelve weeks of salary plus two additional weeks of salary for every year of service over nine years; or (iv) fifteen years or more of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to two weeks of salary for every year of service, not to exceed thirty-six weeks of salary.

b. Transitional severance benefits shall be computed by the terminating employer’s payroll department. Partial years of service shall be rounded up to the next highest year of service.

c. Transitional severance benefits shall be paid by the employer in the same manner as normal salary. In accordance with § 60.2-229, transitional severance benefits shall be allocated to the date of involuntary separation. The right of any employee who receives a transitional severance benefit to also receive unemployment compensation pursuant to § 60.2-100 et seq. shall not be denied, abridged, or modified in any way due to receipt of the transitional severance benefit; however, any employee who is entitled to unemployment compensation shall have his transitional severance benefit reduced by the amount of such unemployment compensation. Any offset to a terminated employee's transitional severance benefit due to reductions for unemployment compensation shall be paid in one lump sum at the time the last transitional severance benefit payment is made.

d. For twelve months after the employee's date of involuntary separation, the employee shall continue to be covered under the (i) health insurance plan administered by the employer for its employees, if he participated in such plan prior to his date of involuntary separation, and (ii) group life insurance plan administered by the Virginia Retirement System pursuant to Chapter 5 (§ 51.1-500 et seq.) of Title 51.1, or such other group life insurance plan as may be administered by the employer. During such twelve months, the terminating employer shall continue to pay its share of the terminated employee's premiums. Upon expiration of such twelve month period, the terminated employee shall be eligible to purchase continuing health insurance coverage under COBRA.

e. Transitional severance benefit payments shall cease if a terminated employee is reemployed or hired in an individual capacity as an independent contractor or consultant by the employer during the time he is receiving such payments.

f. All transitional severance benefits payable pursuant to this section shall be subject to applicable federal laws and regulations.

4.a. In lieu of the transitional severance benefit provided in subparagraph 3 of this paragraph, any otherwise eligible employee who, on the date of involuntary separation, is also (i) a vested

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member of the Virginia Retirement System, including a member eligible for the benefits described in subsection B of § 51.1-138, and (ii) at least fifty years of age, may elect to have the employer purchase on his behalf years to be credited to either his age or creditable service or a combination of age and creditable service, except that any years of credit purchased on behalf of a member of the Virginia Retirement System, including a member eligible for the benefits described in subsection B of § 51.1-138, who is eligible for unreduced retirement shall be added to his creditable service and not his age. The cost of each year of age or creditable service purchased by the employer shall be equal to fifteen percent of the employee's present annual compensation. The number of years of age or creditable service to be purchased by the employer shall be equal to the quotient obtained by dividing (i) the cash value of the benefits to which the employee would be entitled under subparagraphs 3.a. and 3.d. of this paragraph by (ii) the cost of each year of age or creditable service. Partial years shall be rounded up to the next highest year. Deferred retirement under the provisions of subsection C of §§ 51.1-153 and 51.1-205, and disability retirement under the provisions of § 51.1-156 et seq., shall not be available under this paragraph.

b. In lieu of the (i) transitional severance benefit provided in subparagraph 3 of this paragraph and (ii) the retirement program provided in this subsection, any employee who is otherwise eligible may take immediate retirement pursuant to §§ 51.1-155.1 or 51.1-155.2.

c. The retirement allowance for any employee electing to retire under this paragraph who, by adding years to his age, is between ages fifty-five and sixty-five, shall be reduced on the actuarial basis provided in subdivision A. 2. of § 51.1-155.

d. The retirement program provided in this subparagraph shall be otherwise governed by policies and procedures developed by the Virginia Retirement System.

e. Costs associated with the provisions of this subparagraph shall be factored into the employer contribution rates paid to the Virginia Retirement System.

M.1. All classified employees of the Executive Branch and other full-time employees of the Commonwealth, except elected officials, who were employed on April 1, 2012, and remain employed until at least November 24, 2012, shall receive a one-time bonus payment equal to three percent of base pay on December 1, 2012, contingent upon additional general fund resources equaling or exceeding $77,200,000 from the combination of actual general fund revenue collections for fiscal year 2012 exceeding the official fiscal year 2012 revenue estimate contained in the first enactment of the 2010-12 appropriations act, as amended by the 2012 session of the General Assembly, and by any discretionary unspent general fund appropriations recommended by the Governor for reversion at the end of fiscal year 2012. In the event that the total of all funds provided for in this paragraph are insufficient to fully fund the general fund cost of the three percent one-time bonus payment, such bonus payment shall be prorated to a percent of base pay for the general fund payroll that equates to the amount of total general fund resources provided.

a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the bonus payment authorized in this paragraph only if they have attained an equivalent rating of at least "Meets Expectations" on their performance evaluation and have no active written notices under the Standards of conduct for the preceding review period.

2. For purposes of paying the general fund share of the December 1, 2012, one-time bonus, after meeting all Constitutionally-required deposits to the Revenue Stabilization Fund, the State Comptroller shall reserve $77,200,000 in the Restricted Fund Balance on the balance sheet for the general fund attributable to fiscal year 2012 general fund revenue collections in excess of the official revenue estimate and discretionary general fund balances recommended for reversion by the Governor, prior to designating amounts for the Committed Fund Balance.

3. The Director of the Department of Planning and Budget shall administratively increase nongeneral fund appropriations as required to implement the one-time bonus payment.

N. Any supplemental salary payment to a state employee or class of state employees by a local governing body shall be governed by a written agreement between the agency head of the employee or class of employees receiving the supplement and the chief executive officer of the local governing body. Such agreement shall also be reviewed and approved by the Director of the State Department of Human Resource Management. At a minimum, the agreement shall

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specify the percent of state salary or fixed amount of the supplement, the resultant total salary of the employee or class of employees, the frequency and method of payment to the agency of the supplement, and whether or not such supplement shall be included in the employee's state benefit calculations. A copy of the agreement shall be made available annually to all employees receiving the supplement. The receipt of a local salary supplement shall not subject employees to any personnel or payroll rules and practices other than those promulgated by the State Department of Human Resource Management.

O. The Governor is hereby authorized to allocate a sum of up to $60,992,733 from this appropriation to the extent necessary to offset any downward revisions of the general fund revenue estimate prepared for fiscal years 2013 and 2014 after the enactment by the General Assembly of the 2012 Appropriation Act. If the general fund revenue estimates prepared subsequent to the 2012 General Assembly Session do not result in downward revisions and, if within 5 days of the preliminary close of the fiscal year ending on June 30, 2013, the Comptroller's analysis does not determine that a revenue re-forecast is required pursuant to § 2.2-1503.3, Code of Virginia, then such appropriation shall be used only for employee compensation purposes as stated in paragraphs P, Q and R below.

P.1. Contingent on the provisions of paragraph O. above, the base salary of the following employees shall be increased by two percent on July 25, 2013, for state employees:

a. Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;

b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;

c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c; and

d. Full-time professional staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office.

e. Heads of agencies in the Legislative Department;

f. Full-time employees in the Legislative Department, other than officials elected by popular vote; and

g. Secretaries and administrative assistants as provided for in Item 1 of this act.

h. Judges and Justices in the Judicial Department;

i. Heads of agencies in the Judicial Department; and,

j. Full-time employees in the Judicial Department.

k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Executive Directors of the Virginia College Savings Plan and the Virginia Office for Protection and Advocacy, and the Directors of the State Lottery Department, and the Virginia Retirement System;

l. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the State Lottery Department, Virginia Workers' Compensation Commission, the Virginia Retirement System, and Virginia Office for Protection and Advocacy.

2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.

b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. However, notwithstanding

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anything herein to the contrary, the governing authorities of those state institutions of higher education with employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.

3. The Department of Human Resource Management shall increase the minimum salary for each band within the Commonwealth's Classified Compensation Plan by two percent on July 25, 2013. The Department of Human Resource Management shall increase the maximum salary for each band within the Commonwealth's Classified Compensation Plan by seven percent plus an additional $1,950 on July 25, 2013, for purposes of implementing the salary compression compensation adjustment. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances where employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.

4. Out of the amounts for Supplements to Employee Compensation is included $37,179,293 the second year from the general fund to support the general fund portion of costs associated with the salary increase provided in this paragraph.

5. *In lieu of the provisions set out in subparagraph P.1. above,* ~~The~~ *the* following agency heads, at their discretion, may implement the provisions of new or existing performance-based pay plans *to provide salary adjustments for affected employees*:

a. The heads of agencies in the Legislative and Judicial Departments;

b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;

c. The Attorney General;

d. The Director of the Virginia Retirement System;

e. The Director of the State Lottery Department;

f. The Director of the University of Virginia Medical Center;

g. The Executive Director of the Virginia College Savings Plan;

h. The Executive Director of the Virginia Port Authority; and,

i. The Executive Director of the Virginia Office for Protection and Advocacy.

Q. The base rates of pay, and related employee benefits, for wage employees may be increased by up to two percent no earlier than July 25, 2013. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

R.1. Contingent on the provisions of paragraph O. above, the base salary of the following employees shall be increased by three percent on August 1, 2013:

a. Locally elected constitutional officers;

b. General Registrars and members of local electoral boards;

c. Full-time employees of locally elected constitutional officers, except for assistant Commonwealth's attorney whose salary adjustment upwards by 2 percent of their salary as of June 30, 2013; and,

d. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services boards, local pretrial services act and

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comprehensive community corrections act employees, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.

2. Out of the appropriation for Supplements to Employee Compensation is included $23,813,440 the second year from the general fund to support the costs associated with the salary increase provided in this paragraph.

S. Subsequent to effectuating the salary adjustment authorized in paragraph P. of this item the base salary of employees listed in P.1 of this item, except for those listed in subparagraph 1 below, who have five years or more of continuous state service shall be increased by $65 for each full year of service, except sworn employees of the Department of State Police who shall receive $70 for each full year of service, up to thirty years, effective July 25, 2013. The Department of Human Resource Management shall develop guidelines and procedures for implementation of this salary compression compensation adjustment.

1. Employees excluded from adjustment:

a) Faculty at public institutions of higher education;

b) Judges and Justices of the Judicial Department;

c) Commissioners of the State Corporation Commission;

d) Commissioners of the Virginia Workers' Compensation Commission;

e) Employees of public institutions of higher education who are not faculty but are also not subject to the Virginia Personnel Act;

f) Legislative Assistants who are employees of individual members of the General Assembly.

2. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.

3. Employees specifically excluded from the salary compression adjustment pursuant to section b), ~~and~~ c), *and d)* of subparagraph 1 above shall receive a one percent salary adjustment effective July 25, 2013 in addition to the two percent adjustment authorized in paragraph P of this item.

4. The governing authorities of those state institutions of higher education with employees specifically excluded from the salary compression adjustment pursuant to section e) of subparagraph 1 may provide a salary adjustment based on performance and other employment-related factors, as long as the increases do not exceed what the average would have been based on the general methodology authorized in this paragraph.

5. Out of the appropriation Employee Compensation Supplements, $26,621,686 the second year from the general fund is included to support the general fund costs associated with the salary adjustment authorized in this paragraph.

T. The final sentence of § 51.1-145 (N), Code of Virginia providing that the employer contribution rate established for each employer may include the annual rate of contribution payable by such employer with respect to employees enrolled in optional defined contribution retirement plans, shall not apply to optional defined retirement plans established under § 51.1-126 for employees engaged in teaching, administrative or research duties at institutions of higher education, § 51.1-126.1 for employees of teaching hospitals other than VCU and UVA Medical Centers, and § 51.1-126.3 for University of Virginia Medical Center employees.

469. Payments for Special or Unanticipated Expenditures (75800)			$7,988,609	~~$6,761,353~~ *$6,393,869*
Miscellaneous Contingency Reserve Account (75801)	$750,000	$4,011,977		
Undistributed Support for Designated State Agency Activities (75806)	$7,238,609	~~$2,749,376~~ *$2,381,892*		

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Fund Sources: General	$7,988,609	~~$6,761,353~~ *$6,393,869*		

Authority: Discretionary Inclusion.

A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an amount not to exceed $2,000,000 from the unappropriated balance derived by subtracting the general fund appropriations from the projected general fund revenues in this act, to provide for supplemental funds pursuant to paragraph D hereof. Transfers from this Item shall be made only when (1) sufficient funds are not available within the agency's appropriation and (2) additional funds must be provided prior to the end of the next General Assembly Session.

B.1. The Governor is authorized to allocate from the unappropriated general fund balance in this act such amounts as are necessary to provide for unbudgeted cost increases to state agencies incurred as a result of actions to enhance homeland security, combat terrorism, and to provide for costs associated with the payment of a salary supplement for state classified employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard. Any salary supplement provided to state classified employees ordered to active duty, shall apply only to employees who would otherwise earn less in salary and other cash allowances while on active duty as compared to their base salary as a state classified employee. Guidelines for such payments shall be developed by the Department of Human Resource Management in conjunction with the Departments of Accounts and Planning and Budget.

2. The Governor shall submit a report within thirty days to the Chairmen of House Appropriations and Senate Finance Committees which itemizes any disbursements made from this Item for such costs.

3. The governing authority of the agencies listed in this subparagraph may, at its discretion and from existing appropriations, provide such payments to their employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard, as are necessary to provide comparable pay supplements to its employees.

a. Agencies in the Legislative and Judicial Departments;

b. The State Corporation Commission, the Virginia Workers' Compensation Commission, the Virginia Retirement System, the State Lottery Department, Virginia College Savings Plan, and the Virginia Office for Protection and Advocacy;

c. The Office of the Attorney General and the Department of Law; and

d. State-supported institutions of higher education.

C. The Governor is authorized to expend from the unappropriated general fund balance in this act such amounts as are necessary, up to $1,500,000, to provide for indemnity payments to growers, producers, and owners for losses sustained as a result of an infectious disease outbreak or natural disaster in livestock and poultry populations in the Commonwealth. These indemnity payments will compensate growers, producers, and owners for a portion of the difference between the appraised value of each animal destroyed or slaughtered or animal product destroyed in order to control or eradicate an animal disease outbreak and the total of any salvage value plus any compensation paid by the federal government.

D. Out of the appropriation for this item is included $450,000 the first year and $2,450,000 the second year from the general fund to be used by the Governor as he may determine to be needed for the following purposes:

1. To address the six conditions listed in § 4-1.03 c 5 of this act.

2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential commodities and services which cannot be absorbed within agency appropriations to include unbudgeted benefits associated with Workforce Transition Act requirements.

3. To secure federal funds in the event that additional matching funds are needed for Virginia to participate in the federal Superfund program.

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4. To make additional payments to public institutions of higher education pursuant to Item 465 of this Act, up to a maximum of $1,000,000, in the event that amounts appropriated for that purpose are insufficient.

5. To provide a payment of up to $100,000 to the Military Order of the Purple Heart, for the continued operation of the National Purple Heart Hall of Honor, provided that at least half of other states have made similar grants.

6. In addition, if the amounts appropriated in this Item are insufficient to meet the unanticipated events enumerated, the Governor may utilize up to $1,000,000 the first year and $1,000,000 the second year from the general fund amounts appropriated for the Governor's Opportunity Fund for the unanticipated purposes set forth in paragraph D.1. through paragraph D.5. of this Item.

7. The Department of Planning and Budget shall submit a quarterly report of any disbursements made from, commitments made against, and requests made for such sums authorized for allocation pursuant to this paragraph to the Chairmen of the House Appropriations and Senate Finance Committees. This report shall identify each of the conditions specified in this paragraph for which the transfer is made.

8. In addition, to provide for payment of monetary rewards to persons who have disclosed information of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act.

E. Included in this appropriation is $300,000 the first year and $300,000 the second year from the general fund to pay for private legal services and the general fund share of unbudgeted costs for enforcement of the 1998 Tobacco Master Settlement Agreement. Transfers for private legal services shall be made by the Director, Department of Planning and Budget upon prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510, Code of Virginia or Item 59, Paragraph D of this act. Transfers for enforcement of the Master Settlement Agreement shall be made by the Director, Department of Planning and Budget at the request of the Attorney General, pursuant to Item 59, Paragraph B of this act.

F. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or portion thereof, of any public facility pursuant to § 58.1-608.3, Code of Virginia, shall be entitled to all sales tax revenues generated by transactions taking place in such public facility.

G.1. Out of the appropriation for this Item, up to $3,958,652 the first year from the general fund is provided to state agencies to cover unanticipated increases in the general fund cost of information technology and telecommunication charges, including contractually required transformations and mission critical telephone system replacements. The Director, Department of Planning and Budget, is authorized to transfer these funds to the impacted state agencies based upon information provided by the Virginia Information Technologies Agency.

2. The Chief Information Officer shall prepare a plan assessing the on-going cost of any telephone system funded from this Item. The plan should focus on options to minimize the on-going costs. The plan shall be submitted by September 1, 2012, to the Secretary of Finance and the Secretary of Technology.

H.1. Out of the appropriation for this Item, up to $1,656,925 the first year and up to $1,656,925 the second year from the general fund is provided to state agencies for costs incurred as the result of an internal service fund established within the Department of Accounts to cover ongoing operational and maintenance costs of the Performance Budgeting System, an enterprise application of the Commonwealth. The Director, Department of Planning and Budget, is authorized to transfer these funds to the impacted state agencies.

2. Out of the appropriation for this Item, up to $215,101 the second year from the general fund is provided to state agencies for costs incurred as the result of an internal service fund established within the Department of Accounts to cover ongoing operational and maintenance costs of the Cardinal System, an enterprise application of the Commonwealth. The Director, Department of Planning and Budget, is authorized to transfer these funds to the impacted state agencies.

I. Out of the general fund appropriation for this Item, $1,677,078 in the first year shall be

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transferred to state agencies and institutions of higher education to support the general fund portion of costs associated with benefits provided pursuant to the Line of Duty Act.

J.1.a. There is hereby appropriated in the second year an amount not to exceed $20,000,000 from that portion of the general fund balance designated by the State Comptroller on June 30, 2013, for nonrecurring expenditures pursuant to § 2.2-1514 B., Code of Virginia, to further capitalize the Federal Action Contingency Trust (FACT) Fund. The purpose of this FACT Fund is solely to offset the potential loss of any revenue to the Commonwealth, either directly or indirectly related to any actions of the United States Congress as part of any federal budget reductions. In addition to the amounts appropriated herein, included in the FACT Fund is the balance of $22,500,000, which was appropriated in Item 470 K.1 of Chapter 2, 2012 Special Session I. The first priority for the use of these funds shall be to ensure that the Commonwealth maintains sufficient funding to meet all required debt service payments appropriated in Item 280 of this act.

b. Notwithstanding the provisions of paragraph J.1.a., $6,213,496 from the FACT Fund shall be provided in the second year, in addition to the nongeneral fund amounts in Item 459.05 A. of this act, to meet the Commonwealth's contribution to address encroachment upon the United States Navy Master Jet Base Oceana pursuant to the 2005 Base Realignment and Closure Commission recommendations.

c. Notwithstanding the provisions of paragraph J.1.a., up to $3,000,000 from the FACT Fund, to be matched dollar-for-dollar from sources other than state funds, shall be used to assist any Virginia locality in which a U.S. Air Force Base is located to mitigate adverse impacts on military operations and employment levels caused by encroachment of incompatible uses, in advance of further actions by the federal Base Realignment and Closure Commission or any similar federal actions. Such funds shall only be used to purchase properties from willing sellers.

d. Notwithstanding the provisions of paragraph J.1.a. of this Item, up to $5,000,000 from the FACT Fund may be provided to: (i) develop plans and implement strategies to prevent or limit the adverse economic impacts of closure, relocation, or realignment of federal military or security installations or other federal agencies located in Virginia, including actions to evaluate military and command clusters to access their vulnerability for closure, relocation or realignment, and (ii) remedial efforts to promote renewed economic growth in jurisdictions adversely affected by closure, relocation, or realignment decisions on the part of the federal government.

2. There is hereby created an advisory committee to provide advice to the Governor concerning the use of the Federal Action Contingency Trust (FACT) Fund. The FACT Fund Approval Commission is established as an advisory commission in the legislative branch and shall consist of 10 members, including the Chairman of the House Appropriations Committee and four members of the House Appropriations Committee selected by the chairman, the Chairman of the Senate Finance Committee and four members of the Senate Finance Committee selected by the chairman. The secretaries of Commerce and Trade, Health and Human Resources and Finance shall also be available to provide technical assistance to the advisory committee.

3. Prior to the distribution of any funds from the Federal Action Contingency Trust (FACT) Fund, The FACT Fund Approval Commission shall review all prospective uses of the FACT Fund and recommend approval or denial of such uses to the Governor. The Governor shall also notify the chairmen of the Senate Finance Committee and the House Appropriations Committee in writing within ten days concerning his decision to distribute money from the FACT reserve having previously received approval from the advisory committee.

I VIEW THIS LANGUAGE TO BE UNCONSTITUTIONAL. /s/ Robert F. McDonnell (6/11/12) (Noted language is enclosed in brackets.)

4. The Director, Department of Planning and Budget shall revert the undesignated and unobligated balances of the FACT Fund, estimated at $5,288,411, to the General Fund.

K.1. Included in this Item is $594,650 the second year from the general fund to support the transition offices established as a result of the 2013 elections for Governor, Lieutenant Governor, and Attorney General. Out of this amount, $504,650 shall be transferred, based on actual expenses, to the Department of General Services and $90,000 to the Division of Select Agencies Support Services for the provision of facilities, equipment, services, and supplies

ITEM 469.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

required to support the transition activity.

2. The Commonwealth's financial support for the transition is to be allocated as follows:

	FY 2014
Office of the Governor	$414,200
Office of the Lieutenant Governor	$83,600
Office of the Attorney General	$96,850

3. The Virginia Information Technologies Agency shall fund all computer and telecommunications costs associated with the transition from the Acquisition Services Special Fund.

L. Included in this Item is $282,700 the second year from the general fund to be transferred, based on actual expenditures, to the Department of General Services to support anticipated costs for the inauguration on January 16, 2014.

M. Included in this Item is $40,000 the second year from the general fund to support the costs anticipated to be incurred by the legislative department for the inauguration on January 16, 2014.

N. Out of this appropriation, up to $50,000 the second year from the general fund is provided to reimburse state agencies for the costs incurred as a result of the 2013 Attorney General election recount. The Director, Department of Planning and Budget, is authorized to transfer these funds to the impacted agencies.

470. Not set out.

471. Miscellaneous Reversion Clearing Account (22600)			($14,981,316)	($7,502,009)
Designated Reversions From Agency Appropriations (22601)	($14,981,316)	($7,502,009)		
Fund Sources: General	($14,981,316)	($7,502,009)		

Authority: Discretionary Inclusion.

A.1. The Director, Department of Planning and Budget shall withhold and transfer to this Item an amount estimated at $186,355 the first year from the general fund appropriations of state agencies and institutions of higher education, representing savings resulting from a reduction in the rate charged to agencies for purchases made under the statewide purchase and supply system administered by the Department of General Services.

2. Pursuant to § 3-1.01 of this act, an amount estimated at $164,885 the first year shall be transferred from eligible nongeneral fund accounts to the general fund, representing nongeneral fund savings associated with the reduction in the rate charged to agencies for purchases made under the statewide purchase and supply system administered by the Department of General Services.

B. The Director, Department of Planning and Budget, shall withhold and transfer to this Item an amount estimated at $1,145,775 the first year from the general fund appropriations of state agencies, boards, and commissions representing savings resulting from the elimination or consolidation of such state agencies, boards, and commissions.

C.1. Notwithstanding any other provision of law, the Director, Department of Planning and Budget, shall withhold and transfer to this Item amounts estimated at $93,500 the first year and $185,300 the second year from the general fund appropriations of state agencies and institutions of higher education representing savings realized through the elimination of organizational memberships held by state agencies and institutions of higher education as detailed below.

Agency Name / Organization	General Fund Amount
Department of Motor Vehicles (154)	
Governor's Highway Safety Representatives	$0

ITEM 471.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Federation of Tax Administrators		$0		
Department of Education (201)				
Marketing Education Resource Center		$0		
Council of Chief State School Officers State Consortium on Educator Effectiveness		$0		
Education Commission of the States (Second Year Only)		$91,800		
State Council of Higher Education for Virginia (245)				
Southern Regional Education Board - Educational Technology Cooperative		$8,000		
Southern Regional Education Board - Go Alliance		$8,000		
Department of Rehabilitative Services (262)				
Council of State Administrators of Vocational Rehabilitation		$0		
Virginia Tourism Authority (320)				
Virginia Hospitality and Travel Association		$10,000		
Department of Transportation (501)				
Appraisal Institute		$0		
Intelligent Transportation Society of Virginia		$0		
Virginia Tech Foundation		$0		
Department of Behavioral Health and Developmental Services (720)				
National Association of State Alcohol and Drug Abuse Directors		$0		
Innovation and Entrepreneurship Investment Authority (934)				
Rich Tech		$7,500		
Fredericksburg Regional Technology Council		$7,500		
Technology Hampton Roads		$7,500		
Roanoke-Blacksburg Technology Council		$7,500		
Region 2000 Technology Council		$7,500		
Shenandoah Valley Technology Council		$7,500		
Southwestern Virginia Technology Council		$7,500		
Southern Piedmont Technology Council		$7,500		
Charlottesville Business Innovation Council		$7,500		

2. After June 30, 2012, no Executive Branch agency may use appropriations in Part 1 of this act to pay dues to any of the organizations listed in subparagraph 1 subject to consultation with legal counsel regarding any legal requirements involved or to pay dues or fees to new trade or other membership organizations without prior authorization of the Governor's Chief of Staff.

E. The Director, Department of Planning and Budget shall withhold and transfer to this Item an amount estimated at $415,616 the first year from the general fund appropriations of state agencies and institutions of higher education, representing savings resulting from a reduction in information technology overhead costs.

F. The Director, Department of Planning and Budget shall withhold and transfer to this Item an amount estimated at $107,050 the first year from the general fund appropriations of state agencies and institutions of higher education, representing savings from a contract agreement with the Commonwealth's information technology infrastructure provider negotiated by the Virginia Information Technologies Agency for computer service outages in August of 2010.

G. The Director, Department of Planning and Budget, shall withhold and transfer to this item amounts estimated at $13,033,020 the first year and $7,316,709 the second year from the general fund appropriations of state agencies representing savings from administrative efficiencies. These savings shall be implemented as an across-the-board reduction based upon general fund salaries in Executive Department agencies. Agencies shall be encouraged to maximize savings that can be realized through the electronic distribution of information, through email or internet, in place of printed materials. The Secretary of Finance shall establish the procedures to be used in determining the amounts to be reverted from impacted agencies. The amounts to be reverted in the second year shall not include higher education institutions and affiliated agencies.

H. On or before June 30, 2014, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of $1,200,000 representing the reimbursement from federal funds received by the State Corporation Commission (Commission) for the plan management activities performed by the Commission as part of the Federal Health Benefit Exchange as specified in Item 476.10 of Chapter 806, 2013 Acts of Assembly.

ITEM 471.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014

I. On or before June 30, 2014, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of $800,000 from the Secretary of Education, agency 185, representing excess balances and uncommitted allocation in the College Partnership Laboratory Schools.

J. On or before June 30, 2014, the Director of the Department of Planning and Budget shall revert $75,900 to the general fund from the Department of Planning and Budget, Agency 122, Fund 0100, representing excess balances in the school efficiency review program.

K. On or before June 30, 2014, the Director of the Department of Planning and Budget shall revert $239,964 to the general fund from unobligated balances in the productivity investment fund, Agency 995, Program 715, Fund 0100.

L. On or before June 30, 2014, the Director of the Department of Planning and Budget shall revert $450,000 to the general fund from unobligated balances in the Opportunity Educational Institution.

M. On or before June 30, 2014, the Committee on Joint Rules shall authorize the reversion to the general fund of $7,356,129, representing savings within legislative agencies. The reversion amounts include estimated savings within the legislative agencies of:

Legislative Agency	***General Fund Amount***
Auditor of Public Accounts (133)	*$900,000*
Division of Capitol Police (961)	*$1,048,248*
Division of Legislative Automated Systems (109)	*$702,416*
American Civil War Sesquicentennial Commission (859)	*$3,349,781*
Division of Legislative Services (107)	*$645,617*
Chesapeake Bay Commission (842)	*$1,306*
Joint Commission on Health Care (844)	*$25,000*
Virginia Commission on Youth (839)	*$16,672*
Virginia Disability Commission (837)	*$18,736*
Joint Commission on Technology and Science (847)	*$120,000*
Small Business Commission (862)	*$11,893*
Autism Advisory Council (871)	*$6,300*
State Water Commission (971)	*$10,160*
Legislative Department Reversion Clearing Account (102)	*$500,000*

471.10.	*Executive Management (71300)*			*$0*	*($3,437,403)*
	Savings From Management Actions (71301).....	*$0*	*($3,437,403)*		
	Fund Sources: General.....	*$0*	*($3,437,403)*		

Authority: Discretionary Inclusion.

1. To accomplish savings estimated at $3,737,403 the second year, the Department of Planning and Budget is hereby authorized to transfer amounts to this item from the general fund appropriation for operating expenses of the agencies listed in subparagraph 4 below.

2. Notwithstanding the provisions of any item in Part 1 of this act or any other contrary provision of law, actions required on the part of agencies to implement the savings enumerated in subparagraph 4 below are hereby authorized.

3. Any nongeneral fund appropriation change or changes in the appropriation of agency authorized positions required to implement the savings enumerated in subparagraph 4 below are hereby authorized.

4. Savings strategies and totals by agency:

	FY 2014
Department of General Services (194)	
Capture turnover and vacancy savings	*$149,089*
Department of General Services (194) Total	***$149,089***

ITEM 471.10.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Department of Elections (132)				
Capture savings from agency reorganization		*$25,344*		
Department of Elections (132) Total		***$25,344***		
Department of Agriculture and Consumer Services (301)				
Eliminate new inspector positions in the Charitable Gaming program		*$150,000*		
Supplant general fund support for grain marketing positions		*$132,000*		
Department of Agriculture and Consumer Services (301) Total		***$282,000***		
Department of Forestry (411)				
Capture one-time operational savings		*$40,000*		
Department of Forestry (411) Total		$40,000		
Department of Business Assistance (325)				
Reduce funding for the Small Business Investment Grant Fund		*$750,000*		
Department of Business Assistance (325) Total		***$750,000***		
Department of Labor and Industry (181)				
Capture one-time field office rent savings		*$49,185*		
Capture one-time vacancy savings of executive level (agency head) position		*$37,700*		
Department of Labor and Industry (181) Total		***$86,885***		
Department of Mines, Minerals and Energy (409)				
Reduce replacement cost for administrative services service area		*$69,002*		
Reduce Replacement Cost for the Coal Environmental Protection and Land Reclamation Program		*$65,875*		
Department of Mines, Minerals and Energy (409) Total		***$134,877***		
Virginia Economic Development Partnership (310)				
Reduce appropriation for information technology replacement		*$26,238*		
Reduce appropriation for the administration division		*$45,149*		
Reduce appropriation for the business attraction division		*$34,092*		
Reduce appropriation for the business expansion division		*$41,245*		
Reduce appropriation for the research division		*$43,287*		
Virginia Economic Development Partnership (310) Total		***$190,011***		
Virginia Museum of Fine Arts (238)				
Decommission Old Wireless System		*$3,776*		
Eliminate Stockroom Manager		*$22,087*		
Find Administrative Efficiencies		*$17,000*		
Negotiate Lower Exhibition Loan Fee		*$58,934*		
Reduce Library Subscriptions		*$2,915*		
Switch Reservation System to Less Expensive System		*$6,000*		
Virginia Museum of Fine Arts (238) Total		***$110,712***		
Department of Education, Central Office Operations (201)				

ITEM 471.10.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Hold 1 to 2 GF Positions Vacant in FY14		*$105,720*		
Reduce Training for Teacher Evaluation funds		*$35,000*		
Department of Education, Central Office Operations (201) Total		***$140,720***		
State Council of Higher Education for Virginia (245)				
Provide one time savings through a position vacancy		*$87,665*		
State Council of Higher Education for Virginia (245) Total		***$87,665***		
Department of Accounts (151)				
Capture turnover and vacancy savings		*$216,954*		
Department of Accounts (151) Total		***$216,954***		
Department of Taxation (161)				
Eliminate one time funding for office redesign		*$85,000*		
Increase individual and fiduciary estimated income tax processing efficiency		*$27,000*		
Department of Taxation (161) Total		***$112,000***		
Department of Behavioral Health and Developmental Services (720)				
Decrease the number of printed copies of the Code of Virginia		*$1,863*		
Eliminate vacant project manager position		*$112,500*		
Reduce central office printer and printing costs		*$24,000*		
Reduce hourly positions in the central office		*$12,175*		
Reduce number of agency vehicles under fleet management		*$7,352*		
Reduce reimbursement for the use of personal cars		*$7,119*		
Restrict paying for business meals		*$3,745*		
Department of Behavioral Health and Developmental Services (720) Total		***$168,754***		
Department for Aging and Rehabilitative Services (262)				
Reduce administrative expenses		*$10,000*		
Department for Aging and Rehabilitative Services (262) Total		***$10,000***		
Woodrow Wilson Rehabilitation Center (203)				
Manage staff costs through turnover and vacancy		*$97,139*		
Woodrow Wilson Rehabilitation Center (203) Total		***$97,139***		
Department of Conservation and Recreation (199)				
Capture savings related to the delay in starting contract		*$62,500*		
Capture vacancy savings for administrative position		*$25,436*		
Capture vacancy savings in Nonpoint Pollution Prevention		*$29,771*		
Defer the purchase of vehicles and participate in a central motor pool		*$95,152*		
Defer training and other expenditures		*$9,289*		
Reduce the number of IT servers		*$12,000*		
Transfer wage support salary in Planning and Recreational Resources Division to nongeneral fund support		*$23,156*		
Department of Conservation and Recreation (199) Total		***$257,304***		

ITEM 471.10.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Department of Criminal Justice Services (140)				
Reversion of agency fund balance		*$674,073*		
Department of Criminal Justice Services (140) Total		***$674,073***		
Department of Emergency Management (127)				
Capture savings by reducing discretionary expenses		*$20,326*		
Capture savings by reducing training costs		*$2,000*		
Department of Emergency Management (127) Total		***$22,326***		
Department of Fire Programs (960)				
Capture one-time operational savings		*$44,513*		
Department of Fire Programs (960) Total		***$44,513***		
Innovation and Entrepreneurship Investment Authority (934)				
Transition a portion of Senior Broadband Executive to billable projects		*$68,078*		
Transition connect personnel to billable projects		*$27,572*		
Innovation and Entrepreneurship Investment Authority (934) Total		***$95,650***		
Virginia Information Technologies Agency (136)				
Reduce funding for vacant GF position		*$41,387*		
Virginia Information Technologies Agency (136) Total		***$41,387***		

5.a. This item includes $300,000 from the general fund in the second year for the Virginia School for the Deaf and Blind.

b. By June 30, 2014, the Superintendent of the Virginia School for the Deaf and Blind shall submit a report to the Secretaries of Education and Finance, to include progress made in continuing efforts to reduce expenditures; a summary of an examination of programs in other states, especially with regard to student-to-teacher ratios; reorganization of the reporting structure of the school's staff; an update on the fate of unoccupied or minimally occupied buildings on campus; evaluation of a possible policy of reimbursing parents for special education costs in certain circumstances; and an analysis of the level of local per pupil cost that is contributed, via deduction to Basic Aid payments, based on the number of students attending.

472. Not set out.

Total for Central Appropriations			**$123,786,609**	**~~$340,296,561~~** ***$336,491,674***
General Fund Positions	2.00	0.00		
Position Level	2.00	0.00		
Fund Sources: General	$34,508,713	~~$251,008,457~~ *$247,203,570*		
Higher Education Operating	$918,696	$928,904		
Trust and Agency	$88,359,200	$88,359,200		
TOTAL FOR CENTRAL APPROPRIATIONS			**$123,786,609**	**~~$340,296,561~~** ***$336,491,674***
General Fund Positions	2.00	0.00		
Position Level	2.00	0.00		

ITEM 472.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Fund Sources: General	$34,508,713	~~$251,008,457~~ *$247,203,570*		
Higher Education Operating	$918,696	$928,904		
Trust and Agency	$88,359,200	$88,359,200		
TOTAL FOR EXECUTIVE DEPARTMENT			**$41,551,165,080**	**~~$42,086,897,913~~ *$42,116,935,656***
General Fund Positions	48,973.14	~~49,194.21~~ *49,193.20*		
Nongeneral Fund Positions	62,381.70	~~62,631.43~~ *62,831.58*		
Position Level	111,354.84	~~111,825.64~~ *112,024.78*		
Fund Sources: General	$16,623,269,228	~~$17,488,672,074~~ *$17,206,737,533*		
Special	$1,702,020,707	~~$1,682,952,387~~ *$1,683,093,899*		
Higher Education Operating	$7,279,531,335	~~$7,367,780,609~~ *$7,509,131,324*		
Commonwealth Transportation	$3,987,994,386	$3,972,311,152		
Enterprise	$915,127,587	$931,122,047		
Internal Service	$290,000	$290,000		
Trust and Agency	$2,684,877,603	~~$2,094,194,329~~ *$2,173,342,189*		
Debt Service	$292,911,361	~~$313,124,893~~ *$313,374,893*		
Dedicated Special Revenue	$1,364,612,137	~~$1,271,091,559~~ *$1,363,009,664*		
Federal Trust	$6,700,530,736	~~$6,965,358,863~~ *$6,964,522,955*		

ITEM 473.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	INDEPENDENT AGENCIES				
473.	Not set out.				
474.	Not set out.				
475.	Not set out.				
476.	Not set out.				
476.10.	Not set out.				
477.	Not set out.				
478.	Not set out.				
479.	Not set out.				
480.	Not set out.				
481.	Not set out.				
	§ 1-54. VIRGINIA RETIREMENT SYSTEM (158)				
482.	Personnel Management Services (70400)			$10,508,060	~~$10,743,291~~ *$14,112,673*
	Administration of Retirement and Insurance Programs (70415)	$10,508,060	~~$10,743,291~~ *$14,112,673*		
	Fund Sources: Trust and Agency	$10,508,060	~~$10,743,291~~ *$14,112,673*		

Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.

A. The Board of Trustees of the Virginia Retirement System is hereby authorized to charge a participation fee to each employer served by the Virginia Retirement System for any services provided pursuant to Title 51.1 of the Code of Virginia. The fee shall be utilized to pay the administrative expenses of all administrative services, including non-retirement programs. Retirement contributions required by the Board shall be reduced to pay such fees in a manner prescribed by the Board of Trustees.

B. State agencies and institutions of higher education shall make payments to the Virginia Retirement System (VRS) for VRS-administered benefits no less often than monthly.

C. The Virginia Retirement System shall make those changes to administrative policies, procedures, and systems as are necessary for implementation of the public employee retirement reforms provided for in ~~Senate Bill 498 and House Bill 1130 of the 2012 session~~ *Chapter 701 of the Acts of Assembly of 2012*. Such nongeneral funds as are required to implement these changes are hereby appropriated.

D. Of the amounts appropriated to this Item, $3,369,382 in the second year is designated to implement the employee retirement reforms provided for in Chapter 701 of the Acts of Assembly of 2012.

483.	Investment, Trust, and Insurance Services (72500).....			$21,619,509	~~$25,145,448~~ *$26,146,448*
	Investment Management Services (72504)	$21,619,509	~~$25,145,448~~ *$26,146,448*		
	Fund Sources: Trust and Agency	$21,619,509	~~$25,145,448~~ *$26,146,448*		

ITEM 483.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.				
By September 30 of each year, the VRS Board of Trustees shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on the prior fiscal year's results obtained by the internal investment management program. The report shall include a comparison of investment performance against the board's benchmarks and an estimate of the program's fee savings when compared to similar assets managed externally.				
484. Administrative and Support Services (79900)			$27,503,025	~~$27,587,438~~ *$28,712,438*
General Management and Direction (79901)	$17,605,433	~~$17,315,500~~ *$18,065,500*		
Information Technology Services (79902)	$9,897,592	~~$10,271,938~~ *$10,646,938*		
Fund Sources: Trust and Agency	$27,503,025	~~$27,587,438~~ *$28,712,438*		
Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.				
Out of the amounts appropriated to this Item, the director is authorized to expend an amount not to exceed $25,000 the first year and $25,000 the second year for expenses commonly borne by business enterprises. Such expenses shall be recorded separately by the agency.				
485. Not set out.				
Total for Virginia Retirement System			**$59,630,594**	~~**$63,476,177**~~ ***$68,971,559***
Nongeneral Fund Positions	314.00	~~314.00~~ *325.00*		
Position Level	314.00	~~314.00~~ *325.00*		
Fund Sources: Trust and Agency	$59,630,594	~~$63,476,177~~ *$68,971,559*		
486. Not set out.				
487. Not set out.				
488. Not set out.				
489. Not set out.				
TOTAL FOR INDEPENDENT AGENCIES			**$594,510,214**	~~**$667,643,112**~~ ***$673,138,494***
General Fund Positions	4.00	13.00		
Nongeneral Fund Positions	1,674.12	~~1,674.12~~ *1,685.12*		
Position Level	1,678.12	~~1,687.12~~ *1,698.12*		
Fund Sources: General	$200,000	$1,200,000		
Special	$79,730,160	$79,817,160		
Enterprise	$403,484,744	$471,679,083		
Trust and Agency	$66,487,535	~~$70,333,118~~ *$75,828,500*		
Dedicated Special Revenue	$39,402,949	$39,408,925		
Federal Trust	$5,204,826	$5,204,826		

ITEM 490.	Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
STATE GRANTS TO NONSTATE ENTITIES				
490. Not set out.				
TOTAL FOR STATE GRANTS TO NONSTATE ENTITIES			**$0**	**$0**
TOTAL FOR PART 1: OPERATING EXPENSES			**$42,674,657,739**	**~~$43,287,178,987~~** ***$43,323,712,112***
General Fund Positions	52,813.35	~~53,045.42~~ *53,044.41*		
Nongeneral Fund Positions	64,188.32	~~64,438.05~~ *64,649.20*		
Position Level	117,001.67	~~117,483.47~~ *117,693.61*		
Fund Sources: General	$17,116,040,045	~~$17,986,098,408~~ *$17,705,163,867*		
Special	$1,794,694,373	~~$1,775,713,053~~ *$1,775,854,565*		
Higher Education Operating	$7,279,531,335	~~$7,367,780,609~~ *$7,509,131,324*		
Commonwealth Transportation	$3,987,994,386	$3,972,311,152		
Enterprise	$1,318,612,331	$1,402,801,130		
Internal Service	$290,000	$290,000		
Trust and Agency	$2,751,505,811	~~$2,164,668,120~~ *$2,249,311,362*		
Debt Service	$292,911,361	~~$313,124,893~~ *$313,374,893*		
Dedicated Special Revenue	$1,425,780,238	~~$1,332,265,636~~ *$1,424,183,741*		
Federal Trust	$6,707,297,859	~~$6,972,125,986~~ *$6,971,290,078*		

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PART 2: CAPITAL PROJECT EXPENSES

§ 2-0. GENERAL CONDITIONS

A.1. The General Assembly hereby authorizes the capital projects listed in this act. The amounts hereinafter set forth are appropriated to the state agencies named for the indicated capital projects. Amounts so appropriated and amounts reappropriated pursuant to paragraph G of this section shall be available for expenditure during the current biennium, subject to the conditions controlling the expenditures of capital project funds as provided by law. Reappropriated amounts, unless otherwise stated, are limited to the unexpended appropriation balances at the close of the previous biennium, as shown by the records of the Department of Accounts.

2. The Director, Department of Planning and Budget, may transfer appropriations listed in Part 2 of this act from the second year to the first year in accordance with § 4-1.03 a 5 of this act.

B. The five-digit number following the title of a project is the code identification number assigned for the life of the project.

C. Except as herein otherwise expressly provided, appropriations or reappropriations for structures may be used for the purchase of equipment to be used in the structures for which the funds are provided, subject to guidelines prescribed by the Governor.

D. Notwithstanding any other provisions of law, appropriations for capital projects shall be subject to the following:

1. Appropriations or reappropriations of funds made pursuant to this act for planning of capital projects shall not constitute implied approval of construction funds in a future biennium. Funds, other than the reappropriations referred to above, for the preparation of capital project proposals must come from the affected agency's existing resources.

