



# Office of Finance

The Finance agencies handle the financial transactions of the Commonwealth, from collecting the 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.

## Summary of recommended funding for Finance agencies

Agency	Fiscal year 2003			Fiscal year 2004		
	GF	NGF	All funds	GF	NGF	All funds
Secretary of Finance	0.4	0.0	0.4	0.4	0.0	0.4
Department of Accounts	69.2	3.1	72.2	63.2	4.2	67.5
Department of Planning and Budget	5.0	0.0	5.0	4.6	0.0	4.6
Department of Taxation	62.7	41.7	104.4	63.8	41.7	105.6
Department of the Treasury	9.3	7.9	17.2	8.4	7.9	16.3
Treasury Board	262.6	6.4	269.1	290.4	8.3	298.7
<b>Total for Finance</b>	<b>409.2</b>	<b>59.1</b>	<b>468.3</b>	<b>431.0</b>	<b>62.1</b>	<b>493.1</b>

Dollars in millions. Figures may not add due to rounding. See notes to these tables on page B-1.

## Secretary of Finance

### Budget reductions:

- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The office will institute operational efficiencies to achieve its savings. These reductions will not result in any layoffs. For 2003, a reduction of \$34,463 (GF). For 2004, a reduction of \$47,003 (GF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$221 (GF).

## Department of Accounts

### Budget reductions:

- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to reflect position changes associated with reductions in the 2002 Appropriation Act. For 2003, a reduction of 10 positions (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is eliminating or reducing certain services and programs, increasing nongeneral fund support for the Payroll Service Bureau, and recovering a portion of the costs associated with certain miscellaneous payroll deductions. These reductions result in nine layoffs. For 2003, a reduction of \$386,650 (GF) and 13 positions (GF). For 2004, a reduction of \$950,442 (GF).
- ▶ **Adjust appropriation for aid to localities program.** An adjustment in the agency's aid to localities program based on new revenue projections from the Department of Alcoholic Beverage Control and the Department of Taxation. This action also adjusts the amounts transferred to the general fund from the Alcoholic Beverage Control Enterprise Fund for expenses incurred for care, treatment, study, and rehabilitation of alcoholics by the Department of Mental Health, Mental Retardation and Substance Abuse Services and other state agencies. The Department of Accounts is responsible for making distributions to localities from alcoholic beverage control profits, wine taxes, rolling stock taxes, recordation taxes, and Tennessee Valley Authority payments. In addition, the agency is responsible for remitting to municipalities any sales tax revenues generated in qualifying public facilities. For 2003, a reduction of \$4.3 million (GF). For 2004, a reduction of \$8.3 million (GF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$226,211 (GF).

### Other amendments:

- ▶ **Use Criminal Injuries Compensation Fund monies for Line of Duty Act payments.** Increases funds from the Criminal Injuries Compensation Fund (Virginia Workers' Compensation Commission) to cover the payment of death benefits and health insurance benefits under the Line of Duty Act. These funds will also cover costs associated with administration of the Line of Duty Act. For 2003, an increase of \$1.0 million (NGF). For 2004, an increase of \$2.2 million (NGF).

## Department of Planning and Budget

### Budget reductions:

- ▶ **Implement reductions in the 2002 Appropriation Act.** A technical adjustment to reflect position changes associated with reductions in the 2002 Appropriation Act. For 2003, a reduction of four positions (GF). For 2004, a reduction of one additional position (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is eliminating positions and will capture efficiencies in

nonpersonal services. These reductions result in three layoffs. For 2003, a reduction of \$338,994 (GF) and four positions (GF). For 2004, a reduction of \$622,353 (GF) and one additional position (GF).

- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$21,912 (GF).

## Department of Taxation

### Budget reductions:

- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency will achieve the savings by closing district offices, reorganizing the department, delaying implementation of a toll-free telephone service, and reducing customer services. These reductions result in 27 layoffs. For 2003, a reduction of \$812,647 (GF) and 19 positions (GF). For 2004, a reduction of \$1.3 million (GF) and an additional five positions (GF).
- ▶ **Reduce warehouse space by changing shelving storage method.** Reduces rented warehouse space by the use of a new shelving storage method. For 2004, a reduction of \$50,000 (GF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. For 2004, a reduction of \$5.0 million (GF).

