

Report on Governor's Amendments to the 2006-08 Appropriation Act (HB1650) Language Changes

Sources of Information

The amended 2006-08 Appropriation Act (HB1650) is available at <http://leg2.state.va.us/MoneyWeb.NSF/sb2007>.

The Governor's Executive Budget Document is available at <http://www.dpb.state.va.us/budget/06-08/buddoc07/buddoc.cfm>.

The University's Office of State Governmental Relations maintains the most recent analysis of the Budget Bill and the 2007 General Assembly Session at <http://www.virginia.edu/governmentalrelations/>.

Restructuring Related

Sum Sufficient Appropriation Language – authorizes a sum sufficient to cover sponsored program operations is added to the Academic Division's language. We already have sum sufficient language for Educational and General (E&G) and Auxiliary operations. Such language is not currently in place for the Medical Center, but should be requested in the General Assembly session. The College at Wise has sum sufficient language for Sponsored Program and Auxiliary operations, but not for E&G. (Items 194, 196, and 199, pages 212-214).

Interest on Educational and General Balances - \$11 million is provided in the second year for the distribution of estimated interest earnings to higher education institutions certified by SCHEV that all available performance benchmarks have been achieved. Also \$1.7 million is available for rebates paid on credit card purchases. (Item 455.20, page 485) If needed, an additional \$1 million is available in the Miscellaneous Contingency Reserve (Item 462, page 501)

Level Two Institutions – Language is provided for the Secretary of Finance to continue to work with higher education institutions interested in entering into Memoranda of Understanding to develop a list of functional authority to be granted in each operational area through January 27, 2007. (Item 4-9.01, page 660)

Assessment of Institutional Performance – Administrative standards which shall become effective 7/1/07 include:

- Measurement of classified staff turnover rate
- Compliance with SWAM plan
- 75% of purchasing shall be with eVA registered vendors
- Cost overruns on capital projects will be reviewed by the Secretaries of Administration and Finance
- Cost overruns on IT projects will be reviewed by the Secretary of Technology
- If the above measures are inconsistent with a Management Agreement, the Management Agreement shall prevail.
- (Item 4-9.02.K.24, page 662)

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Campus Safety and Security Performance Measure – Institution shall work to adopt an acceptable number of 27 Best Practice Recommendations for Campus Safety. (Item 4-9.02.L, page 663)

Conflicts with Management Agreement – language is added (as drafted by Colette Sheehy and Lane Kneeder) that certain sections of the Appropriation Act, if in conflict with the Management Agreement, will NOT prevail over the Management Agreement. For example, the requirement that all capital leases be reviewed by the Department of Treasury will not apply to Level 3 institutions because of an exemption in the Management Agreement. (Item 4-9.03, page 663)

Health Related

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

- Allow DMAS to seek necessary waiver to expand eligibility for Medicaid coverage of family planning services to individuals with a family income above 133% but not exceeding 200%.
- Increase care coordination services for high risk pregnant women and children.
- Modify rates for hearing aids
- Include Chronic Obstructive Pulmonary Disease coverage in disease state management contract
- Provide an incentive program for health behaviors in the disease state management program.
- Seek a waiver, with Virginia Commonwealth University Health System, to permit use of DSH funds to allow VCUHS to continue an existing partnership with community physicians and with Richmond Community Hospital
- (Item 302, page 331-333)

Compensation and Benefits

Nov 25, 2007 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 teaching assistants. Non-general funds will be required to fund 59% of this item. (Item 461, page 493)

November 25, 2007 Supplemental Salary Increase for Nursing Faculty – authorizes an additional average 10% for all nursing faculty. (Item 192, page 211)

State Contribution Rates – State contribution rates are proposed at:

- Group Life Insurance Program – 1.0%
- VSDP – 2.00%

Payment of Wages or Salary – Language is modified to state that the State Comptroller is authorized to require payment of wages or salaries paid to state employees shall be by direct

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deposit or by credit to a prepaid debit card or account from which the employee is able to withdraw or transfer funds. (Item 4-6.01.e.2, page 654)

Renewal of State Employee Health Insurance Program – DHRM must report by 10/1/07 the renewal cost of the state employee and employer health insurance program premiums that will go into effect 7/1/08. (Item 77, page 78)

