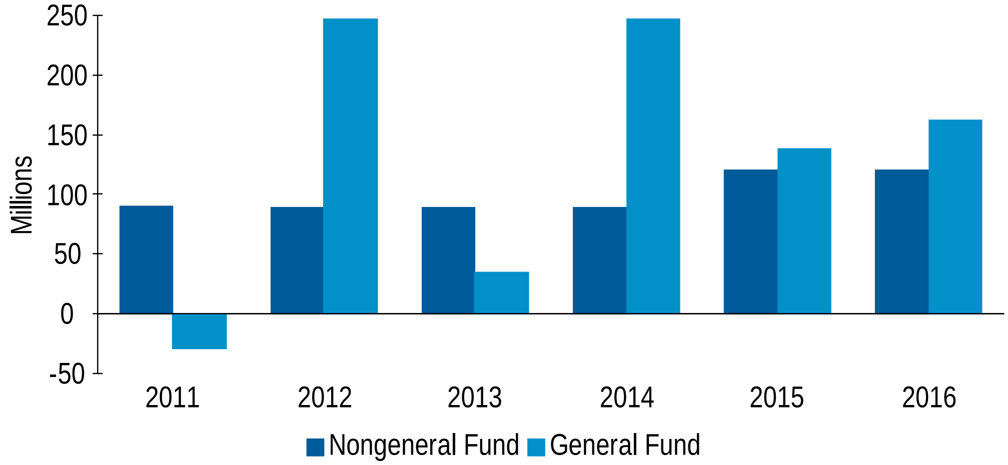
CENTRAL APPROPRIATIONS

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 premiums, and state legal expenses. 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.

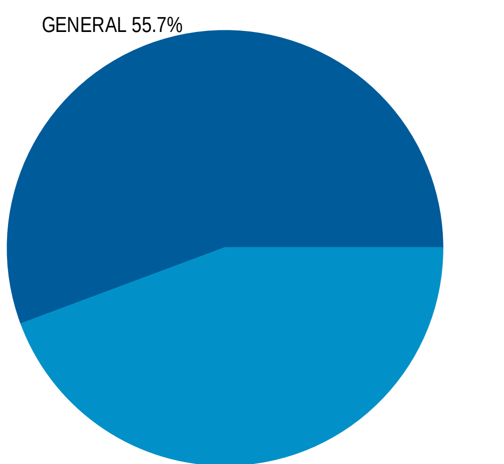
Central Appropriations Includes:

Central Appropriations	Central Capital Outlay

Central Appropriations
Operating Budget History



Financing of the Central Appropriations*
Based on 2014-2016 Proposed Operating Budget
*Funds with totals less than 1% have not been included



Central Appropriations

Central Appropriations acts as a Òholding accountÓ for funds used to supplement state agency appropriations.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2011 Appropriation	$ (28,685,743)	$ 90,333,589	$ (4,680,268)
2012 Appropriation	$ 66,651,722	$ 89,257,200	$ 71,619,324
2013 Appropriation	$ 34,508,713	$ 89,277,896	$ 86,887,372
2014 Appropriation	$ 251,008,457	$ 89,288,104	$ 201,289,476
2015 Base Budget	$ 251,008,457	$ 89,288,104	$ 246,073,011
2015 Addenda	$ (113,211,359)	$ 31,379,154	$ (125,130,272)
2015 Total	$ 137,797,098	$ 120,667,258	$ 120,942,739
2016 Base Budget	$ 251,008,457	$ 89,288,104	$ 246,073,011
2016 Addenda	$ (88,721,867)	$ 31,283,620	$ (88,363,830)
2016 Total	$ 162,286,590	$ 120,571,724	$ 157,709,181

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2011 Appropriation	0.00	0.00	0.00
2012 Appropriation	0.00	0.00	0.00
2013 Appropriation	2.00	0.00	2.00
2014 Appropriation	0.00	0.00	0.00
2015 Base Budget	0.00	0.00	0.00
2015 Addenda	0.00	0.00	0.00
2015 Total	0.00	0.00	0.00
2016 Base Budget	0.00	0.00	0.00
2016 Addenda	0.00	0.00	0.00
2016 Total	0.00	0.00	0.00

Recommended Operating Budget Addenda

- **Remove funding for one-time costs**

  Removes funding for gubernatorial transition, inauguration, and other items that required only temporary funding in fiscal year 2014.

	FY 2015	FY 2016
General Fund	$ (2,139,327)	$ (2,139,327)

- **Transfer centrally funded amounts to agency budgets**

  This adjustment reflects the transfer of funding for compensation increases, benefit changes, and other centrally funded items from Central Appropriations to agency budgets.

	FY 2015	FY 2016
General Fund	$ (238,571,002)	$ (238,571,002)

- **Adjust appropriations for interest earnings and credit card rebates**

  Adjusts the general and nongeneral fund appropraition for interest earnings for actual revenues earned by institutions of higher education.

