

**Report on FINAL Amendments to
Chapter 781, 2008-10 Appropriations Act (HB/SB29)
(a.k.a., The Caboose Bill)
Language Changes**

Sources of Information

The 2008-10 Appropriation Act (HB/SB 29) is available at <http://leg2.state.va.us/MoneyWeb.NSF/sb2010>.

The **Governor**'s Budget Document is available at <http://dpb.virginia.gov/budget/buddoc10/index.cfm>.

The Office of State Governmental Relations maintains the most recent analysis of the Budget Bill and the 2010 General Assembly Session at <http://www.virginia.edu/governmentalrelations/>.

Compensation and Benefits

Furlough Day – The **Governor** authorizes a one day furlough. The **JCC** allows institutions of higher education to achieve the savings through alternative means. (Item 3-1.01.VV, p 315)

Suspension of Deferred Compensation Cash Match – The **Governor** suspends, for the final five full pay periods of FY10, \$240/year cash match on employee deferred compensation accounts proposing to revert \$2.5M in general funds (GF) and \$1.5M in non-general funds (NGF) savings. The **JCC** restores the cash match. (Item 472, p 260 and §3-1.01.EE, p 371)

December 2010 Bonus – The **JCC** provides that all employees, employed on 6/30/10, shall receive a 3% bonus payment on 12/16/10, contingent on general fund revenue collections for FY10 exceeding the official FY10 revenue estimate contained in this act by at least \$82.2M. If surplus revenues are less than \$82.2M, the bonus will be prorated. (Item 472, p 260) **Gov McDonnell** clarifies this to be for all classified employees of the Executive Branch and other full-time employees who are employed on 6/30/10 and remain employed on 12/1/10 shall be eligible for the 3% bonus payment on 12/1/10; Governor counts unspent discretionary bonuses towards meeting threshold. (Item 472, p 267)

Deferral of Employer Paid Contributions – The **Governor** defers employee paid contributions for VRS defined benefit plans for the final quarter of FY10 until FY11. (Item 472, p 264)

Suspension of VRS Contribution Rates – The **Governor** suspends VRS contribution rates for the final five full pay periods of FY10, with the GF and NGF savings reverting to the state. (Item 472, p 264)

Statewide Purchase and Supply System Rate Savings – The **Governor** authorizes DPB to withhold and transfer \$3.2M in GF and \$2.8M in NGF representing the savings to agencies from a reduction in the rate charged for purchases made under eVa. (Item 475, p 269)

Withholding of NGF Interest Earnings – The **Governor** authorizes the State Comptroller to withhold NGF interest earnings for the second through fourth quarters of FY10 from such funds that retain interest, with the exception of those required to retain interest by the federal requirement, an amount estimated to be \$17.7M. (Item 3-3.04.b, p 322)

Carilion SOM Students – The **JCC** allows Carilion SOM students to be eligible for TAG grants in fall 2010. (Item 147, #1, p 92)

Community College Transfer Grant Program – The **JCC** removes \$1.5M from \$1.8M appropriation based on actual expected need. (Item 475.10, p 270)

Manpower Control – **Gov McDonnell** removes explicit exclusion of higher ed from hiring freeze language in favor of more general language regarding public safety and health. (Item 4-7.01, p 372)

**Report on FINAL Budget Bill
2010-12 Appropriation Act (HB30)
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Sources of Information

The 2010-12 Appropriation Act (HB/SB30) is available at <http://leg2.state.va.us/MoneyWeb.NSF/sb2010>.

The **Governor**'s Budget Document is available at <http://dpb.virginia.gov/budget/buddoc10/index.cfm>.

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Medical Related

Eastern Virginia Medical School (EVMS) – The **Governor** provides financial aid funding directly to EVMS from the Tuition Assistance Grant Program budget and adds language stating that EVMS is not eligible to participate in TAG. (Item 137, page 102) **Governor** also adds that SCHEV shall include EVMS in calculations to determine funding requirements for state medical schools. (Item 139, p 106)

Nursing Scholarships from Department of Health – The **Governor** reduces funding from \$100,000 each year to \$50,000 each year for nursing scholarships/loan repayments and reduces funding from \$200,000 in each year to \$50,000 each year for scholarships and loan repayments for nursing students pursuing an advanced degree towards becoming nursing faculty at the college level. (Item 280, p 184)

