

Governor Kaine's Budget Proposals for the 2008 General Assembly Session

Because of the pre-Budget Presentation announcements, there were no REALLY BIG surprises in the Governor's budget proposals announced today when he introduced his budget.

I have noticed that the press is already highlighting the increase in the driver's license fee, but there is a little bit of an explanation. He also recommended that autos be inspected every other year, rather than the current annual inspections – so there is a little savings there.

While I have not read every word of the budget, I noticed the following items that might be of interest to you:

BRAC Money – '09 - \$7.5 million
'10 - \$17.5 million

Language seeks to give priority to the locality in which a U.S. Navy Master Jet Base is located (VA Beach) and to assist in the retention of the Defense Advanced Research Projects Agency (Arlington). A second language amendment would provide some flexibility to use the current dollars set aside to address encroachment issues in VA Beach for use in mitigating adverse impacts on any military operations caused by encroachment of incompatible land uses.

Rolls-Royce Project (Prince George Co.) – '09 - \$1.3 million
'10 - \$9.4 million

Salary Increases – 3 % increase effective July 1, 2009

For each year, \$1.6 million was added to fund an increase in reimbursements to localities for Constitutional Officers retirement.

Governor's Opportunity Fund – '09 - \$15.1 million (no increase from current biennium).

'599' Funds – No change. The recently adjusted amount that you are getting now would be your amount during 2008-2010.

ABC Profits and Wine Tax Profits – Gov. Kaine has recommended that you no longer receive that money – TOWNS would continue to receive the money, but not counties and cities.

No Funding was recommended for **Nonstate Agency** Appropriations – i.e. no money for local historic sites, museums, etc. in 2009.

SECRETARY OF ADMINISTRATION

Compensation Board

Language specifies funding for the additional staffing support at **Riverside Regional Jail** resulting from the expansion.

\$14.9 million each year for **Additional Jail Per Diem Funding**.

Constitutional officers would have to continue to maintain positions vacant for 90 days prior to filling them.

\$2.0 million – ‘09

\$4.0 million – ‘10

Funding to support **Sheriffs’ Deputies Retirement Funds** for additional reimbursement to localities that include the Sheriffs’ deputies and regional jail correctional officers in the Law Enforcement Retirement System.

SECRETARY OF AGRICULTURE & FORESTRY

Department of Agriculture & Consumer Services

\$3.0 million in each year for matching grants to support local **Purchase of Development Rights Programs** to protect farmland from development.

Department of Forestry

Reduction of \$72,000 in each year for the **Reforestation of Timberlands Program**.

SECRETARY OF COMMERCE & TRADE

Governor's Motion Picture Opportunity Fund – additional \$200,000

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VA Investment Partnership Grants - \$1.3 million – '09
\$2.3 million – '10

These are payments due based on negotiated grant awards. The firms have met the investment and job creation criteria.

Department of Business Assistance

VA Jobs Investment Program – additional \$2.0 million in 2010.

Department of Housing & Community Development

Start-up funds for the **Statewide Community Bank** will no longer be needed; bank to be fully operational in 2010 – targeted to distressed communities and populations.

State Fire Marshall's Office would be transferred to the VA Department of Fire Programs.

Southeast Rural Community Assistance Project, Inc. – 5% Reduction

Funds for Technical Assistance to localities in application process for **federal New Market Tax Credits** eliminated.

Rural Broadband – Each year - \$500,000 – to provide gap financing to assist communities in connecting to the broadband backbone established in many rural areas of the state. In '09, \$200,000 of the funding would go to the Eastern Shore.

VA Economic Development Partnership

Eliminate funds to market VA's **Modeling & Simulation Industry**.

\$100,000 in each year to provide a presence in **China & India**

VA Employment Commission

All federal **Workforce Investment Act** funding & positions would be transferred over to the VA Community College System.

Responsibility for the **WIRED Grant** (Hampton Roads and Crater Regions) would transfer over to the Community College System.

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There is a capital outlay item which recommends funds for an umbrella capital project to consolidate and relocate local offices into the One-Stop Customer Service Centers - \$3.6 million for the biennium.

VA Tourism Authority

Eliminate \$740,750 each year in Pass-Through Payments, including those to the Outdoor Advertising Assn. of VA and the VA Assn. of Broadcasters.

To provide funds for addl. marketing & advertising, continue the **DMV Jamestown 400th Fee** - \$2.5 million collected each year would go into the **VA Tourism Enhancement Fund**.

SECRETARY OF EDUCATION

Early Childhood Diagnostic Assessment – \$379,950 in each year for the PALS diagnostic screening instruments and various program support services to local school divisions – assists in early ID of children at risk for early reading difficulties.

Direct Aid To Public Education

Federal Grant for **Special Education** – annualize funding to reimburse school districts - \$100 million in each year

Re-Benchmarking the SOQ – '09 - \$433.5 million
'10 - \$456.8 million

Lottery Proceeds are estimated to increase by \$44.6 million during the biennium.

Teacher Salaries – 3.5% increase for teachers & other instructional staff and 3% increase for local school staff – effective July 1, 2009.

Use Literary Fund dollars to pay for **School Employee Retirement Contributions** - \$55 million in '09.