2. No capital project for which appropriations for planning are contained in this act, nor any project for which appropriations for planning have been previously approved, shall be considered for construction funds until preliminary plans and cost estimates are reviewed by the Department of General Services. The purpose of this review is to avoid unnecessary expenditures for each project, in the interest of assuring the overall cost of the project is reasonable in relation to the purpose intended, regardless of discrete design choices.

E.1. Expenditures from Items in this act identified as "Maintenance Reserve" are to be made only for the maintenance of property, plant, and equipment as defined in §4-4.01c of this act to the extent that funds included in the appropriation to the agency for this purpose in Part 1 of this act are insufficient.

2. Agencies and institutions of higher education can expend up to $1,000,000 for a single repair or project through the maintenance reserve appropriation without a separate appropriation. Such expenditures shall be subject to rules and regulations prescribed by the Governor. To the extent an agency or institution of higher education has identified a potential project that exceeds this threshold or state agency has identified a potential project that exceeds the threshold prescribed in the rules or regulations, the Director, Department of Planning and Budget, can provide exemptions to the threshold as long as the project still meets the definition of a maintenance reserve project as defined by the Department of Planning and Budget.

3. Only facilities supported wholly or in part by the general fund shall utilize general fund maintenance reserve appropriations. Facilities supported entirely by nongeneral funds shall accomplish maintenance through the use of nongeneral funds.

F. Conditions Applicable to Bond Projects

1. The General Assembly hereby authorizes the capital projects listed in §§ 2-24 and 2-25 for the indicated agencies and institutions of higher education and hereby appropriates and reappropriates therefore sums from the sources and in the amount indicated. The issuance of bonds in a principal amount plus amounts needed to fund issuance costs, reserve funds, and other financing expenses, including capitalized interest for any project listed in §§ 2-24 and

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2-25 is hereby authorized.

2. The issuance of bonds for any project listed in § 2-24 is to be separately authorized pursuant to Article X, Section 9 (c), Constitution of Virginia.

3. The issuance of bonds for any project listed in Item C-40 or C-41 shall be authorized pursuant to § 23-19, Code of Virginia.

4. In the event that the cost of any capital project listed in §§ 2-23, 2-24 and 2-25 shall exceed the amount appropriated therefore, the Director, Department of Planning and Budget, is hereby authorized, upon request of the affected institution, to approve an increase in appropriation authority of not more than ten percent of the amount designated in §§ 2-23, 2-24 and 2-25 for such project, from any available nongeneral fund revenues, provided that such increase shall not constitute an increase in debt issuance authorization for such capital project. Furthermore, the Director, Department of Planning and Budget, is hereby authorized to approve the expenditure of all interest earnings derived from the investment of bond proceeds in addition to the amount designated in §§ 2-23, 2-24 and 2-25 for such capital project.

5. The interest on bonds to be issued for these projects may be subject to inclusion in gross income for federal income tax purposes.

6. Inclusion of a project in this act does not imply a commitment of state funds for temporary construction financing. In the absence of such commitment, the institution may be responsible for securing short-term financing and covering the costs from other sources of funds.

7. In the event that the Treasury Board determines not to finance all or any portion of any project listed in Item C-40 of § 2-24 of this act with the issuance of bonds pursuant to Article X, Section 9 (c), Constitution of Virginia, and notwithstanding any provision of law to the contrary, this act shall constitute the approval of the General Assembly to finance all or such portion of such project under the authorization of § 2-25 of this act.

8. The General Assembly further declares and directs that, notwithstanding any other provision of law to the contrary, 50 percent of the proceeds from the sale of surplus real property pursuant to § 2.2-1147 et seq., Code of Virginia, which pertain to the general fund, and which were under the control of an institution of higher education prior to the sale, shall be deposited in a special fund set up on the books of the State Comptroller, which shall be known as the Higher Education Capital Projects Fund. Such sums shall be held in reserve, and may be used, upon appropriation, to pay debt service on bonds for the 21st Century College Program as authorized in Item C-7.10 of Chapter 924 of the Acts of Assembly of 1997.

G. Upon certification by the Director, Department of Planning and Budget, there is hereby reappropriated the appropriations unexpended at the close of the previous biennium for all authorized capital projects which meet any of the following conditions:

1. Construction is in progress.

2. Equipment purchases have been authorized by the Governor but not received.

3. Plans and specifications have been authorized by the Governor but not completed.

4. Obligations were outstanding at the end of the previous biennium.

H. The Department of Planning and Budget is hereby authorized to administratively appropriate any nongeneral fund component of any capital project authorized in Chapters 859/827 (2002), Chapters 884/854 (2002), or Chapters 887/855 (2002).

I. Alternative Financing

1. Any agency or institution of the Commonwealth that would construct, purchase, lease, or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, shall provide a report to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees no less than 30 days prior to entering into such alternative financing agreement. This report shall provide:

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a. a description of the purpose to be achieved by the proposal;

b. a description of the financing options available, including the alternative financing, which will delineate the revenue streams or client populations pledged or encumbered by the alternative financing;

c. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the Commonwealth;

d. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the clients of the agency or institution; and

e. a recommendation and planned course of action based on this analysis.

J. Conditions Applicable to Alternative Financing

The following authorizations to construct, purchase, lease or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, are continued until revoked:

1. James Madison University

a. Subject to the provisions of this act, the General Assembly authorizes James Madison University, with the approval of the Governor, to explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23-19(d)(4), Code of Virginia.

b. The General Assembly authorizes James Madison University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. James Madison University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

c. The General Assembly further authorizes James Madison University to enter into a written agreement with the public or private entity for the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

2. Longwood University

a. Subject to the provisions of this act, the General Assembly authorizes Longwood University to enter into a written agreement or agreements with the Longwood University Real Estate Foundation (LUREF) for the development, design, construction and financing of student housing projects, a convocation center, parking, and operational and recreational facilities through alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.

b. Longwood is further authorized to enter into a written agreement with the LUREF for the support of such student housing, convocation center, parking, and operational and recreational facilities by including the facilities in the University’s facility inventory and managing their operation and maintenance; by assigning parking authorizations, students and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University’s obligations under any documents or other instruments constituting or securing

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bonds or other indebtedness of the University or the Commonwealth of Virginia.

3. Christopher Newport University

a. Subject to the provisions of this act, the General Assembly authorizes Christopher Newport University to enter into, continue, extend or amend written agreements with the Christopher Newport University Educational Foundation (CNUEF) or the Christopher Newport University Real Estate Foundation (CNUREF) in connection with the refinancing of certain housing and office space projects.

b. Christopher Newport University is further authorized to enter into, continue, extend or amend written agreements with CNUEF or CNUREF to support such facilities including agreements to (i) lease all or a portion of such facilities from CNUEF or CNUREF, (ii) include such facilities in the University's building inventory, (iii) manage the operation and maintenance of the facilities, including collection of any rental fees from University students in connection with the use of such facilities, and (iv) otherwise support the activities at such facilities consistent with law, provided that the University shall not be required to take any action that would constituting a breach of the University's obligation under any documents or instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

4. Radford University

a. Subject to the provisions of this act, the General Assembly authorizes Radford University, with the approval of the Governor, to explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23-19(d)(4), Code of Virginia.

b. The General Assembly authorizes Radford University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. Radford University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

c. The General Assembly further authorizes Radford University to enter into a written agreement with the public or private entity for the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

5. University of Mary Washington

a. Subject to the provisions of this act, the General Assembly authorizes the University of Mary Washington to enter into a written agreement or agreements with the University of Mary Washington Foundation (UMWF) to support student housing projects and/or operational-related facilities through alternative financing agreements including public-private partnerships.

b. The University of Mary Washington is further authorized to enter into written agreements with UMWF to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's students housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) seek to obtain police power over the student housing as provided by law; and (v) otherwise support the students housing facilities consistent with law, provided that the University’s obligation under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the

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Commonwealth of Virginia.

c. The General Assembly further authorizes the University of Mary Washington to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional student housing and/or operational-related facilities. The facility or facilities may or may not be located on property owned by the Commonwealth. The University of Mary Washington is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenue bonds issued by or for UMWF will provide construction and/or permanent financing.

6. Norfolk State University

a. Subject to the provisions of this act, the General Assembly authorizes Norfolk State University to enter into a written agreement or agreements with a Foundation of the University for the development of one or more student housing projects on or adjacent to campus, subject to the conditions outlined in the Public-Private Education Facilities Infrastructure Act of 2002.

b. Norfolk State University is further authorized to enter into written agreements with a Foundation of the University to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's student housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) restrict construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and (vi) otherwise support the student housing facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

7. Northern Virginia Community College - Alexandria Campus

The General Assembly authorizes Northern Virginia Community College, Alexandria Campus to enter into a written agreement either with its affiliated foundation or a private contractor to construct a facility to provide on-campus housing on College land to be leased to said foundation or private contractor for such purposes. Northern Virginia Community College, Alexandria Campus, is also authorized to enter into a written agreement with said foundation or private contractor for the support of such student housing facilities and management of the operation and maintenance of the same.

8. Virginia State University

a. Subject to the provisions of this act, the General Assembly authorizes Virginia State University (University) to enter into a written agreement or agreements with the Virginia State University Foundation (VSUF), Virginia State University Real Estate Foundation (VSUREF), and other entities owned or controlled by the university for the development, design, construction, financing, and management of a mixed-use economic development corridor comprising student housing, parking, and dining facilities through alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.

b. Virginia State University is further authorized to enter into a written agreement with the VSUREF, VSUF, and other entities owned or controlled by the university for the support of such a mixed-use economic development corridor comprising student housing, parking, and dining facilities by including these projects in the university’s facility inventory and managing their operation and maintenance; by assigning parking authorizations, students and/or operations to the facility or facilities in preference to other university facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the university shall not be required to take any action that would constitute a breach of the university’s obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia.

9. The following individuals, and members of their immediate family, may not engage in an

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alternative financing arrangement with any agency or institution of the Commonwealth, where the potential for financial gain, or other factors may cause a conflict of interest:

a. A member of the agency or institution's governing body;

b. Any elected or appointed official of the Commonwealth or its agencies and institutions who has, or reasonably can be assumed to have, a direct influence on the approval of the alternative financing arrangement; or

c. Any elected or appointed official of a participating political subdivision, or authority who has, or reasonably can be assumed to have, a direct influence on the approval of the alternative financing arrangement.

K. The budget bill submitted by the Governor shall include a synopsis of previous appropriations for capital projects from the General Assembly and authorizations by the Governor for such projects.

L. Appropriations contained in this act for capital project planning shall be used as specified for each capital project and construction funding for the project shall be considered by the General Assembly after determining that (1) project cost is reasonable; (2) the project remains a highly-ranked capital priority for the Commonwealth; and (3) the project is fully justified from a space and programmatic perspective.

M. Any capital project that has received a supplemental appropriation due to cost overruns must be completed within the revised budget provided. If a project requires an additional supplement, the Governor should also consider reduction in project scope or cancelling the project before requesting additional appropriations. Agencies and institutions with nongeneral funds may bear the costs of additional overruns from nongeneral funds.

N. The Governor shall consider the project life cycle cost that provides the best long-term benefit to the Commonwealth when conducting capital project reviews, design and construction decisions, and project scope changes.

O. The Governor shall provide the Chairmen of the Senate Finance and House Appropriations Committees an opportunity to review the six year capital improvement plan prior to the beginning of each new biennial budget cycle.

P. No structure, improvement or renovation shall occur on the state property located at the Carillon in Byrd Park in the City of Richmond without the approval of the General Assembly.

Q. All Agencies of the Commonwealth and Institutions of Higher Education shall provide information and/or use systems and processes in the method and format as directed by the Director, Department of General Services, on behalf of the Six-Year Capital Outlay Plan Advisory Committee, to provide necessary information for state-wide reporting. This requirement shall apply to all projects, including those funded from general and nongeneral fund sources.

R. Notwithstanding any other provision of law, the following shall govern the real estate purchase and exchange agreement for Western State Hospital between the Commonwealth of Virginia and the City of Staunton. The City of Staunton shall remit the $15 million for the property sale as follows:

1) the first payment of $5 million on October 1, 2012;

2) the second payment of $5 million on January 1, 2013; and,

3) the final payment of $5 million on April 1, 2013.

Further, this item eliminates the requirement that the City of Staunton maintain a $15 million line of credit to ensure its payment.

ITEM C-1.30.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	LEGISLATIVE DEPARTMENT				
C-1.30.	Not set out.				
	TOTAL FOR LEGISLATIVE DEPARTMENT.....			**$500,000**	**$0**
	Fund Sources: General.....	$500,000	$0		
	OFFICE OF AGRICULTURE AND FORESTRY				
C-1.60.	Not set out.				
	TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY.....			**$0**	**$0**
	OFFICE OF COMMERCE AND TRADE				
C-1.70.	Not set out.				
	TOTAL FOR OFFICE OF COMMERCE AND TRADE.....			**$0**	**$0**
	OFFICE OF EDUCATION				
	§ 2-1. THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA (204)				
C-2.	Improvements: Renovate Dormitories (17933).....			$5,000,000	$9,650,000
	Fund Sources: Bond Proceeds.....	$5,000,000	$9,650,000		
C-3.	Not set out.				
C-3.10.	Not set out.				
C-3.20.	Not set out.				
C-3.30.	Not set out.				
	Total for The College of William and Mary in Virginia..			**$55,000,000**	**$9,650,000**
	Fund Sources: Higher Education Operating.....	$2,000,000	$0		
	Bond Proceeds.....	$53,000,000	$9,650,000		
C-4.	Not set out.				
	§ 2-2. VIRGINIA INSTITUTE OF MARINE SCIENCE (268)				
C-4.50.	Acquisition: Research Vessel (17950).....			$8,050,000	~~$0~~ *$2,000,000*
	Fund Sources: Bond Proceeds.....	$8,050,000	~~$0~~ *$2,000,000*		
	This capital project are hereby authorized and may be financed in whole or in part through bonds of the Virginia College Building Authority pursuant to §23-30.24 et seq., Code of Virginia. Bonds issued to finance this project may be sold and issued under the 21st Century College Program at the same time with other obligations of the Authority as separate issues or as a combined issue.				
	Total for Virginia Institute of Marine Science.....			**$8,050,000**	~~**$0**~~ ***$2,000,000***
	Fund Sources: Bond Proceeds.....	$8,050,000	~~$0~~ *$2,000,000*		

ITEM C-5.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	§ 2-3. GEORGE MASON UNIVERSITY (247)				
C-5.	Not set out.				
C-6.	Not set out.				
C-7.	Not set out.				
C-7.10.	Not set out.				
C-8.	Not set out.				
C-8.10.	Not set out.				
C-8.11.	*New Construction: Hylton Center (18011)*			*$0*	*$2,600,000*
	Fund Sources: Higher Education Operating	*$0*	*$2,600,000*		
C-8.15.	Not set out.				
	Total for George Mason University			**$75,833,000**	**~~$6,849,000~~** ***$9,449,000***
	Fund Sources: Higher Education Operating	$4,027,000	~~$0~~ *$2,600,000*		
	Bond Proceeds	$71,806,000	$6,849,000		
	§ 2-4. JAMES MADISON UNIVERSITY (216)				
C-9.	Not set out.				
C-9.10.	*New Construction: University Services Annex Addition (18135)*			*$0*	*$8,000,000*
	Fund Sources: Higher Education Operating	*$0*	*$3,000,000*		
	Bond Proceeds	*$0*	*$5,000,000*		
C-10.	Not set out.				
C-11.	Not set out.				
C-12.	Not set out.				
C-13.	Not set out.				
C-13.10.	Not set out.				
C-13.20.	Not set out.				
	Total for James Madison University			**$230,455,000**	**~~$4,250,000~~** ***$12,250,000***
	Fund Sources: Higher Education Operating	$5,851,000	~~$4,250,000~~ *$7,250,000*		
	Bond Proceeds	$224,604,000	~~$0~~ *$5,000,000*		
C-13.40.	Not set out.				
C-13.50.	Not set out.				
C-14.	Not set out.				

ITEM C-15.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
C-15.	Not set out.				
C-16.	Not set out.				
C-17.	Not set out.				
C-18.	Not set out.				
C-19.	Not set out.				
C-19.10.	Not set out.				
C-19.20.	Not set out.				
C-20.	Not set out.				
C-21.	Not set out.				
C-22.	Not set out.				
C-23.	Not set out.				
C-24.	Not set out.				
C-25.	Not set out.				
C-26.	Not set out.				
C-27.	Not set out.				
C-28.	Not set out.				
C-29.	Not set out.				
C-30.	Not set out.				
C-31.	Not set out.				
C-31.10.	Not set out.				
	§ 2-5. VIRGINIA MILITARY INSTITUTE (211)				
C-31.50.	Not set out.				
C-31.60.	Not set out.				
C-31.70.	*Improvements: Improve Post Facilities, Phase II (18122)*			*$0*	*$4,000,000*
	Fund Sources: Bond Proceeds	*$0*	*$4,000,000*		
	Total for Virginia Military Institute			**$4,000,000**	**~~$0~~** ***$4,000,000***
	Fund Sources: Bond Proceeds	$4,000,000	~~$0~~ *$4,000,000*		
C-32.	Not set out.				
C-32.50.	Not set out.				
C-33.	Not set out.				

ITEM C-33.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	TOTAL FOR OFFICE OF EDUCATION.....			**$767,759,000**	**~~$30,749,000~~** ***$47,349,000***
	Fund Sources: Special.....	$2,222,000	$0		
	Higher Education Operating.....	$38,814,000	~~$14,250,000~~ *$19,850,000*		
	Bond Proceeds.....	$726,723,000	~~$16,499,000~~ *$27,499,000*		
	OFFICE OF NATURAL RESOURCES				
C-33.10.	Not set out.				
C-33.20.	Not set out.				
C-33.30.	Not set out.				
C-33.40.	Not set out.				
	TOTAL FOR OFFICE OF NATURAL RESOURCES			**$1,000,000**	**$14,225,000**
	Fund Sources: Dedicated Special Revenue.....	$0	$1,631,250		
	Federal Trust.....	$1,000,000	$2,893,750		
	Bond Proceeds.....	$0	$9,700,000		
	OFFICE OF PUBLIC SAFETY				
C-33.50.	Not set out.				
C-33.60.	Not set out.				
C-33.70.	Not set out.				
	TOTAL FOR OFFICE OF PUBLIC SAFETY			**$50,000**	**$0**
	Fund Sources: General.....	$50,000	$0		
	OFFICE OF VETERANS AFFAIRS AND HOMELAND SECURITY				
C-34.	Not set out.				
C-34.10.	Not set out.				
C-34.15.	Not set out.				
	TOTAL FOR OFFICE OF VETERANS AFFAIRS AND HOMELAND SECURITY			**$0**	**$541,539**
	Fund Sources: Special.....	$0	$161,539		
	Federal Trust.....	$0	$380,000		
	OFFICE OF TRANSPORTATION				
C-35.	Not set out.				
C-35.10.	Not set out.				
C-35.15.	Not set out.				
C-35.20.	Not set out.				
C-35.25.	Not set out.				
C-35.30.	Not set out.				

ITEM C-36.		Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	§ 2-6. VIRGINIA PORT AUTHORITY (407)				
C-36.	New Construction: Expand Port Terminals (17956).....			$105,500,000	$0
	Fund Sources: Bond Proceeds.....	$105,500,000	$0		
	The purpose of this project is expanded to include paving of the Exxon yard and north gates to provide additional storage and accommodate straddle carriers, and the purchase of rolling stock to increase capacity.				
C-36.10.	Not set out.				
	Total for Virginia Port Authority.....			**$107,000,000**	**$1,500,000**
	Fund Sources: Commonwealth Transportation.....	$1,500,000	$1,500,000		
	Bond Proceeds.....	$105,500,000	$0		
	TOTAL FOR OFFICE OF TRANSPORTATION.....			**$118,600,000**	**$21,500,000**
	Fund Sources: Commonwealth Transportation.....	$13,100,000	$21,500,000		
	Bond Proceeds.....	$105,500,000	$0		
	CENTRAL APPROPRIATIONS				
	§ 2-7. CENTRAL CAPITAL OUTLAY (949)				
C-37.	Not set out.				
C-38.	Not set out.				
C-38.10.	Capital Outlay Project Pool (17967).....			$119,654,056	~~$0~~ *$10,226,787*
	Fund Sources: General.....	$19,500,000	$0		
	Dedicated Special Revenue.....	$10,285,200	~~$0~~ *$10,226,787*		
	Bond Proceeds.....	$89,868,856	$0		

A. 1. The capital projects in paragraph B. of this item are hereby authorized and may be financed in whole or in part through bonds of the Virginia College Building Authority pursuant to § 23-30.24 et seq., Code of Virginia, or the Virginia Public Building Authority pursuant to § 2.2-2263, Code of Virginia. Bonds of the Virginia College Building Authority issued to finance these projects may be sold and issued under the 21st Century College Program at the same time with other obligations of the Authority as separate issues or as a combined issue. The aggregate principle amounts will not exceed $89,868,856 plus amounts to fund related issuance costs, and other financing expenses, in accordance with § 2.2-2263 of the Code of Virginia.

2. From the list of projects included in paragraph B of this item, the Director of the Department of Planning and Budget shall provide the Chairmen of the Virginia College Building Authority and the Virginia Public Building Authority with the specific projects, as well as the amounts for these projects, to be financed by each authority within the dollar limit established by this authorization.

3. Debt service on the projects contained in this item shall be provided from appropriations to the Treasury Board.

4. The appropriations for said capital projects are contained in this item and are subject to the conditions in § 2-0 F of this act.

B. The General Assembly hereby appropriates $19,500,000 *in the first year* from the general

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fund and $10,285,200 *in the first year and $10,226,787 in the second year* from nongeneral fund sources ~~in the first year~~ for the projects listed in this section.

Agency	Project Title
Department of Conservation and Recreation	Repairs and Upgrades to State Park Owned Dams
Woodrow Wilson Rehabilitation Center	Roof Replacement Birdsall-Hoover Medical Administration Building 805
Woodrow Wilson Rehabilitation Center	Asbestos Abatement, Phase 4 of 4
Woodrow Wilson Rehabilitation Center	Implement ADA Compliance Measures - Campus Wide
Department for the Blind and Vision Impaired	Replace Roof on Library Resource Center
Department of Corrections	Replace Mechanical Systems Baskerville
Department of Corrections	Replace Plumbing Systems Baskerville
Department of Corrections	Roof Replacement Keen Mountain
Department of Corrections	Roof Replacement Lawrenceville
Department of Corrections	HVAC Replacement Lawrenceville
Department of General Services	Renovate Consolidated Labs
Department of General Services	Capital Projects Space Improvement for Dept. of Conservation and Recreation
Department of General Services	Monroe Building Exterior Repairs and Jefferson Building Window Replacement
Department of General Services / Department of Veterans Services	*Expand* Virginia War Memorial / DVS Offices and Parking
Jamestown-Yorktown Foundation	Yorktown Outside Areas, Signage and Amenities
Jamestown-Yorktown Foundation	Road Wall and Sound Buffer
Roanoke Higher Education Authority	Waterproof Building
Virginia Museum of Fine Arts	Replace Roof 1985 Addition
Virginia School for the Deaf and Blind	Install Sprinklers in Byrd Hall
Virginia School for the Deaf and Blind	Improve Campus Security, ADA and Other Regulatory Compliance
Virginia Workers' Compensation Commission	Acquire New Headquarters Building
College of William and Mary	Construct Cooling Plant and Replace Utilities, Phase IV
College of William and Mary	Renovate the Brafferton and Brafferton Kitchen
College of William and Mary	Improve Accessibility Infrastructure
College of William and Mary	Improve Lake Matoaka Dam Spillway
College of William and Mary	Improve Campus Stormwater Infrastructure
Longwood University	New Biomass Boiler
Longwood University	Replace Willett Hall HVAC
George Mason University	Hylton Center
Old Dominion University	Replace Mechanical Systems in the Oceanography and Physics Building
Virginia Tech	Address Fire Alarm Systems and Access
University of Mary Washington	Improve Stormwater Management
James Madison University	Replace Boiler & Infrastructure - Phase 2
James Madison University	Newman Lake Dam Repair
James Madison University	Supplement West Wing Rockingham Hospital (17674)
Richard Bland College	Umbrella Maintenance Project
University of Virginia's College at Wise	Dam Safety Modifications

C. The Department of General Services, with the cooperation and support of the Workers' Compensation Commission, is hereby directed to manage acquisition~~or to construct~~, *construction, or leasing under a capital lease of* a new headquarters facility for the commission out of such funds as are appropriated for such purposes. If construction is the most suitable alternative, the department shall undertake design and construction of the facility as well as acquisition of any land required for such construction. ~~Upon completion of the~~ *If a capital lease is a suitable alternative and is determined by the department to be economically beneficial compared to construction or acquisition alternatives, the department may proceed*

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with negotiations for a capital lease pursuant to § 4-3.03 b.2 of this act. Upon occupancy of a new facility, the department shall sell the existing headquarters facility located at 1000 DMV Drive in Richmond, Virginia after first considering needs of the Commonwealth and other state departments, agencies and institutions.

D. The Virginia War Memorial Addition project contained in paragraph B. of this Item will include the new Shrine of Memory to house the Memorial to Virginia's Heroes killed in the Global War on Terrorism and related gallery memorial spaces. The addition will consist of 19,500 square feet to house the Global War on Terrorism memorial, the offices of the Virginia War Memorial Education Foundation and related educational programs. The educational spaces include a distance learning center and classroom, a 350 seat lecture auditorium, and other instructional spaces with supporting technology and training facilities. The Virginia War Memorial will relocate their office space into the new addition to allow for expanded exhibit and exhibit storage space in the existing building. Also included is a parking structure for up to two hundred vehicles and related landscape improvements.

C-38.20. Not set out.

C-39. Not set out.

C-39.05. Planning: Detail Planning for Capital Projects (17968).... $41,493,729 $0

Fund Sources: Higher Education Operating..... $26,067,818 $0
Dedicated Special Revenue..... $15,425,911 $0

A. The following projects shall be funded for detailed planning entirely from amounts in the Central Capital Planning Fund established under § 2.2-1520 of the Code of Virginia and any general funds provided.

Agency Code	Agency	Project Title
146	Science Museum of Virginia	Construct Event Space and Upgrade Museum Exhibits
194	Department of General Services	Renovation of the 9th Street Office Building and Parking Deck
199	Department of Conservation and Recreation	Complete Phase I Development, Powhatan State Park
203	Woodrow Wilson Rehabilitation Center	Renovate Dining Hall and Activities Building, Phase II
203	Woodrow Wilson Rehabilitation Center	Renovate Anderson Vocational Training Building, Phase I
425	Jamestown-Yorktown Foundation	Yorktown Outside Areas, Signage and Amenities
778	Department of Forensic Science	Expand Western Virginia Forensic Laboratory and Office of the Chief Medical Examiner Facility

B. The following projects shall be funded for detailed planning 50 percent from amounts in the Central Capital Planning Fund established under § 2.2-1520 of the Code of Virginia, and 50 percent from higher education operating nongeneral fund sources.

Agency Code	Agency	Project Title
212	Virginia State University	Erosion and Sediment Control Stormwater Master Plan / Retention Pond
212	Virginia State University	Renovate Lockett Hall
213	Norfolk State University	Replace Brown Hall
214	Longwood University	Construct Student Success Center
215	University of Mary Washington	Renovate Mercer and Woodward Halls
217	Radford University	Construct New Academic Building, Phase I & II
241	Richard Bland College	Renovate Ernst Hall
242	Christopher Newport University	Construct Student Success Center
260	Virginia Community College System	Construct Phase III Academic Building, Midlothian Campus, John Tyler
260	Virginia Community College System	Renovate Bayside Building, Virginia Beach Campus, Tidewater
260	Virginia Community College System	Construct New Classroom and Administration Building, Blue Ridge
260	Virginia Community College System	Renovate Building B, Parham Road Campus, J. Sargeant Reynolds

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1	260	Virginia Community College System	Renovate Reynolds Academic Building, Loudoun Campus, Northern Virginia				
2	260	Virginia Community College System	Renovate Main Hall, Middletown Campus, Lord Fairfax				
3	260	Virginia Community College System	Renovate Anderson Hall, Virginia Western				
4	268	Virginia Institute of Marine Science	Construct Consolidated Scientific Research Facility				

5 C. The following projects shall be funded for detailed planning entirely from higher education
6 operating nongeneral fund sources.

	Agency Code	Agency	Project Title
8	204	College of William and Mary	Renovate Tyler Hall
9	207	University of Virginia	Renovate the Rotunda
10	208	Virginia Tech	Construct Classroom Building
11	211	Virginia Military Institute	Construct Corps Physical Training Facilities, Phase I and Phase II
12	216	James Madison University	Construct Health and Engineering Academic Facility (East Wing Hospital)
13	221	Old Dominion University	Construct New School of Education
14	236	Virginia Commonwealth University	Construct and Renovate Information Commons and Libraries
15	247	George Mason University	Construct Academic VII / Research III, Phase I
16	247	George Mason University	Construct Life Sciences Building, Prince William

17 D. In accordance with Title 2.2, Chapter 15.1, each institution shall submit their completed
18 detailed planning documents to the Six-Year Capital Outlay Plan Advisory Committee for its
19 review and recommendation.

20 E. 1. Each public college and university is authorized to use additional higher education
21 operating nongeneral funds to move to working drawings for the projects listed in paragraph B
22 and paragraph C.

23 2. Each agency may utilize other nongeneral funds to move to working drawings for the
24 projects authorized in paragraph A.

25 F. Each agency or institution shall be reimbursed for all nongeneral funds used when the
26 project is funded to move into the construction phase.

27 G. In accordance with § 2.2-1520, the Director, Department of Planning and Budget, shall
28 reimburse the Central Capital Planning Fund for the amounts provided for detailed planning
29 when the project is funded to move into the construction phase.

30 H. 1. The Director, Department of Planning and Budget shall move the following projects to
31 detailed planning. Agencies and institutions of higher education may utilize institutional
32 nongeneral funds, for which they will be reimbursed upon approval of construction funding, to
33 advance these projects.

	Agency Code	Agency	Project Title
35	194	Department of General Services	Morson Row Renovation
36	208	Virginia Tech	Renovate / Renew Academic Buildings
37	215	University of Mary Washington	Construct Jepson Science Center Addition
38	*216*	*James Madison University*	*Renovate Madison Hall*
39	217	Radford University	Renovate Whitt Hall
40	218	Virginia School for the Deaf at Blind at Staunton */ Department of General Services*	Renovate Main Hall
41	221	Old Dominion University	Construct ~~a Joint Policing Facility~~ *Chemistry Building*
42	236	Virginia Commonwealth University	Renovate Sanger Hall, Phase II
43	236	Virginia Commonwealth University	Renovate Raleigh Building
44	238	Virginia Museum of Fine Arts	Renovate Robinson House
45	239	Frontier Culture Museum	Construct Early American Industry Exhibit
46	242	Christopher Newport University	Construct Library, Phase II

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	260	Virginia Community College System	Construct Phase VII Academic Building, Annandale Campus, Northern Virginia			
	260	Virginia Community College System	~~Renovate~~ *Replace* ~~Phase I~~ Academic and Administration Building, Eastern Shore			
	260	Virginia Community College System	Renovate Engineering and Industrial Technology Building, Danville			
	260	Virginia Community College System	Construct Bioscience Building, Blue Ridge			
	260	Virginia Community College System	Construct Student Service and Learning Resources Center, Christanna Campus, Southside VA			
	720	Department of Behavioral Health and Developmental Services	Replace Facility Roofs and Building Envelopes			

2. The following projects are authorized to proceed to preplanning:

Agency Code	Agency	Project Title
194	Department of General Services	Renovate Supreme Court Interior
194	Department of General Services	Capitol Complex Infrastructure and Security
207	University of Virginia	Renovate Gilmer Hall and Chemistry Building
214	Longwood University	Admissions Office
214	Longwood University	New Academic Building
~~216~~	~~James Madison University~~	~~Renovate Madison Hall~~
229	Virginia Cooperative Extension and Agricultural Experiment Station	Improve Kentland Facilities
242	Christopher Newport University	Construct and Renovate Fine Arts and Rehearsal Space
260	Virginia Community College System	Renovate Godwin Building, Northern Virginia CC, Annandale Campus
268	Virginia Institute of Marine Science	Construct Facilities Management Building

3. The Director, Department of Planning and Budget shall provide ~~$13,000,000~~ *$15,000,000* from the Central Capital Planning Fund established under § 2.2-1520 of the Code of Virginia and ~~$16,000,000~~ *$18,600,000* from higher education nongeneral fund revenue sources for the projects contained in paragraphs H. 1. and H. 2. Agencies and institutions of higher education may utilize additional nongeneral funds to advance these projects for which they will be reimbursed upon approval of construction funding for their project. The Director, Department of Planning and Budget shall appropriate additional nongeneral fund upon request from agencies and institutions.

4. Projects for all comprehensive and two-year institutions except for James Madison University and Virginia Military Institute shall be funded 50 percent from the central planning fund and 50 percent from higher education nongeneral fund sources. All projects for other public colleges and universities shall be funded entirely from higher education nongeneral fund sources. All other projects shall be funded entirely from central planning funds. However, all nongeneral funds used by either state agencies or public colleges and universities to conduct authorized project planning shall be reimbursed upon approval of construction funding, to advance the project.

5. Projects contained in H.2. may utilize higher education nongeneral fund sources and are authorized to proceed to detailed planning for which they will be reimbursed upon approval of construction funding for their project. The Director, Department of Planning and Budget, shall appropriate additional nongeneral funds upon request from agencies and institutions for this purpose.

C-39.10. Not set out.

C-39.20. Not set out.

C-39.30. Not set out.

C-39.40. Comprehensive Capital Outlay Program (18049)..... $0 ~~$1,154,500,000~~ *$1,466,500,000*

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Fund Sources: Higher Education Operating.....	$0	~~$56,000,000~~ *$63,201,610*		
Bond Proceeds.....	$0	~~$1,098,500,000~~ *$1,403,298,390*		

A. 1. The capital projects in paragraph B of this item are hereby authorized and may be financed in whole or in part through bonds of the Virginia College Building Authority pursuant to § 23-30.24 et seq., Code of Virginia, or the Virginia Public Building Authority pursuant to § 2.2-2263, Code of Virginia. Bonds of the Virginia College Building Authority issued to finance these projects may be sold and issued under the 21st Century College Program at the same time with other obligations of the Authority as separate issues or as a combined issue. The aggregate principal amounts will not exceed ~~$877,500,000~~ *$882,298,390* plus amounts to fund related issuance costs, and other financing expenses, in accordance with § 2.2-2263 of the Code of Virginia.

2. a) Notwithstanding any other provision of law, the Director, Department of Planning and Budget, shall provide for the construction, renovation, or improvement of the projects listed in paragraph B from proceeds of bonds previously authorized in Part 2, §§ 1 through 4 of Chapter 1, 2008 Acts of Assembly, Special Session 1 and from proceeds of bonds previously authorized in Items C-85, Chapter 874, 2010 Acts of Assembly.

b) The purpose outlined in Item C-86, paragraph A, Chapter 2, Special Session I, 2012 Acts of Assembly is rescinded. The $35,200,000 bond authority contained in that item shall be applied to the projects contained in paragraph B of this item.

3. From time to time, the Directors of the Department of Planning and Budget and the Department of General Services shall provide the Chairman of the Virginia College Building Authority or the Virginia Public Building Authority as applicable, information as to the specific projects to be financed by such authority within the dollar limit established by this authorization.

4. Debt service on the projects authorized in this item shall be provided from appropriations to the Treasury Board.

5. The appropriations for said capital projects are authorized in this item and are subject to the conditions in § 2-0 F of this act.

6. Except as provided herein, it is the intent of the General Assembly that not more than a total aggregate principal amount of $250 million in debt obligations be issued excluding refunding bonds in any fiscal year for the capital projects set forth in this item, provided, however, if less than a total aggregate principal amount of $250 million in debt obligations is incurred in any fiscal year for such capital projects, the unused amount may be added to any other subsequent fiscal year. Only under this circumstance may more than a total aggregate principal amount of $250 million in debt obligations be issued in a fiscal year for such capital projects. The provisions of this paragraph do not apply to previously authorized debt referenced in paragraph 2 of this item or the projects authorized in paragraphs C, D and E of this item.

7. The issuance of debt authorized in this item shall proceed so that the projected average annual debt service on all tax supported debt over the ten-year horizon shall be below five percent of blended revenues, as defined by the Debt Capacity Advisory Committee. All issuance requirements shall be guided by the project cash flows submitted as part of paragraph A. 8.

8. a) Agencies and institutions included in this item shall submit cash flow requirements for each project to the Director, Department of Planning and Budget and the Director, Department of General Services, the Chairmen of the House Appropriations and Senate Finance Committees and the Six-Year Capital Outlay Advisory Committee. The cash flows shall indicate quarterly cash needs to complete planning, working drawings and construction funding to the project completion. The Six-Year Capital Outlay Advisory Committee shall review the cash flow requirements and forward the project cash flows to the Department of the Treasury. The Department of Treasury shall use the cash flows as guidance for the issuance needs for the capital projects in this item by the Virginia College Building Authority and the Virginia Public Building Authority.

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b) The Six-Year Capital Outlay Advisory Committee shall, at a minimum, meet at the end of each quarter to evaluate project progress.

9. In accordance with § 2.2-1520, the Director, Department of Planning and Budget shall reimburse the Central Capital Planning Fund, agencies and institutions for any amounts provided for and expenses incurred for project planning for the projects in paragraph B of this item.

10. All projects are authorized to proceed to working drawings and then to construction phase within the parameters outlined in § 2.2-1519, Code of Virginia.

11. Beginning July 1, 2013, the Director, Department of Planning and Budget and the Director, Department of General Services shall provide a quarterly progress report to the Chairmen of the House Appropriations and Senate Finance Committees on the projects in this item.

12. The Auditor of Public Accounts shall report on the adherence to the cash flow requirements for each project and any deviation in necessary project appropriation and allotment which creates a delay in the progress of the projects. The report shall be submitted annually to the Governor, Speaker of the House of Delegates, President Pro-Tempore of the State Senate and the Chairmen of the House Appropriations and Senate Finance Committees.

B. The General Assembly hereby appropriates ~~$56,000,000~~ *$63,201,610* from nongeneral fund sources in the second year for the projects listed in this section. *Out of this amount, $7,201,610 in nongeneral funds from auxiliary enterprises revenues is designated for Virginia State University for the water storage tank project.*

Agency	**Project Title**
Science Museum of Virginia	Construct Event Space and Upgrade Museum Exhibits
Virginia State Police	Area Offices 14, 16 & 26
Department of General Services	Renovation of the 9th Street Office Building and Parking Deck
Department of Conservation and Recreation	Complete Phase I Development, Powhatan State Park and Road Improvement
Department of Conservation and Recreation	Widewater State Park, Phase I A
Department of Conservation and Recreation	New Cabins Various State Parks
Library of Virginia	State Library Improvements for Storage, Security and IT
Woodrow Wilson Rehabilitation Center	Renovate Dining Hall and Activities Building, Phase II
Woodrow Wilson Rehabilitation Center	Renovate Anderson Vocational Training Building, Phase I
College of William and Mary	Renovate Tyler Hall
University of Virginia	Renovate the Rotunda
Virginia Tech	Construct Classroom Building
Virginia Military Institute	Construct Corps Physical Training Facilities, Phase I and Phase II
Virginia State University	Erosion and Sediment Control Stormwater Master Plan / Retention Pond
Virginia State University	Renovate Lockett Hall
Virginia State University	Water Storage Tank and Campus Water Distribution Piping *and Campus Sewer Upgrades*
Norfolk State University	Replace Brown Hall
Longwood University	Construct Student Success Center
University of Mary Washington	Renovate Mercer and Woodard Halls
James Madison University	Construct Health and Engineering Academic Facility (East Wing Hospital)
Radford University	Construct New Academic Building, Phase I & II
Old Dominion University	Construct New School of Education
Virginia Commonwealth University	Construct and Renovate Information Commons and Libraries
Virginia Commonwealth University	Replacement Facility for the Virginia Treatment Center for Children
Virginia Museum of Fine Arts	Renovate Robinson House

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Richard Bland College	Renovate Ernst Hall				
Christopher Newport University	Construct Student Success Center				
George Mason University	Construct Academic VII / Research III, Phase I				
George Mason University	Construct Life Sciences Building, Prince William (Construct Bull Run Hall IIIB Addition)				
George Mason University	Central Utility Plant				
Virginia Community College System	Construct Phase III Academic Building, Midlothian Campus, John Tyler				
Virginia Community College System	Renovate Bayside Building, Virginia Beach Campus, Tidewater				
Virginia Community College System	Construct New Classroom and Administration Building, Blue Ridge				
Virginia Community College System	Renovate Building B, Parham Road Campus, J. Sargeant Reynolds				
Virginia Community College System	Expand Workforce Development Center, Danville				
Virginia Community College System	Renovate Reynolds Academic Building, Loudoun Campus, Northern Virginia				
Virginia Community College System	Renovate Main Hall, Middletown Campus, Lord Fairfax				
Virginia Community College System	~~Renovate~~ *Replace* Anderson Hall, Virginia Western				
Virginia Community College System	Renovate Sowder Hall, Fauquier Campus, Lord Fairfax				
Virginia Institute of Marine Science	Construct Consolidated Scientific Research Facility				
Jamestown-Yorktown Foundation	Yorktown Outside Areas, Signage and Amenities				
DBHDS	Western State Hospital Supplement				
Department of Forensic Science	Expand Western Virginia Forensic Laboratory and Office of the Chief Medical Examiner Facility				
Department of Corrections	Richmond P & P				
Department of Corrections	Construct James River Water Line				
Department of Veterans Services	Hampton Roads Veterans Care Center				
Department of Veterans Services	Northern Virginia Veterans Care Center				

C. 1. The water quality and supply projects in paragraph D of this item are hereby authorized and may be financed in whole or in part through bonds of the Virginia Public Building Authority issued pursuant to § 2.2-2263, Code of Virginia. The aggregate principal amounts will not exceed $221,000,000 plus amounts to fund related issuance costs, and other financing expenses, in accordance with § 2.2-2263 of the Code of Virginia.

2. The appropriations for said capital projects are contained in this item and are subject to the conditions in § 2-0 F of this act.

3. Except as provided for in paragraph C.2. of this item, the provisions of §§ 2.0 and 4-4.01 of this act and the provisions of §2.2-1132, Code of Virginia, shall not apply to projects supported in programs set out in paragraph D of this item.

4. The Department of Environmental Quality ~~and the Department of Conservation and Recreation~~ shall submit cash flow requirements for each program in paragraph D of this item to the Director, Department of Planning and Budget and the State Treasurer. The cash flows shall indicate quarterly cash needs to the programs' completion.

5. Beginning July 1, 2013, the Director, Department of Planning and Budget and the State Treasurer shall provide a quarterly progress report to the Chairmen of the House Appropriations and Senate Finance Committees on the projects in this item.

D.1. Stormwater Local Assistance Fund. From the appropriation and bond authorization provided in this item, up to $35,000,000 of the bond proceeds shall be provided to the Department of *Environmental Quality* ~~Conservation and Recreation~~ for the Stormwater Local Assistance Fund, established in accordance with the provisions of Item 360 of this Act. In accordance with the purpose of the Fund set out in Item 360, the bond proceeds shall be used to provide grants solely for capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the *State Water Control Board* ~~Virginia Soil~~

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~~and Water Conservation Board~~ under the authority of the Department of *Environmental Quality* ~~Conservation and Recreation~~.

2. Combined Sewer Overflow Matching Fund. From the appropriation and bond authorization provided in this item, up to $75,000,000 of the bond proceeds shall be provided to the Department of Environmental Quality for the Combined Sewer Overflow Matching Fund, established pursuant to § 62.1-241.12, Code of Virginia. These bond proceeds shall be used by the Virginia Resources Authority and the State Water Control Board to make grants to the cities of Lynchburg, and Richmond to pay a portion of the capital costs of their combined sewer overflow control projects. Disbursements from these proceeds shall be authorized by the State Water Control Board, under the authority of the Department of Environmental Quality, and administered by the Virginia Resources Authority through the Combined Sewer Overflow Matching Fund. Of the net proceeds, up to $30,000,000 shall be provided to the City of Lynchburg, *and* up to $45,000,000 shall be provided to the City of Richmond. No such net proceeds shall be used to pay debt service on obligations of the cities of Lynchburg, or Richmond, or any other localities or regional or local authorities.

