

Senate Substitute for HB 5001
New or Replacement Amendments to FY 2006 Budget

Item	Agency/Area	Description	FY 06 GF	FY 06 NGF
55.10 #1s	Enterprise Project Office	Create Enterprise Project Office	\$971,788	\$0
64 #1s	Compensation Board	Delayed Opening of Fairfax Jail Expansion	(\$1,553,969)	\$0
326 #6s	Medical Assist. Svcs	Adjust Medicare Part D Clawback Payment	\$ (6,930,071)	\$0
326 #8s	Medical Assist. Svcs	Va. Health Care Fund - Offset declining tobacco revenues	\$9,000,000	(\$9,000,000)
	Technology	Move Enterprise Project Office to Executive Offices	(\$471,788)	\$0
3-507 #1s	Transfers	TAX to accept a "review" financial examination for nonprofits < \$500k		
C-34.5 #2s	James Madison Univ.	Land acquisition with 9(d) bonds or NGF cash.	\$0	\$4,550,000

Note: The Senate substitute for HB5001 largely reflects the amendments adopted to SB29 and SB30 on February 23, 2006. The items shown on this page and the corresponding attached half sheets represent new or replacement amendments for FY 2006.

Administration	FY 04-05	FY 05-06	
Compensation Board	\$0	(\$1,553,969)	GF

Language:

Page 14, line 36, strike "\$333,784,422" and insert "\$332,230,453".

Explanation:

(This amendment is new for SB 5001. It captures savings from the delayed opening of additional local jail capacity.)

Executive Offices	FY 04-05	FY 05-06	
Enterprise Applications	\$0	\$971,788	GF
Public-Private Partnership Project Office			

Language:

Page 148, following line 13, insert:

"55.10. \$971,788
Fund Sources: General \$971,788."

"1-21.10 Enterprise Applications Public-Private Partnership Project Office

55.10 Public/Private Partnership (74700)..... \$0 \$971,788

Administrative and Support Services (747xx)\$0 \$471,788

Enterprise Architecture Development Services (74703)...\$0 \$500,000

Fund Sources: General..... \$0 \$971,788

Authority: Title, Chapter, Article , Code of Virginia.

A.1. The amounts provided in the subprogram Administrative and Support Services shall be expended for the Enterprise Applications Public-Private Partnership Project Office. The Project Office shall be headed by a Director, selected by the Governor to serve under a six-year contract. The Project Office Director shall be a state

employee; however, his position shall not be considered an agency head for purposes of 4-6.00 of this act. The Information Technology Investment Board shall review and approve the Director's qualifications prior to finalizing the contract. The Director shall report directly to the Governor.

2. The Project Office Director shall have all the powers necessary to direct the Commonwealth's efforts to modernize central administrative systems through the Enterprise Applications Public-Private Partnership. Specifically, the Director shall: (a) have authority to hire staff necessary to support the Project Office and such employees shall be considered state employees, except such positions shall be restricted to the life of the partnership project; (b) develop an implementation strategy with milestones, deliverables and funding requirements for presentation and approval of the Information Technology Investment Board and Governor; (c) plan, coordinate, monitor and control individual agency involvement; (d) prioritize efforts to ensure the implementation strategy is executed as planned and approved; and (e) monitor development efforts and provide reports to the Governor, the Information Technology Investment Board, and the Chairmen of the House Appropriations and Senate Finance Committees, as requested.

3.a. All Executive Department agencies and institutions shall comply with the directives and requirements established by the Director.

b. The Project Office Director shall report unacceptable agency cooperation to the affected Cabinet Secretary and to the Governor's Chief of Staff, and the Chairmen of the House Appropriations and Senate Finance Committees. The Chief of Staff may direct the Project Office to assume responsibility for the management of an agency's enterprise applications related work for the period of time considered necessary by the Project Office Director.

c. For agencies whose enterprise applications management efforts are the responsibility of the Project Office, the Project Office shall have responsibility for operational decisions relative to the enterprise applications efforts.

4. Legislative, Judicial, Independent agencies, and institutions of higher education shall work cooperatively with the Project Office Director to ensure the successful completion of the Enterprise Applications Public-Private Partnership activities.

5. The Director shall make reports no less than quarterly as follows: (i) to the Governor and the Chairmen of the House Appropriations and Senate Finance

Committees on major aspects of the Partnership, including status of funding needs, areas of risk, and major problems and implications; and (ii) to the Information Technology Investment Board that compare actual performance to the milestones, deliverables and funding in the approved implementation strategy.

