

2001 SPECIAL SESSION I

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011837238

HOUSE BILL NO. 6

House Amendments in [ ] — May 4, 2001

A BILL to amend and reenact Items 543, 547, 548, and 549 of Chapter 1073 of the Acts of Assembly of 2000, and to amend Chapter 1073 by adding an item numbered 541.10, all relating to providing revenue and to appropriating funds for the 2000-2002 biennium for salary adjustments and certain fringe benefits for certain state employees; locally elected constitutional officers; general registrars and members of local electoral boards; full-time employees of locally elected constitutional officers; and 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, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.

Patron Prior to Engrossment—Delegate Dickinson

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That Items 543, 547, 548, and 549 of Chapter 1073 of the Acts of Assembly of 2000 are amended and reenacted, and that Chapter 1073 of the Acts of Assembly of 2000 is amended by adding an item numbered 541.10 as follows:

CENTRAL APPROPRIATIONS (995)

540 through 541. Not set out.

541.10	Reversion Clearing Account - Appropriation Reduction (Operating) (223000)	[ -27,727,408	-27,814,354
		-23,127,408 ]	

Fund Sources:	General	[ -27,727,408	-27,814,354
		-23,127,408 ]	

Authority: Discretionary Inclusion.

A. The State Comptroller shall transfer to the general fund on or before June 30, 2001, and amount estimated at \$22,009,408, and on or before June 30, 2002, an amount estimated at \$23,590,592 from the Virginia Commonwealth University Health System Authority in recognition of the Commonwealth's ongoing financial support of the Authority. Such amounts are hereby appropriated to this item.

B. The Director of the Department of Planning and Budget shall transfer to this item from the general fund of the state treasury by June 30, 2002, an amount estimated at \$1,000,000 representing loan repayments to the Governor's Motion Picture Opportunity Fund.

C.1. The State Comptroller shall transfer to the Special Project Management Program in the second year an amount estimated at \$1,731,793, resulting from savings pursuant to a telecommunications contract signed between a new vendor and the Department of Information Technology effective July 1, 2000. The amount shall be transferred from agency nongeneral fund accounts. The Director of the Department of Planning and Budget shall provide the Comptroller with the amount to be transferred from each nongeneral fund account in the affected agencies.

2. On or before June 30, 2002, the State Comptroller shall then transfer \$930,380 from the Special Project Management Program to the general fund. Such amounts are hereby appropriated to this item.

D. On or before June 30, 2002, the State Comptroller shall transfer to the general fund \$50,000 from the Special Unemployment Compensation Administration Fund at the Virginia Employment Commission. Such amounts are hereby appropriated to this item.

E. On or before June 30, 2002, the State Comptroller shall transfer to the general fund \$200,000 from the Flood Prevention and Protection Assistance Fund in the Department of Conservation and Recreation. Such amounts are hereby appropriated to this item.

F. The State Comptroller shall transfer to the general fund from the special fund balance of the Intensified Drug Enforcement Jurisdiction Fund an amount estimated at \$500,000 on or before June 30, 2001, and an amount estimated at \$500,000 on or before June 30, 2002. Such amounts are hereby appropriated to this item.

G. On or before June 30, 2001, the State Comptroller shall transfer \$218,000 to the general fund from the Department of Housing and Community Development from the unobligated balances of the

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55 *Southside Economic Development Commission. Such amounts are hereby appropriated to this item.*  
 56 *H. The Director of the Department of Planning and Budget shall transfer to this item \$500,000 the*  
 57 *second year from the general fund from the Virginia Economic Development Partnership for the*  
 58 *Certified Community Cooperative Advertising Program.*  
 59 *I. The Director of the Department of Planning and Budget shall transfer to this item \$500,000 the*  
 60 *second year from the general fund from the Department of Technology Planning for the Geographic*  
 61 *Information Access Services Program.*  
 62 *J. The Virginia Public School Authority shall transfer to the general fund an amount estimated at*  
 63 *\$643,382 on or before June 30, 2002. Such amounts are hereby appropriated to this item.*  
 64 *[ K. On or before June 30, 2001, the State Comptroller shall transfer \$400,000 to the general fund*  
 65 *from unspent balances of the Attorney General and the Department of Law. Such amounts are hereby*  
 66 *appropriated to this item. ]*

67 542. Not set out.

68	543.	Personnel Management Services (70400)	82,940,427	79,353,835
69				94,655,316
70		Medical/Hospitalization Benefits - State (70406)	sum suf	sum suf
71		Medical/Hospitalization Benefits - Local (70407)	65,000,000	65,000,000
72		Other Services (70499)	17,940,427	14,353,835
73				29,655,316
74	Fund Sources:	General	17,940,427	14,353,835
75				29,655,316
76		Enterprise	65,000,000	65,000,000
77		Internal Service	sum suf	sum suf

78 Authority: § 2.1-20.1, Code of Virginia.

79 A. The amounts for Medical/Hospitalization Benefits - State are from all funds appropriated to state  
 80 agencies for this purpose. It is an internal service fund for appropriation purposes in Central  
 81 Appropriations. Revenues will be paid from state agencies to the Department of Personnel and Training.

82 B. The amounts for Medical/Hospitalization Benefits - Local include estimated revenues received  
 83 from localities for the local option program.

84 C. The Department of Planning and Budget shall effect such transfers from this appropriation to the  
 85 Department of Personnel and Training as are required for the payment of medical/hospitalization  
 86 benefits.

87 D.1. In the event that the total of all eligible claims exceeds the balance in the state employee  
 88 medical reimbursement account, there is hereby appropriated a sum sufficient from the general fund of  
 89 the state treasury to enable the payment of such eligible claims.

90 2. The term "employee medical reimbursement account" means the account administered by the  
 91 Department of Personnel and Training pursuant to § 125 of the Internal Revenue Code in connection  
 92 with the health insurance program for state employees (§ 2.1-20.1 of the Code of Virginia).

