



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.

Activities of the agency:

Personal Property Tax Relief. To provide tax relief to vehicles assessed at \$20,000 or less which are limited to personal use in Virginia.

Compensation Supplements. To provide a mechanism for funding increases to state employee salaries and benefits.

Miscellaneous Reversion Clearing Account. To provide a mechanism for capturing savings that impacts multiple state agencies.

Personnel Management Services. To provide funding for increases in the state employee health insurance program.

Tobacco Settlement. To provide spending authority for the Tobacco Indemnification and Community Revitalization Fund and the Virginia Tobacco Settlement Fund from amounts awarded to the Commonwealth under the Master Settlement Agreement with tobacco manufacturers.

Technology Research, Planning, and Coordination. To act as a holding account for funds representing savings from general fund agencies as a result of technology consolidation and reform in executive branch state agencies.

Economic Contingency. To provide funding to address emergency situations or other unbudgeted costs.

Commonwealth Technology Research Fund. To provide funding for grants to institutions of higher education for technology research projects.

Legal Defense. To provide funding for unanticipated legal expenses for state agencies.

Governor's Development Opportunity Fund. To provide funding for economic development grants for the purpose of attracting economic development prospects to locate or expand in Virginia

Miscellaneous Grants to Nonstate Entities. To provide grant funding to non-profit organizations within Virginia.

Public Safety Communications and Technology Infrastructure. Serves as a holding account for funds to provide improvements to the communications systems and other related technology used by public safety related agencies.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Personal Property Tax Relief	920,689,232	0.00	920,689,232	0.00
Compensation Supplements	0	0.00	0	0.00
Miscellaneous Reversion Clearing Account	0	0.00	0	0.00
Personnel Management Services	0	0.00	0	0.00
Tobacco Settlement	79,540,324	0.00	79,540,324	0.00
Technology Research, Planning, and Coordination	13,985,906	0.00	13,985,906	0.00
Economic Contingency	2,200,000	0.00	2,200,000	0.00
Commonwealth Technology Research Fund	6,392,319	0.00	6,392,319	0.00
Legal Defense	50,000	0.00	50,000	0.00

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Governor's Development Opportunity Fund	10,000,000	0.00	10,000,000	0.00
Miscellaneous Grants to Nonstate Entities	637,401	0.00	422,550	0.00
Public Safety Communications and Technology Infrastructure	0	0.00	0	0.00
Total	1,033,495,182	0.00	1,033,280,331	0.00

Recommended budget changes:

- ▶ **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 2005, an increase of \$32.3 million (GF). For 2006, an increase of \$33.7 million (GF). *[Affected Activity: Personnel Management Services]*
- ▶ **Adjust funding for state employee retirement contributions.** Funds state retirement contributions for fiscal years 2005 and 2006 using a 30-year funding period. These rates are based on a valuation of fund assets and liabilities as of June 30, 2003. This results in contribution rate reductions for the State Police Retirement System (SPORS), Judicial Retirement System (JRS), and state employee retirement when compared to amounts funded in agency base budgets, and an increase in the Virginia Law Officers Retirement System (VaLORS) over amounts provided in agency base budgets. Utilizing these rates will have no impact on current or future retirement benefits. For 2005, a savings of \$13.4 million (GF). For 2006, a savings of \$13.9 million (GF). *[Affected Activity: Miscellaneous Reversion Clearing Account]*
- ▶ **Continue the premium holiday on state employee group life contributions.** Continues the premium holiday on contribution rates paid by state agencies on behalf of their employees. This program provides state employees with life insurance coverage. For 2005, a savings of \$13.1 million (GF). For 2006, a savings of \$13.7 million (GF). *[Affected Activity: Miscellaneous Reversion Clearing Account]*
- ▶ **Adjust funding for state employee retiree healthcare credit.** Adjusts funding for contributions paid by state agencies on behalf of their employees for the retiree healthcare credit, reflecting the rate certified by the Virginia Retirement System Board of Trustees. This program provides payments to retired state employees to help offset the cost of health insurance benefits. For 2005, a savings of \$ 328,468 (GF). For 2006, a savings of \$ 342,757 million (GF). *[Affected Activity: Miscellaneous Reversion Clearing Account]*
- ▶ **Provide funding for state employee sickness and disability program contributions.** Provides funding for the increase in contribution rates for the Virginia Sickness and Disability Program paid by state agencies on behalf of their employees. This action calculates a single contribution rate for state employees and state law enforcement officers, each of which previously had unique rates. This program provides sick leave and disability benefits for state employees. For 2005, \$8.5 million (GF). For 2006, \$8.8 million (GF). *[Affected Activity: Compensation Supplements]*
- ▶ **Continue personal property tax relief.** Provide additional funding necessary to reimburse local governments for personal property tax relief at the 70 percent level. The additional funding is necessary because of higher-than-anticipated new car sales. For 2005, an increase of \$27.2 million (GF). For 2006, an increase of \$76.2 million (GF). *[Affected Activity: Personal Property Tax Relief]*