3. Nutrient Removal Grants. From the appropriation and bond authorization provided in this item, up to $101,000,000 of the bond proceeds shall be provided to the Department of Environmental Quality to reimburse entities as provided in § 10.1-2117 et seq., Code of Virginia, considered as eligible Significant and Non-Significant Dischargers in the Chesapeake Bay watershed for capital costs incurred for the design and installation of nutrient removal technology. Such reimbursements shall be in accordance with eligibility determinations made by the Department of Environmental Quality pursuant to the provisions of this enactment and Chapter 21.1 of Title 10.1, Code of Virginia, including but not limited to the qualifications of projects for Virginia Water Quality Improvement Grants as set forth in §§ 10.1-2129, 10.1-2130, and 10.1-2131, Code of Virginia, and in written guidelines developed by the Secretary of Natural Resources in accordance with § 10.1-2129, Code of Virginia.

4.Hopewell Regional Wastewater Treatment Authority. From the appropriation and bond authorization provided in this item, up to $5,000,000 shall be provided to the Department of Environmental Quality to provide a supplemental Nutrient Removal Grant, as established in § 10.1-2117 et seq., Code of Virginia, to reimburse capital costs incurred by the Hopewell Regional Wastewater Treatment Authority for the design and installation of nutrient removal technology. Such reimbursement shall be in addition to any conventional grant awarded for the nutrient removal project to the extent determined by the Department of Environmental Quality pursuant to the provisions of Chapter 21.1 of Title 10.1, Code of Virginia, including but not limited to the qualifications of projects for Virginia Water Quality Improvement Grants as set forth in §§ 10.1-2129, 10.1-2130, and 10.1-2131, Code of Virginia, and in written guidelines developed by the Secretary of Natural Resources in accordance with § 10.1-2129.

5. Appomattox River Water Authority. From the appropriation and bond authorization provided in this item, up to $5,000,000 shall be provided for the Department of Environmental Quality to provide a grant for the Appomattox River Water Authority, to increase the supply of drinking water for the counties of Dinwiddie, Prince George, and Chesterfield, the cities of Colonial Heights and Petersburg, and the U.S. Army Garrison at Fort Lee, and to improve stream flow within the Appomattox River. The amount provided shall be matched by local contributions from any one or more of the affected local governments totaling $5,000,000.

E.1. The Director, Department of General Services, is authorized to proceed to working drawings and construction phase for its projects contained in C-39.05, paragraphs H.1. and H.2. The projects may be financed in whole or in part through bonds of the Virginia Public Building Authority issued pursuant to § 2.2-2263, Code of Virginia. The aggregate principal amounts will not exceed $300,000,000 plus amounts to fund related issuance costs, and other financing expenses, in accordance with § 2.2-2263 of the Code of Virginia.

2. The Director, Department of General Services shall coordinate its projects with the design, building and dedication of the Public Safety Memorial.

~~E~~F. The administration of payments specifically listed in Paragraph D, and shown below, shall be subject to the provisions of § 4-1.03,C.4. of this Act.

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Agency	Project Title
Department of Environmental Quality~~Conservation and Recreation~~	Stormwater Local Assistance Fund
Department of Environmental Quality	Combined Sewer Overflow Matching Fund
Department of Environmental Quality	Nutrient Removal Grants

Total for Central Capital Outlay			**$351,995,877**	**~~$1,215,776,092~~** ***$1,538,002,879***
Fund Sources: General	$19,500,000	$0		
Higher Education Operating	$26,067,818	~~$56,000,000~~ *$63,201,610*		
Dedicated Special Revenue	$25,711,111	~~$0~~ *$10,226,787*		
Bond Proceeds	$280,716,948	~~$1,159,776,092~~ *$1,464,574,482*		

C-40. Not set out.

§ 2-8. 9(D) REVENUE BONDS (951)

C-41. 1. This Item authorizes the capital projects listed below to be financed pursuant to Article X, Section 9(d), Constitution of Virginia.

2. The appropriations for said capital projects are contained in the appropriation Items listed below and are subject to the conditions in § 2-0 F of this act.

3. The total amount listed in this Item includes ~~$599,928,000~~ *$608,928,000* in bond proceeds.

Agency Name/ Project Title	Item #	Project Code	Section 9(d) Bonds
College of William and Mary			
Improve Auxiliary Facilities	C-3	17934	$12,000,000
Improve Marshall-Wythe School of Law	C-3.20	18046	$12,000,000
Property Acquisition and Required Repairs	C-3.30	18047	$23,000,000
George Mason University			
Construct Economics Building	C-5	17928	$30,735,000
Expand Central Utility Plant, Fairfax Campus	C-8.15	18043	$6,849,000
James Madison University			
Construct Campus Parking	C-9	17941	$29,621,000
Construct University Services Annex Addition	*C-9.10*	*18135*	*$5,000,000*
Construct Recreational Center Addition	C-13	17953	$56,983,000
Construct Convocation Center	C-13.10	17963	$88,000,000
University of Mary Washington			
Refinance Student Housing and Parking Deck	C-13.50	17964	$90,000,000
Old Dominion University			
Construct Campus Dining Improvements	C-16	17946	$24,766,000
Expand Webb University Center	C-17	17947	$19,945,000
University of Virginia			
Replace East Chiller Plant	C-21	17930	$28,640,000
Virginia Commonwealth University			
Construct MCV Campus Parking Deck	C-25	17938	$30,000,000
Virginia Military Institute			
Improve Post Facilities	C-31.50	17902	$4,000,000
Improve Post Facilities, Phase II	*C-31.70*	*18122*	*$4,000,000*
Virginia Polytechnic Institute and State University			

ITEM C-41.			Item Details($) First Year FY2013	Item Details($) Second Year FY2014	Appropriations($) First Year FY2013	Appropriations($) Second Year FY2014
	Construct Veterinary Medicine Instruction Addition	C-32		17931	$11,000,000	
	Virginia State University					
	Construct New Student Union	C-32.50		17965	$35,547,000	
	Virginia Community College System					
	Construct Parking, Midlothian Campus, John Tyler	C-26		17942	$6,829,000	
	Construct Parking Garage, Annandale Campus, Northern Virginia	C-27		17923	$16,912,000	
	Construct Parking Deck, Woodbridge Campus, Northern Virginia	C-28		17924	$23,467,000	
	Construct Parking Garage, Chesapeake Campus, Tidewater	C-29		17925	$25,893,000	
	Construct Parking Garage, Chester Campus, John Tyler	C-30		17926	$6,829,000	
	Construct Parking Garage, Loudoun Campus, Northern Virginia	C-31		17927	$16,912,000	
	Total for Nongeneral Fund Obligation Bonds 9(d)				~~**$599,928,000**~~ ***$608,928,000***	

C-42. Not set out.

Total for 9(D) Revenue Bonds		**$0**	**$0**
TOTAL FOR CENTRAL APPROPRIATIONS		**$351,995,877**	~~**$1,215,776,092**~~ ***$1,538,002,879***
Fund Sources: General	$19,500,000 / $0		
Higher Education Operating	$26,067,818 / ~~$56,000,000~~ *$63,201,610*		
Dedicated Special Revenue	$25,711,111 / ~~$0~~ *$10,226,787*		
Bond Proceeds	$280,716,948 / ~~$1,159,776,092~~ *$1,464,574,482*		
TOTAL FOR PART 2: CAPITAL PROJECT EXPENSES		**$1,239,904,877**	~~**$1,282,791,631**~~ ***$1,621,618,418***
Fund Sources: General	$20,050,000 / $0		
Special	$2,222,000 / $161,539		
Higher Education Operating	$64,881,818 / ~~$70,250,000~~ *$83,051,610*		
Commonwealth Transportation	$13,100,000 / $21,500,000		
Dedicated Special Revenue	$25,711,111 / ~~$1,631,250~~ *$11,858,037*		
Federal Trust	$1,000,000 / $3,273,750		
Bond Proceeds	$1,112,939,948 / ~~$1,185,975,092~~ *$1,501,773,482*		

	Item Details($)		Appropriations($)	
	First Year FY2013	Second Year FY2014	First Year FY2013	Second Year FY2014

PART 3: MISCELLANEOUS

§ 3-1.01 INTERFUND TRANSFERS

A.1. In order to reimburse the general fund of the state treasury for expenses herein authorized to be paid therefrom on account of the activities listed below, the State Comptroller shall transfer the sums stated below to the general fund from the nongeneral funds specified, except as noted, on January 1 of each year of the current biennium. Transfers from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of the quarter. The payment for the fourth quarter of each fiscal year shall be made in the month of June.

	FY 2013	**FY 2014**
1. Alcoholic Beverage Control Enterprise Fund (§ 4.1-116, Code of Virginia)		
a) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies (from Alcoholic Beverage Control gross profits)	$65,375,769	$65,375,769
b) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies (from gross wine liter tax collections as specified in § 4.1-234, Code of Virginia)	$9,141,363	$9,141,363
2. Forest Products Tax Fund (§ 58.1-1609, Code of Virginia)	$26,652	~~$26,652~~
For collection by Department of Taxation		*$30,757*
3. Peanut Fund (§ ~~3.1-662~~ *3.2-1906*, Code of Virginia)	$2,496	~~$2,496~~
For collection by Department of Taxation:		*$4,003*
4. For collection by Department of Taxation		
a) Aircraft Sales & Use Tax (§ 58.1-1509, Code of Virginia)	$68,568	~~$68,568~~
		$86,913
b) Soft Drink Excise Tax	$2,770	~~$2,770~~
		$2,935
c) Virginia Litter Tax	$13,507	~~$13,507~~
		$12,748
5. Proceeds of the Tax on Motor Vehicle Fuels		
For inspection of gasoline, diesel fuel and motor oils	$97,586	$97,586
6. Virginia Retirement System (Trust and Agency)		
For postage by the Department of the Treasury	$45,000	$45,000
7. Department of Alcoholic Beverage Control (Enterprise)		
For services by the:		
a) Auditor of Public Accounts	$75,521	$75,521
b) Department of Accounts	$64,607	$64,607
c) Department of the Treasury	$47,628	$47,628
8. Commission on The Virginia Alcohol Safety Action Program (Special)		
For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies.	$600,000	*$600,000*
TOTAL	**$75,561,467**	**~~$74,961,467~~**
		$75,584,830

2.a. Transfers of net profits from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of each quarter. The transfer of fourth quarter profits shall be estimated and made in the month of June. In the event actual net profits are less than the estimate transferred in June, the difference shall be deducted from the net profits of the next quarter and the resulting sum transferred to the general fund. Distributions to localities shall be made within fifty (50) days of the close of each quarter. Net profits are estimated at $66,595,630 the first year and ~~$69,266,066~~ *$71,600,000* the second year.

b. Pursuant to § 4.1-116 B, Code of Virginia, the Department of Alcoholic Beverage Control shall notify the State Comptroller of the amount to be deducted quarterly from the net profits for transfer to the reserve fund established by the cited section.

B.1. If any transfer to the general fund required by any subsections of §§ 3-1.01 through 3-6.02 is subsequently determined to be in violation of any federal statute or regulation, or Virginia constitutional requirement, the State Comptroller is hereby directed to reverse such transfer and to return such funds to the affected nongeneral fund account.

2. There is hereby appropriated from the applicable funds such amounts as are required to be refunded to the federal government for mutually agreeable resolution of internal service fund over-recoveries as identified by the U. S. Department of Health and Human Services' review of the annual Statewide Indirect Cost Allocation Plans.

C. In order to fund such projects for improvement of the Chesapeake Bay and its tributaries as provided in § 58.1-2289 D, Code of Virginia, there is hereby transferred to the general fund of the state treasury the amounts listed below. The Department of Motor Vehicles shall be responsible for effecting the provisions of this paragraph. The amounts listed below shall be transferred on June 30 of each fiscal year.

154	Department of Motor Vehicles	$7,416,469	$7,416,469

D. The provisions of Chapter 6 of Title 58.1, Code of Virginia notwithstanding, the State Comptroller shall transfer to the general fund from the special fund titled "Collections of Local Sales Taxes" a proportionate share of the costs attributable to increased local sales and use tax compliance efforts, *the Property Tax Unit,* and State Land Evaluation Advisory Committee (SLEAC) services by the Department of Taxation estimated at $5,936,004 the first year and ~~$5,894,944~~ *$5,534,552* the second year.

E. The State Comptroller shall transfer to the general fund from the Transportation Trust Fund a proportionate share of the costs attributable to increased sales and use tax compliance efforts *and revenue forecasting for the Transportation Trust Fund* by the Department of Taxation estimated at $2,915,502 the first year and ~~$2,894,972~~ *$2,714,776* the second year.

F. On or before June 30 of each year, the State Comptroller shall transfer $6,691,692 the first year and $6,125,197 the second year to the general fund the following amounts from the agencies and fund sources listed below, for expenses incurred by central service agencies:

Agency Name	**Fund Group**	**FY 2013**	**FY 2014**
Supreme Court of Virginia (111)	0900	$212,288	$0
Board of Bar Examiners (233)	0200	$3,003	$3,003
Department of Minority Business Enterprise (232)	0400	$0	$30,660
Virginia Veterans Care Center (128)	0200	$39,905	$39,905
Department of Agriculture and Consumer Services (301)	0900	$0	$73,138
Department of Forestry (411)	0200	$0	$26,254
Department of Labor and Industry (181)	0200	$345	$4,942
Board of Accountancy (226)	0900	$9,286	$8,301
Virginia Tobacco Indemnification and Community Revitalization Commission (851)	0900	$150,280	$193,222
Virginia Museum of Fine Arts (238)	0200	$8,561	$8,561
Jamestown-Yorktown Foundation (425)	0200	$36,827	$18,827
Southwest Virginia Higher Education Center (948)	0200	$25,522	$25,522
Woodrow Wilson Rehabilitation Center (203)	0200	$81,312	$81,312
Department of Rehabilitative Services (262)	0900	$16,187	$16,187
Department for the Deaf and Hard-of-Hearing (751)	0200	$11,899	$11,899
Virginia Foundation for Healthy Youth (852)	0900	$21,695	$21,695
Department of Conservation and Recreation (199)	0200	$0	$109,351
Department of Conservation and Recreation (199)	0900	$154,527	$0
Marine Resources Commission (402)	0200	$192,926	$27,827

Department of Game and Inland Fisheries (403)	0900	$576,206	$309,512
Department of Environmental Quality (440)	0900	$16,184	$0
Virginia Museum of Natural History (942)	0200	$1,745	$1,745
Department of Criminal Justice Services (140)	0200	$45,065	$54,452
Department of State Police (156)	0200	$39,757	$39,757
Department of Fire Programs (960)	0200	$0	$27,245
Sitter-Barfoot Veterans Care Center (922)	0200	$20,484	$20,484
Department of Motor Vehicles (154)	0400	$1,034,919	$1,034,919
Virginia Port Authority (407)	0200	$70,090	$117,711
Virginia Port Authority (407)	0400	$87,923	$75,412
Department of Transportation (501)	0400	$3,028,317	$3,028,317
Department of Rail and Public Transportation (505)	0400	$418,072	$418,072
Motor Vehicle Dealer Board (506)	0200	$14,311	$14,311
Board of Towing and Recovery Operations (507)	0200	$7,943	$0
Department of Aviation (841)	0400	$75,212	$86,127
Virginia College Savings Plan (174)	0500	$290,901	$196,527
TOTALS		**$6,691,692**	**$6,125,197**

G.1. The Comptroller shall transfer to the Lottery Proceeds Fund established pursuant to § ~~58.1-4002.1~~ *58.1-4022.1*, Code of Virginia, an amount estimated at $487,300,000 the first year and ~~$462,000,000~~ *$532,700,000* the second year, from the State Lottery Fund. The transfer each year shall be made in two parts: (1) on or before January 1 of each year, the Comptroller shall transfer the balance of the State Lottery Fund for the first five months of the fiscal year and (2) thereafter, the transfer will be made on a monthly basis. Prior to June 20 of each year, the State Lottery Director shall estimate the amount of profits in the State Lottery Fund for the month of June and shall notify the State Comptroller so that the estimated profits can be transferred to the Lottery Proceeds Fund prior to June 22.

2. No later than 10 days after receipt of the annual audit report required by § 58.1-4023, Code of Virginia, the Comptroller shall transfer to the Lottery Proceeds Fund the remaining audited balances of the State Lottery Fund for the prior fiscal year. If such annual audit discloses that the actual revenue is less than the estimate on which the June transfer was based, the State Comptroller shall adjust the next monthly transfer from the State Lottery Fund to account for the difference between the actual revenue and the estimate transferred to the Lottery Proceeds Fund. The State Comptroller shall take all actions necessary to effect the transfers required by this paragraph, notwithstanding the provisions of § ~~58.1-4022~~ *58.1-4022.1*, Code of Virginia. In preparing the Comprehensive Annual Financial Report, the State Comptroller shall report the Lottery Proceeds Fund as specified in § 58.1-4002.1, Code of Virginia.

H.1. The State Treasurer is authorized to charge up to 20 basis points for each nongeneral fund account which he manages and which receives investment income. The assessed fees, which are estimated to generate $2,800,000 the first year and $3,000,000 the second year, will be based on a sliding fee structure as determined by the State Treasurer. The amounts shall be paid into the general fund of the state treasury.

2.a. The State Treasurer is authorized to charge institutions of higher education participating in the pooled bond program of the Virginia College Building Authority an administrative fee of up to 10 basis points of the amount financed for each project in addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected from the public institutions of higher education, which are estimated to generate $150,000 the first year and $150,000 the second year, shall be paid into the general fund of the state treasury.

b. The State Comptroller shall transfer to the general fund on June 30, 2013 and on June 30, 2014, respectively, the amount in excess of $5,000 in the Virginia College Building Authority Private College Financing Program Fees (Fund 0220) at the Department of the Treasury.

3. The State Treasurer is authorized to charge agencies, institutions and all other entities that utilize alternative financing structures and require Treasury Board approval, including capital lease arrangements, up to 10 basis points of the amount

financed in addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected shall be paid into the general fund of the state treasury.

4. The State Treasurer is authorized to charge projects financed under Article X, Section 9(c) of the Constitution of Virginia, an administrative fee of up to 10 basis points of the amount financed for each project in addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected are estimated to generate $75,000 the first year and $75,000 the second year, and shall be paid into the general fund of the state treasury.

I. The State Comptroller shall transfer to the general fund of the state treasury 50 percent of the annual reimbursement received from the Manville Property Damage Settlement Trust for the cost of asbestos abatement at state-owned facilities. The balance of the reimbursement shall be transferred to the state agencies that incurred the expense of the asbestos abatement.

J. The State Comptroller shall transfer to the general fund from the Revenue Stabilization Fund in the state treasury any amounts in excess of the limitation specified in § 2.2-1829, Code of Virginia.

K.1. Not later than 30 days after the close of each quarter during the biennium, the Comptroller shall transfer, notwithstanding the allotment specified in § 58.1-1410, Code of Virginia, funds collected pursuant to § 58.1-1402, Code of Virginia, from the general fund to the Game Protection Fund. This transfer shall not exceed $3,700,000 the first year and ~~$3,700,000~~ *$5,700,000* the second year.

2. Notwithstanding the provisions of subparagraph K.1. above, the Governor may, at his discretion, direct the Comptroller to transfer to the Game Protection Fund, any funds collected pursuant to § 58.1-1402, Code of Virginia, that are in excess of the official revenue forecast for such collections.

L.1. On or before June 30 each year, the State Comptroller shall transfer from the general fund to the Family Access to Medical Insurance Security Plan Trust Fund the amount required by § 32.1-352, Code of Virginia. This transfer shall not exceed $14,065,627 the first year and $14,065,627 the second year. The State Comptroller shall transfer 90 percent of the yearly estimated amounts to the Trust Fund on July 15 of each year.

2. Notwithstanding any other provision of law, interest earnings shall not be allocated to the Family Access to Medical Insurance Security Plan Trust Fund (agency code 602, fund detail 0903) in either the first year or the second year of the biennium.

M.1. Not later than thirty days after the close of each quarter during the biennium, the Comptroller shall transfer to the Game Protection Fund the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia. Notwithstanding § 58.1-638 E, this transfer shall not exceed $10,635,320 the first year and ~~$10,635,320~~ *$13,000,000* the second year.

N.1. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Indemnification and Community Revitalization Fund to the general fund an amount estimated at $244,268 the first year and $244,268 the second year. This amount represents the Tobacco Indemnification and Community Revitalization Commission's 50 percent proportional share of the Office of the Attorney General's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.1-336.2, Code of Virginia.

2. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Settlement Fund to the general fund an amount estimated at $48,854 the first year and $48,854 the second year. This amount represents the Tobacco Settlement Foundation's ten percent proportional share of the Office of the Attorney General's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.1-336.2, Code of Virginia.

O. On or before June 30 each year, the State Comptroller shall transfer to the general fund $4,000,000 the first year and ~~$5,092,429~~ *$4,589,914* the second year from the Court Debt Collection Program Fund at the Department of Taxation.

P. On or before June 30 each year, the State Comptroller shall transfer to the general fund $7,400,000 the first year and $7,400,000 the second year from the Department of Motor Vehicles' Uninsured Motorists Fund. These amounts shall be from the share that would otherwise have been transferred to the State Corporation Commission.

Q. On or before June 30 each year, the State Comptroller shall transfer an amount estimated at $6,500,000 the first year and an amount estimated at $6,500,000 the second year to the general fund from the Intensified Drug Enforcement Jurisdictions Fund at the Department of Criminal Justice Services.

R. On or before June 30 each year, the State Comptroller shall transfer from agency and institution nongeneral fund accounts to the general fund an amount estimated at $861,400 the first year and $861,400 the second year, resulting from savings pursuant to a Virginia Information Technologies Agency rate decrease for telecommunications services effective November, 2003. The Director, Department of Planning and Budget, shall provide the Comptroller with the amount to be transferred from each agency and institution of higher education.

~~S. The Department of Alcoholic Beverage Control shall sell the building in which the Alexandria Regional office is currently located. Notwithstanding the provisions of §2.2-1156, Code of Virginia, all the proceeds from the sale of such property,~~

~~estimated to be $11,700,000, shall be deposited into the general fund no later than June 30, 2014.~~

T. On or before June 30 each year, the State Comptroller shall transfer to the general fund $1,550,385 the first year and $1,550,385 the second year from operating efficiencies to be implemented by the Department of Alcoholic Beverage Control.

U. The State Comptroller shall transfer quarterly, one-half of the revenue received pursuant to § 18.2-270.01, of the Code of Virginia, and consistent with the provisions of § 3-6.03 of this act, to the general fund in an amount not to exceed $9,055,000 the first year, and $9,055,000 the second year from the Trauma Center Fund contained in the Department of Health's Financial Assistance for Non Profit Emergency Medical Services Organizations and Localities (40203).

V. On or before June 30 each year, the State Comptroller shall transfer $600,000 the first year and $600,000 the second year to the general fund from the Land Preservation Fund (Fund 0216) at the Department of Taxation.

W. Unless prohibited by federal law or regulation or by the Constitution of Virginia and notwithstanding any contrary provision of state law, on June 30 of each fiscal year, the State Comptroller shall transfer to the general fund of the state treasury the cash balance from any nongeneral fund account that has a cash balance of less than $100. This provision shall not apply to institutions of higher education, bond proceeds, or trust accounts. The State Comptroller shall consult with the Director of the Department of Planning and Budget in implementing this provision and, for just cause, shall have discretion to exclude certain balances from this transfer or to restore certain balances that have been transferred.

X. On or before June 30, 2013, the State Comptroller shall transfer from agency and institution nongeneral fund accounts to the general fund amounts estimated at $164,885, resulting from savings associated with the reduction of agency charges for the statewide purchase and supply system operated by the Department of General Services. The Director, Department of Planning and Budget, shall provide the Comptroller with the amount to be transferred from each agency and institution of higher education. Constitutionally protected funds and amounts from federal sources are excluded from this action.

~~Y.1. The Brunswick Correctional Center operated by the Department of Corrections shall be sold. The estimated amount of the proceeds to be received is $20,000,000. The Commonwealth may enter into negotiations with (1) the Virginia Tobacco Indemnification and Community Revitalization Commission, (2) regional local governments, and (3) regional industrial development authorities for the purchase of this property as an economic development site.~~

~~2. Notwithstanding the provisions of § 2.2-1156, Code of Virginia or any other provisions of law, up to $10,000,000 from the proceeds of the sale of the Brunswick Correctional Center shall be paid into the general fund and any amount above $10,000,000 shall be paid into the Federal Action Contingency Trust (FACT) Fund contained in Item 469 J. of this act. Any proceeds deposited into the Federal Action Contingency Trust (FACT) Fund pursuant to this paragraph are hereby appropriated.~~

Z. The former Virginia School for the Deaf, Blind, and Multi-disabled campus operated by the Department of Education shall be sold and the proceeds of such sale deposited into the general fund notwithstanding the provisions of §2.2-1156, Code of Virginia. The estimated amount of the payments to be received is $2,500,000 the first year.

AA. On or before June 30 each year the State Comptroller shall transfer an estimated $2,450,000 from the fund created pursuant to § 17.1-275.12 of the Code of Virginia, to Items 341, 393, and 417 of this act, for the purposes enumerated in Section 17.1-275.12.

BB. On or before June 30 each year, the State Comptroller shall transfer $10,518,587 the first year and $10,518,587 the second year to the general fund from the $2.00 increase in the annual vehicle registration fee from the special emergency medical services fund contained in the Department of Health’s Emergency Medical Services Program (40200).

CC. The provisions of Chapter 6.2, Title 58.1, Code of Virginia, notwithstanding, on or before June 30 each year the State Comptroller shall transfer to the general fund from the proceeds of the Virginia Communications Sales and Use Tax (fund 0926), the Department of Taxation’s indirect costs of administering this tax estimated at $114,775 the first year and ~~$111,034~~ *$114,413* the second year.

DD. On or before June 30 each year, the State Comptroller shall transfer $111,900 the first year and $111,900 the second year from the State Surplus Property Sales fund in the Department of General Services. Of this amount, $14,547 the first year and $14,547 the second year is reserved for federal reversion upon request.

EE. On or before June 30 each year, the State Comptroller shall transfer $3,200,000 the first year and $3,200,000 the second year to the general fund from unobligated nongeneral fund balances in the State Corporation Commission.

FF. On or before June 30 each year, the State Comptroller shall transfer to the general fund $253,477 the first year and $168,985 the second year, from Fund 0200 in the Department of Agriculture and Consumer Services.

GG.1. On or before June 30, 2013, the State Comptroller shall transfer $70,000 to the general fund from the Voluntary Contribution Administration Fund (Fund 0251) in the Department of Taxation.

2. On or before June 30, 2013, the State Comptroller shall transfer $9,287 to the general fund from the Surplus Supplies and Equipment Fund (Fund 0287) in the Department of Taxation.

HH. On or before June 30, 2013, the State Comptroller shall transfer to the general fund $8,915 from the Surplus Supplies and Equipment Fund (Fund 0287) in the Department of Forensic Science.

II.~~1. Notwithstanding the provisions of Section 2.2-1156, Code of Virginia, the proceeds, estimated at $162,900, from the sale by the Department of Forestry of the property located at 16010 James River Drive, Prince George, Virginia, shall be deposited into the general fund no later than June 30, 2014.~~

2. Notwithstanding the provisions of Section 2.2-1156, Code of Virginia, the proceeds, estimated at ~~$89,281~~ *$61,458*, from the sale by the Department of Forestry of the property located at 450 Timberline Drive, Galax, Virginia, shall be deposited into the general fund no later than June 30, 2014.

3. Notwithstanding the provisions of Section 2.2-1156, Code of Virginia, the proceeds, estimated at ~~$173,000~~ *$140,000*, from the sale by the Department of Forestry of the property located at 2229 East Nine Mile Road, Sandston, Virginia, shall be deposited into the general fund no later than June 30, 2014.

4. Notwithstanding the provisions of Section 2.2-1156, Code of Virginia, the proceeds, estimated at $80,000, from the sale by the Department of Forestry of the property located at 1593 Burchs Creek Road, Batesville, Virginia, shall be deposited into the general fund no later than June 30, 2014.

JJ. Any amount designated by the Comptroller from the June 30, 2012, or June 30, 2013, general fund balance for transportation pursuant to § 2.2-1514B., Code of Virginia, is hereby appropriated.

KK. On or before June 30 each year the State Comptroller shall transfer all amounts, estimated at $939,682 the first year and ~~$939,682~~ *$2,135,821* the second year, to the general fund from the fees generated by the Firearms Transaction Program Fund, the Concealed Weapons Program, and the Conservator of the Peace Program pursuant to §§ 18.2-308, 18.2-308.2:2 and 19.2-13, Code of Virginia.

LL. The Department of General Services is authorized to sell to Virginia Electric and Power Company, a Virginia corporation d/b/a Dominion Virginia Power, for such consideration as the Governor may approve, a parcel of land containing 2.84 acres, more or less, together with access thereto and any easements as may be necessary for construction and operation of an electric power substation. The property is located in the northwest quadrant of the lands in possession of the Department of General Services at 2400 West Leigh Street in Richmond, Virginia and occupied by the Office of Fleet Management Services. Notwithstanding the provisions of § 2.2-1156, the proceeds of the sale, after deduction of expenses of the sale and deductions for such cost as may be approved by the Governor for improvements to the remaining property needed to accommodate the sale to Dominion Virginia Power, shall be deposited to the general fund.

MM. The Comptroller shall transfer balances from the Foundation for Virginia's Natural Resources Trust Fund to the Virginia Land Conservation Fund to promote environmental education, pollution prevention, and citizen monitoring by fostering and supporting collaborative efforts among businesses, citizens, communities, local governments, and state agencies.

NN.1. As required by §4-1.05 b of Chapter 3, 2012 Special Session I, $22,408.78 in various inactive nongeneral fund accounts were reverted by the State Comptroller to the general fund in the first year *and $93,479.09 were reverted in the second year*.

2. On or before June 30, 2013, the State Comptroller shall restore $0.44 to the Central Capital Planning Fund (Fund 0965) in the University of Mary Washington, pursuant to Section 4-1.05 b. of this act.

3. On or before June 30, 2013, the State Comptroller shall restore $7,500 to the Public-Private Education Act Fund (Fund 0275) in George Mason University, pursuant to Section 4-1.05 b. of this act.

4. On or before June 30, 2013, the State Comptroller shall restore $76.27 to the Central Capital Planning Fund (Fund 0965) in George Mason University, pursuant to Section 4-1.05 b. of this act.

5. On or before June 30, 2013, the State Comptroller shall restore $1,443.65 to the Special Fund (Fund 0200) in the Department of Game and Inland Fisheries, pursuant to Section 4-1.05 b. of this act.

6. On or before June 30, 2013, the State Comptroller shall restore $2,898.39 to the Eminent Scholars Fund (Fund 0311) in Virginia State University, pursuant to Section 4-1.05 b. of this act.

OO.1. On or before June 30 of each year, the State Comptroller shall transfer amounts estimated at $2,837,651 the first year and ~~$2,265,000~~ *$5,483,605* the second year from the agencies and fund sources listed below to the general fund of the state treasury.

Agency / Purpose	Fund	FY 2013	FY 2014
Office of the Attorney General (141)			
Regulatory And Consumer Advocacy Revolving Trust Fund excess cash balance	0239	$6,800,000	$1,400,000
Department of General Services (194)			
Trust And Agency Fund excess cash balance	0700	$223,616	$0
Department of Agriculture and Consumer Services (301)			
Virginia Pesticide Control Act Fund savings	0901	$0	$400,000
Department of Forestry (411)			
Transfer cash balances in the State Lands	*0212*	*$0*	*$100,000*
Department of Labor and Industry (181)			
Transfer nongeneral fund cash balances to the general fund	*0200*	*$0*	*$60,000*
James Madison University (216)			
Central Capital Planning Fund excess cash balance	0965	$0.28	$0
Virginia Museum of Fine Arts (238)			
Enterprise Fund savings	0500	$0	$5,000
Department of Taxation (161)			
Special Fund savings	0200	$0	~~$200,000~~ *$300,000*
Parking Fund savings	0292	$0	$60,000
Department of Health (601)			
Special Fund excess cash balance	0200	$1,105,014	$0
Transfer Bedding and Upholstery Fund balances	*0203*	*$0*	*$500,000*
Appropriated Indirect Cost Recoveries Fund excess cash balance	0280	$338,096	*$628,890*
Transfer surplus property sales balance	*0287*	*$0*	*$17,380*
Transfer Medical and Physicians Assistant Scholarship and Loan Repayment Fund balances	*0934*	*$0*	*$258,428*
Transfer Nursing Scholarship and Loan Repayment Fund balances	*0932*	*$0*	*$106,512*
Department of Medical Assistance Services (602)			
State/Local Hospitalization Program Fund excess cash balance	0204	$167,535	$0
Department for Aging and Rehabilitative Services (262)			
Surplus Supplies and Equipment Sales Fund excess cash balance	0288	$3,687	$0
Department of Social Services (765)			
Disaster Recovery Fund excess cash balance	0246	$2,465.88	$0
Licensing Application Fees Fund excess cash balance	0273	$200,000	$0
Surplus Supplies and Equipment Sales Fund excess cash balance	0287	$55.43	$0
Department of Behavioral Health and Developmental Services (720)			
Transfer one-time balances in Background Checks Fund	*0200*	*$0*	*$37,061*
Department for the Blind and Vision Impaired (702)			
Surplus Supplies and Equipment Sales Fund excess cash balance	0288	$977.20	$0
Department of Conservation and Recreation (199)			
Transfer cash for dam safety administration	*0926*	*$0*	*$47,143*
Department of Correctional Education (750)			
Appropriated Indirect Cost Recoveries Fund excess cash balance	0280	$178.60	$0
Surplus Supplies and Equipment Sales Fund excess cash balance	0287	$4,975.44	$0

Department of Criminal Justice Services (140)			
Special Fund savings	0200	$0	~~$50,000~~ *$387,037*
Asset Forfeiture and Seizure Fund savings	0221	$0	~~$150,000~~ *$487,037*
Department of Emergency Management (127)			
Fire Protection Fund excess cash balance	0218	$17	$0
Disaster Recovery Fund excess cash balance	0246	*$0*	*$677,161*
Department of Forensic Science (778)			
Transfer Surplus Supplies and Equipment Fund cash balances	*0287*	*$0*	*$11,956*
Department of State Police (156)			
Firearms Transaction Program Fund excess cash balance	0201	$444,884	$0
Concealed Weapons Program Fund excess cash balance	0220	$346,149	$0
Central Appropriations (995)			
Diamond Shamrock Oil Overcharge Fund excess cash balance	0740	$0.07	$0
Totals		**$2,837,651**	~~**$2,265,000**~~ ***$5,483,605***

2. Prior to such transfer, the Department of Planning and Budget is authorized to adjust the above-cited amounts between fund/fund detail amounts, so as to increase or decrease the amounts for a designated fund/fund detail code, provided, however, that such adjustments shall not increase the total transfers amount for an agency in excess of the sums cited above. The Department of Planning and Budget shall notify the State Comptroller of such adjustments.

PP. On or before June 30 of each year, the State Comptroller shall transfer $5,000,000 the first year and $2,500,000 the second year to the general fund from accumulated balances in the Governor's Development Opportunity Fund (Fund 0910, Agency 192).

QQ. On or before June 30, 2013, the State Comptroller shall transfer $3,937,000 from the Virginia Tobacco Settlement Fund to the general fund from the arbitration settlement with tobacco companies as part of the Master Settlement Agreement.

RR. On or before June 30, 2013, the State Comptroller shall transfer $175,000 the first year from unobligated nongeneral fund balances in the Community Health Services Fund (Fund 0205) to the general fund.

SS. The Department of Agriculture and Consumer Services is authorized to sell the Northern Neck of Virginia Farmers Market, located at 1647 Kings Highway, Oak Grove, Virginia, 22443. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the proceeds from the sale shall first be applied toward remediation options under federal tax law of any outstanding tax-exempt bonds on the property. Any proceeds that remain after the implementation of such remediation options shall be deposited to the general fund.

TT. On or before June 30 of the second year the State Comptroller shall transfer $10,700,000 to the general fund from accumulated balances in the Governor's Opportunity Development Fund (Fund 0910, Agency 192). This action shall be in addition to the amounts referenced in paragraph PP of this item.

UU. On or before June 30 of the second year the State Comptroller shall transfer $500,000 to the general fund from accumulated balances in the Virginia Jobs Investment Program (Fund 0940, Agency 325).

VV. On or before June 30, 2014, the State Comptroller shall transfer an amount estimated at $1,820,000 from unclaimed accounts from the Virginia Student Assistance Authorities to the general fund.

§ 3-1.02 INTERAGENCY TRANSFERS

The Virginia Department of Transportation shall transfer, from motor fuel tax revenues, $362,854 the first year and $362,854 the second year to the Department of General Services for motor fuels testing.

§ 3-1.03 SHORT-TERM ADVANCE TO THE GENERAL FUND FROM NONGENERAL FUNDS

A. To meet the occasional short-term cash needs of the general fund during the course of the year when cumulative year-to-date disbursements exceed temporarily cumulative year-to-date revenue collections, the State Comptroller is authorized to draw cash temporarily from nongeneral fund cash balances deemed to be available, although special dedicated funds related

to commodity boards are exempt from this provision. Such cash drawdowns shall be limited to the amounts immediately required by the general fund to meet disbursements made in pursuance of an authorized appropriation. However, the amount of the cash drawdown from any particular nongeneral fund shall be limited to the excess of the cash balance of such fund over the amount otherwise necessary to meet the short-term disbursement requirements of that nongeneral fund. The State Comptroller will ensure that those funds will be replenished in the normal course of business.

B. In the event that nongeneral funds are not sufficient to compensate for the operating cash needs of the general fund, the State Treasurer is authorized to borrow, temporarily, required funds from cash balances within the Transportation Trust Fund, where such trust fund balances, based upon assessments provided by the Commonwealth Transportation Commissioner, are not otherwise needed to meet the short-term disbursement needs of the Transportation Trust Fund, including any debt service and debt coverage needs, over the life of the borrowing. In addition, the State Treasurer shall ensure that such borrowings are consistent with the terms and conditions of all bond documents, if any, that are relevant to the Transportation Trust Fund.

C. The Secretary of Finance, the State Treasurer and the Commonwealth Transportation Commissioner shall jointly agree on the amounts of such interfund borrowings. Such borrowed amounts shall be repaid to the Transportation Trust Fund at the earliest practical time when they are no longer needed to meet short-term cash needs of the general fund, provided, however, that such borrowed amounts shall be repaid within the biennium in which they are borrowed. Interest shall accrue daily at the rate per annum equal to the then current one-year United States Treasury Obligation Note rate.

D. Any temporary loan shall be evidenced by a loan certificate duly executed by the State Treasurer and the Commonwealth Transportation Commissioner specifying the maturity date of such loan and the annual rate of interest. Prepayment of temporary loans shall be without penalty and with interest calculated to such prepayment date. The State Treasurer is authorized to make, at least monthly, interest payments to the Transportation Trust Fund.

§ 3-2.00 WORKING CAPITAL FUNDS AND LINES OF CREDIT

§ 3-2.01 ADVANCES TO WORKING CAPITAL FUNDS

The State Comptroller shall make available to the Virginia Racing Commission, on July 1 of each year, the amount of $125,000 from the general fund as a temporary cash flow advance, to be repaid by December 30 of each year.

§ 3-2.02 CHARGES AGAINST WORKING CAPITAL FUNDS

The State Comptroller may periodically charge the appropriation of any state agency for the expenses incurred for services received from any program financed and accounted for by working capital funds. Such charge may be made upon receipt of such documentation as in the opinion of the State Comptroller provides satisfactory evidence of a claim, charge or demand against the appropriations made to any agency. The amounts so charged shall be recorded to the credit of the appropriate working capital fund accounts. In the event any portion of the charge so made shall be disputed, the amount in dispute may be restored to the agency appropriation by direction of the Governor.

§ 3-2.03 LINES OF CREDIT

a. The State Comptroller shall provide lines of credit to the following agencies, not to exceed the amounts shown:

Administration of Health Insurance	$150,000,000
Department of Accounts, for the Payroll Service Bureau	$400,000
Department of Accounts, Transfer Payments	$5,250,000
Department of Accounts, for Enterprise Applications	$90,000,000
Department of Alcoholic Beverage Control	$60,000,000
Department of Corrections, for Virginia Correctional Enterprises	$1,000,000
Department of Emergency Management	$150,000
Department of Environmental Quality	$5,000,000
Department of Human Resource Management, for the Workers' Compensation Self Insurance Trust Fund	$10,000,000
Department of Behavioral Health and Developmental Services	~~$20,000,000~~ *$30,000,000*
Department of Motor Vehicles	$5,000,000
Department of the Treasury, for the Unclaimed Property Trust Fund	$5,000,000
Department of the Treasury, for the State Insurance Reserve Trust Fund	$25,000,000
Department of the Treasury, for the Teacher Liability Insurance Program	$1,000,000
State Lottery Department	$40,000,000
Virginia Information Technologies Agency	$40,000,000

Virginia Tobacco Settlement Foundation	$3,000,000
Department of Historic Resources	$600,000
Department of Correctional Education	$300,000
Department of Fire Programs	$30,000,000
Compensation Board	$8,000,000

b. The State Comptroller shall execute an agreement with each agency documenting the procedures for the line of credit, including, but not limited to, applicable interest and the method for the drawdown of funds. The provisions of § 4-3.02 b of this act shall not apply to these lines of credit.

c. The State Comptroller, in conjunction with the Departments of General Services and Planning and Budget, shall establish guidelines for agencies and institutions to utilize a line of credit to support fixed and one-time costs associated with implementation of office space consolidation, relocation and/or office space co-location strategies, where such line of credit shall be repaid by the agency or institution based on the cost savings and efficiencies realized by the agency or institution resulting from the consolidation and/or relocation. In such cases the terms of office space consolidation or co-location strategies shall be approved by the Secretary of Administration, in consultation with the Secretary of Finance, as demonstrating cost benefit to the Commonwealth. In no case shall the advances to an agency or institution exceed $1,000,000 nor the repayment begin more than one year following the implementation or extend beyond a repayment period of seven years.

d. The State Comptroller is hereby authorized to provide lines of credit of up to $2,500,000 to the Department of Motor Vehicles and up to $2,500,000 to the Department of State Police to be repaid from revenues provided under the federal government's establishment of Uniform Carrier Registration.

e. The State Lottery Department is hereby authorized to use its line of credit to meet cash flow needs for operations at any time during the year and to provide cash to the State Lottery Fund to meet the required transfer of estimated lottery profits to the Lottery Proceeds Fund in the month of June, as specified in provisions of § 3-1.01G. of this act. The State Lottery Department shall repay the line of credit as actual cash flows become available. The Secretary of Finance is authorized to increase the line of credit to the State Lottery Department if necessary to meet operating needs.

f. The State Comptroller is hereby authorized to provide a line of credit of up to $200,000 to the Department of Health to cover the actual costs of expanding the availability of vital records through the Department Motor Vehicles to be repaid from administrative processing fees provided under Code of Virginia, § 32.1-273 until such time as the line of credit is repaid.

§ 3-3.00 GENERAL FUND DEPOSITS

§ 3-3.01 PAYMENT BY THE VIRGINIA PUBLIC SCHOOL AUTHORITY

The Virginia Public School Authority shall transfer to the general fund an amount estimated at $201,000 on or before June 30, 2013 and an amount estimated at $201,000 on or before June 30, 2014, to reimburse the Commonwealth for staff and other administrative services provided to the Authority by the Department of the Treasury.

§ 3-3.02 PAYMENT BY THE STATE TREASURER

The State Treasurer shall transfer an amount estimated at $14,000 on or before June 30, 2014, to the general fund from excess 9(c) sinking fund balances.

