

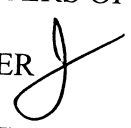
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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 27, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: BUDGET MEMO # 4 : VML LEGISLATIVE BULLETIN AND FEDERAL UNITED STATES CONFERENCE OF MAYORS REPORT

VML Legislative Bulletin (Attachment 1): Attached is a summary of budget amendments released by the House Appropriations and Senate Finance Committees on Tuesday February 21. The amendments are grouped by secretariat or general topic.

United States Conference of Mayors Report (Attachment 2): Attached is the United States Conference of Mayors' staff executive summary and a detailed analysis of the President's budget request for Fiscal Year 2007, which was submitted to Congress on February 6. The analysis discusses the changes called for in FY 2007 compared to final funding in FY 2006.

Attachments



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February 23, 2006

Comparison of House and Senate Budget Amendments

The following is a summary of budget amendments released by the House Appropriations and Senate Finance Committees on Tuesday February 21. The amendments are grouped by secretariat or general topic. At the end of each amendment is the item number for your reference and use when you write to or speak with your House or Senate members. Amendments to the budget for FY06 (HB 29/SB 29, the caboose bill) appear at the end of the document.

The House and Senate will take up their respective budgets this afternoon. Each budget will then go to the other chamber for rejection. At that time, House and Senate conferees will be named to attempt to iron out the differences in the two plans – not a small task, considering the differences in the transportation plans in particular. We will let you know who is chosen to serve as a conferee and try to keep you up-to-date on progress with the budget.

BIENNIAL BUDGET 2006-2008

Administration

Board of Elections Pilot Program

House: No amendment

Senate: Adds \$300,000 in FY07 to pay for state expenses for a pilot program to test voter verified paper ballots (SB 272). (Item 85 #3s)

Compensation Board

Electronic data

House: Expresses intent of General Assembly that beginning 7/1/08, sheriffs' offices and regional jails electronically submit all fingerprint and inmate identification photos to State Police by a means approved by this agency and with such funds as shall be provided by the State Compensation Board. (Item 59 #1h)

Senate: No amendment.

Additional deputy sheriffs

House: Provides \$358,906 in FY07 and \$411,760 in FY08 to fund 11 additional deputies to meet the 1:1,500 standard for law enforcement services. (Item 59 #2h)

Senate: Same (Item 59 #10s)

Reallocation of positions

House: Removes language from introduced budget directing the Compensation Board to reallocate positions from one locality whose jail overcrowding has been reduced or eliminated to another locality experiencing jail overcrowding. (Item 59 #3h)

Senate: Same (Item 59 #8s)

Court services

House: Eliminates funding from the introduced budget for additional court services deputies. (Item 59 #6h)

Senate: No amendment.

Sheriff supplemental salary

House: No amendment

Senate: Allows for \$1,000 state salary supplement to sheriffs who serve more than locality (Fairfax/Fairfax County; Allegheny and Covington; Manassas/Manassas Park/PWC; Lexington and Rockbridge; Franklin and Southampton; York and Poquoson; James City County and Williamsburg; Bedford and Bedford County). (Item 59#11s)

Federal inmate overhead recovery

House: Gives a 25 percent exemption until 6/30/08 from the federal inmate overhead recovery process for regional jails that have expanded the number of member jurisdictions by one or more or extended contracts with other jurisdictions. (Item 60 #1h)

Senate: No amendment.

House: Phases out over three years the exemption to the federal inmate cost recovery process for local or regional jails where the cumulative federal share of capital costs exceeds the state's cumulative capital contribution. (Item 60 #2h)

Senate: No amendment.

Finance director offices

House: Eliminates funding in the introduced budget for additional positions in local director of finance offices (loss of \$271,106 in FY07; \$418,982 in FY08). (Item 61 #1h)

Senate: No amendment.

Commissioners of the revenue

House: Eliminates funding in the introduced budget for additional positions in these offices (loss of \$492,920 in FY07; \$788,672 in FY08). (Item 62 #1h)

Senate: No amendment.

Circuit court clerks

House: Eliminates funding in the introduced budget for additional positions in these offices (loss of \$1.3 million in FY07; \$2.03 million in FY08). (Item 64 #2h)

Senate: No amendment.

Treasurers

House: Eliminates funding in the introduced budget for additional positions in these offices (loss of \$579,181 in FY07; 924,225 in FY08) (Item 65 #1h)

Senate: No amendment.

Reallocation of vacant positions

House: Eliminates language in the introduced budget requiring the Comp Board to re-allocate vacant positions within a fiscal year based upon workload, population, or inmate overcrowding. The Board may still use these factors as the basis for reallocating positions after each fiscal year. (Item 66 #2h)

Senate: Same (Item 66 #1s)

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Crime data/withholding of local funding

House: The introduced budget authorized the Compensation Board to withhold reimbursement of sheriff and jail expenses based on notification by the State Police that crime data from a locality is missing, incorrect, or incomplete. This adds language stipulating that the Compensation Board may only release funding withheld from a locality if the data is provided or corrected in the fiscal year in which the withholding took place. (Item 66 #3h)

Senate: Same (Item 66 #10s)

Commerce and Trade

Please note that some items in this area were incorrectly reported in the Feb. 20 issue of the Legislative Bulletin; please use this bulletin as your guide to the amendments.

Department of Business Assistance

Small Business Financing

House: Provides \$2.5 million in FY707 to recapitalize the Virginia Small Business Financing Authority (Item 102 #1h).

Department of Housing and Community Development

Appomattox River Dredging Project

House: Provides an additional \$300,000 in FY07 for the Appomattox River dredging project (104 #3h).

Heartlands Partnership

Senate: Provides \$100,000 in each year to support the Commonwealth Regional Council, the successor organization to the Virginia Heartland Partnership. (Item 104 #2s).

Broadband

House: Reduces funding of \$3.2 million in FY07 made available for a proposed new initiative to expand broadband technology; retains \$1 million for feasibility studies in rural areas (Item 104 #4h).

Senate: Provides \$200,000 in FY07 for the Communication Infrastructure Project to make broadband telecommunication services available to PDC #7, #6, #10 (Item 104 #6s).

Derelict Structures

House: Removes funding of \$500,000 in each year for a new initiative in western Virginia for the removal of derelict structures (Item 104 #6h).

Virginia Water Project

Senate: Provides \$100,000 in each year to the Virginia Water Project, which works with low-income communities to improve water and wastewater facilities (Item 104 #8s).

Planning District Commissions

House: Provides \$125,000 in FY07 to the Southside Planning District Commission in matching funds for construction of an expanded facility (Item 104 #1h).

Senate: Provides \$500,000 (total) in each year for increased general fund support for the Northern Virginia, Richmond and Hampton Roads planning district commissions; additional support was provided in the 2005 Session to the other 18 planning districts but these commissions were excluded (Item 104 #14s).

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Water and Wastewater

Senate: Provides \$2.4 million in each year for drinking water and wastewater projects in Southwest Virginia. The introduced budget included \$5 million each year in the Department of Health; an amendment to Item 294 reduces \$2.4 million from the Health Department budget, allowing VDH to retain \$2.6 million to offset a reduction in federal funding (Item 104 #16s).

Regional Research and Development Centers Initiative

House: Removes language and funding of \$660,000 in FY07 and \$1.8 million in FY08 for the proposed regional research and development centers through the DHCD (Item 104 #7h).

Senate: Reduces support by \$660,000 in FY08 for the regional research and development centers initiative. The budget bill called for four such centers (Item 104 #18s).

Highlands Regional Enterprise Business Plan

Senate: Reduces the amount proposed to support the Highlands Regional Enterprise Business Plan by \$100,000 in each year (Item 104 #19s).

Lake Country Advanced Knowledge Center

Senate: Provides \$250,000 in FY07 to expand classroom space for the Lake Country Advanced Knowledge Center in South Hill (Item 104 #20s).

Virginia Enterprise Zone Program

Senate: Adds \$1 million each year for the Virginia Enterprise Zone program in order to avoid the pro-ration of incentives for small-qualified and large-qualified businesses and for job grants (Item 105 #1s).

Department of Mines, Minerals and Energy

Virginia Energy Plan

House: Eliminates funding of \$116,400 in each year for the development of energy efficiency contracts (Item 115 #2h).

Senate: Provides \$230,000 in FY07 and \$80,000 in FY08 and one position to carry out the provisions of SB 262 – the Virginia Energy Plan (Item 115 #1s).

Alternative Fuels

Senate: Removes authorization for the governor to use up to \$3 million from the unappropriated general fund balance for incentive payments to manufacturers of alternative fuels (Item 115 #2s).

Virginia Economic Development Partnership

House: Provides \$1 million in FY07 for construction and development costs for the New River Center of Excellence (Item 119 #1h). Removes \$500,000 in FY07 of the proposed \$1 million

increase for corporate advertising and marketing by the Partnership (Item 119 #2h). Eliminates \$100,000 in each year in pass-through grants to the Hampton Roads Partnership (Item 119 #4h).
Senate: Reduces support for motor sports-related businesses from \$250,000 each year to \$125,000 each year (Item 119 #9s). Reduces general fund support for the Partnership's television and print media advertising by \$500,000 in FY07 (Item 119 #10s). Reduces general fund support by \$100,000 in FY07 for the Partnership's international marketing effort (Item 119 #11s).

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Virginia Tourism Authority

House: Provides \$100,000 each year to cover the operating costs of the Danville Welcome Center (125 #1h). Increases general fund support for regional and local tourism grants by \$300,000 in each year (Item 125 #4h).

Senate: Reduces support for the Virginia Tourism Authority's marketing program by \$250,000 each year (Item 125 #1s).

Compensation, Retirement & Employee Benefits

State employee and state-supported local employee salary increase

House and Senate: Add \$4.9 million in FY07 and \$8.4 million in FY08 to pay an additional one percent salary increase for state-supported local employees effective Dec. 1, 2006. (Item 461 #9h and Item 461 #6s). This would be in addition to the 3 percent increase in the introduced budget.

House: Adds a \$41 million compensation reserve to pay a 2 percent salary increase for state employees and state supported local employees in FY08 (Item 461 #6h)

Senate: Adds \$48.5 million in FY08 for a 3 percent salary increase for state employees and state supported local employees. (Item 461 #7s)

Employee benefits

Senate: Adds \$5.6 million in the first year and \$5.8 million to pay for the cost of reducing the amortization period for the calculation of retirement rates from the 30 years contained in the introduced budget to 26 years. (Item 461 #9s)

Line of Duty

House: Provides \$75,000 each year to meet the requirements of HB 1418, which increases the death benefit provided under the act. (Item 262 #1h)

Senate: Adds \$18.6 million in FY07 and \$20.6 million in FY08 to pay the costs associated with SB 393, which extends Law Enforcement Officer retirement benefits to deputy sheriffs in approximately 44 localities. The state would pay for the cost for those positions funded through the Compensation Board, but cities and counties would have to pay for the costs for any locally funded positions, and for any costs associated with local salary supplements. SB 393 also extends retroactive eligibility for Line of Duty benefits to local public safety employees (or their survivors) who were disabled or killed in the line of duty as of 1972. The date of eligibility currently is July 1, 2000. The bill makes no change to the current funding of the Line of Duty program, which is paid by the state. (Item 461 #9s)

Virginia Retirement System

House: Removes language in the introduced budget establishing a work group to examine actuarial assumptions used in the calculation of VRS retirement rates (Item 461 #1h)

Education

Direct aid to education overview

The Superintendent of Public Instruction will distribute, perhaps by the end of the week, a memorandum detailing the changes proposed in the House and Senate budgets and including locality-specific information on direct aid funding and required local matches. The memo will be located at this web site: <http://141.104.22.210/VDOE/suptsmemos/2006/>

The House budget reduces state spending on education in the introduced budget by \$2 million in the current year, FY06, and by \$14.9 million in the FY07-08 budget. The effect of the amendments on specific localities is available in the report of the Elementary and Secondary Education Subcommittee at this web address:

[http://hac.state.va.us/Documents/2006/SubcommitteeReports/Elementary and Secondary Education Subcommittee at this web address:](http://hac.state.va.us/Documents/2006/SubcommitteeReports/Elementary%20and%20Secondary%20Education%20Subcommittee%20Report.pdf)

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The Senate budget reduces state spending on education in the introduced budget for FY06 by \$2.4 million, but includes additional state spending of \$19.3 million in FY07 and \$35.2 million in FY08. The effect of the amendments on specific localities is available in the Education Subcommittee's report at this web site:

http://leg3.state.va.us/quickplace/sfc2006/main.nsf/h_Discussion/FE7B2DAFADDA84D98525711A006BC40F/?OpenDocument

Amendments in both houses have the effect of reducing state obligations for K-12 education by making changes to the formula for determining the costs of meeting the SOQ. As JLARC has shown, those state costs are already underestimated.

Teacher salary increase

House: Reduces funding by \$8.7 million in FY07 by postponing for one month (to Jan. 1, 2007) the three percent salary increase for teachers included in the introduced budget and specifies that the savings will be used to fund the increase proposed for the retired teacher health insurance credit. (Item 135 #15h)

Senate: Adds \$75.9 million in FY07 and \$131.3 in FY08 to pay the state share of salary increases and related fringe benefits costs as follows: 1) 3 percent increase, effective Dec. 1, 2006, for all funded positions. 2) 1 percent increase effective December 1, 2006 for funded SOQ instructional positions only. The amendment states that "It is the intent that the average instructional position salaries by improved throughout the state by at least 4.0 percent a year." Local match based on the composite index is required. (Item 135 #1s)

Teacher retirement contribution rate

House: The final details are not yet clear, but evidently the House budget funds a teacher retirement contribution rate of 9.20 percent and a 0.49 rate for group life. It is not readily apparent what the health care credit rate would be.

