

Operating Budget Requests and Recommendations Impact Localities
(Decision Package)

	GF 2011	GF 2012	NGF 2011	NGF 2012	Positions
Group: Aid to Localities					
Administration					
<i>Compensation Board (157)</i>					
Revert savings from delayed openings of jail expansion projects Approval Status: In the Track					
Request:	\$0	(\$1,180,183)	\$0	\$0	0.00
Recommend:	\$0	(\$1,374,398)	\$0	\$0	0.00
Agency Description: Request to revert unallotted appropriations associated with delays in the opening of funded jail expansion projects in Loudoun and Pittsylvania County. It is anticipated that the expansion project in Loudoun County that was originally funded in November 2009 will now open December 1, 2011. The expansion project in Pittsylvania County, funded for an opening date of July 1, 2011, has yet to open and an opening date is not known at this time. Savings associated with the first quarter of FY12 has been included in this request. Actual FY12 savings may be higher pending the official opening date of their expansion.					
Provide funding to support per diem payments to local and regional jails Approval Status: In the Track					
Request:	\$0	\$4,595,767	\$0	\$0	0.00
Recommend:	\$0	\$4,595,767	\$0	\$0	0.00
Agency Description: Request for additional funds to support the increased cost of housing local responsible and state responsible inmates in local and regional jail facilities for state charges based on actual inmate populations and latest growth rates provided by the 2011 Official Inmate Population Forecast.					
Commerce and Trade					
<i>Housing & Community Development (165)</i>					
Provide funding for the Fort Monroe Authority Approval Status: In the Track					
Request:	\$0	\$2,599,641	\$0	\$0	0.00
Recommend:	\$0	\$2,599,641	\$0	\$0	0.00
Agency Description: On September 15, 2011 the Fort Monroe garrison was deactivated by order of the 2005 BRAC Commission. On or about January 15, 2012 the Army will issue a quit claim deed to the Commonwealth of Virginia signifying the Army's abandonment of the 371.77 acres deeded to the Army with a reverter clause that stated when the property is no longer used for national defense, the property reverts to the Commonwealth of Virginia. Two additional parcels totaling 100.431 acres were deeded with limited use clauses. The Commonwealth OAG believes these clauses act as reverters but the Army disputes this position. One additional parcel of 122.318 acres is federal surplus land with no dispute over title. The FMA is attempting to negotiate the terms of an economic development conveyance (EDC) to resolve the title dispute and transfer all 564.519 acres to Commonwealth ownership. The Fort Monroe Authority was established by statute as the successor by law to the Fort Monroe Federal Area Development Authority as the Commonwealth's management agent for the protection and reuse of Fort Monroe. Since the nearly 565 acres at Fort Monroe will become Commonwealth property and since the FMA was established as a political subdivision of the Commonwealth to manage state property, the activities of the FMA in executing the Reuse Plan and protecting the National Historic Landmark (NHL) designation of Fort Monroe for future generations are inherently governmental activities. Since approximately half of the 300 structures at Fort Monroe are designated as contributing to the NHL designation it will be imperative that the FMA maintain the character and quality of these structures. This will require the FMA to operate the existing electric, water, wastewater and stormwater utility systems that have been rejected by the municipal utility operators due to age and condition. The FMA is also requesting supplemental funding for FY12 based on a number of recent developments: 1. Our FY12 decision narrative stated: "The FMA has projected keeping 243 of the 292 residential units occupied and leased to military families who choose to continue living on Fort Monroe for the remainder of their military tour of duty. Leasing revenue for FY2012 is projected to be \$3.755 million." In reality only 50 of the 174 housing units were leased to military families. In addition, the recent damage from Hurricane					