Durable Medical Equipment Medicaid Rate Savings – The **Governor** authorizes savings from changes to durable medical equipment Medicaid rate to be transferred to the general fund in each year, then transfers the savings to the Virginia Technology Infrastructure Fund. The **JCC** revises the transfer to go to the GF. **Gov McDonnell** restores this savings to go to the VITA working capital advance. (§3-1.01.LL, p 372)

Office of Licensure and Certification – The **Governor** adds fees, effective 7/1/10, for inpatient hospitals (\$350 + \$2/bed), outpatient surgical centers (\$700), nursing facilities (\$950 + \$8/bed), hospice programs (\$650), home care organizations (\$650), and late fees, failure to file fees, and replacement license fees. The **JCC** deletes this new fee structure. (Item 284, p 186)

Indigent Health Care – The **Governor** allocates \$40.9M GF and \$43.5M NGF for the first year and \$44.2M GF and \$47.0M NGF for the second year to the Medical Center and states that in order to receive the NGF in excess of the GF amount, the Medical Center must certify the public expenditure. The **JCC** decreases indigent care funding at teaching hospitals by \$7.1M in each year. For UVa, this is a decrease of \$2.7M in each year. If the enhanced Federal Medical Assistance is extended, this will be restored. **Gov McDonnell** clarifies that this *may* be fully or *partially* restored if enhanced Federal Medical Assistance is extended. (Item 297, p 197)

Deferred Payments – The **Governor** delays the last quarterly payment of Disproportionate Share Hospital payments, Indirect Medical Education payments, and Direct Medical Education payments from the end of each state fiscal year to the first quarter of the following year. Also, remittances to FAMIS and Medicaid providers will be delayed one week later than normally made. (Item 297, p 204)

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Long Stay Hospitals – The **Governor** eliminates the incentive plan for long stay hospitals and the inflation increase for rates in FY11 and FY12 and freezes ceilings in FY11 and FY12 at the same level as the ceilings for long stay hospitals with fiscal year ends of 6/30/10. The **JCC** will reverse the elimination if enhanced Medicaid funding is extended by federal government. **Gov McDonnell** clarifies that this *may* reverse the elimination of the incentive plan only and will not reverse the elimination of the inflation increases. (Item 297, p 206)

Rebase Rates – The **Governor** rebases hospital DRG weights, case rates, psych and rehab per diem rates and revised inpatient hospital Medicaid utilization. (Item 297, p 206)

Amend State Plan – The **Governor** authorizes DMAS to amend state plan to remove optional podiatrist and adult vision services; to establish annual limits for adult rehabilitation services; to reduce the income limit for eligibility to 275% of Supplemental Security Income at 1/1/11; to decrease maximum reimbursement for pharmaceutical products; to establish a threshold for out-of-state cost reporting; to reduced durable medical equipment reimbursement, and other actions. The **JCC** restores podiatry services for one year and asks for a report on the impact to other services if eliminated. Second year funding will be restored if enhanced Medicaid funding is extended by the federal government. The **JCC** further reduces the eligibility to 250% of SSI at 7/1/11. **Gov McDonnell** clarifies that this *may* be fully *or partially* restored if enhanced Federal Medical Assistance is extended. (Item 297, p 206)

Amend Hospital Adjustment Factors – The **JCC** reduces Type One Hospital outpatient reimbursement from 94% to 91% on 7/1/10 and from 91% to 90% on 7/1/11. Also reduces by 3% in the first year and 4% in the second year physician and other providers billing and dental fees. Funding will be restored if enhanced Medicaid funding is extended by the federal government. **Gov McDonnell** clarifies that this *may* be fully *or partially* restored if enhanced Federal Medical Assistance is extended. **Gov McDonnell** also reduces hospital capital reimbursement from 100% to 97% on 7/1/10 and to 96% on 7/1/11. For teaching hospitals, **Gov McDonnell** states that hospitals may not replace the lost funding through other payment mechanisms. (Item 297.XXX, p 209)

Graduate Medical Education – The **Governor** eliminates inflation adjustments for graduate medical education per resident amounts. (Item 297, p 206)

Department of Mental Health, Mental Retardation, and Substance Abuse Services – The **Governor** renames as Department of Behavioral Health and Developmental Services. (Item 300, p 211)

Massey Cancer Center – The **JCC** provides \$1M in the first year to support cancer research at the Massey Center. (Item 200, p 134)

