

CENTRAL APPROPRIATIONS

Central Appropriations serves two purposes. First, it acts as a “holding account” for funds used to supplement state agency appropriations. These funds are designated for a variety of purposes, including employee compensation, economic contingencies, economic development, employee health insurance premiums, state legal expenses, and personal property tax relief. Central Appropriations also acts as a “reversion clearing account” to accrue statewide savings for various actions. The Department of Planning and Budget administers Central Appropriations.



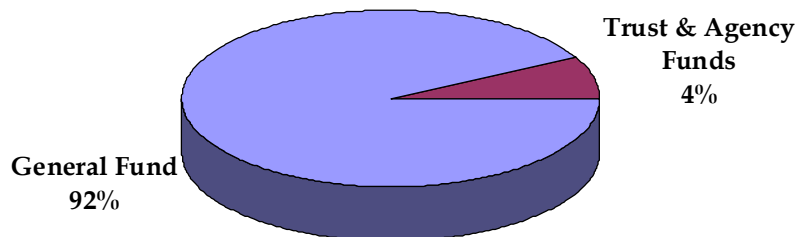
CENTRAL APPROPRIATIONS INCLUDE:

- Program Evaluation Service
- Payments for Tobacco Usage Prevention
- Personal Property Tax Relief
- Supplements to Employee Compensation
- Supplements to Employee Benefits
- Economic Development Assistance
- Base Realignment and Closure Assistance

Financing of Central Appropriations*

Based on 2008 - 2010 Biennial Operating Budget

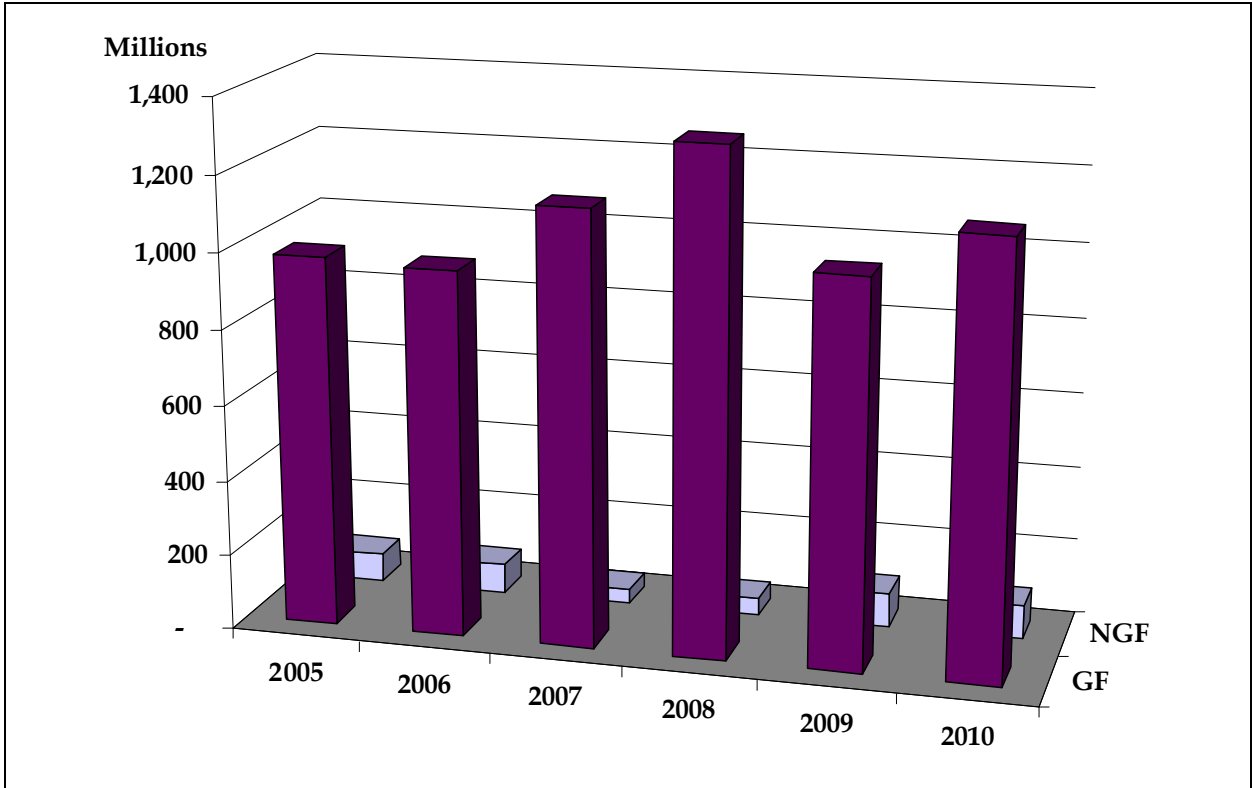
*Funds with totals less than 1% have not been included





Central Appropriations

Operating Budget History



Central Appropriations

Central Appropriations acts as a “holding account” for funds used to supplement state agency appropriations.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$981,723,173	\$75,713,760	0.00
2006 Appropriation	\$968,386,841	\$76,662,113	0.00
2007 Appropriation	\$1,146,193,264	\$39,759,462	0.00
2008 Appropriation	\$1,053,952,506	\$46,313,093	0.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$918,183,315	\$91,431,429	0.00
2009 Addenda	(\$62,976,800)	\$0	0.00
2009 TOTAL	\$855,206,515	\$91,431,429	0.00
2010 Base Budget	\$1,003,480,166	\$91,618,010	0.00
2010 Addenda	(\$140,061,506)	\$0	0.00
2010 TOTAL	\$863,418,660	\$91,618,010	0.00

New Capital Outlay Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Addenda	\$0	\$0	0.00
2010 Addenda	(\$100,000,000)	\$10,000,000	0.00

Recommended Operating Budget Addenda

► Fund transition support for the three statewide elected offices

Funds the cost of transition expenses for the three individuals elected as Governor, Attorney General, and Lieutenant Governor in November 2009. In addition, the Department of General Services is directed to provide \$104,135 in nongeneral fund support from the existing Seat of Government rent plan appropriation. These funds cover the cost of essential transition operating expenses for the period after the election to the inauguration in January 2010. For 2010, \$403,965 (GF).