Senate: It appears that the teacher retirement contribution rate would be 11.36 percent (9.58 percent retirement, 1.22 percent group life and .56 retiree health care credit). The Senate budget adds \$9.9 million in FY07 and \$10.2 million in FY08 to pay the state share of a teacher retirement contribution of 9.58 percent. The introduced budget included a 9.20 percent rate; the increase reflects a change in the amortization period from the 30 years in the introduced budget to 26 years. (Item 135 #3s) Local governments statewide pay about 60 percent of the cost of teacher retirement so the approximate cost to local governments for this change would be \$15 million. It appears that the Senate accepts the .49 percent group life insurance rate and the 0.56 retiree health care credit contained in the introduced budget.

As a reminder, for group life insurance, the total contribution rate in both budget proposals would evidently be 1.22 percent of payroll (0.73 percent for the employee contribution and 0.49 percent for the employer contribution). The state will pay its share of the employer contribution, which is 0.49 percent of payroll. The state share will be adjusted by the composite index. The rate charged by VRS, however, will be 1.22 percent. Local governments and school divisions that have opted to participate in the group life insurance will pay a share of the employer contribution (based on the composite index). For the employee contribution rate of 0.73 percent of payroll, localities that pay all or part of this benefit would resume making the contribution and localities that deduct the contribution from the employee's salary would resume making that deduction.

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Deduction of federal revenues

House: Decreases funding by \$2.0 million in FY07 and \$3.9 million in FY08 to phase out the cap used in calculating the amount of federal funds that are deducted from basic aid prior to dividing those costs between state and local governments. (Item 135 #8h) Currently, up to 29.22 percent of federal revenues from specified federal sources can be deducted from basic aid. The amendment phases in lifting this cap, by phasing out 10 percent of the cap in FY07 and 20 percent in FY08. This will mean that the federal revenue deduction will increase; the jurisdictions that have a greater number of poorer children in their school systems will be hurt the most. These generally are jurisdictions with a low ability. This amendment raises serious equity concerns, and also raises concerns over whether the state is supplanting federal dollars.

- Adds \$859,280 in FY07 and \$864,278 in FY08 to correct the calculation of the federal revenue deduction. The average daily membership for four school divisions (Fairfax City, Bedford City, Emporia and Williamsburg) was not included in the initial calculations (Item 135 #99h)

SOQ funding formula

Senate: Decreases SOQ funding by \$16.8 million in FY07 and \$16.8 million in FY08 by changing the inflation rates included in the SOQ funding formula. (Item 35 #6s) The funding formula already does not currently recognize prospective inflation. This amendment would mean that inflation that has already occurred would be discounted. The result would be that the cost calculations that determine state funding would have even less connection to actual practices than is already the case.

- Language amendment to require that a technical work group study 1) re-benchmarking cost trends and drivers, 2) review the SOQ and other direct aid to education funding programs to identify options for efficiencies, cost savings and funding flexibility, 3) consider alternatives to across-the-board compensation supplements to better target state funds, 4) review funding streams for students at-risk of academic failure to access whether they should be incorporated into the SOQ and 5) examine special education funding issue. A summary of the report would be due by Oct. 15, 2006. The work group would include staff from DPB, JLARC, House Appropriations and Senate Finance, as well as representatives of stakeholder groups. (Item 135 #12s)

Lottery, school construction grants program

Senate: Uses lottery proceeds (off the top-before division between the state and school divisions) to fund the \$27.5 million a year school construction grants program and ends the current practice of funding the SOQ prevention, intervention and remediation program with lottery proceeds, which costs \$19.5 million a year. The amendment does not change the funding formula for the school construction grants program. Because this program is larger than the SOQ remediation

program, the local share of lottery proceeds distributed to school divisions would be reduced to \$153.9 million (down from the \$156.9 in the introduced budget) for each year. The lottery proceeds would be distributed on the basis of a state share of \$228.26 per pupil in FY07 and \$226.44 per pupil in FY08. The per pupil figures in the introduced budget are \$232.83 in FY07 and \$230.98 in FY08 (Item 135 #7s) This continues the trend of the state taking lottery funds off the top (prior to dividing the proceeds between the state and school divisions) to pay for items previously financed through other general fund revenues, and results in a decreased amount of lottery proceeds distributed to school divisions. The information available so far does not clearly indicate whether the SOQ remediation program is eliminated or is funded from other sources.

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Required local match for school facilities and incentive programs

House: Adds language to require school divisions to certify appropriated adequate local funds above the required local effort for the SOQ to support the projected required local match for school facilities and incentive programs in which the school division participates. Also requires that localities return unexpended funds to the state unless carryover of funds is specifically provided. (Item 135 #5h) School facilities programs are the lottery and the school construction grants. Incentive programs include alternative education, at-risk education, at-risk four-year olds, compensation supplement (teacher salary increases), early intervention, enrollment loss, Governor's School, ISAFP, K-3 primary class size reduction, school breakfast, SOL algebra readiness, regional tuition for special education, VPSA technology grants and supplemental basic aid. These programs, with the exception of enrollment loss, currently include a required local match, typically based on the composite index but in some cases adjusted for other factors.

Retired teachers health insurance credit

House: Adds \$7.8 million in FY07 and \$7.0 million in FY08 to increase the retiree health care credit from \$2.50 up to \$4.00 per month for each year of service (HB 3) (Item 135 #11h). The credit will cost local governments an additional \$11.4 million in FY07 and \$11.9 million in FY08.

At-Risk Four-Year Olds

Senate: Increases the per pupil payment for the Virginia Preschool Initiative for at-risk four-year olds unserved by Head Start from \$5,00 to \$5,700 in FY07 and \$6,000 in FY08. The per pupil payment has not changed since the program began in FY1996. (Item 135 #4s)

Tuition Assistance Grant for Disabled Student Program

House and Senate: The House establishes a Tuition Assistance Grant for Disabled Students Program to provide grants to students with disabilities for whom an individualized education program has been written, who attend a private school of choice. The amount of the grant cannot exceed the average state share of per pupil expenditures. (Item 135 #4h) This program is similar to that contained in SB 544, which was carried over in Senate committee to the 2007 session. The Senate adds \$93,105 in FY07 and \$143,236 in FY08 to the Department of Education's Central Office account to support implementation of the Schools for Students with Disabilities Fund (SB 544). (Item 128 #1s)

Cost of Competing

Senate: Adds \$1.1 million in FY08 to extend the cost of competing adjustment to Fredericksburg and Spotsylvania at 10 percent of the full amount in FY08. The introduced budget extended the cost of competing to Stafford and Fauquier at 10 percent of the full amount in FY07 and 25 percent in FY08. The cost of competing adjustment is 9.83 percent for instructional positions and

24.61 percent for support positions that is currently given to the 9 cities and counties in the Northern Virginia PDC. (Item 135 #5s)

School breakfast program

House: Reduces funding by \$560,000 in each year to reflect lower estimated participation. (Item 135 #10h)

Senate: Reduces funding by \$280,000 in FY07 and \$140,000 in FY08 to reflect anticipated savings in the program. (Item 135 #10s)

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Hard to Staff School pilot program

House: Eliminates the funding of \$3.7 million in FY07 and \$2.74 million in FY08 included in the introduced budget for a new Hard-to-Staff Schools program. Language is added to allow the pilot to continue through the use of state DOE No Child Left Behind funds, and to require DOE to report on the merits of the pilot program. (Item 135 #13h)

School nurses

House: Language amendment that removes the authority of school divisions to purchase defibrillators with funds calculated for nursing services from the support cost component in the SOQ basic aid account, directs the Department of Education to report the calculated nursing costs annually to school divisions and directs school divisions to spend the funding on nursing positions or for contracted nursing services. (Item 135 #2h)

Literary Fund

Senate: Restores \$15.0 million in FY07 and FY08 to the Literary Fund for use for direct loans for school construction projects on the first priority waiting list. Currently \$125.9 million in Literary Fund proceeds are transferred to the general fund to help pay the cost of teacher retirement; this amendment lessens that transfer by \$15 million a year. (Item 135 #2s)

Advanced placement testing fees

House: Cuts \$1.9 million in FY07 and \$2.4 million in FY08 to level fund the program, which pays for advanced placement testing fees (Item 135 #16h)

Senate: Cuts \$1.6 million in FY07 and \$2.1 million in FY08 to limit funding for fees for economically disadvantaged students only. (Item 135 #8s)

Project Discovery

House and Senate: Decrease funding in each year by \$100,000 to level fund the program (at \$800,000 a year). State funding for Project Discovery provides about one-half of the total operating budgets for 19 participating community action agencies. (Items 134 #2h and 134 #2s)

House: Eliminates state funding for Project Discovery by reducing state support by \$400,000 a year. (Item 134 #3h)

Communities in Schools

Senate: Eliminates \$500,000 in funding in FY07 for the Communities in Schools program. A companion amendment in Grants to Non-State agencies includes \$400,000 for the program. (Items 134 #1s and 481 #1s)

Department of Education Central Office

School efficiency reviews

House: Adds language requiring that beginning in FY07, local school divisions pay 25 percent of the total cost incurred by the state in conducting that division's efficiency review. The total cost will include a proportionate share of all the administrative and support costs for the review and 100 percent of the costs awarded to the contractor(s) to conduct that review. Divisions would still have to pay a 25 percent penalty if it does not certify that at least 50 percent of the recommendations have been acted on, or that at least half of the savings of the efficiency review have been realized. (Item 263 #2h)

Senate: Allows state Board of Education to require a school division to participate (at state expense) in the school efficiency review program as a component of division level academic review. The Petersburg school system is the only school system in this status. (Item 130 #1s)

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Schools for the Deaf and Blind

House: Adds language to direct the State Board of Education to select a final site and final construction plans, by July 31, 2006, that will fit within the allocated \$61.5 million in order to complete the consolidation plan of the schools for the deaf, blind and multi-disabled. (Item 28 #2h) The Senate amends SB 29 to consolidate the schools at the Staunton location (see explanation under HB 29/SB 29.)

Education of the visually impaired

House and Senate: Direct the state Department of Education to include visually impaired students in the SOQ calculation consistent with the caseload standards for other disability categories in the next rebenchmarking. Currently funding is through the Department for the Visually Impaired. (Item 128 #1h and 135 #13s)

Other Education

Libraries

Senate: Adds \$1 million in FY07 and \$2 million in FY08 for aid to local public libraries. (Item 236 #1s)

Adds \$300,000 in FY07 and \$200,000 in FY08 to establish a Public Library Internet Protection Fund, with the FY07 funds to be used to reimburse localities up to \$50 per computer to purchase Internet filters for any public access computers that don't have those, as well as those up to \$2,500 per library system. The FY08 funds would be used to help pay for the renewal of filter licenses. (Item 236 #2s)

Cooperative Extension Services

House: Adds \$500,000 in each year to support 9 additional extension and education staff positions. (Item 224 #1h)

Senate: Adds \$540,000 in FY07 and \$1.1 million in FY08 for additional extension specialists and research personnel. (Item 224 #2s)

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Finance & Taxation

Car Tax Reimbursement

House: Adds \$50.0 million in FY08 to maintain on a statewide basis funding for car tax relief at 70 percent reimbursement. (Item 459 #1h)
Senate: No amendment

Communications sales and use taxes

House: Provides \$1.04 million in FY07 (NGF) and \$273,100 in FY08 (NGF) for staffing and resources to the Department of Taxation to administer the collection of local communications sales and use taxes (contingent upon passage of HB 658). Also authorizes a treasury loan to allow the department to modify automated forms, databases, and compliance tools. The treasury loan would be repaid by a portion of the communications sales and use taxes collected.
Senate: No amendment.

Health and human services

Comprehensive Services Act start-up funding

House: No amendment.
Senate: Adds \$750,000 each year as competitive, start-up funding to localities to create innovative, community-based services to allow children and adolescents in the CSA program to be served in the community and avoid residential placements outside of the community. Funds would be awarded by the director of the Office of Comprehensive Services. (Item 279 #2s)

Home-delivered meals for elderly

House: No amendment.
Senate: Adds \$500,000 each year to increase the number of home-delivered meals provided to frail elderly by local area agencies on aging. An additional 2,394 meals may be provided with this funding. (Item 281 #2s)

Relay center for deaf and hard-of-hearing

House: No amendment.
Senate: Requires that the Relay Center for the deaf and hard-of-hearing remain in Norton and stipulates that employment at the center not fall below 105 FTEs. (Item 284 #2s)

\$4-for-Life

House: Eliminates out-dated language regarding distribution of \$4-for-life funds, as new language was passed in 2004. The new distribution formula was contingent upon receipt of the full \$4-for-life funding, which will occur 7/1/07. Adds language clarifying that funding to the State Police med-flight operations will come from the Rescue Squad Assistance Fund, thereby ensuring that the new funding formula adopted for \$4-for-life will be effective 7/1/07. (Item 286 #2h). A related amendment transfers \$1.73 million in FY07 (NGF) and \$3.5 million in FY08 (NGF) from the general fund to the \$4-for-life fund. (Item 286 #3h)
Senate: Same (Item 286 #2s and Item 286 #7s)

Community health centers

House: No amendment

Senate: Provides \$850,000 in FY07 and \$1 million in FY08 to Virginia Primary Care Association to develop new community health centers in medically-underserved and economically disadvantaged areas. This funding is intended to match funds solicited by the VPCA from public and private sources, including local sources. (Item 293 #5s)

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Electronic health records

House: Eliminates funding from introduced budget (\$3.63 million in FY07 and \$3.13 million in FY08) for a Department of Health initiative. Retains language and funding for a pilot project between VDH and Carilion Health System. (Item 293#4h)

Senate: Reduces funding from introduced budget by \$2.3 million in FY07 and \$1.3 million in FY08 for the same. Amends language to reflect reduced funding for grants to providers as well. (Item 293#17s)

PATHS, Inc.