Abortion Services – **Gov McDonnell** prohibits expenditures from GF or NGF sources for providing abortion services, except where required by federal law or state statute. (Item 4-5.04, page 430)

Compensation and Benefits

Bonus – The **JCC** authorizes a 3% bonus on 12/20/10, if 2009-10 general fund revenue collections exceed expected collections by \$82.2M, for all non-elected officials employed on June 30, 2010. If revenues exceed collections by less than \$82.2M, the bonus will be prorated. (Item 469, p 333)

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Gov McDonnell clarifies this to be for all classified employees of the Executive Branch and other full-time employees who are employed on 6/30/10 and remain employed on 12/1/10 shall be eligible for the 3% bonus payment on 12/1/10; Gov counts unspent discretionary bonuses towards meeting threshold. (Item 469, p. 255)

Suspension of Deferred Compensation Cash Match – The **Governor** suspends the \$480/year cash match on employee deferred compensation accounts and reverting \$11.9M in GF and \$7.0M NGF representing savings. The **JCC** restores the cash match at a rate of \$20/month in the first year and \$40/month in the second year. (Item 469.D, p 371)

Pre-Medicare Eligible Retiree Health Benefits Trust Fund – The **Governor** eliminates language concerning this program. (previously Item 472.G and Item 486 in Chapter 781)

Retirement Language Changes – The **Governor** limits CPI inflation increases in the Cost of Living Adjustment (COLA) applied to post-retirement payments for persons hired on or after 7/1/10. The current COLA matches the CPI-For All Urban Consumers (CPI-U) point for point for the first three percentage points. It then matches the CPI-U one-half a point for each point increase for the next 4 percentage points. So if the CPI-U rises by 7 percentage points or more, the VRS COLA caps at 5 percent. The proposed COLA for employees hired on or after 7/1/10 would match the CPI-U for the first two percentage points. Then it would match the CPI-U one-half a point for the next 8 points. The new COLA would cap at 6% when the CPI-U increases by 10 points or more. In most years, except those of very high inflation, the new proposal results in a half point less for the COLA compared with the current methodology. The **Governor** subjects VRS members hired on or after 7/1/10 to the new age/service requirement of 55/30 rather than the current 50/30.

VRS Contribution Rates – The **Governor** sets new contribution rates at 6.58% (+ 5% employee share) for VRS. Other contribution rates are: Group Life – 1.02%; VSDP - 0.66%; Retiree Health Insurance Credit – 0.99%. The **JCC** establishes a new fund, the VRS Suspense Payment Fund, which will collect benefit contribution rates from agencies at the rates set by the Governor. From these funds, the Comptroller will pay to VRS at the following rates: VRS – 2.13% in FY11 and 2.08% in FY12 (excluding 5% employee), Group Life – 0.33%; VSDP - 0.00%; Retiree Health Insurance Credit – 0.10%. Excess funds related to federal funds will be returned to feds. All other excess funds will be distributed to the general fund. **Gov McDonnell** replaces the 0.33% Group Life rate with 0.29%. (Item 469.H and I, p 329)

VRS Employee Contribution – The employee contribution is 5% and has previously been paid by the employer. The **Governor** requires that, effective 7/1/10, employees will pay 1% of creditable compensation on a salary reduction basis and the employer will pay 4%. Effective 7/1/11, employees will pay 2% of creditable compensation on a salary reduction basis and the employer will pay 3%. All general fund and nongeneral fund savings will revert to the state. The **JCC** eliminates any provision that existing employees will fund a portion of their retirement contribution, but, with HB1189, will require new employees to pay the full 5% contribution, with all GF and NGF savings reverting to the state. (Item 469.K, p 330)

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ORP Employee Contribution – The contribution by the Commonwealth to employees participating in the ORP has been 10.4% in recent history. The **Governor** requires that, effective 7/1/10, the Commonwealth will contribute 9.4% to the employee's retirement account and the employee will be required to contribute 1% of compensation on a salary reduction basis. Effective 7/1/11, the Commonwealth will contribute 8.4% to the employee's retirement account and the employee will be required to contribute 2% of compensation on a salary reduction basis. All general fund and nongeneral fund savings will revert to the state. The **JCC** eliminates any provision that existing employees will fund a portion of their retirement contribution, but, with HB1189, will reduce the ORP employer contribution to 8.5% for all new employees in the ORP and will require that the employees pay 5% of compensation into the fund. All GF and NGF savings will revert to the state. (Item 469.L, p 330)

