

Governor's Proposed Amendments 2002-2004 Appropriation Act (HB 1400, As Adopted)

Amendment No. 1 Item 48 - Lieutenant Governor - Funding Restoration

General Assembly Action: Reduced the Lieutenant Governor's budget by \$50,000 and 1 position in the second year. This action tied the staffing levels of the Lieutenant Governor to that of the Speaker of the House.

Governor's Action: Restores \$50,000 and 1 position in the second year providing a total of 5 positions to the office.

Amendment No. 2 Item 49 - Attorney General - Move Sexually Violent Predator Funding from Year 2 to Year 1

General Assembly Action: Provided funding to implement the costs of legal work associated with House Bill 2445, the civil commitment of sexually violent predators.

Governor's Action: Moves \$200,000 from the second year to the first year to fund costs associated with the civil commitment of sexually violent predators. If funding is not required for such activities in FY 2003, it will revert to the Attorney General's appropriation for provision of legal advice in year two.

Note: General Assembly had provided \$100,000 in the second year only for these activities to the Office of the Attorney General.

Amendment No. 3
Item 54 - Secretary of the Commonwealth -
Move Effective Date of Service of Process Fee

General Assembly Action: Approved the proposal included in the introduced budget to increase the fee for Service of Process from \$19 to \$28 effective July 1, 2003.

Governor's Action: Moves the effective date of the Service of Process fee increase from July 1, 2003 to May 1, 2003.

Note: The Governor's action would generate \$168,000 in the first year.

Amendment No. 4
Item 56 - Virginia Liaison Office -
Restore Funding for Liaison Office

General Assembly Action: Reduced the appropriation for the Governor's Office to reflect the elimination of funding for the Liaison Office. The introduced budget reflected merging the Liaison Office into the Governor's Office as part of the October 2002 reduction plans, but did not reduce funding for this consolidation.

Governor's Action: Restores funding for the Liaison Office as a separate agency. The restoration would provide 3 positions and associated funding of \$159,599 GF and \$134,753 NGF in the second year.

Note: The Governor's action not only restores funding but reestablishes the Liaison Office as a separate entity.

Amendment No. 5
Item 66 - Compensation Board -
Late Submission of Sentencing Orders

General Assembly Action: Reduced the appropriation for Circuit Court Clerks by \$460,000 to reflect the forfeiture of \$100 for each sentencing order not submitted to the Department of Corrections with 30 days of sentencing as required by law.

Governor's Action: Eliminates language requiring the Compensation Board to assess the \$100 fee against a circuit court clerk's reimbursement, and restores the \$460,000 reduction in reimbursements that had been anticipated.

Note: A companion amendment (Number 52) transfers balances from the Library of Virginia to the general fund to provide for this restoration.

Amendment No. 6
Item 69 - Compensation Board -
Treasurers Processing of Tax Forms

General Assembly Action: Reduced the reimbursements to local treasurers in localities with population of 100,000 or greater in the second year to reflect the exclusion of tax form processing as a reimbursable activity. A related amendment applied the same policy change to Commissioners of the Revenue (Item 70).

Governor's Action: Restores \$523,534 in the second year to the local treasurers that had been eliminated as part of the General Assembly's budget reduction actions.

Note: The Department of Taxation, directly receives 71 percent of the returns filed by citizens of the Commonwealth.

Amendment No. 7
Item 70 - Compensation Board -
Commissioners of Revenue Processing of Tax Forms

General Assembly Action: Reduced the reimbursements to local commissioners of revenue in localities with population of 100,000 or greater in the second year to reflect the exclusion of tax form processing as a reimbursable activity. A related amendment applied the same policy change to Commissioners of the Revenue (Item 69).

Governor's Action: Restores \$594,943 in the second year to the local commissioners that had been eliminated as part of the General Assembly's budget reduction actions.

Note: The Department of Taxation, directly receives 71 percent of the returns filed by citizens of the Commonwealth.

Amendment No. 8
Item 91 - Human Rights Council -
Additional Funding for Human Rights Council

General Assembly Action: Reversed the action in the introduced budget that had eliminated the Human Rights Council as a stand-alone agency and merged it into the Attorney General's Office. The adopted budget restored the Council's status as an agency and restored 3 FTE positions and associated funding.

Governor's Action: Restores \$55,000 general fund in the second year to support the costs of maintaining a three-person stand-alone agency. In addition funding is required to fund severance costs of two eliminated positions.

Amendment No. 9
Item 101 – Department of Agriculture and Consumer Services -
Coyote Control Program

General Assembly Action: Restored \$35,000 GF the second year to continue the program at the level required to receive federal match funding.

Governor's Action: Recommends providing an additional \$49,900 GF the second year which will fund the program at the amount approved by the 2002 Session in Chapter 899 (\$84,900). The additional state funding will not be used to draw down additional federal funding.

Notes:

- The Governor's introduced budget eliminated all second year funding for this program.
 - The proposed amendment will enable the program to maintain service levels in Southwestern Virginia and New River Valley counties.
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Amendment No. 10
Item 112 – Department of Housing and Community Development -
Virginia Enterprise Initiative

General Assembly Action: Reduced funding for the program by \$300,000 GF the second year leaving \$500,000 to operate the program.

Governor's Action: Restores \$270,000 GF the second year to support continued funding for programs in Lynchburg, Petersburg, and Richmond. These programs are currently funded in FY 2003. The amendments would also provide funding to establish a program in Abingdon, which would be an expansion.

Amendment No. 11
Item 135 – Virginia Tourism Authority -
Core Advertising Program

General Assembly Action: Approved an additional \$500,000 GF the second year for the Authority's core advertising program.

Governor's Action: Provides an additional \$400,000 of general fund support for print, broadcast and Web-based advertising.

Amendment No. 12
Item 136 - Secretary of Education -
Tuition and Fee Policy

General Assembly Action: Approved language revising the tuition policy for the 2003-04 academic year by limiting increases in tuition and mandatory educational and general (E&G) fees for in-state, undergraduate students. The revised policy allows institutions to annualize mid-year increases implemented for the Spring 2003 semester and places a five percent cap on additional tuition increases for the upcoming 2003-04 academic year. Institutions can raise tuition levels above the capped rate only to support the nongeneral fund share of salary and fringe benefit increases provided in the budget.

Governor's Action: Recommends language to provide the Governor with the authority to remove the five percent cap in the event additional budget reductions are required pursuant to § 4-1.04 of the Appropriation Act.

Note: Under the provisions of § 4-1.04 of the Appropriation Act, the Governor would first need to reforecast general fund revenues. If revenues are insufficient, the Governor has the authority to withhold up to 15 percent of an agency's appropriation.

