



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.

Summary of recommended funding for Central Appropriations agencies

	<i>Fiscal Year 2005</i>			<i>Fiscal Year 2006</i>		
	GF	NGF	All Funds	GF	NGF	All Funds
<i>CENTRAL APPROPRIATIONS</i>						
Technical Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Emergencies	0.0	0.0	0.0	0.0	0.0	0.0
Mandates	0.0	0.0	0.0	0.0	0.0	0.0
Unanticipated and unavoidable cost adjustments	0.5	0.0	0.5	59.0	0.0	59.0
Caseload or workload adjustments	2.0	0.0	2.0	0.0	0.0	0.0
Reorganizations	0.0	0.0	0.0	0.0	0.0	0.0
Operational efficiencies and service reductions	(57.8)	0.0	(57.8)	(1.5)	0.0	(1.5)
Information technology	0.0	0.0	0.0	0.0	0.0	0.0
Other spending	0.1	0.0	0.1	17.7	0.0	17.7
Total for Central Appropriations	(55.2)	0.0	(55.2)	75.2	0.0	75.2

Dollars in millions. Figures may not add due to rounding. See “How to Read the Tables” on page 9.

Mission Statement:

Central Appropriations provides the Governor and the General Assembly with a mechanism to execute statewide policies and to make available to state agencies funding in emergency and other unforeseen situations.

Primary Services:

The primary services of this agency are: personal property tax relief, tobacco settlement distribution, supplements to employee compensation and benefits, miscellaneous reversion clearing account, and payments for special or unanticipated expenditures.

Historical Appropriations:

	2001	2002	2003	2004	2005	2006
Personnel related costs	53,176,423	78,398,324	15,161,572	(11,969,354)	55,687,804	119,324,636
Other costs	745,725,678	632,803,305	959,100,981	1,072,664,459	1,056,125,832	821,951,625
Total dollars	798,902,101	711,201,629	974,262,553	1,060,695,105	1,111,813,636	941,276,261
Total positions	5.00	5.00	0.00	0.00	0.00	0.00

Recommended Budget Amendments:

The Governor recommends an overall reduction of \$55.2 million for fiscal year 2005, and an overall increase of \$75.2 million for fiscal year 2006. This represents a decrease of 4.97 percent in fiscal year 2005, and an increase of 7.99 percent in fiscal year 2006 over the legislative appropriation.

- ▶ **Fund increased health benefit premiums for state employees.** Provides funds to state agencies to cover the general fund share of the 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 2006, \$31.2 million (GF). *[Category: Unanticipated and unavoidable cost adjustments]*
- ▶ **Fund transition support and inaugural expenses for the three statewide elected offices.** Funds the cost of transition expenses for the three individuals elected as Governor, Lieutenant Governor, and Attorney General in November 2005. These funds cover the cost of transition operating expenses from just after the election to the inauguration in January 2006. These funds will also cover a portion of the expenses associated with the inauguration. For 2006, \$546,900 (GF). *[Category: Unanticipated and unavoidable cost adjustments]*
- ▶ **Provide funding for semiconductor education grant.** An increase in funds for a semiconductor education grant to be provided for Virginia Commonwealth University's School of Engineering in support of the Infineon Technologies, Inc. major expansion. The funds may be used for scholarships, endowed professorships in microelectronics, curriculum development, and other related needs of the microelectronics industry. For 2006, \$2.0 million (GF). *[Category: Unanticipated and unavoidable cost adjustments]*
- ▶ **Fund state agency telecommunication rate increase.** An adjustment to assist agencies negatively impacted by an unexpected rate increase on telecommunication services. These telecommunication rates cover long distance voice services along with comprehensive data network and Internet services. For 2005, \$223,297 (GF). For 2006, \$334,945 (GF). *[Category: Unanticipated and unavoidable cost adjustments]*
- ▶ **Provide funding for the review of information technology proposals that impact multiple state agencies.** Provides funding to reimburse selected state agencies for the costs associated with a detailed review of enterprise-wide information technology components of Public-Private Education Facilities and Infrastructure Act (PPEA) proposals submitted to the Virginia Information Technologies Agency. The agencies involved will incur considerable costs and require large amounts of staff time to complete this review. For 2005, \$232,230 (GF). For 2006, \$928,920 (GF). *[Category: Unanticipated and unavoidable cost adjustments]*
- ▶ **Provide funding for localities affected by the transition to the new-capped car tax program.** Adds funding as a transition between the current Personal Property Tax Relief Act (PPTRA) and the capped program that will be implemented beginning January 1, 2006. On January 1, 2006, many localities will continue to collect personal property taxes on bills due, payable for tax years 2005, and earlier. Requests for reimbursement will continue to be received, and will be processed up to the limit of the appropriation. This transitional funding is the additional amount that would be paid to localities in late fiscal year 2006 for tax years 2005 and earlier. Without this supplemental funding, localities will either lose 70 percent of the personal property tax levied on these vehicles or have to bill the taxpayer for the 70 percent not paid by the state. This amendment also includes budget bill language specifying that this supplemental appropriation ends the Commonwealth's obligation under the existing PPTRA program. For 2006, \$24.0 million (GF). *[Category: Unanticipated and unavoidable cost adjustments]*
- ▶ **Provide additional funding for the Governor's Development Opportunity Fund.** An increase in funds for the Governor's Development Opportunity Fund. The fund is used to make grants or loans to attract economic development prospects or to secure the expansion of existing industry in the Commonwealth. The projects must

meet minimum investment and job creation criteria to be eligible, and local financial participation is required on a dollar-for-dollar basis. For 2005, \$2.0 million (GF). *[Category: Caseload or workload adjustments]*

