

Report on Governor 2008-10 Appropriation Act (HB/SB30) Language Changes

Sources of Information

The amended 2008-10 Appropriation Act (HB/SB30) is available at <http://leg2.state.va.us/MoneyWeb.NSF/sb2008>.

The Governor's Executive Budget Document is available at <http://dpb.virginia.gov/budget/buddoc08/index.cfm>.

The University's Office of State Governmental Relations maintains the most recent analysis of the Budget Bill and the 2008 General Assembly Session at <http://www.virginia.edu/governmentalrelations/>.

Restructuring Related

Interest on Educational and General Balances – Deadline for payment of rebates on credit card purchases changed from August 15th to October 15th or as soon thereafter as deemed appropriate. (Item 467, page 417)

Virginia Commonwealth University – VCU is approved as a Level 3 Management Agreement institution. (Item 5-9.01, page 537)

Non-general Fund Revenues - Adds language exempting Level 3 Management Agreement institutions from the requirement that all non-general fund collections by public institutions of higher education shall be deposited in the state treasury and expended by the institutions of higher education in accordance with the appropriations and provisions of this act. (Item 4-2.01.b.1, page 503)

IT Facilities and Services - Adds language exempting Level 3 Management Agreement institutions from this section. (Item 4-5.04.b, page 519)

Health Related

Department of Medical Assistance Services (DMAS) – New language provides to:

- Increases funds to reimburse UVa Medical Center for indigent health care costs to \$74.6 million (evenly split between GF and NGF) in the first year and \$84.3 million (evenly split between GF and NGF) in the second year. This is an increase from \$64.8 million (evenly split between GF and NGF) in 2007-08. (Item 306, page 277)
- DMAS is authorized to issue an RFP for fiscal agent for the Medicaid Management Information System. (Item 311, page 292)

Compensation and Benefits

July 1, 2009 Salary Increase – authorizes a 3% increase for classified employees receiving a rating of at least “contributor.” Authorizes an average 3% increase for all faculty and graduate

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teaching assistants. Non-general funds will be required to fund 59% of this item. (Item 472, page 424)

Gain Sharing Program – allows Secretaries of Administration and Finance to establish a program that allows for the sharing of cost savings from improved productivity and performance with agencies and employees. DHRM and DPB are to develop specific gain sharing program guidelines for use by agencies. Annual report is due by October 1st each year. (Item 472, page 423)

Pre-Medicare Eligible Retiree Health Benefits Trust Fund – creates said fund to pay health insurance benefits of retirees and dependents who are not yet eligible for Medicare. DHRM to work with VRS for investment of the fund. (Item 472, page 424)

Health Plan – DHRM shall explore options to promote value-based health choices aimed at creating greater employee satisfaction with lower overall health costs. It is the intent that savings be retained and used towards funding state employee salary or fringe cost increases. (Item 472, page 472)

State Contribution Rates – State contribution rates are proposed at:

Group Life Insurance Program – 0.89%, down from 1%. General fund amounts estimated at \$2.45 million in the first year and \$2.55 million in the second year will be transferred from higher education representing the reduction in group life contribution rates. (Item 472, page 428)

VSDP – 1.96%, down from 2.0%. General fund amounts estimated at \$868,000 in the first year and \$906,000 in the second year will be transferred from higher education representing the reduction in group life contribution rates. (Item 472, page 428)

Retiree health insurance credit – 1.22%, up from 1.2%. General fund amounts estimated at \$455,000 in the first year and \$462,000 in the second year will be transferred to higher education representing the increase in retiree health insurance credit rates. (Item 472, page 428)

Positions and Employment - Adds language that the § 4-6.00 does not apply to Level 3 Management Agreement institutions with regard to participating covered employees, except to the extent a specific appropriation or language in this act addresses such an employee. (Item 4-6.06, page 534)

Other Higher Ed

Aerospace Engine Manufacturer Incentive – provides \$1.3 million in the first year and \$9.4 million in the second year as an incentive for the location of such manufacturer in Virginia. This is the state's commitment towards funding for UVa and VT related to the Rolls Royce initiative. (Item 473, page 432)

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Auditor of Public Accounts – eliminates two sections from Chapter 847: (1) D. which required that the APA reporting include all appropriated funds and other sources under control of state-supported institutions, except the activity of private gifts and (2) E. which had the APA analyze debt for state supported institutions by December 1, 2006. (Item 2, page 10 of Chapter 847)

Commission of Access and Diversity – provides \$20,000 in each year to support the Commission on Access and Diversity in Higher Education in Virginia as continued by HJR 202 of the 2000 Acts of the Assembly. (Item 30, page 18)

Virginia Teaching Scholarship Loan Program - \$558,000 in each year for undergraduate students in approved undergraduate or graduate teaching education programs. Additional qualifications outlined in Act (Item 139, page 115).

