

OFFICE OF FINANCE

The Honorable Richard D. Brown, Secretary of Finance



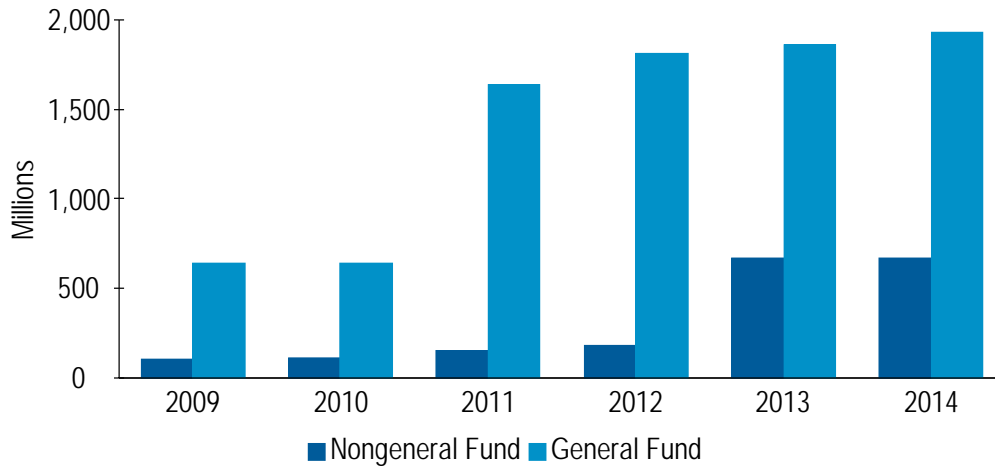
Finance agencies handle the financial transactions of the Commonwealth, from collecting taxes to paying the bills and distributing aid to localities. Responsibilities of Finance agencies include forecasting and collecting revenues, managing the Commonwealth’s cash and investments, selling bonds, training agency internal auditors, and preparing and executing the Commonwealth’s budget.



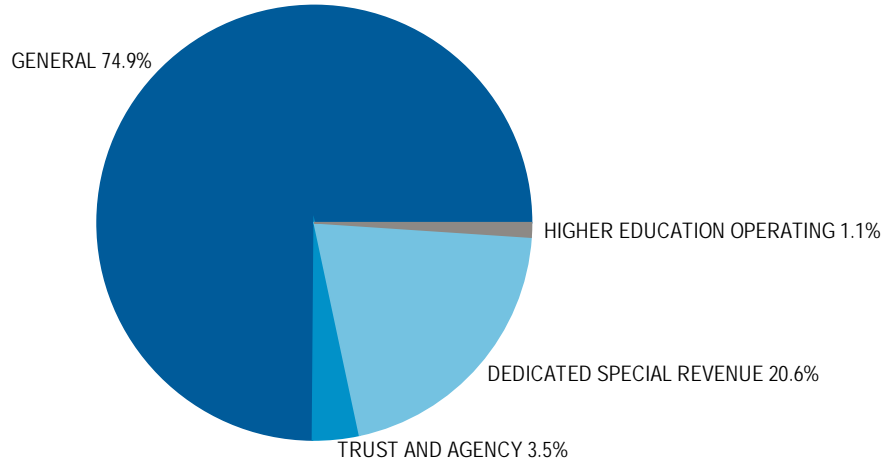
Office of Finance Includes:

Secretary of Finance	Department of Taxation
Department of Accounts	Department of the Treasury
Department of Accounts Transfer Payments	Treasury Board
Department of Planning and Budget	

Office of Finance Operating Budget History



Financing of the Office of Finance* Based on 2012-2014 Proposed Operating Budget *Funds with totals less than 1% have not been included



Secretary of Finance

Finance agencies handle the financial transactions of the Commonwealth, from collecting taxes to paying the bills and distributing aid to localities. Responsibilities of Finance agencies include forecasting and collecting revenues, managing the Commonwealth's cash and investments, selling bonds, training agency internal auditors, and preparing and executing the Commonwealth's budget.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 657,466	\$ 0	\$ 626,885
2010 Appropriation	\$ 654,846	\$ 0	\$ 626,885
2011 Appropriation	\$ 420,423	\$ 0	\$ 411,882
2012 Appropriation	\$ 420,423	\$ 0	\$ 411,882
2013 Base Budget	\$ 420,423	\$ 0	\$ 400,262
2013 Addenda	\$ 4,487	\$ 0	\$ 3,591
2013 Total	\$ 424,910	\$ 0	\$ 403,853
2014 Base Budget	\$ 420,423	\$ 0	\$ 400,262
2014 Addenda	\$ 4,939	\$ 0	\$ 3,591
2014 Total	\$ 425,362	\$ 0	\$ 403,853

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	5.00	0.00	5.00
2010 Appropriation	5.00	0.00	5.00
2011 Appropriation	4.00	0.00	4.00
2012 Appropriation	4.00	0.00	4.00
2013 Base Budget	4.00	0.00	4.00
2013 Addenda	0.00	0.00	0.00
2013 Total	4.00	0.00	4.00
2014 Base Budget	4.00	0.00	4.00
2014 Addenda	0.00	0.00	0.00
2014 Total	4.00	0.00	4.00

Recommended Operating Budget Addenda

- **Distribute Central Appropriation amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved to or from Central Appropriations to cover the costs of items such as changes in retirement and other benefit contribution rates, as well as the distribution of other centrally funded items.