Virginia Sickness and Disability Plan – The **JCC** changes all VSDP references from 14 day or 28 day periods to 45 day periods. Additionally, amends eligibility for new employees to receive non-work related disability payments and limits income replacement for the first 60 months of employment (Item 469, p 328)

Deferral of Employee Paid Contributions – The **Governor** defers employee paid contributions for VRS defined benefit plans will be deferred for the final five paydays of FY11 and FY12 until FY12 and FY13, respectively. Savings of \$14M will be reverted from agency accounts. (Item 469.O, p 333)

Performance Related Salary Increases – The **Governor** requires that agencies shall not pay annual performance related salary increases not authorized by the Appropriation Act, but may pay increases related to pay practices authorized in the classified compensation plan to recognize changes in duties, establish equitable salary relationships, or to respond to market conditions and may pay recognition bonuses. The **JCC** eliminated this change. (Item 469.P, p 333)

Department of Employment Dispute Resolution – The **Governor** reorganized this department to be under the Department of Human Resource Management, effective 7/1/2010. The **JCC** reversed this action. (Item 67.1, p 34)

Capital Outlay

Debt Financing for Capital Projects – The **Governor** revises timing of debt financing for several capital items. First, debt financing for projects already authorized for construction will proceed as planned (ITE, Multipurpose Center). Second, debt financing for the following prioritized items will be allowed only after a plan/debt issuance schedule is submitted by the Sec. of Finance that incorporates the most recent recommendations of the Debt Capacity Advisory Committee prior to the start of the 2011 General Assembly Session. Priority for debt issuance is: 1) Maintenance Reserve; 2) Higher Education Equipment Trust Funds; 3) Equipment for previously funded projects; 4) Energy Conservation Improvements; 5) Construction funds for projects with completed planning. The **JCC** revised the priorities as follows: 1) Maintenance Reserve; 2) Higher Education Equipment Trust Funds; 3) Equipment for previously funded projects; 4) Construction funds for projects with completed planning; 5) Energy Conservation Improvements. Also added language that 12/09 recommendations could be used, allowing institutions to proceed with ETF and maintenance reserve expenditures pending the review by the Secretary. (Item C-85.D, p 363)

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Sustainable Community Investment – The **Governor** prohibits commencement of any constructions unless the agency first issues a finding that the location of the building is compliant with guidelines issued by DGS to ensure consistency with the Principles of Sustainable Community Investment identified in Executive Order 69 and 82. The **JCC** eliminates this change. (Item C-0.P, p 347)

Maintenance Reserve – The **Governor** states that institutions which do not meet the 85% spending requirement will have its maintenance reserve funding reduced in the next biennium. (Item C-84, p 360)

Energy Conservation Improvements – The **Governor** provides for \$35.2M in debt (based on financing priority above) to finance energy conservation projects that (1) reduce energy consumption in a publicly owned facility by 20%; (2) promote and encourage green building technology throughout state government facilities, (3) promote and encourage the conversion of agricultural waste for use in the production of fuel; or (4) technologies to reduce peak use of electricity. (Item C-86.A, p 363)

Energy Efficiency Projects – The **JCC** eliminates language regarding Virginia Energy Conservation and Environmental Standards, LEED Silver, or Green Globes two-globe standards in regards to energy efficiency projects. (Item 4-4.01.u.1, p 401)

Maintenance Reserve Roof Replacements – The **Governor** requires roof replacements to be in accord with the Virginia Energy Conservation and Environmental Standards, LEED Silver, or Green Globes two-globe standards. The **JCC** eliminates this change. (§4-4.01.c.1, p 397)

Maintenance Reserve and FICAS – The **JCC** eliminates the requirement that the second priority of maintenance reserve projects to be those identified in FICAS as currently or potentially critical because they must be addressed within the next twelve months. (Item 4-4.01.c.2, p 397)

Leases That Are Capital Projects, But Not Capital Leases – The **Governor** exempts leases that qualify as capital projects from the capital outlay procedures. (Previously §4-4.01.a.5 of Chapter 781)

PPEA Projects – The **Governor** exempts Public-Private Educational Facilities and Infrastructure Act projects from the capital outlay procedures if these projects are included in the capital outlay plan and not funded from general funds. The **JCC** eliminates this change. (§4-4.01.a.5, p 396)