Amendment No. 13
Item 145 – Direct Aid to Public Education -
State Operated Programs
(Hospitals, Clinics and Detention Homes)

General Assembly Action: Included savings of \$449,810 in FY 2004 from a correction in the funded salaries for clerical positions in the medical facilities portion of state operated programs.

Governor's Action: Proposes additional savings of \$798,972 in FY 2003 and \$106,402 in FY 2004 to correct for updated information in the detention homes portion of state operated programs. In the first year, \$575,389 in savings come from the difference between the number of positions required under standards for the programs and the number of positions that school divisions have actually been able to hire. The remainder of first year savings, \$223,583, comes from the delayed expansion of the Shenandoah detention facility. In the second year, the savings come from the delayed opening of the Virginia Beach detention home (teaching position costs had been removed in the introduced budget, this action would remove the remaining start-up costs – administration and equipment).

Amendment No. 14
Item 147 – Direct Aid to Public Education -
Algebra Readiness Program

General Assembly Action: Included savings of \$277,196 in FY 2004 for the Algebra Readiness program by assuming a one percent improvement in 8th grade Standards of Learning Math scores in the Spring of 2003.

Governor's Action: Technical. Proposes additional savings of \$95,517 in FY 2003 because eight school divisions certified after the regular Session ended that they would not participate in the Algebra Readiness program this school year.

Amendment No. 15
Item 147 – Direct Aid to Public Education -
Student Achievement Grants

General Assembly Action: Provided for a Student Achievement block grant in the amount of \$10.1 million in fiscal year 2004 for any of the following programs: K-3 Reduced Class Size, Early Reading Intervention, At-Risk Four-Year-Olds, SOL Remediation, and Dropout Prevention.

Governor's Action: Proposes a contingent appropriation authorizing the Department of Education to use any unobligated general fund balances in Direct Aid accounts and any increase in revenues from lottery proceeds in fiscal year 2003 to provide up to \$6.8 million for the Student Achievement block grant in fiscal year 2004.

Notes:

- This would be a departure from current practice regarding lottery proceeds. Currently, additional proceeds are held in a reserve account on the books of the Comptroller and appropriated in the following budget, with 100 percent going to public education – 60 percent as the state share of Standards of Quality costs and 40 percent directly to local school divisions for their own use. If additional lottery proceeds are distributed under the amendment, 100 percent of this portion of the proceeds would be distributed as the state share of the additional amounts for the Student Achievement Block Grant.
- One-time balances and unanticipated lottery proceeds, should they materialize, would be used to fund on-going programs.

**Amendment No. 16
Item 147 – Direct Aid to Public Education -
Compensation Supplements**

General Assembly Action: Provided \$27.5 million for the state share of a teacher salary increase of 2.25 percent, effective January 1, 2004.

Consistent with compensation increases for state employees, language authorized, but did not require, the Governor to use any portion of the appropriation to offset a downward revision in the general fund revenue forecast.

Governor's Action: The Governor's proposed amendment does not provide any additional funding for this purpose. Instead, the proposed amendment simply removes the language authorizing the Governor to use any portion of the appropriation provided for the salary increase to offset a downward revision of general fund revenue projections prepared as part of a revised revenue forecast.

Note: Similar action was taken regarding salary increases for state and state-supported local employees, and faculty in Amendment No. 41, Item 511.

Amendment No. 17
Item 152 – Direct Aid to Public Education -
Jobs for Virginia Graduates

General Assembly Action: None.

Governor's Action: Proposes adding \$300,000 in general funds the second year for the Jobs for Virginia Graduates program.

Notes:

- The 2002 General Assembly eliminated general funds for this program for both fiscal years. In the 2002 Reconvened Session, the Governor submitted an amendment that would have restored first year general funds for the program of \$325,000. The amendment was rejected by the House of Delegates in the 2002 Reconvened Session.
- After the General Assembly's action, the Secretary of Education's office provided the program with \$350,000 in federal School-to-Work funding. There are no additional School-to-Work balances that could be provided to the program for the second year.
- General funds for the program were not included in House Bill 1400, as introduced. There were no House, Senate or Executive amendments introduced to add general funds for the program during the regular 2003 Session.

Amendment No. 18
Item 227 - Virginia Commonwealth University -
Research and Public Service Centers

General Assembly Action: Reduced general fund support for research and public service centers at institutions of higher education by \$2.3 million GF in the second year. Language in the budget as adopted indicates that it is the intent of the General Assembly that general fund support for centers not be continued indefinitely, but that institutions secure nongeneral funds for such activities.

Governor's Action: This amendment restores \$177,154 in general fund support in the second year for reductions related to the Virginia Labor Center at Virginia Commonwealth University.

Notes:

- The Virginia Labor Center was created in 1992 with \$107,000 and 2.50 FTE. General fund support for the Center had doubled since 1992 and staff size had increased to six.
 - Based on the 2002 annual report the bulk of the center funding is provided by the state.
 - The Center participates in conferences and seminars, conducts educational programs, and publishes articles in trade publications and research journals.
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**Amendment No. 19
Item 257 – Jamestown 2007 -
Modify Distribution of Jamestown 2007 Fee**

General Assembly Action: Modified the current \$2 optional motor vehicle registration fee to a mandatory \$1 fee to support activities related to the 2007 Commemoration.

Governor's Action: Provides that \$1 million of the revenue stream be directed to DMV to offset administrative costs of HB 1954. In addition, the timing of the implementation of the fee is changed.

Notes:

- The delay in the implementation of the fee is intended to account for the fact that DMV typically mails out its vehicle registration renewal notices to owners two months in advance of the renewal deadline. This could affect how much revenue will be collected.
- The Governor's amendments would reduce maximum revenue for Jamestown 2007 activities from \$5.0 million to \$4.0 million.
- The Budget Office's estimate for implementation of HB 1954 includes \$1.0 million for 24.0 FTE positions, equipment and training. However, the Governor's amendment does not appropriate either money or positions to DMV. This would have to be done administratively.
- The Governor's amendment does not eliminate the \$400,000 authorization to transfer general funds to DMV for HB 1954 implementation that was included in the adopted budget.

- The Governor's amendment should be considered a temporary measure to fund the costs of HB 1954. Because HB 1400 expires on June 30, 2004, a permanent funding solution is required.
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Amendment No. 20
Item 272 - Department of Accounts -
Fiscal Agent for the Commonwealth Health Research Board

General Assembly Action: None.

Governor's Action: Technical. Proposes language clarifying that the Department of Accounts is authorized to disburse, as fiscal agent for the Commonwealth Health Research Board, funds received from VRS invested on behalf of the CHRB.