### Other amendments:

- ▶ **Initiate new tax compliance effort.** Provides funds to initiate an up-scaled compliance program to increase tax revenue collections. The new program will accelerate the desk audit program, increase field and compliance audit program efforts, strengthen error resolution efforts, and expand the customer service collection staff. Over the next four years, these new compliance efforts are expected to increase tax revenues by \$88.7 million. For 2003, \$3.6 million (GF) and 83 positions (GF). For 2004, \$7.8 million (GF).
- ▶ **Initiate federal debt setoff program.** Provides funds to initiate a federal debt setoff program that will improve taxpayer compliance and enhance revenue. This initiative will generate \$2.8 million in 2004. For 2004, \$976,277 (GF).
- ▶ **Initiate Tax Amnesty Program.** Separate legislation will authorize a Tax Amnesty Program that will run from September through October 2003. This initiative will generate \$39.3 million in 2004.
- ▶ **Clarify the Personal Property Tax Relief Act language.** Clarifies the reporting requirements concerning nonqualifying vehicles and local Commissioners of the Revenue. Also changes the reporting requirement to the General Assembly on total overpayments by the Commonwealth from a calendar year to a fiscal year basis. This action is contained in Budget Bill language, and has no direct budget impact for this agency.

## Department of the Treasury

### Budget reductions:

- ▶ **Implement reductions in the 2002 Appropriation Act.** A technical adjustment to reflect position changes associated with reductions in the 2002 Appropriation Act. For 2003, a reduction of two positions (GF).
- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is privatizing the state's central mail service, charging administrative fees for various services it provides to other state agencies, reducing check printing costs by increasing electronic payments, using nongeneral funds for certain positions, and reducing its staff. These reductions result in four layoffs. For 2003, a reduction of \$397,625 (GF) and four positions (GF), and an increase of \$37,500 (NGF). For 2004, a reduction of \$525,186 (GF) and one additional position (GF), and an increase of \$50,000 (NGF).
- ▶ **Reduce funding for in-house information technology activities.** Reflects expected savings attributable to the implementation of the new statewide information technology (IT) reform initiative. Funding for any contracted IT support will be eliminated. Services such as help desk and IT support will be consolidated statewide along with purchases of software licenses. Direct support of this agency's IT activities will be provided by the new Virginia Information Technologies Agency. A corresponding nongeneral fund savings amount of \$48,255 will be transferred to the general fund. For 2004, a reduction of \$42,793 (GF).

### Other amendments:

- ▶ **Provide appropriation for private college financing fee.** Increases nongeneral fund appropriation to reflect revenue from a fee that will be charged to private colleges for the agency's staff costs associated with allowing these colleges to issue bonds through the Virginia College Building Authority. For 2004, an increase of \$5,600 (NGF).
- ▶ **Transfer funding from the general liability insurance program.** Transfers cash from the state insurance reserve trust fund to the general fund. This action would transfer \$5.0 million from the balance in one of the state's insurance programs, leaving sufficient reserves to pay the claims and cover the administrative costs of the program.

## Treasury Board

### Budget reductions:

- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. The agency is refunding several general obligation bond issues to take advantage of lower interest rates to generate debt service savings. For 2003, a reduction of \$2.8 million (GF). For 2004, a reduction of \$1.4 million (GF).
- ▶ **Capture excess debt service funding.** Decreases appropriation for debt service to reflect lower interest rates for several bond issues. For 2003, a reduction of \$1.3 million (GF).

**Other amendments:**

- ▶ **Provide funding for debt service on supplanted general fund projects.** Increases appropriation for debt service for various capital projects that were funded from the general fund, but will now be funded from bond proceeds. For 2004, an increase of \$7.6 million (GF).



