

2014 SPECIAL SESSION I

HOUSE SUBSTITUTE

14200640D

HOUSE BILL NO. 5010

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on November 10, 2014)

(Patron Prior to Substitute—Delegate Jones)

A BILL to amend and reenact Chapter 2 of the Acts of Assembly of 2014, Special Session I, which appropriated the public revenues and provided a portion of such revenues for the two years ending, respectively, on the thirtieth day of June, 2015, and the thirtieth day of June, 2016, and to repeal Paragraph K. of Item 468 and Paragraph GG.1. of § 3-1.01 of Part 3 of such Chapter.

Be it enacted by the General Assembly of Virginia:

1. That § 3 of the first enactment (Total Projected Revenues available for the period ending June 30, 2015 and June 30, 2016, page 1) of Chapter 2 of the Acts of Assembly of 2014, Special Session I, be hereby amended and reenacted and that the cited chapter be further amended by adding in § 1-130 of Part 1 Items 471.10, 471.20, 471.30, and 471.40 as follows:

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

	First Year	Second Year	Total
Unreserved Balance, June 30, 2014	\$478,643,378	\$0	\$478,643,378
	\$40,843,378		\$40,843,378
Additions to Balance	\$147,375,013	\$800,000	\$148,175,013
	\$303,725,013		\$304,525,013
Official Revenue Estimates	\$17,721,905,909	\$18,448,628,910	\$36,170,534,819
	\$16,874,405,909	\$17,317,328,910	\$34,191,734,819
Revenue Stabilization Fund	\$470,000,000	\$235,000,000	\$705,000,000
Transfers	\$616,168,307	\$524,066,980	\$1,140,235,287
	\$588,118,307	\$555,066,980	\$1,143,185,287
Total General Fund Resources Available for Appropriation	\$18,964,092,607	\$18,973,495,890	\$37,937,588,497
	\$18,277,092,607	\$18,108,195,890	\$36,385,288,497

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

	First Year	Second Year	Total
Balance, June 30, 2014	\$4,708,335,881	\$0	\$4,708,335,881
Official Revenue Estimates	\$25,652,980,255	\$26,248,075,807	\$51,901,056,062
	\$25,717,780,255		\$51,965,856,062
Lottery Proceeds Fund	\$525,000,000	\$510,000,000	\$1,035,000,000
	\$553,100,000		\$1,063,100,000
Internal Service Fund	\$1,595,861,216	\$1,612,651,825	\$3,208,513,041
Bond Proceeds	\$632,144,586	\$105,000,000	\$737,144,586
Total Nongeneral Fund Revenues Available for Appropriation	\$33,114,321,938	\$28,475,727,632	\$61,590,049,570
	\$33,207,221,938		\$61,682,949,570
TOTAL PROJECTED REVENUES	\$51,845,287,081	\$47,480,608,416	\$99,325,895,497
	\$51,484,314,545	\$46,583,923,522	\$98,068,238,067

Item Details(\$)

Appropriations(\$)

First Year Second Year First Year Second Year

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56		FY 2015	FY 2016	FY 2015	FY 2016
57	Item 471.10.				
58	Reversion Clearing Account -				
59	State Agency Savings			(\$92,400,000)	(\$100,000,000)
60	Fund Sources: General	(\$92,400,000)	(\$100,000,000)		

61 Authority: Discretionary Inclusion.

62 A. To accomplish savings estimated at \$92,400,000 the first year and \$100,000,000 the second year,
63 the Department of Planning and Budget is hereby authorized to transfer amounts to this Item from the
64 general fund appropriation for operating expenses of the executive branch agencies.

65 B. Notwithstanding the amounts appropriated in any item in Part 1, appropriation reductions
66 required on the part of agencies to implement the savings enumerated in this Item are hereby authorized
67 provided that such actions do not conflict with the provisions of § 4-1.02 of this act.

68 C. Any nongeneral fund appropriation change or changes in the appropriation of agency authorized
69 positions required to implement the savings enumerated in this Item are hereby authorized.

