

# Central Appropriations

The adopted FY 2002 budget for Central Appropriations results in a net decrease of \$317.4 million GF. This total represents new spending of \$27.1 million GF offset by reductions of \$344.5 million GF. No changes occurred with nongeneral fund appropriations. The major sources of general fund savings include: \$129.0 million GF in VRS savings, \$70.4 million GF in Executive Order 74 actions, \$87.3 million GF from 3 percent across-the-board agency reductions for Executive Branch agencies, and \$3.3 million from the Commonwealth Technology Research Fund.

- **Reversion Clearing Account**
  - **Technical Amendment.** Provides a technical change in the amount of \$19.5 million GF to reduce the productivity savings total because a like amount was achieved through revenue increases rather than appropriation reductions.
- **Executive Management**
  - **Executive Order 74 Reductions.** Captures \$70.4 in appropriation reductions from Executive Branch agencies.
- **Across-the-Board Reductions**
  - **Executive Branch 3 Percent Reductions.** Captures a total of \$87.3 million from a 3 percent appropriation reduction for Executive Branch agencies.
- **Tobacco Settlement**
  - **Balance Transfers and Enforcement Funding.** Transfers \$15.5 million NGF from unspent balances in the Virginia Tobacco Settlement Foundation to the general fund. A portion of this funding, \$43,000, will be used to fund the Foundation's share of enforcement activities provided by the Office of the Attorney General and the Department of Taxation. In addition, language directs the transfer of \$215,000 from the Tobacco Indemnification and Community Revitalization Fund for enforcement activities provided by the Attorney General's Office and the Department of Taxation.
- **Personal Property Tax Relief Program**

- **Car Tax Relief at 70 Percent.** Freezes the car tax reimbursement to localities at 70 percent for the remainder of tax year 2002.
- **Compensation Supplements**
  - **June 30, 2001 VRS Savings.** Applies the results of the June 30, 2001 actuarial valuation to FY 2002 for state employees, SPORS, VaLORS, and JRS, producing savings of \$28.6 million. Application of the rates in July 2001 rather than July 2002 results in an increase of 17 basis points in the employer contribution rates in each year of the 2002-04 biennium.
  - **Technical Adjustment: FY 2002 VRS Savings.** Captures savings of \$65.9 million GF related to lower retirement rates for classified state employees and teachers approved by the VRS Board of Trustees in November 2000. The lower rates went into effect on July 1, 2001.
  - **VRS Dormant Account Savings.** Accelerates savings of \$32.7 million GF into FY 2002 from a projected credit against employer contribution rates due to the reduction of fund liabilities through the identification and resolution of unclaimed VRS retirement accounts.
  - **State Employee Group Life Insurance Program.** Captures savings of \$1.9 million GF from the suspension of the retiree portion of the group life insurance premium for the remainder of FY 2002.
  - **Long-term Care Program.** Restores language that requires VRS to provide long-term care benefits under the Virginia Sickness and Disability Program.
- **Economic Contingency**
  - **Technology Research Fund.** Reduces the FY 2002 appropriation for the Commonwealth Technology Research Fund from \$13.0 million to \$9.7 million GF, for a savings of \$3.3 million.
  - **Visitor Technology Program.** Reduces funding for the Virginia Tourism Authority's visitor technology program from \$1.5 million GF to \$573,000, for a savings of \$927,000 GF.
  - **Governor's Development Opportunity Fund.** Directs DPB to withhold \$4.5 million from the Governor's Opportunity Fund. Budget language in Part 3 transfers this amount to the general fund.