93 E.1. Out of this amounts for Personnel Management Services, \$17,940,427 the first year and  
 94 \$14,353,835 \$29,655,316 the second year shall be transferred to state agencies and institutions of higher  
 95 education to effect changes in the employer's share of premiums paid for the Commonwealth's health  
 96 benefit plans. Costs associated with the increases for employees of Educational and General programs at  
 97 institutions of higher education shall be borne by the general fund.

98 2. Except as provided for in paragraph E1 above, agencies supported in whole or in part by  
 99 nongeneral funds shall pay the proportionate share of the increase in the employer's share of the  
 100 premiums, subject to the rules and regulations prescribed by the appointing or governing authority. Such  
 101 nongeneral fund revenues and balances are hereby appropriated for this purpose, subject to the  
 102 provisions of § 4-2.01 b of this act.

103 F. No amounts shall be obligated or expended from the reserved component of the Employee Health  
 104 Insurance Fund unless prior approval is obtained from the Secretary of Finance and the Secretary of  
 105 Administration. The Department of Planning and Budget shall notify the Chairmen of the House  
 106 Appropriations and Senate Finance Committees of any disbursements made from or commitments  
 107 against the reserved component.

108 544 through 546. Not set out.

109	547.	Compensation Supplements (State) (75700)	9,660,286	44,227,851
110			8,760,286	[ 95,317,032
111				95,690,084 ]
112	Fund Sources:	General	9,660,286	35,731,010

113		8,760,286	[ <del>86,820,191</del>
114			87,193,243 ]
115	Higher Education Operating	0	8,496,841

116 Authority: Discretionary Inclusion.

117 A. Transfers from this Item may be made to supplement general fund appropriations to state agencies  
118 for:

- 119 1. Adjustments to base rates of pay;
- 120 2. Adjustments to rates of pay for budgeted overtime of salaried employees;
- 121 3. Salary increases for positions with salaries listed elsewhere in this act;
- 122 4. Salary increases for locally elected constitutional officers and their employees;
- 123 5. In-range band salary adjustments for employees subject to the Virginia Personnel Act to recognize  
124 changes in duties or professional skill development, establish internal alignment (equitable salary  
125 relationships), or respond to labor market conditions (retention).
- 126 6. Employer costs of employee benefit programs when required by salary-based pay adjustments; and
- 127 7. Salary increases for local employees supported by the Commonwealth, other than those funded  
128 through appropriations to the Department of Education.

129 This appropriation provides for the compensation adjustments described in paragraph C of this Item,  
130 subject to conditions stated in this Item.

131 B. Transfers from this Item may be made when appropriations to the state agencies concerned are  
132 insufficient for the purposes stated in paragraph A of this Item, as determined by the Department of  
133 Planning and Budget, and subject to guidelines prescribed by the department. Further, the Department of  
134 Planning and Budget may transfer appropriations within this Item from the second year of the biennium  
135 to the first year, when necessary to accomplish the purposes stated in paragraph A of this Item.

136 C.1.a). The base salary of employees listed in this paragraph set out in subparagraph 2 a through 2  
137 d of this paragraph shall be increased by 3.25 percent on November 25, 2000; for those employees set  
138 out in subparagraphs 2 a through 2 d of this paragraph. This appropriation includes \$22,905,720 the first  
139 year and \$52,116,109 the second year for this purpose. The base salary of employees set out in  
140 subparagraph 2 e of this paragraph shall be increased by 3.25 percent on December 1, 2000. This  
141 appropriation includes \$12,261,744 the first year and \$21,113,653 the second year to be used for this  
142 purpose.

143 b)1) The base salary of employees set out in subparagraph 2 a 1 of this paragraph who receive a  
144 contributor rating or an extraordinary contributor rating in their fall 2001 performance evaluation shall  
145 be increased on average by 3.5 percent on November 25, 2001. The base salary adjustment for an  
146 employee rated as a contributor will be no less than 2.8 percent and no more than the 3.5 percent  
147 average increase. The increase for an employee rated extraordinary contributor shall be no less than  
148 the average increase of 3.5 percent and no more than 8.75 percent.

149 2) The November 25, 2001, salary increase for employees set out in subparagraph 2 a 1 of this  
150 paragraph shall be limited to funds made available through this item.

151 3) Further rules and regulations for the performance-based salary increase set out in subparagraph  
152 1 b 1 of this paragraph shall be developed by the Department of Human Resource Management in  
153 conjunction with the Department of Planning and Budget.

154 4) The base salary of employees set out in subparagraphs 2 a 2 through 2 d of this paragraph shall  
155 be increased by 3.5 percent on November 25, 2001.

156 5) This appropriation includes \$38,283,699 the second year for the November 25, 2001, salary  
157 adjustments.

158 6) The base salary of employees set out in subparagraphs 2 e 1 through 2 e 4 of this paragraph  
159 shall be increased by 3.5 percent on December 1, 2001.

160 7) This appropriation includes \$13,605,482 the second year for the December 1, 2001, salary  
161 adjustments for full-time employees of Community Services Boards, Centers for Independent Living,  
162 secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local  
163 court service units, local social services boards, and local health departments where a memorandum of  
164 understanding exists with the Virginia Department of Health.