70 Item Details(\$)

71 Appropriations(\$)

72		First Year	Second Year	First Year	Second Year
73		FY 2015	FY 2016	FY 2015	FY 2016

74 Item 471.20.

75 Reversion Clearing Account -

76 Higher Education Savings (\$45,000,000) (\$45,000,000)

77 Fund Sources: General (\$45,000,000) (\$45,000,000)

78 Authority: Discretionary Inclusion.

79 A. To accomplish savings estimated at \$45,000,000 each year, the Department of Planning and
80 Budget is hereby authorized to transfer amounts to this Item from the general fund appropriation for
81 educational and general programs of public colleges and universities as follows:

82	Institution	Annual Reduction
83	Christopher Newport University	\$601,975
84	College of William and Mary	2,338,873
85	George Mason University	4,705,571
86	James Madison University	3,113,308
87	Longwood University	542,707
88	Norfolk State University	550,089
89	Old Dominion University	2,230,669
90	Radford University	1,113,249
91	University of Mary Washington	635,447
92	University of Virginia	8,160,065
93	University of Virginia at Wise	126,330
94	Virginia Commonwealth University	5,377,759
95	Virginia Military Institute	441,825
96	Virginia State University	637,174
97	Virginia Tech	6,133,525
98	Richard Bland College	64,754
99	Virginia Community College System	8,226,680
100	Total	\$45,000,000

101 B. It is the intent of the General Assembly that these savings are to be achieved through productivity
102 and operating efficiencies and not through new rate increases on tuition, fees, or other nongeneral fund
103 enhancements imposed by the Boards of Visitors after September 1, 2014.

104 C. Notwithstanding the amounts appropriated in any item in Part 1, appropriation reductions
105 required on the part of agencies to implement the savings enumerated in this Item are hereby authorized
106 provided that such actions do not conflict with the provisions of § 4-1.02 of this act.

107 D. Any nongeneral fund appropriation change or changes in the appropriation of agency authorized
108 positions required to implement the savings enumerated in this Item are hereby authorized.

109 Item Details(\$)

110		First Year	Second Year	First Year	Second Year
111		FY 2015	FY 2016	FY 2015	FY 2016

112 Item 471.30.

113 Reversion Clearing Account -

Aid to Local Government (\$30,000,000) (\$30,000,000)

Fund Sources: General (\$30,000,000) (\$30,000,000)

Authority: Discretionary Inclusion.

A. To accomplish savings estimated at \$30,000,000 the first year and \$30,000,000 the second year, the Department of Planning and Budget is hereby authorized to transfer to this Item from the general fund appropriation for state aid to local government programs or receive reimbursement payments in a manner that provides localities flexibility in how such savings are implemented.

B. The Director of the Department of Planning and Budget shall provide the chief operating officer of each city and county in the Commonwealth a list of certain state aid to local government programs along with an estimate of the general fund amount for each program that each county and city could expect to receive from the state during each year of the biennium. The total amount listed for these programs will serve as the basis for calculating the savings apportioned to each city and county for this Item. The pro rata savings apportionment will be equal to the percentage of the aggregate general fund amount for all of these state aid programs in each city and county, with such savings totaling \$30,000,000 the first year and \$30,000,000 the second year.

C. Each city and county in the Commonwealth shall have flexibility in determining how it will implement the savings apportioned to it. Each city and county can choose to (i) take the total savings out of one program included on the list provided by the Department of Planning and Budget, (ii) reduce multiple state aid programs on a proportional basis or by a specified percentage reduction, or (iii) reimburse the Commonwealth in aggregate for its share of the savings, thereby keeping the state aid programs at an unreduced level. Each locality may also use option (iii) in combination with option (i) or (ii). The governing body of each city and county shall make its selection and certify its choice to the Director, Department of Planning and Budget, within 30 days of receipt of the savings amount apportioned to it from the Department of Planning and Budget. Within 10 days of receipt, the Director of the Department of Planning and Budget shall review such certification for accuracy to ascertain that the required savings amount apportioned to the city or county is obtainable using the selected option(s) submitted on the certification. Unless the Director of the Department of Planning and Budget finds a certification to include savings that are not obtainable or sustainable, the certification shall be approved and implemented without further delay. In the event that a city or county has not submitted or obtained an approved certification by January 1, 2015, the Director of the Department of Planning and Budget is hereby authorized to withhold an amount equivalent to the savings amount apportioned to the affected city or county from the aid to local government programs that the Director determines are most discretionary and represent general purpose aid to the local government in question before he begins to withhold any funds from categorical grants serving a particular functional area or public service.