	FY 2013	FY 2014
General Fund	\$ 3,517	\$ 3,517

- **Adjust funding to reflect changes in information technology and telecommunication charges**

Adjusts the agency's budget for the general fund share of information technology and telecommunication charges based on changes in utilization, services, and rate changes approved by the Joint Legislative Audit and Review Commission on July 1, 2010, and September 1, 2011.

	FY 2013	FY 2014
General Fund	\$ (309)	\$ (309)

- **Adjust funding to reflect changes in rent charges at the seat of government**

Provides additional funding to cover the general fund share of increased rent charges at the seat of government. The rent rate increase, the first in six years, results from additional costs to maintain facilities.

	FY 2013	FY 2014
General Fund	\$ 1,334	\$ 1,778

- **Fund changes in state employee workers' compensation premiums**

Adjusts the agency's budget for the general fund share of state employee workers' compensation premiums based on the allocation of FY 2013 and FY 2014 program costs provided by the Department of Human Resource Management. The allocation is based on the historical experience of the agency and reflects the current policy of providing agencies with 50 percent of any increased costs and allowing agencies to retain 50 percent of any reduced costs.

	FY 2013	FY 2014
General Fund	\$ (55)	\$ (47)

Department of Accounts

Provide a uniform system of accounting, financial reporting, and internal control adequate to protect and account for the Commonwealth's financial resources while supporting and enhancing the recognition of Virginia as the best managed state in the nation.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 11,750,195	\$ 419,643	\$ 9,530,939
2010 Appropriation	\$ 9,540,644	\$ 419,643	\$ 9,703,563
2011 Appropriation	\$ 10,100,568	\$ 1,648,830	\$ 9,828,276
2012 Appropriation	\$ 9,998,542	\$ 1,852,882	\$ 9,930,302
2013 Base Budget	\$ 9,998,542	\$ 1,852,882	\$ 9,952,893
2013 Addenda	\$ 20,551	\$ 196,218	\$ 774,438
2013 Total	\$ 10,019,093	\$ 2,049,100	\$ 10,727,331
2014 Base Budget	\$ 9,998,542	\$ 1,852,882	\$ 9,952,893
2014 Addenda	\$ 29,618	\$ 196,218	\$ 774,438
2014 Total	\$ 10,028,160	\$ 2,049,100	\$ 10,727,331

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	122.00	3.00	125.00
2010 Appropriation	102.00	22.00	124.00
2011 Appropriation	102.00	22.00	124.00
2012 Appropriation	102.00	22.00	124.00
2013 Base Budget	102.00	22.00	124.00
2013 Addenda	-2.00	10.00	8.00
2013 Total	100.00	32.00	132.00
2014 Base Budget	102.00	22.00	124.00
2014 Addenda	-2.00	10.00	8.00
2014 Total	100.00	32.00	132.00

Recommended Operating Budget Addenda

- Distribute Central Appropriation amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved to or from Central Appropriations to cover the costs of items such as changes in retirement and other benefit contribution rates, as well as the distribution of other centrally funded items.

	FY 2013	FY 2014
General Fund	\$ 70,254	\$ 70,254
Nongeneral Fund	\$ 18,261	\$ 18,261

- Increase nongeneral fund appropriation for distribution of Virginia Retirement System payments**

Adjusts the agency's nongeneral fund appropriation for additional cash transferred from the Virginia Retirement System (VRS) for grants and expenditures by the Commonwealth Health Research Board. The Department of Accounts is authorized as the fiscal agent for the Commonwealth Health Research Board to disburse funds received from VRS pursuant to § 23-284, Code of Virginia.

	FY 2013	FY 2014
Nongeneral Fund	\$ 177,957	\$ 177,957

- Realign positions to reflect agency operations**

Realigns the agency's position level to accurately reflect the fund source supporting the positions.

- Adjust funding to reflect changes in information technology and telecommunication charges**

Adjusts the agency's budget for the general fund share of information technology and telecommunication charges based on changes in utilization, services, and rate changes approved by the Joint Legislative Audit and Review Commission on July 1, 2010, and September 1, 2011.