House: No amendment.

Senate: Provides \$79,244 in FY07 and \$59,938 in FY08 to the Piedmont Access to Health Services, Inc., for an additional family nurse practitioner to serve at community health centers in Danville and Martinsville. (Item 293 #18s)

Prenatal and delivery services

House: No amendment

Senate: Adds \$150,000 in FY07 as start-up costs for pilot projects in the Northern Neck and Emporia, to provide alternative arrangements for prenatal and delivery services in areas where obstetrical departments at community hospitals no longer exist. (Item 293#20s)

Drinking water revolving fund

House: Reduces funding by \$1.4 million each year from introduced budget, leaving in each year the \$2.6 million to offset the loss of federal EPA funding, and \$1 million above the FY06 funding level for grants to localities for drinking water infrastructure improvements. (Item 294#1h)

Senate: Reduces funding by \$2.4 million each year from introduced budget, leaving \$2.6 million to offset the loss of EPA funds. A separate amendment (Item 104), provides \$2.4 million to the Department of Housing and Community Development for drinking water and wastewater improvement projects. (Item 294#1s)

Federal Medicaid changes

House: Grants DMAS the authority to make changes to the Medicaid State Plan to ensure compliance with federal requirements included in the Deficit Reduction Omnibus Reconciliation Act of 2005. (Item 302#8h)

Senate: No amendment.

Medicare Part D Clawback

House: Reduces funding by \$16.12 million each year to reflect a lower Medicare Part D "clawback" payment required of states. The clawback payment helps to pay the costs of the Medicare Part D program. While the state's annual payment has been decreased from an

expected \$80.4 million, the state still is expected to pay \$24.1 million each year to the federal government to support this program. (Item 302#7h)
Senate: Same amendment (Item 302#36s)

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Long-term care system initiatives

House: Adds \$76,350 in FY07 and \$100,300 in GF and NGF to fund three positions in DMAS to support Medicaid reform initiatives in HB 758, including development of an integrated acute and long-term care system for Medicaid recipients in Virginia. (Item 307#2h)

Senate: Provides \$1.5 million in FY07 to establish up to six programs for the all-inclusive care of the elderly (PACE) with start-up grants of up to \$250,000 for each program. Authorizes DMAS to develop a plan for integrating the acute and long-term care system and to report back by 10/15/06. Also authorizes DMAS to develop and implement a regional model for the integration of acute and long-term care services by 1/07 (the integrated services would combine Medicaid and Medicare to offer alternatives to institutional care). (Item 302#42s)

Autism-related services/waivers

House: Directs DMAS to modify the mental retardation waiver and individual and family developmental disabilities support waiver programs to ensure that certain services are covered for individuals with autism or autistic spectrum disorders and appropriate services for individuals with severe behavioral difficulties. (Item 302#9h)

Senate: No amendment

Developmental disabilities waivers

House: No amendment

Senate: Adds \$1 million in FY07 and \$1.6 million in FY08 (GF and NGF) to phase in 100 additional community-based waivers under the Medicaid individual and family developmental disabilities (DD) support waiver program. (Item 302#44s)

MHMRSAS state facilities

House: Directs the department to use the PPEA as the framework in constructing at least one of the state facilities slated for replacement (Eastern State, Western State, Southeastern Training Center, and Central Virginia Training Center). Also requires that at least one of the four facilities be operated by a private entity, unless the Department can demonstrate that it can operate the facility as cost-effectively and with the same or better quality as a private provider. (Item 310 #1h)

Senate: No amendment

Diversion of mentally ill from jails

House: No amendment

Senate: Provides \$1 million each year for community-based programs designed to divert when possible, or otherwise provide services for individuals with mental illness who are in jail or being released from jail. The Department will establish the criteria, administer and evaluate the grants provided for this purpose. Funding is for expanded programs and cannot supplant current funding. (Item 311 #8s)

Local zoning and housing issues

House: No amendment

Senate: Directs the Department, working with DHCD, to study the extent to which local zoning ordinances accommodate innovative housing initiatives (such as single room occupancy (SRO))

residential units) for the benefit of individuals with mental illness, and to investigate the availability of state or federal funds for such initiatives. Also shall examine the feasibility of developing a model zoning ordinance that permits SRO residential units for persons with mental illness. (Item 311 #13s)

Urgent care waiting list for children

House: Modifies language in the introduced budget regarding funding for community investment through system restructuring. Adds language to fund 110 mental retardation waiver slots to eliminate urgent care waiting list for children less than six years of age. Modifies language to reflect the additional \$4 million (GF and NGF) provided for 65 new mental retardation waiver slots in each year and funding for attendant waiver start-up costs. (Item 312#1h)

Senate: No amendment.

Behavioral health in community health centers and free clinics

House: No amendment.

Senate: Provides \$350,000 each year to the Virginia Primary Care Association to develop and evaluate three or more pilot projects to provide behavioral health services to persons in medically underserved areas. (Item 312#5s). Another amendment provides \$350,000 each year to allow community services boards to contract with free clinics to provide mental health services for low-income, uninsured adults. (Item 312#6s)

Opiate addiction services

House: No amendment.

Senate: Provides \$1.1 million each year to implement two model projects with community services boards for opioid treatment expansion in one rural and one urban region. (Item 312#13s)

Sexually violent predator programs and facility

House: Requires the Department to contract for operation of this program, including facility services, through a public-private partnership or RFP, unless the department can demonstrate that its operation is at least as cost effective and provides at least as cost effective and an equivalent or higher level quality care as that of a private provider. (Item 311 #1h). The facility will be built in Nottoway County and operational by 10/1/07. Another item creates and funds the new Office of Sexually Violent Predator Services, pursuant to HB 1037 (Item 311#5h and 311.10#1h)

Senate: Provides \$200,000 in FY07 and \$300,000 in FY08 and positions for administrative costs for the Center for Behavioral Rehabilitation; adds staff to oversee the program and monitor compliance with individuals conditionally released using GPS technology (Items 311#11s, 326#7s,326#8s); another item provides \$4.3 million in FY08 to operate 100 beds at the proposed center in Nottoway County and transfers funding from the old facility to the new one (Item 326#6s); another implements an intensive community containment program to provide outpatient treatment (Item 383)

Mental retardation waivers

House: Adds \$2 million (GF and NGF) each year to fund an additional 65 mental retardation waiver program slots over the biennium for individuals on community waiting lists. This is in addition to the 149 new MR waiver slots in the introduced budget and the 110 new MR waiver slots to eliminate the urgent care waiting list for children described in a separate item. (Item 312 #1h)

Senate: No amendment.

Mental health services in juvenile detention centers

House: Retains the funding from the introduced budget (\$1 million each year) to expand mental health services to youth in local juvenile detention centers, but adds language clarifying that funding shall be allocated based on memoranda of understanding (MOUs) that specify the types of services and estimated workloads. Directs the Department to review these memoranda and to allocate funding based on projected level of services to be provided. (Item 312 #2h)

Senate: Maintains funding from the introduced budget.

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Brain injury services

House: Provides \$600,000 each year for brain injury services to individuals in unserved or underserved regions. Eliminates language in the introduced budget to earmark \$285,000 each year for services solely in Southwest Virginia (Item 327#2h)

Senate: Provides \$300,000 each year to expand case management services for brain-injured individuals in PD 6 (includes Augusta, Bath, parts of Roanoke, Bedford County, etc) and other unserved or underserved regions. (Item 327#11s). A second amendment provides \$800,000 each year to expand services for brain-injured individuals through services provided by centers for independent living (Item 327#13s).

TANF reauthorization

House: Language authorizes the Department of Social Services to make necessary changes in the state plan for the Temporary Assistance to Needy Families (TANF) program to meet new federal requirements pursuant to the federal Deficit Reduction Omnibus Reconciliation Act of 2005 (passed Feb. 2, 2006), and to minimize the state's exposure to federal financial penalties, provided it is done in the most efficient and least costly manner. (Item 334#1h)

Senate: Added similar language (Item 334#12s)

Local social services classification and compensation study

House: No amendment.

Senate: Requires the Department of Social Services to work with the Department of Human Resources Management to study employee classifications and appropriate compensation and salary ranges for employees of local social services based on their roles and responsibilities. Study is due 10/15/07. (Item 335#4s)

Special needs adoptions study

House: Adds language to that in the introduced budget requiring a comprehensive study of the special needs adoption subsidy program. Requires collaboration with local social services executives and the director of the Office of Comprehensive Services; ensures that the study examines the relationship between the adoption program and federal requirements related to improving the state's child and family services program (PIP). Directs the Department to examine services provided through the program and available of other services and alternative funding options to local departments. Prohibits adoption of any emergency regulations until the study is completed and presented to the Governor and to the budget committees. (Item 338#1h)

Senate: Similar amendment added; directs the Department to study recent growth in the program but prohibits state agency actions to reduce eligibility or to recommend emergency regulations, policy guidance, other administrative action without the General Assembly's approval (Item 338#5s)

Auxiliary grants

House: No amendment.

Senate: Adds \$960,224 in FY08 to increase the maximum payment allowed under the Auxiliary Grant program from \$982 to \$1,010 a month. Local governments pay a 25 percent match on these grants. (Item 337#10s)

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Community action agencies

House: Eliminates \$514,786 in general funds each year for these agencies and replaces this funding with \$917,000 NGF each year in community services block grant funds (federal funds).

Senate: Adds \$600,000 each year to expand services offered by these agencies (Item 340#1s)

Early childhood foundation

House: Eliminates \$3.8 million in FY07 and \$2.8 million in FY08 for the Virginia Early Childhood Foundation in the introduced budget. Keeps \$1 million each year for this program, which is to use state funds as a match for local public and private sources. (Item 340#4h)

Senate: Reduces funding in the introduced budget by \$3.8 million in FY07 and by \$1.8 million in FY08. The Foundation will receive \$1 million in FY07 and \$2 million in FY08 to be used to match local public and private resources. (Item 340#11s)

Natural disaster response coordination

House: No amendment.

Senate: Provides \$150,000 in FY07 and \$200,000 in FY08 to the Department of Social Services to coordinate relief responses of faith-based and community organization to natural disasters and emergencies, and to serve as an information clearinghouse for non-profit groups prior to such events. (Item 342#10s).

Judicial Department**Drug courts**

House: Eliminates \$367,000 each year from introduced budget to support two additional drug courts, which were unspecified in the budget. (Item 30 #5h)

Senate: Maintains funding.

General district court judges

House: Adds nine new judgeships (\$847,689 in FY07 and \$841,689 in FY08). Judgeships are proposed for the 19th district (including City of Fairfax); the 20th district (including Loudoun and Fauquier Counties); the 27th district, (including Galax and Radford). Six support positions also are funded. (Item 33 #1h)

Senate: Adds three new judgeships (\$601,209 in FY07 and \$593,709 in FY08); one for each of the districts listed above. (Item 33 #1s)

Juvenile and domestic relations judges

House: Adds 12 judgeships (\$1.1 million in FY07 and \$1.12 million in FY08). Judgeships are proposed for the 7th district (Newport News); the 14th district (Henrico County); the 19th district (including City of Fairfax); the 26th district (including Harrisonburg and Winchester). Eight staff support positions also are funded. (Item 34 #1h)

Senate: Adds four judgeships (\$801,612 in FY07 and \$791,612 in FY08) for the same districts listed above. (Item 34 #2s)

Legislative Department & Studies

Economic development incentives study

House: Directs subcommittees of the House and Senate budget committees to jointly study Virginia's economic incentive programs to assess the effectiveness of the current mix of programs and regional distribution of funding for these purposes. (Item 1#3h)

Senate: No amendment.

Mentally ill/criminal justice study

House: No amendment

Senate: Directs Senate Finance Committee to appoint a joint subcommittee to develop a long-term strategy for addressing the increasing number of youth and adults with mental illness who are involved, or at risk of being involved with the criminal justice system. Report due to the 2007 session. (Item 1 #5s)

Social services study

House: Directs House and Senate budget committees to appoint a subcommittee to review and assess the progress of the Department of Social Services and the social services system in implementing recommendations of two 2005 JLARC studies. Also directs subcommittee to review federal changes to TANF resulting from reauthorization and the impact on Virginia, as well as the funding policies for foster care and adoption subsidy programs. (Item 1#5h)

Senate: No amendment.

Electric utility commission

House: No amendment

Senate: Provides \$10,000 each year for the Commission on Electric Utility Restructuring. (Item 6 #3s)

Immigration Commission

House: Provides \$10,000 each year to support a proposed Commission on Immigration (pursuant to HB 186), which would analyze the current impact of immigration on Virginia and distribute reports and recommendations to the Governor and General Assembly as needed to address issues caused by immigration. Commission would expire at the end of FY08. (Item 6#3h)

Senate: Not addressed.

