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HOUSE BILL NO. 135

Offered January 13, 2010

Prefiled January 5, 2010

A *BILL to amend and reenact §§ 2.2-1503.1, 2.2-1504, 2.2-1506, 2.2-1508, 2.2-1509, 2.2-1509.1, and 30-19.13 of the Code of Virginia, relating to the Commonwealth's budget process.*

Patron—Pollard

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1503.1, 2.2-1504, 2.2-1506, 2.2-1508, 2.2-1509, 2.2-1509.1, and 30-19.13 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-1503.1. Filing of six-year financial outline by Governor.

On or before the first day of each regular session of the General Assembly held in an even-numbered year, the Governor shall prepare and submit to the members of the General Assembly a financial plan for a prospective period of six years. The plan shall consist of (i) the Governor's biennial budget submitted pursuant to subsection A of § 2.2-1508, (ii) estimates of anticipated general fund and nongeneral fund revenue prepared for an additional period of ~~four~~ five years pursuant to § 2.2-1503, and (iii) estimates of the general and nongeneral fund appropriations required for each major program for an additional period of ~~four~~ five years. In preparing such financial plan, the Governor may utilize the estimate prepared by each agency pursuant to § 2.2-1504, or such other information as he may deem necessary.

§ 2.2-1504. Estimates by state agencies of amounts needed.

A. ~~Biennially in the odd-numbered years, on~~ Each year in accordance with a due date established by the Governor, each of the several state agencies and other agencies and undertakings receiving or asking financial aid from the Commonwealth shall report to the Governor, through the responsible secretary designated by statute or executive order, in a format prescribed for such purpose, an estimate in itemized form in accordance with the expenditure classification adopted by the Governor, showing the amount needed for each year of the ensuing biennial period the immediately following fiscal year beginning with the first day of July. The Governor may prescribe targets that shall not be exceeded in the official estimate of each agency; however, an agency may submit to the Governor a request for an amount exceeding the target as an addendum to its official budget estimate.

B. Each agency or undertaking required to submit a biennial an annual estimate pursuant to subsection A shall simultaneously submit an estimate of the amount that will be needed for the two succeeding biennial periods beginning July 1 of the third year each of the five fiscal years immediately following the year in fiscal year for which the estimate is submitted. The Department shall provide, within thirty 30 days following receipt, copies of all agency estimates provided under this subsection to the chairmen of the House Committee on Appropriations and the Senate Committee on Finance.

C. The format used in making these estimates shall (i) be prescribed by the Governor, shall (ii) be uniform for all agencies, and (iii) clearly designate the kind of information to be given. The Governor may prescribe a different format for estimates from institutions of higher education, which format shall be uniform for all such institutions and shall clearly designate the kind of information to be provided.

§ 2.2-1506. Estimates of financial needs of General Assembly and judiciary.

On or before the first day of September biennially in the odd-numbered years in each year the Committees on Rules of the House of Delegates and the Senate shall furnish the Governor an estimate of the financial needs of the General Assembly for each year of the ensuing biennial period the immediately following fiscal year beginning with the first day of July thereafter; and the Supreme Court of Virginia shall furnish to the Governor an estimate of the financial needs of the judiciary for each year of the ensuing biennial period the immediately following fiscal year beginning with the first day of July thereafter. The Committees on Rules of the House of Delegates and the Senate and the Supreme Court shall transmit to the Governor the estimates of all increases or decreases.

§ 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 each year, the Governor shall submit to the presiding officer of each house of the General Assembly printed copies of a budget document, 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

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59 year and the amount and number of positions recommended for each year of the ensuing biennial period
60 *the immediately following fiscal year* beginning with the first day of July thereafter, accompanied by an
61 explanation of the recommended amount and number of positions. Such information shall also include
62 the total estimated amount appropriated for personnel costs for each agency.

63 2. A statement of historical and projected trends that influence the general economic conditions in
64 the Commonwealth and a statement of the economic assumptions upon which revenue projections are
65 based.

66 3. A statement of the Governor's proposed goals, objectives, and policies in the areas of:

- 67 a. Administration of justice;
- 68 b. Education, including intellectual and cultural development;
- 69 c. Individual and family services;
- 70 d. Resources and economic development, including specific references to economic development and
71 management of natural resources;
- 72 e. Transportation; and
- 73 f. General government, including therein or as separate categories areas of multiple impact, such as
74 telecommunications, energy, and urban development.