	FY 2013	FY 2014
General Fund	\$ (76,101)	\$ (76,101)

- Adjust funding to reflect changes in rent charges at the seat of government**

Provides additional funding to cover the general fund share of increased rent charges at the seat of government. The rent rate increase, the first in six years, results from additional costs to maintain facilities.

	FY 2013	FY 2014
General Fund	\$ 26,833	\$ 35,777

- Fund changes in state employee workers' compensation premiums**

Adjusts the agency's budget for the general fund share of state employee workers' compensation premiums based on the allocation of FY 2013 and FY 2014 program costs provided by the Department of Human Resource Management. The allocation is based on the historical experience of the agency and reflects the current policy of providing agencies with 50 percent of any increased costs and allowing agencies to retain 50 percent of any reduced costs.

	FY 2013	FY 2014
General Fund	\$ (435)	\$ (312)

- Increase sum sufficient appropriation for Performance Budgeting system operating costs**

Increases the current sum sufficient appropriation for operating costs associated with the Performance Budgeting system (PB system) administered by the Department of Planning and Budget. The current sum sufficient appropriation is \$490,947; this request increases it to \$3,961,775 in both FY 2013 and FY 2014. The increase in appropriation reflects annual operating costs as well as capitalization costs amortized over ten years. Revenue to support this request comes from user charges assessed to participating state agencies.

- Provide a sum sufficient appropriation for Cardinal costs**

Establishes a sum sufficient appropriation of \$14,945,726 in FY 2014 for operating costs associated with the state's new financial management system, Cardinal. Revenue to support this request will come from user charges assessed to participating state agencies.

- Provide a working capital advance for costs associated with implementation of Cardinal**

Provides language establishing a \$60.0 million working capital advance for the Department of Accounts for costs associated with the roll-out of the statewide financial management system known as Cardinal. The language stipulates that drawdowns require the approval of the Secretaries of Finance and Technology.

- **Provide sum sufficient appropriation and additional positions for expansion of services of the Payroll Service Bureau**

Increases the sum sufficient nongeneral fund appropriation and correlating position level for the Payroll Service Bureau operated by the Department of Accounts to align with current activity. The current sum sufficient appropriation for the Payroll Service Bureau is equal to \$1.75 million and 19.0 positions; this request increases the appropriation by \$737,110 and eight positions in both years.

		FY 2013		FY 2014
Nongeneral Fund	\$	0	\$	0
Authorized Positions		8.00		8.00

Recommended Savings Addenda

- **Increase the revenue to the general fund from the charge card rebate**

Increases the annual transfer to the general fund of revenue received as a credit card rebate by an estimated \$1.5 million and \$2.0 million in FY 2013 and 2014, respectively. This increase is expected as a result of a new payment processing service, E-payables, recently implemented by the Department of Accounts.

		FY 2013		FY 2014
Resources	\$	1,500,000	\$	2,000,000

Department of Accounts Transfer Payments

Provide financial assistance to localities; and administer the Revenue Stabilization Fund, Virginia Education Loan Authority Reserve Fund, and the Line of Duty Act, the state flexible benefits program, and the personal property tax relief program.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 76,667,430	\$ 72,591,775	\$ 0
2010 Appropriation	\$ 54,098,131	\$ 72,160,621	\$ 0
2011 Appropriation	\$ 986,405,000	\$ 31,299,518	\$ 188,000
2012 Appropriation	\$ 1,124,504,000	\$ 36,663,386	\$ 188,000
2013 Base Budget	\$ 1,124,504,000	\$ 36,663,386	\$ 133,902
2013 Addenda	\$ 6,324,650	\$ 560,275,799	\$ 0
2013 Total	\$ 1,130,828,650	\$ 596,939,185	\$ 133,902
2014 Base Budget	\$ 1,124,504,000	\$ 36,663,386	\$ 133,902
2014 Addenda	\$ 40,028,135	\$ 561,475,799	\$ 0
2014 Total	\$ 1,164,532,135	\$ 598,139,185	\$ 133,902

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	0.00	0.00	0.00
2010 Appropriation	0.00	0.00	0.00
2011 Appropriation	0.00	0.00	0.00
2012 Appropriation	0.00	0.00	0.00
2013 Base Budget	0.00	0.00	0.00
2013 Addenda	0.00	0.00	0.00
2013 Total	0.00	0.00	0.00
2014 Base Budget	0.00	0.00	0.00
2014 Addenda	0.00	0.00	0.00
2014 Total	0.00	0.00	0.00

Recommended Operating Budget Addenda

- **Remove one-time funding for deposit to the Revenue Stabilization Fund**

Removes appropriation for a one-time reserve deposit to the Revenue Stabilization Fund that was provided in FY 2012.