B. The amounts provided in the subprogram Enterprise Architecture Development Services shall be expended to support the Enterprise Applications Master Services Interim Agreement between the Commonwealth of Virginia and CGI-AMS, pending approval of the comprehensive agreement by the Information Technology Investment Board, to perform the following activities: (1) for each business process (a) document the system requirements, recommended solutions, and an implementation plan for review and approval by the Governor and the Information Technology Investment Board, and (b) identify existing policy and statutory conflicts that are impediments to the recommended solution and a plan for managing those conflicts, and also (2) work towards enhanced collections and cost recoveries above current baselines through specific management agreements with involved agencies with the appropriate approval of the Attorney General. Work on enhanced collections and recoveries shall not proceed if it commits the Commonwealth to expanding or significantly altering any existing federal or state program without the review and approval of the Governor and the General Assembly.

C. The amounts appropriated in this Item shall be held in the Virginia Technology Infrastructure Fund, as established by § 2.2-2023 of the Code of Virginia, and shall only be available for the purpose of this Item after approval of their use by the Information Technology Investment Board.

1. The Project Office Director shall prepare a budget of administrative costs for the Information Technology Investment Board to review and consider; provided, however, that such amount shall not exceed the amount appropriated in this Item. The Information Technology Investment Board shall review and approve the budget and approve release of the funds for such use. The Project Office Director shall prepare and submit quarterly reports to the Information Technology Investment Board on how the Project Office Director is expending these funds. No funds may be expended for this project except as specifically appropriated in this Item.

2. Within the subprogram Enterprise Architecture Development Services, the Project Office Director shall prepare and submit a budget for each business process and other activities in accordance with paragraph B. of this item. The budget shall include the amount, if any, of salary and other costs that participating agencies will incur for their involvement in the business process and activity as set forth in paragraph A.2. The

Information Technology Investment Board shall review and approve the budget for each business process and other activity and approve release of the funds for such use. The Project Office Director shall prepare and submit quarterly reports to the Information Technology Investment Board on how the Project Office Director is expending these funds.

D. Moneys resulting from enhanced collections and cost recoveries pursuant to Item B.2. shall be held in the Virginia Technology Infrastructure Fund, as established by § 2.2-2023 of the Code of Virginia. Except for amounts appropriated and held in the Fund as described in paragraph C. of this Item, no moneys shall be used for additional work on Enterprise Applications Public Private Partnership activities without the approval of the Information Technology Investment Board, who shall inform the Governor and the Chairmen of the House Appropriations, House Finance, and Senate Finance Committees of the anticipated use. The Information Technology Investment Board shall inform any vendor that these additional funds are subject to review and approval by the General Assembly.

E. The Department of Planning and Budget shall not take any administrative actions to reduce these amounts without prior written notification to the Chairmen of the House Appropriations and Senate Finance Committees.

F. No funds shall be expended from this Item to pay any costs incurred before July 1, 2006 related to the Enterprise Applications Master Services Agreement dated December 30, 2005.

Total for Enterprise Applications Public-Private Partnership Project Office.....\$0 \$971,788
 Fund Sources: General..... \$0 \$971,788"

Explanation:

(This amendment provides \$971,788 from the general fund the second year to create the Enterprise Applications Public-Private Partnership Project Office to oversee the Enterprise Applications Public-Private Partnership. Funding for the partnership's initial activities is provided in 2006-08.)

Item 326 #6s

Health And Human Resources	FY 04-05	FY 05-06	
Department Of Medical Assistance	\$0	(\$6,930,071)	GF

Services

Language:

Page 88, line 15, strike "\$4,680,452,927" and insert "\$4,673,522,856".

Explanation:

(This amendment reduces \$6.9 million from the general fund the second year to reflect a lower estimate of the Medicare Part D "clawback" payment. The introduced budget included a net general fund savings of \$2.2 million the second year for the Medicare Part D impact including the clawback, a general fund payment to the federal government for the new prescription drug benefit. This change increases net general fund savings to \$9.1 million in FY 2006. Based on downward revisions to the projected growth in pharmacy spending from calendar year 2003 to 2006, the federal government reduced the Commonwealth's annual payment amount.)

Item 326 #8s

Health And Human Resources	FY 04-05	FY 05-06	
Department Of Medical Assistance	\$0	\$9,000,000	GF
Services	\$0	(\$9,000,000)	NGF

Language:

Explanation:

(This amendment provides \$9.0 million GF in FY 2006 to offset a reduction in anticipated revenues to the Virginia Health Care Fund of \$9.0 million that are used as the state share of Medicaid spending. Lower tobacco tax revenues require the addition of general fund dollars to fully fund projected Medicaid expenditures.)

