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**HOUSE JOINT RESOLUTION NO. 635**  
**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
(Proposed by the House Committee on Rules  
on January 31, 2013)

(Patron Prior to Substitute—Delegate Gilbert)

*Directing the Joint Legislative Audit and Review Commission to study the amount of federal revenue that Virginia receives at the state and local level annually, by functional area, and determine its importance and impact. Report.*

WHEREAS, the Commonwealth is home to many major military installations, including the Pentagon and the naval port in Hampton Roads; and

WHEREAS, the Commonwealth is home to tens of thousands of Virginians who work for the federal government in the Washington metropolitan area; and

WHEREAS, a significant number of private sector jobs in Virginia are dependent on companies with federal government contracts; and

WHEREAS, Virginia is the twelfth largest state as measured by population, eleventh when measured by gross domestic product, and tenth when measured by per capita gross domestic product; and

WHEREAS, in 2008, \$118.5 billion of federal funds flowed into Virginia as grants, wages, and salaries and as direct payments to individuals as well as in the form of procurement expenditures; and

WHEREAS, the Governor's Budget Bill introduced in the 2013 Session contains \$6.7 billion and \$7.0 billion, respectively, in federal funds in each year of the biennium, which will be appropriated for operating expenses; and

WHEREAS, as the U.S. Congress and the President make decisions that will continue to affect both the federal budget and federal deficit, there remain numerous uncertainties that could substantially impact Virginia and its localities; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study the amount of federal revenue that Virginia receives at the state and local level annually, by functional area, and determine its importance and impact.

In conducting its study, the Joint Legislative Audit and Review Commission (JLARC) shall review all sources of Virginia revenue that are due to federal government spending, including grants, wages and salaries, direct payments to individuals, and procurements as well as the indirect benefits to individuals, companies, and state and local governments.

All agencies of the Commonwealth shall provide assistance to JLARC for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2013, and for the second year by November 30, 2014, and the Chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

HOUSE SUBSTITUTE

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