	FY 2013	FY 2014
General Fund	\$ (114,000,000)	\$ (114,000,000)

- **Budget the personal property tax appropriation at the service area level**

Shifts the personal property tax, or "car tax" appropriation to the service area level. Currently, this appropriation is budgeted at the program level.

- **Increase the nongeneral fund appropriation for the state employee flexible benefits program**

Adjusts the nongeneral fund appropriation for the employee flexible benefits program to reflect accurate expenditures.

	FY 2013	FY 2014
Nongeneral Fund	\$ 5,675,799	\$ 5,675,799

- **Adjust aid to locality distributions to reflect forecast updates**

Aligns appropriation for distributions to localities in accordance with the November 2011 Post-Governor's Advisory Council on Revenue Estimates (GACRE) forecast. Specifically, this request adjusts downward the appropriations for distribution of Tennessee Valley Authority Payments in lieu of taxes and rolling stock taxes by \$64,000 and \$300,000, respectively.

	FY 2013	FY 2014
General Fund	\$ (364,000)	\$ (364,000)

- **Adjust appropriation for recordation tax distribution to reflect historic distribution levels**

Returns the appropriation for recordation tax distributions to \$40.0 million each year. The 2010-2012 biennium shifted \$12.0 million of the annual \$40.0 million recordation tax distribution from FY 2011 to FY 2012 to balance cash flow.

	FY 2013	FY 2014
General Fund	\$ (12,000,000)	\$ (12,000,000)

- **Establish appropriation for distribution payments transferred from the Department of Taxation**

Transfers responsibility for the distribution of the locality portion of the motor vehicle rental tax, the communications sales and use tax, and the payments of sales tax to the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission from the Department of Taxation (TAX) to the Department of Accounts Transfer Payments. TAX will retain the responsibility for collecting the revenue generated from these taxes and any disbursements to state agencies.

	FY 2013	FY 2014
Nongeneral Fund	\$ 554,600,000	\$ 555,800,000

- **Provide general fund appropriation for mandatory deposits to the Revenue Stabilization Fund**

Designates mandatory deposits to the Revenue Stabilization Fund ("Rainy Day Fund") for FY 2013 and FY 2014.

	FY 2013	FY 2014
General Fund	\$ 132,688,650	\$ 166,392,135

Department of Planning and Budget

The Department of Planning and Budget advises the Governor on how to wisely use public resources for the benefit of all Virginians by analyzing, developing, and carrying out various fiscal, programmatic, and regulatory policies.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 7,332,818	\$ 250,000	\$ 6,551,905
2010 Appropriation	\$ 6,068,776	\$ 250,000	\$ 6,634,835
2011 Appropriation	\$ 6,689,566	\$ 250,000	\$ 5,372,868
2012 Appropriation	\$ 6,619,909	\$ 250,000	\$ 5,308,149
2013 Base Budget	\$ 6,619,909	\$ 250,000	\$ 5,329,653
2013 Addenda	\$ 177,195	\$ 0	\$ 149,531
2013 Total	\$ 6,797,104	\$ 250,000	\$ 5,479,184
2014 Base Budget	\$ 6,619,909	\$ 250,000	\$ 5,329,653
2014 Addenda	\$ 219,214	\$ 0	\$ 184,623
2014 Total	\$ 6,839,123	\$ 250,000	\$ 5,514,276

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	67.00	2.00	69.00
2010 Appropriation	67.00	2.00	69.00
2011 Appropriation	67.00	2.00	69.00
2012 Appropriation	67.00	2.00	69.00
2013 Base Budget	67.00	2.00	69.00
2013 Addenda	0.00	0.00	0.00
2013 Total	67.00	2.00	69.00
2014 Base Budget	67.00	2.00	69.00
2014 Addenda	0.00	0.00	0.00
2014 Total	67.00	2.00	69.00

Recommended Operating Budget Addenda

- **Distribute Central Appropriation amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved to or from Central Appropriations to cover the costs of items such as changes in retirement and other benefit contribution rates, as well as the distribution of other centrally funded items.

	FY 2013	FY 2014
General Fund	\$ 43,192	\$ 43,192

- **Transfer position to properly reflect service area**

Makes a technical change to move a position between service areas to properly reflect the agency's organization.

- **Adjust funding to reflect changes in information technology and telecommunication charges**

Adjusts the agency's budget for the general fund share of information technology and telecommunication charges based on changes in utilization, services, and rate changes approved by the Joint Legislative Audit and Review Commission on July 1, 2010, and September 1, 2011.

	FY 2013	FY 2014
General Fund	\$ 46,818	\$ 46,818

- **Adjust funding to reflect changes in rent charges at the seat of government**

Provides additional funding to cover the general fund share of increased rent charges at the seat of government. The rent rate increase, the first in six years, results from additional costs to maintain facilities.