165 [ 8) This appropriation includes \$373,052 from the general fund the second year to increase the  
166 starting salaries for Assistants Attorney General and to make other adjustments, as appropriate, in the  
167 Attorneys' Pay Plan in the Office of the Attorney General. ]

168 2. Transfers from this Item shall be used to effect this increase and related increases in employee  
169 benefits for:

170 a. Executive Department

171 1. Full-time employees of the Executive Department subject to the Virginia Personnel Act;

172 2. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except  
173 faculty at the institutions of higher education and officials elected by popular vote;

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- 174 3. Any official whose salary is listed in § 4-6.01 c and d of this act, subject to the ranges specified  
 175 in the agency head salary levels in § 4-6.01 c; and
- 176 4. Full-time professional staff of the Governor's Office, the Lieutenant Governor's Office, the  
 177 Attorney General's Office, Cabinet Secretaries Offices, including the Deputy Secretaries, the Virginia  
 178 Liaison Office, and the Secretary of the Commonwealth's Office.
- 179 b. Legislative Department
- 180 1. Heads of agencies in the Legislative Department;
- 181 2. Full-time employees in the Legislative Department, other than officials elected by popular vote;  
 182 and
- 183 3. Secretaries and administrative assistants as provided for in Item 1, of this act.
- 184 c. Judicial Department
- 185 1. Judges and Justices in the Judicial Department;
- 186 2. Heads of agencies in the Judicial Department; and,
- 187 3. Full-time employees in the Judicial Department.
- 188 d. Independent Agencies
- 189 1. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation  
 190 Commission, the Executive Director of the Virginia ~~Higher Education Tuition Trust Fund College~~  
 191 ~~Savings Plan~~, and the Directors of the State Lottery Department and the Virginia Retirement System;
- 192 2. Full-time employees of the State Lottery Department; and,
- 193 3. Full-time employees of the State Corporation Commission, the Virginia ~~Higher Education Tuition~~  
 194 ~~Trust Fund College Savings Plan~~, the State Lottery Department, and the Virginia Retirement System.
- 195 e. State-Supported Local Employees
- 196 1. Locally elected constitutional officers;
- 197 2. General Registrars and members of local electoral boards;
- 198 3. Full-time employees of locally elected constitutional officers; and,
- 199 4. ~~Full-time employees of Community Services Boards, Centers for Independent Living, secure~~  
 200 ~~detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court~~  
 201 ~~service units, local social services boards, and local health departments where a memorandum of~~  
 202 ~~understanding exists with the Virginia Department of Health.~~
- 203 3.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the  
 204 *November 25, 2000*, salary increases authorized in this paragraph only if they attained at least a "meets  
 205 expectations" on their latest performance evaluation.
- 206 b. Salary increases for employees listed in paragraphs C 2 a 2 through C 2 a 4 and paragraphs C 2 c  
 207 through C 2 d shall be consistent with the provisions of this paragraph, as determined by the appointing  
 208 or governing authority. The appointing or governing authority shall certify that employees receiving the  
 209 awards are performing at levels at least comparable to the eligible employees as set out in the preceding  
 210 paragraph 3 a.
- 211 D. The Department of ~~Personnel and Training~~ *Human Resource Management* shall increase the  
 212 minimum and maximum salary for each ~~grade pay band~~ within the Commonwealth's Classified  
 213 Compensation Plan by 3.25 percent on November 25, 2000, *and by 2.6 percent on November 25, 2001*.  
 214 No salary increase shall be granted to any employee as a result of this action. The Department shall  
 215 develop policies and procedures to be used in instances where employees fall below the entry level for a  
 216 job classification due to poor performance. Movement through the revised pay ~~grades bands~~ shall be  
 217 based on employee performance.
- 218 E. The agency heads listed in this paragraph may, at their discretion, utilize the funds provided  
 219 pursuant to paragraph C of this Item, to implement the provisions of existing pay plans.
- 220 1. The heads of agencies in the Legislative and Judicial Departments;
- 221 2. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation  
 222 Commission;
- 223 3. The Attorney General;
- 224 4. The Director of the Virginia Retirement System;
- 225 5. The Director of the State Lottery Department;
- 226 6. The Director of the University of Virginia Medical Center;
- 227 7. The Executive Director of the Virginia ~~Higher Education Tuition Trust Fund College Savings~~  
 228 ~~Plan~~; and
- 229 8. The Executive Director of the Virginia Port Authority.
- 230 F. The base rates of pay, and related employee benefits, for wage employees may be increased by up  
 231 to 3.25 percent on November 25, 2000, *and up to 3.5 percent on November 25, 2001*. The cost of such  
 232 increases for wage employees shall be borne by funds appropriated to each agency.
- 233 G.1. Agencies supported in whole or in part by nongeneral funds shall pay the proportionate share of  
 234 costs, from nongeneral fund revenues, of wages, salaries, and employee benefits as stated in this Item,  
 235 subject to rules and regulations prescribed by the Governing Authority.

236 2. Such nongeneral fund revenues and balances are hereby appropriated for this purpose, including  
237 those nongeneral fund revenues available to the colleges and universities, subject to the provisions of  
238 § 4-2.01 b, of this act.

239 3. Costs associated with the increases authorized in paragraph C of this Item, for employees of  
240 Educational and General Programs at the institutions of higher education shall be borne by the general  
241 fund.

242 H. Institutions of higher education shall utilize funds provided in their appropriations for faculty  
243 salary increases based on merit.

244 I. State employees will receive a paycheck on July 2, 2001, for the work period June 10 to June 24,  
245 2001.

246 J.1.a. There is hereby continued the Commission on Reform of the Classified Compensation Plan.  
247 This Commission is comprised of four members of the Senate Finance Committee to be appointed by  
248 the Chairmen of the Senate Finance Committee, four members of the House Appropriations Committee  
249 to be appointed by the Chairmen of the House Appropriations Committee, and four members to be  
250 appointed by the Governor. Those members appointed by the Governor shall include: the Secretary of  
251 Finance, the Secretary of Administration and two persons who are the chief human resource officers of  
252 large private or public sector employers.

253 b. In carrying out its work, the Commission shall be supported by:

254 (1) A technical advisory committee comprised of the chief human resource officers of the University  
255 of Virginia; Virginia Polytechnic Institute and State University; Virginia Commonwealth University; the  
256 Department of Mental Health, Mental Retardation and Substance Abuse Services; the Department of  
257 Corrections; the Department of State Police; the Department of Transportation; the Department of  
258 Taxation; the Director of the Department of ~~Personnel and Training~~ *Human Resource Management*, or  
259 his designee; the Director of the Department of Planning and Budget, or his designee; and the staff of  
260 the Senate Finance and House Appropriations Committees.

