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The Virginia State Senate voted 31-8 on Friday to approve amendments to the state's two-year budget, including language to allow Medicaid expansion pending reforms in the state's program.

Twelve senators lodged a protest against the Medicaid language after Lt. Gov. Bill Bolling ruled that it could not be separated from the budget for a separate vote.

A senior delegation from each chamber will now advise the governor that the legislature is ready to adjourn, ending the 46-day session.

The House of Delegates has voted 83-17 to approve revisions to the state's two-year budget. The package authorizes the expansion of Medicaid to as many as 400,000 additional Virginians if specific reforms to the program are met.

It would also establish a special legislative committee to certify whether the reforms have been put in place to allow the expansion, effective July 1, 2014.

The Senate will vote on the budget package later this afternoon.

(This has been a breaking news update. The original version of the story appears below)

State employees would receive an additional \$65 for every year of service as part of a plan to help longer-serving employees whose salaries haven't kept pace with pay to new hires, under a budget compromise before the General Assembly today.

The salary proposal follows the model adopted by the House of Delegates but increases the amount from \$50 per year of service, effective in July, to address "salary compression," in which longstanding state employees are paid less than people

newly hired to comparable jobs. The Senate had proposed an additional 1 percent

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police would be given a raise of \$70 for every year of service, or a maximum of \$2,100.

The plan would augment a 2 percent raise already budgeted for state employees in July, but that increase already is offset by an increase in federal payroll taxes for Social Security.

The budget agreement also would provide a 1-percent salary increase in August for college and university faculty, as well as state-supported local positions, such as constitutional officers.

The deal would add an additional \$40.3 million to the budget for the fiscal year that will begin July 1.

The budget agreement also includes \$70.2 million for a 2-percent increase in salaries for teachers and school support employees. Local school divisions will have to provide matching funds for the raises, which offered in conjunction with legislation passed by the Assembly this year related teacher contracts.

The agreement includes \$150,000 to kick start Gov. Bob McDonnell's proposed statewide school division to take over struggling schools.

Funding was key because the legislation that passed both chambers and made it to McDonnell's desk carried a clause stating that it must be funded in the budget for enactment. Negotiators settled on \$150,000, far less than the \$600,000 that McDonnell requested and the House of Delegates included in its budget. The Senate did not include any money for the program in its budget.

The proposal allows a statewide school division, run by a board of state lawmakers and gubernatorial appointees, to take over schools that have been denied accreditation or are in their third year of warning. Currently, that includes at least six schools — two of them in Petersburg.

Another \$412,500 is included for planning grants to school divisions interested in

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hire school resource officers and school security officers, and \$2.9 million to fund recommendations by the Governor's Task Force on School and Campus Safety.

Other provisions of the proposed budget iinclude:

- an additional \$45 million as a prepayment to the state's Rainy Day Fund. McDonnell already had recommended that \$50 million be paid into the fund.
- \$45 million that Richmond would have to match to pay for the next phase of work to end combined sewage and storm water overflows into the James River during heavy rains. The Senate had proposed \$50 million and the House \$40 million. The city has committed to not seeking additional state funding for the combined-sewer overflows for 10 years.
- \$5 million for improvements at the Hopewell sewage treatment plant to remove nutrients that pollute the Chesapeake Bay and its tributaries.
- \$5 million to improve drinking water supply provided by the Appomattox River Water Authority.
- \$16.6 million for Medicaid waivers to provide community services to people with mental illness and other disabilities.
- \$166,250 to implement Senate Bill 1256, which requires voters to present photo identification at the polls.
- \$8.6 million increase for in-state undergraduate financial aid, and \$3.4 million to create an additional 1,700 slots for in-state students at the University of Virginia, Virginia Teach, College of William & Mary, and James Madison University.
- \$4.1 million for research and economic development, including \$1 million each to the University of Virginia and Virginia Commonwealth University for cancer

research and \$1 million to Virginia Tech for brain injury research (VCU receives \$2.6

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