	FY 2015	FY 2016
General Fund	$ (148,944)	$ (148,944)
Nongeneral Fund	$ 314,915	$ 314,915

- **Adjust Virginia Tobacco Settlement Fund appropriation**

  A technical adjustment to decrease appropriation in the Virginia Tobacco Settlement Fund to reflect projected payments from the Master Settlement Agreement (MSA).

	FY 2015	FY 2016
Nongeneral Fund	$ (1,935,761)	$ (2,031,295)

- **Capture savings from proposed agency savings strategies**

  Reflects savings to be transferred from agency budgets as a result of savings plans submitted by agencies in October, 2013.

	FY 2015	FY 2016
General Fund	$ (3,422,799)	$ (3,699,749)

- **Continue the Federal Action Contingency Trust Fund**

  Continues budget bill language governing the usage of the Federal Action Contingency Trust (FACT) Fund. In adddition, this amendment allocates a portion of the Fund to meet the Commonwealth's contribution to address encroachment upon the United States Navy Master Jet Base and auxiliary landing field ($4.4 million) and provides $1.6 million to the Virginia Polytechnic Institute and State University for unmanned aircraft systems research and development.

- **Increase nongeneral fund appropriation for the Tobacco Indemnification and Community Revitalization Commission**

  Provides additional nongeneral fund appropriation for the Tobacco Indemnification and Community Revitalization Commission. The increase will more accurately align appropriation with revenue and expenditure patterns.

	FY 2015	FY 2016
Nongeneral Fund	$ 33,000,000	$ 33,000,000

- **Modify funding for changes in other post-employment benefit programs for state employees and state supported locals**

  Provides additional funding for changes in costs associated with the group life insurance program, the sickness and disability program, and the retiree health insurance credit based on the June 30, 2013, Virginia Retirement System valuation for 2015 and 2016. The individual amounts include increased costs of $3.5 million (2015) and $3.5 million (2016) for the group life insurance program, increased costs of $3.1 million (2015) and $3.1 million (2016) for the sickness and disability program, and increases of $4.3 million (2015) and $4.3 million (2016) for the retiree health insurance credit. Additional funding of $1.2 million (2015) and $1.2 million (2016) is also included for the retiree health insurance credit for state supported locals.

		FY 2015		FY 2016
General Fund	$	11,738,310	$	11,738,310

- **Provide additional funding for the state employee health insurance program**

  Provides funding to cover the general fund share of increased premiums for the state employee health insurance program. The increased costs are due to a number of factors, including a significant increase in catastrophic claims, high cost specialty prescription medications, impacts associated with the Patient Protection and Affordable Care Act, start-up funding for an on-site state employee clinic near Capitol Square, waiving Tier 1 and 2 co-pays for asthma/COPD and antihypertensive medications, and the rebuilding of the Incurred But Not Reported (IBNR) reserve. Savings factored into this adjustment include a COVA Care plan medication co-pay increase of $5 for Tier 2 to 4 prescriptions filled at retail locations and an increase of $10 for Tier 2 to 4 prescriptions filled by mail.

		FY 2015		FY 2016
General Fund	$	24,584,583	$	59,260,533

- **Provide for contingent state employee bonus**

  Includes provisions for a contingent bonus of up to two or three percent, depending on the employee's performance evaluation, for full-time state employees on December 1, 2014. In order for the two percent bonus to be paid, statewide discretionary unspent general fund appropriations on June 30, 2014, must meet or exceed twice the general fund cost of the bonus. In order for the additional one percent (to reach a total of three percent) bonus to be paid, a combination of revenues exceeding the official revenue forecast and statewide discretionary unspent general fund appropriations on June 30, 2014 must meet or exceed twice the general fund cost of that portion of the bonus. Each agency will be responsible for funding the bonus out of its unspent discretionary appropriations. This gain-sharing effort provides an incentive for state employees to look for ways to make government more efficient.

- **Provide funding for increases in the cost of state employee retirement**

  Provides additional funding for the increased costs associated with state employee retirement benefits based on the June 30, 2013, Virginia Retirement System valuation for 2015 and 2016. The funding amounts assume a seven percent investment rate of return, a 2.5 percent rate of inflation, and a 30 year amortization. The funding does not include any amounts for the payback of deferred contributions from 2011 and 2012. That funding will be provided in a separate amendment.

		FY 2015		FY 2016
General Fund	$	48,785,415	$	48,785,415

- **Provide funding for the payback of deferred state employee retirement contributions**

  Provides funding for the second two years of the 10 year payback of deferred state employee retirement contributions from 2011 and 2012. The repayment is amortized over a 10 year closed period at level dollar amounts assuming a seven percent annual interest rate, with 2015 and 2016 representing the third and fourth years of the payback period.