§ 3-3.03 INTEREST EARNINGS

A. Notwithstanding any other provision of law, the State Comptroller shall not allocate interest earnings to the following agencies and funds in either the first year or the second year of the biennium. The estimated amount of interest earnings that shall remain in the general fund as a result of this provision is $11,389,754 the first year and $7,593,169 the second year of the biennium.

Agency	Agency Code	Fund Name	Fund/Fund Detail
Supreme Court	111	Pro Hac Vice Fund	0254
Supreme Court	111	Court Technology Fund	0905
Department of Military Affairs	123	Armory Control Board Fund	0901
Department of Military Affairs	123	Virginia Military Family Relief Fund	0916
Department of Human Resource Management	129	Worker's Compensation Funding Account	0700
Department of Human Resource Management	129	Worker's Compensation Trust Fund	0742
Virginia Information Technologies Agency	136	GIS Fund	0905

1	Virginia Information Technologies Agency	136	Wireless E-911 Fund	0928
2	Virginia Information Technologies Agency	136	Virginia Technology Infrastructure Fund	0931
3	Department of Criminal Justice Services	140	School Resource Officer Incentive Grants Fund	0903
4	Department of Criminal Justice Services	140	Virginia Domestic Violence Victim Fund	0912
5	Department of Criminal Justice Services	140	Virginia Crime Victim - Witness Fund	0930
6	Department of Criminal Justice Services	140	Intensified Drug Enforcement Jurisdictions Fund	0935
7	Department of Criminal Justice Services	140	Regional Criminal Justice Academy Training Fund	0940
8	Department of Criminal Justice Services	140	Court Fees Suspense Fund	0975
9	Attorney General and Department of Law	141	Youth Internet Safety Fund	0237
10	Attorney General and Department of Law	141	Regulatory And Consumer Advocacy Revolving Trust	0239
11	Virginia Commission for the Arts	148	Virginia Arts Foundation Fund	0910
12	Administration of Health Insurance	149	Health Insurance Fund - Local	0520
13	Administration of Health Insurance	149	Health Insurance Fund - State	0620
14	Administration of Health Insurance	149	Health Insurance Fund - State Restricted	0621
15	Administration of Health Insurance	149	Pre-Medicare Eligible Retiree Health Benefits Trust Fund	0720
16	Department of Accounts	151	Commonwealth Health Research Fund	0936
17	Department of Treasury	152	Property Insurance Trust Fund	0740
18	Department of Treasury	152	Miscellaneous Insurance Trust Fund	0741
19	Department of Treasury	152	Liability Trust Fund	0743
20	Department of Treasury	152	Automobile Trust Fund	0744
21	Department of Treasury	152	Local Entities Bond Program	0745
22	Department of Treasury	152	Public Officials Insurance	0746
23	Department of Treasury	152	Law Enforcement Insurance	0747
24	Department of Treasury	152	George Washington Regional Commission	0748
25	Department of Treasury	152	Commuter Rail Trust Fund	0749
26	Department of Treasury	152	Workforce Training Access Fund	0901
27	Department of Motor Vehicles	154	State Asset Forfeiture Fund	0430
28	Department of State Police	156	State Asset Forfeiture Fund	0233
29	Department of State Police	156	Drug Investigation Trust Account - Federal	0236
30	Department of State Police	156	Insurance Fraud	0250
31	Department of State Police	156	Drug Investigation Trust Account-State	0253
32	Department of State Police	156	State Asset Forfeiture Suspense Fund	0733
33	Department of State Police	156	Wireless E-911 Fund	0928
34	Compensation Board	157	Wireless E-911 Fund	0928
35	Department of Taxation	161	Communications Sales And Use Tax Trust Fund	
36				0926
37	Department of Taxation	161	Governor's Motion Picture Opportunity Fund	0902
38	Department of Accounts Transfer Payments	162	Edvantage Reserve Fund	0708
39	Department of Accounts Transfer Payments	162	Line Of Duty Death And Health Benefits Trust Fund	0742
40	Department of Housing and Community Development	165	Derelict Structure Fund	0916
41	Department of Housing and Community Development	165	Economic Development Loan Fund	0921
42	Department of Housing and Community Development	165	Virginia Manufactured Housing Transaction Recovery Fund	0925
43	Department of Housing and Community Development	165	Virginia Water Quality Improvement Fund	0934
44	State Corporation Commission	171	Fire Programs Fund	0218
45	State Corporation Commission	171	Underground Utility Damage Prevention Fund	0902

1	State Corporation Commission	171	Virginia State Police-Insurance Fraud Fund	0905
2	Charitable Gaming Commission	173	State Asset Forfeiture Fund	0233
3	Virginia College Savings Plan	174	Special Revenue	0500
4	Virginia Employment Commission	182	Workforce Development Training Fund	0910
5	Secretary of Finance	190	Workforce Training Access Fund	0901
6	Secretary of Commerce and Trade	192	Governor’s Motion Picture Opportunity Fund	0902
7	Secretary of Commerce & Trade	192	Governor's Opportunity Fund	0910
8	Department of General Services	194	Main Street Station Property	0922
9	Department of Education - Direct Aid to Public Education	197	School Nurse Incentive Grants Fund	0905
10	Department of Education - Direct Aid to Public Education	197	Va Public School Educational Technology Trust Fund	0928
11	Department of Education - Direct Aid to Public Education	197	Va Public School Construction Grants Fund	0930
12	Department of Education - Direct Aid to Public Education	197	Public Ed SOQ/Local Re Property Tax Relief Fund	0931
13	Department of Conservation and Recreation	199	Natural Area Preservation Fund	0215
14	Department of Conservation and Recreation	199	Chesapeake Bay Restoration Fund	0252
15	Department of Conservation and Recreation	199	Virginia Stormwater Management Fund	0902
16	Department of Conservation and Recreation	199	Flood Prevention And Protection Assistance Fund	0910
17	Department of Conservation and Recreation	199	Va Land Conservation Fund - Restricted	0917
18	Department of Conservation and Recreation	199	Virginia Land Conservation Fund - Unrestricted	0918
19	Department of Conservation and Recreation	199	Soil/Water Conservation District Dam Maintenance Fund	0925
20	Department of Conservation and Recreation	199	Virginia Water Quality Improvement Fund	0934
21	Department of Conservation and Recreation	199	Virginia Water Quality Improvement Fund Reserve	0935
22	Department of Conservation and Recreation	199	Virginia Natural Resources Commitment Fund	0936
23	Department of Conservation and Recreation	199	VOF - Open-Space Lands Preservation Trust Fund	0958
24	Department of Education - Central Office Operations	201	Virginia Teaching Scholarship Loan Fund	0908
25	Department of Education - Central Office Operations	201	Families In Education Incentive Grants Fund	0912
26	Department of Education - Central Office Operations	201	Community-Based Intervention-Susp/Expelled Student	0915
27	Department of Education - Central Office Operations	201	Artists In The Classroom Grants Fund	0916
28	Department of Education - Central Office Operations	201	School-To-Work Transition Grants Fund	0932
29	Department of Education - Central Office Operations	201	National Teacher Certification Incentive Reward Pg	0940
30	Department of Professional and Occupational Regulation	222	Common Interest Community Management Information Fund	0259
31	Board of Accountancy	226	Board Of Accountancy Trust Fund	0202
32	Board of Accountancy	226	Dedicated Special Revenue	0900
33	Department of Minority Business Enterprise	232	Capital Access Fund For Disadvantaged Businesses	0901
34	State Board of Bar Examiners	233	Special Revenue	0200
35	State Council of Higher Education for Virginia	245	VA Undergrad/Vocational Incentive Scholarship Fund	0905
36	State Council of Higher Education for Virginia	245	Brown V Board Of Education Scholarship Pgm Fund	0912
37	Department of Rehabilitative Services	262	Statewide Independent Living Fund	0903
38	Department of Rehabilitative Services	262	Commonwealth Neurotrauma Initiative Trust Fund	0915

1	Department of Agriculture and Consumer Services	301	Contested Pesticide Penalties	0708
2	Department of Agriculture and Consumer Services	301	Tobacco Loss Assistance Program Fund	0710
3	Department of Agriculture and Consumer Services	301	Virginia Farm Loan Revolving Account	0716
4	Department of Agriculture and Consumer Services	301	Certification Of Agricultural Products Trust Fund	0729
5	Virginia Agricultural Council	307	Dedicated Special Revenue	0900
6	Chippokes Plantation Farm Foundation	319	Dedicated Special Revenue	0900
7	Department of Business Assistance	325	Capital Access Fund For Disadvantaged Businesses	0901
8	Department of Business Assistance	325	Information Technology Employment Performance Grnt	0905
9	Department of Business Assistance	325	Workforce Retraining Fund	0909
10	Department of Business Assistance	325	Economic Development Loan Fund	0921
11	Department of Business Assistance	325	Small Business Environmental Compliance Assistance Fund	0930
12	Department of Business Assistance	325	VSBFA-Virginia Export Loan Guarantee Fund	0956
13	Department of Business Assistance	325	Virginia Small Business Growth Fund	0957
14	Marine Resources Commission	402	Forfeited Asset Sharing Program Fund	0265
15	Marine Resources Commission	402	Marine Habitat And Waterways Improvement Fund	0916
16	Department of Game and Inland Fisheries	403	Boating Safety And Regulation	0902
17	Department of Game and Inland Fisheries	403	Non Game Cash Fund	0904
18	Department of Game and Inland Fisheries	403	Feed The Hungry Fund	0913
19	Department of Game and Inland Fisheries	403	Virginia Fish Passage Grant And Revolving Loan Fund	0922
20	Virginia Racing Commission	405	Special Revenue	0200
21	Virginia Racing Commission	405	Virginia Breeders Fund	0220
22	Department of Mines, Minerals and Energy	409	Exxon Oil Overcharge Fund	0738
23	Department of Mines, Minerals and Energy	409	Moto Pool Surety Bonds	0751
24	Department of Mines, Minerals and Energy	409	Coal Surface Mining Contl & Reclamation Act Cvl	0754
25	Department of Mines, Minerals and Energy	409	Gas And Oil Plugging And Restoration Fund	0755
26	Department of Mines, Minerals and Energy	409	Orphaned Well Fund	0952
27	Department of Forestry	411	Forfeited Asset Sharing Program Fund	0265
28	Department of Forestry	411	State Forests System Fund	0901
29	Department of Forestry	411	Virginia's Natural Resources Trust Fund	0909
30	Department of Forestry	411	Virginia Forest Water Quality Fund	0926
31	Department of Historic Resources	423	Trust And Agency	0700
32	Department of Historic Resources	423	Historic Resources Fund	0910
33	Department of Historic Resources	423	Preservation Easement Fund	0927
34	Department of Environmental Quality	440	Operating Permits Program	0510
35	Department of Environmental Quality	440	Underground Petroleum Storage Tank Fund	0748
36	Department of Environmental Quality	440	Dupont Shenandoah River Mercury Monitoring	0755
37	Department of Environmental Quality	440	Waste Tire Trust Fund	0906
38	Department of Environmental Quality	440	Virginia Environmental Emergency Response Fund	0907
39	Department of Environmental Quality	440	Air Pollution Permit Program	0909
40	Department of Environmental Quality	440	Virginia Waste Management Board Permit Program Fund	0911
41	Department of Environmental Quality	440	State Water Control Board Permit Program Fund	0914
42	Department of Environmental Quality	440	Marine Habitat And Waterways Improvement Fund	0916
43	Department of Environmental Quality	440	Vehicle Emissions Inspection Program Fund	0919

1	Department of Environmental Quality	440	VA Motor Vehicle Emission Reduction Program Fund	0924
2	Department of Environmental Quality	440	Litter Control And Recycling Fund	0925
3	Department of Environmental Quality	440	Small Business Environmental Compliance Assistance Fund	0930
4	Department of Environmental Quality	440	Virginia Water Quality Improvement Fund	0934
5	Department of Environmental Quality	440	Virginia Water Quality Improvement Fund Reserve	0935
6	Motor Vehicle Dealer Board	506	Motor Vehicle Dealer Board Fund	0212
7	Department of Health	601	Waterworks Technical Assistance Fund	0248
8	Department of Health	601	Virginia Pregnant Women Support Fund	0276
9	Department of Health	601	Donations - Local Health Departments	0901
10	Department of Health	601	Trauma Center Fund	0902
11	Department of Health	601	Virginia Transplant Council Education Fund	0905
12	Department of Health	601	Virginia Rescue Squads Assistance Fund	0910
13	Department of Health	601	Water Supply Assistance Grant Fund	0922
14	Department of Health	601	Radioactive Materials Facility Licensure/Inspec Fd	0931
15	Department of Health	601	Medical And Physicans Assistant Scholarship And Loan Repayment Fund	0932
16	Department of Health	601	Nursing Scholarship And Loan Repayment Fund	0934
17	Department of Health	601	Nurse Practitioner Scholarship And Loan Repayment Fund	0936
18	Department of Health	601	Dental Scholarship & Loan Repayment Fd	0938
19	Department of Medical Assistance Services	602	Uninsured Medical Catastrophe Fund	0910
20	Department of Behavioral Health and Developmental Services	720	Mental Health/Retard Substance Abuse Srvs Trust Fd	0908
21	Department of Social Services	765	Putative Father Registry Fund	0914
22	Department of Social Services	765	Home Energy Assistance Fund	0925
23	Department of Corrections	767	Drug Offender Access Fund	0953
24	Department of Corrections	795	Corrections Special Reserve Fund	0230
25	Department of Corrections	799	Ded Impact Funds	0230
26	Department of Corrections	799	Drug Offender Access Fund	0953
27	Tobacco Indemnification & Revitalization	851	Technology Initiative Tobacco-Dependent Localities	0926
28	Tobacco Indemnification & Revitalization	851	Tobacco Indemnification/Community Revitalization	0942
29	Virginia Tobacco Settlement Fund	852	Virginia Tobacco Settlement Fund	0943
30	Virginia Commission on Energy and Environment	868	Virginia Commission On Energy & Environment Fund	0223
31	Dept of Veterans Services	912	Veterans Services Fund	0941
32	Sitter-Barfoot Veterans Care Center	922	Veterans Services Fund	0941
33	Innovative Technology Authority	934	Advanced Communications Assistance Fund	0265
34	Department of Fire Programs	960	Fire Programs Fund	0218
35	DPB - Central Appropriations - Admin	995	Texaco Oil Overcharge Fund	0734
36	DPB - Central Appropriations - Admin	995	Stripper Well Oil Overcharge Fund	0739
37	DPB - Central Appropriations - Admin	995	Diamond Shamrock Oil Overcharge Fund	0740
38	Central Appropriations	995	Commonwealth Technology Research Fund	0951
39	Department of Accounts-Statewide Activity	997	Drug Offender Access Fund	0953
40	Department of Alcoholic Beverage Control	999	Enterprise	0500
41	Department of Alcoholic Beverage Control	999	State Asset Forfeiture Fund	0533

B. If actual general fund transfers in any year exceed the amount shown for "transfers" in the resources available for appropriation from the general fund in the first enactment of this act, the interest earnings retained by the general fund as a result of this provision shall be capped at $11,389,754 the first year and $7,593,169 the second year. Any interest earnings above this amount will be distributed proportionately back to the nongeneral funds shown in this item.

C. It is the intent of the General Assembly that the retention of interest earnings by the general fund shall be phased out over a three-year period beginning in FY 2014.

§ 3-4.00 AUXILIARY ENTERPRISES AND SPONSORED PROGRAMS IN INSTITUTIONS OF HIGHER EDUCATION

§ 3-4.01 AUXILIARY ENTERPRISE INVESTMENT YIELDS

A. The educational and general programs in institutions of higher education shall recover the full indirect cost of auxiliary enterprise programs as determined by the State Council of Higher Education. The State Comptroller shall credit those institutions meeting this requirement with the interest earned by the investment of the funds of their auxiliary enterprise programs.

B. No interest shall be credited for that portion of the fund's cash balance that represents any outstanding loans due from the State Treasurer. The provisions of this section shall not apply to the capital projects authorized under Items C-36.21 and C-36.40 of Chapter 924, 1997 Acts of Assembly.

§ 3-5.00 ADJUSTMENTS AND MODIFICATIONS TO TAX COLLECTIONS

§ 3-5.01 RETALIATORY COSTS TO OTHER STATES TAX CREDIT

Notwithstanding any other provision of law, the amount deposited to the Priority Transportation Trust Fund pursuant to §58.1-2531 shall not be reduced by more than $266,667 by any refund of the Tax Credit for Retaliatory Costs to Other States available under §58.1-2510.

§3-5.02 PAYMENT OF AUTO RENTAL TAX TO THE GENERAL FUND

Notwithstanding the provisions of §58.1-1741, Code of Virginia, or any other provision of law, all revenues resulting from the fee imposed under subdivision A3 of §58.1-1736, Code of Virginia, shall be deposited into the general fund after the direct costs of administering the fee are recovered by the Department of Taxation.

§ 3-5.03 IMPLEMENTATION OF CHAPTER 3, ACTS OF ASSEMBLY OF 2004, SPECIAL SESSION I

Revenues deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 of the Code of Virginia pursuant to enactments of the 2004 Special Session of the General Assembly shall be transferred to the general fund and used to meet the Commonwealth's responsibilities for the Standards of Quality prescribed pursuant to Article VIII, Section 2, of the Constitution of Virginia. The Comptroller shall take all actions necessary to effect such transfers monthly, no later than 10 days following the deposit to the Fund. The amounts transferred shall be distributed to localities as specified in Direct Aid to Public Education’s (197), State Education Assistance Programs (17800) of this Act. The estimated amount of such transfers are $222,816,252 the first year and ~~$230,406,252~~ *$334,700,000* the second year.

§ 3-5.04 NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT

A. The ~~$50,000~~ *$125,000* taxable year limitation on individual ~~tax credits~~ *donations* under the Neighborhood Assistance Act pursuant to § 58.1-439.24 of the Code of Virginia shall not apply in any taxable year beginning in the relevant fiscal year of the Commonwealth if, after an equitable allocation of tax credits under the Act of such relevant fiscal year, the total amount of tax credits granted for all programs approved under the Act for such fiscal year was less than $15.0 million.

B. For purposes of this section, the term "individual" means the same as that term is defined in § 58.1-302, but excluding any individual included in the definition of a "business firm" as such term is defined in § 58.1-439.18.

§ 3-5.05 RETAIL SALES & USE TAX EXEMPTION FOR INTERNET SERVICE PROVIDERS

Notwithstanding any other provision of law, for purchases made on or after July 1, 2006, any exemption from the retail sales and use tax applicable to production, distribution, and other equipment used to provide Internet-access services by providers of Internet service, as defined in § 58.1-602, Code of Virginia, shall occur as a refund request to the Tax Commissioner. The Tax Commissioner shall develop procedures for such refunds.

§ 3-5.06 DISPOSITION OF EXCESS FEES COLLECTED BY CLERKS OF THE CIRCUIT COURTS

Notwithstanding §§ 15.2-540, 15.2-639, 15.2-848, 17.1-285, and any other provision of law general or special, effective July 1, 2009, the Commonwealth shall be entitled to two-thirds of the excess fees collected by the clerks of the circuit courts as required to be reported under § 17.1-283. In making the calculations of excess fees required by this paragraph the Compensation Board shall exclude courts in the thirty-first judicial circuit, but pay them in accordance with § 17.1-285.

§ 3-5.07 ACCELERATED SALES TAX

A. Notwithstanding any other provision of law, in addition to the amounts required under the provisions of §§58.1-615 and 58.1-616, any dealer as defined by §58.1-612 or direct payment permit holder pursuant to §58.1-624 with taxable sales and purchases of $1,000,000 or greater for the 12-month period beginning July 1, and ending June 30 of the immediately preceding calendar year, shall be required to make a payment equal to 90 percent of the sales and use tax liability for the previous June. Such tax payments shall be made on or before the 30th day of June, if payments are made by electronic fund transfer, as defined in § 58.1-202.1. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June. Every dealer or direct payment holder shall be entitled to a credit for the payment under this section on the return for June of the current year due July 20.

B. The Tax Commissioner may develop guidelines implementing the provisions of this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

C. For purposes of this section, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer's Use Tax Return.

D. In lieu of the penalties provided in § 58.1-635, except with respect to fraudulent returns, failure to make a timely payment or full payment of the sales and use tax liability as provided in subsection A shall subject the dealer or direct payment permit holder to a penalty of six percent of the amount of tax underpayment that should have been properly paid to the Tax Commissioner. Interest shall accrue as provided in § 58.1-15. The payment required by this section shall become delinquent on the first day following the due date set forth in this section if not paid.

E. Payments made pursuant to this section shall be made in accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue, except with respect to those revenues required to be distributed under the provisions of §§ 58.1-605 and 58.1-606 of the Code of Virginia.

F. That the State Comptroller shall make no distribution of the taxes collected pursuant to this section in accordance with §§ 58.1-605, 58.1-606, 58.1-638, and 58.1-638.1 of the Code of Virginia until the Tax Commissioner makes a written certification to the Comptroller certifying the sales and use tax revenues generated pursuant to this section. The Tax Commissioner shall certify the sales and use tax revenues generated as soon as practicable after the sales and use tax revenues have been paid into the state treasury in any month for the preceding month. If the Governor determines on July 31 of each year, that funds are available to transfer such collections in accordance with §§ 58.1-638 and 58.1-638.1, Code of Virginia, he shall direct the State Comptroller to make such allocation. The Governor will report his determination to the Chairman of the House Appropriations and Senate Finance Committees on August 15 of each year.

G. 1. Beginning with the tax payment that would be remitted on or before June 25, 2012, if the payment is made by other than electronic transfer, and by June 30, 2012, if payments are made by electronic fund transfer, the provisions of § 3-5.08 of Chapter 874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of $26,000,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

2. Beginning with the tax payment that would be remitted on or before June 25, 2014, if the payment is made by other than electronic transfer, and by June 30, 2014, if payments are made by electronic fund transfer, the provisions of § 3-5.08 of Chapter 874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of $48,500,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

3. It is the intent of the General Assembly that the payment requirement contained herein be phased out beginning in fiscal year 2013 and the payment amount should continue to be reduced until fully eliminated not later than June 2021.

§ 3-5.08 DISCOUNTS AND ALLOWANCES

A. Notwithstanding any other provision of law, effective beginning with the return for June 2010, due July 2010, the compensation allowed under § 58.1-622, Code of Virginia, shall be suspended for any dealer required to remit the tax levied under §§ 58.1-603 and 58.1-604, Code of Virginia, by electronic funds transfer pursuant to § 58.1-202.1, Code of Virginia, and the compensation available to all other dealers shall be limited to the following percentages of the first three percent of the tax levied under §§ 58.1-603 and 58.1-604, Code of Virginia:

Monthly Taxable Sales	Percentage
$0 to $62,500	1.6%
$62,501 to $208,000	1.2%
$208,001 and above	0.8%

B. Notwithstanding any other provision of law, effective beginning with the return for June 2010, due July 2010, the compensation available under §§ 58.1-642, 58.1-656, 58.1-1021.03, and 58.1-1730, Code of Virginia, shall be suspended.

C. Beginning with the return for June 2011, due July 2011, the compensation under § 58.1-1021.03 shall be reinstated.

§ 3-5.09 SALES TAX COMMITMENT TO HIGHWAY MAINTENANCE AND OPERATING FUND

A. Beginning July 1, 2013, of the sales and use tax revenue remaining after the distributions required by § 58.1-638, Code of Virginia, the sales and use tax revenue generated by a 0.05 percent sales and use tax rate shall be paid, in the manner provided in this item, to the Highway Maintenance and Operating Fund.

B. In computing the amount of sales and use tax revenue paid under subsection A, the amount of such revenue attributable to sales and use tax on food for human consumption, as defined in § 58.1-611.1, Code of Virginia, shall be excluded.

C. The Highway Maintenance and Operating Fund's share of the net revenue distributable under this section shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

§ 3-5.10 REGIONAL FUELS TAX

Funds collected pursuant to § 58.1-2291 et seq., Code of Virginia, from the additional sales tax on fuel in certain transportation districts under § 58.1-2291 et seq., Code of Virginia, shall be returned to the respective commissions in amounts equivalent to the shares collected in the respective member jurisdictions. However, no funds shall be collected pursuant to § 58.1-2291 et seq., Code of Virginia, from levying the additional sales tax on aviation fuel as that term is defined in § 58.1-2201, Code of Virginia.

§ 3-5.11 INTANGIBLE HOLDING COMPANY ADDBACK

Notwithstanding the provisions of § 58.1-402(B)(8), Code of Virginia, for taxable years beginning on and after January 1, 2004:

(i) The exception in § 58.1-402(B)(8)(a)(1) for income that is subject to a tax based on or measured by net income or capital imposed by Virginia, another state, or a foreign government shall be limited and apply only to the portion of such income received by the related member, which portion is attributed to a state or foreign government in which the related member has sufficient nexus to be subject to such taxes; and

(ii) The exception in § 58.1-402(B)(8)(a)(2) for a related member deriving at least one-third of its gross revenues from licensing to unrelated parties shall be limited and apply only to the portion of such income derived from licensing agreements for which the rates and terms are comparable to the rates and terms of agreements that the related member has actually entered into with unrelated entities.

§ 3-6.00 ADJUSTMENTS AND MODIFICATIONS TO FEES

§ 3-6.01 RECORDATION TAX FEE

There is hereby assessed a twenty dollar fee on (i) every deed for which the state recordation tax is collected pursuant to §§ 58.1-801 A and 58.1-803, Code of Virginia; and (ii) every certificate of satisfaction admitted under § 55-66.6, Code of Virginia. The revenue generated from fifty percent of such fee shall be deposited to the general fund. The revenue generated from the other fifty percent of such fee shall be deposited to the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality Improvement Fund, as established in § 10.1-2128.1, Code of Virginia. The funds deposited to this subfund shall be disbursed for the agricultural best management practices cost share program, pursuant to § 10.1 - 2128.1, Code of Virginia.

§ 3-6.02 ANNUAL VEHICLE REGISTRATION FEE ($4.25 FOR LIFE)

Notwithstanding § 46.2-694 paragraph 13 of the Code of Virginia, the additional fee that shall be charged and collected at the time of registration of each pickup or panel truck and each motor vehicle shall be $6.25.

§3-6.03 DRIVERS LICENSE REINSTATEMENT FEE

Notwithstanding §46.2-411 of the Code of Virginia, the drivers license reinstatement fee payable to the Trauma Center Fund shall be $100.

§ 3-6.04 QUALIFIED EQUITY AND SUBORDINATED DEBT INVESTMENT TAX CREDIT

Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2006, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $3,000,000 for calendar years 2006 and thereafter, except that for taxable years beginning on or after January 1, 2010, and before December 31, 2010, the credit shall be capped at $5,000,000. For taxable years beginning on and after January 1, 2011, and before December 31, 2011, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under §58.1-339.4, Code of Virginia, shall be limited to $3,000,000. For taxable years beginning on and after January 1, 2012, and before December 31, 2012, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $4,000,000. For taxable years beginning on or after January 1, 2013, and before December 31, 2013 the amount of the Qualified Equity and Subordinated Debt Investment Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $4,500.000. For taxable years beginning on or after January 1, 2014, and before December 31, 2014 the amount of the Qualified Equity and Subordinated Debt Investment Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $5,000.000.

§ 3-6.05 DEPOSIT OF FINES AND FEES

A. The Auditor of Public Accounts shall annually calculate the amount of total fines and fees collected by the District Courts. The Auditor of Public Accounts will determine those localities in which total local fines and fee collections exceed 50 percent of the total collections. Using the Auditor of Public Accounts' calculation for fiscal year 2011, the State Comptroller shall deduct half of the amount in excess of 50 percent from any current payment of local fines and fees before remitting to the localities their remaining collections. When the State Comptroller has recovered in total, the half of the amount exceeding 50 percent, he shall pay all local collections monthly directly to the locality's treasury. The State Comptroller shall promptly and without delay transmit any and all non-withheld local fees and fines to the locality's treasury not later than sixty (60) days after these fines and fees were deposited and recorded in the state treasury by the District Courts. Furthermore, the State Comptroller and the Executive Secretary of the Supreme Court shall work with the District Courts and the localities to develop a process to provide the localities a complete accounting of when these fees were collected. The State Comptroller shall deposit the withheld funds in the Literary Fund, as they become available.

B. The Auditor of Public Accounts shall provide the State Comptroller the annual calculation by May 1 of each year for future withholdings. The State Comptroller will act as a fiscal agent, holding the amounts of local fine and fee collections in an agency fund.

C.1. The Office of the State Inspector General shall contract for an independent evaluation of the type of court fines and fees currently collected by Virginia state and local governments and the effect of the implementation of the provisions of paragraphs A and B of this section on such collections. This evaluation shall also determine among other things: 1) the magnitude of the court fines and fees collected by each source; 2) the distribution or uses of such fines and fees by each type; 3) factors influencing the determination of the application of specific court fines and fees and the ability within the current system to substitute or switch one such court fine or fee for another; 4) the impact of the flexibility in application of such court fines or fees, as determined previously in number 3, on deposits to the Literacy Fund over time; and 5) recommendations for improving the present system to better account for the individual types of court fines and fees collected and to align such collections with the assigned or statutory responsibilities of Virginia state and local governments, taking into account the constitutional requirements governing the deposit of court fines into the Literary Fund for public school purposes.

2. All agencies within the Legislative, Judicial, and Executive Departments, as well as local government offices, shall assist the Office of the State Inspector General and its contractor in providing information and data necessary to complete this evaluation. The Office of the Inspector General shall provide an interim report on the findings of this evaluation to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2012. There is hereby transferred from the general fund an amount not to exceed $200,000 in the first year to a special fund to be established in the Office of the State Inspector General to conduct this independent evaluation.

PART 4: GENERAL PROVISIONS

§ 4-0.00 OPERATING POLICIES

§ 4-0.01 OPERATING POLICIES

a. Each appropriating act of the General Assembly shall be subject to the following provisions and conditions, unless specifically exempt elsewhere in this act.

b. All appropriations contained in this act, or in any other appropriating act of the General Assembly, are declared to be maximum appropriations and conditional on receipt of revenue.

c. The Governor, as chief budget officer of the state, shall ensure that the provisions and conditions as set forth in this section are strictly observed.

d. Public higher education institutions are not subject to the provisions of § 2.2-4800, Code of Virginia, or the provisions of the Department of Accounts' Commonwealth Accounting Policies and Procedures manual (CAPP) topic 20505 with regard to students who are veterans of the United States armed services and National Guard and are in receipt of federal educational benefits under the G.I. Bill. Public higher education shall establish internal procedures for the continued enrollment of such students to include resolution of outstanding accounts receivable.

§ 4-1.00 APPROPRIATIONS

§ 4-1.01 PREREQUISITES FOR PAYMENT

a. The State Comptroller shall not pay any money out of the state treasury except pursuant to appropriations in this act or in any other act of the General Assembly making an appropriation during the current biennium.

b. Moneys shall be spent solely for the purposes for which they were appropriated by the General Assembly, except as specifically provided otherwise by § 4-1.03 Appropriation Transfers, § 4-4.01 Capital Projects, or § 4-5.01 a. Settlement of Claims with Individuals. Should the Governor find that moneys are not being spent in accordance with provisions of the act appropriating them, he shall restrain the State Comptroller from making further disbursements, in whole or in part, from said appropriations. Further, should the Auditor of Public Accounts determine that a state or other agency is not spending moneys in accordance with provisions of the act appropriating them, he shall so advise the Governor or other governing authority, the State Comptroller, the Chairman of the Joint Legislative Audit and Review Commission, and Chairmen of the Senate Finance and House Appropriations Committees.

c. Exclusive of revenues paid into the general fund of the state treasury, all revenues earned or collected by an agency, and contained in an appropriation item to the agency shall be expended first during the fiscal year, prior to the expenditure of any general fund appropriation within that appropriation item, unless prohibited by statute or by the terms and conditions of any gift, grant or donation.

§ 4-1.02 WITHHOLDING OF SPENDING AUTHORITY

a. For purposes of this subsection, withholding of spending authority is defined as any action pursuant to a budget reduction plan approved by the Governor to address a declared shortfall in budgeted revenue that impedes or limits the ability to spend appropriated moneys, regardless of the mechanism used to effect such withholding.

b.1. Changed Expenditure Factors: The Governor is authorized to reduce spending authority, by withholding allotments of appropriations, when expenditure factors, such as enrollments or population in institutions, are smaller than the estimates upon which the appropriation was based. Moneys generated from the withholding action shall not be reallocated for any other purpose, provided the withholding of allotments of appropriations under this provision shall not occur until at least 15 days after the Governor has transmitted a statement of changed factors and intent to withhold moneys to the Chairmen of the House Appropriations and Senate Finance Committees.

2. Moneys shall not be withheld on the basis of reorganization plans or program evaluations until such plans or evaluations have been specifically presented in writing to the General Assembly at its next regularly scheduled session.

c. Increased Nongeneral Fund Revenue:

1. General fund appropriations to any state agency for operating expenses are supplemental to nongeneral fund revenues collected by the agency. To the extent that nongeneral fund revenues collected in a fiscal year exceed the estimate on which the operating budget was based, the Governor is authorized to withhold general fund spending authority, by withholding allotments of appropriations, in an equivalent amount. However, this limitation shall not apply to (a) restricted excess tuition and fees for educational and general programs in the institutions of higher education, as defined in § 4-2.01 c of this act; (b) appropriations to institutions of higher education designated for fellowships, scholarships and loans; (c) gifts or grants which

are made to any state agency for the direct costs of a stipulated project; (d) appropriations to institutions for the mentally ill or intellectually disabled payable from the Behavioral Health and Developmental Services Revenue Fund; and (e) general fund appropriations for highway construction and mass transit. Moneys unallotted under this provision shall not be reallocated for any other purpose.

2. To the degree that new or additional grant funds become available to supplement general fund appropriations for a program, following enactment of an appropriation act, the Governor is authorized to withhold general fund spending authority, by withholding allotments of appropriations, in an amount equivalent to that provided from grant funds, unless such action is prohibited by the original provider of the grant funds. The withholding action shall not include general fund appropriations, which are required to match grant funds. Moneys unallotted under this provision shall not be reallocated for any other purpose.

d. Reduced General Fund Resources:

1. The term "general fund resources" as applied in this subsection includes revenues collected and paid into the general fund of the state treasury during the current biennium, transfers to the general fund of the state treasury during the current biennium, and all unexpended balances brought forward from the previous biennium.

2. In the event that general fund resources are estimated by the Governor to be insufficient to pay in full all general fund appropriations authorized by the General Assembly, the Governor shall, subject to the qualifications herein contained, withhold general fund spending authority, by withholding allotments of appropriations, to prevent any expenditure in excess of the estimated general fund resources available.

3. In making this determination, the Governor shall take into account actual general fund revenue collections for the current fiscal year and the results of a formal written re-estimate of general fund revenues for the current and next biennium, prepared within the previous 90 days, in accordance with the process specified in § 2.2-1503, Code of Virginia. Said re-estimate of general fund revenues shall be communicated to the Chairmen of the Senate Finance, House Appropriations and House Finance Committees, prior to taking action to reduce general fund allotments of appropriations on account of reduced resources.

4.a) In addition to monthly reports on the status of revenue collections relative to the current fiscal year's estimate, the Governor shall provide a written quarterly assessment of the current economic outlook for the remainder of the fiscal year to the Chairmen of the House Appropriations, House Finance, and Senate Finance Committees.

b) Within five business days after the preliminary close of the state accounts at the end of the fiscal year, the State Comptroller shall provide the Governor with the actual total of (1) individual income taxes, (2) corporate income taxes, and (3) sales taxes for the just-completed fiscal year, with a comparison of such actual totals with the total of such taxes in the official budget estimate for that fiscal year. If that comparison indicates that the total of (1) individual income taxes, (2) corporate income taxes, and (3) sales taxes, as shown on the preliminary close, was one percent or more below the amount of such taxes in the official budget estimate for the just-completed fiscal year, the Governor shall prepare a written re-estimate of general fund revenues for the current biennium and the next biennium in accordance with § 2.2-1503, Code of Virginia, to be reported to the Chairmen of the Senate Finance, House Finance and House Appropriations Committees, not later than September 1 following the close of the fiscal year.

5.a) The Governor shall take no action to withhold allotments until a written plan detailing specific reduction actions approved by the Governor, identified by program and appropriation item, has been presented to the Chairmen of the House Appropriations and Senate Finance Committees. Subsequent modifications to the approved reduction plan also must be submitted to the Chairmen of the House Appropriations and Senate Finance Committees, prior to withholding allotments of appropriations.

b) In addition to the budget reduction plan approved by the Governor, all budget reduction proposals submitted by state agencies to the Governor or the Governor's staff, including but not limited to the Department of Planning and Budget, the Governor's Cabinet secretaries, or the Chief of Staff, whether submitted electronically or otherwise, shall be forwarded to the Chairmen of the House Appropriations and Senate Finance Committees concurrently with that budget reduction plan.

6. In effecting the reduction of expenditures, the Governor shall not withhold allotments of appropriations for:

a) More than 15 percent cumulatively of the annual general fund appropriation contained in this act for operating expenses of any one state or nonstate agency or institution designated in this act by title, and the exact amount withheld, by state or nonstate agency or institution, shall be reported within five calendar days to the Chairmen of the Senate Finance and House Appropriations Committees. State agencies providing funds directly to grantees named in this act shall not apportion a larger cut to the grantee than the proportional cut apportioned to the agency. Without regard to § 4-5.05 b.4. of this act, the remaining appropriation to the grantee which is not subject to the cut, equal to at least 85 percent of the annual appropriation, shall be made by July 31, or in two equal installments, one payable by July 31 and the other payable by December 31, if the remaining appropriation is less than or equal to $500,000, except in cases where the normal conditions of the grant dictate a different payment schedule.

b) The payment of principal and interest on the bonded debt or other bonded obligations of the Commonwealth, its agencies and its authorities, or for payment of a legally authorized deficit.

c) The payments for care of graves of Confederate dead.

d) The employer contributions, and employer-paid member contributions, to the Social Security System, Virginia Retirement System, Judicial Retirement System, State Police Officers Retirement System, Virginia Law Officers Retirement System, Optional Retirement Plan for College and University Faculty, Optional Retirement Plan for Political Appointees, Optional Retirement Plan for Superintendents, the Volunteer Service Award Program, the Virginia Retirement System's group life insurance, sickness and disability, and retiree health care credit programs for state employees, state-supported local employees and teachers. If the Virginia Retirement System Board of Trustees approves a contribution rate for a fiscal year that is lower than the rate on which the appropriation was based, or if the United States government approves a Social Security rate that is lower than that in effect for the current budget, the Governor may withhold excess contributions. However, employer and employee paid rates or contributions for health insurance and matching deferred compensation for state employees, state-supported local employees and teachers may not be increased or decreased beyond the amounts approved by the General Assembly. Payments for the employee benefit programs listed in this paragraph may not be delayed beyond the customary billing cycles that have been established by law or policy by the governing board.

e) The payments in fulfillment of any contract awarded for the design, construction and furnishing of any state building.

f) The salary of any state officer for whom the Constitution of Virginia prohibits a change in salary.

g) The salary of any officer or employee in the Executive Department by more than two percent (irrespective of the fund source for payment of salaries and wages); however, the percentage of reduction shall be uniformly applied to all employees within the Executive Department.

h) The appropriation supported by the State Bar Fund, as authorized by § 54.1-3913, Code of Virginia, unless the supporting revenues for such appropriation are estimated to be insufficient to pay the appropriation.

7. The Governor is authorized to withhold specific allotments of appropriations by a uniform percentage, a graduated reduction or on an individual basis, or apply a combination of these actions, in effecting the authorized reduction of expenditures, up to the maximum of 15 percent, as prescribed in subdivision 6a of this subsection.

8. Each nongeneral fund appropriation shall be payable in full only to the extent the nongeneral fund revenues from which the appropriation is payable are estimated to be sufficient. The Governor is authorized to reduce allotments of nongeneral fund appropriations by the amount necessary to ensure that expenditures do not exceed the supporting revenues for such appropriations; however, the Governor shall take no action to reduce allotments of appropriations for major nongeneral fund sources on account of reduced revenues until such time as a formal written re-estimate of revenues for the current and next biennium, prepared in accordance with the process specified in § 2.2-1503, Code of Virginia, has been reported to the Chairmen of the Senate Finance, House Finance, and House Appropriations Committees. For purposes of this subsection, major nongeneral fund sources are defined as Highway Maintenance and Operating Fund and Transportation Trust Fund.

9. Notwithstanding any contrary provisions of law, the Governor is authorized to transfer to the general fund on June 30 of each year of the biennium, or within 20 days from that date, any available unexpended balances in other funds in the state treasury, subject to the following:

a) The Governor shall declare in writing to the Chairmen of the Senate Finance and House Appropriations Committees that a fiscal emergency exists which warrants the transfer of nongeneral funds to the general fund and reports the exact amount of such transfer within five calendar days of the transfer;

b) No such transfer may be made from retirement or other trust accounts, the State Bar Fund as authorized by § 54.1-3913, Code of Virginia, debt service funds, or federal funds; and

c) The Governor shall include for informative purposes, in the first biennial budget he submits subsequent to the transfer, the amount transferred from each account or fund and recommendations for restoring such amounts.

10. The Director, Department of Planning and Budget, shall report spending authority withheld under the provisions of this subsection to the Chairmen of the Senate Finance and House Appropriations Committees within five calendar days of the action to withhold. Said report shall include the amount withheld by agency and appropriation item.

11. If action to withhold allotments of appropriation under this provision is inadequate to eliminate the imbalance between projected general fund resources and appropriations, the Speaker of the House of Delegates and the President pro tempore of the Senate shall be advised in writing by the Governor, so that they may consider requesting a special session of the General Assembly.

§ 4-1.03 APPROPRIATION TRANSFERS

GENERAL

a. During any fiscal year, the Director, Department of Planning and Budget, may transfer appropriation authority from one state or other agency to another, to effect the following:

1) distribution of amounts budgeted in the central appropriation to agencies, or withdrawal of budgeted amounts from agencies in accordance with specific language in the central appropriation establishing reversion clearing accounts;

2) distribution of pass-through grants or other funds held by an agency as fiscal agent;

3) correction of errors within this act, where such errors have been identified in writing by the Chairmen of the House Appropriations and Senate Finance Committees;

4) proper accounting between fund sources 0100 and 0300 in higher education institutions;

5) transfers specifically authorized elsewhere in this act or as specified in the Code of Virginia;

6) to supplement capital projects in order to realize efficiencies or provide for cost overruns unrelated to changes in size or scope; or

7) to administer a program for another agency or to effect budgeted program purposes approved by the General Assembly, pursuant to a signed agreement between the respective agencies.

b. During any fiscal year, the Director, Department of Planning and Budget, may transfer appropriation authority within an agency to effect proper accounting between fund sources and to effect program purposes approved by the General Assembly, unless specifically provided otherwise in this act or as specified in the Code of Virginia. However, appropriation authority for local aid programs and aid to individuals, with the exception of student financial aid, shall not be transferred elsewhere without advance notice to the Chairmen of the House Appropriations and Senate Finance Committees. Further, any transfers between capital projects shall be made only to realize efficiencies or provide for cost overruns unrelated to changes in size or scope.

c.1. In addition to authority granted elsewhere in this act, the Director, Department of Planning and Budget, may transfer operating appropriations authority among sub-agencies within the Judicial System, the Department of Corrections, and the Department of Behavioral Health and Developmental Services to effect changes in operating expense requirements which may occur during the biennium.

2. The Director, Department of Planning and Budget, may transfer appropriations from the Department of Behavioral Health and Developmental Services to the Department of Medical Assistance Services, consisting of the general fund amounts required to match federal funds for reimbursement of services provided by its institutions and Community Services Boards.

3. The Director, Department of Planning and Budget, may transfer appropriations from the Office of Comprehensive Services to the Department of Medical Assistance Services, consisting of the general fund amounts required to match federal funds for reimbursement of services provided to eligible children.

4. The Director, Department of Planning and Budget, may transfer an appropriation or portion thereof within a state or other agency, or from one such agency to another, to support changes in agency organization, program or responsibility enacted by the General Assembly to be effective during the current biennium.