261 (2) An employee advisory committee comprised of classified state employees. The number and  
262 composition of this employees advisory committee may vary based on the Commission's assessment of  
263 need.

264 2. With the assistance of the technical advisory committee, the Commission shall oversee the  
265 implementation of any new pay plan approved by the 2000 General Assembly and review and evaluate  
266 the effectiveness of the classified pay plan reforms.

267 3. The Commission shall report its findings and subsequent recommendations to the Governor and  
268 the Chairmen of the Senate Finance and House Appropriations Committees by November 1, 2000. Any  
269 recommendations must be consistent with the requirements in paragraph 4.

270 4. Any classified pay plan reforms recommended by the Commission shall provide for:

- 271 a. A statewide compensation program that provides flexibility to meet state workforce needs;
- 272 b. Performance-based salary increases and rewards including the recognition of team performance;
- 273 c. A stable funding mechanism;
- 274 d. Modern compensation features, as deemed appropriate for a large, multisite employer;
- 275 e. Career growth opportunities;
- 276 f. A communications program to inform classified employees, human resources staff, and agency  
277 managers of changes to the compensation plan.

278 5. Out of the amounts appropriated for Compensation Supplements, an amount not to exceed  
279 \$1,181,237 the first year and \$800,790 the second year shall be paid for the implementation and  
280 evaluation of the redesign of the classified employee pay plan. These funds shall be transferred to the  
281 Department of ~~Personnel and Training~~ *Human Resource Management* and expended as directed by the  
282 Commission.

283 6. a. *Out of the amounts appropriated for Compensation Supplements, an amount not to exceed*  
284 *\$1,000,000 the second year shall be transferred to state agencies and institutions of higher education to*  
285 *cover the cost of performance-based salary adjustments and awards made to classified employees on or*  
286 *after November 25, 2001, under the new pay practices that went into effect on September 25, 2000.*

287 b. *The transfer for performance-based salary adjustments and awards shall be based upon rules and*  
288 *regulations to be developed by the Department of Human Resource Management, in conjunction with*  
289 *the Department of Planning and Budget. In no case shall an agency or institution receive funding for*  
290 *any salary adjustment or award granted to employees who received below contributor ratings in their*  
291 *fall 2001 evaluation.*

292 K.1. The Department of ~~Personnel and Training~~ *Human Resource Management* shall incorporate all  
293 existing compensation pilot projects into the Commonwealth's classified pay plan consistent with  
294 recommendations of the Commission on Reform of the Classified Compensation Plan.

295 2. No compensation pilot projects are authorized for the first year following implementation of the  
296 recommendations of the Commission on Reform of the Classified Compensation Plan. After this period,

297 demonstration projects with clearly defined objectives and specified time frames may be implemented  
 298 subject to approval of the Department of ~~Personnel and Training~~ *Human Resource Management*. Such  
 299 pilots are restricted to no more than two years.

300 3. Any such pilot programs approved in the second year shall be funded from existing agency  
 301 appropriations or from funds provided for increases specified in paragraph C of this Item, or a  
 302 combination of both. A report on such pilot programs shall be made to the Governor and the Chairmen  
 303 of the House Appropriations and Senate Finance Committees by October 1, 2001. The Secretary of  
 304 Administration shall approve any change in compensation plans based on pilot programs, prior to their  
 305 implementation.

306 4. Any pilot programs or alternative pay plans authorized under the provisions of this paragraph,  
 307 shall provide for average annual salary increases that are no greater than those authorized in this Item  
 308 for general, classified state employees.

309 L. The Director of the Department of Planning and Budget shall withhold from agency appropriations  
 310 and transfer to this Item an amount estimated at \$26,633,421 the first year and \$27,977,674 the second  
 311 year for statewide reductions in employer retirement contribution rates resulting from annual valuation  
 312 studies by the Virginia Retirement System, as required by Item 566 of this act.

313 M. In the second year, \$8,496,841 in nongeneral funds is provided to offset an equal amount from  
 314 the general fund for allocation of the first year salary increase provided in this act for classified  
 315 employees in the Educational and General programs of Virginia's public colleges and universities.  
 316 Institutions are authorized to use revenue generated from tuition increases on graduate students and  
 317 nonresident students to meet this provision. The Virginia Community College System is excluded from  
 318 this provision.

319 ~~N. Effective January 1, 2001, the Virginia Retirement System shall provide managed long-term care~~  
 320 ~~payments for, or to, employees covered by the Virginia Sickness and Disability Program.~~

321	548.	Economic Contingency (75800)	40,500,000	31,250,000
322				21,024,958
323	Fund Sources:	General	40,500,000	18,250,000
324			38,000,000	10,524,958
325		Trust and Agency	0	13,000,000
326			2,500,000	10,500,000

327 Authority: Discretionary Inclusion.

328 A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an  
 329 amount not to exceed \$2,000,000 from the unappropriated balance derived by subtracting the general  
 330 fund appropriations from the projected general fund revenues in this act, to provide for supplemental  
 331 funds pursuant to paragraph B hereof. Transfers from this Item shall be made only when (1) sufficient  
 332 funds are not available within the agency's appropriation and (2) additional funds must be provided prior  
 333 to the end of the next General Assembly Session.

334 B. This appropriation includes \$1,000,000 the first year to be used by the Governor as he may  
 335 determine to be needed for the following purposes:

- 336 1. To address the six conditions listed in § 4-1.03 a 3 of this act.
- 337 2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential  
 338 commodities and services which cannot be absorbed within agency appropriations.
- 339 3. To secure federal funds in the event that additional matching funds are needed for Virginia to  
 340 participate in the federal Superfund program.
- 341 4. To provide for the administrative costs and grant payments for applications filed for calendar year  
 342 1999 for the Virginia Caregivers Grant Program operated pursuant to Chapter 21, Title 63.1, Code of  
 343 Virginia.