- ▶ **Revise personal property tax relief funding.** Adjusts the appropriation for car tax relief to reflect the revised forecast of the average value and number of vehicles that qualify for car tax relief. For 2005, a reduction of \$57.8 million (GF). For 2006, a reduction of \$1.5 million (GF). *[Category: Operational efficiencies and service reductions]*
- ▶ **Support cooperative development of postsecondary education opportunities in Southside Virginia.** Provides support for planning and development of new and expanded higher education opportunities in Southside Virginia. The Secretary of Education and the State Council of Higher Education for Virginia will work with the Harvest Foundation and other interested parties to develop a coordinated plan to make a four-year college education accessible to residents of Southside Virginia. For 2006, \$1.5 million (GF). *[Category: Other spending]*
- ▶ **Provide a salary increase for state employees.** Provides the general fund share of a three percent increase in the salaries of classified and other full-time state employees on November 25, 2005. Employees in the Executive Department subject to the Virginia Personnel Act must attain at least a "Contributor" rating on their latest performance evaluation to receive this increase. Employees not covered under the Virginia Personnel Act or employees in other branches of state government must receive an equivalent ranking under their respective performance evaluation systems in order to receive this increase. For 2006, \$28.5 million (GF). *[Category: Other spending]*
- ▶ **Fund salary increases for state-supported local employees.** Additional funds to support a three percent increase in the salaries of state-supported local employees on December 1, 2005. State-supported local employees include constitutional officers, local social services employees, local election board employees, local health employees, local juvenile justice workers, Community Services Board employees, and others. For 2006, \$12.8 million (GF). *[Category: Other spending]*
- ▶ **Transfer funding for public employee salary increases to the appropriate agencies.** Transfers the amount previously reserved as a placeholder for a public employee salary increase in fiscal year 2005 to the appropriate agencies. Separate amendments provide a three percent salary increase for state employees; state supported local employees, higher education faculty, and public school employees funded through the Standards of Quality. For 2006, a reduction of \$26.6 million (GF). *[Category: Other spending]*
- ▶ **Provide funding for the Biotechnology Commercialization Loan Fund.** Provides funds for financing technology commercialization activities related to biotechnology inventions. For 2005, \$100,000 (GF). For 2006, \$1.5 million (GF). *[Category: Other spending]*



Central Appropriations

Detail Tables

	<i>Fiscal Year 2005</i>			<i>Fiscal Year 2006</i>		
	GF	NGF	All Funds	GF	NGF	All Funds
CENTRAL APPROPRIATIONS						
2004-06 legislative appropriation	1,036,099,876	75,713,760	1,111,813,636	864,614,148	76,662,113	941,276,261
Recommended amendments:						
▶ Fund increased health benefit premiums for state employees	0	0	0	31,215,410	0	31,215,410
▶ Fund transition support and inaugural expenses for the three statewide elected offices	0	0	0	546,900	0	546,900
▶ Provide funding for semiconductor education grant	0	0	0	2,000,000	0	2,000,000
▶ Fund state agency telecommunication rate increase	223,297	0	223,297	334,945	0	334,945
▶ Provide funding for the review of information technology proposals that impact multiple state agencies	232,230	0	232,230	928,920	0	928,920
▶ Provide funding for localities impacted by the transition to the new capped car tax program	0	0	0	24,000,000	0	24,000,000
▶ Provide additional funding for the Governor's Development Opportunity Fund	2,000,000	0	2,000,000	0	0	0
▶ Revise personal property tax relief funding	(57,800,000)	0	(57,800,000)	(1,500,000)	0	(1,500,000)
▶ Support cooperative development of postsecondary education opportunities in Southside Virginia	0	0	0	1,500,000	0	1,500,000
▶ Provide a salary increase for state employees	0	0	0	28,501,762	0	28,501,762
▶ Fund salary increases for state-supported local employees	0	0	0	12,787,082	0	12,787,082
▶ Transfer funding for public employee salary increases to the appropriate agencies	0	0	0	(26,628,568)	0	(26,628,568)
▶ Provide funding for the Biotechnology Commercialization Loan Fund	100,000	0	100,000	1,500,000	0	1,500,000
Total recommended amendments	(55,244,473)	0	(55,244,473)	75,186,451	0	75,186,451
Total recommended funding	980,855,403	75,713,760	1,056,569,163	939,800,599	76,662,113	1,016,462,712
Percent change over legislative appropriation	(5.33%)	0.00%	(4.97%)	8.70%	0.00%	7.99%
Position level:						
2004-06 legislative appropriation	0.00	0.00	0.00	0.00	0.00	0.00

	<i>Fiscal Year 2005</i>			<i>Fiscal Year 2006</i>		
	GF	NGF	All Funds	GF	NGF	All Funds
Recommended amendments	0.00	0.00	0.00	0.00	0.00	0.00
Total recommended positions	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR CENTRAL APPROPRIATIONS						
Grand total recommended funds	980,855,403	75,713,760	1,056,569,163	939,800,599	76,662,113	1,016,462,712
Grand total recommended positions	0.00	0.00	0.00	0.00	0.00	0.00