5. The Director, Department of Planning and Budget, may transfer appropriations from the second year to the first year, with said transfer to be reported in writing to the Chairmen of the Senate Finance and House Appropriations Committees within five calendar days of the transfer, when the expenditure of such funds is required to:

a) address a threat to life, safety, health or property, or

b) provide for unbudgeted cost increases for statutorily required services or federally mandated services, in order to continue those services at the present level, or

c) provide for payment of overtime salaries and wages, when the obligations for payment of such overtime were incurred during a situation deemed threatening to life, safety, health, or property, or

d) provide for payments to the beneficiaries of certain public safety officers killed in the line of duty, as authorized in Title 2.2, Chapter 4, Code of Virginia and for payments to the beneficiaries of certain members of the National Guard and United States military reserves killed in action in any armed conflict on or after October 7, 2001, as authorized in § 44-93.1 B., Code of Virginia, or

e) continue a program at the present level of service or at an increased level of service when required to address unanticipated

increases in workload such as enrollment, caseload or like factors, or unanticipated costs, or

f) to address unanticipated business or industrial development opportunities which will benefit the state's economy, provided that any such appropriations be used in a manner consistent with the purposes of the program as originally appropriated.

6. An appropriation transfer shall not occur except through properly executed appropriation transfer documents designed specifically for that purpose, and all transactions effecting appropriation transfers shall be entered in the state's computerized budgeting and accounting systems.

7. The Director, Department of Planning and Budget, may transfer from any other agency, appropriations to supplement any project of the Virginia Public Building Authority authorized by the General Assembly and approved by the Governor. Such capital project shall be transferred to the state agency designated as the managing agency for the Virginia Public Building Authority.

8. In the event of the transition of a city to town status pursuant to the provisions of Chapter 41 of Title 15.2 of the Code of Virginia (§ 15.2-4100 et seq.) or the consolidation of a city and a county into a single city pursuant to the provisions of Chapter 35 of Title 15.2, Code of Virginia (§ 15.2-3500 et seq.) subsequent to July 1, 1999, the provisions of § 15.2-1302 shall govern distributions from state agencies to the county in which the town is situated or to the consolidated city, and the Director, Department of Planning and Budget, is authorized to transfer appropriations or portions thereof within a state agency, or from one such agency to another, if necessary to fulfill the requirements of § 15.2-1302.

§ 4-1.04 APPROPRIATION INCREASES

a. UNAPPROPRIATED NONGENERAL FUNDS:

1. Sale of Surplus Materials:

The Director, Department of Planning and Budget, is hereby authorized to increase the appropriations to any state agency by the amount of credit resulting from the sale of surplus materials under the provisions of § 2.2-1125, Code of Virginia.

2. Insurance Recovery:

The Director, Department of Planning and Budget, shall increase the appropriation authority for any state agency by the amount of the proceeds of an insurance policy or from the State Insurance Reserve Trust Fund, for expenditures as far as may be necessary, to pay for the repair or replacement of lost, damaged or destroyed property, plant or equipment.

3. Gifts, Grants and Other Nongeneral Funds:

a) Subject to § 4-1.02 c, Increased Nongeneral Fund Revenue, and the conditions stated in this section, the Director, Department of Planning and Budget, is hereby authorized to increase the appropriations to any state agency by the amount of the proceeds of donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such appropriations during a fiscal year. Such appropriations shall be increased only when the expenditure of moneys is authorized elsewhere in this act or is required to:

1) address a threat to life, safety, health or property or

2) provide for unbudgeted increases in costs for services required by statute or services mandated by the federal government, in order to continue those services at the present level or implement compensation adjustments approved by the General Assembly, or

3) provide for payment of overtime salaries and wages, when the obligations for payment of such overtime were incurred during a situation deemed threatening to life, safety, health, or property, or

4) continue a program at the present level of service or at an increased level of service when required to address unanticipated increases in noncredit instruction at institutions of higher education or business and industrial development opportunities which will benefit the state's economy, or

5) participate in a federal or sponsored program *provided that the provisions of § 4-5.03 shall also apply to increases in appropriations for additional gifts, grants, and other nongeneral fund revenue which require a general fund match as a condition of their acceptance*, or

6) realize cost savings in excess of the additional funds provided, or

7) permit a state agency or institution to use a donation, gift or grant for the purpose intended by the donor, or

8) provide for cost overruns on capital projects and for capital projects authorized under § 4-4.01 m of this act, or

9) address caseload or workload changes in programs approved by the General Assembly.

b) The above conditions shall not apply to donations and gifts to the endowment funds of institutions of higher education.

c) Each state agency and institution shall ensure that its budget estimates include a reasonable estimate of receipts from donations, gifts or other nongeneral fund revenue. The Department of Planning and Budget shall review such estimates and verify their accuracy, as part of the budget planning and review process.

d) No obligation or expenditure shall be made from such funds until a revised operating budget request is approved by the Director, Department of Planning and Budget. Expenditures from any gift, grant or donation shall be in accordance with the purpose for which it was made; however, expenditures for property, plant or equipment, irrespective of fund source, are subject to the provisions of §§ 4-2.03 Indirect Costs, 4-4.01 Capital Projects General, and 4-5.03 b Services and Clients-New Services, of this act.

e) Nothing in this section shall exempt agencies from complying with § 4-2.01 a Solicitation and Acceptance of Donations, Gifts, Grants, and Contracts of this act.

4. Any nongeneral fund cash balance recorded on the books of the Department of Accounts as unexpended on the last day of the fiscal year may be appropriated for use in the succeeding fiscal year with the prior written approval of the Director, Department of Planning and Budget, unless the General Assembly shall have specifically provided otherwise. Revenues deposited to the Virginia Health Care Fund shall be used only as the state share of Medicaid, unless the General Assembly specifically authorizes an alternate use. With regard to the appropriation of other nongeneral fund cash balances, the Director shall make a listing of such transactions available to the public via electronic means no less than ten business days following the approval of the appropriation of any such balance.

5. Reporting:

The Director, Department of Planning and Budget, shall report on increases in unappropriated nongeneral funds in accordance with § 4-8.00, Reporting Requirements, or as modified by specific provisions in this subsection.

b. AGRIBUSINESS EQUIPMENT FOR THE DEPARTMENT OF CORRECTIONS

The Director of the Department of Planning and Budget may increase the Department of Corrections appropriation for the purchase of agribusiness equipment or the repair or construction of agribusiness facilities by an amount equal to fifty percent of any annual amounts in excess of fiscal year 1992 deposits to the general fund from agribusiness operations. It is the intent of the General Assembly that appropriation increases for the purposes specified shall not be used to reduce the general fund appropriations for the Department of Corrections.

§ 4-1.05 REVERSION OF APPROPRIATIONS AND REAPPROPRIATIONS

a. GENERAL FUND OPERATING EXPENSE:

1.a) General fund appropriations which remain unexpended on (i) the last day of the previous biennium or (ii) the last day of the first year of the current biennium, shall be reappropriated and allotted for expenditure where required by the Code of Virginia, where necessary for the payment of preexisting obligations for the purchase of goods or services, or where desirable, in the determination of the Governor, to address any of the six conditions listed in § 4-1.03 c.5 of this act or to provide financial incentives to reduce spending to effect current or future cost savings. With the exception of the unexpended general fund appropriations of agencies in the Legislative Department, the Judicial Department, the Independent Agencies, or institutions of higher education, all other such unexpended general fund appropriations unexpended on the last day of the previous biennium or the last day of the first year of the current biennium shall revert to the general fund.

General fund appropriations for agencies in the Legislative Department, the Judicial Department, and the Independent Agencies shall be reappropriated, except as may be specifically provided otherwise by the General Assembly. General fund appropriations shall also be reappropriated for institutions of higher education, subject to § 2.2-5005, Code of Virginia.

2. a. The Governor shall report within five calendar days after completing the reappropriation process to the Chairmen of the Senate Finance and House Appropriations Committees on the reappropriated amounts for each state agency in the Executive Department. He shall provide a preliminary report of reappropriation actions on or before November 1 and a final report on or before December 20 to the Chairmen of the House Appropriations and Senate Finance Committees.

b. The Director, Department of Planning and Budget, may transfer reappropriated amounts within an agency to cover nonrecurring costs.

3. Pursuant to subsection E of § 2.2-1125, Code of Virginia, the determination of compliance by an agency or institution with management standards prescribed by the Governor shall be made by the Secretary of Finance and the Secretary having jurisdiction over the agency or institution, acting jointly.

4. The general fund resources available for appropriation in the first enactment of this act include the reversion of certain unexpended balances in operating appropriations as of June 30 of the prior fiscal year, which were otherwise required to be reappropriated by language in the Appropriation Act.

5. Upon request, the Director, Department of Planning and Budget, shall provide a report to the Chairmen of the House Appropriations and Senate Finance Committees showing the amount reverted for each agency and the total amount of such reversions.

b. NONGENERAL FUND OPERATING EXPENSE:

Based on analysis by the State Comptroller, when any nongeneral fund has had no increases or decreases in fund balances for a period of 24 months, the State Comptroller shall promptly transfer and pay the balance into the fund balance of the general fund. If it is subsequently determined that an appropriate need warrants repayment of all or a portion of the amount transferred, the Director, Department of Planning and Budget shall include repayment in the next budget bill submitted to the General Assembly. This provision does not apply to funds held in trust by the Commonwealth.

c. CAPITAL PROJECTS:

1. Upon certification by the Director, Department of Planning and Budget, the State Comptroller is hereby authorized to revert to the fund balance of the general fund any portion of the unexpended general fund cash balance and corresponding appropriation or reappropriation for a capital project when the Director determines that such portion is not needed for completion of the project. The State Comptroller may similarly return to the appropriate fund source any part of the unexpended nongeneral fund cash balance and reduce any appropriation or reappropriation which the Director determines is not needed to complete the project.

2. The unexpended general fund cash balance and corresponding appropriation or reappropriation for capital projects shall revert to and become part of the fund balance of the general fund during the current biennium as of the date the Director, Department of Planning and Budget, certifies to the State Comptroller that the project has been completed in accordance with the intent of the appropriation or reappropriation and there are no known unpaid obligations related to the project. The State Comptroller shall return the unexpended nongeneral fund cash balance, if there be any, for such completed project to the source from which said nongeneral funds were obtained. Likewise, he shall revert an equivalent portion of the appropriation or reappropriation of said nongeneral funds.

3. The Director, Department of Planning and Budget, may direct the restoration of any portion of the reverted amount if he shall subsequently verify an unpaid obligation or requirement for completion of the project. In the case of a capital project for which an unexpended cash balance was returned and appropriation or reappropriation was reverted in the prior biennium, he may likewise restore any portion of such amount under the same conditions.

§ 4-1.06 LIMITED ADJUSTMENTS OF APPROPRIATIONS

a. LIMITED CONTINUATION OF APPROPRIATIONS.

Notwithstanding any contrary provision of law, any unexpended balances on the books of the State Comptroller as of the last day of the previous biennium shall be continued in force for such period, not exceeding 10 days from such date, as may be necessary in order to permit payment of any claims, demands or liabilities incurred prior to such date and unpaid at the close of business on such date, and shown by audit in the Department of Accounts to be a just and legal charge, for values received as of the last day of the previous biennium, against such unexpended balances.

b. LIMITATIONS ON CASH DISBURSEMENTS.

Notwithstanding any contrary provision of law, the State Comptroller may begin preparing the accounts of the Commonwealth for each subsequent fiscal year on or about 10 days before the start of such fiscal year. The books will be open only to enter budgetary transactions and transactions that will not require the receipt or disbursement of funds until after June 30. Should an emergency arise, or in years in which July 1 falls on a weekend requiring the processing of transactions on or before June 30, the State Comptroller may, with notification to the Auditor of Public Accounts, authorize the disbursement of funds drawn against appropriations of the subsequent fiscal year, not to exceed the sum of three million dollars ($3,000,000) from the general fund. This provision does not apply to debt service payments on bonds of the Commonwealth which shall be made in accordance with bond documents, trust indentures, and/or escrow agreements.

§ 4-1.07 ALLOTMENTS

Except when otherwise directed by the Governor within the limits prescribed in §§ 4-1.02 Withholding of Spending Authority, 4-1.03 Appropriation Transfers, and 4-1.04 Appropriation Increases of this act, the Director, Department of Planning and Budget, shall prepare and act upon the allotment of appropriations required by this act, and by § 2.2-1819, Code of Virginia, and the authorizations for rates of pay required by this act. Such allotments and authorizations shall have the same effect as if

the personal signature of the Governor were subscribed thereto. This section shall not be construed to prohibit an appeal by the head of any state agency to the Governor for reconsideration of any action taken by the Director, Department of Planning and Budget, under this section.

§ 4-2.00 REVENUES

§ 4-2.01 NONGENERAL FUND REVENUES

a. SOLICITATION AND ACCEPTANCE OF DONATIONS, GIFTS, GRANTS, AND CONTRACTS:

1. No state agency shall solicit or accept any donation, gift, grant, or contract without the written approval of the Governor except under written guidelines issued by the Governor which provide for the solicitation and acceptance of nongeneral funds, except that donations or gifts to the Virginia War Memorial Foundation that are small in size and number and valued at less than $5,000, such as library items or small display items, may be approved by the Executive Director of the Virginia War Memorial in consultation with the Secretary of Veterans Affairs and Homeland Security. All other gifts and donations to the Virginia War Memorial Foundation must receive written approval from the Secretary of Veterans Affairs and Homeland Security.

2. The Governor may issue policies in writing for procedures which allow state agencies to solicit and accept nonmonetary donations, gifts, grants, or contracts except that donations, gifts and grants of real property shall be subject to § 4-4.00 of this act and § 2.2-1149, Code of Virginia. This provision shall apply to donations, gifts and grants of real property to endowment funds of institutions of higher education, when such endowment funds are held by the institution in its own name and not by a separately incorporated foundation or corporation.

3. The preceding subdivisions shall not apply to property and equipment acquired and used by a state agency or institution through a lease purchase agreement and subsequently donated to the state agency or institution during or at the expiration of the lease purchase agreement, provided that the lessor is the Virginia College Building Authority.

4. The use of endowment funds for property, plant or equipment for state-owned facilities is subject to §§ 4-2.03 Indirect Costs, 4-4.01 Capital Projects-General and 4-5.03 Services and Clients of this act.

b. HIGHER EDUCATION TUITION AND FEES

1. Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, all nongeneral fund collections by public institutions of higher education, including collections from the sale of dairy and farm products, shall be deposited in the state treasury in accordance with § 2.2-1802, Code of Virginia, and expended by the institutions of higher education in accordance with the appropriations and provisions of this act, provided, however, that this requirement shall not apply to private gifts, endowment funds, or income derived from endowments and gifts.

2. a) The Boards of Visitors or other governing bodies of institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all resident student groups based on, but not limited to, competitive market rates, provided that the total revenue generated by the collection of tuition and fees from all students is within the nongeneral fund appropriation for educational and general programs provided in this act.

b) The Boards of Visitors or other governing bodies of institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all nonresident student groups based on, but not limited to, competitive market rates, provided that: i) the tuition and mandatory educational and general fee rates for nonresident undergraduate and graduate students cover at least 100 percent of the average cost of their education, as calculated through base adequacy guidelines adopted, and periodically amended, by the Joint Subcommittee Studying Higher Education Funding Policies, and ii) the total revenue generated by the collection of tuition and fees from all students is within the nongeneral fund appropriation for educational and general programs provided in this act.

c) For institutions charging nonresident students less than 100 percent of the cost of education, the State Council of Higher Education for Virginia may authorize a phased approach to meeting this requirement, when in its judgment, it would result in annual tuition and fee increases for nonresident students that would discourage their enrollment.

d) The Boards of Visitors or other governing bodies of institutions of higher education shall not increase the current proportion of nonresident undergraduate students if the institution's nonresident undergraduate enrollment exceeds 25 percent. Norfolk State University, Virginia Military Institute, Virginia State University, and two-year public institutions are exempt from this restriction.

3. a) In setting the nongeneral fund appropriation for educational and general programs at the institutions of higher education, the General Assembly shall take into consideration the appropriate student share of costs associated with providing full funding of the base adequacy guidelines referenced in subparagraph 2. b), raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other priorities set forth in this act.

b) In determining the appropriate state share of educational costs for resident students, the General Assembly shall seek to

cover at least 67 percent of educational costs associated with providing full funding of the base adequacy guidelines referenced in subparagraph 2. b), raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other priorities set forth in this act.

4. a) Each institution and the State Council of Higher Education for Virginia shall monitor tuition, fees, and other charges, as well as the mix of resident and nonresident students, to ensure that the primary mission of providing educational opportunities to citizens of Virginia is served, while recognizing the material contributions provided by the presence of nonresident students. The State Council of Higher Education for Virginia shall also develop and enforce uniform guidelines for reporting student enrollments and the domiciliary status of students.

b) The State Council of Higher Education for Virginia shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than August 1 of each year the annual change in total charges for tuition and all required fees approved and allotted by the Board of Visitors. As it deems appropriate, the State Council of Higher Education for Virginia shall provide comparative national, peer, and market data with respect to charges assessed students for tuition and required fees at institutions outside of the Commonwealth.

c) Institutions of higher education are hereby authorized to make the technology service fee authorized in Chapter 1042, 2003 Acts of Assembly, part of ongoing tuition revenue. Such revenues shall continue to be used to supplement technology resources at the institutions of higher education.

d) Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, each institution shall work with the State Council of Higher Education for Virginia and the Virginia College Savings Plan to determine appropriate tuition and fee estimates for tuition savings plans.

5. a) It is the intent of the General Assembly that each institution's combined general and nongeneral fund appropriation within its educational and general program closely approximate the anticipated annual budget each fiscal year.

b) In coordination with the institutions, the State Council of Higher Education for Virginia shall report no later than August 1 of each year on the estimated amount of revenue each institution expects to collect from tuition and mandatory educational and general fees during the fiscal year.

c) This report shall serve as the foundation for any administrative increase in nongeneral fund appropriations within the institutions' educational and general programs that is approved by the Director, Department of Planning and Budget, pursuant to the authority provided in § 4-1.04 of this act.

d) Each institution must notify the Director, State Council of Higher Education for Virginia, prior to requesting an administrative increase to the nongeneral fund appropriation for tuition and fee revenue within its educational and general program. Within 30 days of receiving such notification, the Director of the State Council of Higher Education for Virginia shall review and provide comment, as necessary, to the Director, Department of Planning and Budget. The Director, Department of Planning and Budget, shall evaluate the institution's request along with any comments received from the Director, State Council of Higher Education for Virginia, prior to taking action on the requested administrative increase.

e) In consultation with the Director, Department of Planning and Budget, the Director, State Council of Higher Education for Virginia, shall include a summary of all requested and approved administrative increases to nongeneral fund appropriations for tuition and fee revenue within the educational and general programs of the institutions of higher education as part of the annual nongeneral fund revenue report.

f) In consultation with the Department of Planning and Budget and the State Council of Higher Education for Virginia, the Governor shall reconcile actual nongeneral fund expenditures with nongeneral fund appropriations included in the act and recommend technical adjustments, as he deems appropriate, in submitting his budget amendments prior to the next General Assembly session.

6. Nonresident graduate students employed by an institution as teaching assistants, research assistants, or graduate assistants and paid at an annual contract rate of $4,000 or more may be considered resident students for the purposes of charging tuition and fees.

7. The fund source "Higher Education Operating" within educational and general programs for institutions of higher education includes tuition and fee revenues from nonresident students to pay their proportionate share of the amortized cost of the construction of buildings approved by the Commonwealth of Virginia Educational Institutions Bond Act of 1992 and the Commonwealth of Virginia Educational Facilities Bond Act of 2002.

8. a) Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, mandatory fees for purposes other than educational and general programs shall not be increased for Virginia undergraduates beyond five percent annually, excluding requirements for wage, salary, and fringe benefit increases, authorized by the General Assembly. Fee increases required to carry out actions that respond to mandates of federal agencies are also exempt from this provision, provided that a report on the purposes of the amount of the fee increase is submitted to the Chairmen of the House Appropriations and Senate Finance Committees by the institution of higher education at least 30 days prior to the effective date of the fee increase.

b) This restriction shall not apply in the following instances: fee increases directly related to capital projects authorized by the General Assembly; fee increases to support student health services; and other fee increases specifically authorized by the General Assembly.

c) Due to the small mandatory non-educational and general program fees currently assessed students in the Virginia Community College System, increases in any one year of no more than $15 shall be allowed on a cost-justified case-by-case basis, subject to approval by the State Board for Community Colleges.

9. Any institution of higher education granting new tuition waivers to resident or nonresident students not authorized by the Code of Virginia must absorb the cost of any discretionary waivers.

10. Tuition and fee revenues from nonresident students taking courses through Virginia institutions from the Southern Regional Education Board's Southern Regional Electronic Campus must exceed all direct and indirect costs of providing instruction to those students. Tuition and fee rates to meet this requirement shall be established by the Board of Visitors of the institution.

c. HIGHER EDUCATION PLANNED EXCESS REVENUES:

An institution of higher education, except for those public institutions governed by Chapters 933 and 943 of the 2006 Acts of Assembly, may generate and retain tuition and fee revenues in excess of those provided in § 4-2.01 b Higher Education Tuition and Fees, subject to the following:

1. Such revenues are identified by language in the appropriations in this act to any such institution.

2. The use of such moneys is fully documented by the institution to the Governor prior to each fiscal year and prior to allotment.

3. The moneys are supplemental to, and not a part of, ongoing expenditure levels for educational and general programs used as the basis for funding in subsequent biennia.

4. The receipt and expenditure of these moneys shall be recorded as restricted funds on the books of the Department of Accounts and shall not revert to the surplus of the general fund at the end of the biennium.

5. Tuition and fee revenues generated by the institution other than as provided herein shall be subject to the provisions of § 4-1.04 a.3 Gifts, Grants, and Other Nongeneral Funds of this act.

§ 4-2.02 GENERAL FUND REVENUE

a. STATE AGENCY PAYMENTS INTO GENERAL FUND:

1. Except as provided in § 4-2.02 a.2., all moneys, fees, taxes, charges and revenues received at any time by the following agencies from the sources indicated shall be paid immediately into the general fund of the state treasury:

a) Marine Resources Commission, from all sources, except:

1) Revenues payable to the Public Oyster Rocks Replenishment Fund established by § 28.2-542, Code of Virginia.

2) Revenue payable to the Virginia Marine Products Fund established by § 3.2-2705, Code of Virginia.

3) Revenue payable to the Virginia Saltwater Recreational Fishing Development Fund established by § 28.2-302.3, Code of Virginia.

4) Revenue payable to the Marine Fishing Improvement Fund established by § 28.2-208, Code of Virginia.

5) Revenue payable to the Marine Habitat and Waterways Improvement Fund established by § 28.2-1206, Code of Virginia.

b1) Department of Labor and Industry, or any other agency, for the administration of the state labor and employment laws under Title 40.1, Code of Virginia.

2) Department of Labor and Industry, from boiler and pressure vessel inspection certificate fees, pursuant to § 40.1-51.15, Code of Virginia.

c) All state institutions for the mentally ill or intellectually disabled, from fees or per diem paid employees for the performance of services for which such payment is made, except for a fee or per diem allowed by statute to a superintendent or staff member of any such institution when summoned as a witness in any court.

d) Secretary of the Commonwealth, from all sources.

e) The Departments of Corrections, Juvenile Justice, and Correctional Education, as required by law, including revenues from sales of dairy and other farm products.

f) Auditor of Public Accounts, from charges for audits or examinations when the law requires that such costs be borne by the county, city, town, regional government or political subdivision of such governments audited or examined.

g) Department of Education, from repayment of student scholarships and loans, except for the cost of such collections.

h) Department of the Treasury, from the following source:

Fees collected for handling cash and securities deposited with the State Treasurer pursuant to § 46.2-454, Code of Virginia.

i) Attorney General, from recoveries of attorneys' fees and costs of litigation.

j) Department of Social Services, from net revenues received from child support collections after all disbursements are made in accordance with state and federal statutes and regulations, and the state's share of the cost of administering the programs is paid.

k) Department of General Services, from net revenues received from refunds of overpayments of utilities charges in prior fiscal years, after deduction of the cost of collection and any refunds due to the federal government.

l) Without regard to paragraph e) above, the following revenues shall be excluded from the requirement for deposit to the general fund and shall be deposited as follows: (1) payments to Virginia Correctional Enterprises shall be deposited into the Virginia Correctional Enterprises Fund; (2) payments to the Departments of Corrections, Juvenile Justice and Correctional Education for work performed by inmates, work release prisoners, probationers or wards, which are intended to cover the expenses of these inmates, work release prisoners, probationers, or wards, shall be retained by the respective agencies for their use; and (3) payments to the Department of Correctional Education for work performed shall be retained by the agency to increase vocational training activities and to purchase work tools and work clothes for inmates, upon release.

2. The provisions of § 4-2.02 a.1. State Agency Payments into General Fund shall not apply to proceeds from the sale of surplus materials pursuant to § 2.2-1125, Code of Virginia. However, the State Comptroller is authorized to transfer to the general fund of the state treasury, out of the credits under § 4-1.04 a.1 Unappropriated Nongeneral Funds - Sale of Surplus Materials of this act, sums derived from the sale of materials originally purchased with general fund appropriations. The State Comptroller may authorize similar transfers of the proceeds from the sale of property not subject to § 2.2-1124, Code of Virginia, if said property was originally acquired with general fund appropriations, unless the General Assembly provides otherwise.

m) Without regard to § 4-2.02 a.1 above, payments to the Treasurer of Virginia assessed to insurance companies for the safekeeping and handling of securities or surety bonds deposited as insurance collateral shall be deposited into the Insurance Collateral Assessment Fund to defray such safekeeping and handling expenses.

n)1. Unless otherwise specifically required to ensure compliance with federal or state law, regulation, court order, or court rule, and only to the extent thereof, each settlement under subsection A. of § 2.2-514, Code of Virginia, that provides for the payment, conveyance, grant, forfeiture, assignment, or other distribution of moneys or of any real, tangible, or intangible property to settle the Commonwealth's interest shall provide that such moneys or property be deposited or assigned for deposit into the general fund of the state treasury to be appropriated as determined by the General Assembly. The provisions of this paragraph shall only apply to such settlements in favor of the Commonwealth and shall apply to both civil and criminal matters.

2. The provisions of this paragraph shall not apply to any settlement (a) in which the total value of such moneys or property does not exceed $250,000, (b) in which the entire amount of the settlement is for services provided or for property sold or provided under a contract, (c) involving the interest of the Virginia Retirement System, or (d) for an act or practice covered by the Virginia Consumer Protection Act (§ 59.1-196 et. seq., Code of Virginia) or the Virginia Antitrust Act (§ 59.1-9.1 et. seq., Code of Virginia).

b. DEFINITION OF GENERAL FUND REVENUE FOR PERSONAL PROPERTY RELIEF ACT

Notwithstanding any contrary provision of law, for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536, Code of Virginia, the term general fund revenues, excluding transfers, is defined as (i) all state taxes, including penalties and interest, required and/or authorized to be collected and paid into the general fund of the state treasury pursuant to Title 58.1, Code of Virginia; (ii) permits, fees, licenses, fines, forfeitures, charges for services, and revenue from the use of money and property required and/or authorized to be paid into the general fund of the treasury; and (iii) amounts required to be deposited to the general fund of the state treasury pursuant to § 4-2.02 a.1., of this act. However, in no case shall (i) lump-sum payments, (ii) one-time payments not generated from the normal operation of state government, or (iii) proceeds from the sale of state property or assets be included in the general fund revenue calculations for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536, Code of Virginia.

c. DATE OF RECEIPT OF REVENUES:

All June general fund collections received under Subtitle I of Title 58.1, Code of Virginia, bearing a postmark date or electronic transactions with a settlement or notification date on or before the first business day in July, when June 30 falls on a Saturday or Sunday, shall be considered as June revenue and recorded under guidelines established annually by the Department of Accounts.

§ 4-2.03 INDIRECT COSTS

a. INDIRECT COST RECOVERIES FROM GRANTS AND CONTRACTS:

Each state agency, including institutions of higher education, which accepts a grant or contract shall recover full statewide and agency indirect costs unless prohibited by the grantor agency or exempted by provisions of this act.

b. AGENCIES OTHER THAN INSTITUTIONS OF HIGHER EDUCATION:

The following conditions shall apply to indirect cost recoveries received by all agencies other than institutions of higher education:

1. The Governor shall include in the recommended nongeneral fund appropriation for each agency in this act the amount which the agency includes in its revenue estimate as an indirect cost recovery. The recommended nongeneral fund appropriations shall reflect the indirect costs in the program incurring the costs.

2. If actual agency indirect cost recoveries exceed the nongeneral fund amount appropriated in this act, the Director, Department of Planning and Budget, is authorized to increase the nongeneral fund appropriation to the agency by the amount of such excess indirect cost recovery. Such increase shall be made in the program incurring the costs.

3. Statewide indirect cost recoveries shall be paid into the general fund of the state treasury, unless the agency is specifically exempted from this requirement by language in this act. Any statewide indirect cost recoveries received by the agency in excess of the exempted sum shall be deposited to the general fund of the state treasury.

c. INSTITUTIONS OF HIGHER EDUCATION:

The following conditions shall apply to indirect cost recoveries received by institutions of higher education:

1. Seventy percent shall be retained by the institution as an appropriation of moneys for the conduct and enhancement of research and research-related requirements. Such moneys may be used for payment of principal of and interest on bonds issued by or for the institution pursuant to § 23-19, Code of Virginia, for any appropriate purpose of the institution, including, but not limited to, the conduct and enhancement of research and research-related requirements.

2. Thirty percent of the indirect cost recoveries for the level of sponsored programs authorized in the appropriations in Part 1 of Chapter 1042 of the Acts of Assembly of 2003, shall be included in the educational and general revenues of the institution to meet administrative costs.

3. Institutions of higher education may retain 100 percent of the indirect cost recoveries related to research grant and contract levels in excess of the levels authorized in Chapter 1042 of the Acts of Assembly of 2003. This provision is included as an additional incentive for increasing externally funded research activities.

d. REPORTS

The Director, Department of Planning and Budget, shall report to the Chairmen of the Senate Finance and House Appropriations Committees no later than September 1 of each year on the indirect cost recovery moneys administratively appropriated.

e. REGULATIONS:

The State Comptroller is hereby authorized to issue regulations to carry out the provisions of this subsection, including the establishment of criteria to certify that an agency is in compliance with the provisions of this subsection.

§ 4-3.00 DEFICIT AUTHORIZATION AND TREASURY LOANS

§ 4-3.01 DEFICITS

a. GENERAL:

1. Except as provided in this section no state agency shall incur a deficit. No state agency receiving general fund appropriations under the provisions of this act shall obligate or expend moneys in excess of its general fund appropriations, nor

shall it obligate or expend moneys in excess of nongeneral fund revenues that are collected and appropriated.

2. The Governor is authorized to approve deficit funding for a state agency under the following conditions:

a) an unanticipated federal or judicial mandate has been imposed,

b) insufficient moneys are available in the first year of the biennium for start-up of General Assembly-approved action, or

c) delay pending action by the General Assembly at its next legislative session will result in the curtailment of services required by statute or those required by federal mandate or will produce a threat to life, safety, health or property.

d) Such approval by the Governor shall be in writing under the conditions described in § 4-3.02 a Authorized Deficit Loans of this act and shall be promptly communicated to the Chairmen of the House Appropriations and Senate Finance Committees within five calendar days of deficit approval.

3. Deficits shall not be authorized for capital projects.

4. The Department of Transportation may obligate funds in excess of the current biennium appropriation for projects of a capital nature not covered by § 4-4.00 Capital Projects, of this act provided such projects a) are delineated in the Virginia Transportation Six-Year Improvement Program, as approved by the Commonwealth Transportation Board; and b) have sufficient cash allocated to each such project to cover projected costs in each year of the Program; and provided that c) sufficient revenues are projected to meet all cash obligations for such projects as well as all other commitments and appropriations approved by the General Assembly in the biennial budget.

b. UNAUTHORIZED DEFICITS: If any agency contravenes any of the prohibitions stated above, thereby incurring an unauthorized deficit, the Governor is hereby directed to withhold approval of such excess obligation or expenditure. Further, there shall be no reimbursement of said excess, nor shall there be any liability or obligation upon the state to make any appropriation hereafter to meet such unauthorized deficit. Further, those members of the governing board of any such agency who shall have voted therefor, or its head if there be no governing board, making any such excess obligation or expenditure shall be personally liable for the full amount of such unauthorized deficit and, at the discretion of the Governor, shall be deemed guilty of neglect of official duty and be subject to removal therefor. Further, the State Comptroller is hereby directed to make public any such unauthorized deficit, and the Director, Department of Planning and Budget, is hereby directed to set out such unauthorized deficits in the next biennium budget. In addition, the Governor is directed to bring this provision of this act to the attention of the members of the governing board of each state agency, or its head if there be no governing board, within two weeks of the date that this act becomes effective. The governing board or the agency head shall execute and return to the Governor a signed acknowledgment of such notification.

c. TOTAL AUTHORIZED DEFICITS: The amount which the Governor may authorize, under the provisions of this section during the current biennium, to be expended from loans repayable out of the general fund of the state treasury, for all state agencies, or other agencies combined, in excess of general fund appropriations for the current biennium, shall not exceed one and one-half percent (1 1/2%) of the revenues collected and paid into the general fund of the state treasury as defined in § 4-2.02 b. of this act during the last year of the previous biennium and the first year of the current biennium.

d. The Governor shall report any such authorized and unauthorized deficits to the Chairmen of the House Appropriations and Senate Finance Committees within five calendar days of deficit approval. By August 15 of each year, the Governor shall provide a comprehensive report to the Chairmen of the House Appropriations and Senate Finance Committees detailing all such deficits.

§ 4-3.02 TREASURY LOANS

a. AUTHORIZED DEFICIT LOANS: A state agency requesting authorization for deficit spending shall prepare a plan for the Governor's review and approval, specifying appropriate financial, administrative and management actions necessary to eliminate the deficit and to prevent future deficits. If the Governor approves the plan and authorizes a state agency to incur a deficit under the provisions of this section, the amount authorized shall be obtained by the agency by borrowing the authorized amount on such terms and from such sources as may be approved by the Governor. At the close of business on the last day of the current biennium, any unexpended balance of such loan shall be applied toward repayment of the loan, unless such action is contrary to the conditions of the loan approval. The Director, Department of Planning and Budget, shall set forth in the next biennial budget all such loans which require an appropriation for repayment. A copy of the approved plan to eliminate the deficit shall be transmitted to the Chairmen of the House Appropriations and the Senate Finance Committees within five calendar days of approval.

b. ANTICIPATION LOANS: Authorization for anticipation loans are limited to the provisions below.

1.a) When the payment of authorized obligations for operating expenses is required prior to the collection of nongeneral fund revenues, any state agency may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or his designee as to the amount, terms and sources of such funds; such loans shall not exceed the amount of the anticipated collections of such revenues and shall be repaid only from such revenues when collected.

b) When the payment of authorized obligations for capital expenses is required prior to the collection of nongeneral fund revenues or proceeds from authorized debt, any state agency or body corporate and politic, constituting a public corporation and government instrumentality, may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or his designee as to the amount, terms and sources of such funds; such loans in anticipation of bond proceeds shall not exceed the amount of the anticipated proceeds from debt authorized by the General Assembly and shall be repaid only from such proceeds when collected.

2. Anticipation loans for operating expenses shall be in amounts not greater than the sum identified by the agency as the minimum amount required to meet the projected expenditures. The term of any anticipation loans granted for operating expenses shall not exceed twelve months.

3. Before an anticipation loan for a capital project is authorized, the agency shall develop a plan for financing such capital project; approval of the State Treasurer shall be obtained for all plans to incur authorized debt.

4. Anticipation loans for capital projects shall be in amounts not greater than the sum identified by the agency as required to meet the projected expenditures for the project within the current biennium.

5. To ensure that such loans are repaid as soon as practical and economical, the Department of Planning and Budget shall monitor the construction and expenditure schedules of all approved capital projects that will be paid for with proceeds from authorized debt and have anticipation loans.

6. Unless otherwise prohibited by federal or state law, the State Treasurer shall charge current market interest rates on anticipation loans made for operating purposes and capital projects subject to the following:

a) Anticipation loans for capital projects for which debt service will be paid with general fund appropriations shall be exempt from interest payments on borrowed balances.

b) Interest payments on anticipation loans for nongeneral fund capital projects or nongeneral fund operating expenses shall be made from appropriated nongeneral fund revenues. Such interest shall not be paid with the funds from the anticipation loan or from the proceeds of authorized debt without the approval of the State Treasurer.

c) REPORTING: All outstanding loans shall be reported by the Governor to the Chairmen of the House Appropriations and Senate Finance Committees by August 15 of each year. The report shall include a status of the repayment schedule for each loan.

c. ANTICIPATION LOANS FOR PROJECTS NOT INCLUDED IN THIS ACT OR FOR PROJECTS AUTHORIZED UNDER § 4-4.01M: Authorization for anticipation loans for projects not included in this act or for projects authorized under § 4-4.01 m are limited to the provisions below:

1. Such loans are limited to those projects that shall be repaid from revenues derived from nongeneral fund sources.

2.a) When the payment of authorized obligations for operating expenses is required prior to the collection of nongeneral fund revenues, any state agency may borrow from the state treasury the required sum with the prior written approval of the Secretary of Finance or his designee as to the amount, terms, and sources of such funds. Such loans shall not exceed the amount of the anticipated collections of such nongeneral fund revenues and shall be repaid only from such nongeneral fund revenues when collected.

b) When the payment of obligations for capital expenses for projects authorized under § 4-4.01 m is required prior to the collection of nongeneral fund revenues, any state agency or body corporate and politic, constituting a public corporation and government instrumentality, may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or his designee as to the amount, terms and sources of such funds. Such loans shall be repaid only from nongeneral fund revenues associated with the project.

3. Anticipation loans for operating expenses shall be in amounts not greater than the sum identified by the agency as the minimum amount required to meet projected expenditures. The term of any anticipation loans granted for operating expenses shall not exceed 12 months.

4. Before an anticipation loan is provided for a capital project authorized under § 4-4.01 m, the agency shall develop a plan for repayment of such loan and approval of the Director of the Department of Planning and Budget shall be obtained for all such plans and reported to the Chairman of the House Appropriations and Senate Finance Committees.

5. Anticipation loans for capital projects authorized under § 4-4.01 m shall be in amounts not greater than the sum identified by the agency as required to meet the projected expenditures for the project within the current biennium. Such loans shall be repaid only from nongeneral fund revenues associated with the project.

6. The State Treasurer shall charge current market interest rates on anticipation loans made for capital projects authorized under § 4-4.01 m. Interest payments on anticipation loans for nongeneral fund capital projects authorized under § 4-4.01 m shall be

made from appropriated nongeneral fund revenues. Such interest shall not be paid with the funds from the anticipation loan without the approval of the Director of the Department of Planning and Budget.

a) REPORTING: All outstanding loans shall be reported by the Governor to the Chairmen of the House Appropriations and Senate Finance Committees by August 15 of each year. The report shall include a status of the repayment schedule for each loan.

§ 4-3.03 CAPITAL LEASES

a. GENERAL:

1. As part of their capital budget submission, all agencies and institutions of the Commonwealth proposing building projects that may qualify as capital lease agreements, as defined in Generally Accepted Accounting Principles (GAAP), and that may be supported in whole, or in part, from appropriations provided for in this act, shall submit copies of such proposals to the Directors of the Departments of Planning and Budget and General Services, the State Comptroller, and the State Treasurer. The Secretary of Finance may promulgate guidelines for the review and approval of such requests.

2. The proposals shall be submitted in such form as the Secretary of Finance may prescribe. The Comptroller and the Director, Department of General Services shall be responsible for evaluating the proposals to determine if they qualify as capital lease agreements. The State Treasurer shall be responsible for incorporating existing and authorized capital lease agreements in the annual Debt Capacity Advisory Committee reports.

b. APPROVAL OF FINANCINGS:

1. For any project which qualifies as a capital lease, as defined in the preceding subdivisions a 1 and 2, and which is financed through the issuance of securities, the Treasury Board shall approve the terms and structure of such financing pursuant to § 2.2-2416, Code of Virginia.

2. For any project for which costs will exceed $5,000,000 and which is financed through a capital lease transaction, the Treasury Board shall approve the financing terms and structure of such capital lease in addition to such other reviews and approvals as may be required by law. Prior to consideration by the Treasury Board, the Departments of Accounts, General Services, and Planning and Budget shall notify the Treasury Board upon their approval of any transaction which qualifies as a capital lease under the terms of this section. The State Treasurer shall notify the Chairmen of the House Appropriations and Senate Finance Committees of the action of the Treasury Board as it regards this subdivision within five calendar days of its action.

c. REPORTS: Not later than December 20 of each year, the Secretary of Finance and the Secretary of Administration shall jointly be responsible for providing the Chairmen of the House Appropriations and Senate Finance Committees with recommendations involving proposed capital lease agreements.

d. This section shall not apply to capital leases that are funded entirely with nongeneral fund revenues and are entered into by public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly.

§ 4-4.00 CAPITAL PROJECTS

§ 4-4.01 GENERAL

a. Definition:

1. When used in this section, "capital project" or "project" means acquisition of property and new construction and improvements related to state-owned property, plant or equipment (including plans therefor), as the terms "acquisition", "new construction", and "improvements" are defined in the instructions for the preparation of the Executive Budget. "Capital project" or "project" shall also mean any improvements to property leased for use by a state agency, and not owned by the state, when such improvements are financed by public funds, except as hereinafter provided in subdivisions 3 and 4 of this subsection.

2. The provisions of this section are applicable equally to acquisition of property and plant by purchase, gift, or any other means, including the acquisition of property through a lease/purchase contract, regardless of the method of financing or the source of funds. Acquisition of property by lease shall be subject to § 4-3.03 of this act.

3. The provisions of this section shall not apply to property or equipment acquired by lease or improvements to leased property and equipment when the improvements are provided by the lessor pursuant to the terms of the lease and upon expiration of the lease remain the property of the lessor.

4. The provisions of this section shall not apply to property leased by state agencies for the purposes described in §§ 2.2-1151 C and 33.1-93, Code of Virginia.

b. Notwithstanding any other provisions of law, requests for appropriations for capital projects shall be subject to the following:

1. The agency shall submit a capital project proposal for all requested capital projects. Such proposals shall be submitted to the Director, Department of Planning and Budget, for review and approval in accordance with guidelines prescribed by the director. Projects shall be developed to meet agency functional and space requirements within a cost range comparable to similar public and private sector projects.

2. The first priority of any agency or institution in requesting capital outlay appropriations shall be maintenance reserve funds.

3. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, financings for capital projects shall comply, where applicable, with the Treasury Board Guidelines issued pursuant to § 2.2-2416, Code of Virginia, and any subsequent amendments thereto.

4. As part of any request for appropriations for an armory, the Department of Military Affairs shall obtain a written commitment from the host locality to share in the operating expense of the armory.

c. Each agency head shall provide to the Director, Department of Planning and Budget, a plan for the use of the maintenance reserve appropriation of the agency in Part 2 of this act prior to the allotment of funds. The plan shall give first priority to the repair or replacement of roof on buildings under control of the agency. The agency head shall certify in the agency's annual update to its maintenance reserve plan that to the best of his or her knowledge, all necessary roof repairs have been accomplished, are in the process of being accomplished, or the necessary funds for accomplishing the work have been requested before the agency requests funds for other improvements or new construction projects. Such roof repairs and replacements shall be in accord with the technical requirements of the Commonwealth's Construction and Professional Services Manual.

d. The Department of Planning and Budget shall review its approach to capital outlay planning and budgeting from time to time and report any proposed change to the Chairmen of the House Appropriations and Senate Finance Committees prior to its implementation. Such report shall include an analysis of the impact of the suggested change on affected agencies and institutions.

e. Nothing in §§ 2-0 and 4-4.00 of this act shall be deemed to override the provisions of §§ 2.2-1132 and 62.1-132.6, Code of Virginia, amended by Chapter 488, 1997 Acts of Assembly, relating to Virginia Port Authority capital projects and procurement activities.

f. It is the intent of the General Assembly that the Department of Conservation and Recreation shall be authorized to initiate and accept by gift or purchase with nongeneral fund dollars any lands for State Park or Natural Area purposes which may become available, and that are not specifically appropriated by the General Assembly, when such acquisitions are made in accordance with the provisions of this section and other applicable provisions of state law including approval by the Governor.

g. Legislative Approval: It is the intent of the General Assembly that, with the exceptions noted in this paragraph and paragraph m, all capital projects to be undertaken by agencies of the Commonwealth, including institutions of higher education shall be pursuant to approvals by the General Assembly as provided in the Six-Year Capital Outlay Plan established pursuant to § 2.2-1515, et seq., Code of Virginia. Otherwise, the consideration of capital projects shall be limited to:

1. Supplementing projects which have been bid and determined to have insufficient funding to be placed under contract, and

2. Projects declared by the Governor or the General Assembly to be of an emergency nature, which may avoid an increase in cost or otherwise result in a measurable benefit to the state, and/or which are required for the continued use of existing facilities.