► Fund inaugural expense for the three statewide elected offices

Funds a portion of the expenses associated with the inauguration in January 2010. For 2010, \$225,000 (GF).

► Absorb increases to the state employee health insurance premiums from balances

Requires that increases in health insurance premiums will be funded in 2010 from balances in the health insurance fund. The funding level absorbed reflects changes in plan design consistent with the findings contained in the Joint Legislative Audit and Review Commission's recent study on employee compensation and benefits.

► Provide funding for increased technology costs

Transfers funding from FY 2010 to FY 2009 to cover a shortfall of dollars in FY 2009 for increased technology costs due to the implementation of decentralized rates. For 2009, \$3.5 million (GF). For 2010, a decrease of \$3.5 million (GF).

► Provide a prepayment for increased retirement contribution

rates resulting from Work Force Transition Act costs

Provides additional funding to pre-pay beginning in 2010 expected retirement contribution rate changes resulting from cost increases caused by the absorption of Workforce Transition Act enhanced retirement costs by the Virginia Retirement System. For 2010, \$438,208 (GF).

► Move funding for payroll service bureau to agency budgets

Moves funding to state agencies enrolled in the Department of Accounts' payroll service bureau. A companion amendment in the Department of Accounts removes the general fund appropriated for this purpose and converts this function into an internal service fund where the department will bill participating agencies. For 2010, \$376,280 (GF).

► Eliminate planned salary increases for public employees in FY 2009

Eliminates the planned two percent salary increase in 2009 for state employees, higher education faculty, and state supported local employees. For 2009, a decrease of \$43.6 million (GF). For 2010, a decrease of \$43.0 million (GF).

► Eliminate planned salary increases for public employees in FY 2010

Eliminates the planned two percent salary increase in 2010 for state employees, higher education faculty, and state supported local employees. For 2010, a decrease of \$81.5 million (GF).

► Adjust reversion clearing account for agency reductions

Adjusts the reversion clearing account included in Chapter 879 for state agency reductions to reflect the actual collections and projections of reduction amounts. For 2009, a decrease of \$14.9 million (GF). For 2010, \$3.0 million (GF).

► Reflect Governor's October reductions in agency budgets

Reflects the reductions approved by Governor Kaine in October 2008 for 2009 and the corresponding continuation of savings in 2010. See Part D of this document for reduction details. For 2009, a decrease of \$139,800 (GF).

► Implement targeted reductions

Implements targeted reductions for 2009 and 2010 included in Governor Kaine's 2008-2010 Budget Reduction Plan. Reduction details can be found in Part D of this document. For 2009, a decrease of \$7.8 million (GF). For 2010, a decrease of \$31.0 million (GF).

► Provides funding for interest earnings and credit card rebates for institutions of higher education

Provides funding for the estimated total payment to individual institutions of higher education for 1) the interest earned on tuition and fees and other nongeneral Education and General revenues deposited to the state treasury and 2) a pro rata amount of the rebate paid to the Commonwealth on credit card purchases not exceeding \$5,000 during the previous fiscal year. The State Council of Higher Education must certify that all performance benchmarks proscribed in §23-9.6:1.01, Code of Virginia, have been successfully achieved by the individual institutions of higher education before any funds are transferred to the affected institution. For 2010, \$13.3 million (GF).

► Provide additional funding for the Virginia Community College Transfer Grant program

Provides additional funding for the Virginia Community College Transfer Grant program. This program provides financial assistance to students who have completed an

Central Appropriations (Continued)

associates degree and are transferring to a four-year institution. For 2010, \$1.3 million (GF).

Recommended Capital Outlay Addenda

► **Improve Wallops Island Flight Facilities**

Provides authorization for the issuance of bonds by the Virginia Public Building Authority for the next phase of the Virginia Commercial Space Flight Authority's improvements to its flight facilities at Wallops Island. The authority will use the proceeds for the cryogenic fuel system and development of a horizontal integration facility, both of which are necessary for the launch of Taurus II and other mid-class rockets. The bonds issued for the first phase are supporting work related to preparing the launch pad and surrounding site. For the biennium, \$10.0 million (NGF).

► **Supplant general fund capital amounts**

Exchanges general fund amounts included in Chapter 879 for various projects with bond proceeds. The bond proceeds are appropriated in companion amendments which can be found under 9(D) Revenue Bonds. For the biennium, a reduction of \$100.0 million (GF).

9(D) Revenue Bonds

New Capital Outlay Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Addenda	(\$250,000,000)	\$250,000,000	0.00
2010 Addenda	\$0	\$100,000,000	0.00

Recommended Capital Outlay Addenda

► **Supplant higher education project amounts with bond proceeds**

Provides the bond proceeds required to replace supplanted general fund amounts from various capital projects in the state supported institutions of higher education. For the biennium, \$287.4 million (NGF) and a reduction of \$195.0 million (GF).

► **Supplant general fund dollars with bond proceeds for various non-higher education projects**

Provides the bond proceeds required to replace supplanted general fund amounts from various capital projects in the non-higher education agencies. For the biennium, \$62.6 million (NGF) and a reduction of \$55.0 million (GF).