



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.

Budget reductions:

- ▶ **Implement October executive reductions.** Decreases appropriation to reflect budget reductions announced in October 2002. These savings are being achieved by eliminating the funds previously appropriated for a 2004 compensation increase for state employees, state-supported local employees, faculty at higher education institutions, and public school employees funded through the Standards of Quality. The reductions do not result in any layoffs or position reductions. For 2004, a reduction of \$101.4 million (GF).
- ▶ **Implement reductions in 2002 Appropriation Act.** A technical adjustment to distribute to the budgets of executive department agencies the across-the-board reductions that were included in central appropriations in the 2002 Appropriation Act. Offsetting reductions are found in each of the affected agencies. For 2004, an increase of \$34.8 million (GF).
- ▶ **Remove student financial aid funding.** Removes additional funding provided in Central Appropriations for Virginia resident undergraduate student financial aid. For 2003, a reduction of \$2.0 million (GF).
- ▶ **Capture excess Workforce Transition Act funding.** Captures excess funds provided for employee severance payments required by the closure of certain correctional facilities. The early closure of the Staunton Correctional Facility has created adequate savings to cover the cost of severance benefits for displaced employees. Therefore, the funding in Central Appropriations will not be required. For 2003, a reduction of \$700,000 (GF). For 2004, a reduction of \$4.0 million (GF).
- ▶ **Reduce retirement contribution payments.** Captures savings from a reduction in retirement contributions representing savings in the administrative expenses of the Virginia Retirement System. The savings amount is equivalent to a reduction of 7.5 percent in 2003 and 15 percent in 2004 to the administrative program of the Virginia Retirement System. For 2004, a reduction of \$2.6 million (GF).
- ▶ **Reduce rent plan expenditures.** Captures savings resulting from a reduction in the level of services provided to agencies located in state-owned office space operated by the Department of General Services. The department collects rental payments from these agencies in exchange for services

such as office space, building maintenance, janitorial services, and utility payments. Agency rental charges will be reduced to correspond with reductions in these services. For 2003, a reduction of \$1.7 million (GF). For 2004, a reduction of \$1.8 million (GF).

Other amendments:

- ▶ **Fund increased health benefit premiums for state employees.** Provides funds to state agencies to cover an increase in health insurance premiums for their employees. The rising cost of health care has caused a continued increase in health premiums for both the private and government sectors. For 2004, an increase of \$15.1 million (GF).
- ▶ **Continue personal property tax relief.** Continues car tax reimbursements to local governments at the 70 percent level for the remainder of the biennium. The increase is necessary primarily because of higher-than-anticipated new car sales. For 2003, an increase of \$54.8 million (GF). For 2004, an increase of \$72.8 million (GF).
- ▶ **Adjust funding to reflect veto of at-will position savings.** Removes the reversion amount for the elimination of at-will employees. The reversion was vetoed by Governor Warner. For each year, an increase of \$1.9 million (GF).
- ▶ **Adjust financial assistance from Tobacco Settlement for revised estimates.** A technical adjustment to the appropriation for the Tobacco Indemnification and Community Revitalization Fund and the Virginia Tobacco Settlement Fund to reflect a revision in the estimate of the Commonwealth's allocation of the Master Settlement Agreement with tobacco manufacturers. For 2003, an increase of \$2.2 million (NGF). For 2004, an increase of \$1.6 million (NGF).
- ▶ **Provide funds for postage rate increase.** Provides funds to cover the cost of a postage rate increase for certain state agencies. Some services provided to Virginia taxpayers rely on the use of mailings. Additional postage funding is required to maintain these services. For each year, an increase of \$300,000 (GF).
- ▶ **Increase funding for property insurance premiums.** Adds funds for an increase in the property insurance premiums of state agencies. Agency premiums are going up due to a 100 percent increase in the Commonwealth's overall premium to its private insurance carrier. For 2004, \$605,444 (GF).
- ▶ **Implement legislative reductions in the 2002 Appropriation Act.** A technical adjustment to distribute to the legislative department the reduction included in central appropriations in the 2002 Appropriation Act. An offsetting reduction appears in the Legislative Reversion Clearing Account. For each year, \$1.3 million (GF).
- ▶ **Provide funding for unbudgeted cost increases.** An increase in funds for essential unbudgeted costs in state government including any payments necessary under the Workforce Transition Act. This amendment also provides funding for the operational cost of the new Veterans' Care cemetery in Suffolk. For 2003, \$1.2 million (GF). For 2004, \$2.2 million (GF).
- ▶ **Spread savings from the Commission on Efficiency and Effectiveness to state agency budgets.** This action distributes savings previously included in Central Appropriations for items to be identified by the Governor's Commission on Efficiency and Effectiveness. For 2003, \$1.3 million (GF). For 2004, \$5.0 million (GF).
- ▶ **Provide funding for indemnification of poultry growers.** Provides funding for indemnification of losses affecting poultry growers in Virginia because of the low pathogenic avian influenza outbreak in the spring of 2002. For 2004, \$1.5 million (GF).