Amendment No. 21
Item 285 - Department of Taxation -
Authority to Maintain Records of Electronic Tax Filing

General Assembly Action: Included language clarifying that the responsibilities of the Department of Taxation regarding on-line income tax services are limited to providing information that is of the same type found in printed materials, or assistance necessary to minimize filing errors.

Governor's Action: Eliminates the adopted language restricting the Department of Taxation's authority in its iFile system activities.

Note: Governor's amendment states that this language was a companion to HB 2792, which was withdrawn by the patron and is therefore not needed.

Amendment No. 22
Item 285 - Department of Taxation -
Instruction Booklets and Tax Forms

General Assembly Action: Included language directing the Department of Taxation to print its Richmond address in instruction booklets and tax forms to reduce costs of processing state income taxes.

Governor's Action: Strikes the language adopted by the General Assembly thereby continuing the practice of directing tax forms to local constitutional officers who then bundle the forms and forward them to the Department of Taxation.

Amendment No. 23
Item 290 - Department of Treasury -
Payment of Claim to Marvin Anderson

General Assembly Action: Included language directing the Department of Treasury to pay such amounts as were provided to Marvin Lamont Anderson pursuant to SB 863. At the time the budget conference was finalized, the conference report on SB 863 had not been completed. As such, the language in the Department of Treasury did not include the amount to be paid as restitution to Mr. Anderson.

Governor's Action: Technical. Authorizes a general fund appropriation of \$660,000 in the second year to provide a \$200,000 cash payment and \$460,000 lifetime annuity to provide restitution to Mr. Anderson.

Note: Amount provided by this amendment is identical to the amounts authorized by SB 863. Amendment 24 also relates to this claim.

Amendment No. 24
Item 290 - Department of Treasury
Additional Payment for Claim of Marvin Anderson

General Assembly Action: Approved legislation which provided a \$200,000 lump sum payment to Mr. Anderson as well as a lifetime annuity anticipated to provide \$2,100 per month to Mr. Anderson. The award is anticipated to total \$1.1 million according to the Department of the Treasury.

Governor's Action: Provides an additional cash lump sum payment of \$243,300 to Mr. Anderson in addition to the \$1.1 million provided under SB 863. The explanation states that the additional amounts are intended to ensure that the state spends proportionally as much on Mr. Anderson per year of imprisonment as it did to settle a claim awarded to Mr. Cox during the 2002 Session.

Notes:

- Amendment 23 also relates to this claim.

- Governor's amendment bases parity on cost to the Commonwealth, not on restitution to claimants. Amount to be received by Mr. Cox will total \$750,000 in contrast to the \$1.1 million SB 863 provides to Mr. Anderson.
 - Amount of restitution paid to claimant traditionally has not been determined based solely on time served in prison, but also based on the presence or absence of malfeasance on the Commonwealth's part, and prior earnings of claimant.
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Amendment No. 25
Item 292 - Department of Treasury -
Interest Earned by State on Federal Funds

General Assembly Action: Approved the amount, estimated at \$500,000 in introduced budget, of assumed payment to federal government for interest earned on federal funds advanced to state but not immediately disbursed in FY 2003

Governor's Action: Technical. Reduces from \$500,000 to \$409,633 the amount provided for payment of interest to the federal government for federal funds advanced but not immediately disbursed based on a re-estimate conducted by Treasury. The \$90,367 difference will be added to the general fund balance.

Amendment No. 26
Item 293 - Treasury Board -
Debt Service Savings

General Assembly Action: Adopted amendments to reduce appropriations by \$8.1 million GF to reflect savings generated from lower than anticipated debt service costs and the refunding of several general obligation bond issues carried out to take advantage of low interest rates. Of this amount, \$2.6 million GF was submitted as an executive amendment in January 2003.

Governor's Action: This amendment captures \$965,111 GF of additional savings from bond refinancing completed by the Virginia Public Building. Savings generated by the refinancing were higher than originally anticipated in the January 2003 executive amendment.

Amendment No. 27
Item 298 - Secretary of Health and Human Resources -
Involuntary Civil Commitment Custody Plan

General Assembly Action: Added language directing the Secretary of Health and Human Resources, in consultation with the Secretary of Public Safety and the Executive Secretary of the Supreme Court, to appoint a committee to develop policies and guidelines to determine how custody for patients involuntarily committed is handled to ensure safety and security during all phases of the detention and involuntary civil commitment process. The committee is to report on the policies and guidelines, and recommendations for any legislative action, to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2003.

Governor's Action: Recommends striking the language entirely because it conflicts with language contained in HB 2698, including which Secretary will lead the study group, which agencies comprise the committee, and reporting requirements and deadlines.

Amendment No. 28
Item 304 – Department for the Deaf and Hard of Hearing -
Norton Relay Center Employment Levels

General Assembly Action: Added language requiring that the deaf and hard of hearing Relay Center in Norton maintain an employment level of at least 105 full-time equivalent (FTE) positions.

Governor's Action: The Governor proposes language that conditions the employment of at least 105 FTEs at the Norton Relay Center to the funding available from the current telecommunications relay surcharge on wireline telephones which is \$.16 per line. If the employment of 105 FTEs at the Relay Center were to result in an increase in the surcharge, this language would provide the flexibility to reduce employment levels to preclude increasing the surcharge.

Amendment No. 29
Item 325 – Department of Medical Assistance Services -
Preferred Drug List Program

General Assembly Action: Added language implementing a preferred drug list in the Medicaid program beginning January 1, 2004. Language requires that the final design of the program be completed no later than April 2, 2003, with a report to be submitted on the final design components to the Chairmen of the House Appropriations and Senate Finance Committees.

Governor's Action: Technical. The Governor proposes language changing the deadline for the final design of the Preferred Drug List Program and a report to the Chairmen of the House Appropriations and Senate Finance Committees to no later than 10 days after the enactment of the 2003 Appropriation Act. This reflects the fact that the budget bill may not be enacted on April 2, 2003 and provides the agency with time to prepare a report after the actual enactment.

Amendment No. 30
Item 347 – Department of Rehabilitative Services -
Economic Development Grants for Employment Services

General Assembly Action: Added language to mitigate reductions for long-term employment support services and extended employment services by allowing the Department of Rehabilitative Services to reduce economic development grants by \$628,000 and use these funds for direct employment services.

Governor's Action: Technical. The Governor proposes language to allow flexibility for the Department to use “up to” \$628,000 from the economic development grants for employment services for disabled persons instead of the full \$628,000. This language recognizes actions by the General Assembly to restore funding for employment services programs and that the full amount of the economic development funds may not be needed to mitigate reductions in these programs.

