

Central Appropriations

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2017 Proposed		FY 2018 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Current Budget (Ch. 780, 2016 Session)	\$139.5	\$120.3	\$223.0	\$120.3
Proposed Increases	1.8	0.0	71.1	0.0
Proposed Decreases	(77.5)	(1.0)	(125.5)	(1.0)
\$ Net Change	(75.7)	(1.0)	(54.3)	(1.0)
HB 1500/SB 900, as Introduced	\$63.8	\$119.3	\$168.7	\$119.3
% Change	(54.3%)	(0.8%)	(24.3%)	(0.8%)
FTEs	0.00	0.00	0.00	0.00
# Change	0.00	0.00	0.00	0.00

- **Employee Compensation Adjustments**

- *Reflect the Required Reversal of Funding for Public Employee Salary Increases.* Captures savings of \$69.2 million GF the first year and \$121.1 million GF the second year to reflect the elimination of the salary actions approved in Chapter 780 of the 2016 Acts of Assembly which were contingent upon FY 2016 revenues not being more than 1 percent below the revenues assumed in the budget for FY 2016. Similar amendments within the State Compensation Board, the Judicial Reversion Clearing Account, and the Department of Education reflect additional savings as a result of the deferral of salary actions tied to the FY 2016 revenues.
- *Provide Compensation Actions for State Employees and State-Supported Local Employees.* Proposes \$60.0 million GF the second year for three compensation actions: (1) \$42.2 million for a 1.5 percent bonus for state employees on December 1, 2017; (2) \$13.8 million for a 1.5 percent bonus for state-supported local employees on December 1, 2017, and (3) \$4.0 million for the State Police to further address salary compression issues.

- **Higher Education Interest**
 - *Higher Education Interest and Credit Card Rebates.* Captures savings of \$4.0 million each year by eliminating the payments to individual institutions of higher education of the interest earned on tuition and fees and other nongeneral fund educational and general revenues deposited to the state treasury (savings of \$1.75 million each year) and eliminating the payment to individual institutions of a pro rata amount of the rebate paid on credit card purchases not exceeding \$5,000 during the previous year (savings of \$2.25 million each year).

- **Transition Support**
 - *Fund Inauguration and Transition for Statewide Elected Officials.* Proposes \$2.2 million GF the second year to cover expenses that will be incurred by the Office of the Secretary of Administration, the Department of General Services, and the Virginia Information Technologies Agency as they provide support services to transition teams for the incoming Governor, Lieutenant Governor, and Attorney General.

- **Undistributed Support**
 - *Adjustments in Funding for Programs and Systems Administered Through Internal Service Funds.* Includes several amendments which adjust funding provided to agencies to support cost incurred from charges made for technology services and employee fringe benefit programs administered by other state agencies based on updated utilization estimates.

Proposed Amendments to Support Internal Service Fund Charges		
(\$ GF only)		
	<u>FY 2017</u>	<u>FY 2018</u>
<u>Technology Charges</u>		
VITA Charges	\$583,074	\$2,367,876
Cardinal Financial System	(387,737)	(78,479)
Personal Management Info System	0	935,760
<u>Employee Benefit Programs</u>		
Line of Duty	\$181,038	\$181,038
Workers Compensation Premiums	0	(279,966)
Totals	\$376,375	\$3,126,229

- ***Other Initiatives***

- ***Incentive Packages for Researchers, Research Equipment and Lab Renovations.*** Captures savings of \$4.0 million the first year by reducing from \$8.0 million GF to \$4.0 million GF the funding available to provide one-time incentive packages to attract high performing researchers, renovate research labs, and acquire research equipment in partnership with INOVA and other institutions and private sector entities.
- ***Provide Funding for a Government Internship and Training Program.*** Proposes \$1.2 million GF the second year to develop an internship and training program within state government for the purposes of improving the Commonwealth's succession planning capabilities.
- ***Provide Funding for Personnel Related Legislative and Regulatory Changes.*** Provides \$1.0 million GF the first year and \$3.0 million GF the second year as a reserve for the potential impact of new federal regulations related to overtime compensation through the Fair Labor Standards Act and to fund the impact of new federal regulations, still under development, which require background checks for individuals with access to federal tax information.
- ***Provide Funding for Potential Litigation.*** Proposes \$1.2 million GF the second year for the legal costs associated with potential litigation.