Actuarially Calculated State Health Benefit Programs – funding is provided for the state to begin to phase in (over 5 yrs) from a “pay-as-you-go” to an “actuarially calculated annual required premium. (Item 461, page 496)

State Employee Wellness Practices – lifts cap on wellness benefits (such as pap tests, mammograms, PSA tests, and colonoscopies) on state healthcare plan. (Executive Budget Document)

Other Higher Ed

Commonwealth Technology Research Fund (CTRF) – provides an additional \$2 million in the second year for the CTRF. Also removes language limiting this funding and the \$2,000,000 provided in the first year to commercializing technologies. These funds will be instead used to “enhance research opportunities at public institutions of higher education.” (Item 250, page 254)

Christopher Reeve Stem Cell Research Fund – provides \$500,000 to support medical and biomedical adult stem cell research coordinated at institutions of higher education relating to the causes and cures of disease, spinal cord injuries, and neurological disorders. (Item 250, page 254)

Virginia Military Survivors and Dependents Program – provides \$1,000,000 in the second year to offset costs of room and board for qualified survivors and dependents. SCHEV will allocate these funds to institutions with qualifying students. (Item 243, page 176)

Virginia Military Scholarship Program – provides \$400,000 provided to establish a scholarship program which will grant admission to 40 military scholarship cadets annually, who upon graduation will be required to serve eight years as commissioned officers including four years with the Virginia Army national Guard. (Executive Budget Document)

Eastern Virginia Medical School – provides \$288,960 in general funds to support EVMS's Masters in Public Health and Doctorate in Clinical Psychology programs. (Item 242, page 247).

Virginia Physician Loan Repayment Program – adds \$250,000 in the second year to program for physicians agreeing to serve in medically underserved areas. (Item 285, page 296)

Advanced Degree Scholarship Program – provides \$200,000 in second year to establish a scholarship program for registered nurses who pursue an advanced degree to become nursing

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faculty at the college level. Priority is given to master's degree candidates who will teach in community colleges. (Item 285, page 297)

Virginia Women's Institute for Leadership – \$547,000 is provided in each year to support 94 students in this program at Mary Baldwin College. (Item 143, page 176)

Southside Virginia Educational Opportunities – provides \$1.5 million (split equally between the New College Institute, the Institute for Advanced Learning and Research, and the Southern Virginia Higher Education Center) in 2007-08 to support the coordinated and cooperative development of postsecondary educational opportunities in Southside Virginia. (Items 244, 245, and 247, page 250 - 252)

Doctor of Psychology degree in Counseling Psychology – program is authorized for Radford University. (Item 182, page 205).

Other

Modernization of Central Administrative Systems – a working capital advance of up to \$20 million is provided to the project office responsible for this effort (Enterprise Applications Public-Private Partnership Project Office). The advance will fund project expenditures. The repayment of any such working capital advance will be made from anticipated revenues from enhanced collections and cost recoveries. (Item 54.10, page 42).

Virginia Indian Heritage Program – To Department of Historic Resources, \$250,000 is provided for the Virginia Indian Heritage Program. (Item 370, page 400)

Telecommunication and Technology Rates – DPB is authorized to transfer appropriations between executive branch agencies based on telecommunications and technology rates approved by the Governor and JLARC. (Item 426, page 450)

Research Related Entity – The Governor is authorized to spend \$12 million in the second year (in addition to \$3 million in first year provided in the 2006 Session) to provide an incentive for the location of a research-related entity along Interstate 81 corridor. (Item 462, page 504) News announcement indicates entity is SRI International, an independent, nonprofit research institute that will create a Center for Advanced Drug Research (CADRE) and will partner with JMU. The center will eventually expand to include programs in areas like homeland security and biotechnology (*Daily Progress*, page A7, Friday, December 15, 2006)

Pandemic Flu Preparedness– Provides \$9.6 million for the Commonwealth to purchase the maximum amount of influenza antiviral treatment courses in conjunction with federal influenza pandemic preparedness plans. (Executive Budget Document)

Department of Accounts – Adds \$1.4 million and 14 positions to increase risk management, internal control standards, and financial reporting quality assurance. (Executive Budget Document)