

INTRODUCTION AND NOTES

Although Governor Warner and the 2002 General Assembly worked hard to bridge a \$3.8 billion shortage earlier this year, Virginia is now facing another shortfall, this time amounting to at least \$1.5 billion.

To help address this latest revenue shortage, every executive department agency in state government was asked to submit a budget reduction plan to Governor Warner, outlining potential cuts of 7 percent, 11 percent, and 15 percent.

The Governor and his Cabinet Secretaries have now reviewed the agency reduction plans and have received input from state legislators as well as local officials and interest groups. Having already reduced state spending earlier to cover the shortfall in the 2002 budget, these additional reductions impact directly on services to the public and the state workforce.

This document provides detailed information about the reduction strategies for each state agency.

NOTES AND DEFINITIONS:

Reduction base. Some activities and programs of agencies were exempt from reductions in order to preserve critical or essential functions in public safety, education, and health and human resources. The reduction base was calculated by subtracting the amount for these exempted activities from the agency's appropriation in the 2002 Appropriation Act.

Percent reduction. This is the percent reduction from the "reduction base." The percentage amount takes into account any pre-payment of FY 2003 reductions that were made by agencies in June.

Where some of an agency's activities and services were exempt from reductions, the reduction base is less than the agency's appropriation in the 2002 Appropriation Act. In these cases, it may be possible for the percentage reduction to appear higher than 15 percent. However, no agency's budget reduced by more than 15 percent of its appropriation in the 2002 Appropriation Act.

Positions. This term refers to the maximum positions authorized in the 2002 Appropriation Act. It includes only full-time classified employees, faculty, and appointed officials, and does not include wage or contract employees. Position reductions do not always result in a layoff, since agencies may eliminate vacant positions.

Layoffs. This term refers to the number of individual employees whose jobs are eliminated. It includes all employees, whether classified or hourly or contract workers, full-time or part-time.