Manufacturing Commission

House: No amendment

Senate: Provides \$12,000 each year for the Manufacturing Development Commission (contingent upon passage of SB 261). (Item 6 #4s)

Transportation commission/study

House: Provides \$400,000 in FY07 and \$500,000 in FY08 to staff and fund a Joint Commission on Transportation Accountability, created pursuant to HB 1365 (Wardrup). (Item 20.10 #3h)

Senate: Directs the Secretaries of Transportation, Natural Resources, and Commerce and Trade to review the actions recommended by the Senate's Statewide Transportation Analysis and Recommendation Task Force (START), on incentives and disincentives the state can provide to

improve mobility, maximize capacity of the existing infrastructure, increase accessibility and safety, among other goals. Report due to the 2007 Session. (Item 427 #5s)

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Assisted living study

House: Directs JLARC to continue to report on the impact of regulatory changes, approved in 2005, affecting assisted living providers, residents, and the quality of care. Report due 6/30/08. (Item 21 #1h)

Senate: Same study as above, but interim report due 11/06; final report due 12/07. (Item 21 #1s)

Brain injury study

House: No amendment

Senate: Directs JLARC to report on availability of brain injury services in Virginia, including the cost and array of treatment available. Report due 10/07. (Item 21#2s)

Trauma centers study

House: Directs the Secretary of Health and Human Resources to examine and identify potential funding sources at the federal, state, and local levels that may be available to trauma centers to support the system's capacity. As sources are identified, the Secretary shall work with any federal and state agencies and the Trauma System Oversight and Management Committee to assist in securing the additional funding. (Item 278 #1h)

Senate: Directs JLARC to conduct a follow-up study on the 2004 study of long-term financing mechanisms to support uncompensated losses at trauma centers. (Item 21#4s). A separate amendment directs the Commission of Health to examine and identify potential funding sources at the federal, state, and local levels that may be available to help fund the system's capacity. (Item 297 #4s)

Natural Resources

Please note that some items in this area were incorrectly reported in the Feb. 20 issue of the Legislative Bulletin; please use this bulletin as your guide to the amendments.

Department of Conservation and Recreation

TMDL Program

Senate: Provides 15 full-time positions for the Department of Environmental Quality to use in managing the Total Maximum Daily Load program. Funding for these positions is from interest on the nonpoint source portion of the Water Quality Improvement Fund and from the principal in the WQIF, not to exceed \$1 million in each year (Item 358 #1s).

Wetlands Bank E&S Inspector

House: Provides one position and \$75,000 in each year to support the addition of an erosion and sediment control inspector to review E&S plans developed by wetland and streambank restoration companies permitted by DEQ and the US Army Corps of Engineers (Item 358 #1h).

Nutrient Management Plans

Senate: Provides \$400,000 in FY07 of nongeneral fund support for DCR to contract for preparation of nutrient management plans under the Virginia Pollution Abatement permits for

poultry, dairy, swine and beef operations. The source of the funding is interest earned on the nonpoint source portion of the Water Quality Improvement Fund (Item 358 #3s).

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Dam Safety

House: Provides \$400,000 in each year for deposit into the Dam Safety, Flood Prevention and Protection Fund established in HB 596 (Item 358 #3h).

Soil and Water Conservation Districts

Senate: Provides an additional \$2 million each year for the Soil and water Conservation Districts to work with the agricultural community in carrying out best management practices. Budget language authorizes the use of interest earned on Water Quality Improvement Funds to support the districts (Item 358 #4s).

Rails-to-Trails

House: Eliminates a one-time appropriation of \$950,000 in FY07 for the purchase of abandoned railways (Item 359 #4h).

Senate: Reduces in FY07 general fund support to the Southside Rails-to-Trails project by half, to \$475,000. There is no general fund support in FY08 (Item 359 #10s).

Water Trail

House and Senate: Eliminates the general fund support of \$140,000 in FY07 for the Captain John Smith Water Trail (Items 359 #3h and 359 #11s).

Department of Environmental Quality

Solid Waste Program Management

House: Reduces by approximately \$500,000 each year general fund support included in the introduced budget for additional oversight of landfills (Item 361 #1h).

Elizabeth River

Senate: Provides \$1 million in nongeneral funds in each year to match US Army Corps of Engineer funding and other nonstate funding for cleanup projects and wetlands restoration on the Elizabeth River (Item 362 #2s).

Chesapeake Bay Foundation

House: Reduces the general fund support provided to the Chesapeake Bay Foundation by \$50,000 a year (Item 362 #2h).

Senate: Removes all general fund support of \$150,000 in each year for the Chesapeake Bay Foundation (Item 362 #5s).

Chesapeake Bay Cleanup

Senate: Provides \$1.1 million in FY07 and \$1.8 million in FY08 and five full-time positions to increase monitoring and assessments of the state's efforts to clean up the Chesapeake Bay and its tributaries (Item 362 #6s).

Ground Water Supply Monitoring

House: Eliminates the second year funding of \$415,746 for the ground water supply monitoring program (Item 362 #3h).

Combined Sewer Overflow

House: Eliminates the \$7.5 million appropriation in FY07 for grants to the cities of Richmond and Lynchburg to assist with completion of combined sewer overflow projects (Item 364 #2h).

Senate: Increases support for the combined sewer overflow projects for Lynchburg and Richmond by \$2.5 million in FY07 in nongeneral funds. The source of the funding is interest earned on the Water Quality Improvement Fund. This results in a total appropriation of \$5 million for each jurisdiction (Item 364 #6s).

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Brownfields

Senate: Provides \$1.3 million in FY07 for the Brownfields Restoration and Economic Redevelopment Assistance Fund. The revenue is interest earned on Water Quality Improvement Funds (Item 364 #8s).

Wastewater Facility Funding

House: Eliminates a one-time appropriation of \$25 million in FY07 from the general fund provided for grants to local governments outside the Chesapeake Bay watershed. The grants were to have been used for improving wastewater treatment plants and onsite sewer disposal systems (Item 364 #1h).

Senate: Provides \$375,000 in each year to upgrade the wastewater treatment plant at the W.E. Skelton 4-H Educational Conference Center in Franklin County (Item 354 #9s).

Department of Historic Resources

House: Provides \$1 million in FY07 to be used as matching grants for the preservation of Civil War historic sites (Item 370 #2h).

Senate: Removes funding of \$150,000 in FY07 for Weston Manor located in the City of Hopewell (Item 370 #5s).

Marine Resources Commission

Senate: Provides \$200,000 in FY07 for the agency's oyster propagation and habitat improvement program (Item 372 #2s).

Public Safety

Offender transitional and reentry services

House: Requires the Secretary of Public Safety to present a report on actions to improve offender transitional and reentry services (e.g., housing, employment, treatment services) by Nov. 15 of each year. (Item 377 #1h)

Senate: Requires status report on reentry programs, with report date of Oct. 16. (Item 377#1s)

Community monitoring and supervision of sex offenders

House: Provides \$2 million in FY07 and \$4.1 million in FY08 to implement expanded monitoring of sex offenders using global position system (GPS) devices as required by HB 846 (Albo) and HB 984 (Sherwood). Funding also can be used for sex offender containment programs outlined in these bills. (Item 383#1h)

Senate: Provides \$2.6 million in FY07 and \$4.89 million in FY08 to fund programs and staff for community supervision of an estimated 666 sex offenders by the end of FY08, who are eligible for, but not committed, as sex offenders. This is contingent upon passage of SB 559 (Stolle). (Item 383#1s)

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Jail population projections assistance

House: Authorizes the Dept. of Corrections to seek the technical assistance of other state agencies in reviewing population projections used to request approval for local or regional jail construction. (Item 383 #2h)

Senate: No amendment.

Prior approval of jail modifications

House: No amendment.

Senate: Requires local governments to obtain approval of the Board of Corrections before proceeding with any construction, remodeling, renovation or rehabilitation of any facility to house any inmate in secure custody. States that any facility operated by a local or regional jail which houses inmates in secure custody is subject to Board of Corrections' rules, regulations, and inspections. (Item 384 #12s)

Jail transition program reports

House: Requires the Secretary of Public Safety to give an annual status report on the implementation and operation of jail transition programs administered by the department, including the participating jails, who administers the programs, services provided to inmates in this program, the status of inmates released from custody through the program in FY05, and the impact of the program on the backlog of state-responsible inmates in local and regional jails. Report is due 10/1/06. (Item 385#1h)

Senate: No amendment.

Craigsville wastewater treatment

House: No amendment.

Senate: Provides for the 56 state share of the estimated cost of an expanded wastewater treatment plant operated by the Town of Craigsville and used by the Augusta Correctional Center. The Center is expected to use 56 percent of the capacity of the expanded plant. (Item 387 #6s)

Anti-gang programs

House: Eliminates funding in the introduced budget for new anti-gang grant programs (loss of \$2.6 million in FY07; \$1 million in FY08). (Item 391)

Senate: Same as above, but further directs DCJS to report on the total amount of funding already available for this purpose and best practices for developing effective anti-gang programs. (Item 391#18s)

Project Exile

House: No amendment.

Senate: Provides \$207,094 each year to replace expiring federal grants for Project Exile programs in Henrico County, Lynchburg, and Portsmouth. A local match is required. (Item 391 #9s)

HB 599 funding withholding

House: Provides that HB 599 funding withheld from a locality that has submitted incorrect crime data or has not submitted data may only be restored upon satisfactory correction of data error or omission in the fiscal year in which the withholding takes place. (Item 393 #1h)

Senate: Same as above. (Item 393 #2s)

HB 599 hold-harmless funding

House: No amendment.

Senate: Includes \$3.46 million in FY07 to hold harmless those local governments whose HB 599 distributions would decrease based on the most recent update of the funding formula.

Directs the Secretaries of Public Safety and Finance to study the HB 599 program to determine if the funding formula needs to be revised. Report is due Sept. 15, 2006. (Item 393 #1s)

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Fire programs funding

House: Eliminates the \$12 million in the introduced budget for FY07 to increase aid to localities in support of fire services. (Item 401#1h)

Senate: Same as above (Item 401 #3s)

Juvenile justice reintegration program

House: Adds \$100,000 each year to the \$250,000 from the introduced budget for a pilot reintegration program. Detention facilities may participate in this program based on negotiated agreements with the Department. (Item 404#1h) A related amendment provides \$100,000 in FY07 for necessary treatment or support services for youth in this pilot program. (Item 404 #2h)

Senate: Adds \$200,000 each year for mental health treatment and reentry services for juvenile offenders through the Juvenile Court Services Units. (Item 404#2s)

Correctional centers

House: Reduces funding by \$1.4 million in FY07 and \$697,338 in FY08, which delays the opening of remaining beds at Culpeper Correctional Center to 1/1/07 and delays reopening of beds at other centers pending the Department's update of its utilization report on 10/15/06. This report may include possible alternative plans, such as the use of excess local detention home capacity, to house this population. (Item 406 #1h)

Senate: Same amendment (Item 406 #1s)

Unanticipated expenses

House: Grants the Governor the discretion to use up to \$1 million a year for additional unanticipated expenses incurred as a result of actions to enhance homeland security, combat terrorism, and pay salary supplements to state employees called up for active military duty, a cut of \$1 million a year from the amount included in the introduced budget. (Item 462 #5h)

Technology

Digital mapping funding

House: Authorizes the Virginia Information Technologies Agency to develop an internal service fund to finance future updates to the Virginia digital map and centerline files used for provision of E-911 services, state and local economic development efforts, state and local emergency management planning and other services. Report due 10/1/06. Internal service fund to be effective 7/1/08. (Item 421 #1h). Adds \$1.1 million in FY07 and \$485,000 in FY08 to update the digitized statewide aerial photography base, which is used by state and local governments for E-911, homeland security applications, tax assessments, transportation planning and economic development. (Item 462 #1h)

Senate: No amendment.

Transportation

In this section, the House and Senate funding plans will be listed separately. Other transportation amendments are listed after the two funding plans.

Both the House and Senate eliminate the language and funding from the introduced bill and replace them with their own plans. The House plan includes \$1.26 billion in funding, including \$1.03 billion in general funds and \$230.7 million in non-general funds (in comparison, the Senate would use \$369.3 million in general funds and \$1.46 billion in non-general funds). In short, the House plan relies more on general fund revenues, which competes with other essential services funded through the general fund; the Senate plan helps preserve general funds for other essential services in the budget.

House Funding Plan

The plan eliminates language and funding from the transportation package in the introduced bill and replaces it with language and funding from its own proposed transportation package.