	FY 2013	FY 2014
General Fund	\$ 20,506	\$ 27,341

- **Fund changes in state employee workers' compensation premiums**

Adjusts the agency's budget for the general fund share of state employee workers' compensation premiums based on the allocation of FY 2013 and FY 2014 program costs provided by the Department of Human Resource Management. The allocation is based on the historical experience of the agency and reflects the current policy of providing agencies with 50 percent of any increased costs and allowing agencies to retain 50 percent of any reduced costs.

	FY 2013	FY 2014
General Fund	\$ 52	\$ 144

- **Provide funding for two budget positions**

Provides funds to hire two entry-level Policy and Planning Specialist II positions to help ensure back-up in critical budget areas. The anticipated hiring date of these positions is in the second quarter of FY 2013. No additional positions are provided, as the agency has sufficient vacant positions.

	FY 2013	FY 2014
General Fund	\$ 105,284	\$ 140,376

Recommended Savings Addenda

- **Reduce funding for the Council on Virginia's Future**

Decreases funding for the Council on Virginia's Future by four percent.

	FY 2013	FY 2014
General Fund	\$ (22,867)	\$ (22,867)

- **Reduce funding to the School Efficiency Review Program**

Reduces funding for the School Efficiency Review Program by approximately 10 percent. This action will leave approximately \$148,000 for future efficiency reviews.

	FY 2013	FY 2014
General Fund	\$ (15,790)	\$ (15,790)

Department of Taxation

The Virginia Department of Taxation's mission is to serve the public by administering the tax laws of the Commonwealth of Virginia with integrity, efficiency, and consistency.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 87,911,521	\$ 9,519,328	\$ 66,800,896
2010 Appropriation	\$ 86,502,030	\$ 10,323,428	\$ 67,325,896
2011 Appropriation	\$ 80,343,481	\$ 79,095,742	\$ 61,179,599
2012 Appropriation	\$ 78,904,780	\$ 80,095,742	\$ 60,923,664
2013 Base Budget	\$ 78,904,780	\$ 80,095,742	\$ 60,768,664
2013 Addenda	\$ 3,688,046	\$ (66,560,797)	\$ 210,489
2013 Total	\$ 82,592,826	\$ 13,534,945	\$ 60,979,153
2014 Base Budget	\$ 78,904,780	\$ 80,095,742	\$ 60,768,664
2014 Addenda	\$ 3,441,605	\$ (66,560,797)	\$ 88,352
2014 Total	\$ 82,346,385	\$ 13,534,945	\$ 60,857,016

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	959.50	37.00	996.50
2010 Appropriation	959.50	37.00	996.50
2011 Appropriation	955.50	37.00	992.50
2012 Appropriation	955.50	37.00	992.50
2013 Base Budget	955.50	37.00	992.50
2013 Addenda	-64.50	0.00	-64.50
2013 Total	891.00	37.00	928.00
2014 Base Budget	955.50	37.00	992.50
2014 Addenda	-64.50	0.00	-64.50
2014 Total	891.00	37.00	928.00

Recommended Operating Budget Addenda

- **Distribute Central Appropriation amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved to or from Central Appropriations to cover the costs of items such as changes in retirement and other benefit contribution rates, as well as the distribution of other centrally funded items.

	FY 2013	FY 2014
General Fund	\$ 532,846	\$ 532,846
Nongeneral Fund	\$ 33,140	\$ 33,140

- **Increase land preservation tax credit appropriation**

Increases the nongeneral fund appropriation to recover the agency's costs associated with administering the Land Preservation Tax Credit Program.

	FY 2013	FY 2014
Nongeneral Fund	\$ 25,902	\$ 25,902

- **Increase rail and pipeline appropriation to match expenditures**

Increases the agency's nongeneral fund appropriation for the recovery of its costs incurred in the administration of the rail and pipeline program.

	<u>FY 2013</u>	<u>FY 2014</u>
Nongeneral Fund	\$ 88,161	\$ 88,161

- **Remove one-time funding for move expenses**

Removes funding provided in FY 2012 for the relocation of the department's tax processing center.

	<u>FY 2013</u>	<u>FY 2014</u>
General Fund	\$ (240,000)	\$ (240,000)

- **Administer the motor vehicle rental tax**

Establishes a nongeneral fund appropriation for the department to accommodate the transfer of the motor vehicle rental tax from the Department of Motor Vehicles to the Department of Taxation. The 2011 General Assembly transferred responsibility for the tax to the Department of Taxation.

	<u>FY 2013</u>	<u>FY 2014</u>
Nongeneral Fund	\$ 36,250,000	\$ 36,250,000

- **Move funds to the correct service area**

Moves appropriation between service areas to correct an error in the base budget.

- **Realign positions**

Realigns positions within the agency to more accurately reflect the current organizational structure.