ARRA Capital Projects – The **Governor** authorizes the DPB Director to initiate a capital project if fully funded by the ARRA of 2009 or similar law. The **JCC** eliminates this change. (§4-4.01.m.2.b, p 399)

Site Selection – The **Governor** instructs DGS to issue guidelines to ensure that site selection for new state facilities is accomplished in a way that is consistent with the Principles of Sustainable Community Investment identified in Exec Order 69 and 82. (Item 69, p 35)

Out-of-State Capital Fee – The **JCC** directs institutions to increase the out-of-state fee by \$5.00/credit hour fee to out-of-state students to cover the cost of capital. UVa must revert an additional \$1.5M back to the state as the proceeds of this fee. (Item 271, p 173)

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Department of General Services – The **Governor** eliminates specific standards (i.e., review 85% of projects within 14 days); removes language about a dedicated position to conduct fire and life safety code reviews for institutions of higher education; and eliminates specific language about the Facility Inventory Condition and Assessment system. The **JCC** eliminates additional language providing funds to maintain and oversee FICAS, including language stating that fees would be assessed to state agencies and institutions of higher education. (Item 71, p 36)

Research

Rolls Royce – The **Governor** provides \$12.8M in the first year and \$7.5M in the second year for chaired professorships, research, laboratory renovations, community college programs, graduate student and internships endowments, workforce training, project management, and training grants. (Item 96, page 53). The **Governor** provides up to \$5M of previously awarded funds and funds repaid by political subdivisions or business beneficiaries may be used to assist Prince George County with site improvements related to the location of Rolls Royce. (Item 96, p 52)

Virginia Biotechnology Wet-Laboratory Program – The **JCC** provides \$1.5M in each year to provide loans, loan guarantees, or grants to construct, improve, furnish, maintain, acquire, and renovate biotech labs design to provide wet-lab or other needed space to attract biosciences or other technology companies to the state or to accommodate growth of companies already in Virginia. Decisions related to size, scope, and selection of users shall be made by a panel including the Secretary of Commerce, the President of the Center for Innovative Technology, the Executive Director of the Virginia Biotechnology Association, and a president from a research higher ed institution as selected by the Council of Presidents. (Item 114, p 64)

Virginia Immunology Center – The **JCC** directs GMU, UVa, VT, VCU, and EVMS to create a new research consortium and provides \$1.5M in the first year to GMU to upgrade its lab facilities related to such consortium. (Item 114, p 64)

Virginia Transportation Research Council – The **JCC** directs the Sec. of Transportation to study the downsizing/elimination of the Virginia Transportation Research Council with activities to be transferred to other VDOT offices, research universities, and/or private sector contractors. (Item 451, p 314)

Commonwealth GAP Program – The **JCC** provides \$500,000 in the first year and \$1M in the second year to foster Virginia-based technology, biosciences, and energy companies. (Item 428, p 294)

Higher Education Research Initiative – The **JCC** eliminates \$510,000 in each year for a proton beam initiative at Hampton University. **Gov McDonnell** restores this item. (Item 244, p 156)

Grants to Promote Research, Development, and Commercialization of Products – The **JCC** reduces such grants from \$3M to \$1M, pursuant to Va. Code § 22.2-2240.1. (Item 96, p 53)

Higher Education Research Initiative – The **Governor** eliminates funding for the Commonwealth Technology Research Fund. \$3M in the first year is provided to the Jefferson Science Associates to leverage a federal investment to upgrade the Jefferson Lab's research facilities. (Item 224, p 156)

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Dahlgren Education and Research Center at UMW – The **Governor** provides \$250,000 in the second year for operating costs associated with this center, intended to be the anchor in the development of education and research partnerships between state higher education institutions and the adjacent Naval Support Facility. The **JCC** moves \$100,000 from the second year into the first. (Item 181, p 124)

Other Higher Ed

General Fund Expenditures – The **JCC** requires higher ed institutions to separate general fund (0100) and non-general fund (0300) expenditures. **Gov McDonnell** amends this item to allow the Governor's Commission on Higher Education, Reform, Innovation, and Investment to review the proposal, including a review of the anticipated costs and benefits. (Item 248, p 159)

Auxiliary Cash Balances Reverted – The **Governor** reverts auxiliary cash balances of \$18.8M to the general fund in FY11. The **JCC** removes this provision. (§3-1.01.II, p 372)