Amendment No. 31
Item 421 - Department of Corrections -
Sexually Violent Predators

General Assembly Action: Approved language requiring the Department of Corrections to provide an existing facility for use by the Department of Mental Health, Mental Retardation and Substance Abuse Services for housing individuals who have been civilly committed pursuant to § 37.1-70.1, et. seq., Code of Virginia (HB 2445 and SB 1149).

Governor's Action: Proposes striking this language, so that the Administration may determine what type of facility to use for the program.

Note: A companion amendment proposed to Item 512 requires a report on short and long-term options for housing sexually violent predators be provided to the Chairmen of the House Appropriations and Senate Finance Committees.

Amendment No. 32
Item 432 - Department of Criminal Justice Services -
Drug Courts

General Assembly Action: The 2002 reconvened session approved the Governor's amendment that restored \$2.1 million GF for drug courts (or 80 percent of the previous level of funding in FY 2003 only. The Governor's amendment at that time was based on phasing out state support. No funding was provided for FY 2004.

The October 2002 budget reductions supplanted these general funds in FY 2003 with federal Byrne grant funds, which require a 25 percent match. In January, the Governor proposed an executive amendment to provide \$520,000 GF for the matching funds (so that localities or private sources would not have to pay for the match), but the General Assembly did not adopt that amendment.

Governor's Action: Provides \$520,000 GF (for the 25 percent match) and \$1,560,000 in federal funds in FY 2004 for drug courts. This is the same amendment that was proposed in January but not adopted.

Notes:

- Previously, drug courts had been supported with \$2.6 million NGF each year in the form of balances from the Intensified Drug Enforcement Jurisdictions (IDEA) fund.
- The 2002 General Assembly transferred those balances to the general fund, thereby eliminating state support for the drug court program.
- This year, the additional revenues resulting from the increase in the IDEA fee (from \$2 to \$4) in the 2003 appropriation act are transferred to the general fund, so there are no additional IDEA fund balances available.

Amendment No. 33
Item 432 - Department of Criminal Justice Services -
PAPIS

General Assembly Action: The 2002 reconvened session approved the Governor's amendment that restored \$1.8 million GF for Pre- and Post-Incarceration Services (PAPIS) in FY 2003 only. The Governor's amendment at that time was based on phasing out state support. No funding was provided for FY 2004.

The October 2002 budget reductions supplanted these general funds in FY 2003 with federal Byrne grant funds, which require a 25 percent match. In January, the Governor proposed an executive amendment to provide \$438,274 GF for the matching funds (so that localities or private sources would not have to pay for the match), but the General Assembly did not adopt that amendment.

Governor's Action: Provides \$438,274 GF (for the 25 percent match) and \$1,314,821 in federal funds in FY 2004 for PAPIS programs. This is the same amendment that was proposed in January, but not adopted.

Note: Previously, PAPIS programs had been supported with an earmarked general fund appropriation in DCJS.

Amendment No. 34 Item 432 - Department of Criminal Justice Services - Virginia Exile

General Assembly Action: The 2002 reconvened session approved the Governor's amendment that restored \$892,000 GF for Virginia Project Exile grants in FY 2003 only. The Governor's amendment at that time was based on phasing out state support. No funding was provided for FY 2004.

The October 2002 budget reductions supplanted these general funds in FY 2003 with federal Byrne grant funds, which require a 25 percent match. In January, the Governor proposed an executive amendment to provide \$223,000 GF for the matching funds (so that localities or private sources would not have to pay for the match), but the General Assembly did not adopt that amendment.

Governor's Action: Provides \$223,000 GF (for the 25 percent match) and \$669,000 in federal funds in FY 2004 for the 25 percent match for project exile grants. This is the same amendment that was proposed in January, but not adopted.

Notes:

- Previously, project exile grants had been supported with \$1.1 million NGF each year in the form of balances from the Intensified Drug Enforcement Jurisdictions (IDEA) fund.
- The 2002 General Assembly transferred those balances to the general fund, thereby eliminating state support for the project exile program.

- This year, the additional revenues resulting from the increase in the IDEA fee (from \$2 to \$4) in the 2003 appropriation act, are transferred to the general fund, so there are no additional IDEA fund balances available.
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Amendment No. 35
Item 459 - Department of State Police -
Retention Initiative

General Assembly Action: None.

Governor's Action: Provides \$300,000 GF and \$1.2 million NGF in FY 2004 salary actions to increase the retention rate for state police officers.

In addition, language directs the Superintendent of State Police, in cooperation with the Director of the Department of Human Resources Management, to prepare options for increasing retention rates. The report is due to the Secretary of Public Safety by June 1, with notification of the Chairmen of the Senate Finance and House Appropriations Committees prior to implementation.

The proposed amendment also includes language authorizing the Department to deposit into the general fund an amount estimated at \$100,000, from fees generated by additional criminal background checks pursuant to HB 2373 of the 2003 Session.

Notes:

- While the source of the nongeneral funds is not identified in the amendment, the Department of Planning and Budget indicated that the funds will come from a 10 percent surcharge that the State Police is adding on to all overtime billing for services such as security at the Pentagon and various airports and other facilities related to homeland security. DPB indicated that this source of funds may not be available in future years.
 - HB 2373 provides that certain localities shall require applicants for local employment or prospective licensees to undergo a criminal background check. While this is not expected to affect larger, urban jurisdictions, which already require such checks, the Department of State Police estimates about \$100,000 in new revenue would be generated from rural localities.
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Amendment No. 36
Item 470 - Innovative Technology Authority -
Center for Innovative Technology Cost Recovery

General Assembly Action: Implemented a cost recovery process that requires the Center for Innovative Technology (CIT) to enter into a memorandum of understanding with Virginia's higher education institutions and affected industries to recover a portion of CIT's administrative and program costs associated with obtaining federal research and development grants and awards. Funding recovered through the cost recovery process is intended to replace state general fund support. General fund support for CIT is to be reduced by 50 percent in FY 2005, 75 percent in FY 2006, and eliminated entirely in FY 2007.

Governor's Action: Extends the deadline for elimination of all general fund support from FY 2007 to FY 2008 and changes the schedule for phasing-out of general fund support by an equal amount of 25 percent each fiscal year beginning in FY 2005.

Amendment No. 37
Item 471.10 - Virginia Information Technologies Agency -
Information Technology Consolidation Reporting

General Assembly Action: Approved language that required both consolidation status and operating reports regarding the implementation of the technology reform provisions in House Bill 1926 and Senate Bill 1247. Consolidation status reports include the development of an initial operating plan for the new Virginia Information Technologies Agency (VITA); a report prior to the consolidation of executive department agencies' information technology functions authorized by HB 1926 and SB 1247 into VITA; and a report that details the prototype memorandum of agreement that will govern service delivery between VITA and the affected agencies. Required a quarterly operating report regarding VITA's operating activities including cost saving initiatives.