Item C-34.50 #2s

Education: Higher Education	FY 04-05	FY 05-06	
James Madison University	\$0	\$4,550,000	NGF

Language:

"C-34.50. Acquisition: Acquire Land \$4,550,000
Fund Sources: Bond Proceeds \$4,550,000".
In lieu of issuing revenue-backed debt for the acquisition of this property, the

Director of the Department of Planning and Budget may approve the use of nongeneral fund balances from auxiliary services for this acquisition."

Explanation:

(This amendment authorizes James Madison University to acquire land with \$4.6 million from 9(d) bond proceeds or, with the approval of the Director of the Department of Planning and Budget, from Higher Education Operating Funds.)

Item 3-5.07 #1s

Sales and Use Tax Exemptions for Nonprofit Organizations

Language

Language:

Page 201, following line 2, insert:

"§ 3-5.07 SALES AND USE TAX EXEMPTIONS FOR NONPROFIT ORGANIZATIONS

Notwithstanding the provisions of § 58.1-609.11 C 4, Code of Virginia, in the case of a nonprofit entity seeking to qualify for a sales and use tax exemption pursuant to § 58.1-609.11 B, Code of Virginia, the Department of Taxation shall accept a review of the financial statements performed by an independent certified public accountant in lieu of a full audit, if the entity's gross annual revenue was less than \$500,000 in the previous year. Such review is deemed to meet the requirement for a "financial audit" as that term is used and is required in § 58.1-609.11 C 4, Code of Virginia."

Explanation:

(This amendment is self-explanatory.)

Senate Substitute for HB 5001
New and Replacement Amendments to the 2006-2008 Budget

Enactment/ Item	GF		NGF		Agency	Description
	FY 2007	FY 2008	FY 2007	FY 2008		
54.10 #1s	\$5,293,908	\$8,793,908	\$0	\$0	Enterprise Office	Creates Enterprise Application Office (Moved from Technology)
85 #1s	\$332,000	\$0	\$0	\$0	Elections	State Board of Elections - Ballot Costs for 3 Const. Amendments
230 #1s	Language				FCM	Frontier Culture Museum - lease revenue language
250 #6s	Language				HE Research	Earmarks \$3.0 million to recruit research entity to I-81 Corridor
270 #3s	\$836,792	\$0	\$0	\$0	Treasury	Revised amounts for three claims bills (SB 609, HB 1379, HB 1380)
302 #36s	(\$17,865,473)	(\$19,199,495)	\$0	\$0	DMAS	DMAS Clawback Adjustment
	(\$5,293,908)	(\$9,293,908)	\$0	\$0	Technology	Enterprise Application Project Office - move to Exec Offices
461 #16s	\$4,586,000	\$4,769,000	\$1,044,000	\$1,086,000	Central Accts.	Increase State Police retirement multiplier from 1.7 to 2.0%
461 #17s	\$5,342,000	\$11,111,000	\$0	\$0	Central Accts.	Funds LEORS for non-participating localities, effective 1/1/2007
462 #20s	Language				Central Acts.	DARPA Language - Legislative intent
4-6.01 #4s	Language				Gen Provisions	Move Director, DPOR to higher salary band
3-5.06 #1s	Language				Transfers	TAX to accept a "review" financial examination for nonprofits < \$500k
Revenues	(\$25,000,000)	(\$25,000,000)	\$0	\$0	Front Page	Reverse SB 393 revenue component
	\$17,100,000	\$17,100,000	\$0	\$0	Front Page	Abusive Driver Fees linked to LEORS and SPORS

Part V: (new or replacement)

5-0 #1s Language

Neighborhood Assist. Act - Schol. For Students with Disabilitie
Law Enforcement Retirement
Revised Transportation Bill
Transdominion Express Authority
Repeals Rail Transportation Development Authority

Note: The Senate substitute for HB5001 largely reflects the amendments adopted to SB29 and SB30 on February 23, 2006. The Items shown on this page and the corresponding attached half sheets represent new or replacement amendments for the 2006-08 biennium.

Executive Offices	FY 06-07	FY 07-08	
Enterprise Applications	\$5,293,908	\$8,793,908	GF
Public-Private Partnership Project Office			

Language:

Page 32, line 1, insert:

"54.10.	\$5,293,908	\$8,793,908
Fund Sources: General	\$5,293,908	\$8,793,908."