- **Reduce nongeneral fund appropriation to reflect anticipated revenue**

Reduces the agency's special fund appropriation to reflect the most recent revenue estimates.

	<u>FY 2013</u>	<u>FY 2014</u>
Nongeneral Fund	\$ (5,000,000)	\$ (5,000,000)

- **Reduce position level**

Reduces the agency's position level to more accurately reflect the level of filled positions.

	<u>FY 2013</u>	<u>FY 2014</u>
Authorized Positions	-56.50	-56.50

- **Transfer funding for the motor fuel tax to the correct fund**

Transfers revenue collected through the motor fuel tax to the correct fund.

- **Transfer funds and positions for the administration of the communications sales and use tax to the correct fund**

Transfers appropriation for revenue from the communications sales and use tax to the correct fund.

- **Adjust funding to reflect changes in information technology and telecommunication charges**

Adjusts the agency's budget for the general fund share of information technology and telecommunication charges based on changes in utilization, services, and rate changes approved by the Joint Legislative Audit and Review Commission on July 1, 2010, and September 1, 2011.

	<u>FY 2013</u>	<u>FY 2014</u>
General Fund	\$ 3,794,598	\$ 3,794,598

- **Adjust funding to reflect changes in rent charges at the seat of government**

Provides additional funding to cover the general fund share of increased rent charges at the seat of government. The rent rate increase, the first in six years, results from additional costs to maintain facilities.

	<u>FY 2013</u>	<u>FY 2014</u>
General Fund	\$ 395,700	\$ 527,600

- **Fund changes in state employee workers' compensation premiums**

Adjusts the agency's budget for the general fund share of state employee workers' compensation premiums based on the allocation of FY 2013 and FY 2014 program costs provided by the Department of Human Resource Management. The allocation is based on the historical experience of the agency and reflects the current policy of providing agencies with 50 percent of any increased costs and allowing agencies to retain 50 percent of any reduced costs.

	<u>FY 2013</u>	<u>FY 2014</u>
General Fund	\$ 886	\$ 1,894

- **Reduce the number of income tax refund checks**

Eliminates the taxpayer's option of receiving an individual income tax refund in the form of a paper check, except under special circumstances. Taxpayers will have the option of receiving a refund through direct deposit into a bank account or the receipt of a debit card. It is anticipated that the implementation of this reduction will reduce both check stock and postage and result in a savings for the Department of the Treasury, but will have an expenditure impact to the Department of Taxation due to systems modifications and to address the anticipated increased taxpayer calls to the call center. There will be savings over the long-term.

	<u>FY 2013</u>	<u>FY 2014</u>
General Fund	\$ 200,000	\$ 50,000

- **Replace high-speed document scanning equipment**

Provides funding to purchase the document scanners over a five-year term through the state's Master Equipment Lease Purchase (MELP) program. Annually, the scanners process millions of checks, tax returns, and correspondence, and are a critical component of the department's paper processing operations because they are intricately entwined with multiple business processes and storage applications.

	FY 2013	FY 2014
General Fund	\$ 215,168	\$ 162,323

- **Transfer distribution of various taxes collected by the Department of Taxation to the Department of Accounts Transfer Payments**

Transfers the appropriation authority for the distribution of the motor vehicle rental tax and the two percent motor fuels tax to the Department of Accounts Transfer Payments. The Department of Taxation will continue to collect these taxes.

	FY 2013	FY 2014
Nongeneral Fund	\$ (98,000,000)	\$ (98,000,000)

Recommended Savings Addenda

- **Consolidate servers**

Consolidates some of the agency servers.

	FY 2013	FY 2014
General Fund	\$ (185,000)	\$ (185,000)

- **Eliminate annual study of the miscellaneous sales tax exemptions**

Removes the annual study requirement.

	FY 2013	FY 2014
General Fund	\$ 0	\$ (37,000)

- **Eliminate mapping function**

Eliminates the mapping unit within the department. Upon request of a locality, the unit develops property tax maps. Alternative service providers are available at the local level or in the private sector.

	FY 2013	FY 2014
General Fund	\$ (156,137)	\$ (180,504)
Resources	\$ (156,137)	\$ (180,504)

- **Eliminate Metavante telephone service and instruct taxpayers to use an electronic medium**

Eliminates the application through which a business taxpayer may pay their tax over the phone. These taxpayers will no longer be able to submit payments over the phone effective July 1, 2012, and instead will have to use the agency's website, which is a free service, or pay by check.

	FY 2013	FY 2014
General Fund	\$ (50,000)	\$ (50,000)

- **Eliminate Nelco for processing electronic individual income tax returns**

Eliminates the application a taxpayer may currently use to file their return electronically. Nelco is an outside vendor that is currently used for electronically filed returns through joint state and federal tax programs. Taxation will transition to a system developed in-house. This will have no impact on electronic filing by taxpayers.