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Irene has damaged the 118 apartment units to the point where they no longer offer a viable revenue stream for the future. These two items have combined to reduce our revenue projection for FY12 to \$1.6 million. The reduction in initial home leases will result in a longer lease-up period to achieve the levels of revenue projected in the original FY12 request. 2. When preparing our FY12 funding request we believed that the Army would continue to operate the utility systems until all federal parcels are transferred to the Commonwealth. We expected the utility transfer to happen during FY13 but the negotiations with the Army have evolved to the point where the FMA must begin to operate the utility systems in January 2012 when the reversionary property reverts to the Commonwealth. 3. Our federal grant funding for FY12 was cut from a projected \$2.1 million to just more than \$1.6 million. 4. A number of capital improvement projects that were anticipated to qualify for the \$2.0 million maintenance reserve allocation ultimately do not qualify because they involve the installation of new equipment. 5. We have been negotiating with a state agency for the relocation of their headquarters to Fort Monroe. The cost of reconfiguring the building for their tenancy together with the relocation cost and leasing commission is approximately \$938,000. This cost was not projected in our FY12 budget. These 5 items have combined to leave us with a \$3.5 million shortfall in FY12. You will recall that we requested \$4.95 million in state appropriations for FY12 but were funded for only \$1.9 million.					

Education

Direct Aid (197)

Update costs of incentive and categorical programs
Approval Status: In the Track

Request:	\$0	\$0	\$0	\$0	0.00
Recommend:	\$0	(\$3,089,645)	\$0	\$0	0.00

Agency Description:

Update Fall Membership and Average Daily Membership enrollment counts
Approval Status: In the Track

Request:	\$0	\$0	\$0	\$0	0.00
Recommend:	\$0	(\$5,017,600)	\$0	\$0	0.00

Agency Description:

Commission for the Arts (148)

Restore national and regional organizational memberships
Approval Status: In the Track

Request:	\$0	\$50,355	\$0	\$0	0.00
Recommend:	\$0	\$50,355	\$0	\$0	0.00

Agency Description: Restore funding to the Virginia Commission for the Arts for organizational memberships. This funding was eliminated in Chapter 890, 2011 Acts of Assembly. The Virginia Commission for the Arts was not notified of this until the base adjustments were made. The payments to the membership organizations were paid in July. The funding is for the regional and national arts organizations. The consequences of not restoring funding for the Commission's national and regional memberships are that Virginia would lose the benefits of membership participation in the two organizations.

Finance

DOA Transfer Payments (162)

Adjust appropriations for aid to localities distributions
Approval Status: In the Track

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	GF 2011	GF 2012	NGF 2011	NGF 2012	Positions
Request:	\$0	\$8,304	\$0	\$0	0.00
Recommend:	\$0	(\$294,000)	\$0	\$0	0.00
Agency Description:					
Health and Human Resources					
<i>CSA (200)</i>					
Adjust appropriation to reflect caseload and utilization changes Approval Status: In the Track					
Request:	\$0	(\$24,827,013)	\$0	\$0	0.00
Recommend:	\$0	(\$24,827,013)	\$0	\$0	0.00
Agency Description: Adjust appropriation to reflect caseload and utilization changes					
Central Appropriations					
<i>Central Accounts (995)</i>					
Provide funding for presidential primary Approval Status: In the Track					
Request:	\$0	\$3,000,000	\$0	\$0	0.00
Recommend:	\$0	\$3,000,000	\$0	\$0	0.00
Agency Description: This request for funds is for costs associated with the upcoming March 6, 2012 Presidential Preference Primary (Presidential Primary). Section 24.2-545(F) specifically states that "[t]he cost of the presidential primary shall be paid by the Commonwealth pursuant to the provisions of the appropriation act." To date, no money has been appropriated for the upcoming primary. Funding for Electoral Services in the budget (Item 79) did not take the 2012 Presidential Primary into account. This budget request takes into account the fixed costs associated with an election and the request for \$3,000,000 accurately reflects the costs that will be incurred by the localities and SBE for the race. The \$3,000,000 figure is based largely on actual expenses incurred by the localities and SBE during the 2008 Presidential Primary. SBE expects a similar turnout to the high numbers seen in the 2008 Presidential Primary. This is based on several factors: 1. All registered Virginia voters are eligible to vote in the primary. 2. Virginia's Presidential Primary now falls on "Super Tuesday." This is ahead of where it used to be in order of the states and consequently the election will be deemed to be more consequential, and 3. The Republican Primary is shaping up to be extremely competitive and could spark great interest. In 2008, approximately 32% of registered voters in Virginia participated in the primary.					
State Totals					
Request:	\$0	(\$15,753,129)	\$0	\$0	0.00
Recommend:	\$0	(\$24,356,893)	\$0	\$0	0.00