Governor's Action: Removes the requirement that reports related to executive department agency information technology consolidation into VITA be provided prior to any scheduled consolidation. Instead, such reports will be provided after the consolidation is initiated beginning in October 2003 and continuing on a quarterly basis. Removes the requirement that memorandum of agreements (MOA) are not to be executed between VITA and affected agencies prior to a report to the House Appropriations and Science and Technology Committees and the Senate Finance and General Laws Committees which details a prototype MOA.

Amendment No. 38
Item 472 - Secretary of Transportation -
Language Regarding Use of Federal Bridge Funding

General Assembly Action: Approved language directing VDOT to utilize at least 50 percent of its federal highway bridge funding for bridge projects and to report to the General Assembly on progress made to increase the use of bridge funding for bridges.

Governor's Action: Substitutes alternate language regarding the use of bridge funding to clarify that bridge funds can be used on bridge projects on the Interstate system.

Amendment No. 39
Item 485 - Department of Rail and Public Transportation -
Language Regarding GRTC Eligibility for Transit Grant

General Assembly Action: Approved language authorizing the Department of Rail and Public Transportation to make available \$900,000 of nongeneral fund support for bus service between the City of Richmond and Chesterfield County. To receive the funding, the County is required to provide a dollar-for-dollar match by July 1, 2003.

Governor's Action: Includes language changing the deadline for Chesterfield County to participate in the program from July 1st to 30 days after enactment of this act. This change will allow the Department of Rail and Public Transportation to reprogram the funds to other projects in the event Chesterfield County chooses not to participate.

Amendment No. 40
Item 503 - Central Appropriations -
Transfer of Rent Plan Reduction Savings to General Fund

General Assembly Action: Restored \$2.4 million of funding for building maintenance and operations in the second year while retaining the first year transfer of rent plan reduction savings to the general fund.

Governor's Action: Includes language continuing the transfer of \$2.4 million to the general fund in the second year resulting from a 10 percent reduction in rent prices paid by State agencies. This action reduces funding available for DGS to fund building maintenance, janitorial services and utility payments.

Notes:

- Currently, about 48 percent of rent plan funds are used for maintenance (including routine maintenance, elevators, grounds and personnel costs), 25 percent for utility payments, 17 percent for custodial and security services, 10 percent for payments in lieu of taxes to the City of Richmond, 5 percent for the maintenance management systems (computer systems).
- The proposed amendment does not explain what services will be reduced to allow State buildings to operate at the lower cost levels, except to state that security will not be impacted.
- Adopted budget approved similar cut in FY 2003, continuing reduction the second year would not require new action.
- Amendment 45 authorizes the Governor to expend funds in the unappropriated balance to offset any unbudgeted fuel or utility increases.

**Amendment No. 41
Item 512 - Compensation Supplements -
2003 Salary Increase**

General Assembly Action: Provided \$38.5 million GF the second year for a 2.25 percent December 2003 salary increase for state employees, higher education faculty, and state-supported local employees. (An additional appropriation of \$27.6 million GF is in direct aid for public education to provide the state's share of a 2.25 percent increase for public school teachers on January 1, 2004.).

Budget language authorized, but did not require, the Governor to use any portion of the appropriation provided for the December 2003 base salary increase to offset a downward revision in the general fund revenue forecast.

Governor's Action: The Governor's proposed amendment does not provide any additional funding for this purpose. Instead, the proposed amendment simply removes the language authorizing the Governor to use any portion of the appropriation provided for the salary increase to offset a downward revision of general fund revenue projections prepared as part of a revised revenue forecast.

Amendment No. 42
Item 512 - Central Appropriations -
Civil Commitment of Sexually Violent Predators

General Assembly Action: Added \$200,000 the first year and \$600,000 the second year in the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS), and \$300,823 the first year and \$428,292 the second year in the Department of Corrections (DOC) to provide treatment and security for the civil commitment of sexually violent predators, pursuant to HB 2445/SB 1149. Language was added to provide a facility and exterior security within DOC for the housing of those committed in the program.

Governor's Action: The Governor proposes adding \$1.2 million GF in FY 2004 for the housing, treatment and security of those civilly committed as sexually violent predators. The added funds reflect a more recent fiscal impact analysis of the program requirements. Language is also proposed within Central Appropriations to authorize the transfer of amounts appropriated to DMHMRSAS and DOC for this program and directs the Secretaries of Finance, Health and Human Resources, and Public Safety to determine the appropriate allocation of these funds to best implement the program. An operating plan for allocating these funds is to be reported to the Chairmen of the House Appropriations and Senate Finance Committees, along with the short- and long-term recommendations for siting a facility to house those committed under the program. A separate amendment by the Governor eliminates language designating a correctional facility within DOC to house persons committed to this program.

Amendment No. 43
Item 512 - Economic Contingency -
Commonwealth Technology Research Fund

General Assembly Action: None.

Governor's Action: The Governor's amendment expands the scope and purposes for which funds from the economic contingency account may be used to include grants for technology research approved through the Commonwealth Technology Research Fund.

Notes:

- The second year appropriation for the Technology Research Fund is \$6.4 million GF.

- Currently, the Appropriation Act generally limits use of the economic contingency account to unanticipated or unbudgeted cost increases associated with the operation of state government.
 - Appropriation available to the Governor in the second year for unanticipated and unbudgeted costs is \$3.7 million GF.
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**Amendment No. 44
Item 512 – Economic Contingency -
Virginia Horse Center**

General Assembly Action: Designated the Virginia Equine Center Foundation as the entity to receive second year funding for operating support of the Virginia Horse Center.

Governor's Action: The Governor's amendment changes the organization to receive the second year funds from the Virginia Equine Center Foundation to the Virginia Horse Center Foundation. In addition, proposes language clarifying that the Virginia Horse Center Foundation is not subject to the match requirements in Part 4 of the Act.

**Amendment No. 45
Item 512 – Economic Contingency -
Unappropriated Balance**

General Assembly Action: None.

Governor's Action: Increases the amount of funding that the Governor can allocate from the unappropriated balance from \$2.0 million GF to \$4.0 million GF. In addition, the amendment expands the purposes for which funds from the economic contingency account can be used to include a required state match of the federal grant for the GEAR-UP program and for unbudgeted fuel or utility cost increases.

Note: Governor's amendment number 40 reduces rental rates for agencies located in the Capitol Square complex by \$2.4 million in FY 2004. A portion of the rental charge is used to pay for fuel and utility costs of these agencies.

Amendment No. 46
Item 512 – Economic Contingency -
Unappropriated Balance Uses

General Assembly Action: None.