75 4. A statement organized by function, primary agency, and proposed appropriation item that sets
76 forth:

- 77 a. Identification of common programs and services;
- 78 b. Service attainments or lack of attainments and service terminations or reductions for the biennium;
- 79 c. Major goals, objectives, and specific outcomes related to expenditures for programs;
- 80 d. Program measures and performance standards to be used in monitoring and evaluating services;
81 and the development of appropriate evaluation cycles, within available resources;
- 82 e. The amount of each primary agency's budget that is direct aid to localities.

83 5. A statement of proposed capital appropriations organized by the primary agency that sets forth the
84 program need for the project and the proposed source of funding.

85 6. A listing of all activity, program-related, agency or departmental evaluations performed in the
86 previous two years with guidance indicating the manner in which the public can gain access to the full
87 text of such studies.

88 7. A schedule and description of all data processing or other projects in which the Commonwealth
89 has entered into or plans to enter into a contract, agreement or other financing agreement or such other
90 arrangement that requires that the Commonwealth either pay for the contract by foregoing revenue
91 collections, or allows or assigns to another party the collection on behalf of or for the Commonwealth
92 any fees, charges, or other assessment or revenues to pay for the project. Such schedule shall include by
93 agency and project (i) a summary of the terms, (ii) the anticipated duration, and (iii) cost or charges to
94 any user, whether a state agency or institutions or other party not directly a party to the project
95 arrangements. The description shall also include any terms or conditions that bind the Commonwealth or
96 restrict the Commonwealth operations and the methods of procurement employed to reach such terms.

97 B. On or before December 20 ~~of the year immediately prior to the beginning of the regular session~~
98 ~~of the General Assembly held in odd-numbered years in each year,~~ the Governor shall submit to the
99 presiding officer of each house of the General Assembly printed copies of a budget document, which
100 shall be known as "Executive Amendments to the Appropriation Act," describing all gubernatorial
101 amendments proposed to the general appropriation act enacted in ~~the immediately preceding~~
102 ~~even-numbered session that calendar year.~~

103 C. The Department of Planning and Budget shall prepare "The Executive Budget" and the "Executive
104 Amendments to the Appropriation Act" in a manner and with language that can be easily understood by
105 the citizens of the Commonwealth and that provides, to the extent practical, a cross-reference to the
106 Governor's recommended budget bill or amendments to the Appropriation Act. Such documents shall
107 also be placed on the Internet to provide easy access by the public.

108 § 2.2-1509. Budget bill.

109 A. (Effective until July 1, 2013) On or before December 20 ~~of the year immediately prior to the~~
110 ~~beginning of each regular session of the General Assembly held in an even-numbered year in each year,~~
111 the Governor also shall submit to the presiding officer of each house of the General Assembly, at the
112 same time he submits "The Executive Budget," copies of a tentative bill for all proposed appropriations
113 of the budget, for each year in the ensuing biennial appropriation period *the immediately following fiscal*
114 *year*, which shall be known as "The Budget Bill." "The Budget Bill" shall be organized by function,
115 primary agency, and proposed appropriation item and shall include (i) an identification of, and
116 authorization for, common programs and (ii) the appropriation of funds according to programs. Strategic
117 plan information and performance measurement results developed by each agency shall be made
118 available to the General Assembly as it considers "The Budget Bill." Except as expressly provided in an
119 appropriation act, whenever the amounts in a schedule for a single appropriation item are shown in two
120 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 in each 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 the immediately following fiscal year, 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. On or before December 20 of the year immediately prior to the beginning of each regular session held in an odd-numbered year of the General Assembly in each year, the Governor shall submit to the presiding officer of each house printed copies of all gubernatorial amendments proposed to the general appropriation act adopted in the immediately preceding even-numbered year session that calendar year. 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 tentative bill during the second year of the appropriation period, 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 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.

§ 2.2-1509.1. Budget bill to include appropriations for capital outlay projects.

A. For purposes of this section:

"Projected general fund revenues" for a fiscal year means the estimated general fund revenues for such year as contained in the six-year revenue plan submitted in the prior calendar year pursuant to § 2.2-1503.

"Capital outlay project" means the same as that term is defined in § 2.2-1515.

B. In "The Budget Bill" submitted pursuant to § 2.2-1509, the Governor shall provide for the funding of capital outlay projects, as specified herein. Such funding recommendations shall be in addition to any appropriation for capital outlay projects from the Central Maintenance Reserve of the general appropriation act.