Eminent Scholars - \$250,000 or 4% reduction in state match for eminent scholars professorships. VCCS allowed to participate in program. (Item 147, page 161)

Doctoral Nursing Loan Forgiveness Program – the program, providing \$750,000 in 2007-08 for a new loan forgiveness program, is eliminated. (Item 145, page 187 of Chapter 847)

Department of Health Nursing Scholarships – provides \$100,000 in each year for nursing scholarships and loan repayments; provides another \$200,000 in each year (also provided in 2007-08) for scholarships and loan repayments for nursing students pursuing an advanced degree towards becoming nursing faculty at the college level. (Item 289, page 260)

SCHEV Studies – language on three SCHEV studies is eliminated due to completion of the requirements to review faculty salary peer groups, need-based financial aid, and funding guidelines. Item 145, page 188 of Chapter 847)

Commonwealth Technology Research Fund (CTRF) – provides \$2 million in operating funds and \$15 million in Equipment Trust Funds in the first year and \$8.5 million in operating funds and \$15 million in Equipment Trust Funds in the second year. These funds will be awarded on a competitive basis by the Commonwealth Technology Research Fund Grant Allocation Committee on proposals which provide for a high return of economic development. Awards will be matched on a dollar-for-dollar basis. Other items include: \$1 million in the first year and \$6.5 million in the second year for Jefferson Science Associates; \$1 million in the first year for the Hampton University Proton Therapy Institute; \$1.5 million in the first year and \$750,000 in the second year for the Virginia Coastal Energy Research Consortium (Item 254, page 222)

Capital Outlay

Capital Leases – Adds language that the section doesn't apply to Level 3 Management Agreement institutions. (Item 4-3.03.d, page 509)

Treasury Board Guidelines - Adds language that the section doesn't apply to Level 3 Management Agreement institutions. (Item 4-4.01.b.3, page 510)

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Conveyance of Interest to Foundations – Adds language that this section doesn't apply to Level 3 Management Agreement institutions. (Item 4-4.01.s.1, page 514)

Facility Lease Agreements Involving Institutions of Higher Education: - Adds language that this section doesn't apply to Level 3 Management Agreement institutions. (Item 4-4.01.t.1, page 514)

Review of Alternative Financing Agreements - Adds language that this review doesn't apply to Level 3 Management Agreement institutions. (Item 4-4.01.w, page 514)

Capital Outlay Delegations of Authority – Adds language that this does not apply to Level 3 Management Agreement institutions. (Item 4-5.06, page 522)

Conformance with Space Planning Guides – removed language stating that “if space planning guides for any type of construction have been approved by the Governor or General Assembly, the Governor shall require capital projects to conform to such planning guidelines. (Item 4-4.01.m, page 666 of Chapter 847)

Other

Virginia Enterprise Application Project (VEAP) – working capital advance to fund project expenditures is increased from \$20 million to \$30 million. (Item 63, page 38).

Electronic Procurement System – adds language that excess revenues generated from fees assessed to state agencies and institutions of higher education and vendors may be used to supplement funding of the procurement services. (Item 80, page 67)

Department of Charitable Gaming - moved to report under Department of Agriculture and Consumer Services (Item 100, page 83)

Department of Emergency Management – moves funding for a statewide E-911 network, \$1 million in each year, and the Virginia Geographic Information Network, \$1.75 million in each year, from the VITA section. (Item 403, page 369)

IT Procurement – as of July 1, 2008, VITA will relinquish authority and responsibility for procurement of IT goods and services to Department of General Services. Responsibility for telecommunications services, internet services, and the Northrup Grumman Contract is delegated to VITA. (Item 432, page 387)

Telecommunications Savings – VITA shall absorb \$1.25 million annually from operational efficiencies based rebate to agency's telecommunications customers. The rebate is the result of the agency's continued efforts to reduce its overhead and indirect costs. Approximately \$369,000 to the general fund, \$530,000 to non-general funds, and the remainder to federally funded dollars. (Item 434, page 389). Also, \$9.5 million in each year is provided to state

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agencies for costs incurred as the result of new decentralized rates for IT services to be charged by VITA. (Item 473, page 433)

Budget Reduction Plans – Governor removes language requiring all budget reduction plans submitted to the Governor be forwarded to the Senate Finance and House Appropriations committees within 5 business days (Item 4-1.02.d.6, page 651 of Chapter 847)

Purchases Aimed at Government Productivity or Efficiency – Adds language that the Governor may authorize any state agency to purchase goods or services aimed at increasing state government productivity or efficiency using the procurement procedures outlined in the Public-Private Educational Facilities and Infrastructure Act. (Item 4-5.04.g, page 521)