Governor's Action: Proposes to provide the Governor with the authority to use amounts from the unappropriated balance to fund costs related to homeland security. In addition, the amendment would provide the Governor with the authority to cover the costs associated with salary supplements for state classified employees recalled to active duty as part of the military reserves or National Guard. Salary supplements would only apply to employees who would otherwise earn less in military salary and any cash allowances when compared to their state base salary.

Notes:

- There are currently 228 classified state employees who have been mobilized to active duty from armed forces reserve or National Guard reserve status.
- Action is consistent with Executive Order 44 (2003) that directs state agencies to provide salary supplements to eligible state employees who are mobilized as reservists or members of the National Guard.

Amendment No. 47
Item 513.10 – Reversion Clearing Account -
Economic Development Agency Consolidation

General Assembly Action: Approved an amendment directing the Secretary of Commerce and Trade to develop an agency reorganization plan that consolidated the Department of Business Assistance, A.L. Philpott Manufacturing Extension Partnership, Virginia-Israel Advisory Board, and the Department of Minority Business Enterprise into a single agency. Savings of \$500,000 through position reductions and reorganization efficiencies were anticipated as a result of the consolidation.

Governor's Action: Removes the requirement that the consolidation include the Department of Minority Business Enterprise and the A.L. Philpott Manufacturing Extension Partnership. Provides the Secretary of Commerce and Trade with the flexibility to include any other appropriate entities when developing the required reorganization plan.

Amendment No. 48
Part 2: Capital Project Expenses
Sweeping of Capital Balance

General Assembly Action: Adopted amendments proposed in the introduced budget to revert of \$92.4 million of balances from previously authorized general and nongeneral fund capital projects. As proposed in October, the budget as adopted provides \$84.9 million in reverted general fund projects with proceeds from bonds issued by the Virginia College Building Authority (VCBA) and the Virginia Public Building Authority (VPBA).

Governor's Action: Captures an additional \$314,000 from the central repairs fund for a handicapped access project at DMHMRSAS. The project was previously obligated but is no longer needed.

Amendment No. 49
Item C-125.30 - Department of State Police -
Clifton Forge Area Office

General Assembly Action: None in the 2003 Session. This project was one of the “frozen” projects restored by the 2002 General Assembly in Chapter 814, Acts of Assembly.

Governor's Action: Provides authority for the Department of State Police to accept the donation of a one-acre parcel of land to serve as the site for the new area office. The new location is adjacent to I-64 and is located in the Alleghany Regional Commerce Center. The Department of State Police will utilize a prototype design for the area office facility and is required to absorb any additional costs associated with the project.

Amendment No. 50
Item C-148.05 - Virginia Port Authority -
Security Facilities

General Assembly Action: Provided the Virginia Port Authority with the authorization to issue \$50 million in Port Facilities Revenue Bonds. Language allowed the use of port revenue bonds to construct security related facilities at the Norfolk International Terminal (North) and the Portsmouth Marine Terminal as well as the improvements to the Norfolk International Terminal (South), Phase II.

Governor's Action: This amendment specifies that fund split between the security related facilities (\$7.5 million) and the renovations to Norfolk International Terminal (South), Phase II (\$42.5 million).

**Amendment No. 51
Item C-148.15 - Virginia Port Authority -
Equipment Acquisition**

General Assembly Action: None.

Governor's Action: Creates a new capital outlay project to authorize the Virginia Port Authority to purchase straddle carriers through the Master Equipment Lease Program. The cost of the new straddle carriers is \$7 million, which results in an annual lease payment of \$1.1 million to be paid from port special fund operating revenues.

**Amendment No. 52
Part 3: Miscellaneous -
§ 3-1.01 - Interfund Transfers -
Library of Virginia**

General Assembly's Action: None.

Governor's Action: Transfers \$460,000 NGF from the Library of Virginia to the general fund to restore funds to the circuit court clerks (Amendment number 5).

Notes:

- The \$460,000 proposed for transfer from the Library of Virginia is to be taken from balances that are currently designated to archiving and preserving circuit court records. In FY 2003, the Library of Virginia expects to collect about \$3.5 million in recordation fees from the circuit court clerks for this purpose.
 - Half of the annual revenues collected through the fee are returned to the circuit courts through grants distributed by the Library. The Library uses the remaining funds.
 - The Governor's action depends on a one-time revenue source for ongoing activities.
-

Amendment No. 53
Part 3: Miscellaneous -
§ 3-1.01 – Interfund Transfers -
State Insurance Reserve Trust Fund Balance Sweep

General Assembly Action: None.

Governor's Action: Includes language transferring \$3.2 million to the general fund from the State Insurance Reserve Trust Fund at the Department of Treasury prior to the close of fiscal year 2003.

Notes:

- The State Insurance Reserve Trust Fund provides state agencies insurance coverage for general and medical liability, automobiles, and buildings and properties.
- The state self-insures this program and, as a result, would be required to pay all outstanding claims should the program have insufficient cash balances.
- This Fund does not include the state employee health insurance or workers' compensation program administered by the Department of Human Resource Management.
- In January, the Department of Treasury indicated to staff that insufficient funds existed in the insurance reserves based on actuarial projections and additional transfers of these funds could not be supported.
- However, Department of Planning and Budget (DPB) staff report that premium revenue, generated through rates charged to state agencies, has been exceeding expenses enabling the funds to accrue balances. According to DPB staff, on a cash basis the balance on June 30, 2003 is expected to be \$19.4 million after paying claims.
- After transferring the \$3.2 million from the state programs and paying required claims, DPB staff reported that the fund balance is projected to be \$14.7 million.

Amendment No. 54
Part 3: Miscellaneous -
§ 3-1.01 - Interfund Transfers -
Restore ABC Law Enforcement Funds

General Assembly Action: The adopted budget included a reduction of \$331,735 NGF the first

year and \$1,317,942 NGF the second year in ABC Law Enforcement and Regulation. The adopted budget included companion amendments in Item 403 (the operating budget) reducing the spending authorization, and in Part 3, providing for the transfer of the nongeneral funds to the general fund.

Governor's Action: Provides language in Part 3 to eliminate the transfer of \$1,317,942 NGF the second year to the general fund.

Note: The Administration indicates the operating appropriation could be adjusted administratively, if necessary.

Amendment No. 55
Part 3: Miscellaneous -
§ 3-1.01 – Interfund Transfers -
Reduction of Aviation Special Fund Balance Transfer

General Assembly Action: Approved the transfer of a total of \$4.7 million of unappropriated balances in the Aviation Special Fund to the General Fund in fiscal year 2003, including \$2.4 million proposed by the Governor and \$2.3 million by the General Assembly. Authority to expend these balances was not included in Chapter 899 or the introduced budget bill, nor was an executive amendment presented to increase the DOAV appropriation of these funds.