D. The savings in state aid to local government programs identified by each city or county on its approved certification (or by the Director of the Department of Planning and Budget in absence of an approved certification) shall be transferred from the other items where such amounts are appropriated in this act to offset the reversion amount listed in this Item. Payments from local governments electing to use option (iii) in Paragraph C. shall be deposited to a suspense account which shall be administered pursuant to § 3-1.03 Part 3.

	Item Details(\$)		Appropriations(\$)	
	First Year	Second Year	First Year	Second Year
	FY 2015	FY 2016	FY 2015	FY 2016

Item 471.40.

Reversion Clearing Account -

Miscellaneous (\$40,620,360) (\$284,881,274)

Fund Sources: General (\$40,620,360) (\$284,881,274)

Authority: Discretionary Inclusion.

A. The Director of the Department of Planning and Budget shall withhold and transfer to this Item amounts estimated at \$46,300,000 the first year and \$23,000,000 the second year from the general fund appropriations included in this act as described in Paragraphs 1 through 7 of this Paragraph A. reflecting savings generated by utilizing nongeneral fund resources to offset general fund expenses and from other actions to reduce spending.

1. In recognition of additional fiscal year 2014 Lottery Proceeds Funds and Literary Funds, and to accomplish general fund savings estimated at \$43,100,000 the first year, the Department of Planning and Budget is hereby authorized to transfer amounts to this Item from the general fund appropriation for Direct Aid to Public Education, Agency 197, Item 136 of this general appropriation act as follows: a) \$26,200,288 from Textbooks, b) \$1,899,712 from Remedial Summer School, and c) \$15,000,000 from payment of teacher retirement costs. There is hereby appropriated \$28,100,000 of additional Lottery Fund proceeds to Direct Aid to Public Education, Agency 197, Item 136, as follows: a) \$26,200,288 for

174 Textbooks, and b) \$1,899,712 for Remedial Summer School. There is hereby appropriated \$15,000,000
175 from additional Literary Fund revenues to Direct Aid to Public Education, Agency 197, Item 136 of this
176 general appropriation act for the appropriation set out for the payment of teacher retirement costs in
177 FY 2015.

178 2. To accomplish savings estimated at \$3,200,000 the first year and \$23,000,000 the second year, the
179 Department of Planning and Budget is hereby authorized to transfer amounts to this Item from the
180 general fund appropriation for debt service payments in Item 276 of this general appropriation act.
181 These savings reflect reduced payment requirements due to bond refinancings.

182 3. Notwithstanding the provisions of § 10.1-2128.1 of the Code of Virginia, to accomplish savings
183 estimated at \$1,000,000 the first year and \$1,000,000 the second year, the Department of Planning and
184 Budget is hereby authorized to transfer amounts to this Item from the nongeneral funds deposited into
185 the Natural Resources Commitment Fund in Item 357 D.2.

186 4. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert
187 an amount estimated at \$151,800,000 to the general fund from unobligated balances from executive
188 branch agencies.

189 5. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert
190 an amount estimated at \$700,000 from Judicial agency balances.

191 6. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert
192 an amount estimated at \$2,850,000 from legislative agency balances, \$500,000 from the House of
193 Delegates, and \$500,000 from the Senate of Virginia.

194 7. On or before June 30, 2015, the Director of the Department of Planning and Budget shall transfer
195 to the general fund an amount estimated at \$950,000 from balances of the Virginia Alcohol Safety
196 Action Program.

197 B. Notwithstanding the amounts appropriated in any item in Part 1, appropriation reductions
198 required on the part of agencies to implement the savings enumerated in this Item are hereby authorized
199 provided that such actions do not conflict with the provisions of § 4-1.02 of this act.

200 C. Any nongeneral fund appropriation change or changes in the appropriation of agency authorized
201 positions required to implement the savings enumerated in this Item are hereby authorized.

202 D. Included in this appropriation is \$5,679,640 the first year and \$10,118,726 the second year to be
203 transferred by the Director of the Department of Planning and Budget to Items 39, 40, and 41 to
204 effectuate the filling of judgeships. The amounts appropriated in this paragraph for each year of the
205 biennium to effectuate the filling of judgeships shall be the maximum amounts transferred to Items 39,
206 40, and 41 for such purposes notwithstanding any relevant provision to the contrary. In addition, all
207 conditions and restrictions relating to the filling of judgeships shall be as provided in Items, 39, 40, and
208 41.