According to the House, this plan would:

- 1) Dedicate one-third of the insurance license tax revenues to transportation
- 2) Expedite components or completion of certain projects identified by the Commonwealth Transportation Board and specified in this Act
- 3) Provide funds to match certain federally-earmarked projects
- 4) Pay debt service for federal revenue anticipation notes (FRANs);
- 5) Direct revenues generated through civil penalties pursuant to HB 527 (Rust bill imposing fees on drivers with certain driving convictions or demerit points) to a fund for public-private partnerships (Item 427 #1h)

Components of the House funding package include:

- One-third of the revenues generated by the insurance license tax would be deposited into the Commonwealth Transportation Fund and used for transportation improvements (\$138.8 million in FY07 and \$146.7 million in FY08).
- Pursuant to HB 1257 (Hugo), take the portions of the insurance license taxes attributable to Northern Virginia and Hampton Roads based upon their share of the state's total population and transfer this funding into a Northern Virginia Investment Fund and a Hampton Roads Transportation Investment Fund. These funds would also receive additional state recordation tax revenues (\$40 million a year). Together these funds would be used to issue bonds to pay for transportation projects in these areas alone. In FY07 the Northern Virginia Fund would receive \$37.5 million in license tax revenues and \$20 million in state recordation tax revenues. In FY08 and thereafter, it would receive \$39.61 million in license tax revenues and \$25 million in state recordation tax revenues. In FY07, the Hampton Roads Fund would receive \$30.54 million in license tax revenues and \$10 million in state recordation taxes. In FY08 and thereafter, it would receive \$32.3 million in license tax revenues and \$15 million in state recordation tax revenues.
- Insurance license tax proceeds totaling \$37.4 million in FY07 and \$37.4 million in FY08 would be deposited into the Priority Transportation Fund and used to offset debt service for the \$317 million in FRANs issued in 2003.
- A total of \$600 million (GF) in FY07 to be used to expedite completion of highway, rail and mass transit projects across the state. This includes a total of \$110.4 million for

federally-earmarked projects; \$38.1 million for transit; \$71.6 million for rail; \$14 million for ports; and \$365.9 million for highway construction projects. The House pays 80 percent of the required state match with these GF dollars. Therefore, the remaining 20 percent would be supported with current construction funding. Projects and uses include:

- \$20.9 million of the \$110.4 million for federal earmarks would be transferred to VDPRT to pay the match for Congressionally-designated rail and transit projects. This funding could NOT be used to match federally-approved enhancement projects or facilities such as trails or heritage, music, interpretive and visitor centers.
 - \$20 million for WMATA for capital improvements (e.g., rail car storage),
 - \$15 million for VRE rolling stock purchases; and
 - \$3.1 million for Hampton Roads Transit to purchase hybrid-electric buses to serve Norfolk.
 - \$45 million for rail upgrades between Manassas to Front Royal;
 - additional \$17.6 million for improvements along CSX rail lines between Fredericksburg and Washington, D.C.; and
 - \$9 million for an intermodal facility and improvements in the Route 460 corridor
 - \$14 million for preliminary engineering and design of the Craney Island Marine Terminal
 - Components of numerous road and highway construction projects outlined in the House's budget amendments
- A total of \$35 million in FY07 and the first \$35 million collected in FY08 pursuant to provisions of HB 527 (Rust driver fines bill) would be allocated to the Local Revenue Sharing Program established as per HB 681 (Scott). Combined with other funds as provided, the revenue sharing program would offer a total of \$50 million each year.
 - The next \$25 million collected in FY07 and in FY08 from revenues resulting from HB 527 would be deposited into the Transportation Opportunity Fund for public-private transportation projects
 - All remaining revenues generated from penalties enacted through HB 527 would be deposited into a new Local Congestion Fund established by HB 527. This fund would be used for grants administered by the Commonwealth Transportation Board. Funding is estimated at \$33.9 million in FY07 and \$76.8 million in FY08. Specific projects in Northern Virginia would receive first priority for spending.
- (Item 443.10 #lh)

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Senate Funding Plan

The plan eliminates the language and funding components in the introduced budget and replaces them with its own plan and funding sources. While the Senate plan relies less on the general fund than does the House plan, the Senate plan also uses less in general funds than the introduced budget (the introduced budget proposed use of \$624.5 million in general funds, including one-third of the insurance license tax revenues); the Senate would use one-time general fund support of \$369.8 million. The introduced budget included one-time general fund support of \$339.5 million.

Components of the Senate funding plan come from provisions in the substitute to SB 708 (Hawkins) passed by the Senate last week. Provisions of this bill are incorporated into the Senate budget, and include the following:

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- A deposit of \$106.8 million (NGF) in FY07 and \$99.5 million (NGF) in FY08 into the Mass Transit Trust Fund to be used in formula assistance during the biennium to boost the non-federal match for transit capital needs. Any funds remaining after this distribution may be transferred to the statewide Capital Assistance program for distribution. These funds may not be used to supplant the local share. No locality may reduce its total contribution to mass transit below the amount provided in FY06. (Item 437 #7s)
- Distribute \$22.5 million in general funds in each year as follows:
 - \$10 million each year to WMATA for capital improvements
 - \$7.5 million each year for VRE rolling stock purchases
 - \$5 million each year for statewide bus purchases
 (Item 437#8s)
- Provide \$4.5 million (GF) and \$50 million (NGF) in each year for rail as provided in SB 708 (Hawkins). Projects include:
 - \$5 million each year to the Shortline Railway Preservation and Development Fund
 - \$9 million for the Route 460 rail intermodal project
 (Item 438 #6s)
- Appropriates an additional \$619.7 million (NGF) in FY07 and \$577.7 million (NGF) in FY08 for highway acquisition and construction (includes the Interstate, primary, secondary and urban construction) (Item 443 #26s)
- Includes \$39.05 million in FY07 and \$33.95 million in FY08 (general funds) to provide the required match not otherwise available from other state revenues for federal-earmarked transportation projects. These funds would be used to advance earmarked projects in accordance with federal laws and guidance. States the intention of the General Assembly to match all such federal earmarked projects while the federal SAFETEA:LU remains in effect. (Item 443 #28s)
- Directs one-time general funds of \$75.8 million in FY07 and \$75.5 million in FY08 for several transportation projects:
 - \$16 million for I-66 westbound in Northern Virginia
 - \$15 million for I-264/I-64 interchange in Hampton Roads
 - \$30 million for the Route 164 rail relocation project
 - \$36 million for the Route 460 Coalfields Connector
 - \$9 million for Route 58 Abingdon to Damascus
 - \$45 million for the Route 58 Hillsville Bypass
 - \$300,000 in FY07 to complete the Taylor's Creek Road project
 (Item 443#29s)

- Provides up to \$10 million in FY07 and in FY08 to the cities of Norfolk and Virginia Beach (to be shared by the two cities) for acquisition of 15.4 miles of right-of-way from Norfolk Southern Railroad. (Item 439 #2s)
- Provides \$37.4 million in FY07 and in FY08 to pay the debt service on the \$317 million FRAN issuance resulting from actions in the 2002 session. (Item 447#2s)
- Provides \$15 million in FY07 for engineering and design work for Craney Island Marine Terminal. (Item 453 #2s)

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Other transportation amendments

New interstate highway

House: No amendment

Senate: Directs the Secretary of Transportation to initiate a study to determine the interest of affected states in the construction of a new Interstate highway (I-99) with terminus points in Wilmington, Delaware, and Charleston, South Carolina. The route would traverse the Delmarva Peninsula and the eastern portions of Virginia, North Carolina, and South Carolina. Report is due 11/30/06 to the House and Senate budget committees. (Item 427 #3s)

Establish intermodal office

House: No amendment

Senate: Adds \$100,000 GF and \$3.5 million NGF in FY07 and \$3.6 million NGF in FY08 to fully establish a transportation intermodal office in accordance with provisions of SB 412 (Houck). (Item 427 #2s)

Transportation study or commission

House: Provides \$400,000 in FY07 and \$500,000 in FY08 to staff and fund a Joint Commission on Transportation Accountability, created pursuant to HB 1365 (Wardrup). (Item 20.10 #3h)

Senate: Directs the Secretaries of Transportation, Natural Resources, and Commerce and Trade to work with stakeholders, including local governments, to review the actions recommended by the Senate's Statewide Transportation Analysis and Recommendation Task Force (START), on incentives and disincentives the state can provide to improve mobility, maximize capacity of the existing infrastructure, increase accessibility and safety, among other goals. Provides \$100,000 in one-time general fund support for this effort. Report due to the 2007 Session. (Item 427 #5s)

Highway bridge program report

House: No amendment

Senate: Directs the Secretary of Transportation to annually report to the General Assembly on the status of major bridge maintenance and replacement projects and the financial resources of the Highway Bridge Program to fund these projects. This is a START recommendation. (Item 427 #6s).

Preservation of local/regional transportation funding

House: No amendment.

Senate: Adds language stating that the state cannot reduce its support to a locality or region if that locality or region increases local revenues for transportation. States further that those localities receiving increased local revenues from actions taken by the 2006 General Assembly

shall not see reductions in state funding provided for maintenance, construction, or transit below the amounts provided in FY06. This in part addresses SB 708 (Hawkins), which would amend the state grantor tax to provide an estimated \$210 million per year in financial support to localities and regions. (Item 427 #7s)

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Performance measures and criteria for transportation

House: No amendment.

Senate: Directs the Intermodal Office to work with state agencies and local governments to develop performance standards to measure the success of transportation projects funded in part with the grantor's tax (funds which would go to localities and regions) in improving congestion, safety, air quality, and other variables. Also directs these groups to develop a standard cost/benefit methodology to analyze projects. (Item 427 #8s)

Driving conviction and demerit fee administration

House: Authorizes Department of Planning and Budget to increase the nongeneral fund appropriation to DMV to reflect the costs of collecting revenues generated by HB 527 (Rust fee bill for certain driving convictions/demerit points). The bill included a reduction of 18 percent of assumed total revenue to account for potential collection costs). (Item 435 #1h)

Senate: Authorizes the DMV Commissioner to impose an administrative cost of up to 18 percent of the revenues collected or up to \$5.1 million the first year, whichever is less. Authorizes the DMV Commissioner to use outside vendors, where appropriate, to assist in the administration of SB 708 (Hawkins) the bill that includes the driving conviction/demerit fee. (Item 435 #5s)

Sales tax rebates

House: No amendment.

Senate: Authorizes the DMV Commissioner to outsource the administration of the gasoline tax refund program created by SB 708 (Hawkins) at a cost not to exceed \$15 million each year. The refunds authorized by this legislation apply only to the sales tax on motor fuels paid by drivers using vehicles for nonbusiness purposes (Item 435 #3s)

Teleworking

House: Directs the Department of Rail and Public Transportation, along with the Secretary of Technology, to develop model guidelines and policies for teleworking. These will be disseminated to state agencies and to private-sector companies with 100 or more employees. Authorizes the use of up to \$1 million in FY07 to develop these guidelines. (Item 437 #2h)

Senate: Inserts language under the "statewide plans" section of the budget stating that it is the policy of the Commonwealth to offer employees a teleworking option whenever possible (Item 4-7.02 #1s)

Passenger rail project

House: No amendment

Senate: Directs VDRPT to establish a passenger rail project to assist in the alleviation of congestion on the state's interstate and highway systems. This project would provide passenger rail service between Bristol and Washington, D.C. (Item 438 #4s)

Rail grade separations study

House: No amendment

Senate: Directs VDRPT to report to the General Assembly on the number of rail grade separations in the metropolitan areas of Hampton Roads, Northern Virginia, and Richmond, including the impediments to safety, mobility, and economic development. The report shall include an estimate of the costs to remove, relocate or remediate those grade separations that have the greatest impact on communities, including environmental impacts. (Item 438 #7s)

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Freight along I-81 corridor

House: Directs the Office of Multimodalism to include evaluation of the costs associated with diverting freight traffic from highway to rail along the I-81 corridor as part of its proposed study of freight movement in Virginia. Directs the Office to work with affected MPOs to develop and implement quantifiable and achievable goals related to congestion reduction, transit and HOV usage, and other land use and transportation planning. (Item 442 #1h)

Senate: No amendment

State and local transportation planning

House: No amendment

Senate: Assigns the VDOT Commission the responsibility for carrying out provisions of SB 699 (Houck) regarding coordination of state and local transportation planning, including the development of traffic impact analyses. (Item 442 #1s)

Coalfields expressway and connector

House: No amendment

Senate: Directs VDOT to submit a report detailing the status of the Coalfields Expressway and the Coalfields Connector, including a financial plan, cost of each phase and funding source to the House and Senate budget and transportation committees. Report is due 11/30/06. (Item 443 #7s)

Local match program

House: No amendment

Senate: Directs VDOT to report on the feasibility of establishing another matching program for localities in which the state would match local dollars generated by local transportation referenda. State funds could not be used for debt services, and would be matched on the basis of one state dollar for every two local dollars. (Item 443 #25s)

Limited access management program

House: No amendment.

Senate: Directs VDOT, under the direction of the Commonwealth Transportation Board, to develop a legislative proposal for the 2007 session to establish a comprehensive limited access management program, including the review of requests by localities or regions to alter the level of service for any transportation facility construction under the Primary Construction Program beginning 7/1/07. This is a START Task Force recommendation. (Item 443 #27s)

Privatization of Interstate rest stops

House: No amendment.

Senate: Authorizes VDOT to accept or solicit PPTA proposals to develop or operate rest areas along the state's Interstate Highways if Congress enacts legislation to permit such projects. (Item 444 #1s)

Maintenance funding

House and Senate: Reflects needed increases in the appropriations for the maintenance program based on the most recent revenue forecast (\$64.96 million in FY07; \$111.76 million in FY08) (Item 444#4h and Item 444#8s)

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Maintenance needs and reporting

House: Replaces language from the introduced budget with more specific requirements for annual reports from VDOT on the condition of existing transportation infrastructure and proposed measures to improve the operations of the transportation system and the service areas, including outsourcing, privatization, and downsizing as required by HB 676 (Wardrup). (Item 444 #5h)

Local maintenance and access roads

House: No amendment.

Senate: Adds \$14.7 million in FY07 and \$25.3 million in FY08 as a technical adjustment in the appropriations for financial assistance to localities for maintenance and access roads based on the most recent revenue forecast. (Item 446 #2s)

Asset management methodology and six-year program

House: No amendment

Senate: Directs VDOT to develop an asset management methodology to be used in preparing a six-year maintenance and operations program for review by the 2007 General Assembly. The methodology shall identify and create a priority list of statewide and district maintenance and operations needs. Needs include, but are not limited to, pavement, structures and bridges, pipes and drainage, roadside operations, and snow removal. Also directs VDOT to develop and submit to the General Assembly a six-year maintenance and operations program by 7/1/07. The program would equitably distribute maintenance funds to districts based on objectively identified needs, define the base needs for each district, and make adjustments as necessary. Requires Commonwealth Transportation Board review and approval and annual updates. This is a START Task Force recommendation. (Item 444 #9s)

Route 58

House: No amendment.