		FY 2015		FY 2016
General Fund	$	26,800,957	$	26,800,957

- **Provide funding for the recommendations of the State Employee Compensation Work Group**

  Provides funding for recommendations made by the State Employee Compensation Work Group. Funding includes $800,000 in fiscal year 2016 for an update of the 2008 and 2011 JLARC total compensation study, $9,033,474 in fiscal year 2015 and $10,323,966 in fiscal year 2016 for a targeted two percent increase to begin addressing retention issues in distressed and high turnover state employee job roles. A companion amendment in the Department of Human Resource Management provides funding to acquire and utilize a centralized exit survey for all state employees, subscription to occupationally based data services, and the acquisition of data analytic tools.

		FY 2015		FY 2016
General Fund	$	9,033,474	$	11,123,966

- **Provide general fund support to relocate the Department of Small Business and Supplier Diversity**

  Provides funding for the Department of General Services to build out space in the Monroe Tower for the newly-created agency, Department of Small Business and Supplier Diversity.

		FY 2015		FY 2016
General Fund	$	1,000,000	$	0

- **Provide state match for the development, creation, and enhancement of the Slavery and Freedom Heritage Site**

  Provides funding to be allocated for the planning, design, and construction of the Pavilion at Lumpkin's Jail, improvements to the Richmond Slave Trail, and planning and design of a slavery museum. Prior to the receipt of any state funding, the City of Richmond shall appropriate $5.0 million in local matching funds and provide and dedicate appropriate contiguous real estate for the purposes mentioned above. The Department of General Services shall act as the fiscal agent of these funds.

	FY 2015	FY 2016
General Fund	$ 11,000,000	$ 0

- **Transfer funding for Cardinal and the Performance Budgeting System to agency budgets**

  Transfers amounts appropriated for the general fund share of Cardinal and Performance Budgeting System rates to agency budgets.

	FY 2015	FY 2016
General Fund	$ (1,872,026)	$ (1,872,026)

Central Capital Outlay

Central Capital Outlay serves as a capital maintenance, construction, and renovation "holding account" to better manage state resources including general fund and nongeneral fund cash, tax-supported debt, and revenue bonds. This account funds: (1) capital project pools for higher education and non-higher education institutions; (2) project planning, preplanning and evaluation; (3) maintenance reserve; and, (4) equipment for previously approved projects.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2011 Appropriation	$ 0	$ 0	$ 0
2012 Appropriation	$ 0	$ 0	$ 0
2013 Appropriation	$ 0	$ 0	$ 0
2014 Appropriation	$ 0	$ 0	$ 0
2015 Base Budget	$ 0	$ 0	$ 0
2015 Addenda	$ 0	$ 0	$ 0
2015 Total	$ 0	$ 0	$ 0
2016 Base Budget	$ 0	$ 0	$ 0
2016 Addenda	$ 0	$ 0	$ 0
2016 Total	$ 0	$ 0	$ 0

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2011 Appropriation	0.00	0.00	0.00
2012 Appropriation	0.00	0.00	0.00
2013 Appropriation	0.00	0.00	0.00
2014 Appropriation	0.00	0.00	0.00
2015 Base Budget	0.00	0.00	0.00
2015 Addenda	0.00	0.00	0.00
2015 Total	0.00	0.00	0.00
2016 Base Budget	0.00	0.00	0.00
2016 Addenda	0.00	0.00	0.00
2016 Total	0.00	0.00	0.00

New Capital Outlay Budget Summary

	General Fund	Nongeneral Fund	Bond Proceeds
2015 Addenda	$ 0	$ 13,276,000	258,523,000
2016 Addenda	$ 0	$ 0	81,500,000

Recommended Capital Outlay Addenda

- **Fund equipment for projects nearing completion**

  Provides funding in central accounts to be disbursed to agencies and institutions of higher education for equipment purchases related to previously authorized capital projects.

	FY 2015	FY 2016
Bond Proceeds	$ 21,050,000	$ 0

- **Fund planning of capital projects**

  Provides funding for pre-planning and detailed planning of designated capital projects. These projects have not been authorized to proceed to construction; the cost estimates derived from the planning process will form the basis for the consideration of whether the Commonwealth should proceed further with them.

	FY 2015	FY 2016
Nongeneral Fund	$ 13,276,000	$ 0
Bond Proceeds	$ 0	$ 0

- **Provide funding for maintenance reserve funding**

  Provides funding to be distributed to agencies and institutions of higher education to address critical maintenance needs in state-owned facilities. This funding can be used to address major repairs or replacementsthat are intended to extend the useful life of the physical plant, property, and equipment.

	FY 2015	FY 2016
Bond Proceeds	$ 61,500,000	$ 61,500,000

- **Provide funding for additional capital projects**

  Provides funding to be distributed to agencies for various projects addressing life, health, and safety concerns. The item also includes additional funding for the Local Stormwater Assistance Fund in the second year. Finally, the item includes funding for immediate repairs needed for the Fort Monroe property.

	FY 2015	FY 2016
Bond Proceeds	$ 75,973,000	$ 20,000,000