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Detail Tables

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
CENTRAL APPROPRIATIONS						
2002-2004 legislative appropriation	825,195,072	90,443,032	915,638,104	926,495,600	79,578,663	1,006,074,263
Budget reductions:						
▶ Implement reductions in 2002 Appropriation Act	0	0	0	34,786,195	0	34,786,195
▶ Implement October executive reductions	0	0	0	(101,400,000)	0	(101,400,000)
▶ Remove student financial aid funding	(2,000,000)	0	(2,000,000)	0	0	0
▶ Capture excess Workforce Transition Act funding	(700,000)	0	(700,000)	(4,000,000)	0	(4,000,000)
▶ Reduce retirement contribution payments	0	0	0	(2,606,871)	0	(2,606,871)
▶ Reduce rent plan expenditures	(1,694,502)	0	(1,694,502)	(1,805,228)	0	(1,805,228)
Subtotal budget reductions	(4,394,502)	0	(4,394,502)	(75,025,904)	0	(75,025,904)
Other amendments:						
▶ Adjust funding to reflect veto of at-will position savings	1,934,711	0	1,934,711	1,934,711	0	1,934,711
▶ Adjust financial assistance from Tobacco Settlement for revised estimates	0	2,219,584	2,219,584	0	1,561,661	1,561,661
▶ Implement legislative reductions in the 2002 Appropriation Act	1,300,000	0	1,300,000	1,300,000	0	1,300,000
▶ Provide funds for postage rate increase	300,000	0	300,000	300,000	0	300,000
▶ Continue personal property tax relief	54,792,911	0	54,792,911	72,777,143	0	72,777,143
▶ Fund increased health benefit premiums for state employees	0	0	0	15,056,129	0	15,056,129
▶ Provide funding for unbudgeted cost increases	1,221,745	0	1,221,745	2,170,745	0	2,170,745
▶ Increase funding for property insurance premiums	0	0	0	605,444	0	605,444
▶ Spread savings from the Commission on Efficiency and Effectiveness to state agency budgets	1,250,000	0	1,250,000	5,000,000	0	5,000,000
▶ Provide funding for indemnification of poultry growers	0	0	0	1,500,000	0	1,500,000
Subtotal other amendments	60,799,367	2,219,584	63,018,951	100,644,172	1,561,661	102,205,833
Total recommended amendments	56,404,865	2,219,584	58,624,449	25,618,268	1,561,661	27,179,929
Total recommended funding	881,599,937	92,662,616	974,262,553	952,113,868	81,140,324	1,033,254,192
% change over legislative appropriation	6.84%	2.45%	6.40%	2.77%	1.96%	2.70%
Position level:						
2002-2004 legislative appropriation	24.00	0	24.00	74.00	0	74.00
Recommended amendments	(24.00)	0	(24.00)	(74.00)	0	(74.00)
Total recommended positions	0	0	0	0	0	0

TOTAL

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Grand total recommended funds	881,599,937	92,662,616	974,262,553	952,113,868	81,140,324	1,033,254,192
Grand total recommended positions	0	0	0	0	0	0