Senate: Requires VDOT to report on the status of the Route 58 Corridor Program and its development fund, including the fund's cash balance, planned spending by district, actual spending by district, and planned expenditures over a six-year period. Report is due by July 1 of each year to the House and Senate budget committee chairs. (Item 447 #1s)

Towing and Recovery Operators Board

House: Establishes appropriation for this board, created pursuant to HB 1258 (Hugo) and SB 134 (O'Brien). Initial funding of \$350,000 each year will be furnished with a treasury loan; later year operations will be covered by the costs of fees associated with membership. (Item 451.10 #1h)

Senate: Same above. (Item 455.1 #2s)

MISCELLANEOUS**Mileage reimbursement.**

House and Senate: Increase the reimbursement rate for use of a personal vehicle on state business from the current \$0.325 per mile to the IRS allowed rate of \$0.445 per mile. (Item 461 #2h, 4-5.04 #1h, 462 #15s and 4-5.04 #2s)

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Unanticipated expenses

House: Grants the Governor the discretion to use up to \$1 million a year for additional unanticipated expenses incurred as a result of actions to enhance homeland security, combat terrorism, and pay salary supplements to state employees called up for active military duty, a cut of \$1 million a year from the amount included in the introduced budget. (Item 462 #5h)

Economic development

House: Authorizes Governor to use up to \$2.0 million from the unappropriated balance to attract a research-related entity to the state along I-81. (Item \$62 #10h); Appropriates \$5 million in FY07 to develop a biotech wet lab shell building in the Roanoke valley area (Item 462 #12h); Puts \$11.5 million in the Governor's Opportunity Fund, thus reducing by \$9.5 million the amount included in the introduced budget. (Item 462 #4h)

Lease of local government facilities

House: Language to require Secretaries of Administration and Finance to develop procedures that guide state agencies in the developing of lease agreements for space owned by local governments or political subdivisions such that the lease agreements do not impact the state's debt capacity. (Item 4-3.03 #1h)

Jamestown 2007 commemorative events

Senate: Language amendment providing the Governor the authority to reimburse state and local law enforcement and emergency services agencies (police and sheriffs' departments, fire departments, EMS agencies, volunteer rescue squads) out of unappropriated balances for costs incurred for the commemorative events including the Yorktown 225th Anniversary, the Jamestown 400th Anniversary Weekend and the Democracy Conference. (Item 462 #17s)

BRAC

House: Cuts by half the funding in the introduced budget to provide \$7.5 million in each year to assist Virginia Beach in addressing BRAC's order regarding development deemed incompatible with air operations. (Item 462 #3h). Decreases by \$2.5 million each year the \$30 million included in the introduced budget for grants to assist impacted localities in funding needs association with the implementation of BRAC recommendations and adds \$250,000 each year to support the Hampton Roads Military and Federal Facilities Alliance. (Items 462 #8h and 462 #9h))

Senate: Language amendment stating that the \$30.0 million in general funds for BRAC-related actions in the introduced budget can be used for (among other things) capital projects or relocation of critical defense activities in order to comply with the federal Department of Defense Force Protection Standards for Buildings. (Item 462 #19s); Provides \$72,056 in each year for the Department of Historic Resources to increase its review of federal construction projects at military installations for BRAC-related activities (Item 370 #2s).

HB 29/SB 29 (FY06 BUDGET)

Compensation Board

House and Senate: Removes language in the introduced budget that would have required the Compensation Board to reallocate vacant positions among sheriffs' offices within a given fiscal year based upon workload, population or inmate crowding factors. The Compensation Board has an existing policy on the reallocation of positions after (instead of during) each fiscal year. (Items 63 #1h and 63 #1s)

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Economic development

House and Senate: Provides \$1,060,000 to the City of Norfolk to assist a local economic development effort. (Items 111 #1h and 111 #1s) The city must provide \$1,060,000 of in-kind services to the state. (Items 3-3.04 #1h and 3-3.04 #1s)

Direct aid to education payments

House: Returns \$1.9 million in direct aid to public education to the general fund. (Item 506 #6h)
Senate: Cuts \$1.9 million in FY05 carry forward balances in Direct Aid that were initially proposed to offset rising transportation costs. (Item 144 #1s)

School efficiency reviews.

Senate: Allows state Board of Education to require a school division to participate (at state expense) in the school efficiency review program as a component of division level academic review. The Petersburg school system is the only school system in this status. (Item 137 #2s)

School for the Deaf and Blind

Senate: Adds \$7.3 million for architectural and engineering drawings for consolidation of the schools in Hampton and Staunton into one school on the campus of the Virginia School for the Deaf and the Blind at Staunton, and authorizes the conveyance of the current Hampton campus to a regional day program in Hampton Roads, as called for in SB 676. (Item C-7.90 #2s)

Medical Assistance Services

House and Senate: Reduces by \$6.7 million the state cost for the Medicare Part D "clawback" payment, due to a revision in the amount the federal government will charge the state. (Items 326 #3h and 326 #6s)

Department of Social Services

Senate: Language amendment to require Commissioner to convene a task force to review state policies on adoptions and foster care and to recommend mechanisms to expedite the adoption of children. The task force would include the Commissioner, a national expert, local DSS staff, adoptive parents and other interested stakeholders, and its report is due by June 30, 2006. (Item 354 #1s)

Reduces by \$1.0 million in general funds and \$1.0 million in non-general funds for the federal adoption subsidy program to reflect anticipated caseload and cost levels. (Item 357 #1s)

Rail and Public Transportation

Senate: Adds \$200,000 to support the planning study for high-speed rail between Richmond and Washington, D.C. (Item 483 #1s)

Performing Arts Foundation

House and Senate: Reverts \$4.5 million from the \$8.2 million appropriation for FY06 awarded to the Virginia Performing Arts Foundation in Richmond. (Items 506 #5h and 531 #1s)

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THE UNITED STATES CONFERENCE OF MAYORS

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Attachment 2
Page 1

CITY MANAGER'S OFFICE
ALEXANDRIA, VA

2006 FEB 14 P 3:00

2/13

To: Jim Hartmann
Mark Janko
From: The Mayor

FYI

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Mayor of Long Beach
- Vice President: MICHAEL A. GUIDO
Mayor of Dearborn
- Past President: JERRY F. ABRAMSON
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Mayor of Richmond, VA
- SHELLA YOUNG
Mayor of San Leandro
- Executive Director: TOM COCHRAN

TO: The Mayor
FROM: Tom Cochran
Executive Director
DATE: February 7, 2006
SUBJECT: Staff Analysis of the President's Fiscal Year 2007 Budget Request

Tom Cochran

The following is the Conference of Mayors staff executive summary and a more detailed analysis of the President's budget request for Fiscal Year 2007, which was submitted to Congress on February 6. The analysis focuses on city priority programs and discusses the changes called for in FY 2007 compared to final funding in FY 2006. Staff contact information is provided under each programmatic area if you or your staff have any questions about any specific program.

2006 FEB 27 11:11 AM

OMB
ALEXANDRIA VIRGINIA

**U.S. Conference of Mayors Staff
Executive Summary of Key City Priorities
In the
President's FY 2007 Budget Proposal
February 7, 2006**

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Page 2*

REDUCTIONS/ELIMINATIONS

- **Community Development Block Grants (CDBG)**—grants to local communities to spur community and economic development would be significantly reduced from \$3,711 billion in FY 2006 to \$2,775 billion, a cut of almost \$1 billion (25 percent) in FY 2007.
- **Public Housing Capital Funds**—funds for public housing authorities to carry out capital activities would be cut by \$261 million, from \$2,439 billion to \$2,178 billion.
- **Homeland Security First Responder Programs**—funding in four first responder grants (state block grants, law enforcement terrorism prevention grants, high-threat urban area grants and fire assistance grants) would be cut by almost \$400 million, from \$2,760 billion in the current fiscal year to \$2,364 billion in FY 2007.
- **Justice Assistance Grants**—funds for the Edward Byrne Memorial Justice Assistance Grant program would be eliminated. The budget would also eliminate the State Criminal Alien Assistance Grant program which is funded at \$405 million and the Juvenile Accountability Block grant which is funded at \$50 million.
- **Social Service Block Grants and Community Service Block Grants**—which are funded at \$1,700 billion and \$636 million respectively in the current fiscal year would be eliminated.
- **Job Training Programs**—a total of \$600 million would be cut by eliminating a number of Workforce Investment Act (WIA) grants. The President's budget calls for a new consolidated state block grant that would be funded by combining funds from WIA with Employment Service, Work Opportunity Tax Credit Administration and Labor Market Information funds.
- **Clean Water State Revolving Loan Funds**—funds for this program, which are used to assist local governments in repairing and replacing their aging water infrastructure systems, have been declining since 2004 when the program was funded at \$1,350 billion. Currently it is funded at \$900 million and the President has proposed reducing it to \$688 million in FY 2007, a \$212 million cut.
- **Amtrak**—funds for Amtrak were cut by more than 25% to \$900 million. In addition, the budget calls for the phase out of overnight trains.
- **Airport Improvement Program**—which provides grants for airport safety, capacity, and noise mitigation programs, was cut by more than \$800 million to \$2,750 billion.

INCREASES

- **Homeless Assistance Grants**—funds would be increased from \$1,327 billion to \$1,536 billion, a total of \$209 million in FY 2007.
- **LIHEAP**—funds would be increased by \$621 million over the current fiscal year.
- **FEMA/Disaster Mitigation**—funds for the Federal Emergency Management Agency pre-disaster mitigation program would be increased by \$100 million over this year's funding level.
- **Secure Borders Initiative**—a total of \$459 million is requested to hire 1,500 new border patrol agents, and \$100 million is requested to enhance electronic surveillance and operational response capability. Another \$420 million is requested to facilitate the detention and removal of illegal aliens.

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ARTS, PARKS AND TRAVEL (Staff Contact: Tom McClimon)

Arts, Humanities, and Museums – The National Endowments for the Arts and Humanities would retain approximately the same level of funding as in the current fiscal year. The National Endowment for the Arts would be funded at \$124 million and the National Endowment for the Humanities at \$141 million. Grants for museums at the Institute of Museum and Library Services would remain the same at the current level of \$36 million.

Parks – The Administration is proposing no funding for the state assistance program of the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Program. This continues the pattern from last year. Both programs currently receive little or no funding.

Travel and Tourism – The Administration is proposing no additional funding for the promotion of an international destination marketing campaign to attract foreign visitors to the United States. Congress appropriated \$5 million for such an effort in the current fiscal year budget.

COMMUNITY DEVELOPMENT AND HOUSING (Staff Contact: Eugene Lowe)

Community Development Block Grants (CDBG) – Formula grants, funded at \$3,711 billion in FY 2006, would be cut to \$2,775 billion in FY 2007. (The Administration proposed \$2,975 billion for formula grants but will use \$200 million for competitive challenge grants to communities expanding homeownership). CDBG would be reformed through legislation that will authorize a new allocation formula and the bonus fund component. Several HUD programs would be consolidated into CDBG, including Brownfields Redevelopment grants, Rural Housing and Economic Development, and Section 108 Loan Guarantees. HUD will work closely with the Department of Commerce to implement the goals and measures of the Strengthening America's Communities Initiative (SACI) that will apply to all federal community and economic development programs.

HOPE VI – The Administration proposes the termination of this program, and rescinds the \$99 million appropriated to the program in FY 2006. The program provides assistance for the revitalization of severely distressed public housing.

Public Housing Capital Funds – Funds for public housing authorities to carry out capital activities are cut from \$2,439 billion in FY 2006 to \$2,178 billion in FY 2007. Public Housing Operating Funds are level funded at \$3,564 billion in FY 2007.

The Housing Choice Voucher – Funding is increased for tenant based section 8 from \$15,808 billion (last year's level) to \$15,920 billion in FY 2007. The Administration will continue to promote the State and Local Housing Flexibility Act of 2005 and expand the "dollar-based" approach to allow public housing authorities to have more flexibility to address local needs.

Homeless Assistance Grants – The Administration proposes to increase homeless assistance from last year's funding of \$1,327 billion to \$1,536 billion in FY 2007. The Administration will propose consolidation of the HUD homeless programs that will provide more flexibility to address local needs.

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The HOME Investment Partnerships Program – This program would be increased from \$1,757 billion to \$1,917 billion. One hundred million dollars (a \$75 million increase) of the HOME funding is for the American Dream Downpayment Act program which provides assistance to first time homebuyers.

The Section 202 Elderly Housing Program, and the Section 811 Disability Housing Program – Both elderly and disability housing are cut in FY 2007. Elderly housing is reduced from \$735 million to \$545 million; disability housing, from \$237 million to \$119 million.

HOPWA – Funds for Housing Opportunities for Persons with AIDS (HOPWA) would be increased from \$286 million to \$300 million. The Administration also proposes to change the formula to distribute funds on a more equitable basis.

HEALTH AND HUMAN SERVICES (Staff Contact: Crystal Swann)

HIV/AIDS Programs – The budget requests \$1 billion for domestic HIV/AIDS programs, an increase of \$86 million, to develop, implement and evaluate effective prevention programs. Of this amount, \$740 million will be directed towards prevention initiatives. In addition, the Administration proposes \$188 million for a new domestic HIV/AIDS testing and outreach initiative. The initiative will target high risk populations for rapid HIV testing, counseling, and outreach efforts.

Additionally, the Administration proposes \$2,500 billion for FY 2007 for the Ryan White CARE Act, an increase of \$95 million over FY 2006 funding levels. Of the \$95 million, \$70 million will be directed to the state drug waiting lists and the remaining \$25 million will be used to “expand outreach efforts by providing new HIV community action grants to intermediaries including faith and community based organizations. Combined with \$93 million in new Centers for Disease Control and Prevention funding, brings the total to \$188 million for the new domestic HIV/AIDS testing and outreach initiative.