Governor's Action: Reduces from \$4.7 million to \$3.7 million the transfer of Aviation Special Fund balances to the general fund. An administrative action would be required to increase the appropriation so that these funds could be spent by the Department of Aviation.

Notes:

- The explanation accompanying the Governor's amendment states the additional \$1.0 million to be retained in by DOAV would be used for security improvements and mandatory airport maintenance.
 - Action of the General Assembly resulted in a balance of \$1.8 million remaining in the Aviation Special Fund provide additional funding required for general aviation security, estimated to total \$1.5 million.
-

Amendment No. 56
Part 3: Miscellaneous -
§ 3-1.01 - Interfund Transfers -
Game Protection Fund

General Assembly Action: Approved language in the introduced budget that limited the transfer from the general fund to the Game Protection Fund from watercraft sales and use taxes to \$1.8 million the first year and \$1.9 million the second year.

Governor's Action: Proposes language to allow the Governor to increase the transfer if actual collections for watercraft sales and use taxes exceed the official revenue forecast from this source.

Amendment No. 57
Part 3: Miscellaneous -
§ 3-1.01 - Interfund Transfers -
Increase Local Share of Allocation of Sales Tax Compliance Costs

General Assembly Action: Approved the transfer of \$370,175 in the second year from local sales and use tax revenues to the general fund to support the Department of Taxation's increased costs associated with its enhanced sales tax compliance efforts. The enhanced compliance efforts are projected to generate additional sales and use tax receipts for localities.

Governor's Action: Increases the transfer to the General Fund by \$175,490 in the first year and \$387,774 in the second year based on revised cost allocation estimates resulting from the provisions of additional compliance positions in the enrolled budget bill.

Amendment No. 58
Part 3: Miscellaneous -
§ 3-1.01 - Interfund Transfers -
Intensified Drug Enforcement Jurisdiction Fund (IDEA) fee

General Assembly Action: Approved language in Item 32, 33, 34 and 35 to raise the IDEA fee from \$2.00 to \$4.00. This is a fee that is added on to the court cost for each criminal case. The revenue from the fee was then transferred to the general fund. The General Assembly also included the same language in the ninth enactment clause to HB 1400 in order to codify the increase.

Governor's Action: The Governor proposes increasing the transfer to the general fund by \$160,000 the first year and \$1,000,000 the second year based on an interpretation that the actions in Items 32 through 35 and the action in the ninth enactment clause have been interpreted to be cumulative and thereby increase the fee from \$2.00 to \$6.00.

Notes: According to the Executive Secretary of the Supreme Court, the understood intent of the General Assembly was to increase the fee by \$2.00 and not \$4.00. The Supreme Court suggested a technical amendment to clarify the intent but the Governor choose instead with this amendment to assume additional revenue through the interpretation that the actions are cumulative. If the General Assembly rejects the amendment, the Executive Secretary reported that the intent would be clarified.

Amendment No. 59

Part 4: General Provisions -

§ 4-1.04 Appropriation Reductions

General Assembly Action: Modified existing language related to the Governor's authority to withhold allotments of appropriations when the General Assembly is not in session, if a formal re-estimate of the revenues in accordance with current Code provisions indicates that a revenue shortfall will occur.

Current law specifies that no reduction actions can occur until a specific and detailed written budget reduction plan, as approved by the Governor, is submitted to the Chairmen of the House Appropriations and Senate Finance Committees.

The 2003 General Assembly amended the language to require that --

- Any modifications to the Governor's budget reduction plan also must be submitted to the HAC and SFC chairmen before those modifications can be implemented;
- All budget reduction proposals submitted by state agencies must be shared with the HAC and SFC chairmen, without regard to whether the proposals become part of the Governor's approved plan;
- Grantees named specifically in the Appropriation Act shall not be reduced any more on a proportional basis than the agency that "houses" the grant is reduced;
- The remaining payment to the grantee shall be made by July 31st or in two equal installments by July 31st and December 31st, if the amount to be paid is less than or equal to \$500,000, unless the normal conditions of the grant dictate a different payment schedule.

Governor's Action: Alters the provisions added by the General Assembly as follows:

- Eliminates the requirement that modifications to the approved budget reduction plan be submitted to the HAC and SFC chairmen;
- Eliminates the requirement that all budget proposals submitted by agencies be shared with the money committee chairmen and instead would provide a summary of budget reduction proposals by secretarial area, noting total proposed dollar and position reductions (extends the timeline for providing this data from five calendar days to 10 days);
- Stipulates that the Governor's budget reduction plan would take precedence over any conditions or restrictions set out in the Appropriation Act, if they conflict with the budget reduction plan;
- Eliminates the condition that grantees named specifically in the Act be reduced on a proportional basis no more than the agency which "houses" the grant;
- Eliminates the requirement about the timeline for paying the remaining amount of the grant.

Notes:

- The Governor's proposed amendment would provide authority to waive any condition or restriction placed in the Appropriation Act by the General Assembly, if the Governor deems that such is in conflict with a provision of his budget reduction plan.
- The Governor's proposed summary of alternative reduction strategies by secretarial area would be of limited value since it would not contain the details necessary to weigh the proposals.

**Amendment No. 60
Part 4: General Provisions -
§ 4-4.01 - General-Capital Projects-
Treasury Board Review of Alternative Financing Agreements**

General Assembly Action: Included language requiring the Treasury Board to review and approve alternative financing agreements between a state agency, institution, or affiliated foundation and a private entity.

Governor's Action: Amended the language to require Treasury Board review only for agreements between a state agency/institution and the private entity.

Notes:

- Under current law, the Treasury Board reviews any alternative financing agreement entered into by a state agency or institution of higher education. The Treasury Board cannot review agreements entered into by a university foundation.
- General Assembly action addresses concerns that a university foundation could enter into these agreements and make obligations on behalf of the university without any review from the Commonwealth.
- Some institutions have raised concerns that the General Assembly's language would allow the Treasury Board to review any foundation agreement, not just those involving commitments by the university.

**Amendment No. 61
Part 4: General Provisions -
§ 4-5.06 Goods and Services -
Motor Vehicle Purchase Decentralization Authority**

General Assembly Action: Provided institutions of higher education with authority to purchase or lease a motor vehicle without the prior written approval of the Director of the Department of General Services. Institutions of higher education would still be required to report inventory data for vehicles that were purchased or leased to include cost data for comparison purposes.

Governor's Action: This amendment allows for the suspension of the authority to purchase or lease motor vehicles if the cost to institutions of higher education is greater than under a statewide contract.