Interest on Educational and General Balances – The **Governor** defers payment of interest on E&G balances and rebates on credit card purchases for FY12, an estimated savings of \$8.4M. (Item 465, p 325)

Interest Earning Allocations Suspended – The **Governor** suspends allocation of interest earnings on the following UVa-related funds for FY21 and FY12:

- Academic Division and Wise Auxiliary Balances (0306)
- Academic Division E&G Facilities Maintenance Reserve Fund (0325)
- Medical Center Armory Control Board Fund (0302, 0309, 0330)

We're not yet clear how this applies since several are not held by the State Treasury. (§3-3.03, p 376)

General Fund Grants to Graduate Students – The **Governor** allows GF graduate financial aid to be awarded without the 50% OOS restriction to out-of-state graduate students who are considered resident students due to earning \$4,000 or more annually as a teaching assistant, research assistant, or graduate assistant. (§4-5.01.b.3.d, p 403)

State Fiscal Stabilization Fund from American Recovery and Reinvestment Act of 2009 – The **Governor** provides \$21.9M to the Academic Division and \$1.7M to Wise in the first year for E&G and financial aid. The funding is intended to moderate the general fund reductions, moderate the need for tuition and fee increases, and increase student access. We may spend in FY11 or the first quarter of FY12. Prior to release, the institution must provide a plan outlining how it will be spent on E&G vs. financial aid and in which year. The plan must include anticipated tuition and fee increases for each year. The amount is an estimate and may be modified based on final budget reduction actions. (Item 187, page 127)

Reporting Requirements – The **Governor** reduces reporting requirements:

- Changes Prompt Pay reporting from monthly to quarterly
- Changes Personnel Development Service reporting from monthly to quarterly
- Suspends Gas Report/Repair Charge reporting
- Changes SWAM reporting from weekly to monthly
- Suspends Consolidated Faculty Salary Average reporting

(all above from §4-8.01.a.3.c, p 423-4)

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- Exempts higher ed from organizational memberships reporting (§4-5.05.c.2, p 408)
- Adds language instructing DPB and SCHEV to consolidate non-general fund revenue reporting requirements (§4-8.01.a.3.d, p 424)
- Changes Status of Progress on Capital Projects reporting to annually (§4-8.01.d.3.d, p 424)
- Consolidates leasing reporting requirements (§4-8.01.a.3.c and d, p 423-4)
- Eliminates Commonwealth Generalist Initiative reporting (previously Items 149 and of Ch. 781)
- Eliminates research funding reporting (previously Item 199 of Chapter 781)

The **Governor** adds a new report on leased property. (§4-8.01 e.2)

The **JCC** restores the Consolidated Faculty Salary Report.

Restructuring Assessment – Elementary and Secondary Education – The **Governor** allows the Virginia Dept of Education, SCHEV, VCCS, and the Virginia Employment Commission may collect, use, share, and maintain de-identified student data to improve student and program performance including those for career readiness. (§4-9.02.b.6.c.2, p 427)

IT Facilities and Services – The **Governor** eliminates exemption of non-major information technology projects from VASCUPP members from requesting authorization from VITA for procurement of IT services and goods. The **JCC** reverses this action. (§4-5.04.b.1.b, p 406)

Network Virginia – The **Governor** prohibits the use of the Network Virginia contract for services available under the VITA state contract except for research projects, research initiatives, or instructional programs at higher education institutions. The **JCC** eliminates this action. (§4-5.04.b.1.d, p 406)

Eminent Scholars Program – The **JCC** halves funding (\$1.7M in each year) for the state match to the Eminent Scholars Program in each year. (Item 138. p 103)

Undergraduate Financial Aid – The **JCC** directs SCHEV to review student financial aid funding methodology, examining costs of education by category, use of cost allowances, gift aid received by students and Expected Family Contribution, and the impact on financial aid requirements of alternative financial aid methodologies. Report is due by 10/1/10. (Item 139, p 106)

Higher Education Reversion Account – The **JCC** established a \$10M reversion fund that will be distributed to institutions of higher education in 2011-12. (Item 473.1, p 336)

Two Year Transfer Grant Program – The **JCC** removes \$1.1M from \$1.8M appropriation based on expected need and transfers administrative responsibility to SCHEV. (Item 472, p 336)

Tuition Assistant Grants (TAG) – The **JCC** reduces TAG funding by \$5M each year. (Item 137, p 101)