344 C. The Department of Planning and Budget shall submit a quarterly report of any disbursements  
 345 made from, commitments made against, and requests made for such sums authorized for allocation  
 346 pursuant to paragraph B to the Chairmen of the House Appropriations and Senate Finance Committees.  
 347 This report shall identify each of the conditions specified in paragraph B for which the transfer is made.

348 D. Any unexpended balance remaining in this Item on June 30, 2001, shall be carried forward on the  
 349 books of the Comptroller and shall be available for expenditure in the second year of the current  
 350 biennium. Any unexpended balance remaining in this Item on June 30, 2002, shall be carried forward on  
 351 the books of the Comptroller and shall be available for expenditures in the next biennium.

352 E.1. This appropriation includes \$30,000,000 the first year to be used at the discretion of the  
 353 Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate  
 354 Finance Committees, to attract economic development prospects to locate or expand in Virginia. Funds  
 355 appropriated for the purposes of this paragraph shall be deposited to the Governor's Development  
 356 Opportunity Fund, as established in § 2.1-51.6:5, Code of Virginia, on July 1 of each fiscal year.

357 2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans shall be

358 approved by the Governor and made in accordance with procedures established by the Virginia  
 359 Economic Development Partnership and approved by the State Comptroller. Loans shall be interest-free  
 360 unless otherwise determined by the Governor and shall be repaid as follows: the first \$1,000,000 of  
 361 repayments shall be deposited to the Governor's Motion Picture Opportunity Fund; and any additional  
 362 repayments shall be deposited to the general fund of the state treasury to the general fund of the state  
 363 treasury. The Governor may establish the interest rate to be charged, otherwise, any interest charged  
 364 shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of  
 365 the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment  
 366 of such loans and reporting the receivables to the State Comptroller as required.

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

373 4. Prior to the issuance of bonds by the City of Newport News Industrial Development Authority, the  
 374 Governor is authorized to use unobligated balances to meet any unanticipated expense associated with  
 375 the Commonwealth's share of the cost of the Virginia Advanced Shipbuilding and Carrier Integration  
 376 Center.

377 5. At his discretion, the Governor is authorized to pledge up to \$250,000 from the Governor's  
 378 Development Opportunity Fund in fiscal year 2002 for the proposed national comprehensive museum  
 379 and education center on the Civil War.

380 6.a. Out of the amounts in this Item for the Governor's Development Opportunity Fund, the Governor  
 381 may make available, in the form of a zero-interest loan, a line of credit up to \$4,500,000 to assist the  
 382 City of Salem to support the expansion of a major employer. The City shall not provide a cash match.  
 383 The city's matching contribution shall include the donation of at least 7.2 acres and the assumption of all  
 384 site preparation and site development costs. The City shall repay the loan over a five-year period,  
 385 commencing one year after completion of the expansion.

386 b. Such line of credit shall be contingent upon an affirmative decision by such employer to expand  
 387 its facility in Salem and upon communication of the decision to the Virginia Economic Development  
 388 Partnership. In addition, the City must certify to the Virginia Economic Development Partnership that  
 389 the project scope includes a capital investment equal to or greater than \$14,100,000; investment equal to  
 390 or greater than \$25,513,000 for machines and tools; and an increase equal to or greater than 40 jobs in a  
 391 thirty month period.

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

395 8. Of the amounts deposited to the Governor's Development Opportunity Fund, \$1,000,000 the first  
 396 year may be transferred to fulfill the Commonwealth's obligation in attracting a major employer to  
 397 Loudoun County. The funds shall be paid to the major employer to reimburse costs incurred in the  
 398 private construction of a portion of the Loudoun County Parkway. The Governor's Development  
 399 Opportunity Fund may receive matching funds from Loudoun County to be combined with these funds  
 400 for purposes of the reimbursement of the Loudoun County Parkway.

401 F. In the event Major League Baseball grants a franchise to an ownership group to locate a Major  
 402 League Baseball team in Virginia, the Governor is hereby authorized to develop a financing plan, which  
 403 has regard for the recommendations of House Document 7 (1997) by the Joint Subcommittee Studying  
 404 Funding of a Baseball Stadium. At the next session of the General Assembly following the award of  
 405 such franchise to a team to play its home games in the Commonwealth, the Governor shall submit to  
 406 that General Assembly a detailed financing plan to carry out the Commonwealth's commitment, if any,  
 407 to finance construction of a Major League Baseball Stadium.

408 G.1. Out of the amounts in this Item, the Governor is authorized to provide up to \$1,000,000 the  
 409 first year from the general fund to be used as incentives to partner with a film company for the filming,  
 410 in Virginia, of up to two movies on the Civil War. Prior to the offer of any incentives, the film  
 411 company must certify that a distribution and production agreement has been reached with a network,  
 412 cable or theatrical distributor. Any consideration for incentives shall be directly tied to an in-kind  
 413 promotional agreement between such company and the Virginia Tourism Corporation. Such in-kind  
 414 agreements may include promotional advertising, inclusion of a promotional "trailer," and promotional  
 415 links to related "Web Domains." The Virginia Tourism Corporation may also set other criteria in  
 416 determining the amount of incentives to award such company.

417 2. Any funds not otherwise committed for the purpose outlined in paragraph G1, shall be carried  
 418 forward and made available to the Governor's Motion Picture Opportunity Fund, as established in

419 § 2.1-548.61, Code of Virginia.

420 3. Prior to November 1, 2000, the Tourism Corporation shall develop a methodology for calculating  
421 the economic benefit of providing grants to attract film production. The methodology shall include a  
422 way in which to measure and determine the direct impact of tax revenue generated by each film  
423 attracted by use of a grant. In preparing the methodology required under this paragraph, the Tourism  
424 Corporation shall cooperate with the House Appropriations and Senate Finance Committees. The  
425 Committees shall make periodic inquiries on the progress of this project.