- ▶ **Provide additional personal property tax relief.** Increases reimbursements to localities for car tax relief from the current level of 70 percent to 77.5 percent in calendar year 2005, and 85 percent in calendar year 2006. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2005, an increase of \$25.8 million (GF). For 2006, an increase of \$130.8 million. *[Affected Activity: Personal Property Tax Relief]*
- ▶ **Provide a salary increase for state employees.** Provides the general fund share of a three percent increase in the salaries of 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. Classified employees who attain a rating of "Extraordinary Contributor" will receive an additional one percent increase on November 25, 2005, for a total of four percent. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2006, \$30.0 million (GF). *[Affected Activity: Compensation Supplements]*
- ▶ **Provide a salary increase for higher education faculty.** Provides the general fund share of an average three percent increase in the salaries of faculty at state supported institutions of higher education on November 25, 2005. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2006, \$12.0 million (GF). *[Affected Activity: Compensation Supplements]*
- ▶ **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, and others. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2006, \$12.4 million (GF). *[Affected Activity: Compensation Supplements]*
- ▶ **Fund salary increases for public school teachers.** Provides funding for the state share of a three percent salary increase for public school employees funded through the Standards of Quality, effective December 1, 2005. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2006, \$50.9 million (GF). *[Affected Activity: Compensation Supplements]*
- ▶ **Reduce appropriation for technology reform.** Reduces funds for the statewide technology reform initiative. Adjustment is made to reflect the revised implementation schedule of consolidation activities and reduces funding for help desk activities, software license purchases, and retraining costs. For each year, a reduction of \$14.0 million (GF). *[Affected Activity: Technology Research, Planning, and Coordination]*
- ▶ **Provide for a pooled retirement contribution rate for state employees and public school teachers.** Provides the incremental funding required to pool into a single rate the retirement contributions for state employees and public school teachers. The pooling of these contributions results in a higher rate for state agencies and a lower rate for public school divisions. The pooling of state employee and public school teacher contributions will reduce the projected local share of retirement costs by more than \$20 million annually for local school divisions. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2005, \$3.6 million (GF). For 2006, \$2.3 million. *[Affected Activity: Compensation Supplements]*
- ▶ **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. For 2005, \$3.0 million (GF). *[Affected Activity: Governor's Development Opportunity Fund]*

- ▶ **Provide funding for semiconductor manufacturing performance grant programs.** An increase in funds for the initial semiconductor manufacturing performance grant payments under the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program (\$3.7 million in each year) and Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II (\$3.0 million in each year). The grant payments are based on the volume of manufacturing and sales of memory and logic wafers, the amount of new investment, and the number of new jobs created. Companies affected have met the investment and job creation criteria required by their performance agreements and payments to them are now due. For each year, \$6.7 million (GF). [*Affected Activity: Economic Contingency*]
- ▶ **Continue the statewide agencies radio system (STARS) project.** Adds funding to continue the STARS project and begin implementation. The STARS project will provide an effective and efficient communications system for use by the State Police and other state agencies. It will also facilitate interoperability with localities and provide basic service for other law enforcement agencies by establishing a statewide-shared land mobile radio system by 2008. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For each year, \$2.5 million (GF). [*Affected Activity: Public Safety Communications and Technology Infrastructure*]
- ▶ **Replace the Department of Forestry two-way radio system.** Provides Master Equipment Lease Program (MELP) payments to replace the existing two-way radio system used by the Department of Forestry. This radio system is used by firefighters during fire emergencies. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2005, \$123,599 (GF). For 2006, \$244,359 (GF). [*Affected Activity: Public Safety Communications and Technology Infrastructure*]
- ▶ **Adjust financial assistance from Tobacco Settlement for revised estimates.** Changes 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 2005, a reduction of \$3.8 million (NGF). For 2006, a reduction of \$2.9 million (NGF). [*Affected Activity: Tobacco Settlement*]