VA Preschool Initiative – '09 - \$15.1 million

'10 - \$15.1 million + \$14.9 million in NGF dollars

Currently serves 13,000 children – to serve 20,000 by end of biennium. Priority is At-Risk Children, to include those receiving free & reduced price lunches. State would pay ½ of cost, as composite index used for the allocation of these dollars would be .50. The

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current per pupil rate is \$5,700 – a state match would be available for the difference between the \$5,700 and the average amount spent of \$6,790.

At Risk Students – For 2010, Data Coordinators would be placed in the 54 High Schools that are not fully accredited or have not achieved AYP. They would assist in Interpreting Test Scores and work on improving curriculum and instruction.

Also, the current **At-Risk Categorical Funding** was protected.

VA Community College System

\$1.8 million in each year – Expand **Middle College & Career Coaches Pilot Programs** – Middle College programs enable young adults to get GEDs and complete college courses; Career Coaches help to increase the no. of high school students obtaining employment credentials and postsecondary education.

SECRETARY OF HEALTH & HUMAN SERVICES

Comprehensive Services for At-Risk Youth & Families

Funds included to cover an annual program growth of approximately 10% - Additional State Pool Funds - \$65.4 million - '09

\$93.2 million – '10

Increase Maintenance Payments to Foster Family Homes – 15% - '09
addl. 10% in '10

There would be a Higher Match Rate for Community-Based Services – incentive for localities to use community-based services.

There is an initiative to track outcome data for children served through the CSA so that there will be better information regarding what works - \$225,000 – '09
\$52,000 – '10

Department of Mental Health, Mental Retardation & Substance Abuse Services

The budget proposals reflect more attention to **Community Services Boards**.

More oversight & monitoring – Core Standards and Service Improvement Plans will be developed by the state.

Funds for 40 addl. Outpatient Clinicians – 1/CSB

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\$50,000/CSB to provide 24/7 Psychiatric Consultation

\$70,000/CSB for Emergency Clinicians

At least 1 additional Case Manager/CSB (more in those with excessive caseloads) by the end of the biennium

Funds for 40 Clinicians who specialize in Children's Mental Health – to serve children ineligible under CSA

Jail Diversion Services - \$3.0 million in each year – expected to provide services to 300-500 persons. Also, funds included for training for law enforcement personnel related to crisis intervention involving persons with mental illness.

VA Department of Social Services

\$11.9 million in each year to replace lost federal dollars for **Child Welfare Services** - otherwise 200 employees would be lost

Add Social Workers in local departments in order to implement monthly visits to **Foster Care** families.

\$1.6 million in each year to make up for lost federal dollars in the **Child Support Enforcement Program**.

Local Facilities – Funds were included to cover **Rent increases and Facility Improvements** at 15 local offices (not specified) where the greatest need exists - \$199,810 in each year.

\$8.5 million in each year (NGF) to increase funding for **At-Risk Child Care Subsidies and Head Start Wraparound Care** – would address 25% of the current waiting list for child care subsidies

Central VA Foodbank – additional \$62,000 in '09.

SECRETARY OF NATURAL RESOURCES

Department of Environmental Quality

Water Facilities Revolving Fund – to add \$1.2 million in '09 and \$1.4 million in '10 to meet federal grant requirements for federal funds to assist localities with wastewater treatment plant upgrades

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Department of Conservation & Recreation

Water Quality Improvement Fund matching grants to implement **Non-Point Source Pollution initiatives** related to agricultural activities and development – '09 - \$6.0 million (GF) & \$14 million (NGF)

Transfer responsibility for the **Chippokes Plantation Farm Foundation** to the Dept. of Conservation & Recreation

Implement **Stormwater Management Program** - \$697,230 in each year (NGF)

SECRETARY OF TECHNOLOGY

\$250,000 in 2009 for the Community Foundation for the National Capital Region, which promotes economic development in the **Chesapeake Crescent (Region from Baltimore to Tidewater VA)**

SECRETARY OF PUBLIC SAFETY

State Police – Add 10 new State Troopers; Increased funds for gasoline.

A capital Outlay item recommended is the construction of a new **Public Safety Driver Training Facility at Fort Pickett**

SECRETARY OF TRANSPORTATION

Department of Rail & Public Transportation

Rail – Language to authorize the Dept. to study the use of Rail Enhancement Fund revenue for the costs of contracting with Amtrak for new intercity passenger rail service between Richmond & D.C.

Public Transit – Language to allow the Commonwealth Transportation Board to require that local funding provided to transit be maintained in '09 and beyond, preventing localities from using state funds to offset local investments in transit.

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VA Department of Transportation

I have not listed items under VDOT, as the Governor allocated funds from last year's package according to the provisions in the legislation. If changes to any of that are proposed, it will be in some other bill.

Aid to Local School Divisions (Estimated)

<u>Locality</u>	'09	'10
Charles City	\$ 5,755,522	\$ 5,960,850
Chesterfield	325,069,930	338,119,553
Colonial Heights	15,084,995	15,674,799
Dinwiddie	31,982,156	33,210,939
Emporia	6,718,455	6,954,771
Greensville	12,340,019	12,733,811
Hopewell	27,941,169	29,125,539
Petersburg	34,225,575	34,135,146
Prince George	42,143,084	43,851,750

Surry
Sussex

4,074,022
10,000,438

4,116,794
10,132,806