Amendment No. 62
Part 4: General Provisions -
§ 4-5.08 – Delegation of Authority -
Accountability for Higher Education Decentralization

General Assembly Action: Included language requiring responsible Cabinet Secretaries to work with the institutions of higher education to establish memoranda of understanding that will go into effect no later than October 15, 2003 and will address how decentralized pilot programs will be carried out and what level of performance will be expected. The General Assembly also required that the responsible Cabinet Secretary establish eligibility criteria by October 1, 2003 for institutions not currently participating in the decentralization pilot programs in the event that they wish to participate at a later date.

Governor's Action: Removes the date for ensuring that the memoranda of understanding go into effect and the requirement that Cabinet Secretaries establish eligibility criteria for institutions wishing to participate in decentralization pilot programs.

Note: The General Assembly's action clarifies the administration and evaluation of existing decentralization programs and establishes clear expectations moving forward.

Amendment No. 63
Part 4: General Provisions -
§ 4-5.08 – Delegation of Authority -
Higher Education Capital Lease Decentralization

General Assembly Action: Expanded the existing decentralization pilot program for real property leases to include capital leases at the University of Virginia and Virginia Tech.

Governor's Action: Technical. Clarifies the General Assembly's intent that post-appropriation authority be delegated to the universities. The institutions cannot enter into a capital lease not appropriated by the General Assembly.

Amendment No. 64
Part 4: General Provisions -
§ 4-6.01 – Employee Compensation -
Office of Protection and Advocacy Director’s Salary

General Assembly Action: None.

Governor's Action: Proposes an amendment providing the salary of the Executive Director of the Virginia Office of Protection and Advocacy as the director of an independent agency.

Amendment No. 65
Part 4: General Provisions -
§ 4-7.01 – Manpower Control Program -
Institutions of Higher Education Employment Reporting

General Assembly Action: Provided institutions of higher education with increased flexibility to increase the number of authorized positions to 105 percent of appropriated levels for the Educational and General programs. Provisions of the decentralized authority required quarterly reporting personnel data.

Governor's Action: This amendment would require institutions of higher education to report on employment levels to the Department of Human Resource Management monthly rather than the current quarterly requirement.

Amendment No. 66
Part 4: General Provisions -
§ 4-8.03 – Revenues -
Revenue Adjustments

General Assembly Action: Enrolled the bill to reflect front page revenue adjustments.

Governor's Action: This amendment provides that the front page shall be enrolled to reflect any revenue adjustments based on final actions of the General Assembly during the Reconvened Session.

Amendment No. 67
§ 4-12.00 - Effective Date
Clarification of DUI Fee Language

General Assembly Action: The adopted budget incorporated a new \$100 fee for DUI convictions pursuant to Senate Bill 1258, as adopted. Revenues from the \$100 DUI fee were included in the introduced budget. The General Assembly advanced the implementation date for the fee from July 1 to May 1, 2003. Upon advice of counsel, the conferees also included an enactment clause to provide for codification of the \$100 DUI fee.

Governor's Action: Technical. Provides language in Part 4 to clarify that the \$100 fee is not intended to be imposed twice – once in the appropriation act language and once in the statutory language.

Notes:

- Concerns were expressed by the Office of the Executive Secretary of the Supreme Court that someone might conclude that the fee was intended to be \$200 (instead of \$100) since it was referenced twice (once in the operating budget and once in the enactment clause).

- The intent of the Governor's amendment is simply to clarify legislative intent that the fee is to be \$100 per conviction.

Governor's Proposed Amendments - Bills Considered by House Appropriations Committee

HB 1600 Diversion of Transportation Funds

General Assembly Action: Enacted legislation requiring the Governor to include a plan for repayment within three years of any funds diverted from the Highway Maintenance and Operating Fund or the Transportation Trust Fund whenever such a diversion is recommended.

Governor's Action: Offers an amendment which would make the provisions of this legislation applicable to the General Assembly as well if amendments to the Budget Bill include any diversions of transportation funds for alternative purposes.

HB 1926 Virginia Information Technologies Agency

General Assembly Action: Enacted legislation creating the Virginia Information Technologies Agency (VITA), consolidating the Department of Information Technology, Department of Technology Planning, and Virginia Information Technologies Authority into the new agency, establishing a Chief Information Officer of the Commonwealth, establishing an Information Technology Investment Board, and providing for the consolidation of selected technology resources in executive department agencies.

Governor's Action: Recommends a number of amendments, the majority technical or clarifying in nature, to the bill. Amendment number 17, which is a substantive amendment, modifies the structure of the Virginia Technology Infrastructure Fund. Language in HB 1400 overrides the statutory provisions of the Fund for FY 2004.

The proposed amendment provides a statutory framework for the financing of VITA and the state's information technology systems beyond FY 2004. Revenue for the Fund will consist of savings from reductions in state agency information technology services, savings from technology enterprise projects, and revenue from fees and charges assessed for technology enterprise projects. All technology-related savings will be identified through a methodology approved by the Technology Investment Board and the Secretary of Finance. The Auditor of Public Accounts is

required to certify the amount of any savings. Expenditures from the Virginia Technology Infrastructure Fund will be appropriated through the Appropriation Act.

HB 2445

Civil Commitment of Sexually Violent Predators

General Assembly Action: Approved legislation to amend and reenact Article 1.1, Chapter 2, of Title 37.1, Code of Virginia pertaining to the civil commitment of sexually violent predators to a treatment facility upon completion of a prison sentence. The bill has an emergency clause to become effective upon its passage.

Governor's Action: Proposes several technical amendments including adding a definition for the term "hospitalization". Also, proposes changing the tool for screening of potential sexual predators from the Sentencing Commission Risk Assessment to the Rapid Risk Assessment for Sexual Offender Recidivism or a comparable, scientifically validated instrument as designated by the Commissioner of Mental Health. Also, adds a sixth enactment clause to extend the time for a circuit court to schedule a required hearing from 30 days to 60 days until July 1, 2004 in an attempt to provide more time to process the initial back-log of cases.

Note: A companion amendment to Item 512 of HB 1400 provides additional funding for the program and language directing the Secretaries of Finance, Health and Human Resources and Public Safety to determine short and long term plans for locating a facility for housing the sexually violent predators.

SB 1129

Codification of Court Fees and Costs

General Assembly Action: Enacted legislation which codified the court fee increases included in Chapter 899 of the 2002 Session and increased court filing fees by a total of \$6.00; \$5.00 of which is intended to reflect costs associated with state troopers' time in court, and \$1.00 to cover the costs associated with the use of courtroom interpreters.

Governor's Action: Offers amendments which also would codify the \$2.00 increase in the Integrated Drug Enforcement Jurisdiction Fund (IDEA) fee approved in Chapter 1400.