Central Appropriations

Detail Tables

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
CENTRAL APPROPRIATIONS						
2004 legislative appropriation	1,014,137,285	81,140,324	1,095,277,609	1,014,137,285	81,140,324	1,095,277,609
Adjustments to legislative appropriation	(60,182,427)	(1,600,000)	(61,782,427)	(60,397,278)	(1,600,000)	(61,997,278)
2004-2006 base budget	953,954,858	79,540,324	1,033,495,182	953,740,007	79,540,324	1,033,280,331
Recommended budget actions:						
▶ Fund increased health benefit premiums for state employees	32,321,564	0	32,321,564	33,726,846	0	33,726,846
▶ Adjust funding for state employee retirement contributions	(13,362,885)	0	(13,362,885)	(13,943,882)	0	(13,943,882)
▶ Continue the premium holiday on state employee group life contributions	(13,138,901)	0	(13,138,901)	(13,710,169)	0	(13,710,169)
▶ Adjust funding for state employee retiree healthcare credit	(328,468)	0	(328,468)	(342,757)	0	(342,757)
▶ Provide funding for state employee sickness and disability program contributions	8,465,663	0	8,465,663	8,833,735	0	8,833,735
▶ Continue personal property tax relief	27,200,000	0	27,200,000	76,200,000	0	76,200,000
▶ Provide additional personal property tax relief	25,774,963	0	25,774,963	130,796,357	0	130,796,357
▶ Provide a salary increase for state employees	0	0	0	30,024,211	0	30,024,211
▶ Provide a salary increase for higher education faculty	0	0	0	11,983,745	0	11,983,745
▶ Fund salary increases for state-supported local employees	0	0	0	12,408,550	0	12,408,550
▶ Fund salary increases for public school teachers	0	0	0	50,892,792	0	50,892,792
▶ Reduce appropriation for technology reform	(13,985,906)	0	(13,985,906)	(13,985,906)	0	(13,985,906)
▶ Provide for a pooled retirement contribution rate for state employees and public school teachers	3,593,030	0	3,593,030	2,254,819	0	2,254,819
▶ Provide additional funding for the Governor's Development Opportunity Fund	3,000,000	0	3,000,000	0	0	0
▶ Provide funding for semiconductor manufacturing performance grant programs	6,720,000	0	6,720,000	6,720,000	0	6,720,000
▶ Continue the statewide agencies radio system (STARS) project	2,510,000	0	2,510,000	2,510,000	0	2,510,000
▶ Replace the Department of Forestry two-way radio system	123,599	0	123,599	244,359	0	244,359
▶ Adjust financial assistance from Tobacco Settlement for revised estimates	0	(3,826,564)	(3,826,564)	0	(2,878,211)	(2,878,211)
Total recommended budget actions	68,892,659	(3,826,564)	65,066,095	324,612,700	(2,878,211)	321,734,489
Total recommended funding	1,022,847,517	75,713,760	1,098,561,277	1,278,352,707	76,662,113	1,355,014,820
Percent change over base budget	7.22%	(4.81%)	6.30%	34.04%	(3.62%)	31.14%

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Position level:						
2004 legislative appropriation	0.00	0.00	0.00	0.00	0.00	0.00
Recommended position level changes	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	1,022,847,517	75,713,760	1,098,561,277	1,278,352,707	76,662,113	1,355,014,820
Grand total recommended positions	0.00	0.00	0.00	0.00	0.00	0.00