# Office of Finance

## Detail Tables

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>SECRETARY OF FINANCE</b>						
<b>2002-2004 legislative appropriation</b>	476,485	0	476,485	471,973	0	471,973
<b>Budget reductions:</b>						
▶ Implement October executive reductions	(34,463)	0	(34,463)	(47,003)	0	(47,003)
▶ Reduce funding for in-house information technology activities	0	0	0	(221)	0	(221)
Subtotal budget reductions	(34,463)	0	(34,463)	(47,224)	0	(47,224)
<b>Total recommended amendments</b>	(34,463)	0	(34,463)	(47,224)	0	(47,224)
<b>Total recommended funding</b>	442,022	0	442,022	424,749	0	424,749
% change over legislative appropriation	(7.23%)	0%	(7.23%)	(10.01%)	0%	(10.01%)
<b>Position level:</b>						
2002-2004 legislative appropriation	5.00	0	5.00	5.00	0	5.00
Recommended amendments	0	0	0	0	0	0
<b>Total recommended positions</b>	5.00	0	5.00	5.00	0	5.00
<b>DEPARTMENT OF ACCOUNTS</b>						
<b>2002-2004 legislative appropriation</b>	73,870,469	2,086,778	75,957,247	72,754,370	2,086,778	74,841,148
<b>Budget reductions:</b>						
▶ Implement October executive reductions	(386,650)	0	(386,650)	(950,442)	0	(950,442)
▶ Adjust appropriation for aid to localities program	(4,329,977)	0	(4,329,977)	(8,328,310)	0	(8,328,310)
▶ Reduce funding for in-house information technology activities	0	0	0	(226,211)	0	(226,211)
Subtotal budget reductions	(4,716,627)	0	(4,716,627)	(9,504,963)	0	(9,504,963)
<b>Other amendments:</b>						
▶ Use Criminal Injuries Compensation Fund monies for Line of Duty Act payments	0	1,000,000	1,000,000	0	2,150,000	2,150,000
Subtotal other amendments	0	1,000,000	1,000,000	0	2,150,000	2,150,000
<b>Total recommended amendments</b>	(4,716,627)	1,000,000	(3,716,627)	(9,504,963)	2,150,000	(7,354,963)
<b>Total recommended funding</b>	69,153,842	3,086,778	72,240,620	63,249,407	4,236,778	67,486,185
% change over legislative appropriation	(6.38%)	47.92%	(4.89%)	(13.06%)	103.03%	(9.83%)
<b>Position level:</b>						
2002-2004 legislative appropriation	125.00	0	125.00	125.00	0	125.00
Recommended amendments	(23.00)	0	(23.00)	(23.00)	0	(23.00)
<b>Total recommended positions</b>	102.00	0	102.00	102.00	0	102.00

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>DEPARTMENT OF PLANNING AND BUDGET</b>						
<b>2002-2004 legislative appropriation</b>	5,296,789	0	5,296,789	5,253,345	0	5,253,345
<b>Budget reductions:</b>						
▶ Implement October executive reductions	(338,994)	0	(338,994)	(622,353)	0	(622,353)
▶ Reduce funding for in-house information technology activities	0	0	0	(21,912)	0	(21,912)
Subtotal budget reductions	(338,994)	0	(338,994)	(644,265)	0	(644,265)
<b>Total recommended amendments</b>	(338,994)	0	(338,994)	(644,265)	0	(644,265)
<b>Total recommended funding</b>	4,957,795	0	4,957,795	4,609,080	0	4,609,080
% change over legislative appropriation	(6.40%)	0%	(6.40%)	(12.26%)	0%	(12.26%)
<b>Position level:</b>						
2002-2004 legislative appropriation	74.00	0	74.00	74.00	0	74.00
Recommended amendments	(8.00)	0	(8.00)	(10.00)	0	(10.00)
<b>Total recommended positions</b>	66.00	0	66.00	64.00	0	64.00
<b>DEPARTMENT OF TAXATION</b>						
<b>2002-2004 legislative appropriation</b>	59,915,400	41,742,735	101,658,135	61,378,007	41,742,735	103,120,742
<b>Budget reductions:</b>						
▶ Implement October executive reductions	(812,647)	0	(812,647)	(1,289,594)	0	(1,289,594)
▶ Reduce warehouse space by changing shelving storage method	0	0	0	(50,000)	0	(50,000)
▶ Reduce funding for in-house information technology activities	0	0	0	(4,956,887)	0	(4,956,887)
Subtotal budget reductions	(812,647)	0	(812,647)	(6,296,481)	0	(6,296,481)
<b>Other amendments:</b>						
▶ Initiate new tax compliance effort	3,570,974	0	3,570,974	7,759,504	0	7,759,504
▶ Initiate federal debt setoff program	0	0	0	976,277	0	976,277
Subtotal other amendments	3,570,974	0	3,570,974	8,735,781	0	8,735,781
<b>Total recommended amendments</b>	2,758,327	0	2,758,327	2,439,300	0	2,439,300
<b>Total recommended funding</b>	62,673,727	41,742,735	104,416,462	63,817,307	41,742,735	105,560,042
% change over legislative appropriation	4.60%	0%	2.71%	3.97%	0%	2.37%
<b>Position level:</b>						
2002-2004 legislative appropriation	821.00	31.00	852.00	821.00	31.00	852.00
Recommended amendments	64.00	0	64.00	59.00	0	59.00
<b>Total recommended positions</b>	885.00	31.00	916.00	880.00	31.00	911.00
<b>DEPARTMENT OF THE TREASURY</b>						
<b>2002-2004 legislative appropriation</b>	9,704,776	7,815,499	17,520,275	9,012,866	7,813,843	16,826,709
<b>Budget reductions:</b>						
▶ Implement October executive reductions	(397,625)	37,500	(360,125)	(525,186)	50,000	(475,186)
▶ Reduce funding for in-house information technology activities	0	0	0	(42,793)	0	(42,793)
Subtotal budget reductions	(397,625)	37,500	(360,125)	(567,979)	50,000	(517,979)