	FY 2013	FY 2014
General Fund	\$ (200,000)	\$ (200,000)

- **Eliminate services and forms**

Eliminates the requirement that the department print and mail various tax forms. The forms will be available on the department's website.

	FY 2013	FY 2014
General Fund	\$ (87,280)	\$ (87,280)

- **Establish general services unit**

Consolidates two offices to establish a new general services unit which will handle the agency's warehouse operations and manage the agency's facilities.

	FY 2013	FY 2014
General Fund	\$ (142,701)	\$ (190,772)
Authorized Positions	-3.00	-3.00

- **Mandate corporations file estimated payments and their annual return and payment electronically**

Mandates corporations to file estimated payments and their annual return and payment electronically. This change will be effective January 1, 2013. Corporations will be able to pay their estimated taxes electronically on the agency's website for free or using an electronic funds transfer through their financial institution. A corporation may request a hardship waiver.

	FY 2013	FY 2014
General Fund	\$ (45,865)	\$ (60,865)

- **Mandate electronic filing of sales tax payments and returns**

Mandates sales tax dealers file electronically. Currently, approximately 50 percent of all sales tax dealers file electronically. Sales tax dealers will be able to use the department's website to file electronically for free. A dealer may request a hardship exemption. This will become effective July 2012 for monthly filers and July 2013 for quarterly filers.

	FY 2013	FY 2014
General Fund	\$ (82,760)	\$ (97,760)

- **Optimize field audit staff supervision**

Eliminates five field office supervisor positions and realigns existing staff resources.

	FY 2013	FY 2014
General Fund	\$ (187,409)	\$ (224,475)
Authorized Positions	-5.00	-5.00

- **Recover costs for Land Preservation Tax Credit administration**

Recovers all the costs of two wage positions dedicated to the administration of the Land Preservation Tax Credit (LPC) program from a fee charged for the transfer of LPC credits.

		FY 2013		FY 2014
General Fund	\$	(42,000)	\$	(42,000)
Nongeneral Fund	\$	42,000	\$	42,000

- **Reduce security at the agency's processing center**

Eliminates the second night security staff at the agency's processing center. This security staff provides parking lot security for the department's second shift staff.

		FY 2013		FY 2014
General Fund	\$	(32,000)	\$	(32,000)

Department of the Treasury

As steward of the Commonwealth's financial resources, the Department of the Treasury's mission is to ensure excellence in the management of its banking, investing, and financing services and the administration of unclaimed property and insurance programs.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 6,927,822	\$ 9,157,762	\$ 8,674,281
2010 Appropriation	\$ 8,331,547	\$ 9,570,554	\$ 9,064,485
2011 Appropriation	\$ 7,933,287	\$ 10,417,344	\$ 9,060,163
2012 Appropriation	\$ 7,796,907	\$ 10,752,123	\$ 9,229,112
2013 Base Budget	\$ 7,796,907	\$ 10,752,123	\$ 9,229,112
2013 Addenda	\$ (192,646)	\$ (14,329)	\$ 82,440
2013 Total	\$ 7,604,261	\$ 10,737,794	\$ 9,311,552
2014 Base Budget	\$ 7,796,907	\$ 10,752,123	\$ 9,229,112
2014 Addenda	\$ (187,137)	\$ (14,329)	\$ 82,440
2014 Total	\$ 7,609,770	\$ 10,737,794	\$ 9,311,552

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	39.50	81.50	121.00
2010 Appropriation	38.50	82.50	121.00
2011 Appropriation	38.50	82.50	121.00
2012 Appropriation	38.50	82.50	121.00
2013 Base Budget	38.50	82.50	121.00
2013 Addenda	-3.00	3.00	0.00
2013 Total	35.50	85.50	121.00
2014 Base Budget	38.50	82.50	121.00
2014 Addenda	-3.00	3.00	0.00
2014 Total	35.50	85.50	121.00

Recommended Operating Budget Addenda

- **Distribute Central Appropriation amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved to or from Central Appropriations to cover the costs of items such as changes in retirement and other benefit contribution rates, as well as the distribution of other centrally funded items.

		FY 2013		FY 2014
General Fund	\$	20,505	\$	20,505
Nongeneral Fund	\$	60,015	\$	60,015

- **Move positions between service areas**

Aligns positions to reflect the agency's current organization.

- **Reduce special fund appropriation**

Reduces the agency's special fund appropriation to reflect anticipated revenues.

		FY 2013		FY 2014
Nongeneral Fund	\$	(100,000)	\$	(100,000)

- **Adjust funding to reflect changes in information technology and telecommunication charges**

Adjusts the agency's budget for the general fund share of information technology and telecommunication charges based on changes in utilization, services, and rate changes approved by the Joint Legislative Audit and Review Commission on July 1, 2010, and September 1, 2011.