C. The Governor shall include in "The Budget Bill" submitted pursuant to § 2.2-1509 a biennial appropriation for the immediately following fiscal year for the capital outlay plan described in § 2.2-1518. The biennial appropriation shall not be less than two percent of the projected general fund revenues for the biennium such fiscal year.

a1. When the projected general fund revenues for a fiscal year or years are eight percent or greater than the projected general fund revenues for the immediately preceding fiscal year, the amount of the biennial fiscal-year appropriation for the capital outlay plan that the Governor shall provide from general fund revenues shall not be less than two percent of the projected general fund revenues for each the fiscal year.

b2. When the projected general fund revenues for a fiscal year or years are at least five percent but less than eight percent greater than the projected general fund revenues for the immediately preceding fiscal year, the Governor may recommend funding of up to one-half of the required biennial fiscal-year appropriation from alternative financing mechanisms, including, but not limited to, bonded indebtedness.

182 The Governor shall submit such bill or bills for consideration by the General Assembly as are necessary
183 to implement such alternative financings, and shall include in "The Budget Bill" submitted pursuant to
184 § 2.2-1509 proposed appropriations from general fund revenues for the remaining one-half of the
185 required ~~biennial~~ *fiscal-year* appropriation.

186 e3. When the projected general fund revenues for a fiscal year ~~or years~~ are less than five percent
187 greater than the projected general fund revenues for the immediately preceding fiscal year, the Governor
188 may recommend funding of up to the entire required ~~biennial~~ *fiscal-year* appropriation from alternative
189 financing mechanisms, including, but not limited to, bonded indebtedness. The Governor shall submit
190 such bill or bills for consideration by the General Assembly as are necessary to implement such
191 alternative financings.

192 2. In implementing the provisions of this section, the amount of general funds to be included in the
193 biennial appropriation for the capital outlay plan shall be calculated on a year-to-year basis, but may be
194 apportioned on a biennial basis; provided, however, that the combined total of general fund
195 appropriations and alternative financing mechanisms for the capital outlay plan included in "The Budget
196 Bill" submitted pursuant to ~~§ 2.2-1509~~ shall equal at least two percent of the projected general fund
197 revenues for the biennium.

198 ~~CD.~~ The capital outlay projects proposed under this section and to be included in "The Budget Bill"
199 submitted pursuant to § 2.2-1509 shall be consistent, as far as practicable, with those capital outlay
200 projects included in the corresponding fiscal year of the current six-year capital outlay plan described in
201 § 2.2-1518.

202 § 30-19.13. Additional provisions for expenses of members and presiding officers of General
203 Assembly.

204 Each member of the General Assembly shall, during any regular session of the General Assembly or
205 extension thereof, or during any special session of the General Assembly, receive for each day as
206 allowances for expenses such sum as shall be set forth in the general appropriation act and mileage
207 allowance at the rate provided in § 2.2-2823 or actual expenses for all official travel. Such mileage or
208 travel reimbursement shall be allowed only for one round trip each week between the City of Richmond
209 and such person's home. *However, if a general appropriation act has not been passed by the General*
210 *Assembly within the time frame allowed for the conducting of business in a regular session of the*
211 *General Assembly, as such time frame is initially adopted by such regular session, then no member of*
212 *the General Assembly shall receive an allowance for expenses subsequent to such time frame in a*
213 *regular or special session of the General Assembly held in the same calendar year, until such time as*
214 *the General Assembly passes a general appropriation act.*

215 **2. That the Virginia Code Commission, in consultation with the Director of the Department of**
216 **Planning and Budget, shall identify all other provisions of the Code of Virginia to be amended in**
217 **order to conform to a general appropriation act covering a single fiscal year (in lieu of the current**
218 **biennial appropriation process) beginning with the Commonwealth's fiscal year starting on July 1,**
219 **2012, and for each fiscal year thereafter. The Virginia Code Commission shall make a written list**
220 **or report of such other provisions to be amended and shall provide a copy of the list or report to**
221 **the chairmen of the House Committee on Appropriations, House Committee on Finance, and**
222 **Senate Committee on Finance no later than October 1, 2010.**

223 **3. That, except as provided in the second enactment of this act that shall be effective in due**
224 **course, all other provisions of this act shall become effective August 1, 2011.**