426 H.1. Out of the amounts in this Item shall be provided ~~\$1,500,000~~ \$423,000 the second year from  
427 the general fund for the Virginia Tourism Authority to plan, develop, test, and implement a visitors  
428 technology program. The purpose of the program is twofold: (1) to encourage out-of-state visitors to  
429 vacation or visit the Commonwealth; and (2) to encourage visitors to lengthen their stay in Virginia.

430 2. The Virginia Tourism Authority shall, in conjunction with the Visitor Service Facility Business  
431 Technology Advisory Committee, and appropriate state agencies, and representatives from local and  
432 regional tourism organizations, local governments, historic and recreational attractions, and the lodging  
433 and hospitality industries, develop a plan for the visitors technology program.

434 3. The plan shall be submitted to the Secretary of Commerce and Trade and to the Chairmen of the  
435 Senate Finance and House Appropriations Committees by December 1, 2000. The plan shall include, but  
436 not be limited to, the policies defining state-responsible and nonstate-responsible start-up, equipment and  
437 maintenance costs; the schedule and costs for developing, testing, and implementing the program,  
438 including the purchase of technology software and hardware and internet connections to the Web site of  
439 the Virginia Tourism Corporation and its partners; the experiences of similar systems in South Carolina,  
440 Colorado, and elsewhere; and options to phase the implementation of the program.

441 4. In developing the plan, the Authority shall be guided by these principles: (a) The visitors  
442 technology program shall include state-certified local visitor centers and state welcome centers. The  
443 program's focus is on technology and not on the construction of new facilities; (b) The program needs to  
444 be interactive with the capacity to offer ticketing and reservation services to attractions, hotels and  
445 restaurants across the state; (c) The program needs to have the capability to market Virginia attractions  
446 on the Internet; and (d) The program should permit hotels and motels to participate so that guests can  
447 make reservations and buy tickets through the hotels' computer systems.

448 I. This appropriation includes \$250,000 the first year and \$250,000 the second year from the general  
449 fund to establish a statewide workforce training loan program focusing on technology-related training.  
450 Funds appropriated for the purposes of this paragraph shall be deposited to the Workforce Training  
451 Access Fund, as established in § 9-329.6, Code of Virginia.

452 J.1. Out of this appropriation, ~~\$13,000,000~~ \$8,000,000 the second year from the general fund and  
453 ~~\$13,000,000 million~~ \$8,000,000 the second year from higher education operating funds is designated to  
454 create the Commonwealth Technology Research Fund. The Fund shall be established on the books of  
455 the Comptroller, the balance of which shall not revert to the general fund at the end of the fiscal year  
456 but shall be reappropriated for expenditure in the succeeding year. Interest earned on moneys in the  
457 Fund shall remain in the Fund and be credited to it. Expenditures and disbursements from the Fund shall  
458 be made by the State Treasurer on warrants issued by the Comptroller upon written request bearing the  
459 signature of the Director, Department of Planning and Budget.

460 2. The purpose of the fund shall be to attract public and private research funding for institutions of  
461 higher education, in order to increase technological and economic development in Virginia.

462 3. The Fund shall be administered by the Department of Planning and Budget. Awards from the  
463 Fund shall be made to Virginia public institutions of higher education.

464 4.a. For purposes of awards, the Fund shall have three components: 1) A matching funds program to  
465 leverage federal and private research dollars. 2) A strategic enhancement program to upgrade the  
466 research capacity of those academic departments that have demonstrated the ability to perform  
467 innovative research in technology fields that has strong potential to contribute to economic development  
468 in the Commonwealth. 3) A program to upgrade research capacity in key departments of the institutions  
469 in order to attract specific companies to locate or expand in Virginia.

470 b. Awards for the matching funds component shall be contingent upon the approval of the  
471 institution's grant proposal for federal or private funds.

472 c. Awards from the Commonwealth Technology Research Fund pursuant to paragraphs 1 through 5  
473 of this Item shall be matched on at least a dollar-for-dollar basis by the respective institution of higher  
474 education or combinations thereof. However, for good cause, this requirement may be waived, in whole  
475 or in part, by the decision-making authority described in paragraph 5 d of this Item, provided that such  
476 action is reported to the Director, Department of Planning and Budget and the Chairmen of the House  
477 Appropriations and Senate Finance Committees at least ten days prior to the award or disbursement of  
478 funds for such purpose.

479 5.a. Awards shall be based on scientific merit and economic development potential of research  
480 programs in the following fields: aerospace, biotechnology, energy, environmental and information

481 technologies, high performance manufacturing, telecommunications, and transportation. However, for  
 482 good cause, awards supporting research in other relevant fields or disciplines may be made by the  
 483 decision-making authority described in paragraph 5 d of this Item, provided that such action is reported  
 484 to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and  
 485 Senate Finance Committees at least ten days prior to the award or disbursement of funds for such  
 486 purpose.

487 b. Specific guidelines for the award of funds from this program shall be developed by the  
 488 Department of Planning and Budget, the Innovative Technology Authority, the Virginia Economic  
 489 Development Partnership, and the State Council of Higher Education, in consultation with  
 490 representatives of the House Appropriations and Senate Finance Committees, or their designees, and  
 491 three representatives of higher education institutions. These guidelines shall address, at minimum, the  
 492 application process, and the composition and operation of proposal review panels, and give special  
 493 emphasis to fostering collaboration between institutions of higher education and partnerships between  
 494 institutions of higher education and business and industry. The agreed upon guidelines shall be reported  
 495 to the Governor and to the Chairmen of the House Appropriations and Senate Finance Committees by  
 496 September 1, 2000. No proposals shall be considered for funding under the program before these  
 497 guidelines have been reported to the Governor and Chairmen of the House Appropriations and Senate  
 498 Finance Committees, and distributed to the institutions of higher education.