Center for Advanced Manufacturing Satellite Site - The **JCC** directs the Virginia Economic Development partnership to establish a working group (CAM, UVa, JMU, Blue Ride CC, Shenandoah Valley Partnership, Va. Association of Manufacturers, and others to develop a satellite site of the Center for Advanced Manufacturing in the Shenandoah Valley. Report is due 11/15/10. (Item 114, p 64)

Other

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Innovative Technology Authority – The **Governor** renames authority to be the Innovation and Entrepreneurship Investment Authority. (Item 428, p 293)

VITA Operational Efficiencies – The **Governor** transfers NGF savings from agencies and higher education institutions related to operational efficiencies of VITA. (§3-1.01.U, page 370) The Information Technology Investment Board will work with the Sec. of Finance and DPB Director to reduce technology and telecommunications costs, including opportunities to reduce the number of retained employees and to establish standards, such as number of printers per employee and using docking stations instead of laptops and desktops. **JCC** directs VITA to report on potential efficiencies to the procurement of IT goods not covered under the Comprehensive Infrastructure Agreement and to develop a formal funding plan for how it will modernize and integrate enterprise applications that support the central administrative functions of the state. (Item 432 and 434, p 296 and 303)

Secretary of Education and Workforce – The **Governor** has re-titled the Sec. of Education to be the Sec. of Education and Workforce. (Item 121, p 68) Educational, Cultural, Community, and Artistic Affairs and Public Education are re-organized from the Sec. of Administration to this Sec. (Item 122, p 68)

Reengineering Efforts – The **Governor** provides \$500,000 in the first year (down from \$650,000 in fiscal year 2010) to support technology-based or other approaches to improve efficiency and effectiveness of processes. Also provides a \$10M line of credit for loans to agencies for reengineering efforts; it is intended that costs savings realized will repay the loan. **JCC** eliminates the Productivity Investment Fund and removes the line of credit. **Gov McDonnell** restores the \$500,000. (Item 466, p 326)

Property Tax Relief – The **Governor** eliminates \$950M in each year in GF payments to localities for property tax relief. The **Governor** has proposed the addition of a 1% income tax increase to be allocated to localities, providing them with funds to fully eliminate the property tax. The **JCC** reverses this change. (previously Item 471 in Chapter 781).

Master Lease Plan and DGS's State-Wide Purchase and Supply System Rates – The **Governor** reverts savings from reduced rates from GF and NGF. (Item 473, p 336)

Guidelines Related to Decreasing Printing – The **Governor** eliminates language and related savings related to reducing printing expenses and eliminating annual reports. (previously Item 475 in Ch. 781)

State Treasurer Administration Fees – The **Governor** authorizes the State Treasurer to charge projects financed with 9(c) debt an administrative fee of up to 10 basis points plus direct costs of issuance. (§3-1.01.G.4, p 369)

American Recovery and Reinvestment Act of 2009 – The **Governor** charges the Department of Accounts with the reporting responsibility under this Act. Agencies receiving funds shall (1) comply with State Comptroller or DPB reporting requirements; (2) comply with federal reporting requirements; and (3) comply with transparency requirements. (Item 248, p 158)

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Directory of Cultural Historic Sites – The **Governor** directs the Department of Conservation and Recreation to develop a state directory of cultural historic sites to recognize commemorative and historic facilities and sites that interpret significant aspects of national, state, or regional cultural history; sites shall not be owned or operating by state agencies. (Item 352, p 243).

Virginia Commercial Space Flight Authority – The **JCC** reduces by \$541,000 in each year funds to support this authority. **Gov McDonnell** restores \$541,000 in the first year and \$162,000 in the second year. (Item 114.K, p 63)

JLARC Reviews – The **JCC** directs JLARC to provide ongoing oversight of Virginia's information technology outsourcing arrangement using the same model utilized for VRS. Also directs JLARC to evaluate and report on the performance of the Tobacco Indemnification and Community Revitalization Commission. (Item 30, p 15)

Department of Business Assistance – The **JCC** directs the Secretary of Commerce to consider merging the Department of Business Assistance and the Economic Development Partnership. (Item 95, p 51)

Manpower Control – **Gov McDonnell** removes explicit exclusion of higher ed from hiring freeze language in favor of more general language regarding public safety and health. (Item 4-7.01, p 372)