"1-20.10 Enterprise Applications Public-Private Partnership Project Office

54.10 Public/Private Partnership (74700)..... \$5,293,908 \$8,793,908

Administrative and Support Services (747xx)\$1,887,152 \$1,887,152

Enterprise Architecture Development Services (74703)..\$3,406,756 \$6,906,756

Fund Sources: General..... \$5,293,908 \$8,793,908

Authority: Title, Chapter, Article , Code of Virginia.

A.1. The amounts provided in the subprogram Administrative and Support Services shall be expended for the Enterprise Applications Public-Private Partnership Project Office. The Project Office shall be headed by a Director, selected by the Governor to serve under a six-year contract. The Project Office Director shall be a state employee however his position shall not be considered an agency head for purposes of 4-6.00 of this act. The Information Technology Investment Board shall review and approve the Director's qualifications prior to finalizing the contract. The Director shall report directly to the Governor.

2. The Project Office Director shall have all the powers necessary to direct the Commonwealth's efforts to modernize central administrative systems through the Enterprise Applications Public-Private Partnership. Specifically, the Director shall: (a) have authority to hire staff necessary to support the Project Office and such employees shall be considered state employees except such positions shall be restricted to the life of the partnership project. (b) develop an implementation strategy

with milestones, deliverables and funding requirements for presentation and approval of the Information Technology Investment Board and Governor, (c) plan, coordinate, monitor and control individual agency involvement, (d) prioritize efforts to ensure the implementation strategy is executed as planned and approved, (e) monitor development efforts and provide reports to the Governor, the Information Technology Investment Board, and the Chairmen of the House Appropriations and Senate Finance Committees, as requested.

3.a. All Executive Department agencies and institutions shall comply with the directives and requirements established by the Director.

b. The Project Office Director shall report unacceptable agency cooperation to the affected Cabinet Secretary and to the Governor's Chief of Staff, and Chairmen of the House Appropriations and Senate Finance Committees. The Chief of Staff may direct the Project Office to assume responsibility for the management of an agency's enterprise applications related work for the period of time considered necessary by the Project Office Director.

c. For agencies whose enterprise applications management efforts are the responsibility of the Project Office, the Project Office shall have responsibility for operational decisions relative to the enterprise applications efforts.

4. Legislative, Judicial, Independent agencies, and institutions of higher education shall work cooperatively with the Project Office Director to ensure the successful completion of the Enterprise Applications Public-Private Partnership activities.

5. The Director shall make reports no less than quarterly as follows: (i) to the Governor and Chairmen of the House Appropriations and Senate Finance Committees on major aspects of the Partnership, including status of funding needs, areas of risk, and major problems and implications, (ii) to the Information Technology Investment Board that compare actual performance to the milestones, deliverables and funding in the approved implementation strategy.

B. The amounts provided in the subprogram Enterprise Architecture Development Services shall be expended to support the Enterprise Applications Master Services Interim Agreement between the Commonwealth of Virginia and CGI-AMS, pending approval of the comprehensive agreement by the Information Technology Investment Board, to perform the following activities: (1) for each business process (a) document the system requirements, recommended solutions, and an implementation plan for

review and approval by the Governor and the Information Technology Investment Board, (b) identify existing policy and statutory conflicts that are impediments to the recommended solution and a plan for managing those conflicts, and also (2) work towards enhanced collections and cost recoveries above current baselines through specific management agreements with involved agencies with the appropriate approval of the Attorney General. Work on enhanced collections and recoveries shall not proceed if they commit the Commonwealth to expanding or significantly altering any existing federal or state program without the review and approval of the Governor and General Assembly.

C. The amounts appropriated in this Item shall be held in the Virginia Technology Infrastructure Fund as established by § 2.2-2023 of the Code of Virginia and shall only be available for the purpose of this Item after approval of their use by the Information Technology Investment Board.

1. The Project Office Director shall prepare a budget of administrative cost for the Information Technology Investment Board to review and consider providing such amount does not exceed the amount appropriated in this Item. The Information Technology Investment Board shall review and approve the budget and therefore release the funds for such use. The Project Office Director shall prepare and submit quarterly reports to the Information Technology Investment Board of how the Project Office Director is spending these funds. No funds may be expended for this project except as specifically appropriated in this Item.