Nutrition Programs – The budget calls for a \$659 million cut over five years to the Food Stamp program. Additionally, the Administration is proposes the elimination of the Commodity Supplemental Food Program and Commodity and Nutrition Program.

LIHEAP – The Administration proposes \$2,700 billion for the LIHEAP program in FY 2007, a \$621 million increase over the FY 2006 funding level. In a separate agreement, the Northeast and Midwest Republicans are working on an agreement to add an additional \$1 to \$2 billion more in LIHEAP. The low-income heating and energy assistance program provides critical assistance to many low-income individuals.

Chronic Disease Prevention and Health Promotion – The budget proposes \$819 million, a decrease of \$20 million in FY 2007, for chronic disease prevention and health promotion activities.

Bioterrorism – Included in the Centers for Disease Control and Prevention budget is \$824 million for state and local preparedness efforts, which is level funding from FY 2006 levels.

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Already appropriated through emergency funding is \$350 million for local and state preparedness efforts.

Pandemic Influenza – In a one-time emergency funding bill, the Administration appropriated \$188 million to CDC to enhance pandemic preparedness efforts to include intensifying surveillance, containment, and outbreak response measures, establishing additional laboratory capacity, and increase of quarantine stations.

Eliminated Programs – The Administration proposes the elimination of the Community Services Block Grant (CSBG), the Preventative Health and Health Services Block Grant, the Commodity Supplemental Food Program, and the Commodity and Nutrition Program.

HOMELAND SECURITY AND PUBLIC SAFETY (Staff Contact: Ed Somers)

Homeland Security

First Responder Programs – Overall funding in the four big first responder grants programs (state block grants, law enforcement terrorism prevention grants, high-threat urban area grants, and fire assistance grants) would be cut by almost \$400 million, down from \$2,760 billion to \$2,364 billion (more than a 14 percent cut). Within this total, increases are provided for discretionary high-threat programs, but major cuts are made in block grants. And, fire assistance grants are more than cut in half. In addition, port security, rail/transit security and bus grants would be rolled-up into a new discretionary “Targeted Infrastructure Protection” program to be controlled by the Secretary.

If these numbers are adopted by Congress, key funding would be cut by 30 percent from just two years ago.

FEMA/Disaster Mitigation – The budget requests a \$100 million increase for the FEMA pre-disaster mitigation program that is designed to reduce the risk to populations, structures and critical infrastructure from natural disasters.

Secure Border Initiative - There are major increases for the Secure Border Initiative with funding for 1,500 new Border Patrol Agents and 506 mission support personnel. There is also funding for more than 6,000 new detention beds to hold illegal aliens while they await removal and to end the practice of “catch and release.”

Transportation Security (Staff Contact: Ron Thaniel)

Non-Aviation Transportation Modes – Despite the increasing number of terror attacks on bus and rail systems worldwide, the FY 2007 budget provides the Transportation Security Administration (TSA) with only \$37 million for non-aviation security. Furthermore, the budget eliminates dedicated DHS funding in the FY 2006 appropriations law for non-aviation modes by lumping them into the Targeted Infrastructure Protection (TIP) grant program whereby bus and rail will have to compete with ports and other critical infrastructure sectors for a total of \$600 million in funding for FY 2007.

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Aviation Security – The budget is requesting \$4.7 billion for aviation security, including \$3.7 billion for aviation screening operations and \$690 million for the purchase, installation, and maintenance of baggage screening devices, including in-line systems. The budget also provides more than \$80 million for emerging technology at passenger checkpoints. The FY 2007 budget proposes to replace the two-tiered aviation passenger security fee schedule with a single flat security fee of \$5.00 for a one-way trip. This new fee is expected to increase collections by an additional \$1,300 billion, for a total of \$3,300 billion. The revenue generated by aviation security fees will cover about 70 percent of core aviation security costs.

Coast Guard – The budget includes \$8,420 billion for the Coast Guard.

Public Safety

COPS -- The budget would continue the cutting of COPS funding, down from \$262 million to \$102 million. There is once again no funding for hiring programs, and gangs, technology, and interoperability grants would be eliminated within COPS.

Justice Assistance Grant – The budget would eliminate the Edward Byrne Memorial Justice Assistance Grant program – a cut of \$322 million for cities and states. The JAG program was created at the request of the Administration by combining the Local Law Enforcement Block Grant and the state-based Byrne Formula Grant program.

Other Justice Programs -- The budget would eliminate the State Criminal Alien Assistance Program (\$405 million) and the Juvenile Accountability Block grant (\$50 million). The Administration is seeking increases for DNA analysis and reducing or eliminating the backlog (\$175 million), and a major increase for gun-crime prosecutions (\$59 million). There is also \$15 million for a gang technical assistance program. Many of these programs are being coordinated under the Administration's Project Safe Neighborhoods program

ENERGY (Staff Contact: Debra DeHaney – Howard)

The President's FY 2007 budget calls for \$23,600 billion in spending for the Department of Energy (DOE). This is a \$500 million increase from the FY 2006 budget request.

Renewable Energy – The budget calls for \$1,200 billion for energy efficiency and renewable energy spending to develop diverse sources of energy and related technologies to meet the need for clean, reliable, and affordable energy. The FY 2007 budget request for solar energy is \$148.4 million, a \$65.3 million increase from FY 2006. It also proposes \$43.8 million for wind energy, a \$5 million increase over the FY 2006 appropriation. Further, it calls for \$149.7 million for the Biomass program, an increase of \$59 million. The budget also requests \$195.8 million for Hydrogen Technology, a \$40 million increase over the current fiscal year.

Weatherization Assistance Grants – The budget request calls for \$164 million in spending for weatherization assistance grants, which represents a decrease of \$78 million from the \$242.6 million available in FY 2006.

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Vehicles Technologies – A total of \$166 million is included in the President's budget for the Vehicles Technologies Program (FreedomCar, Hybrid Technology, Plug-in Hybrids). This amount is \$16.1 million less than the FY 2006 appropriation.

Nuclear Waste Repository (Yucca Mountain) – Funds for the Nuclear Waste Repository, Yucca Mountain, would be funded at \$544 million, a \$49.5 million increase from the FY 2006 appropriation.

EDUCATION (Staff Contact: Josie Hathway)

For FY 2007, President Bush is requesting \$54,400 billion in discretionary appropriations for the Department of Education, a decrease of \$3,100 billion, or 5.5 percent, from the FY 2006 level. Despite the proposed decrease, discretionary appropriations for the Department will have grown by almost \$12,200 billion, or 29 percent, since FY 2001. One of the major priorities of this proposed budget is the agency's part of the President's *American Competitiveness Initiative* to strengthen math and science instruction in K-12 schools. Also, there is a revised *High School Reform Initiative*. Funding for the new initiatives comes from the proposed elimination of 42 programs including Vocational Education State Grants and National Programs, Tech- Prep, GEAR UP, Upward Bound, Talent Search, Education Technology grants, Arts in Education and Safe and Drug-Free Schools and Communities State Grants.

Elementary and Secondary Education Act, Title I – The President proposes to level fund Title I at \$12,700 billion to meet the rigorous accountability and teacher quality requirements of the No Child Left Behind Act (NCLB). The Administration is also requesting for the first time \$200 million for **Title I School Improvement Grants** to support state leadership in helping turn around low-performing schools and school districts and provide flexibility to use formula grants to establish or expand comprehensive, statewide systems of support to school districts to meet NCLB proficiency goals.

American Competitiveness Initiative to strengthen math and science instruction includes:

- **Math Now for Elementary School Students** – Modeled after the Reading First program, the President proposes \$125 million to institute proven practices in math instruction for students in grades K-7 and enables the students to take more rigorous math courses in middle and high school.
- **Math Now for Middle School Students** – This program has a funding request for \$125 million and is also based on the Reading First concept. It will work with middle school students.

Advanced Placement Program – The President proposes to increase funding to \$122 million to train teachers and expand opportunities for students in high-poverty schools to take advantage of Advance Placement and International Baccalaureate courses in math, science and critical foreign languages.

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Teacher Incentive Fund – This program was first funded in 2006 to provide competitive grants for states and school districts to develop and implement performance-based compensation systems for teachers and principals in high-need areas. The President is asking for \$99 million.

Individuals with Disabilities Education Act (IDEA) – The President's budget proposal for IDEA supports his *New Freedom Initiative* to help people with disabilities lead independent lives. The request is for \$11,700 billion which is a \$100 million dollar increase. This is funding for the formula grants to states which is then sent to local education agencies.

21st Century Community Learning Centers – For the third year in a row, this program is level funded at \$981 million for state administered competitive grants to establish or expand after school centers that provide extended learning in high-poverty schools.

Reading First and Early Reading First – The President is requesting level funding of \$1,029 billion for Reading First State Grants to enable all children to be reading at grade level by third grade and \$103 million for Early Reading First to support existing pre-school programs that enable children to get an early start on learning to read prior to entering kindergarten or first grade.

Striving Readers – The President proposes a \$70 million increase to fund the program at \$100 million. It focuses on improving the skills of teenage students who are reading below grade level.

Vocational Education (State Grants and National Programs) – The Administration proposes to eliminate Vocational Education programs in order to help fund the *High School Reform Initiative* at the proposed level of \$1,476 billion. The initiative will be located in the Office of Elementary and Secondary Education to expand the application of No Child Left Behind to the high-school grades. This includes zeroing out the Tech Prep program.

Pell Grants – The Administration is requesting \$12,700 billion and assumes that the \$273 million left over from paying off the shortfall will be available to support the 2007 program costs. Individual Pell Grants will remain at \$4,050 per year.

Academic Competitiveness Grants and National SMART Grants – Created by end-of-the-year legislation, this new need-based mandatory program awards annual grants of up to \$750 to first-year Pell recipients \$1,000 for second-year Pell recipients and \$4,000 for third and fourth-year Pell recipients to high achieving students who are majoring in the sciences, mathematics, technology, engineering or critical foreign languages. These annual grants would be over and above an individual's Pell Grant. First and second-year students must have completed a "rigorous" high school curriculum as defined by the state and local education agencies, and third and fourth-year students must maintain a 3.0 grade point average. In FY 2007, the program will provide \$850 million in grants to approximately 600,000 low-income postsecondary education students.

TRIO Programs – The proposal significantly cuts these college preparation and support programs for high school and college students to \$380 million in FY 2007 from \$828 million in FY 2006. The proposal eliminates Upward Bound and Talent Search.

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Page 9**ENVIRONMENT** (Staff Contact: Judy Sheahan)

The Environmental Protection Agency's (EPA) proposed budget for FY 2007 is \$7,300 billion, a 4% decrease (\$300 million) from the FY 2006 budget of \$7,600 billion.

Clean Water Infrastructure – The budget request for Clean Water State Revolving Loan Funds is \$688 million, a decrease of \$219 million from the FY 2006 enacted appropriations of \$877 million. This is even more of a significant decrease when compared to FY 2004's actual allocation of \$1,350 billion which included Congressional earmarks. This would be nearly a 50 percent decrease if the President's budget is enacted.

Drinking Water State Revolving Loan Fund – remains more level at \$842 million, which is up from the \$837 million that was enacted for the current year but down from the \$850 million that was proposed during previous years.

Brownfields – The President's budget calls for \$163 million for the brownfields program, a \$47 million decrease from previous requests, but more in line with past Congressional appropriations (\$162 million). Of this total, \$89.1 million is allocated for brownfields assessment and cleanup funding, \$50 million for state programs, and the remaining money allocated for personnel and program costs (\$25 million).

Superfund – The President has proposed \$1,259 billion for Superfund cleanup which is an increase of \$28 million from enacted FY 2006 actual levels but lower than other previous proposed levels of \$1,300 billion.

Army Corps of Engineers – The proposed budget for FY 2007 calls for discretionary budget authority of \$5,879 billion, an increase of 23% from actual FY 2005 money spent (\$4,700 billion) but a decrease of 20% from actual 2006 expenditures (\$7,400 billion). This amount was a direct result of emergency expenditures associated to the relief efforts of the Army Corps of Engineers and Hurricane Katrina.

JOB TRAINING PROGRAMS (Staff Contact: Josie Hathway)

The President's Budget for the Department of Labor (DOL) calls for a new \$3,400 billion consolidated state block grant to deliver Career Advancement Accounts (CAA) by combining and cutting over \$600 million from the Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth formula grant programs with the Employment Service into a consolidated state block grant which provides greater flexibility for governors to redesign or eliminate the local workforce system and determine how funds are spent. Services to in-school youth are also eliminated, meaning no summer jobs or internships, no drop-out prevention services and no post-secondary and career opportunity initiatives for high school students under WIA.

Consolidated State Block Grant – This block grant would consolidate funds from the WIA Adult, Dislocated Worker and Youth formula grant programs with the Employment Service, Work Opportunity Tax Credit Administration and Labor Market Information funds into a single state block grant. States would be required to use a minimum of 75 percent of the funds for Career Advancement Accounts (CAA) which the President proposed as part of the *American*

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Competitiveness Initiative announced during the State of the Union. States would use the remaining funds to provide basic employment services through existing One-Stop career centers, or through partnerships with the private sector. This proposal does not define a role for the local workforce system but rather leaves it up to the states to negotiate with local areas on their role.