This paragraph does not prohibit the initiation of projects authorized by § 4-4.01 m hereof, or projects included under the central appropriations for capital project expenses in this act.

h. Preliminary Requirements: In regard to each capital project for which appropriation or reappropriation is made pursuant to this act, or which is hereafter considered by the Governor for inclusion in the Executive Budget, or which is offered as a gift or is considered for purchase, the Governor is hereby required: (1) to determine the urgency of its need, as compared with the need for other capital projects as herein authorized, or hereafter considered; (2) to determine whether the proposed plans and specifications for each capital project are suitable and adequate, and whether they involve expenditures which are excessive for the purposes intended; (3) to determine whether labor, materials, and other requirements, if any, needed for the acquisition or construction of such project can and will be obtained at reasonable cost; and (4) to determine whether or not the project conforms to a site or master plan approved by the agency head or board of visitors of an institution of higher education for a program approved by the General Assembly.

i. Initiation Generally:

1. No architectural or engineering planning for, or construction of, or purchase of any capital project shall be commenced or

revised without the prior written approval of the Governor.

2. The requirements of § 10.1-1190, Code of Virginia, shall be met prior to the release of funds for a major state project, provided, however, that the Governor is authorized to release from any appropriation for a major state project made pursuant to this act such sum or sums as may be necessary to pay for the preparation of the environmental impact report required by § 10.1-1188, Code of Virginia.

3. The Governor, at his discretion, may release from any capital project appropriation or reappropriation made pursuant to this act such sum (or sums) as may be necessary to pay for the preparation of plans and specifications by architects and engineers, provided that the estimated cost of the construction covered by such drawings and specifications does not exceed the appropriation therefor; provided, further, however, that the architectural and engineering fees paid on completion of the preliminary design for any such project may be based on such estimated costs as may be approved by the Governor in writing, where it is shown to the satisfaction of the Governor that higher costs of labor or material, or both, or other unforeseen conditions, have made the appropriation inadequate for the completion of the project for which the appropriation was made, and where in the judgment of the Governor such changed conditions justify the payment of architectural or engineering fees based on costs exceeding the appropriation.

4. Architectural or engineering contracts shall not be awarded in perpetuity for capital projects at any state institution, agency or activity.

j. Capital Projects Financed with Bonds: Capital projects proposed to be financed with (i) 9 (c) general obligation bonds or (ii) 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the agency or institution, shall be reviewed as follows:

1. By August 15 of each year, requests for inclusion in the Executive Budget of capital projects to be financed with 9(c) general obligation bonds shall be submitted to the State Treasurer for evaluation of financial feasibility. Submission shall be in accordance with the instructions prescribed by the State Treasurer. The State Treasurer shall distribute copies of financial feasibility studies to the Director, Department of Planning and Budget, the Secretary for the submitting agency or institution, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, State Council of Higher Education for Virginia if the project is requested by an institution of higher education.

2. By August 15 of each year, institutions shall also prepare and submit copies of financial feasibility studies to the State Council of Higher Education for Virginia for 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the institution. The State Council of Higher Education shall identify the impact of all projects requested by the institutions of higher education, and as described in § 4-4.01 j.1. of this act, on the current and projected cost to students in institutions of higher education and the impact of the project on the institution's need for student financial assistance. The State Council of Higher Education for Virginia shall report such information to the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance Committees no later than October 1 of each year.

3. Prior to the issuance of debt for 9(c) general obligation projects, when more than one year has elapsed since the review of financial feasibility specified in § 4-4.01 j 1 above, an updated feasibility study shall be prepared by the agency and reviewed by the State Treasurer prior to requesting the Governor's Opinion of Financial Feasibility required under Article X, Section 9 (c), of the Constitution of Virginia.

k. Transfers to supplement capital projects from nongeneral funds may be made under the conditions set forth in §§ 4-1.03 a, 4-1.04 a.3, and 4-4.01 m of this act.

l.1.Change in Size and Scope: Unless otherwise provided by law, the scope of any capital project may not be increased or decreased by more than five percent in size beyond the plans and justification which were the basis for the appropriation or reappropriation in this act or for the Governor's authorization pursuant to § 4-4.01 m of this act. However, this prohibition is not applicable to changes in size and scope required because of circumstances determined by the Governor to be an emergency, or requirements imposed by the federal government when such capital project is for armories or other defense-related installations and is funded in whole or in part by federal funds, or minor increases or decreases in square footage determined by the Director, Department of General Services to be reasonable and appropriate based on a written justification submitted by the agency stating the reason for the increase, with the provision that such increase will not increase the cost of the project beyond the amount appropriated; or decreases in scope to offset unbudgeted costs when such costs are determined by the Director, Department of Planning and Budget, to be reasonable based on a written justification submitted by the agency specifying the amount and nature of the unbudgeted costs and the types of actions that will be taken to decrease the scope of the project. The written justification shall also include a certification, signed by the agency head, that the resulting project will be consistent with the original programmatic intent of the appropriations.

2. If space planning, energy conservation, and environmental standards guides for any type of construction have been approved by the Governor or the General Assembly, the Governor shall require capital projects to conform to such planning guides.

m. Projects Not Included In This Act:

1. Authorization by Governor:

a) The Governor may authorize initiation of, planning for, construction of or acquisition of a nongeneral fund capital project not specifically included in this act or provided for a program approved by the General Assembly through appropriations, under one or more of the following conditions:

1) The project is required to meet an emergency situation.

2) The project is to be operated as an auxiliary enterprise or sponsored program in an institution of higher education and will be fully funded by revenues of auxiliary enterprises or sponsored programs.

3) The project is to be operated as an educational and general program in an institution of higher education and will be fully funded by nongeneral fund revenues of educational and general programs or from private gifts and indirect cost recoveries.

4) The project consists of plant or property which has become available or has been received as a gift.

5) The project has been recommended for funding by the Tobacco Indemnification and Community Revitalization Commission or the Virginia Tobacco Settlement Foundation.

b) The foregoing conditions are subject to the following criteria:

1) Funds are available within the appropriations made by this act (including those subject to §§ 4-1.03 a, 4-1.04 a.3, and 4-2.03) without adverse effect on other projects or programs, or from unappropriated nongeneral fund revenues or balances.

2) In the Governor's opinion such action may avoid an increase in cost or otherwise result in a measurable benefit to the state.

3) The authorization includes a detailed description of the project, the project need, the total project cost, the estimated operating costs, and the fund sources for the project and its operating costs.

4) The Chairmen of the House Appropriations and Senate Finance Committees shall be notified by the Governor prior to the authorization of any capital project under the provisions of this subsection.

5) Permanent funding for any project initiated under this section shall only be from nongeneral fund sources.

2. Authorization by Director, Department of Planning and Budget:

a) The Director, Department of Planning and Budget, may authorize initiation of a capital project not included in this act, if the General Assembly has enacted legislation to fund the project from bonds of the Virginia Public Building Authority, Virginia College Building Authority, or from reserves created by refunding of bonds issued by those Authorities.

3. Delegated authorization by Boards of Visitors, Public Institutions of Higher Education:

a) In accordance with § 4-5.06 of this act, the board of visitors of any public institution of higher education that: i) has met the eligibility criteria set forth in Chapters 933 and 945 of the 2005 Acts of Assembly for additional operational and administrative autonomy, including having entered into a memorandum of understanding with the Secretary of Administration for delegated authority of nongeneral fund capital outlay projects, and ii) has received a sum sufficient nongeneral fund appropriation for emergency projects as set out in Part 2: Capital Project Expenses of this act, may authorize the initiation of any capital project that is not specifically set forth in this act provided that the project meets at least one of the conditions and criteria identified in § 4-4.01 m 1 of this act.

b) At least 30 days prior to the initiation of a project under this provision, the board of visitors must notify the Governor and Chairmen of the House Appropriations and Senate Finance Committees and must provide a life-cycle budget analysis of the project. Such analysis shall be in a form to be prescribed by the Auditor of Public Accounts.

c) The Commonwealth of Virginia shall have no general fund obligation for the construction, operation, insurance, routine maintenance, or long-term maintenance of any project authorized by the board of visitors of a public institution of higher education in accordance with this provision.

n. Acquisition, maintenance, and operation of buildings and nonbuilding facilities in colleges and universities shall be subject to the following policies:

1. The anticipated program use of the building or nonbuilding facility should determine the funding source for expenditures for acquisition, construction, maintenance, operation, and repairs.

2. Expenditures for land acquisition, site preparation beyond five feet from a building, and the construction of additional outdoor lighting, sidewalks, outdoor athletic and recreational facilities, and parking lots in the Virginia Community College System shall be made only from appropriated federal funds, Trust and Agency funds, including local government allocations or appropriations, or the proceeds of indebtedness authorized by the General Assembly.

3. The general policy of the Commonwealth shall be that parking services are to be operated as an auxiliary enterprise by all colleges and universities. Institutions should develop sufficient reserves for ongoing maintenance and replacement of parking facilities.

4. Except as provided in paragraph 2 above, expenditures for maintenance, replacement, and repair of outdoor lighting, sidewalks, and other infrastructure facilities may be made from any appropriated funds.

5. Expenditures for operations, maintenance, and repair of athletic, recreational, and public service facilities, both indoor and outdoor, should be from nongeneral funds. However, this condition shall not apply to any indoor recreational facility existing on a community college campus as of July 1, 1988.

6.a.1. At institutions of higher education that have met the eligibility criteria for additional operational and administrative authority as set forth in Chapters 933 and 945 of the 2005 Acts of Assembly or Chapters 824 and 829 of the 2008 Acts of Assembly, any repair, renovation, or new construction project costing up to $2,000,000 shall be exempt from the capital outlay review and approval process. For purposes of this paragraph, projects shall not include any subset of a series of projects, which in combination would exceed the $2,000,000 maximum.

2. All institutions of higher education shall be exempt from the capital review and approval process for repair, renovation, or new construction projects costing up to $2,000,000.

b. Blanket authorizations funded entirely by nongeneral funds may be used for 1) renovation and infrastructure projects costing up to $2,000,000 and 2) the planning of nongeneral fund new construction and renovation projects through bidding, with bid award made after receipt of a construction authorization. The Director, Department of Planning and Budget, may provide exemptions to the threshold.

7. It is the policy of the Commonwealth that the institutions of higher education shall treat the maintenance of their facilities as a priority for the allocation of resources. No appropriations shall be transferred from the "Operation and Maintenance of Plant" subprogram except for closely and definitely related purposes, as approved by the Director, Department of Planning and Budget, or his designee. A report providing the rationale for each approved transfer shall be made to the Chairmen of the House Appropriations and Senate Finance Committees.

o. Legislative Intent and Reporting: Appropriations for capital projects shall be deemed to have been made for purposes which require their expenditure, or being placed under contract for expenditure, during the current biennium. Agencies to which such appropriations are made in this act or any other act are required to report progress as specified by the Governor. If, in the opinion of the Governor, these reports do not indicate satisfactory progress, he is authorized to take such actions as in his judgment may be necessary to meet legislative intent as herein defined. Reporting on the progress of capital projects shall be in accordance with § 4-8.00, Reporting Requirements.

p. No expenditure from a general fund appropriation in this act shall be made to expand or enhance a capital outlay project beyond that anticipated when the project was initially approved by the General Assembly except to comply with requirements imposed by the federal government when such capital project is for armories or other defense-related installations and is funded in whole or in part by federal funds. General fund appropriations in excess of those necessary to complete the project shall not be reallocated to expand or enhance the project, or be reallocated to a different project. The prohibitions in this subsection shall not apply to transfers from projects for which reappropriations have been authorized.

q. Local or private funds to be used for the acquisition, construction or improvement of capital projects for state agency use as owner or lessee shall be deposited into the state treasury for appropriation prior to their expenditure for such projects.

r. State-owned Registered Historic Landmarks: To guarantee that the historical and/or architectural integrity of any state-owned properties listed on the Virginia Landmarks Register and the knowledge to be gained from archaeological sites will not be adversely affected because of inappropriate changes, the heads of those agencies in charge of such properties are directed to submit all plans for significant alterations, remodeling, redecoration, restoration or repairs that may basically alter the appearance of the structure, landscaping, or demolition to the Department of Historic Resources. Such plans shall be reviewed within thirty days and the comments of that department shall be submitted to the Governor through the Department of General Services for use in making a final determination.

s.1. The Governor may authorize the conveyance of any interest in property or improvements thereon held by the Commonwealth to the educational or real estate foundation of any institution of higher education where he finds that such property was acquired with local or private funds or by gift or grant to or for the use of the institution, and not with funds appropriated to the institution by the General Assembly. Any approved conveyance shall be exempt from § 2.2-1156, Code of Virginia, and any other statute concerning conveyance, transfer or sale of state property. If the foundation conveys any interest in the property or any improvements thereon, such conveyance shall likewise be exempt from compliance with any statute concerning disposition of state property. Any income or proceeds from the conveyance of any interest in the property shall be deemed to be local or private funds and may be used by the foundation for any foundation purpose.

2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly or Chapters 824 and 829 of the 2008 Acts of Assembly.

t.1. Facility Lease Agreements Involving Institutions of Higher Education: In the case of any lease agreement involving state-owned property controlled by an institution of higher education, where the lease has been entered into consistent with the provisions of § 2.2-1155, Code of Virginia, the Governor may amend, adjust or waive any project review and reporting procedures of Executive agencies as may reasonably be required to promote the property improvement goals for which the lease agreement was developed.

2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly or Chapters 824 and 829 of the 2008 Acts of Assembly.

u. Energy-efficiency Projects: Improvements to state-owned properties for the purpose of energy-efficiency shall be considered an operating expense, provided that:

1. The scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), the Illuminating Engineering Society (IES) standard 90.1-1989 and is limited to measures listed in guidelines issued by the Department of General Services.

2. The project is financed consistent with the provisions of § 2.2-2417, Code of Virginia, which requires Treasury Board approval and is executed through a nonprofessional services contract with a vendor approved by the Department of General Services.

3. The scope of work has been reviewed and recommended by the Department of Mines, Minerals and Energy.

4. However, if the project scope entails: (a) constructing, enlarging, altering, repairing or demolishing a building or structure, (b) changing the use of a building either within the same use group or to a different use group when the new use requires greater degrees of structural strength, fire protection, exit facilities or sanitary provisions, or (c) removing or disturbing any asbestos-containing materials during demolition, alteration, renovation of or additions to building or structures, the project shall be subject to the capital outlay process as outlined in this section.

5. The total project cost does not exceed $3,000,000. If the total project cost exceeds $3,000,000, the project shall be subject to the capital budgeting process. However, energy performance projects underway before July 1, 2005, shall continue to be treated as operating expenses. Notwithstanding the above, if energy savings from a performance project offset the debt service, interest payments, and the cost of the project, the project shall not be subject to the capital budgeting process and the total project cost shall not exceed $7,000,000.

6. If the total project exceeds $250,000, the agency director will submit written notification to the Director, Department of Planning and Budget, verifying that the project meets all of the above conditions. The director shall notify, in turn, the Chairmen of the House Appropriations and Senate Finance Committees that such projects have been initiated.

v. No expenditures shall be authorized for the purchase of fee simple title to any real property to be used for a correctional facility or for the actual construction of a correctional facility provided for in this act, or by reference hereto, that involves acquisition or new construction of youth or adult correctional facilities on real property which was not owned by the Commonwealth on January 1, 1995, until the governing body of the county, city or town wherein the project is to be located has adopted a resolution supporting the location of such project within the boundaries of the affected jurisdiction. The foregoing does not prohibit expenditures for site studies, real estate options, correctional facility design and related expenditures.

w. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, any alternative financing agreement entered into between a state agency or institution of higher education and a private entity or affiliated foundation must be reviewed and approved by the Treasury Board.

x. Prior to requesting authorization for new dormitory capital projects, institutions of higher education shall conduct a cost study to determine whether an alternative financing arrangement or public-private transaction would provide a more effective option for the construction of the proposed facility. This study shall be submitted to the Department of Planning and Budget as part of the budget development process and shall be evaluated by the Governor prior to submitting his proposed budget.

y. Any new construction project developed by or for the Chippokes Plantation Farm Foundation, with an estimated cost of $750,000 or less, shall be exempt from the capital outlay review and approval process.

z. Construction or improvement projects of the Department of Military Affairs are not exempt from the capital outlay review process when the state procurement process is utilized, except for those projects with both an estimated cost of $1,000,000 or less and are 100 percent federally reimbursed.

§ 4-4.02 PLANNING AND BUDGETING

a. It shall be the intent of the General Assembly to make biennial appropriations for a capital improvements program sufficient to address the program needs of the Commonwealth. The capital improvements program shall include maintenance and deferred maintenance of the Commonwealth's existing facilities, and of the facility requirements necessary to deliver the

programs of state agencies and institutions.

b. In effecting these policies, the Governor shall establish a capital budget plan to address the renewal and replacement of the Commonwealth's physical plant, using such guidelines as recommended by industry or government to maintain the Commonwealth's investment in its property and plant.

§ 4-5.00 SPECIAL CONDITIONS AND RESTRICTIONS ON EXPENDITURES

§ 4-5.01 TRANSACTIONS WITH INDIVIDUALS

a. SETTLEMENT OF CLAIMS: Whenever a dispute, claim or controversy involving the interest of the Commonwealth is settled pursuant to § 2.2-514, Code of Virginia, payment may be made out of any appropriations, designated by the Governor, to the state agency(ies) which is (are) party to the settlement.

b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:

1. General:

a) The appropriations made in this act to state institutions of higher education within the Items for student financial assistance may be expended for any one, all, or any combination of the following purposes: grants to undergraduate students enrolled at least one-half time in a degree, certificate or diploma program; grants to full-time graduate students; grants to students enrolled full-time in a dual or concurrent undergraduate and graduate program. The institutions may also use these appropriations for the purpose of supporting work study programs. Institutions may also contribute to federal or private student grant aid programs requiring matching funds by the institution, except for programs requiring work. The State Council of Higher Education for Virginia shall annually review each institution's plan for the expenditures of its appropriation for undergraduate student financial assistance prior to the start of the fall term to determine program compliance. The institution’s plan shall include the institution's assumptions and calculations for determining the cost of attendance, student financial need, and student remaining need as well as an award schedule or description of how funds are awarded. For the purposes of the proposed plan, each community college shall be considered independently.

b) All awards made to undergraduate students from such Items shall be for Virginia students only and such awards shall offset all, or portions of, the costs of tuition and required fees, and, in the case of students qualifying under subdivision b 2 c)1) hereof, the cost of books. All undergraduate financial aid award amounts funded by this appropriation shall be proportionate to the remaining need of individual students, with students with higher levels of remaining need receiving grants before other students. No criteria other than the need of the student shall be used to determine the award amount other than as specified in Item 206 J of this act. Because of the low cost of attendance and recognizing that federal grants provide a much higher portion of cost than at other institutions, a modified approach and minimum award amount for the neediest VGAP student should be implemented for community college and Richard Bland College students based on remaining need and the combination of federal and grant state aid. Student financial need shall be determined by a need-analysis system approved by the Council.

c)1) All need-based awards made to graduate students shall be determined by the use of a need-analysis system approved by the Council.

2) As part of the six-year financial plans required in the provisions of Chapters 933 and 945 of the 2005 Acts of Assembly, each institution of higher education shall report the extent to which tuition and fee revenues are used to support graduate student aid and graduate compensation and how the use of these funds impacts planned increases in student tuition and fees.

d) A student who receives a grant under such Items and who, during a semester, withdraws from the institution which made the award must surrender the unearned portion. The institution shall calculate the unearned portion of the award based on the percentage used for federal Return to Title IV program purposes.

e) An award made under such Items to assist a student in attending an institution's summer session shall be prorated according to the size of comparable awards made in that institution's regular session.

f) The provisions of this act under the heading "Student Financial Assistance for Higher Education" shall not apply to the soil scientist scholarships authorized under § 23-38.3, Code of Virginia.

g) Unless noted elsewhere in this act, awards shall be named "Commonwealth" grants.

h) Unless otherwise provided by statute, undergraduate awards shall not be made to students seeking a second or additional baccalaureate degree until the financial aid needs of first-degree seeking students are fully met.

2. Grants To Undergraduate Students:

a) Each institution which makes undergraduate grants paid from its appropriation for student financial assistance shall expend such sums as approved for that purpose by the Council.

b) A student receiving an award must be duly admitted and enrolled in a degree, certificate or diploma program at the institution making the award, and shall be making satisfactory academic progress as defined by the institution for the purposes of eligibility under Title IV of the federal Higher Education Act, as amended.

c)1) It is the intent of the General Assembly that students eligible under the Virginia Guaranteed Assistance Program (VGAP) authorized in Title 23, Chapter 4.4:2, Code of Virginia, shall receive grants before all other students at the same institution with equivalent remaining need from the appropriations for undergraduate student financial assistance found in Part 1 of this act (service area 1081000 - Scholarships). In each instance, VGAP eligible students shall receive awards greater than other students with equivalent remaining need.

2) The amount of each VGAP grant shall vary according to each student's remaining need and the total of tuition, all required fees and the cost of books at the institution the student will attend upon acceptance for admission. The actual amount of the VGAP award will be determined by the proportionate award schedule adopted by each institution; however, those students with the greatest financial need shall be guaranteed an award at least equal to tuition.

3) It is the intent of the General Assembly that the Virginia Guaranteed Assistance Program serve as an incentive to financially needy students now attending elementary and secondary school in Virginia to raise their expectations and their academic performance and to consider higher education an achievable objective in their futures.

4) Students may not receive a VGAP and a Commonwealth grant in the same semester.

3. Grants To Graduate Students:

a) An individual award may be based on financial need but may, in addition to or instead of, be based on other criteria determined by the institution making the award. The amount of an award shall be determined by the institution making the award; however, the Council shall annually be notified as to the maximum size of a graduate award that is paid from funds in the appropriation.

b) The institution is required to transfer to educational and general appropriations all funds used to pay graduate assistantships or for duties which require work.

c) A student receiving a graduate award paid from the appropriation must be duly admitted into a graduate degree program at the institution making the award.

d) Not more than 50 percent of the funds designated by an institution as graduate grants from the appropriation, and approved as such by the Council, shall be awarded to persons not eligible to be classified as Virginia domiciliary resident students except in cases where the persons meet the criteria outlined in § 4-2.01b.6.

4. Matching Funds: Any institution of higher education may, with the approval of the Council, use funds from its appropriation for fellowships and scholarships to provide the institutional contribution to any student financial aid program established by the federal government or private sources which requires the matching of the contribution by institutional funds, except for programs requiring work.

5. Discontinued Loan Program:

a) If any federal student loan program for which the institutional contribution was appropriated by the General Assembly is discontinued, the institutional share of the discontinued loan program shall be repaid to the fund from which the institutional share was derived unless other arrangements for the use of the funds are recommended by the Council and approved by the Department of Planning and Budget. Should the institution be permitted to retain the federal contributions to the program, the funds shall be used according to arrangements authorized by the Council and approved by the Department of Planning and Budget.

b)1) An institution of higher education may discontinue its student loan fund established pursuant to Title 23, Chapter 4.01, Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid into the state treasury into a nonrevertible nongeneral fund account. Prior to such payment, the State Comptroller shall verify its accuracy, including the fact that the cash held by the institution in the loan fund will be fully depleted by such payment. The loan fund shall not be reestablished thereafter for that institution.

2) The cash so paid into the state treasury shall be used only for grants to undergraduate and graduate students in the Higher Education Student Financial Assistance program according to arrangements authorized by the Council and approved by the Department of Planning and Budget.

3) Payments on principal and interest of any promissory notes held by the discontinued loan fund shall continue to be received by the institution, which shall deposit such payments in the state treasury to the nonrevertible nongeneral fund account specified in subdivision (1) preceding, to be used for grants as specified in subdivision (2) preceding.

6. Reporting: The Council shall collect student-specific information for undergraduate students as is necessary for the operation

of the Student Financial Assistance Program. The Council shall maintain regulations governing the operation of the Student Financial Assistance Program based on the provisions outlined in this section, the Code of Virginia, and State Council policy.

C. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

Notwithstanding any other provision of law, executive branch agencies shall not pay compensation to citizen members of boards, commissions, authorities, councils, or other bodies from any fund for the performance of such members' duties in the work of the board, commission, authority, council, or other body.

§ 4-5.02 THIRD PARTY TRANSACTIONS

a. EMPLOYMENT OF ATTORNEYS:

1.a. All attorneys authorized by this act to be employed by any state agency and all attorneys compensated out of any moneys appropriated in this session of the General Assembly shall be appointed by the Attorney General and be in all respects subject to the provisions of Title 2.2, Chapter 5, Code of Virginia, to the extent not to conflict with Title 12.1, Chapter 4, Code of Virginia; provided, however, that if the Governor certifies the need for independent legal counsel for any Executive Department agency, such agency shall be free to act independently of the Office of the Attorney General in regard to selection, and provided, further, that compensation of such independent legal counsel shall be paid from the moneys appropriated to such Executive Department agency or from the moneys appropriated to the Office of the Attorney General.

b. For purposes of this act, "attorney" shall be defined as an employee or contractor who represents an agency before a court, board or agency of the Commonwealth of Virginia or political subdivision thereof. This term shall not include members of the bar employed by an agency who perform in a capacity that does not require a license to practice law, including but not limited to, instructing, managing, supervising or performing normal or customary duties of that agency.

2. This section does not apply to attorneys employed by state agencies in the Legislative Department, Judicial Department or Independent Agencies.

3. Reporting on employment of attorneys shall be in accordance with § 4-8.00, Reporting Requirements.

b. STUDIES AND CONSULTATIVE SERVICES REQUIRED BY GENERAL ASSEMBLY: No expenditure for payments on third party nongovernmental contracts for studies or consultative services shall be made out of any appropriation to the General Assembly or to any study group created by the General Assembly, nor shall any such expenditure for third party nongovernmental contracts be made by any Executive Department agency in response to a legislative request for a study, without the prior approval of two of the following persons: the Chairman of the House Appropriations Committee; the Chairman of the Senate Finance Committee; the Speaker of the House of Delegates; the President pro tempore of the Senate. All such expenditures shall be made only in accordance with the terms of a written contract approved as to form by the Attorney General.

c. USE OF CONSULTING SERVICES: All state agencies and institutions of higher education shall make a determination of "return on investment" as part of the criteria for awarding contracts for consulting services.

d. DEBT COLLECTION SERVICES:

1. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Virginia Commonwealth University Health System Authority shall have the option to participate in the Office of the Attorney General's debt collection process. Should the Authority choose not to participate, the Authority shall have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts receivable claims.

2. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the University of Virginia Medical Center shall have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts receivable claims, provided that the University of Virginia demonstrates to the Secretary of Finance that debt collection by an agent other than the Office of the Attorney General is anticipated to be more cost effective. Nothing in this paragraph is intended to limit the ability of the University of Virginia Medical Center from voluntarily contracting with the Office of the Attorney General's Division of Debt Collection in cases where the Center would benefit from the expertise of legal counsel and collection services offered by the Office of the Attorney General.

3. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Department of Taxation shall be exempt from participating in the debt collection process of the Office of the Attorney General.

§ 4-5.03 SERVICES AND CLIENTS

a. CHANGED COST FACTORS:

1. No state agency, or its governing body, shall alter factors (e.g., qualification level for receipt of payment or service) which may increase the number of eligible recipients for its authorized services or payments, or alter factors which may increase the unit cost of benefit payments within its authorized services, unless the General Assembly has made an appropriation for the cost of such change.

2. State agencies shall submit any proposed modifications in rates to be charged by internal service funds, pursuant to §§ 2.2-803, 2.2-1011, and 2.2-2013, Code of Virginia, that impact on agency expenditures to the Department of Planning and Budget for review prior to approval by the Joint Legislative Audit and Review Commission. In its review, the Department of Planning and Budget shall determine whether the requested rate modifications are consistent with budget assumptions and report its findings to the Commission prior to the approval of the rate request.

b. NEW SERVICES:

1. No state agency shall begin any new service that will call for future additional property, plant or equipment or that will require an increase in subsequent general or nongeneral fund operating expenses without first obtaining the authorization of the General Assembly.

2. Pursuant to the policies and procedures of the State Council of Higher Education regarding approval of academic programs and the concomitant enrollment, no state institution of higher education shall operate any academic program with funds in this act unless approved by the Council and included in the Executive Budget, or approved by the General Assembly. The Council may grant exemptions to this policy in exceptional circumstances.

3. Reporting on all new services shall be in accordance with § 4-8.00, Reporting Requirements.

c. MEDICAID EXPANSION:

Notwithstanding the provisions of Item 301 of this Act or § 30-347, Code of Virginia, any amendment to the State Plan for Medical Assistance under Title XIX of the Social Security Act, and any waivers thereof, to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act shall sunset on June 30, 2016. The Medicaid Innovation and Reform Commission shall continue to assess progress made toward implementation of reforms to Medicaid. The assessment shall include progress toward implementation of a 42 U.S.C. § 1035 waiver established under the Patient Protection and Affordable Care Act, evidence of improved patients access to healthcare including mental health care, quality of care, patient safety, and population health as well as improved cost-effectiveness in public programs that support health and healthcare in the Commonwealth of Virginia. Reforms to be considered include but are not limited to health information exchange, health innovation, data transparency, health workforce development, payment reform, reduction in fraud and abuse in public programs, and waiver redesign.

~~c.~~ *d.* OFF-CAMPUS SITES OF INSTITUTIONS OF HIGHER EDUCATION:

No moneys appropriated by this act shall be used for off-campus sites unless as provided for in this section.

1. A public college or university seeking to create, establish, or operate an off-campus instructional site, funded directly or indirectly from the general fund or with revenue from tuition and mandatory educational and general fees generated from credit course offerings, shall first refer the matter to the State Council of Higher Education for Virginia for its consideration and approval. The State Council of Higher Education for Virginia may provide institutions with conditional approval to operate the site for up to one year, after which time the college or university must receive approval from the Governor and General Assembly, through legislation or appropriation, to continue operating the site.

2. For the colleges of the Virginia Community College System, the State Board for Community Colleges shall be responsible for approving off-campus locations. Sites governed by this requirement are those at any locations not contiguous to the main campus of the institution, including locations outside Virginia.

3. a) The provisions herein shall not apply to credit offerings on the site of a public or private entity if the offerings are supported entirely with private, local, or federal funds or revenue from tuition and mandatory educational and general fees generated entirely by course offerings at the site.

b) Offerings at previously approved off-campus locations shall also not be subject to these provisions.

c) Further, the provisions herein do not govern the establishment and operations of campus sites with a primary function of carrying out grant and contract research where direct and indirect costs from such research are covered through external funding sources. Such locations may offer limited graduate education as appropriate to support the research mission of the site.

d) Nothing herein shall prohibit an institution from offering non-credit continuing education programs at sites away from the

main campus of a college or university.

4. The State Council of Higher Education shall establish guidelines to implement this provision.

~~d.~~ *e.* PERFORMANCE MEASUREMENT

1. In accordance with § 2.2-1501, Code of Virginia, the Department of Planning and Budget shall develop a programmatic budget and accounting structure for all new programs and activities to ensure that it provides the appropriate financial and performance measures to determine if programs achieve desired results and outcomes. The Department of Accounts shall provide assistance as requested by the Department of Planning and Budget. The Department of Planning and Budget shall provide this information each year when the Governor submits the budget in accordance with § 2.2-1509, Code of Virginia, to the Chairmen of the House Appropriations, House Finance, and Senate Finance Committees.

2.a) Within thirty days of the enactment of this act, the Director, Department of Planning and Budget, shall submit in writing to the Chairmen of the House Appropriations and Senate Finance Committees a list of the new initiatives for which appropriations are provided in this act.

b) Not later than ninety days after the end of the first year of the biennium, the Director, Department of Planning and Budget, shall prepare a report on the performance of each new initiative contained in the list, to be submitted to the Chairmen of the House Appropriations and Senate Finance Committees. The report shall compare the actual results, including expenditures, of the initiative with the anticipated results and the appropriation for the initiative. This information shall be used to determine whether the initiative should be extended beyond the beginning period. In the preparation of this report, all state agencies shall provide assistance as requested by the Department of Planning and Budget.

§ 4-5.04 GOODS AND SERVICES

a. STUDENT ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION:

1. Public Information Encouraged: Each public institution of higher education is expected and encouraged to provide prospective students with accurate and objective information about its programs and services. The institution may use public funds under the control of the institution's Board of Visitors for the development, preparation and dissemination of factual information about the following subjects: academic programs; special programs for minorities; dates, times and procedures for registration; dates and times of course offerings; admission requirements; financial aid; tuition and fee schedules; and other information normally distributed through the college catalog. This information may be presented in any and all media, such as newspapers, magazines, television or radio where the information may be in the form of news, public service announcements or advertisements. Other forms of acceptable presentation would include brochures, pamphlets, posters, notices, bulletins, official catalogs, flyers available at public places and formal or informal meetings with prospective students.

2. Excessive Promotion Prohibited: Each public institution of higher education is prohibited from using public funds under the control of the institution's Board of Visitors for the development, preparation, dissemination or presentation of any material intended or designed to induce students to attend by exaggerating or extolling the institution's virtues, faculty, students, facilities or programs through the use of hyperbole. Artwork and photographs which exaggerate or extol rather than supplement or complement permissible information are prohibited. Mass mailings are generally prohibited; however, either mass mailings or newspaper inserts, but not both, may be used if other methods of distributing permissible information are not economically feasible in the institution's local service area.

3. Remedial Education: Senior institutions of higher education shall make arrangements with community colleges for the remediation of students accepted for admission by the senior institutions.

4. Compliance: The president or chancellor of each institution of higher education is responsible for the institution's compliance with this subsection.

b. INFORMATION TECHNOLOGY FACILITIES AND SERVICES:

1.a) The Virginia Information Technologies Agency shall procure information technology and telecommunications goods and services of every description for its own benefit or on behalf of other state agencies and institutions, or authorize other state agencies or institutions to undertake such procurements on their own.

b) Except for research projects, research initiatives, or instructional programs at public institutions of higher education, or any non-major information technology project request from the Virginia Community College System, Longwood University, or from an institution of higher education which is a member of the Virginia Association of State Colleges and University Purchasing Professionals (VASCUPP) as of July 1, 2003, or any procurement of information technology and telecommunications goods and services by public institutions of higher education governed by some combination of Chapters 933 and 945 of the 2005 Acts of Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly or Chapters 594 and 616 of the 2008 Acts of Assembly, or Chapters 824 and 829 of the 2008 Acts of Assembly, requests for authorization from state agencies and institutions to procure information technology and telecommunications goods and services on their own behalf shall be made in writing to the Chief Information Officer or his designee. Members of VASCUPP as of July 1, 2003, are

hereby recognized as: The College of William and Mary, George Mason University, James Madison University, Old Dominion University, Radford University, Virginia Commonwealth University, Virginia Military Institute, Virginia Polytechnic Institute and State University, and the University of Virginia.

c) The Chief Information Officer or his designee may grant the authorization upon a written determination that the request conforms to the statewide information technology plan and the individual information technology plan of the requesting agency or institution.

d) Any procurement authorized by the Chief Information Officer or his designee for information technology and telecommunications goods and services, including geographic information systems, shall be issued by the requesting state agency or institution in accordance with the regulations, policies, procedures, standards, and guidelines of the Virginia Information Technologies Agency.

e) Nothing in this subsection shall prevent public institutions of higher education or the Virginia Community College System from using the services of Network Virginia.

f) To ensure that the Commonwealth's research universities maintain a competitive position with access to the national optical research network infrastructure including the National LambdaRail and Internet2, the Network Virginia Contract Administrator is hereby authorized to renegotiate the term of the existing contracts. Additionally, the contract administrator is authorized to competitively negotiate additional agreements in accordance with the Code of Virginia and all applicable regulations, as required, to establish and maintain research network infrastructure.

2. If the billing rates and associated systems for computer, telecommunications and systems development services to state agencies are altered, the Director, Department of Planning and Budget, may transfer appropriations from the general fund between programs affected. These transfers are limited to actions needed to adjust for overfunding or underfunding the program appropriations affected by the altered billing systems.

3. The provisions of this subsection shall not in any way affect the duties and responsibilities of the State Comptroller under the provisions of § 2.2-803, Code of Virginia.

4. It is the intent of the General Assembly that information technology (IT) systems, products, data, and service costs, including geographic information systems (GIS), be contained through the shared use of existing or planned equipment, data, or services which may be available or soon made available for use by state agencies, institutions, authorities, and other public bodies. State agencies, institutions, and authorities shall cooperate with the Virginia Information Technologies Agency in identifying the development and operational requirements for proposed IT and GIS systems, products, data, and services, including the proposed use, functionality, capacity and the total cost of acquisition, operation and maintenance.

5. This section shall not apply to public institutions of higher education governed by some combination of Chapters 933 and 945 of the 2005 Acts of Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly or Chapters 594 and 616 of the 2008 Acts of Assembly, or Chapters 824 and 829 of the 2008 Acts of Assembly.

6. Notwithstanding any other provision of law, state agencies that do not receive computer services from the Virginia Information Technologies Agency may develop their own policies and procedures governing the sale of surplus computers and laptops to their employees or officials. Any proceeds from the sale of surplus computers or laptops shall be deposited into the appropriate fund or funds used to purchase the equipment.

c. MOTOR VEHICLES AND AIRCRAFT:

1. No motor vehicles shall be purchased or leased with public funds by the state or any officer or employee on behalf of the state without the prior written approval of the Director, Department of General Services.

2. The institutions of higher education shall be exempt from this provision but shall be required to report their entire inventory of purchased and leased vehicles including the cost of such to the Director of the Department of General Services by June 30 of each year. The Director of the Department of General Services shall compare the cost of vehicles acquired by institutions of higher education to like vehicles under the state contract. If the comparison demonstrates for a given institution that the cost to the Commonwealth is greater for like vehicles than would be the case based on a contract of statewide applicability, the Governor or his designee may suspend the exemption granted to the institution pursuant to this subparagraph c.

3. The Director, Department of General Services, is hereby authorized to transfer surplus motor vehicles among the state agencies, and determine the value of such surplus equipment for the purpose of maintaining the financial accounts of the state agencies affected by such transfers.

d. MOTION PICTURE, TELEVISION AND RADIO SERVICES PRODUCTION: Except for public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, no state Executive Department agency or the State Lottery Department shall expend any public funds for the production of motion picture films or of programs for television transmission, or for the operation of television or radio transmission facilities, without the prior written approval of the Governor or as otherwise provided in this act, except for educational television programs produced for

elementary-secondary education by authority of the Virginia Information Technologies Agency. The Joint Subcommittee on Rules is authorized to provide the approval of such expenditures for legislative agencies. For judicial agencies and independent agencies, other than the State Lottery Department, prior approval action rests with the supervisory bodies of these entities. With respect to television programs which are so approved and other programs which are otherwise authorized or are not produced for television transmission, state agencies may enter into contracts without competitive sealed bidding, or competitive negotiation, for program production and transmission services which are performed by public telecommunications entities, as defined in § 2.2-2427, Code of Virginia.

e. TRAVEL: Reimbursement for the cost of travel on official business of the state government is authorized to be paid pursuant to law and regulations issued by the State Comptroller to implement such law. Notwithstanding any contrary provisions of law:

1. For the use of personal automobiles in the discharge of official duties outside the continental limits of the United States, the State Comptroller may authorize an allowance not exceeding the actual cost of operation of such automobiles;

2. The first 15,000 miles of use during each fiscal year of personal automobiles in the discharge of official duties within the continental limits of the United States shall be reimbursed at an amount equal to the most recent business standard mileage rate as established by the Internal Revenue Service for employees or self-employed individuals to use in computing their income tax deductible costs for operating passenger vehicles owned or leased by them for business purposes, or in the instance of a state employee, at the lesser of (a) the IRS rate or (b) the lowest combined capital and operational trip pool rate charged by the Department of General Services, Office of Fleet Management Services (OFMS), posted on the OFMS website at time of travel, for the use of a compact state-owned vehicle. If the head of the state agency concerned certifies that a state-owned vehicle was not available, or if, according to regulations issued by the State Comptroller, the use of a personal automobile in lieu of a state-owned automobile is considered to be an advantage to the state, the reimbursement shall be at the rate of the IRS rate. For such use in excess of 15,000 miles in each fiscal year, the reimbursement shall be at a rate of 13.0 cents per mile, unless a state-owned vehicle is not available; then the rate shall be the IRS rate;

3. The State Comptroller may authorize exemptions to restrictions upon use of common carrier accommodations;

4. The State Comptroller may authorize reimbursement by per diem in lieu of actual costs of meals and any other expense category deemed necessary for the efficient and effective operation of state government;

5. State employees traveling on official business of state government shall be reimbursed for their travel costs using the same bank account authorized by the employee in which their net pay is direct deposited; and

6. This section shall not apply to members and employees of public school boards.

f. SMALL PURCHASE CHARGE CARD, ELECTRONIC DATA INTERCHANGE, DIRECT DEPOSIT, AND PAYLINE OPT OUT: The State Comptroller is hereby authorized to charge state agencies a fee of $5 per check or earnings notice when, in his judgment, agencies have failed to comply with the Commonwealth's electronic commerce initiatives to reduce unnecessary administrative costs for the printing and mailing of state checks and earning notices. The fee shall be collected by the Department of Accounts through accounting entries.

g. PURCHASES OF APPLIANCES AND EQUIPMENT: State agencies and institutions shall purchase Energy Star rated appliances and equipment in all cases where such appliances and equipment are available.

h. ELECTRONIC PAYMENTS: Any recipient of payments from the State Treasury who receives six or more payments per year issued by the State Treasurer shall receive such payments electronically. The State Treasurer shall decide the appropriate method of electronic payment and, through his warrant issuance authority, the State Comptroller shall enforce the provisions of this section. The State Comptroller is authorized to grant administrative relief to this requirement when circumstances justify non-electronic payment.

i. LOCAL AND NON-STATE SAVINGS AND EFFICIENCIES: It is the intent of the General Assembly that State agencies shall encourage and assist local governments, school divisions, and other non-state governmental entities in their efforts to achieve cost savings and efficiencies in the provision of mandated functions and services including but not limited to finance, procurement, social services programs, and facilities management.

j. MEDICAL SERVICES: No expenditures from general or nongeneral fund sources may be made out of any appropriation by the General Assembly for providing abortion services, except as otherwise required by federal law or state statute.

k. TELECOMMUNICATION SERVICES AND DEVICES:

1. The Chief Information Officer and the State Comptroller shall develop statewide requirements for the use of cellular telephones and other telecommunication devices by in-scope Executive Department agencies, addressing the assignment, evaluation of need, safeguarding, monitoring, and usage of these telecommunication devices. The requirements shall include an acceptable use agreement template clearly defining an employee’s responsibility when they receive and use a telecommunication device. Statewide requirements shall require some form of identification on a device in case it is lost or

stolen and procedures to wipe the device clean of all sensitive information when it is no longer in use.

2. In-scope Executive Department agencies providing employees with telecommunication devices shall develop agency-specific policies, incorporating the guidance provided in § 4-5.04 k. 1. of this act and shall maintain a cost justification for the assignment or a public health, welfare and safety need.

3. The Chief Information Officer shall determine the optimal number of telecommunication vendors and plans necessary to meet the needs of in-scope Executive Department agency personnel. The Chief Information Officer shall regularly procure these services and provide statewide contracts for use by all such agencies. These contracts shall require the vendors to provide detailed usage information in a useable electronic format to enable the in-scope agencies to properly monitor usage to make informed purchasing decisions and minimize costs.