2. Within subprogram Enterprise Architecture Development Services the Project Office Director shall prepare and submit a budget for each business process and other activities in accordance with paragraph B of this Item. The budget shall include the amount, if any, of salary and other costs that participating agencies will incur for their involvement in the business process and activity as set forth in paragraph A.2. The Information Technology Investment Board shall review and approve the budget for each business process and other activity and therefore release the funds for such use. The Project Office Director shall prepare and submit quarterly reports to the Information Technology Investment Board of how the Project Office Director is spending these funds.

D. Moneys resulting from enhanced collections and cost recoveries pursuant to paragraph B.2. of this Item shall be held in the Virginia Technology Infrastructure Fund as established by § 2.2-2023 of the Code of Virginia. Except for amounts appropriated and held in the Fund as described in paragraph C of this Item, no moneys shall be used for additional work on Enterprise Applications Public Private

Partnership activities without the approval of the Information Technology Investment Board, who shall inform the Governor, the Chairmen of House Appropriation, House Finance and Senate Finance Committees of the anticipated use. The Information Technology Investment Board shall inform any vendor that these additional funds are subject to review and approval by the General Assembly.

E. The Department of Planning and Budget shall not take any administrative actions to reduce these amounts without notification to the Chairmen of House Appropriation and Senate Finance Committees.

F. No funds shall be used from this Item to pay any costs incurred before July 1, 2006 related to the Enterprise Applications Master Services Agreement dated December 30, 2005.

Total for Enterprise Applications Public-Private		
Partnership Project Office.....	\$5,293,908	\$8,793,908
Fund Sources: General.....	\$5,293,908	\$8,793,908"

Explanation:

(This amendment provides \$5.3 million GF the first year and \$8.8 million GF the second year to create the Enterprise Applications Public-Private Partnership Project Office to oversee the Enterprise Applications Public-Private Partnership and fund the partnership's initial activities.)

Item 85 #1s

Administration	FY 06-07	FY 07-08	
State Board Of Elections	\$332,000	\$0	GF

Language:

Page 66, line 32, strike "\$3,722,294" and insert "\$4,054,294".

Explanation:

(This amendment provides \$332,000 the first year for expenses related to a referendum on three constitutional amendments as provided for in SB 357, SB 526, and HB 1382.)

Item 230 #1s

Education: Other

Frontier Culture Museum Of
Virginia

Language

Language:

Page 193, after line 3, insert:

"Any revenue generated by the Frontier Culture Musuem of Virginia from the development of its properties pursuant to Section 23-298, Code of Virginia, may be retained by the museum to support agency operations. Such revenues shall be deposited into a special fund which shall be created on the books of the Comptroller. Amounts in this fund shall be appropriated consisitent with the provisions of this act."

Explanation:

(This amendment ensures that the museum will be able to continue to retain any revenue generated from property leases.)

Item 250 #6s

Education: Higher Education

Higher Education Research
Initiative

FY 06-07

(\$47,030,969)
(\$42,333,683)

FY 07-08

\$21,092,428
(\$26,723,760)

GF
NGF

Language:

Page 205, line 3, strike "\$145,798,901" and insert "\$56,434,249".
Page 205, line 3, strike "\$73,018,013" and insert "\$67,386,681".
Page 205, strike lines 1 through 54.
Page 206, strike lines 1 through 53.
Page 207, strike lines 1 through 57.
Page 208, strike lines 1 through 55.
Page 205, line 1, insert:

§ 1-79. HIGHER EDUCATION RESEARCH INITIATIVE (989)

250. Financial Assistance for

Educational and General Services (11000) \$56,434,249 \$67,386,681

Sponsored Programs (11004) \$56,434,249 \$67,386,681

Fund Sources: General	\$40,057,396	\$36,369,829
Higher Education Operating	\$16,376,853	\$31,016,852

Authority: Discretionary Inclusion.

1.a. Out of this appropriation, \$22,540,682 the first year and \$22,048,752 the second year from the general fund is provided for the first two years of seed money intended to strengthen leading research programs in the areas of biomedical research, biomaterials engineering, and modeling and simulation at public institutions of higher education in Virginia. It is the intent of the General Assembly that general fund support be provided for a three-year period during which time institutions shall attract federal, private, and other nongeneral fund grants to support long-term development in these areas.

1.b. Nongeneral fund amounts included in this Item represent the institutions' minimum contributions towards enhancing their research programs during this biennium. These ongoing amounts shall be invested in support of research programs including but not limited to those identified in this Item.