Career Advancement Accounts – The CAA program is very similar to Personal Re-employment Accounts (PRAs) that the Administration has proposed the last three years but has yet to be enacted by Congress. CAAs will be self-managed accounts of up to \$3,000 that workers and people looking for work, both adults and out-of-school youth, can use to obtain training and other employment services. The accounts must be used to pay for expenses directly related to education and training, not supportive services.

Adult Training Grants – DOL proposes to eliminate the WIA adult training formula grant program by combining and cutting it by \$145 million from FY 2006 levels into the consolidated block grant to administer Career Advancement Accounts.

Dislocated Worker Job Training Grants – DOL proposes to eliminate the WIA Dislocated Worker formula grant program by combining and cutting it by \$348 million from FY 2006 levels into the consolidated block grant to administer Career Advancement Accounts.

Youth Training – DOL proposes to eliminate WIA Youth training formula grant program by combining and cutting it by \$100 million from FY 2006 levels WIA into the consolidated block grant to administer Career Advancement Accounts. In-school youth are not eligible for CAAs.

Community Based Job Training Grants – The budget would fund the community college initiative at \$150 million as part of the President's High-Growth Job Training Initiative. It would fund competitive grants to community colleges that partner with employers to train workers with skills needed in growth sectors of the economy.

Prisoner Re-entry Program – The budget includes a total of \$60 million for the third year of funding of this four-year Prisoner Re-entry Initiative to help individuals exiting prison make a successful transition to community life and long-term employment. DOL would provide level funding of \$20 million for this initiative, HUD would provide \$25 million, and the Department of Justice would provide \$15 million. These agencies will work together with faith-based and community organizations to fund competitive grants which include job training, transitional housing assistance and mentoring.

TRANSPORTATION (Staff Contact: Ron Thaniel)

The President's budget is seeking \$65,600 billion to fund the nation's transportation system, up from \$65,500 billion for FY 2006. The budget funds the nation's surface transportation law, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) at nearly \$50 billion for transit, highways and safety programs, a \$3,300 billion increase over 2006. Funding for Amtrak is cut to \$900 million from \$1,310 billion that Congress appropriated for FY 2006.

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Amtrak – The 2007 budget provides \$900 million for Amtrak. This is a cut of over \$300 million from FY 2006. In addition to the lower funding level, the budget includes authorization language calling for:

- The phase out of overnight trains and restructure train schedules to emphasize regular short trips;
- Consider opportunities for competition, such as contracting with non-Amtrak operators;
- Overhaul money-losing food and dining services; and
- Address the balance of Amtrak's labor costs exceeding ticket revenues.

The budget includes \$500 million for capital costs and for operating costs, the Administration proposes that the U.S. Department of Transportation be given authority to issue \$400 million in discretionary grants to Amtrak.

Federal Highway Administration – The FY 2007 budget funds Federal-aid Highway Programs at \$39,800 billion. Key programs are funded at the following levels:

- National Highway System (NHS) - \$7,800 billion for the NHS, which consists of roads that are of primary Federal interest, including the current Interstate system, other rural principle arterials, urban freeways and connecting urban principal arterials.
- Surface Transportation Program (STP) - \$7,500 billion for the STP program which supports projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.
- Interstate Maintenance (IM) - \$5,100 billion for the IM program which is designed to rehabilitate, restore, resurface and reconstruct the interstate system.
- Bridge Replacement and Rehabilitation - \$4,200 billion for the bridge program which enables States to improve the condition of their bridges through replacement, rehabilitation, and systematic preventive maintenance.
- Congestion Mitigation and Air Quality Improvement Program (CMAQ) - \$2 billion for the CMAQ program which supports transportation projects that assist in meeting and maintaining national ambient air quality standards.
- TIFIA Program - The Transportation Infrastructure and Innovation Act (TIFIA) loan program leverages limited Federal resources and stimulates private investment by providing credit assistance for major transportation projects. For FY 2007, \$131 million is estimated to be obligated for TIFIA projects.

Federal Transit Program – The budget request \$8.9 billion for Federal transit programs. Key transit programs are funded at the following levels:

- Urbanized Area Program - \$5,400 billion is proposed for the Urbanized Area Formula program and the Fixed Guideway Modernization program, to help meet the capital replacement, rehabilitation, and refurbishment needs of existing transit systems.

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- **Capital Investment Grants** - \$1,500 billion is proposed in FY 2007 for the construction of new fixed guideway and non-fixed guideway corridor systems, and extension to existing systems.
- **Bus and Bus Facilities** - \$847 million is requested to make funding available to finance bus and bus-related capital projects, including ferryboat projects.
- **Job Access and Reverse Commute** - \$144 million is requested for Job Access and Reversed Commute projects that provide new and expanded transportation services and connect welfare recipients and low-income persons to employment and employment support services.

Federal Aviation Program - The budget request \$13.700 billion for the FAA. Key programs are funded at the following levels:

- **Operations** - \$8,400 billion is proposed for FAA operations.
- **Facilities and Equipment** - \$2,500 billion is proposed for facilities and equipment.
- **Grants-Aid for Airports (Airport Improvements Program [AIP])** - The budget includes \$2,750 billion for planning and development of the nation's airports, including grants for security, safety, capacity, and noise-reduction project. The \$2,750 billion is an \$800 million cut from the FY 2006 level of \$3,500 billion.

Maritime Administration Program (MARAD) - The FY 2007 budget request \$299 million for maritime management and security programs.

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Comparison of Funding Levels for Key Municipal Programs in Enacted FY 2006 Budget and Proposed FY 2007 Budget

Prepared by
The United States Conference of Mayors
February 7, 2006

(Dollars in Millions)

	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Proposed
ARTS, HUMANITIES, MUSEUMS AND PARKS			
National Endowment for the Arts	121	125	124
National Endowment for the Humanities	138	142	141
Museum Grants	34	32	36
Urban Parks	0	0	0
Land and Water Conservation Fund	90	0	0
Historic Preservation	40	42	41
Travel and Tourism Promotion	10	5	5
EDUCATION			
21st Century Community Learning Centers	991	981	981
Title I Education for the Disadvantaged	12,740	12,713	12,713
Title I School Improvement Grants	0	0	200
Math Now for elementary school students	0	0	125
Math Now for middle school students	0	0	125
Advanced Placement	30	32	122
High School Reform (Elementary and Secondary Ed.)	0	0	1,475
Vocational Education State and National Program Grants	1,300	1,296	0
Charter Schools	217	215	215
Reading First	1,042	1,029	1,029
Early Reading First	104	103	103
Striving Readers	25	30	100
Safe and Drug Free Schools and Communities National Programs	235	222	216
Safe and Drug Free Schools and Communities State Grants	437	347	0
Special Education State Grants	10,589	10,583	10,683
Impact Aid	1,243	1,228	1,228
Language Acquisition State Grants	675	669	669
Pell Grants	12,594	12,746	12,986
Education for Homeless Children and Youth	62	62	62
Early Childhood Educator Professional Development	14	15	15
TRIO Programs	837	828	380
GEAR UP	307	303	0
ENERGY			
Nuclear Waste Repository (Yucca Mountain)	413	450	544
Vehicle Technologies (FreedomCar/Plug-in Hybrids)	161	182	166
Hydrogen Technology (Hydrogen Fuel Cells)	166	157	196
Renewable Energy			
Biomass/Biorefinery Systems	87	91	150

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	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Proposed
Solar Energy	84	83	148
Wind Energy	41	39	44
Geothermal Technology	25	23	0
Weatherization Grants for Low Income Families	228	243	164
State Energy Program Grants	44	36	49
ENVIRONMENT			
Clean Water State Revolving Loan Funds	1,090	900	688
Drinking Water State Revolving Loan Funds	843	850	842
Superfund	1,246	1,260	1,259
Brownfields Assistance	170	165	163
FOOD AND NUTRITION ASSISTANCE			
Food Stamps	34,032	34,811	34,795
Child Nutrition Programs	12,367	13,206	13,902
WIC	5,241	5,399	5,361
Commodity Assistance Program (TEFAP)	107	150	190
HEALTH			
Medicare	294,333	337,922	387,049
Medicaid (outlays)	182	192,334	199,287
Ryan White CARE Act	2,073	2,083	2,158
CDC AIDS, STD, TB	960	947	1,033
Health Centers	1,734	1,800	1,963
Family Planning	286	286	283
Healthy Start	102	102	102
Maternal and Child Health Block Grant	724	700	693
Preventive Health Block Grant	118	100	0
Immunizations	479	530	507
Mental Health Partnership	433	432	428
Health Promotion	1,021	971	819
HOMELAND SECURITY			
State First Responder Formula Grant Program	1,100	550	633
Homeland Security Law Enforcement	400	400	0
High-Threat Urban Areas Program	860	740	838
Targeted Infrastructure Protection (TIP) - Ports, Transit, Other... (New)	0	0	600
Port Security Grants	150	175	0
Rail/Transit Security Grants	150	150	0
Intercity Bus Security Grants	10	10	0
Trucking Industry Grants	5	5	0
High-Risk-Non-Profit Organization Grants	25	25	0
Buffer Zone Protection	0	50	0
Firefighter Grants	650	545	293
Fire Department Staffing Assistance Grants	65	110	0
Metropolitan Medical Response System	30	30	0
Urban Search and Rescue	30	20	0
Citizen Corps	15	20	35
Emergency Management Performance Grants	180	185	170
Technology Transfer Program	50	50	0
REAL ID Implementation Grants	0	40	0
Bio-Terrorism (HHS State & Local Capacity)	927	824	824

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	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Proposed
TSA - Aviation Security	4,323	4,575	4,654
Passenger & Baggage Screening Operations	3,276	4,193	3,605
Procurement of Explosive Detection System (EDS)	180	175	175
Installation of EDS/Letter of Intent	295	268	45
Surface Transportation Security (TSA)	82	36	37
Transportation Security Support	711	505	527
Federal Air Marshal Service	670	679	699
Coast Guard	7,524	8,093	8,422

CRIME AND DRUG CONTROL

COPS Funding	377	263	102
COPS Hiring (within COPS)	(9.8)	(0)	(0)
Gang Violence Grants (within COPS)	(0)	(40)	(0)
Justice Assistance Grant Program (Core Block Grant Funding)	537	322	0
Southwest Boarder Prosecutors	30	30	30
Juvenile Accountability Incentive Block Grant	54	50	0
Violence Against Women Act Grants	382	386	347
Safe and Drug Free Schools and Communities National Programs	235	222	216
Safe and Drug Free Schools and Communities State Grants	437	347	0
Drug Courts	40	10	69
State Criminal Aliens Assistance Program	301	405	0
Weed & Seed	61	50	49
Project ChildSafe (Gun Locks)	5	1	1
State and Local Gun Violence Assistance Program	0	15	58
Offender Reentry	10	5	15
Bullet Proof Vests	25	30	10
Gang Technical Assistance Program	0	0	15
Substance Abuse Partnership Block Grant	1,776	1,776	1,759
Substance Abuse Prevention	200	194	181
Substance Abuse Treatment	421	398	375

HOMELESS ASSISTANCE

Homeless Programs	1,240	1,326	1,536
Emergency Food and Shelter (DHS)	153	151	151
Education for Homeless Children & Youth	62	62	62
PATH Formula Grants	55	54	54

HOUSING AND COMMUNITY DEVELOPMENT

Community Development Block Grant (Formula)	4,110	3,711	2,775
HOME Investment Partnership	1,900	1,758	1,917
American Dream Down payment (within HOME)	50	25	100
Public Housing Operating Subsidies	2,438	3,564	3,564
Public Housing Capital Fund	2,579	2,439	2,178
HOPE VI	143	99	0
Housing Opportunities for People with AIDS	282	286	300
Section 202 Elderly/Section 811 Disabled	979	972	664
Section 108 Loan Guarantees	275	138	0
Section 8 Rental Assistance	14,766	15,808	15,920
Community Development Financial Institutions	55	54	8
Brownfields Assistance	24	10	0
Urban Empowerment Zones	10	0	0
Economic Development Administration	257	254	297

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	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Proposed
HUMAN SERVICES			
Temporary Assistance to Needy Families	17,044	17,406	17,471
Child Care & Development Block Grant	2,018	2,062	2,062
Head Start	6,843	6,786	6,786
Social Services Block Grant	1,700	2,224	1,400
Low-Income Home Energy Assistance	2,182	2,161	2,782
Community Services Block Grant	637	636	0
Administration on Aging Programs	1,393	1,376	1,335
State Children's Health Insurance Program	5,343	5,775	5,948
Refugee and Entrant Assistance	485	570	615
Faith-based and Community Initiatives	106	115	141
JOB TRAINING PROGRAMS			
Consolidated Block Grant/Career Advancement Accounts ¹	N/A	N/A	3,412
Adult Training	891	857	N/A
Dislocated Workers Assistance	1,344	1,461	N/A
Community Based Job Training Grants	248	124	150
Youth Training	986	941	N/A
Job Corps	1,546	1,557	1,501
Reintegration of Youth Offenders	50	49	0
Prisoner Reentry Program	20	19.6	19.6
Migrant and Seasonal Farm Workers	73	79	0
Employment Service (Wagner-Peyser)	780	716	N/A
YouthBuild	67	49.5	50
TRANSPORTATION			
Amtrak	1,207	1,294	900
Federal Aviation Administration	13,853	14,310	13,749
[Airport Improvement Program]	3,467	3,515	2,750
Federal Aid Highway Program	36,095	39,060	39,822
Federal Transit	8,604	8,504	8,875
Maritime Administration Budget	305	308	299

¹The DOL budget proposes to create a new consolidated block grant program by combining the current adult, dislocated worker, and youth employment and training activities together with the Employment Service to provide governors more flexibility.