4. The Chief Information Officer shall examine the feasibility of providing tools for in-scope Executive Department agencies to analyze usage and cost data to assist in determining the most cost effective plan combinations for the entity as a whole and individual users.

l. ALTERNATIVE PROCUREMENT: If any payment is declared unconstitutional for any reason or if the Attorney General finds in a formal, written, legal opinion that a payment is unconstitutional, in circumstances where a good or service can constitutionally be the subject of a purchase, the administering agency of such payment is authorized to use the affected appropriation to procure, by means of the Commonwealth's Procurement Act, goods and services, which are similar to those sought by such payment in order to accomplish the original legislative intent.

§ 4-5.05 NONSTATE AGENCIES, INTERSTATE COMPACTS AND ORGANIZATIONAL MEMBERSHIPS

a. The accounts of any agency, however titled, which receives funds from this or any other appropriating act, and is not owned or controlled by the Commonwealth of Virginia, shall be subject to audit or shall present an audit acceptable to the Auditor of Public Accounts when so directed by the Governor or the Joint Legislative Audit and Review Commission.

b.1. For purposes of this subsection, the definition of "nonstate agency" is that contained in § 2.2-1505, Code of Virginia.

2. Allotment of appropriations to nonstate agencies shall be subject to the following criteria:

a) Such agency is located in and operates in Virginia.

b) The agency must be open to the public or otherwise engaged in activity of public interest, with expenditures having actually been incurred for its operation.

3. No allotment of appropriations shall be made to a nonstate agency until such agency has certified to the Secretary of Finance that cash or in-kind contributions are on hand and available to match equally all or any part of an appropriation which may be provided by the General Assembly, unless the organization is specifically exempted from this requirement by language in this act. Such matching funds shall not have been previously used to meet the match requirement in any prior appropriation act.

4. Operating appropriations for nonstate agencies equal to or in excess of $150,000 shall be disbursed to nonstate agencies in twelve or fewer equal monthly installments depending on when the first payment is made within the fiscal year. Operating appropriations for nonstate agencies of less than $150,000 shall be disbursed in one payment once the nonstate agency has successfully met applicable match and application requirements.

5. The provisions of § 2.2-4343 A 14, Code of Virginia shall apply to any expenditure of state appropriations by a nonstate agency.

c.1. Each interstate compact commission and each organization in which the Commonwealth of Virginia or a state agency thereof holds membership, and the dues for which are provided in this act or any other appropriating act, shall submit its biennial budget request to the state agency under which such commission or organization is listed in this act. The state agency shall include the request of such commission or organization within its own request, but identified separately. Requests by the commission or organization for disbursements from appropriations shall be submitted to the designated state agency.

2. Each state agency shall submit by November 1 each year, a report to the Director, Department of Planning and Budget, listing the name and purpose for organizational memberships held by that agency with annual dues of $5,000 or more. The institutions of higher education shall be exempt from this reporting requirement.

§ 4-5.06 DELEGATION OF AUTHORITY

a. The designation in this act of an officer or agency head to perform a specified duty shall not be deemed to supersede the authority of the Governor to delegate powers under the provisions of § 2.2-104 , Code of Virginia.

b. The nongeneral fund capital outlay decentralization programs initiated pursuant to § 4-5.08b of Chapter 912, 1996 Acts of

Assembly as continued in subsequent appropriation acts are hereby made permanent. Decentralization programs for which institutions have executed memoranda of understanding with the Secretary of Administration pursuant to the provisions of § 4-5.08b of Chapter 912, 1996 Acts of Assembly shall no longer be considered pilot projects, and shall remain in effect until revoked.

c. Institutions wishing to participate in a nongeneral fund capital outlay decentralization program for the first time shall submit a letter of interest to the appropriate Cabinet Secretary. Within 90 calendar days of the receipt of the institution's request to participate, the responsible Cabinet Secretary shall determine whether the institution meets the eligibility criteria and, if appropriate, establish a decentralization program at the institution. The Cabinet Secretary shall report to the Governor and Chairmen of the Senate Finance and House Appropriations Committees by December 1 of each year all institutions that have applied for inclusion in a decentralization program and whether the institutions have been granted authority to participate in the decentralization program.

d. The provisions identified in § 4-5.08 f and § 4-5.08 h of Chapter 1042 of the Acts of Assembly of 2003 pertaining to pilot programs for selected capital outlay projects and memoranda of understanding in institutions of higher education are hereby continued. Notwithstanding these provisions, those projects shall be insured through the state's risk management liability program.

e. If during an independent audit conducted by the Auditor of Public Accounts, the audit discloses that an institution is not performing within the terms of the memoranda of understanding or their addenda, the Auditor shall report this information to the Governor, the responsible Cabinet Secretary, and the Chairmen of the Senate Finance and House Appropriations Committees.

f. Institutions that have executed memoranda of understanding with the Secretary of Administration for nongeneral fund capital outlay decentralization programs are hereby granted a waiver from the provisions of § 2.2-4301, Competitive Negotiation, subdivision 3a, Code of Virginia, regarding the not to exceed amount of $100,000 for a single project, the not to exceed sum of $500,000 for all projects performed, and the option to renew for two additional one-year terms.

g. Notwithstanding any contrary provision of law or this act, delegations of authority in this act to the Governor shall apply only to agencies and personnel within the Executive Department, unless specifically stated otherwise.

h. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly.

§ 4-5.07 LEASE, LICENSE OR USE AGREEMENTS

a. Agencies shall not acquire or occupy real property through lease, license or use agreement until the agency certifies to the Director, Department of General Services, that (i) funds are available within the agency's appropriations made by this act for the cost of the lease, license or use agreement and (ii) except for good cause as determined by the Department of General Services, the volume of such space conforms with the space planning procedures for leased facilities developed by the Department of General Services and approved by the Governor. The Department of General Services shall acquire and hold such space for use by state departments, agencies and institutions within the Executive Branch and may utilize brokerage services, portfolio management strategies, strategic planning, transaction management, project and construction management, and lease administration strategies consistent with industry best practices as adopted by the Department from time to time. These provisions may be waived in writing by the Director, Department of General Services. However, these provisions shall not apply to institutions of higher education that have met the conditions prescribed in subsection B of § 23-38.88, Code of Virginia.

b. Agencies acquiring personal property in accordance with § 2.2-2417, Code of Virginia, shall certify to the State Treasurer that funds are available within the agency's appropriations made by this act for the cost of the lease.

§ 4-5.08 SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAMS

a. The Comptroller shall not draw any warrants to issue checks for semiconductor manufacturing performance grant programs, pursuant to Title 59.1, Chapter 22.3, Code of Virginia, without a specific legislative appropriation. The appropriation shall be in accordance with the terms and conditions set forth in a memorandum of understanding between a qualified manufacturer and the Commonwealth. These terms and conditions shall supplement the provisions of the Semiconductor Manufacturing Performance Grant Program, the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program, and the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II, as applicable, and shall include but not be limited to the numbers and types of semiconductor wafers that are produced; the level of investment directly related to the building and equipment for manufacturing of wafers or activities ancillary to or supportive of such manufacturer within the eligible locality; and the direct employment related to these programs. To that end, the Secretary of Commerce and Trade shall certify in writing to the Governor and to the Chairmen of the House Appropriations and Senate Finance Committees the extent to which a qualified manufacturer met the terms and conditions. The appropriation shall be made in full or in proportion to a qualified manufacturer's fulfillment of the memorandum of understanding.

b. The Governor shall consult with the House Appropriations and Senate Finance Committees before amending any existing memorandum of understanding. These Committees shall have the opportunity to review any changes prior to their execution by the Commonwealth.

§ 4-5.09 DISPOSITION OF SURPLUS REAL PROPERTY

a. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the departments, divisions, institutions, or agencies of the Commonwealth, or the Governor, shall sell or lease surplus real property only under the following circumstances:

1. Any emergency declared in accordance with §§ 44-146.18:2 or 44-146.28, Code of Virginia, or

2. Not less than thirty days after the Governor notifies, in writing, the Chairmen of the House Appropriations and Senate Finance Committees regarding the planned conveyance, including a statement of the proceeds to be derived from such conveyance and the individual or entity taking title to such property.

3. Surplus property valued at less than $5,000,000 that is possessed and controlled by a public institution of higher education, pursuant to §§ 2.2-1149 and 2.2-1153, Code of Virginia.

b. In any circumstance provided for in subsection a of this section, the cognizant board or governing body of the agency or institution holding title or otherwise controlling the state-owned property shall approve, in writing, the proposed conveyance of the property.

c. In accordance with § 15.2-2005, Code of Virginia, the consent of the General Assembly is herein provided for the road known as Standpipe Road, that was relocated and established on a portion of the Virginia Department of Transportation's Culpeper District Office property, identified as Tax Map No. 50-28, to improve the operational efficiency of the local road network in the Town of Culpeper. Further, the Virginia Department of Transportation is hereby authorized to convey to the Town of Culpeper, upon such terms and conditions as the Department deems proper and for such considerations the Department may determine, the property on which "Standpipe Road (Relocated)(Variable Width R/W)" on the plat entitled "plat Showing Property and Various Easements for Standpipe Road Relocated, Tax Map 50-28, Town of Culpeper, Culpeper County, Virginia" prepared by ATCS P.L.C and sealed March 14, 2012, together with easements to the Town of Culpeper for electric utility, slopes and drainage as shown on said plat. The conveyance shall be made with the approval of the Governor and in a form approved by the Attorney General. The appropriate officials of the Commonwealth are hereby authorized to prepare, execute, and deliver such deed and other documents as may be necessary to accomplish the conveyance.

§ 4-5.10 SURPLUS PROPERTY TRANSFERS FOR ECONOMIC DEVELOPMENT

a. The Commonwealth shall receive the fair market value of surplus state property which is designated by the Governor for economic development purposes, and for any properties owned by an Industrial Development Authority in any county where the Commonwealth has a continuing interest based on the deferred portion of the purchase price, which shall be assessed by more than one independent appraiser certified as a Licensed General Appraiser. Such property shall not be disposed of for less than its fair market value as determined by the assessments.

b. Recognizing the commercial, business and industrial development potential of certain lands declared surplus, and for any properties owned by an Industrial Development Authority in any county where the Commonwealth has a continuing interest based on the deferred portion of the purchase price, the Governor shall be authorized to utilize funds available in the Governor's discretion, to meet the requirements of the preceding subsection a. Sale proceeds, together with the money from the Governor's Development Opportunity Fund, shall be deposited as provided in § 2.2-1156 D, Code of Virginia.

c. Within thirty days of closing on the sale of surplus property designated for economic development, the Governor or his designee shall report to the Chairmen of the Senate Finance and House Appropriations Committees. The report shall include information on the number of acres sold, sales price, amount of proceeds deposited to the general fund and Conservation Resources Fund, and the fair market value of the sold property.

d. Except for subaqueous lands that have been filled prior to January 1, 2006, the Governor shall not sell or convey those subaqueous lands identified by metes and bounds in Chapter 884 of the Acts of the Assembly of 2006.

I VETO THIS SECTION AS IT CONSTITUTES SEPARATE LEGISLATION. /s/ Robert F. McDonnell (6/11/12) (Vetoed item is enclosed in brackets.)

§ 4-5.11 ASSIGNMENT OF GENERAL FUND FOR NONRECURRING EXPENDITURES

In developing the annual budget bill submitted pursuant to § 2.2-1509, Code of Virginia, including any amendments to a general appropriation act pursuant to such section, "Nonrecurring expenditures" shall mean only the acquisition or construction of capital outlay projects as defined in § 2.2-1518, Code of Virginia, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act. Such term shall not include any expenditures relating to transportation, including but not limited to transportation maintenance.

§ 4-6.00 POSITIONS AND EMPLOYMENT

§ 4-6.01 EMPLOYEE COMPENSATION

a. The compensation of all kinds and from all sources of each appointee of the Governor and of each officer and employee in the Executive Department who enters the service of the Commonwealth or who is promoted to a vacant position shall be fixed at such rate as shall be approved by the Governor in writing or as is in accordance with rules and regulations established by the Governor. No increase shall be made in such compensation except with the Governor's written approval first obtained or in accordance with the rules and regulations established by the Governor. In all cases where any appointee, officer or employee is employed or promoted to fill a vacancy in a position for which a salary is specified by this act, the Governor may fix the salary of such officer or employee at a lower rate or amount within the respective level than is specified. In those instances where a position is created by an act of the General Assembly but not specified by this act, the Governor may fix the salary of such position in accordance with the provisions of this subsection.

b. Annual salaries of persons appointed to positions by the General Assembly, pursuant to the provisions of §§ 2.2-200 and 2.2-400, Code of Virginia, shall be paid in the amounts shown.

	July 1, 2012 to June 24, 2013	**June 25, 2013 to November 24, 2013**	**November 25, 2013 to June 30, 2014**
Chief of Staff	$160,459	$160,459	$160,459
Secretary of Administration	$152,793	$152,793	$152,793
Secretary of Agriculture and Forestry	$152,793	$152,793	$152,793
Secretary of Commerce and Trade	$160,433	$160,433	$160,433
Secretary of the Commonwealth	$152,793	$152,793	$152,793
Secretary of Education	$152,793	$152,793	$152,793
Secretary of Finance	$160,433	$160,433	$160,433
Secretary of Health and Human Resources	$152,793	$152,793	$152,793
Secretary of Natural Resources	$152,793	$152,793	$152,793
Secretary of Public Safety	$160,433	$160,433	$160,433
Secretary of Technology	$152,793	$152,793	$152,793
Secretary of Transportation	$160,433	$160,433	$160,433
Secretary of Veterans Affairs and Homeland Security	$160,433	$160,433	$160,433

c.1.a) Annual salaries of persons appointed to positions listed in subdivision c 6 hereof shall be paid in the amounts shown for the current biennium, unless changed in accordance with conditions stated in subdivisions c 2 through c 5 hereof.

b) The starting salary of a new appointee shall not exceed the midpoint of the range, except where the midpoint salary is less than a ten percent increase from an appointee's preappointment compensation. In such cases, an appointee's starting salary may be set at a rate which is ten percent higher than the preappointment compensation, provided that the maximum of the range is not exceeded. However, in instances where an appointee's preappointment compensation exceeded the maximum of the respective salary range, then the salary for that appointee may be set at the maximum salary for the respective salary range.

c) Nothing in subdivision c 1 shall be interpreted to supersede the provisions of § 4-6.01 e, f, g, h, i, j, k, l, and m of this act.

d) For new appointees to positions listed in § 4-6.01c.6., the Governor is authorized to provide for fringe benefits in addition to those otherwise provided by law, including post retirement health care and other non-salaried benefits provided to similar positions in the public sector.

2.a)1) The Governor may increase or decrease the annual salary for incumbents of positions listed in subdivision c 6 below at a rate of up to 10 percent in any single fiscal year between the minimum and the maximum of the respective salary range in accordance with an assessment of performance and service to the Commonwealth.

2) The governing boards of the independent agencies may increase or decrease the annual salary for incumbents of positions listed in subdivision c.7. below at a rate of up to 10 percent in any fiscal year between the minimum and maximum of the respective salary range, in accordance with an assessment of performance and service to the Commonwealth.

b)1) The appointing or governing authority may grant performance bonuses of 0-5 percent for positions whose salaries are listed in §§ 1-1 through 1-9, and 4-6.01 b, c, and d of this act, based on an annual assessment of performance, in accordance with policies and procedures established by such appointing or governing authority. Such performance bonuses shall be over and above the salaries listed in this act, and shall not become part of the base rate of pay.

2) The appointing or governing authority shall report performance bonuses which are granted to executive branch employees to the Department of Human Resource Management for retention in its records.

3. From the effective date of the Executive Pay Plan set forth in Chapter 601, Acts of Assembly of 1981, all incumbents holding positions listed in this § 4-6.01 shall be eligible for all fringe benefits provided to full-time classified state employees and, notwithstanding any provision to the contrary, the annual salary paid pursuant to this § 4-6.01 shall be included as creditable compensation for the calculation of such benefits.

4. Notwithstanding § 4-6.01.c.2.b)1) of this Act, the Board of Commissioners of the Virginia Port Authority may supplement the salary of its Executive Director, with the prior approval of the Governor. The Board should be guided by criteria which provide a reasonable limit on the total additional income of the Executive Director. The criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable ports of other states. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

5. With the written approval of the Governor, the Board of Trustees of the Virginia Museum of Fine Arts, the Science Museum of Virginia, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, Gunston Hall, the Library Board, and the Virginia College Savings Plan Board may supplement the salary of the Director of each museum, the Librarian of Virginia, and the Director of the Virginia College Savings Plan Board from nonstate funds. In approving a supplement, the Governor should be guided by criteria which provide a reasonable limit on the total additional income and the criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable museums and libraries of other states. The respective Boards shall report approved supplements to the Department of Human Resource Management for retention in its records.

6.a) The following salaries shall be paid for the current biennium in the amounts shown, however, all salary changes shall be subject to subdivisions c 2 through c 5 above.

	July 1, 2012 to June 24, 2013	**June 25, 2013 to November 24, 2013**	**November 25, 2013 to June 30, 2014**
Level I Range	**$143,449 - $198,450**	**$146,318 - $202,419**	**$146,318 - $202,419**
Midpoint	**$170,950**	**$174,369**	**$174,369**
Chief Information Officer, Virginia Information Technologies Agency	$157,500	$157,500	$157,500
Commissioner, Department of Motor Vehicles	$143,449	$143,449	$143,449
Commissioner, Department of Social Services	$147,000	$147,000	$147,000

Commissioner, Department of Behavioral Health and Developmental Services	$191,672	$191,672	$191,672
Commonwealth Transportation Commissioner	$198,450	$198,450	$198,450
Director, Department of Corrections	$150,000	$150,000	$150,000
Director, Department of Environmental Quality	$157,729	$157,729	$157,729
Director, Department of Medical Assistance Services	$165,669	$165,669	$165,669
Director, Department of Planning and Budget	$157,500	$157,500	$157,500
State Health Commissioner	$191,906	$191,906	$191,906
State Tax Commissioner	$143,646	$143,646	$143,646
Superintendent of Public Instruction	$175,467	$175,467	$175,467
Superintendent of State Police	$153,076	$153,076	$153,076

	July 1, 2012 to June 24, 2013	**June 25, 2013 to November 24, 2013**	**November 25, 2013 to June 30, 2014**
Level II Range	**$100,800 - $157,249**	**$102,816 - $160,394**	**$102,816 - $160,394**
Midpoint	**$129,025**	**$131,605**	**$131,605**
Alcoholic Beverage Control Commissioner	$120,000	$126,000	$126,000
Alcoholic Beverage Control Commissioner	$122,000	$122,000	$122,000
Chairman, Alcoholic Beverage Control Board	$130,978	$130,978	$130,978
Commissioner, Department of Agriculture and Consumer Services	$120,000	$120,000	$120,000
Commissioner, Department of Veterans Services	$120,000	$120,000	$120,000
Commissioner, Virginia Employment Commission	$128,100	$128,100	$128,100

Executive Director, Department of Game and Inland Fisheries	$130,977	$130,977	$130,977
Commissioner, Marine Resources Commission	$115,395	$115,395	$115,395
Director, Department of Business Assistance	$100,800	$100,800	$100,800
Director, Department of Forensic Science	$153,972	$153,972	$153,972
Director, Department of General Services	$148,293	$148,293	$148,293
Director, Department of Mines, Minerals and Energy	$124,888	$124,888	$124,888
Director, Department of Human Resource Management	$137,955	$137,955	$137,955
Director, Department of Juvenile Justice	$120,750	$120,750	$120,750
Director, Department of Rail and Public Transportation	$132,132	$132,132	$132,132
Executive Director, DMV Dealer Board	$115,445	$115,445	$115,445
Executive Director, Virginia Port Authority	$137,186	$137,186	$137,186
State Comptroller	$157,249	$157,249	$157,249
State Treasurer	$157,249	$157,249	$157,249

	July 1, 2012 to June 24, 2013	**June 25, 2013 to November 24, 2013**	**November 25, 2013 to June 30, 2014**
Level III Range	**$101,493- $139,535**	**$103,523 -$142,326**	**$103,523 -$142,326**
Midpoint	**$120,514**	**$122,925**	**$122,925**
Adjutant General	$132,890	$132,890	$132,890
Chairman, Virginia Parole Board	$120,750	$120,750	$120,750
Commissioner, Department of Labor and Industry	$110,250	$110,250	$110,250
Commissioner, Department for Aging and Rehabilitative Services	$130,815	$130,815	$130,815

Coordinator, Department of Emergency Management	$120,383	$120,383	$120,383
Director, Department of Aviation	$127,937	$127,937	$127,937
Director, Department of Conservation and Recreation	$128,000	$128,000	$128,000
Director, Department of Criminal Justice Services	$113,400	$113,400	$113,400
Director, Department of Health Professions	$126,127	$126,127	$126,127
Director, Department of Historic Resources	$105,189	$105,189	$105,189
Director, Department of Housing and Community Development	$124,335	$124,335	$124,335
Director, Department of Professional and Occupational Regulation	$112,000	$112,000	$112,000
Director, The Science Museum of Virginia	$128,767	$128,767	$128,767
Director, Virginia Museum of Fine Arts	$133,726	$133,726	$133,726
Director, Virginia Museum of Natural History	$110,250	$110,250	$110,250
Executive Director, Jamestown-Yorktown Foundation	$127,940	$127,940	$127,940
Executive Secretary, Virginia Racing Commission	$108,472	$108,472	$108,472
Librarian of Virginia	$139,535	$139,535	$139,535
State Forester, Department of Forestry	$101,493	$101,493	$101,493

	July 1, 2012 to June 24, 2013	**June 25, 2013 to November 24, 2013**	**November 25, 2013 to June 30, 2014**
Level IV Range	**$98,214 -$109,725**	**$100,178 - $111,920**	**$100,178 - $111,920**
Midpoint	**$103,970**	**$106,049**	**$106,049**

Administrator, Commonwealth's Attorneys' Services Council	$98,214	$98,214	$98,214
Commissioner, Virginia Department for the Blind and Vision Impaired	$109,725	$109,725	$109,725
Director, Department of Minority Business Enterprise	$101,130	$101,130	$101,130
Executive Director, Board of Accountancy	$109,200	$109,200	$109,200
Executive Director, Frontier Culture Museum of Virginia	$106,139	$106,139	$106,139
Secretary, State Board of Elections	$104,000	$104,000	$104,000

	July 1, 2012 to June 24, 2013	**June 25, 2013 to November 24, 2013**	**November 25, 2013 to June 30, 2014**
Level V Range	**$20,288 - $88,583**	**$20,694 - $90,355**	**$20,694 - $90,355**
Midpoint	**$54,436**	**$55,525**	**$55,525**
Director, Gunston Hall	$86,176	$86,176	$86,176
Director, Virginia Department for the Deaf and Hard-of-Hearing	$88,583	$88,583	$88,583
Executive Director, Department of Fire Programs	$87,360	$87,360	$87,360
Executive Director, Virginia Commission for the Arts	$86,283	$86,283	$86,283
Chairman of Board Chairman, Compensation Board	$20,288	$20,288	$20,288

7. Annual salaries of the directors of the independent agencies, as listed in this subdivision, shall be paid in the amounts shown. All salary changes shall be subject to subdivisions c 1, c 2, and c 3 above.

	July 1, 2012 to June 24, 2013	**June 25, 2013 to November 24, 2013**	**November 25, 2013 to June 30, 2014**

Independent Range	**$127,846 - $170,352**	**$130,403 - 173,759**	**$130,403 - $173,759**
Midpoint	**$149,099**	**$152,081**	**$152,081**
Director, State Lottery Department	$142,719	$142,719	$142,719
Executive Director, Virginia Office for Protection and Advocacy	$127,846	$127,846	$127,846
Director, Virginia Retirement System	$170,352	$170,352	$170,352
Chief Executive Officer, Virginia College Savings Plan	$170,352	$170,352	$170,352

8. Notwithstanding any provision of this Act, the Board of Trustees of the Virginia Retirement System may supplement the salary of its Director. The Board should be guided by criteria, which provide a reasonable limit on the total additional income of the Director. The criteria should include, without limitation, a consideration of the salaries paid to similar officials in comparable public pension plans. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

d.1. Annual salaries of the presidents of the senior institutions of higher education, the President of Richard Bland College, the Chancellor of the University of Virginia's College at Wise, the Superintendent of the Virginia Military Institute, the Director of the State Council of Higher Education, the Director of the Southern Virginia Higher Education Center, the Director of the Southwest Virginia Higher Education Center and the Chancellor of Community Colleges, as listed in this paragraph, shall be paid in the amounts shown. The annual salaries of the presidents of the community colleges shall be fixed by the State Board for Community Colleges within a salary structure submitted to the Governor prior to June 1 each year for approval.

2.a) The board of visitors of each institution of higher education or the boards of directors for Southern Virginia Higher Education Center, Southwest Virginia Higher Education Center, and the New College Institute may annually supplement the salary of a president or director from private gifts, endowment funds, foundation funds, or income from endowments and gifts. Supplements paid from other than the cited sources prior to June 30, 1997, may continue to be paid. In approving a supplement, the board of visitors or board of directors should be guided by criteria which provide a reasonable limit on the total additional income of a president or director. The criteria should include a consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services. The board of visitors or board of directors shall report approved supplements to the Department of Human Resource Management for retention in its records.

b) The State Board for Community Colleges may annually supplement the salary of the Chancellor from any available appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community Colleges should be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The criteria should include consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

c) Norfolk State University is authorized to supplement the salary of its president from educational and general funds up to $17,000.

d) Should a vacancy occur for the Director of the State Council of Higher Education on or after the date of enactment of this act, the salary for the new director shall be established by the State Council of Higher Education based on the salary range for Level I agency heads. Furthermore, the state council may provide a bonus of up to five percent of the annual salary for the new director.

	July 1, 2012 to June 24, 2013	**June 25, 2013 to November 24, 2013**	**November 25, 2013 to June 30, 2014**
NEW COLLEGE INSTITUTE			
Executive Director, New College Institute	$123,524	$123,524	$123,524

STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA			
Director, State Council of Higher Education for Virginia	$182,490	$182,490	$182,490
SOUTHERN VIRGINIA HIGHER EDUCATION CENTER			
Director, Southern Virginia Higher Education Center	$124,925	$124,925	$124,925
SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER			
Director, Southwest Virginia Higher Education Center	$128,300	$128,300	$128,300
VIRGINIA COMMUNITY COLLEGE SYSTEM			
Chancellor of Community Colleges	$167,243	$167,243	$167,243
SENIOR COLLEGE PRESIDENTS' SALARIES			
Chancellor, University of Virginia's College at Wise	$127,221	$127,221	$127,221
President, Christopher Newport University	$130,805	$130,805	$130,805
President, The College of William and Mary in Virginia	$157,249	$157,249	$157,249
President, George Mason University	$148,307	$148,307	$148,307
President, James Madison University	$153,183	$153,183	$153,183
President, Longwood University	$147,127	$147,127	$147,127
President, Norfolk State University	$143,627	$143, 627	$143, 627
President, Old Dominion University	$165,777	$165,777	$165,777
President, Radford University	$150,805	$150,805	$150,805
President, Richard Bland College	$129,200	$129,200	$129,200
President, University of Mary Washington	$140,447	$140,447	$140,447

President, University of Virginia	$176,104	$176,104	$176,104
President, Virginia Commonwealth University	$176,104	$176,104	$176,104
President, Virginia Polytechnic Institute and State University	$184,919	$184,919	$184,919
President, Virginia State University	$143,624	$143,624	$143,624
Superintendent, Virginia Military Institute	$142,297	$142,297	$142,297

e. 1. Salaries for newly employed or promoted employees shall be established consistent with the compensation and classification plans established by the Governor.

2. The State Comptroller is hereby authorized to require payment of wages or salaries to state employees by direct deposit or by credit to a prepaid debit card or card account from which the employee is able to withdraw or transfer funds.

f. The provisions of this section, requiring prior written approval of the Governor relative to compensation, shall apply also to any system of incentive award payments which may be adopted and implemented by the Governor. The cost of implementing any such system shall be paid from any funds appropriated to the affected agencies.

g. No lump sum appropriation for personal service shall be regarded as advisory or suggestive of individual salary rates or of salary schedules to be fixed under law by the Governor payable from the lump sum appropriation.

h. Subject to approval by the Governor of a plan for a statewide employee meritorious service awards program, as provided for in § 2.2-1201.12, Code of Virginia, the costs for such awards shall be paid from any operating funds appropriated to the affected agencies.

i. The General Assembly hereby affirms and ratifies the Governor's existing authority and the established practice of this body to provide for pay differentials or to supplement base rates of pay for employees in specific job classifications in particular geographic and/or functional areas where, in the Governor's discretion, they are needed for the purpose of maintaining salaries which enable the Commonwealth to maintain a competitive position in the relevant labor market.

j.1. If at any time the Administrator of the Commonwealth's Attorneys' Services Council serves on the faculty of a state-supported institution of higher education, the faculty appointment must be approved by the Council. Such institution shall pay one-half of the salary listed in § 4-6.01 c 6 of this act. Further, such institution may provide compensation in addition to that listed in § 4-6.01 c 6; provided, however, that such additional compensation must be approved by the Council.

2. If the Administrator ceases to be a member of the faculty of a state-supported institution of higher education, the total salary listed in § 4-6.01 c 6 shall be paid from the Council's appropriation.

k.1.a) Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role contained in the compensation and classification plans approved by the Governor shall be effective beginning with the first pay period, defined as the pay period from June 25 through July 9, of the fiscal year if: (1) the agency certifies to the Secretary of Finance that funds are available within the agency's appropriation to cover the cost of the increase for the remainder of the current biennium and presents a plan for covering the costs next biennium and the Secretary concurs, or (2) such funds are appropriated by the General Assembly. If at any time the Secretary of Administration shall certify that such change in the salary band assignment for a job role is of an emergency nature and the Secretary of Finance shall certify that funds are available to cover the cost of the increase for the remainder of the biennium within the agency’s appropriation, such change in compensation may be effective on a date agreed upon by these two Secretaries. The Secretary of Administration shall provide a monthly report of all such emergency changes in accordance with § 4-8.00, Reporting Requirements.

b) Notwithstanding any other provision of law, state employees will be paid on July 2, 2012, for the work period June 10 to June 24, 2012.

2. Salary adjustments for any employee through a promotion, role change, exceptional recruitment and retention incentive options, or in-range adjustment shall occur only if: a) the agency has sufficient funds within its appropriation to cover the cost of the salary adjustment for the remainder of the current biennium or b) such funds are appropriated by the General Assembly.

3. No changes in salary band assignments affecting classified employees of more than one agency shall become effective unless the Secretary of Finance certifies that sufficient funds are available to provide such increase or plan to all affected

employees supported from the general fund.

l. Full-time employees of the Commonwealth, including faculty members of state institutions of higher education, who are appointed to a state-level board, council, commission or similar collegial body shall not receive any such compensation for their services as members or chairmen except for reimbursement of reasonable and necessary expenses. The foregoing provision shall likewise apply to the Compensation Board, pursuant to § 15.2-1636.5, Code of Virginia.

m.1. Notwithstanding any other provision of law, the board of visitors or other governing body of any public institution of higher education is authorized to establish age and service eligibility criteria for faculty participating in voluntary early retirement incentive plans for their respective institutions pursuant to § 23-9.2:3.1 B and the cash payment offered under such compensation plans pursuant to § 23-9.2:3.1 D, Code of Virginia. Notwithstanding the limitations in § 23-9.2:3.1 D, the total cost in any fiscal year for any such compensation plan , shall be set forth by the governing body in the compensation plan for approval by the Governor and review for legal sufficiency by the Office of the Attorney General.

2. Notwithstanding any other provision of law, employees holding full-time, academic-year classified positions at public institutions of higher education shall be considered "state employees" as defined in § 51.1-124.3, Code of Virginia, and shall be considered for medical/hospitalization, retirement service credit, and other benefits on the same basis as those individuals appointed to full-time, 12-month classified positions.

n. Notwithstanding the Department of Human Resource Management Policies and Procedures, payment to employees with five or more years of continuous service who either terminate or retire from service shall be paid in one sum for twenty-five percent of their sick leave balance, provided, however, that the total amount paid for sick leave shall not exceed $5,000 and the remaining seventy-five percent of their sick leave shall lapse. This provision shall not apply to employees who are covered by the Virginia Sickness and Disability Program as defined in § 51.1-1100, Code of Virginia. Such employees shall not be paid for their sick leave balances. However, they will be paid, if eligible as described above, for any disability leave credits they have at separation or retirement or may convert disability credits to service credit under the Virginia Retirement System pursuant to § 51.1-1103 (F), Code of Virginia.

o. It is the intent of the General Assembly that calculation of the faculty salary benchmark goal for the Virginia Community College System shall be done in a manner consistent with that used for four-year institutions, taking into consideration the number of faculty at each of the community colleges. In addition, calculation of the salary target shall reflect an eight percent salary differential in a manner consistent with other public four-year institutions and for faculty at Northern Virginia Community College.

p. Any public institution of higher education that has met the eligibility criteria set out in Chapters 933 and 945 of the 2005 Acts of Assembly may supplement annual salaries for classified employees from private gifts, endowment funds, or income from endowments and gifts, subject to policies approved by the board of visitors. The Commonwealth shall have no general fund obligations for the continuation of such salary supplements.

q. The Governor, or any other appropriate Board or Public Body, is authorized to adjust the salaries of employees specified in this item, and other items in the Act, to reflect the compensation adjustments authorized in Item 468 of this Act.

§ 4-6.02 EMPLOYEE TRAINING AND STUDY

Subject to uniform rules and regulations established by the Governor, the head of any state agency may authorize, from any funds appropriated to such department, institution or other agency in this act or subsequently made available for the purpose, compensation or expenses or both compensation and expenses for employees pursuing approved training courses or academic studies for the purpose of becoming better equipped for their employment in the state service. The rules and regulations shall include reasonable provision for the return of any employee receiving such benefits for a reasonable period of duty, or for reimbursement to the state for expenditures incurred on behalf of the employee should he not return to state service.

§ 4-6.03 EMPLOYEE BENEFITS

a. Any medical/hospitalization benefit program provided for state employees shall include the following provision: any state employee, as defined in § 2.2-2818, Code of Virginia, shall have the option to accept or reject coverage.

b. Except as provided for sworn personnel of the Department of State Police, no payment of, or reimbursement for, the employer paid contribution to the State Police Officers' Retirement System, or any system offering like benefits, shall be made by the Compensation Board of the Commonwealth at a rate greater than the employer rate established for the general classified workforce of the Commonwealth covered under the Virginia Retirement System. Any cost for benefits exceeding such general rate shall be borne by the employee or, in the case of a political subdivision, by the employer.

c. Each agency may, within the funds appropriated by this act, implement a transit and ridesharing incentive program for its employees. With such programs, agencies may reimburse employees for all or a portion of the costs incurred from using public transit, car pools, or van pools. The Secretary of Transportation shall develop guidelines for the implementation of such programs and any agency program must be developed in accordance with such guidelines. The guidelines shall be in accordance with the federal National Energy Policy Act of 1992 (P.L. 102-486), and no program shall provide an incentive

that exceeds the actual costs incurred by the employee.

d. Any hospital that serves as the primary medical facility for state employees may be allowed to participate in the State Employee Health Insurance Program pursuant to § 2.2-2818, Code of Virginia, provided that (1) such hospital is not a participating provider in the network, contracted by the Department of Human Resource Management, that serves state employees and (2) such hospital enters into a written agreement with the Department of Human Resource Management as to the rates of reimbursement. The department shall accept the lowest rates offered by the hospital from among the rates charged by the hospital to (1) its largest purchaser of care, (2) any state or federal public program, or (3) any special rate developed by the hospital for the state employee health benefits program which is lower than either of the rates above. If the department and the hospital cannot come to an agreement, the department shall reimburse the hospital at the rates contained in its final offer to the hospital until the dispute is resolved. Any dispute shall be resolved through arbitration or through the procedures established by the Administrative Process Act, as the hospital may decide, without impairment of any residual right to judicial review.

e. Any classified employee of the Commonwealth and any person similarly employed in the legislative, judicial and independent agencies who (i) is compensated on a salaried basis and (ii) works at least twenty hours per week shall be considered a full-time employee for the purposes of participation in the Virginia Retirement System's group life insurance and retirement programs. Any part-time magistrate hired prior to July 1, 1999, shall have the option of participating in the programs under this provision.

f.1. Any member of the Virginia Retirement System who is retired under the provisions of § 51.1-155.1, Code of Virginia who: 1) returns to work in a position that is covered by the provisions of § 51.1-155.1, Code of Virginia after a break of not less than four years, 2) receives no other compensation for service to a public employer than that provided for the position covered by § 51.1-155.1, Code of Virginia during such period of reemployment, 3) retires within one year of commencing such period of reemployment, and 4) retires directly from service at the end of such period of reemployment may either:

a) Revert to the previous retirement benefit received under the provisions of § 51.1-155.1, Code of Virginia, including any annual cost of living adjustments granted thereon. This benefit may be adjusted upward to reflect the effect of such additional months of service and compensation received during the period of reemployment, or

b) Retire under the provisions of Title 51.1 in effect at the termination of his or her period of reemployment, including any purchase of service that may be eligible for purchase under the provisions of §51.1-142.2, Code of Virginia.

2. The Virginia Retirement System shall establish procedures for verification by the employer of eligibility for the benefits provided for in this paragraph.

g. Notwithstanding any other provision of law, no agency head compensated by funds appropriated in this act may be a member of the Virginia Law Officers' Retirement System created under Title 51.1, Chapter 2.1, Code of Virginia. The provisions of this paragraph are effective on July 1, 2002, and shall not apply to the Chief of the Capitol Police.

h. Full-time employees appointed by the Governor who, except for meeting the minimum service requirements, would be eligible for the provisions of § 51.1-155.1, Code of Virginia, may, upon termination of service, use any severance allowance payment to purchase service to meet, but not exceed, the minimum service requirements of § 51.1-155.1, Code of Virginia. Such service purchase shall be at the rate of 15 percent of the employee's final creditable compensation or average final compensation, whichever is greater, and shall be completed within 90 days of separation of service.

i. When calculating the retirement benefits payable under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), the Virginia Law-enforcement Officers' Retirement System (VaLORS), or the Judicial Retirement System (JRS) to any employee of the Commonwealth or its political subdivisions who is called to active duty with the armed forces of the United States, including the United States Coast Guard, the Virginia Retirement System shall:

1) utilize the pre-deployment salary, or the actual salary paid by the Commonwealth or the political subdivision, whichever is higher, when calculating average compensation, and

2) include those months after September 1, 2001 during which the employee was serving on active duty with the armed forces of the United States in the calculation of creditable service.

j. The provisions in § 51.1-144, Code of Virginia, that require a member to contribute five percent of his creditable compensation for each pay period for which he receives compensation on a salary reduction basis, shall not apply to any (i) "state employee," as defined in § 51.1-124.3, Code of Virginia, who is an elected official, or (ii) member of the Judicial Retirement System under Chapter 3 of Title 51.1 (§ 51.1-300 et seq.), who is not a "person who becomes a member on or after July 1, 2010," as defined in § 51.1-124.3, Code of Virginia.

§ 4-6.04 CHARGES

a. FOOD SERVICES: Except as exempted by the prior written approval of the Director, Department of Human Resource Management, and the provisions of § 2.2-3605, Code of Virginia, state employees shall be charged for meals served in state facilities. Charges for meals will be determined by the agency. Such charges shall be not less than the value of raw food and the cost of direct labor and utilities incidental to preparation and service. Each agency shall maintain records as to the calculation of meal charges and revenues collected. Except where appropriations for operation of the food service are from nongeneral funds, all revenues received from such charges shall be paid directly and promptly into the general fund. The provisions of this paragraph shall not apply to on-duty employees assigned to correctional facilities operated by the Departments of Corrections, Juvenile Justice, and Correctional Education.

b. HOUSING SERVICES:

1. Each agency will collect a fee from state employees who occupy state-owned or leased housing, subject to guidelines provided by the Director, Department of General Services. Each agency head is responsible for establishing a fee for state-owned or leased housing and for documenting in writing why the rate established was selected. In exceptional circumstances, which shall be documented as being in the best interest of the Commonwealth by the agency requesting an exception, the Director, Department of General Services may waive the requirement for collection of fees.

2. All revenues received from housing fees shall be promptly deposited in the state treasury. For housing for which operating expenses or rent are financed by general fund appropriations, such revenues shall be deposited to the credit of the general fund. For housing for which operating expenses or rent are financed by nongeneral fund appropriations, such revenues shall be deposited to the credit of the nongeneral fund. Agencies which provide housing for which operating expenses or rent are financed from both general fund and nongeneral fund appropriations shall allocate such revenues, when deposited in the state treasury, to the appropriate fund sources in the same proportion as the appropriations. However, without exception, any portion of a housing fee attributable to depreciation for housing which was constructed with general fund appropriations shall be paid into the general fund.

c. PARKING SERVICES :

1. State-owned parking facilities

Agencies with parking space for employees in state-owned facilities shall, when required by the Director, Department of General Services, charge employees for such space on a basis approved by the Governor. All revenues received from such charges shall be paid directly and promptly into a special fund in the state treasury to be used, as determined by the Governor, for payment of costs for the provision of vehicle parking spaces. Interest shall be added to the fund as earned. –

2. Leased parking facilities in metropolitan Richmond area

Agencies occupying private sector leased or rental space in the metropolitan Richmond area, not including institutions of higher education, shall be required to charge a fee to employees for vehicle parking spaces that are assigned to them or are otherwise available either incidental to the lease or rental agreement or pursuant to a separate lease agreement for private parking space. In such cases, the individual employee parking fee shall not be less than that paid by employees parking in Department of General Services parking facilities at the Seat of Government. The Director, Department of General Services may amend or waive the fee requirement for good cause. Revenues derived from employees paying for parking spaces in leased facilities will be retained by the leasing agency to be used to offset the cost of the lease to which it pertains. Any lease for private parking space must be approved by the Director, Department of General Services.

3. The assignment of Lot P1A of the Department of General Services, Capitol Area Site Plan, to include parking spaces 1 through 37, but excluding spaces 34 and 36, which shall be reserved for the Department of General Services, and the surrounding surfaces around those spaces shall be under the control of the Committee on Joint Rules and administered by the Clerk of the House and the Clerk of the Senate. Any employee permanently assigned to any of these spaces shall be subject to the provisions of paragraph 1 of this item.

§ 4-6.05 SELECTION OF APPLICANTS FOR CLASSIFIED POSITIONS

It is the responsibility of state agency heads to ensure that all provisions outlined in Title 2.2, Chapter 29, Code of Virginia (the Virginia Personnel Act), and executive orders that govern the practice of selecting applicants for classified positions are strictly observed. The Governor's Secretaries shall ensure this provision is faithfully enforced.

§ 4-6.06 POSITIONS GOVERNED BY CHAPTERS 933 AND 943 OF THE 2006 ACTS OF ASSEMBLY

Except as provided in subsection A of § 23-38.114 of the Code of Virginia, § 4-6.00 shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly with regard to their participating covered employees, as that term is defined in those two chapters, except to the extent a specific appropriation or language in this act addresses such an employee.

§ 4-7.00 STATEWIDE PLANS

§ 4-7.01 MANPOWER CONTROL PROGRAM

a.1. The term Position Level is defined as the number of full-time equivalent (FTE) salaried employees assigned to an agency in this act. Except as provided in § 4-7.01 b, the Position Level number stipulated in an agency's appropriation is the upper limit for agency employment which cannot be exceeded during the fiscal year without approval from the Director, Department of Planning and Budget for Executive Department agencies, approval from the Joint Committee on Rules for Legislative Department agencies or approval from the appropriate governing authority for the independent agencies.