499 c. The Director, Department of Planning and Budget shall coordinate the evaluation of proposals, to  
 500 be conducted by review panels with the appropriate science and technology expertise, drawn from  
 501 federal agencies and academic and industrial research institutions across the country.

502 d. Recommendations on the grants shall be made by representatives from the Innovative Technology  
 503 Authority, the Virginia Economic Development Partnership, and the State Council of Higher Education  
 504 based on the recommendations of the review panels.

505 6.a. Effective January 1, 2001, the Director, Department of Planning and Budget, shall provide the  
 506 Governor and the Chairmen of the House Appropriations and Senate Finance Committees with a  
 507 quarterly report to include a detailed list of awards committed, the amount of each approved award, a  
 508 description of the approved proposals and the amount of federal or private matching funds anticipated  
 509 where applicable.

510 b. Not later than June 30, 2002, the Department of Planning and Budget shall submit to the  
 511 Governor and the Chairmen of the House Appropriations and Senate Finance Committees an evaluation  
 512 of the Fund. The evaluation shall include an assessment of the effectiveness of the Fund in attracting  
 513 public and private research funding and increasing technological and economic development in Virginia,  
 514 and an assessment of the administration of the program including the effectiveness of the  
 515 decision-making process.

516 ~~K. Out of this appropriation, \$2,500,000 the first year and \$2,500,000 the second year from the~~  
 517 ~~general fund shall~~ *In the first year \$2,500,000 from funds appropriated to the Virginia Tobacco*  
 518 *Settlement Foundation and \$2,500,000 in the second year from funds appropriated to the Virginia*  
 519 *Tobacco Settlement Foundation may be deposited to the Commonwealth Health Research Fund each*  
 520 *year.*

521 ~~L. This appropriation includes \$1,000,000 the second year from the general fund for Economic~~  
 522 ~~Development Grant Payments to localities pursuant to the provisions of House Bill 1268.~~

523 **I VETO THIS ITEM. /s/ James S. Gilmore, III (4/9/00)** (Vetoed item is enclosed in brackets.)

524 [ M. The Governor is hereby authorized to communicate to major league baseball the  
 525 Commonwealth's commitment to fund its portion of the stadium financing plan as recommended in  
 526 House Document #7 (1997) by the Joint Subcommittee Studying Financing Options for the Purpose of  
 527 Constructing a Baseball Stadium in Virginia, and such commitment is to be effective only in the event  
 528 major league baseball grants, or commits to grant a franchise to an ownership group to locate a major  
 529 league baseball team in Virginia. At the next session of the General Assembly following the award or  
 530 commitment to award such franchise, the Governor shall submit to that General Assembly a detailed  
 531 financing plan to carry out the Commonwealth's commitment to finance construction of a major league  
 532 baseball stadium. ]

533 N. Included in this Item is \$250,000 from the general fund the first year which may be transferred to  
 534 the Major League Baseball Stadium Authority for the purposes set forth in § 15.2-5801, Code of  
 535 Virginia.

536 **I VETO THIS ITEM. /s/ James S. Gilmore, III (5/19/00)** (Vetoed item is enclosed in brackets.)

537 [ O.1. This appropriation includes \$5,500,000 the first year from the general fund to provide limited  
 538 health care benefits and related administrative expenses for displaced textile workers, as defined in  
 539 paragraph O 2.

540 2.a. There is hereby created the Textile Workers Temporary Health Benefits Program for the purpose  
 541 of providing health care benefits for displaced Virginia textile workers and their dependents, as

542 described in paragraph O 3.

543 b. The temporary health insurance benefits authorized by this Item shall be available from June 1,  
544 2000 to May 30, 2001.

545 c. The Department of Medical Assistance Services shall receive \$2,917 per month to administer the  
546 program.

547 d. The Virginia Employment Commission (VEC) shall receive a one-time fee of \$10 per claimant.  
548 Such fee shall be used to cover the costs of certification of eligibility to participate in the temporary  
549 health benefits program authorized by this Item.

550 e. The Textile Workers Temporary Health Benefits Program shall enroll all qualifying persons who  
551 are certified by the Virginia Employment Commission to the Department of Medical Assistance Services  
552 as eligible for the benefits authorized by this Item.

553 3.a. Participation in the temporary health benefits program authorized by this Item shall be limited to  
554 residents of Virginia and their dependents who are (i) former employees of textile companies located in  
555 the West Piedmont Planning District and their dependents and (ii) former employees of textile  
556 companies located in any county from a Planning District adjoining the West Piedmont Planning District  
557 Commission and their dependent spouses, provided that such county's 1999 average unemployment rate  
558 was equal to or greater than 6 percent.

559 b. To be eligible for benefits under this program: (i) the former employee's unemployment status  
560 must have resulted from a textile company ceasing or limiting business operations on or after July 1,  
561 1999, but, on or before January 31, 2000; (ii) the worker must qualify, or have been qualified, for the  
562 regular Unemployment Insurance Program; and (iii) the worker must not have been terminated for cause.

563 c. Qualifying former employees whose benefits have expired, as well as former employees receiving  
564 unemployment insurance benefits, may register for the program at local VEC offices in the coverage  
565 area and at other sites as determined by the Department of Medical Assistance Services. The Virginia  
566 Employment Commission and the Department of Medical Assistance Services shall make every effort to  
567 utilize sites and procedures that are convenient for the eligible individuals.

568 d. Limited health insurance coverage for former employees and their dependent spouse shall end at  
569 the earlier of (i) full-time employment, defined as working for wages or salary in excess of the federal  
570 minimum wage for more than 30 hours per week, or (ii) termination of the limited health benefits  
571 program as described in this Item.

