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HOUSE BILL NO. 1938

Offered January 12, 2011

Prefiled January 11, 2011

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, 2.2-1509.3, 10.1-2128.1, 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, 2.2-1509.3, 10.1-2128.1, 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 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:

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

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

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

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

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

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

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

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

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

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

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

110 § 2.2-1509. Budget bill.

111 A. (Effective until July 1, 2013) On or before December 20 ~~of the year immediately prior to the~~
112 ~~beginning of each regular session of the General Assembly held in an even-numbered year in each year~~,
113 the Governor also shall submit to the presiding officer of each house of the General Assembly, at the
114 same time he submits "The Executive Budget," copies of a tentative bill for all proposed appropriations
115 of the budget, for ~~each year in the ensuing biennial appropriation period~~ *the immediately following fiscal*
116 *year*, which shall be known as "The Budget Bill." "The Budget Bill" shall be organized by function,
117 primary agency, and proposed appropriation item and shall include (i) an identification of, and
118 authorization for, common programs and (ii) the appropriation of funds according to programs. Strategic
119 plan information and performance measurement results developed by each agency shall be made
120 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 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 *most recent* 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~~ *an* appropriation 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~~ *the applicable 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 applicable* 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*

182 appropriation from alternative financing mechanisms, including, but not limited to, bonded indebtedness.
183 The Governor shall submit such bill or bills for consideration by the General Assembly as are necessary
184 to implement such alternative financings, and shall include in "The Budget Bill" submitted pursuant to
185 § 2.2-1509 proposed appropriations from general fund revenues for the remaining one-half of the
186 required ~~biennial~~ *fiscal-year* appropriation.

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

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

199 *CD.* The capital outlay projects proposed under this section and to be included in "The Budget Bill"
200 submitted pursuant to § 2.2-1509 shall be consistent, as far as practicable, with those capital outlay
201 projects included in the corresponding fiscal year of the current six-year capital outlay plan described in
202 § 2.2-1518.

203 § 2.2-1509.3. Budget bill to include appropriations for major information technology projects.

204 A. For purposes of this section:

205 "Major information technology project" means the same as that term is defined in § 2.2-2006.

206 "Major information technology project funding" means an estimate of each funding source for a
207 major information technology project for the duration of the project.

208 B. In "The Budget Bill" submitted pursuant to § 2.2-1509, the Governor shall provide for the funding
209 of major information technology projects, as specified herein. Such funding recommendations shall be
210 for major information technology projects that have or are pending project development approval as
211 defined by § 2.2-2019 or procurement approval as defined by § 2.2-2020.

212 The Governor shall include in "The Budget Bill" submitted pursuant to § 2.2-1509 a ~~biennial~~ *an*
213 *annual* appropriation for major information technology projects and the following information for each
214 such project:

215 1. A brief statement explaining the project, the CIO's ranking and recommendations on the project as
216 required by § 2.2-2008, an explanation, if necessary, if the Governor informed the Secretary of
217 Technology that an emergency existed as set forth in § 2.2-2008, and the anticipated duration of the
218 project;

219 2. A brief explanation of the inclusion of any project in the budget bill that has not undergone
220 review and approval by the Secretary of Technology as required by § 2.2-225;

221 3. Total estimated project costs, as defined by the Commonwealth's Project Management Standards,
222 including the amount of the agency's or institution's operating appropriation, which will support the
223 project, and long-term contract cost beyond the ~~biennium~~ *fiscal year of the Budget Bill*;

224 4. Costs incurred to date, as defined by the Commonwealth's Project Management Standards, which
225 includes both the project planning cost and internal operating costs to support the project;

226 5. Recommendations or comments of the Public-Private Partnership Advisory Commission, if the
227 project is part of a proposal under the Public-Private Education Facilities and Infrastructure Act of 2002
228 (§ 56-575.1 et seq.); and

229 6. The CIO's assessment of the project and the status as of the date of the budget bill submission to
230 the General Assembly.

231 C. The Secretary of Technology shall immediately notify each member of the Senate Finance
232 Committee and the House Appropriations Committee of any decision to terminate in accordance with
233 § 2.2-225 any major information technology project in the budget bill. Such communication shall include
234 the Secretary of Technology's reason for such termination.

235 § 10.1-2128.1. Virginia Natural Resources Commitment Fund established.

236 A. There is hereby created in the state treasury a special nonreverting fund to be known as the
237 Virginia Natural Resources Commitment Fund hereafter referred to as "the Subfund," which shall be a
238 subfund of the Virginia Water Quality Improvement Fund and administered by the Department of
239 Conservation and Recreation. The Subfund shall be established on the books of the Comptroller. All
240 amounts appropriated and such other funds as may be made available to the Subfund from any other
241 source, public or private, shall be paid into the state treasury and credited to the Subfund. Interest
242 earned on moneys in the Subfund shall remain in the Subfund and be credited to it. Any moneys
243 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 as provided in subsection B solely for the Virginia Agricultural Best Management Practices Cost-Share Program administered by the Department of Conservation and Recreation.

B. Beginning on July 1, 2008, and continuing in each subsequent fiscal year until July 1, 2018, out of such amounts as may be appropriated and deposited to the Subfund, distributions shall be made in each fiscal year for the following purposes:

1. Eight percent of the total amount distributed to the Virginia Agricultural Best Management Practices Cost-Share Program shall be distributed to soil and water conservation districts to provide technical assistance for the implementation of such agricultural best management practices. Each soil and water conservation district in the Commonwealth shall receive a share according to a method employed by the Director of the Department of Conservation and Recreation in consultation with the Virginia Soil and Water Conservation Board, that accounts for the percentage of the available agricultural best management practices funding that will be received by the district from the Subfund;

2. Fifty-five percent of the total amount distributed to the Virginia Agricultural Best Management Practices Cost-Share Program shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed; and

3. Thirty-seven percent of the total amount distributed to the Virginia Agricultural Best Management Practices Cost-Share Program shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively outside of the Chesapeake Bay watershed.

C. The Department of Conservation and Recreation, in consultation with stakeholders, including representatives of the agricultural community, the conservation community, and the Soil and Water Conservation Districts, shall determine an annual funding amount for effective Soil and Water Conservation District technical assistance and implementation of agricultural best management practices pursuant to § 10.1-546.1. Pursuant to § 2.2-1504, the Department shall provide to the Governor the annual funding amount needed for each year of the ensuing biennial period. The Department shall report the annual funding amount to the Chairmen of the House Appropriations and Senate Finance Committees by October 15 of each year.

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

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

2. That the Virginia Code Commission, in consultation with the Director of the Department of Planning and Budget, shall identify all other provisions of the Code of Virginia to be amended in order to conform to a general appropriation act covering a single fiscal year (in lieu of the current biennial appropriation process) beginning with the Commonwealth's fiscal year starting on July 1, 2012, and for each fiscal year thereafter. The Virginia Code Commission shall make a written list or report of such other provisions to be amended and shall provide a copy of the list or report to the chairmen of the House Committee on Appropriations, House Committee on Finance, and Senate Committee on Finance no later than September 1, 2011.

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