1.c. The Director, Department of Planning and Budget, shall transfer amounts for this purpose to the institutions of higher education as specified below.

2. a. Out of this appropriation, \$8,000,000 the first year from the general fund and \$8,000,000 the first year from nongeneral funds is designated for the Commonwealth Technology Research Fund pursuant to §2.2-2233.1., Code of Virginia. These funds shall be used primarily for component (iv) of the Fund, to enhance the capability of institutions of higher education to commercialize technologies developed through their research.

2.b. Specifically, these funds shall support collaborative, translational research aimed at commercialization of discoveries, including pre-investment funding to support prototyping and proof-of-concept testing. Awards from the Fund shall be matched on at least a dollar-for-dollar basis by the respective institutions of higher education with institutional funds, private funds, local funds or combinations thereof. The Governor is authorized to expend up to \$3,000,000 the first year from the general fund to provide an incentive for the location of a research-related entity along the Interstate 81 corridor.

Institution or	Research	FY 2007	FY 2007	FY 2008	FY 2008
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Agency	Area	General Fund	Nongeneral Fund	General Fund	Nongeneral Funds
Biomedical Research and Biomaterials Engineering					
Virginia Polytechnic Institute and State University	Host-Pathogen-Environment Interactions	\$3,007,485	\$2,855,530	\$3,007,485	\$5,711,060
Virginia Polytechnic Institute and State University	Advanced Biomaterials & Nanotechnology	\$2,931,788	\$3,194,400	\$2,931,788	\$6,388,880
University of Virginia	Drug Discovery, Bio- Engineering & Morphogenesis	\$5,333,333	\$4,312,720	\$5,333,333	\$8,625,440
Virginia Commonwealth University	Cancer, Neurological & Metabolic Diseases	\$4,166,667	\$1,737,155	\$4,166,667	\$1,737,155
University of Virginia & Virginia Commonwealth University	Regenerative Medicine	\$1,400,000	\$700,000	\$1,400,000	\$1,400,000
George Mason University	Integrated Biosciences	\$1,833,333	\$1,937,790	\$1,833,333	\$3,875,580
Subtotal, Biomedical		\$18,672,606	\$14,737,595	\$18,672,606	\$27,738,335
Modeling and Simulation Research					
Old Dominion University	Virginia Modeling, Analysis & Simulation Center (VMASC)	\$751,480	\$616,183	\$751,480	\$1,232,367
Old Dominion University	Instructional Game Simulation	\$449,637	\$132,126	\$449,637	\$264,252
Old Dominion University	Course Sharing in Modeling & Simulation	\$42,293	\$133,543	\$42,293	\$267,086
Eastern Virginia Medical School	Medical Modeling and Simulation	\$1,391,333	\$350,000	\$1,391,333	\$700,000
Virginia Economic Development Partnership	Emergency Management Training Simulation	\$1,233,333	\$0	\$0	\$0
Subtotal, Modeling and		\$3,868,076	\$1,231,852	\$3,376,146	\$2,463,705

Simulation

		Research Commercialization Fund			
Commonwealth Technology Research Fund	Technology Transfer	\$8,000,000	\$8,000,000	\$0	\$0
Subtotal, Research Commercial-izat ion Fund		\$8,000,000	\$8,000,000	\$0	\$0
TOTAL		\$30,540,682	\$23,969,447	\$22,048,752	\$30,202,040

3. Out of this appropriation, \$9,516,714 the first year and \$14,321,077 the second year from the general fund is provided to enhance related instructional programs, increase graduate student financial aid, supplement research equipment, and expand research programs in Southside Virginia. The Director, Department of Planning and Budget, shall transfer amounts for these purposes to the institutions of higher education or agency specified below.

Institution or Agency	Research Area	2007 General Fund	2008 General Fund
Program Enhancements			
Old Dominion University	Virginia Modeling, Analysis and Simulation Center (VMASC)	\$1,301,434	\$1,301,434
Old Dominion University	Gaming Technology and Course Sharing in Modeling and Simulation	\$1,119,668	\$1,119,668
Institute for Advanced Learning and Research	Advanced Materials, Vehicle Dynamics, Robotics, High Value Horticulture, and Nanotechnology	\$2,095,612	\$2,349,975
Treasury Board	Debt Service on Higher Education Equipment Trust Fund Supplement	\$0	\$4,550,000