2. Any approval granted under this subsection shall be reported in writing to the Chairmen of the House Appropriations Committee and the Senate Finance Committee, the Governor and the Directors of the Department of Planning and Budget and Department of Human Resource Management within ten days of such approval. Approvals for executive department agencies shall be based on threats to life, safety, health, or property, or compliance with judicial orders or federal mandates, to support federal grants or private donations, to administer a program for another agency or to address an immediate increase in workload or responsibility or when to delay approval of increased positions would result in a curtailment of services prior to the next legislative session. Any such position level increases pursuant to this provision may not be approved for more than one year.

b. The Position Levels stipulated for the individual agencies within the Department of Behavioral Health and Developmental Services and the Department of Corrections are for reference only and are subject to changes by the applicable Department, provided that such changes do not result in exceeding the Position Level for that department.

c.1. The Governor shall implement such policies and procedures as are necessary to ensure that the number of employees in the Executive Department, excluding institutions of higher education and the State Council of Higher Education, may be further restricted to the number required for efficient operation of those programs approved by the General Assembly. Such policies and procedures shall include periodic review and analysis of the staffing requirements of all Executive Department agencies by the Department of Planning and Budget with the object of eliminating through attrition positions not necessary for the efficient operation of programs.

2. The institutions of higher education and the State Council of Higher Education are hereby authorized to fill all positions authorized in this act. This provision shall be waived only upon the Governor's official declaration that a fiscal emergency exists requiring a change in the official estimate of general fund revenues available for appropriation.

d.1. Position Levels are for reference only and are not binding on agencies in the legislative department, independent agencies, the Executive Offices other than the offices of the Governor's Secretaries, and the judicial department.

2. Positions assigned to programs supported by internal service funds are for reference only and may fluctuate depending upon workload and funding availability.

3. Positions assigned to sponsored programs, auxiliary enterprises, continuing education, and teaching hospitals in the institutions of higher education are for reference only and may fluctuate depending upon workload and funding availability. Positions assigned to Item Detail 43012, State Health Services Technical Support and Administration, at Virginia Commonwealth University are for reference only and may fluctuate depending upon workload and funding availability. Positions assigned to Item Detail 46102, Social Security Disability Determination, at the Department of Rehabilitative Services are for reference only and may fluctuate depending upon workload and funding availability.

4. Positions assigned to educational and general programs in the institutions of higher education are for reference only and may fluctuate depending upon workload and funding availability. However, total general fund positions filled by an institution of higher education may not exceed 105 percent of the general fund positions appropriated without prior approval from the Director, Department of Planning and Budget.

5. Positions assigned to Item Details 47001, Job Placement Services; 47002, Unemployment Insurance Services; 47003, Workforce Development Services; and 53402, Economic Information Services, at the Virginia Employment Commission are for reference only and may fluctuate depending upon workload and funding availability. Unless otherwise required by the funding source, after enactment of this act, any new positions hired using this provision shall not be subject to transitional severance benefit provisions of the Workforce Transition Act of 1995, Title 2.2, Chapter 32, Code of Virginia.

e. Prior to implementing any Executive Department hiring freeze, the Governor shall consider the needs of the Commonwealth in regards to the safe and efficient operation of state facilities and performance of essential services to include the exemption of certain positions assigned to agencies and institutions that provide services pertaining to public safety and public health from such hiring freezes.

f.1. Full-time, part-time, wage or contractual state employees assigned to the Governor's Cabinet Secretaries from agencies and institutions under their control for the purpose of carrying out temporary assignments or projects may not be so assigned for a period exceeding 180 days in any calendar year. The permanent transfer of positions from an agency or institution to the Offices of the Secretaries, or the temporary assignment of agency or institutional employees to the Offices of the Secretaries

for periods exceeding 180 days in any calendar year regardless of the separate or discrete nature of the projects, is prohibited without the prior approval of the General Assembly.

2. Not more than three positions in total, as described in subsection 1 hereof, may be assigned at any time to the Office of any Cabinet Secretary, unless specifically approved in writing by the Governor. The Governor shall notify the Chairmen of the House Appropriations and Senate Finance Committees in the case of any such approvals.

g. State employees in the legislative, judicial, and executive branches of government, the independent agencies of the Commonwealth, or an agency administering their own health plan, who are not eligible for benefits under the health care plan established and administered by the Department of Human Resource Management ("DHRM") pursuant to Va. Code § 2.2-2818, may not work more than 29 hours per week on average over a twelve month period. Adjunct faculty at institutions of higher education may not (a) work more than 29 hours per week on average over a twelve month period, including classroom or other instructional time plus additional hours determined by the institution as necessary to perform the adjunct faculty's duties; or (b) meet or exceed, on average over a twelve month period, 75% of the course load for a full-time non-tenure-track teaching faculty member at that institution. Federal regulations under the Affordable Care Act ("the Act") are currently under development, and DHRM shall provide relevant program requirements to agencies and employees, including, but not limited to, information on wage, variable and seasonal employees, prior to the effective date of the Act and any associated regulations. All state agencies/employers in all branches of government shall provide information requested by DHRM concerning hours worked by employees as needed to comply with the Act and this provision. State agencies/employers are accountable for compliance with this provision, and are responsible for any costs associated with maintaining compliance with it and for any costs or penalties associated with any violations of the Act or regulations thereunder and any such costs shall be borne by the agency from existing appropriations. The provisions of this paragraph shall not apply to employees of state teaching hospitals that have their own health insurance plan; however, the state teaching hospitals are accountable for compliance with, and are responsible for any costs associated with maintaining compliance with the Act and for any costs or penalties associated with any violations of the Act or regulations thereunder and any such costs shall be borne by the agency from existing appropriations.

§ 4-8.00 REPORTING REQUIREMENTS

§ 4-8.01 GOVERNOR

a. General:

1. The Governor shall submit the information specified in this section to the Chairmen of the House Appropriations and Senate Finance Committees on a monthly basis, or at such intervals as may be directed by said Chairmen, or as specified elsewhere in this act. The information on agency operating plans and expenditures as well as agency budget requests shall be submitted in such form, and by such method, including electronically, as may be mutually agreed upon. Such information shall be preserved for public inspection in the Department of Planning and Budget.

2. The Governor shall make available annually to the Chairmen of the Senate Finance, House Finance, and House Appropriations Committees a report concerning the receipt of any nongeneral funds above the amount(s) specifically appropriated, their sources, and the amounts for each agency affected.

3. a) It is the intent of the General Assembly that reporting requirements affecting state institutions of higher education be reduced or consolidated where appropriate. State institutions of higher education, working with the Secretary of Education and Workforce, Secretary of Finance, and the Director, Department of Planning and Budget, shall continue to identify specific reporting requirements that the Governor may consider suspending.

b) Reporting generally should be limited to instances where (1) there is a compelling state interest for state agencies to collect, use, and maintain the information collected; (2) substantial risk to the public welfare or safety would result from failing to collect the information; or (3) the information collected is central to an essential state process mandated by the Code of Virginia.

c) Upon the effective date of this act, and until its expiration date, the following reporting requirements are hereby suspended or modified as specified below:

Agency	Report Title of Descriptor	Authority	Action
Department of Accounts	Intercollegiate Athletics Receipts & Disbursements	Code of Virginia § 23-1.1.	Suspend reporting.
Department of Accounts	Prompt Pay Summary Report	Agency Directive	Change reporting from monthly to quarterly.
Department of General Services	Usage of State-Assigned and State-Owned Vehicles Report	Agency Directive — Executive Order 89 (2005)	Suspend reporting.

Department of General Services	Gas Report/Repair Charge	Agency Directive—Executive Order 89 (2005)	Suspend reporting.
Department of Human Resource Management	Report of Personnel Development Service	Agency Directive	Suspend reporting.
Department of Human Resource Management	Human Capital Report (Full-Time, Part-Time, Temporary, Contractual employees funded by the Commonwealth)	Code of Virginia § 2.2-1201. A. 14.	Change reporting from annually to monthly.
Department of Human Resource Management State Employee Workers' Compensation Program	Work-related injuries and illnesses report — goals, strategies, and results	Agency Directive — Executive Order 94 (2005)	Suspend reporting.
Governor's Office	Small, Women-and Minority-owned Businesses (SWaM)	Executive Directive	Change reporting from weekly to monthly.
Secretary of Commerce and Trade	Recruitment of National and Regional Conferences Report	Agency Directive — Executive Order 14 (2006)	Suspend reporting.

d) The Department of Planning and Budget (DPB) and the State Council of Higher Education for Virginia (SCHEV) shall work jointly to attempt to consolidate various reporting requirements pertaining to the estimates and projections of nongeneral fund revenues in institutions of higher education. The purpose of this effort shall be aimed at developing a common form for use in collecting nongeneral fund data for DPB's six-year nongeneral fund revenue estimate submission and SCHEV's annual survey of nongeneral fund revenue from institutions of higher education.

b. Operating Appropriations Reports:

1. Status of Adjustments to Appropriations. Such information must include increases and decreases of appropriations or allotments, transfers and additional revenues. A report of appropriation transfers from one agency to another made pursuant to § 4-1.03 of this act shall be made to the Chairmen of the House Appropriations and Senate Finance Committees by the tenth day of the month following that in which such transfer occurs, unless otherwise specified in § 4-1.03.

2. Status of each sum sufficient appropriation. The information must include the amount of expenditures for the period just completed and the revised estimates of expenditures for the remaining period of the current biennium, as well as an explanation of differences between the amount of the actual appropriation and actual and/or projected appropriations for each year of the current biennium.

3. Status of Economic Contingency Appropriation. The information must include actions taken related to the appropriation for economic contingency.

4. Status of Withholding Appropriations. The information must include amounts withheld and the agencies affected.

5. Status of reductions occurring in general and nongeneral fund revenues in relation to appropriations.

6. Status of approvals of deficits.

c. Employment Reports:

1. Status of changes in positions and employment of state agencies affected. The information must include the number of positions and the agencies affected.

2. Status of the employment by the Attorney General of special counsel in certain highway proceedings brought pursuant to Chapter 1 of Title 33.1, Code of Virginia, on behalf of the Commonwealth Transportation Commissioner, as authorized by § 2.2-510, Code of Virginia. This report shall include fees for special counsel for the respective county or city for which the expenditure is made and shall be submitted within 60 days of the close of the fiscal year (see § 4-5.02 a.3).

3. Changes in the level of compensation authorized pursuant to § 4-6.01 k, Employee Compensation. Such report shall include a list of the positions changed, the number of employees affected, the source and amount of funds, and the nature of the emergency.

4. Pursuant to requirements of § 2.2-203.1, Code of Virginia, the Secretary of Administration, in cooperation with the Secretary of Technology, shall provide a report describing the Commonwealth's telecommuting policies, which state agencies and localities have adopted telecommuting policies, the number of state employees who telecommute, the frequency with which state employees telecommute by locality, and the efficacy of telecommuting policies in accomplishing the provision of state services and completing state functions. This report shall be provided to the Chairmen of the House Committee on Appropriations, the House Committee on Science and Technology, the Senate Committee on Finance, and the Senate Committee on General Laws and Technology each year by October 1.

d. Capital Appropriations Reports:

1. Status of progress of capital projects on an annual basis (see § 4-4.01 o).

2. Notice of all capital projects authorized under § 4-4.01 m (see § 4-4.01 m. 1. b) 4)).

e. Utilization of State Owned and Leased Real Property:

1. By November 15 of each year, the Department of General Services (DGS) shall consolidate the reporting requirements of § 2.2-1131.1 and § 2.2-1153 of the Code of Virginia into a single report eliminating the individual reports required by § 2.2-1131.1 and § 2.2-1153 of the Code of Virginia. This report shall be submitted to the Governor and the General Assembly and include (i) information on the implementation and effectiveness of the program established pursuant to subsection A of § 2.2-1131.1, (ii) a listing of real property leases that are in effect for the current year, the agency executing the lease, the amount of space leased, the population of each leased facility, and the annual cost of the lease; and, (iii) a report on DGS's findings and recommendations under the provisions of § 2.2-1153, and recommendations for any actions that may be required by the Governor and the General Assembly to identify and dispose of property not being efficiently and effectively utilized.

2. By October 1 of each year, each agency that controls leased property, where such leased property is not under the DGS lease administration program, shall provide a report on each leased facility or portion thereof to DGS in a manner and form prescribed by DGS. Specific data included in the report shall identify at a minimum, the number of square feet occupied, the number of employees and contractors working in the leased space, if applicable, and the cost of the lease.

f. Services Reports:

Status of any exemptions by the State Council of Higher Education to policy which prohibits use of funds in this act for the operation of any academic program by any state institution of higher education, unless approved by the Council and included in the Governor's recommended budget, or approved by the General Assembly (see § 4-5.05 b 2).

g. Standard State Agency Abbreviations:

The Department of Planning and Budget shall be responsible for maintaining a list of standard abbreviations of the names of state agencies. The Department shall submit to the Chairmen of the House Appropriations and Senate Finance Committees, the State Comptroller, the Director, Department of Human Resource Management and the Chief Information Officer, Virginia Information Technologies Agency, on or before June 1 annually, a report on such standard abbreviations and any changes thereto.

h. Educational and General Program Nongeneral Fund Administrative Appropriations Approved by the Department of Planning and Budget:

The Secretary of Finance and Secretary of Education, in collaboration with the Director, Department of Planning and Budget, shall report in December and June of each year to the Chairmen of the House Appropriations and Senate Finance Committees on adjustments made to higher education operating funds in the Educational and General Programs (10000) items for each public college and university contained in this budget. The report shall include actual or projected adjustments which increase nongeneral funds or actual or projected adjustments that transfer nongeneral funds to other items within the institution. The report shall provide the justification for the increase or transfer and the relative impact on student groups.

§ 4-8.02 STATE AGENCIES

a. As received, all state agencies shall forward copies of each federal audit performed on agency or institution programs or activities to the Auditor of Public Accounts and to the State Comptroller. Upon request, all state agencies shall provide copies of all internal audit reports and access to all working papers prepared by such auditors to the Auditor of Public Accounts and to the State Comptroller.

b. Annually: Within five calendar days after state agencies submit their budget requests, amendment briefs, or requests for amendments to the Department of Planning and Budget, the Director, Department of Planning and Budget shall submit, electronically if available, copies to the Chairmen of the Senate Finance and House Appropriations Committees.

c. By September 1 of each year, state agencies receiving any asset as the result of a law-enforcement seizure and subsequent forfeiture by either a state or federal court, shall submit a report identifying all such assets received during the prior fiscal year and their estimated net worth, to the Chairmen of the House Appropriations and Senate Finance Committees.

§ 4-9.00 HIGHER EDUCATION RESTRUCTURING

§ 4-9.01 APPROVAL OF MANAGEMENT AGREEMENT FOR VIRGINIA COMMONWEALTH UNIVERSITY

The exceptions and authority granted in this act pursuant to Chapters 933 and 943 of the 2006 Acts of Assembly shall also be granted pursuant to Chapters 594 and 616 of the 2008 Acts of Assembly. It is the intent of the General Assembly that this act be enrolled to include references to Chapters 594 and 616 of the 2008 Acts of Assembly, in sections where Chapters 933 and 943, Acts of Assembly of 2006 are referenced.

§ 4-9.02 ASSESSMENT OF INSTITUTIONAL PERFORMANCE

Consistent with § 23-9.6:1.01, Code of Virginia, the following education-related and financial and administrative management measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional performance. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no later than October 1 of each even-numbered year. Institutional performance on measures set forth in paragraph D of this section shall be evaluated year-to-date by the Secretaries of Finance, Administration, and Technology as appropriate, and communicated to the State Council of Higher Education before October 1 of each even-numbered year. Financial benefits provided to each institution in accordance with § 2.2-5005 will be evaluated in light of that institution's performance.

In general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, but it is understood that there can be circumstances beyond an institution's control that may prevent achieving one or more performance measures. The Council shall consider, in consultation with each institution, such factors in its review: (1) institutions meeting all performance measures will be certified by the Council and recommended to receive the financial benefits, (2) institutions that do not meet all performance measures will be evaluated by the Council and the Council may take one or more of the following actions: (a) request the institution provide a remediation plan and recommend that the Governor withhold release of financial benefits until Council review of the remediation plan or (b) recommend that the Governor withhold all or part of financial benefits.

Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related measures. The State Council shall likewise have the authority to exempt institutions from certification on education-related measures that the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of performance.

The State Council may develop, adopt, and publish standards for granting exemptions and ongoing modifications to the certification process.

a. BIENNIAL ASSESSMENTS

1. Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.

2. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.

3. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H (Science, Technology, Engineering, Mathematics, and Health professions) associate and bachelor degree awards.

4. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent students.

5. Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented populations.

6. Maintain or increase the number of in-state two-year transfers to four-year institutions.

b. Elementary and Secondary Education

1. The Virginia Department of Education shall share data on teachers, including identifying information, with the State Council of Higher Education for Virginia in order to evaluate the efficacy of approved programs of teacher education, the production and retention of teachers, and the exiting of teachers from the teaching profession.

2. a) The Virginia Department of Education and the State Council of Higher Education for Virginia shall share personally

identifiable information from education records in order to evaluate and study student preparation for and enrollment and performance at state institutions of higher education in order to improve educational policy and instruction in the Commonwealth. However, such study shall be conducted in such a manner as to not permit the personal identification of students by persons other than representatives of the Department of Education or the State Council for Higher Education for Virginia, and such shared information shall be destroyed when no longer needed for purposes of the study.

b) Notwithstanding § 2.2-3800 of the Code of Virginia, the Virginia Department of Education, State Council of Higher Education for Virginia, Virginia Community College System, and the Virginia Employment Commission may collect, use, share, and maintain de-identified student data to improve student and program performance including those for career readiness.

3. Institutions of higher education shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the purpose of studying student preparation as it relates to the content and rigor of the Standards of Learning. Furthermore, the superintendent of each school division shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the same purpose. All information provided to the Superintendent or his designee for this purpose shall be used solely for the purpose of evaluating the Standards of Learning and shall not be redisclosed, except as provided under federal law. All information shall be destroyed when no longer needed for the purposes of studying the content and rigor of the Standards of Learning.

c. SIX-YEAR PLAN

Institution prepares six-year financial plan consistent with § 23-9.2:3.02.

d. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the 2006 Acts of Assembly and the institution governed under Chapters 594 and 616 of the 2008 Acts of Assembly.

1. As specified in § 2.2-5004, Code of Virginia, institution takes all appropriate actions to meet the following financial and administrative standards:

a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;

b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

c) Substantial compliance with all financial reporting standards approved by the State Comptroller;

d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and

e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

2. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be prudently issued within a specified period.

3. The institution will achieve the classified staff turnover rate goal established by the institution; however, a variance of 15 percent from the established goal will be acceptable.

4. The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) plan as submitted to the Department of Minority Business Enterprise; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable.

The institution will make no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet procurement system (eVA) from vendor locations registered in eVA.

5. The institution will complete capital projects (with an individual cost of over $1,000,000) within the budget originally approved by the institution's governing board for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun.

6. The institution will complete major information technology projects (with an individual cost of over $1,000,000) within the budgets and schedules originally approved by the institution's governing board. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project

Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay.

e. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and the institution governed under Chapters 594 and 616 of the 2008 Acts of Assembly. They shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act. However, the Governor may supplement or replace those administrative performance measures with the administrative performance measures listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures shall be used for the assessment of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and those governed under Chapters 594 and 616 of the 2008 Acts of Assembly.

1. Financial

a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;

b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

c) Substantial compliance with all financial reporting standards approved by the State Comptroller;

d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and

e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

2. Debt Management

a) The institution shall maintain a bond rating of AA- or better;

b) The institution achieves a three-year average rate of return at least equal to the imoney.net money market index fund; and

c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt management policy.

3. Human Resources

a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for state classified employees within a variance of 15 percent; and

b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.

4. Procurement

a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Minority Business Enterprise; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and

b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

5. Capital Outlay

a) The institution will complete capital projects (with an individual cost of over $1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;

b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and

c) The institution shall pay competitive rates for leased office space - the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within

reasonable proximity to the institution's campus.

6. Information Technology

a) The institution will complete major information technology projects (with an individual cost of over $1,000,000) on time and on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and

b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The institution will have no significant audit deficiencies unresolved beyond one year.

f. REPORTING

The Director, Department of Planning and Budget, with cooperation from the Comptroller and institutions of higher education governed under Management Agreements, shall develop uniform reporting requirements and formats for revenue and expenditure data.

g. EXEMPTION

The requirements of this section shall not be in effect if they conflict with § 23-9.6:1.01.D. of Chapters 828 and 869 of the Acts of Assembly of 2011.

§ 4-9.03 LEVEL II AUTHORITY

a. Notwithstanding the provisions of § 5 of Chapter 824 and 829 of the 2008 Acts of Assembly, institutions of higher education that have met the eligibility criteria for additional operational and administrative authority set forth in Chapters 824 and 829 of the 2008 Acts of Assembly shall be allowed to enter into separate negotiations for additional operational authority for a third and separate functional area listed in Chapter 824 and 829 of the 2008 Acts of Assembly, provided they have:

1. successfully completed at least three years of effectiveness and efficiencies operating under such additional authority granted by an original memorandum of understanding;

2. successfully renewed an additional memoranda of understanding for a five year term for each of the original two areas.

The institutions shall meet all criteria and follow policies for negotiating and establishing a memorandum of understanding with the Commonwealth of Virginia as provided in § 2.0 (Information Technology), § 3.0 (Procurement), and § 4.0 (Capital Outlay) of Chapter 824 and 829 of the 2008 Acts of Assembly.

b. As part of the memorandum of understanding, each institution shall be required to adopt at least one new education-related measure for the new area of operational authority. Each education-related measure and its respective target shall be developed in consultation with the Secretary of Finance, Secretary of Education, the appropriate Cabinet Secretary, and the State Council of Higher Education for Virginia. Each education-related measure and its respective target must be approved by the State Council of Higher Education for Virginia and shall become part of the certification required by § 23-9.6:1.01.

§ 4-10.00 IMPLEMENTING VIRGINIA HIGHER EDUCATION OPPORTUNITY ACT OF 2011

Pursuant to Chapter 869 and 828, 2011 Acts of Assembly, and its provisions promoting partnership between public and private institutions in the achievement of stated policy goals, the Commonwealth's higher education investment strategy and funding policy may include the provision of financial incentives to private non-profit institutions of higher education where such incentives will support the goals of economic growth, reform-based investment and affordable access. The Secretary of Education shall consult with the Attorney General, the Secretary of Finance and Chairmen of the House Appropriations and Senate Finance Committees, to identify appropriate methods for the provision of such incentives and may make recommendations to the State Council of Higher Education for Virginia on or before October 1, 2012.

§ 4-11.00 STATEMENT OF FINANCIAL CONDITION

Each agency head handling any state funds shall, at least once each year, upon request of the Auditor of Public Accounts, make a detailed statement, under oath, of the financial condition of his office as of the date of such call, to the Auditor of Public Accounts, and upon such forms as shall be prescribed by the Auditor of Public Accounts.

§ 4-12.00 SEVERABILITY

If any part, section, subsection, paragraph, sentence, clause, phrase, or item of this act or the application thereof to any person or circumstance is for any reason declared unconstitutional, such decisions shall not affect the validity of the remaining portions of this act which shall remain in force as if such act had been passed with the unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, item or such application thereof eliminated; and the General Assembly hereby declares that it would have passed this act if such unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, or item had not been included herein, or if such application had not been made.

§ 4-13.00 CONFLICT WITH OTHER LAWS

Notwithstanding any other provision of law, and until June 30, 2014, the provisions of this act shall prevail over any conflicting provision of any other law, without regard to whether such other law is enacted before or after this act; however, a conflicting provision of another law enacted after this act shall prevail over a conflicting provision of this act if the General Assembly has clearly evidenced its intent that the conflicting provision of such other law shall prevail, which intent shall be evident only if such other law (i) identifies the specific provision(s) of this act over which the conflicting provision of such other law is intended to prevail and (ii) specifically states that the terms of this section are not applicable with respect to the conflict between the provision(s) of this act and the provision of such other law.

§ 4-14.00 EFFECTIVE DATE

This act is effective on its passage as provided in § 1-214, Code of Virginia.

ADDITIONAL ENACTMENTS

2. That no provision of this act shall be construed or interpreted to cause the expiration of any provision of Chapter 896 of the Acts of Assembly of 2007 pursuant to the 22nd enactment of such Chapter.

3. That the Code of Virginia is amended by adding section 62.1-132.3:2, relating to the Virginia Port Authority and promotion of the ports of Virginia, as follows:

A. From such funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources, and any funds transferred at the request of the Executive Director from the Port Opportunity Fund created pursuant to § 62.1-132.3:1, there is hereby created in the state treasury a special nonreverting, permanent fund to be known as the Port of Virginia Economic and Infrastructure Development Zone Grant Fund (the Fund), to be administered by the Virginia Port Authority. The Fund shall be established on the books of the Comptroller. Any moneys remaining in the Fund at the end of each fiscal year, including interest thereon, shall not revert to the general fund but shall remain in the Fund. Expenditures and disbursements from the Fund, which shall be in the form of grants, shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Executive Director. Moneys in the Fund shall be used solely for the purpose of grants to qualified applicants to the Port of Virginia Economic and Infrastructure Development Zone Grant Program.

B. The Virginia General Assembly does hereby designate the following localities to be part of the Port of Virginia Economic and Infrastructure Development Zone: the Counties of Brunswick, Chesterfield, Charles City, Clarke, Dinwiddie, Frederick, Gloucester, Greensville, Henrico, Hanover, Isle of Wight, James City, Mecklenburg, Montgomery, New Kent, Page, Prince George, Shenandoah, Southampton, Surry, Sussex, Warren, and York; and the Cities of Chesapeake, Colonial Heights, Emporia, Franklin, Hampton, Hopewell, Newport News, Norfolk, Petersburg, Poquoson, Portsmouth, Richmond, Suffolk, Virginia Beach, Williamsburg, and Winchester.

C. As used in this section, unless the context requires a different meaning:

"New, permanent full-time position" means a job of an indefinite duration, created by a qualified company as a result of operations within the Zone, requiring a minimum of 35 hours of an employee's time per week for the entire normal year of the company's operations, which normal year shall consist of at least 48 weeks, or a position of indefinite duration that requires a minimum of 35 hours of an employee's time per week for the portion of the taxable year in which the employee was initially hired for the qualified company's location within the Zone. Seasonal or temporary positions, or jobs created when a position is shifted from an existing location in the Commonwealth to the qualified company's location within the Zone, and positions in building and grounds maintenance, security, and other positions that are ancillary to the principal activities performed by the employees at the qualified company's location within the Zone shall not qualify as new, permanent full-time positions.

"Qualified company" means a corporation, limited liability company, partnership, joint, venture, or other business entity that (i) locates or expands a facility within the Zone; (ii) creates at least 25 new, permanent full-time positions for qualified full-time employees at a facility within the Zone during its first year of operation within the Zone or during the year when the expansion occurs; (iii) is involved in maritime commerce or exports or imports manufactured goods through the Port of Virginia; and (iv) is engaged in one or more of the following: the distribution, freight forwarding, freight handling, goods

processing, manufacturing, warehousing, crossdocking, transloading, or wholesaling of goods exported and imported through the Port of Virginia; ship building and ship repair; dredging; marine construction; or offshore energy exploration or extraction.

"Qualified full-time employee" means an employee filling a new, permanent full-time position in the qualified company's location within the Zone. A "qualified full-time employee" does not include an employee (i) for whom a tax credit was previously earned pursuant to §§ 58.1-439 or 58.1-439.12:06 by a related party as defined in § 267(b) of the Internal Revenue Code or by a trade or business under common control as defined in § 52(b) of the Internal Revenue Code; (ii) who was previously employed in the same job function at an existing location in Virginia by a related party as defined in § 267(b) of the Internal Revenue Code; or (iii) whose job function was previously performed at a different location in Virginia by an employee of a related party as defined in § 267(b) of the Internal Revenue Code or a trade or business under common control as defined in § 52(b) of the Internal Revenue Code.

"Zone" means the Port of Virginia Economic and Infrastructure Development Zone.

D. Beginning January 1, 2013, but not later than June 30, 2020, and subject to appropriation, any qualified company that locates or expands a facility within the Port of Virginia Economic and Infrastructure Development Zone shall be eligible to apply for a one-time grant from the Fund, in an amount determined as follows:

1. One thousand dollars per new, permanent full-time position if the qualified company creates at least 25 new, permanent full-time positions for qualified full-time employees during its first year of operation within the Zone or during the year in which the expansion occurs;

2. Fifteen hundred dollars per new, permanent full-time position if the qualified company creates at least 50 new, permanent full-time positions for qualified full-time employees during its first year of operation within the Zone or during the year in which the expansion occurs;

3. Two thousand dollars per new, permanent full-time position if the qualified company creates at least 75 new, permanent full-time positions for qualified full-time employees during its first year of operation within the Zone or during the year in which the expansion occurs; and

4. Three thousand dollars per new, permanent full-time position if the qualified company creates at least 100 new, permanent full-time positions for qualified full-time employees during its first year of operation within the Zone or during the year in which the expansion occurs.

E. The maximum amount of grant allowable per qualified company in any given fiscal year is $500,000. The maximum amount of grants allowable among all qualified companies in any given fiscal year is $5,000,000.

F. To qualify for a grant pursuant to this section, a qualified company must apply for the grant not later than March 31 in the year immediately following the location or expansion of a facility within the Zone pursuant to an application process developed by the Virginia Port Authority. Within 90 days after the filing deadline, the Executive Director shall certify to the Comptroller and the qualified company the amount of grant to which the qualified company is entitled under this section. Payment of each grant shall be made by check issued by the Treasurer of Virginia on warrant of the Comptroller within 60 days of such certification and in the order that each completed eligible application is received. In the event that the amount of eligible grants requested in a fiscal year exceeds the funds available in the Fund or $5,000,000, such grants paid in the next fiscal year in which funds are available.

G. Prior to receipt of a grant, the qualified company shall enter into a memorandum of understanding with the Virginia Port Authority establishing the requirements for maintaining the number of new, permanent full-time positions for qualified employees at the qualified company's location within the Zone. If the number of new, permanent full-time positions for any of the three years immediately following receipt of a grant falls below the number of new, permanent full-time positions created during the year for which the grant is claimed, the amount of the grant must be recalculated using the decreased number of new, permanent full-time positions and the qualified company shall repay the difference.

H. No qualified company shall apply for a grant nor shall one be awarded under this section to an otherwise qualified company if (i) a credit pursuant to §§ 58.1-439 or 58.1-439.12:06 is claimed for the same employees or for capital expenditures at the same facility by the qualified company, by a related party as defined in § 267(b) of the Internal Revenue Code, or by a trade or business under common control as defined in § 52(b) of the Internal Revenue Code or (ii) the qualified company was a party to a reorganization as defined in § 368(b) of the Internal Revenue Code, and any corporation involved in the reorganization as defined in §368(a) of the Internal Revenue Code previously received a grant under this section for the same facility or operations.

I. The Virginia Port Authority, with the assistance of the Virginia Economic Development Partnership, shall develop guidelines establishing procedures and requirements for qualifying for the grant, including the affirmative determination that each applicant is a qualified company, as defined above, engaged in a port-related business. The guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).

I VETO ENACTMENT #4 WHICH IS SEPARATE LEGISLATION. /s/ Robert F. McDonnell (5/3/13) (Vetoed item is enclosed in brackets.)

4. That §§ 2.2-1508 and 2.2-1509 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-1508. Submission of executive budget to General Assembly.

A. On or before December 20 in the year immediately prior to the beginning of each regular session of the General Assembly held in an even-numbered year, the Governor shall submit to the presiding officer of each house of the General Assembly printed copies of a budget document for the biennium beginning July 1 of the even-numbered year, which shall be known as "The Executive Budget," based on his own conclusions and judgment, containing the following:

1. For each agency, the amount and number of positions appropriated for the current appropriation year and the amount and number of positions recommended for each year of the ensuing biennial period beginning with the first day of July thereafter, accompanied by an explanation of the recommended amount and number of positions. Such information shall also include the total estimated amount appropriated for personnel costs for each agency.

2. A statement of historical and projected trends that influence the general economic conditions in the Commonwealth and a statement of the economic assumptions upon which revenue projections are based.

3. A statement of the Governor's proposed goals, objectives, and policies in the areas of:

a. Administration of justice;

b. Education, including intellectual and cultural development;

c. Individual and family services;

d. Resources and economic development, including specific references to economic development and management of natural resources;

e. Transportation; and

f. General government, including therein or as separate categories areas of multiple impact, such as telecommunications, energy, and urban development.

4. A statement organized by function, primary agency, and proposed appropriation item that sets forth:

a. Identification of common programs and services;

b. Service attainments or lack of attainments and service terminations or reductions for the biennium;

c. Major goals, objectives, and specific outcomes related to expenditures for programs;

d. Program measures and performance standards to be used in monitoring and evaluating services; and the development of appropriate evaluation cycles, within available resources;

e. The amount of each primary agency's budget that is direct aid to localities.

5. A statement of proposed capital appropriations organized by the primary agency that sets forth the program need for the project and the proposed source of funding.

6. A listing of all activity, program-related, agency or departmental evaluations performed in the previous two years with guidance indicating the manner in which the public can gain access to the full text of such studies.

7. A schedule and description of all data processing or other projects in which the Commonwealth has entered into or plans to enter into a contract, agreement or other financing agreement or such other arrangement that requires that the Commonwealth either pay for the contract by foregoing revenue collections, or allows or assigns to another party the collection on behalf of or for the Commonwealth any fees, charges, or other assessment or revenues to pay for the project. Such schedule shall include by agency and project (i) a summary of the terms, (ii) the anticipated duration, and (iii) cost or charges to any user, whether a state agency or institutions or other party not directly a party to the project arrangements. The description shall also include any terms or conditions that bind the Commonwealth or restrict the Commonwealth operations and the methods of procurement employed to reach such terms.

B. Each year on or before December 20 of the year immediately prior to the beginning of the regular session of the General Assembly held in odd-numbered years, the Governor shall submit to the presiding officer of each house of the General Assembly printed copies of all gubernatorial amendments proposed to the general appropriation act in effect at that time. A specific, separate, and severable amendment shall be submitted for each item of the general appropriation act that the Governor proposes to amend or add, in the same format the Governor uses when recommending amendments to a general appropriation act at a reconvened session of the General Assembly. For purposes of this subsection, "item" means the designation of such in the general appropriation act.

C. The Department of Planning and Budget shall prepare "The Executive Budget" and amendments proposed pursuant to subsection B in a manner and with language that can be easily understood by the citizens of the Commonwealth. The "Executive Budget" shall provide , to the extent practical, a cross-reference to the Governor's recommended budget bill . Such documents shall also be placed on the Internet to provide easy access by the public.

§ 2.2-1509. Budget bill.

A. (Effective until July 1, 2013) On or before December 20 of the year immediately prior to the beginning of each regular session of the General Assembly held in an even-numbered year, the Governor also shall submit to the presiding officer of each house of the General Assembly, at the same time he submits "The Executive Budget," copies of a tentative bill for all proposed appropriations of the budget, for each year in the ensuing biennial appropriation period, which shall be known as "The Budget Bill." "The Budget Bill" shall be organized by function, primary agency, and proposed appropriation item and shall include (i) an identification of, and authorization for, common programs and (ii) the appropriation of funds according to programs. Strategic plan information and performance measurement results developed by each agency shall be made available to the General Assembly as it considers "The Budget Bill." Except as expressly provided in an appropriation act, whenever the amounts in a schedule for a single appropriation item are shown in two or more lines, the portions of the total amount shown on separate lines are for information purposes only and are not limiting. No such bill shall contain any appropriation the expenditure of which is contingent upon the receipt of revenues in excess of funds unconditionally appropriated.

A. (Effective July 1, 2013) On or before December 20 of the year immediately prior to the beginning of each regular session of the General Assembly held in an even-numbered year, the Governor also shall submit to the presiding officer of each house of the General Assembly, at the same time he submits "The Executive Budget," copies of a tentative bill for all proposed appropriations of the budget, for each year in the ensuing biennial appropriation period, which shall be known as "The Budget Bill." "The Budget Bill" shall be organized by function, primary agency, and proposed appropriation item and shall include an identification of, and authorization for, common programs and the appropriation of funds according to programs. Except as expressly provided in an appropriation act, whenever the amounts in a schedule for a single appropriation item are shown in two or more lines, the portions of the total amount shown on separate lines are for information purposes only and are not limiting. No such bill shall contain any appropriation the expenditure of which is contingent upon the receipt of revenues in excess of funds unconditionally appropriated.

B. The salary proposed for payment for the position of each cabinet secretary and administrative head of each agency and institution of the executive branch of state government shall be specified in "The Budget Bill," showing the salary ranges and levels proposed for such positions.

C. "The Budget Bill" shall include all proposed capital appropriations, including each capital project to be financed through revenue bonds or other debt issuance, the amount of each project, and the identity of the entity that will issue the debt.

D. Concurrently with the submission of "The Budget Bill," the Governor shall submit a tentative bill involving a request for authorization of additional bonded indebtedness if its issuance is authorized by, or its repayment is proposed to be made in whole or in part, from revenues or appropriations contained in "The Budget Bill."

E. Each year, on or before December 20 , the Governor shall submit to the presiding officer of each house printed copies of all gubernatorial amendments proposed to the general appropriation act in effect at the time. A specific, separate, and severable amendment shall be submitted for each item of the general appropriation act that the Governor proposes to amend or add, in the same format the Governor uses when recommending amendments to a general appropriation act at a reconvened session of the General Assembly. For purposes of this subsection, "item" means the designation of such in the general appropriation act. In preparing the amendments, the Governor may obtain estimates in the manner prescribed in §§ 2.2-1504, 2.2-1505, and 2.2-1506. On the same date he shall also submit a request for authorization of additional bonded indebtedness if its issuance is authorized by, or its repayment is proposed to be made in whole or in part, from revenues or appropriations contained in the proposed gubernatorial amendments.

F. The proposed capital appropriations or capital projects described in, or for which proposed appropriations are made pursuant to, this section shall include the capital outlay projects required to be included in "The Budget Bill" pursuant to § 2.2-1509.1. The Governor shall propose appropriations for such capital outlay projects in "The Budget Bill" in accordance with the minimum amount of funding and the designated sources of funding for such projects as required under § 2.2-1509.1.

5. That § 30-310 of the Code of Virginia is amended and reenacted as follows:

§ 30-310. Review of incentive packages.

A. 1.The Commission shall review individual incentive packages, including but not limited to packages offering tax incentives, for economic development projects (including but not limited to MEI projects) for which (i) one or more of the incentives in the incentive package is not authorized under current law or (ii) an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package. The Commission shall recommend approval or denial of such packages to the General Assembly. Factors that shall be considered by the Commission in its review shall include, but not be limited to (i) return on investment, (ii) the time frame for repayment of incentives to the

Commonwealth, (iii) average wages of the jobs created by the prospective MEI project or other economic development project, (iv) the amount of capital investment that is required, and (v) the need for enhanced employment opportunities in the prospective location of the prospective MEI project or other economic development project.

2. a. Any time a proposed individual incentive package is to be considered by the Commission, materials outlining (i) the value of the proposed incentives, (ii) assumed return on investment, (iii) the time frame for repayment of incentives to the Commonwealth, (iv) average wages of the jobs created by the prospective MEI project or other economic development project, (v) the amount of capital investment that is required, and (vi) the need for enhanced employment opportunities in the prospective location of the prospective MEI project or other economic development project, shall be provided to the Commission members not less than forty-eight hours prior to the scheduled Commission meeting.

b. The timing of any request for an endorsement of a proposed individual incentive package should be scheduled so that the MEI Commission could, at its discretion, have up to seven days subsequent to the presentation of the incentive package prior to endorsing or rejecting such proposal.

B. An affirmative vote by three of the five members of the Commission from the House of Delegates and two of the three members of the Commission from the Senate shall be required to endorse any incentive package, including but not limited to packages offering tax incentives, for economic development projects (including but not limited to MEI projects) for which (i) one or more of the incentives in the incentive package is not authorized under current law or (ii) an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package.

6. That the Code of Virginia is amended by adding a section numbered 30-339 and reenacted as follows:

§ 30-339. Medicaid Innovation and Reform Commission; membership; terms; compensation and expenses; definition.

A. The Medicaid Innovation and Reform Commission (the Commission) is established as a commission in the legislative branch of state government. The purpose of the Commission shall be to review, recommend and approve innovation and reform proposals affecting the implementation of Title XIX and Title XXI of the Social Security Act, including eligibility and financing for proposals set out in Item 307 of this act. Specifically, the Commission shall review (i) the development of reform proposals; (ii) progress in obtaining federal approval for reforms such as benefit design, service delivery, payment reform, and quality and cost containment outcomes; and (iii) implementation of reform measures.

B. The Commission shall consist of 12 members as follows: the chair of the House Committee on Appropriations, or his designee, and four members of the House Committee on Appropriations appointed by the chair and the chair of the Senate Finance Committee, or his designee, and four members of the Senate Finance Committee appointed by the chair. In addition, the Secretaries of Finance and Health and Human Resources shall serve as ex officio, nonvoting members of the Commission.

C. Members shall serve terms coincident with their terms of office. Vacancies for unexpired terms shall be filled in the same manner as the original appointments. Members may be reappointed for successive terms.

D.1. The members of the Commission shall elect a chairman and vice chairman annually. A majority of the voting members of the Commission shall constitute a quorum. The meetings of the Commission shall be held at the call of the chairman or whenever the majority of the members so request. The Commission shall meet bimonthly beginning in June 2013, or as soon as possible thereafter.

2. An affirmative vote by three of the five members of the Commission from the House of Delegates and three of the five members of the Commission from the Senate shall be required to endorse any reform proposal to amend the State Plan for Medical Assistance under Title XIX of the Social Security Act, and any waivers thereof, to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act.

E. Legislative members of the Commission shall receive such compensation as provided in § 30-19.12, and nonlegislative members shall receive such compensation as provided in § 2.2-2813.

7. That § 17.1-507 of the Code of Virginia is amended and reenacted as follows:

§ 17.1-507. Number of judges; residence requirement; compensation; powers; etc.

A. For the several judicial circuits there shall be judges, the number as hereinafter set forth, who shall during their service reside within their respective circuits and whose compensation and powers shall be the same as now and hereafter prescribed for circuit judges.

The number of judges of the circuits shall be as follows:

First - 5

Second - 10

Third - 5

Fourth - 9

Fifth - 3

Sixth - 2

Seventh - 5

Eighth - 4

Ninth - 4

Tenth - 3

Eleventh - 3

Twelfth - 5

Thirteenth - 8

Fourteenth - 5

Fifteenth - 9

Sixteenth - 5

Seventeenth - 4

Eighteenth - 3

Nineteenth - 15

Twentieth - 4

Twenty-first - 3

Twenty-second - 4

Twenty-third - 6

Twenty-fourth - 5

Twenty-fifth - 4

Twenty-sixth - 5

Twenty-seventh - 5

Twenty-eighth - 3

Twenty-ninth - 4

Thirtieth - 3

Thirty-first - 5

B. No additional circuit court judge shall be authorized or provided for any judicial circuit until the Judicial Council has made a study of the need for such additional circuit court judge and has reported its findings and recommendations to the Courts of Justice Committees of the House of Delegates and Senate. The boundary of any judicial circuit shall not be changed until a study has been made by the Judicial Council and a report of its findings and recommendations made to said Committees.

C. If the Judicial Council finds the need for an additional circuit court judge after a study is made pursuant to subsection B, the study shall be made available to the Compensation Board and the Courts of Justice Committees of the House of Delegates and Senate and Council shall publish notice of such finding in a publication of general circulation among attorneys licensed to practice in the Commonwealth. The Compensation Board shall make a study of the need to provide additional courtroom

security and deputy court clerk staffing. This study shall be reported to the Courts of Justice Committees of the House of Delegates and the Senate, and to the Department of Planning and Budget.

8. That the provisions of the first enactment of this act shall expire at midnight on June 30, 2014. The provisions of the second, third, [fourth,] fifth, sixth and seventh enactments of this act shall have no expiration date. [The] amendments to §§ 2.2-1508 and 2.2-1509 pursuant to the fourth enactment of this act shall become effective for calendar year 2014 and calendar years thereafter. For the purposes of implementing the amendments to §§ 2.2-1508 and 2.2-1509, a working group composed of the staff of the House Appropriations and Senate Finance Committees, the Department of Planning and Budget, and the Division of Legislative Automated Systems shall determine the format, transmission method, required submission date for printing, and other factors necessary to implement the required submission of specific, separate, and severable gubernatorial amendments.]

THE PROVISIONS BRACKETED ABOVE ARE PART OF THE VETO OF ENACTMENT #4. /s/ Robert F. McDonnell (5/3/13)
(Vetoed item is enclosed in brackets.)

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