		FY 2013		FY 2014
General Fund	\$	1,591	\$	1,591

- **Adjust funding to reflect changes in rent charges at the seat of government**

Provides additional funding to cover the general fund share of increased rent charges at the seat of government. The rent rate increase, the first in six years, results from additional costs to maintain facilities.

		FY 2013		FY 2014
General Fund	\$	16,393	\$	21,857

- **Fund changes in state employee workers' compensation premiums**

Adjusts the agency's budget for the general fund share of state employee workers' compensation premiums based on the allocation of FY 2013 and FY 2014 program costs provided by the Department of Human Resource Management. The allocation is based on the historical experience of the agency and reflects the current policy of providing agencies with 50 percent of any increased costs and allowing agencies to retain 50 percent of any reduced costs.

		FY 2013		FY 2014
General Fund	\$	221	\$	266

Recommended Savings Addenda

- **Increase electronic payments to generate postage savings**

Captures savings in postage associated with the reduction in vendor payment checks based on an initiative by the Department of Accounts to use e-commerce methods for a select group of vendor payments. It is anticipated that the number of vendor payment checks will be reduced by approximately 15,000 checks annually.

	FY 2013	FY 2014
General Fund	\$ (5,700)	\$ (5,700)

- **Recover a greater percentage of costs from nongeneral fund sources**

Supplants \$25,656 in general fund support with nongeneral fund resources. A portion of the personal services costs of the investment staff of the Department of the Treasury will be allocated to the Tobacco Indemnification and Community Revitalization Endowment (TICR). Services provided to TICR by department investment staff include monitoring outside investment manager performance and compliance, allocation of investment portfolios, development of investment advisory agreements for the TICR, coordination of payment withdrawals, and coordinating custody and investment consulting services.

	FY 2013	FY 2014
General Fund	\$ (25,656)	\$ (25,656)
Nongeneral Fund	\$ 25,656	\$ 25,656

- **Reduce number of income tax refund checks issued**

Eliminates the taxpayer's option of receiving an individual income tax refund in the form of a paper check, except under special circumstances. Taxpayers will have the option of receiving a refund through direct deposit into a bank account or the receipt of a debit card. It is anticipated that the implementation of this reduction will reduce both check stock and postage, but will have an expenditure impact to the Department of Taxation due to systems modifications and to address the anticipated increased taxpayer calls to the call center. There will be savings over the long-term.

	FY 2013	FY 2014
General Fund	\$ (200,000)	\$ (200,000)

Treasury Board

To provide sufficient appropriations for the payment of outstanding and future debt obligations of the Commonwealth.

(While the Treasury Board is tasked by statute with many duties, the Treasury Board budget is limited to amounts required to pay principal and interest on tax-supported debt obligations of the Commonwealth.)

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 451,967,447	\$ 11,266,481	\$ 2,300
2010 Appropriation	\$ 479,381,893	\$ 21,260,287	\$ 2,300
2011 Appropriation	\$ 542,403,715	\$ 28,477,248	\$ 0
2012 Appropriation	\$ 583,187,908	\$ 50,245,071	\$ 0
2013 Base Budget	\$ 583,187,908	\$ 50,245,071	\$ 0
2013 Addenda	\$ 40,834,789	\$ (3,269,348)	\$ 0
2013 Total	\$ 624,022,697	\$ 46,975,723	\$ 0
2014 Base Budget	\$ 583,187,908	\$ 50,245,071	\$ 0
2014 Addenda	\$ 74,674,523	\$ (3,661,909)	\$ 0
2014 Total	\$ 657,862,431	\$ 46,583,162	\$ 0

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	0.00	0.00	0.00
2010 Appropriation	0.00	0.00	0.00
2011 Appropriation	0.00	0.00	0.00
2012 Appropriation	0.00	0.00	0.00
2013 Base Budget	0.00	0.00	0.00
2013 Addenda	0.00	0.00	0.00
2013 Total	0.00	0.00	0.00
2014 Base Budget	0.00	0.00	0.00
2014 Addenda	0.00	0.00	0.00
2014 Total	0.00	0.00	0.00

Recommended Operating Budget Addenda

- **Provide debt service for projects and equipment**

Increases funding for debt service on bonds to be issued by the Virginia Public Building Authority and the Virginia College Building Authority for capital projects, and higher education equipment authorized for bond financing. Also, adds the Southwest Virginia Regional Jail to the list of projects approved for reimbursement for the state share of the capital costs for the project and appropriates debt service for those projects.

	FY 2013	FY 2014
General Fund	\$ 40,834,789	\$ 74,674,523
Nongeneral Fund	\$ (3,269,348)	\$ (3,661,909)

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