	for Doctoral Institutions		
Subtotal, Program Enhancements		\$4,516,714	\$9,321,077
	Graduate Student Financial Aid		
Virginia Polytechnic Institute	Graduate Student Fellowships	\$1,599,628	\$1,599,628
University of Virginia	Graduate Student Fellowships	\$1,586,859	\$1,586,859
Virginia Commonwealth University	Graduate Student Fellowships	\$946,017	\$946,017
George Mason University	Graduate Student Fellowships	\$395,469	\$395,469
Old Dominion University	Graduate Student Fellowships	\$176,715	\$176,715
Virginia Institute of Marine Science	Graduate Student Fellowships	\$150,655	\$150,655
College of William and Mary	Graduate Student Fellowships	\$144,657	\$144,657
Subtotal, Graduate Aid		\$5,000,000	\$5,000,000
TOTAL		\$9,516,714	\$14,321,077

	2007 General Fund	2007 Nongeneral Funds	2008 General Fund	2008 Nongeneral Funds
Total Research Operating Funds	\$40,057,396	\$23,969,447	\$36,369,829	\$30,202,040

4. Authorization for the Higher Education Equipment Trust Fund Research Supplement shall be allocated to the following institutions:

Equipment Allocation from Higher Education Equipment Trust Fund	Institution	FY 2007
	Virginia Polytechnic Institute and State University	\$8,140,000
	University of Virginia	\$7,240,000
	Virginia Commonwealth University	\$5,730,000
	George Mason University	\$3,040,000
	College of William and Mary	\$1,200,000
	Old Dominion University	\$763,120

Virginia Institute of Marine Science	\$300,000
Institute for Advanced Learning and Research	<u>\$79,946</u>
Total	\$26,493,066

5. General fund balances from this Item remaining in the institutions or agencies on June 30, 2006 shall be reappropriated on July 1, 2007.

6.a. Beginning October 1, 2007, each institution receiving funds under this Item shall report annually to the Secretary of Education and the Chairmen of the House Appropriations and Senate Finance Committees on how general fund appropriations were spent the prior fiscal year and how funds will be spent for the upcoming fiscal year.

b. These reports shall include, but need not be limited to: 1) the number of junior and senior faculty recruited in each field, 2) the amount of federal or other grant funds received as the result of those recruitments, 3) additional grants or contracts being pursued, 4) the level of instructional activity conducted by these faculty, 5) the impact of research activities on undergraduate instruction, 6) the use of graduate student aid funds, and 7) the expansion of collaborative efforts with other institutions of higher education, government entities, or private business and industry.

c. The State Council of Higher Education for Virginia shall review these reports, and work collaboratively with the institutions to identify the Commonwealth's short-term return on this investment as well as anticipated long-term prospects. Upon recommendation by the Governor in the next biennial budget and upon approval by the General Assembly, those institutions demonstrating a positive return on the Commonwealth's investment shall be eligible to receive interest earnings on sponsored programs and indirect cost recovery balances, which currently accrue to the general fund.

Explanation:

(This amendment provides \$40.1 million the first year and \$36.4 million the second year from the general fund for the first two-years of a three-year higher education research initiative.)

Item 270 #3s

Finance

FY 06-07

FY 07-08

Department Of The Treasury

\$836,792

\$0 GF

Language:

Page 224, line 41, strike "\$7,384,559" and insert "\$8,221,351".

Explanation:

(This amendment provides \$836,792 GF the first year for the relief of Troy Hopkins, Willie Neville Davidson, and Phillip Thurman, as provided for in SB 609, HB 1379, and HB 1380, as adopted by the 2006 General Assembly.)

Item 302 #36s

Health And Human Resources

FY 06-07

FY 07-08

Department Of Medical Assistance
Services

(\$17,865,473)

(\$19,199,495)

GF

Language:

Page 258, line 32, strike "\$4,989,007,434" and insert "\$4,971,141,961".

Page 258, line 32, strike "\$5,325,426,176" and insert "\$5,306,226,681".

Explanation:

(This amendment reduces \$17.9 million the first year and \$19.2 million the second year from the general fund to reflect a lower estimate of the Medicare Part D "clawback" payment. The introduced budget included \$16.3 million the first year and \$20.2 million the second year for the clawback, a general fund payment to the federal government for the Medicare Part D prescription drug benefit. Based on downward revisions to the projected growth in pharmacy spending from calendar year 2003 to 2006, the federal government reduced the Commonwealth's annual payment amount. The overall general fund impact of the new prescription drug benefit is now projected to be \$43.4 million for the biennium, less than the previous estimate of \$80.4 million that was reflected in the introduced budget.)