See notes to these tables on page B-2

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>Other amendments:</b>						
► Provide appropriation for private college financing fee	0	0	0	0	5,600	5,600
Subtotal other amendments	0	0	0	0	5,600	5,600
<b>Total recommended amendments</b>	(397,625)	37,500	(360,125)	(567,979)	55,600	(512,379)
<b>Total recommended funding</b>	9,307,151	7,852,999	17,160,150	8,444,887	7,869,443	16,314,330
% change over legislative appropriation	(4.10%)	0.48%	(2.06%)	(6.30%)	0.71%	(3.05%)
<b>Position level:</b>						
2002-2004 legislative appropriation	58.00	66.00	124.00	58.00	66.00	124.00
Recommended amendments	(6.00)	0	(6.00)	(7.00)	0	(7.00)
<b>Total recommended positions</b>	52.00	66.00	118.00	51.00	66.00	117.00
<b>TREASURY BOARD</b>						
<b>2002-2004 legislative appropriation</b>	266,786,704	6,438,630	273,225,334	284,267,836	8,295,408	292,563,244
<b>Budget reductions:</b>						
► Implement October executive reductions	(2,800,000)	0	(2,800,000)	(1,400,000)	0	(1,400,000)
► Capture excess debt service funding	(1,336,821)	0	(1,336,821)	0	0	0
Subtotal budget reductions	(4,136,821)	0	(4,136,821)	(1,400,000)	0	(1,400,000)
<b>Other amendments:</b>						
► Provide funding for debt service on sup- planted projects	0	0	0	7,579,000	0	7,579,000
Subtotal other amendments	0	0	0	7,579,000	0	7,579,000
<b>Total recommended amendments</b>	(4,136,821)	0	(4,136,821)	6,179,000	0	6,179,000
<b>Total recommended funding</b>	262,649,883	6,438,630	269,088,513	290,446,836	8,295,408	298,742,244
% change over legislative appropriation	(1.55%)	0%	(1.51%)	2.17%	0%	2.11%
<b>Position level:</b>						
2002-2004 legislative appropriation	0	0	0	0	0	0
Recommended amendments	0	0	0	0	0	0
<b>Total recommended positions</b>	0	0	0	0	0	0
<b>TOTAL FOR FINANCE</b>						
Grand total recommended funds	409,184,420	59,121,142	468,305,562	430,992,266	62,144,364	493,136,630
Grand total recommended positions	1,110.00	97.00	1,207.00	1,102.00	97.00	1,199.00