572 4. The Department of Medical Assistance Services shall develop, implement, and administer the  
573 Textile Workers Temporary Health Benefits Program for displaced Virginia textile workers who meet  
574 the criteria listed in paragraph O 3.

575 5. Lack of health care for the displaced Virginia textile workers and their families shall be deemed to  
576 be a public health emergency pursuant to § 9-6.14:4.1, Code of Virginia; therefore, to meet this  
577 emergency situation the Board of Medical Assistance Services shall promulgate emergency regulations to  
578 implement this program to be effective June 1, 2000. The program shall: (i) include the eligibility  
579 criteria listed in paragraph O 3; (ii) provide health benefits to the displaced Virginia textile worker and  
580 his dependents as certified by the Virginia Employment Commission; (iii) provide health benefits similar  
581 to, but not in excess of, the amount, duration and scope of medical services covered as established in  
582 the State Plan for Medical Assistance pursuant to § 32.1-325, Code of Virginia; and (iv) provide such  
583 covered health care benefits for the period of June 1, 2000 to May 30, 2001.

584 6. For the purpose of linking essential services to displaced workers and their families and  
585 ameliorating, to the extent possible, the effects of loss of income and benefits, the Virginia Employment  
586 Commission and the Department of Medical Assistance Services shall establish an aggressive outreach  
587 mechanism for recent displaced workers in Virginia.

588 7. The Department of Medical Assistance Services and the Virginia Employment Commission shall  
589 report to the Chairmen of the House Appropriations and Senate Finance Committees on their progress in  
590 designing and implementing the program on May 1, 2000, and provide the Committee Chairmen with  
591 updated reports on the status of the program on June 1, 2000, July 1, 2000, September 1, 2000, and  
592 December 1, 2000. ]

593 8. *Out of amounts in this item, the Director of the Department of Planning and Budget shall transfer*  
594 *\$851,958 the second year from the general fund to the Compensation Board to provide 30 additional*  
595 *deputy sheriff positions to meet the one law-enforcement deputy per 1,500 population as required by the*  
596 *Code of Virginia. The positions shall be allocated by the Compensation Board to be consistent with the*  
597 *requirements of § 15.2-1609.1 of the Code of Virginia to the sheriffs' offices in the following localities:*

598 *Amelia County*

599 *Brunswick County*

600 *Fauquier County*

601 *Frederick County*

602 *Goochland County*

603 *King George County*

- 604 *Pittsylvania County*
- 605 *Rappahannock County*
- 606 *Spotsylvania County*
- 607 *Wise County*
- 608 *Bedford County*
- 609 *Culpeper County*
- 610 *Fluvanna County*
- 611 *Giles County*
- 612 *Hanover County*
- 613 *Loudoun County*
- 614 *Pulaski County*
- 615 *Shenandoah County*
- 616 *Stafford County*
- 617 *York County*

618	549.	Deferred Compensation Match (75900)	14,240,628	14,140,628
619			12,840,628	10,540,628
620	Fund Sources:	General	14,240,628	14,140,628
621			12,840,628	10,540,628

622 Authority: Title 51.1, Chapter 6, Code of Virginia.

623 A. The Governor is hereby authorized to transfer funds from agency appropriations to the accounts  
 624 of participating state employees such amounts as may be necessary to match the contributions of the  
 625 qualified participating employees, consistent with the requirements of § 51.1-606, Code of Virginia. Such  
 626 transfers shall be made consistent with the following:

627 1. Effective July 1, 2000, the maximum cash match provided to eligible employees shall ~~not~~ be less  
 628 than \$20.00 per pay period, or \$40.00 per month. The Governor may direct the agencies of the  
 629 Commonwealth to utilize funds contained within their existing appropriations to meet the requirements  
 630 of § 51.1-606, Code of Virginia, provided that funds included in this Item may be used to supplement  
 631 agency appropriations deemed by the Director of the Department of Planning and Budget as insufficient  
 632 to meet the requirements of § 51.1-606, Code of Virginia.

633 2. The Governor may direct agencies supported in whole or in part with nongeneral funds to utilize  
 634 existing agency appropriations to meet the requirements of § 51.1-606, Code of Virginia. Such  
 635 nongeneral revenues and balances are hereby appropriated for this purpose subject to the provisions of  
 636 § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any existing conditions  
 637 and restrictions otherwise placed upon such nongeneral funds.

638 3. Employees who are otherwise eligible but whose 403 (b) provider does not participate in the cash  
 639 match program by establishing a 401(a) account are ineligible to receive a cash match.

640 B. The procurement of services related to the implementation of this program shall be governed by  
 641 standards set forth in § 51.1-124.30 C, Code of Virginia, and shall not be subject to the provisions of  
 642 Chapter 7 (§ 11-35 et seq.) of Title 11, Code of Virginia.

643 C. Out of the amounts in this item shall be provided \$100,000 the first year from general fund to the  
 644 Virginia Retirement System to implement the provisions of Chapter 664, 1999 Acts of Assembly.

645 Item 550 not set out.

646		TOTAL FOR CENTRAL	798,902,104	1,028,578,042
647		APPROPRIATIONS		
648			[ 773,874,693	[ 1,053,329,308
649			773,474,693 ]	1,053,702,360 ]
650		General Fund Positions	5.00	5.00
651		Position Level	5.00	5.00
652	Fund Sources:	General	656,566,134	847,233,296
653			[ 629,038,726	[ 874,484,562
654			628,638,726 ]	874,857,614 ]
655		Higher Education Operating	0	8,496,841
656		Enterprise	65,000,000	65,000,000
657		Trust and Agency	77,335,967	107,847,905
658			79,835,967	105,347,905

659 2. That no provision of this act shall alter the effect of any and all budget actions that have been  
 660 taken, or will be taken, pursuant to the Governor's Executive Order Seventy-four (01) issued on  
 661 February 24, 2001.

**662 3. That this act is effective on its passage, as provided in subsection C of § 1-12 of the Code of**  
**663 Virginia.**