Item 461 #16s

Central Appropriations

FY 06-07

FY 07-08

Central Appropriations

\$4,586,000

\$4,769,000

GF

\$1,044,000 \$1,086,000 NGF

Language:

Page 396, line 1, strike "\$124,835,526" and insert "\$130,465,526".

Page 396, line 1, strike "\$172,094,188" and insert "\$177,949,188".

Page 403, following line 38, insert:

"Q. Out of the amounts for Compensation Supplements shall be paid \$4,586,000 general fund and \$1,044,000 Non-general funds the first year and \$4,769,000 general fund and \$1,086,000 Non-general funds the second year to increase the retirement multiplier for retirement under the State Police Officers' Retirement System (SPORS) from .0170 to .0200, as provided for in Part V of this act."

Explanation:

(This amendment provides \$4.6 million GF and \$1.0 million NGF the first year and \$4.8 million GF and \$1.1 million NGF the second year to increase the retirement multiplier for retirement under the State Police Officers' Retirement System (SPORS) from .0170 to .0200, as provided for in Part V of SB 5002.)

Item 461 #17s

Central Appropriations

FY 06-07

FY 07-08

Central Appropriations

\$5,342,000

\$11,111,000 GF

Language:

Page 396, line 1, strike "\$124,835,526" and insert "\$130,177,526".

Page 396, line 1, strike "\$172,094,188" and insert "\$183,205,188".

Page 403, following line 38, insert:

"Q. Out of the amounts for Compensation Supplements shall be paid \$5,342,000 general fund the first year and \$11,111,000 general fund the second year to provide Law Enforcement Officers' Retirement (LEOR) benefits to deputy sheriffs not provided such benefits as of January 1, 2006, as provided for in Part V of this act."

Explanation:

(This amendment provides \$5.3 million GF the first year and \$11.1 million GF the second year to provide Law Enforcement Officers' Retirement (LEOR) benefits to deputy sheriffs not provided such benefits as of January 1, 2006, as provided for in Part V of SB 5002.)

Central Appropriations

Central Appropriations

Language

Language:

Page 408, after line 29, insert:

"3. It is the intent of the General Assembly to provide future financial assistance in the amount of \$10,000,000 to the County of Arlington to help retain the Defense Advanced Research Projects Administration (DARPA) in Virginia. Such financial assistance will be used to relocate DARPA to an appropriate building complying with the United States Department of Defense Force Protection Standards for Buildings."

Explanation:

(This amendment expresses legislative intent to assist Arlington County keep the Defense Advanced Research Projects Administration in Virginia.)

Sales and Use Tax Exemptions for Nonprofit
Organizations

Language

Language:

Page 484, after line 3, insert:

"§ 3-5.07 SALES AND USE TAX EXEMPTIONS FOR NONPROFIT ORGANIZATIONS

Notwithstanding the provisions of § 58.1-609.11 C 4, Code of Virginia, in the case of a nonprofit entity seeking to qualify for a sales and use tax exemption pursuant to § 58.1-609.11 B, Code of Virginia, the Department of Taxation shall accept a review of the financial statements performed by an independent certified public accountant in lieu of a full audit, if the entity's gross annual revenue was less than \$500,000 in the previous year. Such review is deemed to meet the requirement for a "financial audit" as that term is used and is required in § 58.1-609.11 C 4, Code of Virginia."

Explanation:

(This amendment is self-explanatory.)

Item 4-6.01 #4s

Positions and Employment

Employee Compensation

Language

Language:

Page 515, following line 53, insert:

"Director, Department of Professional & Occupational Regulation
\$101,258, 101,258".

\$98,309

Page 516, Strike lines 32 and 33.

Explanation:

(This amendment moves the salary for the Director of the Department of Professional & Occupational Regulation from Level IV to Level III in the agency head salary table.)

Item 5-0 #1s

Part 5: Enactment Numbers 2 through 5

Language

Language:

Page 527, strike lines 37 through 52.

Strike all of pages 528 through 577.

Page 578, strike lines 1 through 13 and insert:

Explanation:

(This amendment eliminates Enactments #3 through #13 from Senate Bill 5002 as introduced. Instead, the amendment includes: the Senate transportation plan; the estate tax reduction; Senate Bill 544 changes to the Neighborhood Assistance Program establishing a fund for grants for schools for students with disabilities; the Transdominion Express Authority; and features of Senate Bill 393 which imposes fees for dangerous driving offenses to cover certain costs under the Law Enforcement Officer's Retirement System.)