209 E.1. For purposes of determining a transfer from the Revenue Stabilization Fund to the general fund
210 as a result of a downward revision in general fund revenues, the term "total general fund revenues
211 appropriated" shall mean the general fund operating and capital appropriations for each year of the
212 biennium contained in the Appropriation Act which is in effect at the time when such downward revision
213 in general fund revenues is made.

214 2. In accordance with Article 10, § 8, Virginia Constitution, and § 2.2-1830, Code of Virginia, the
215 amount of the transfer shall not exceed the lesser of one-half of the balance of the Revenue Stabilization
216 Fund or one-half of the forecasted shortfall in revenues.

217 3. The anticipated shortfalls in general fund revenues for fiscal years ending June 30, 2015, and
218 June 30, 2016, shall be computed by comparing the revised forecast for "Total General Fund Resources
219 Available for Appropriation" as shown in § 3 of the first enactment to the total general fund revenues
220 appropriated for each year of the biennium as contained in the general appropriation act as it became
221 effective on July 1, 2014 (Chapter 2 of the Acts of Assembly of 2014, Special Session I).

222 4. One-half of the shortfall in revenues is estimated at \$648,650,000, which is more than one-half of
223 the balance in the Revenue Stabilization Fund as of September 15, 2014. Of this shortfall amount,
224 \$470,000,000 is hereby appropriated in FY 2015, pursuant to § 2.2-1830, Code of Virginia. Upon
225 completion of the Auditor of Public Accounts' report on certified tax revenues for FY 2014 pursuant to
226 § 2.2-1829, Code of Virginia, the State Comptroller shall deposit this sum into the general fund of the
227 state treasury on or before June 30, 2015.

228 5. One-half of the balance of the Revenue Stabilization Fund, estimated at \$235,000,000, is hereby
229 appropriated in FY 2016, pursuant to § 2.2-1830, Code of Virginia. Upon completion of the Auditor of
230 Public Accounts' report on certified tax revenues for FY 2015 pursuant to § 2.2-1829, Code of Virginia,
231 the State Comptroller shall deposit this sum into the general fund of the state treasury on or before
232 June 30, 2016.

233 F. To accomplish savings estimated at \$272,000,000 in fiscal year 2016, the Governor shall develop
234 budget reduction plans and other strategies for submission to the 2015 General Assembly as part of the
235 requirements of § 2.2-1509, Code of Virginia. In developing these plans, the Governor shall take into

consideration any further adjustments to the revenues pursuant to § 2.2-1503, Code of Virginia.

G. 1. The Governor is hereby authorized to reallocate up to \$5,000,000 from existing appropriations from programs in the Executive Department that foster economic development during each year of the current biennium to enhance economic development efforts in the Commonwealth if he determines that all or a portion of that amount is needed and better used to take advantage of the availability of job creation or workforce development opportunities in order to further diversify and grow the economy of Virginia.

2. At least five days prior to any action to implement the provisions contained in paragraph 1, the Governor shall submit a notice of his intended action to the Chairmen of the House Appropriations and Senate Finance Committees which itemizes the source or sources of such funding and the specific purposes or uses of any disbursements he intends to authorize pursuant to the provisions of this item.

H. Pursuant to the provisions of subsection G of § 58.1-638 of the Code of Virginia, the increase in the portion of the general sales and use tax revenue required to be deposited into the Highway Maintenance and Operating Fund in fiscal year 2015, estimated at an additional \$49,800,000, shall be deposited to the Highway Maintenance and Operating Fund in fiscal year 2015.

I. All revenues generated under Chapter 896 of the Acts of Assembly of 2007 (HB 3202) and Chapter 766 of the Acts of Assembly of 2013 (HB 2313) that were dedicated to transportation-related funds have been appropriated in conformity with the requirements of those respective chapters.

2. That Paragraph K. of Item 468 of Chapter 2 of the Acts of Assembly of 2014, Special Session I, is repealed.

3. That Paragraph GG.1. of § 3-1.01 of Part 3 of Chapter 2 of the Acts of Assembly of 2014, Special Session I, is repealed.

4. That all provisions of this act amending Chapter 2 of the Acts of Assembly of 2014, Special Session I, including the second and third enactments of this act, shall become effective on passage of this act as provided in § 1-214 of the Code of Virginia.