

Central Appropriations

Adopted Amendments				
(\$ in millions)				
	FY 2017 Adopted		FY 2018 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Current Budget (Chapter 780, 2016 Session)	\$139.5	\$120.3	\$223.0	\$120.3
Increases	1.8	0.0	163.3	0.5
Decreases	(77.8)	(1.0)	(136.4)	(1.0)
\$ Net Change*	(76.0)	(1.0)	26.9	(0.5)
Chapter 836 (HB 1500, as Adopted)	\$63.5	\$119.3	\$249.9	\$119.8
% Change	(54.5%)	(0.8%)	12.1%	(0.4%)
Central Account Reversions	(3.2)	(0.0)	(7.7)	(0.8)
% Change	(54.5%)	(0.8%)	12.1%	(0.8%)
FTEs	0.00	0.00	0.00	0.00
# Change	0.00	0.00	0.00	0.00
<i>*Includes Central Account Reversions.</i>				

- **Employee Compensation Adjustments**

- *Reverse Funding for FY 2017 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 Funding for a Raise for State Employees and State-Supported Local Employees.* Provides \$80.3 million GF the second year for a 3 percent salary

increase for state employees, the funding for which totals \$64.7 million, and a 2 percent salary increase for state-supported local employees, the funding for which totals \$15.6 million. The 3 percent salary increase is effective July 10, 2017, and will be reflected in employees' August 1, 2017, pay. The state-supported local employees' raise is effective August 1, 2017. HB 1500, as Introduced, included funding of \$56.0 million GF the second year for a one-time, 1.5 percent bonus for state employees, effective December 1, 2017. The funding for this initiative was redirected to partially offset the cost of the 3 percent raise for state employees, and a 2 percent raise for state-supported local employees, effective July 10, 2017.

- ***Provide Funding for a Faculty Raise.*** Adds \$18.4 million GF the second year to increase the salaries of faculty members at public higher education institutions by 2 percent, effective July 10, 2017, and to increase salaries an additional 1 percent for faculty members at eight higher education institutions that did not provide any compensation adjustment in FY 2017. Of the total funding amount, \$17.0 million is for the 2 percent raise, and \$1.4 million is for the additional 1 percent raise.
- ***Provide Funding for a State Police Salary Initiative.*** Provides \$14.3 million GF the second year for a salary initiative for the Department of State Police to increase the salary of each sworn officer by \$6,793. This action will raise the starting pay of troopers from \$36,207 to \$43,000, and provide \$6,793 to be distributed to all sworn officers to address salary compression. The effective date of the initiative is July 10, 2017, and will be reflected in employees' August 1, 2017, pay. Language specifies that the increase shall be effectuated prior to any other authorized percentage salary increase.
- ***Additional Salary Increase for Certain High-Turnover Positions.*** Adds \$2.5 million GF the second year to provide an additional 2 percent base salary adjustment for nine high-turnover occupations for the purposes of relieving salary compression and maintaining market relevance. The salary adjustment is effective September 10, 2017, and will be reflected in applicable employees' October 1, 2017, pay. The occupations that will receive the additional salary adjustment are as follows: Direct Service Associate I, Direct Service Associate II, Direct Service Associate III, Housekeeping and/or Apparel Worker I, Registered Nurse I, Registered Nurse II/Nurse Practitioner I/Physician's Assistant, Licensed Practical Nurse, Therapy Assistant/Therapist I, Therapist II.
- ***Adjust Funding for State Health Insurance Premiums.*** Recognizes savings of \$263,000 GF the first year and \$557,000 GF the second year to reflect the premium rates for the state's high deductible health plan and reduced participation in the plan.

- *A Summary of all Adopted Compensation Actions is Provided in the Following Table:*

Adopted FY 2018 Compensation Adjustments		
(\$ GF only, in Millions)		
<u>Base Salary Adjustments</u>	<u>Total Cost</u>	<u>Effective Date</u>
State Employees (3%)	\$64.7	7/10/17 (Aug 1 Pay)
Faculty (2%, + 1% for Select Institutions)	18.4	7/10/17
State-Supported Local Employees (2%)	15.6	8/1/17
Teachers/SOQ Positions (2%)	<u>32.0</u>	Local Flexibility*
Total GF Cost	\$130.6	
<u>Targeted Salary Actions</u>		
State Police Salary Initiative	\$14.3	7/10/17 (Aug 1 Pay)
Capitol Police Salary Initiative	0.5	7/10/17 (Aug 1 Pay)
District Court Clerks Salary Adjustment	2.6	9/10/17 (Oct 1 Pay)
High Turnover Positions (2%)	2.6	9/10/17 (Oct 1 Pay)
Sheriffs Salary Compression	7.3	8/1/17
Career Development	<u>3.3</u>	8/1/17
Total GF Cost	\$30.6	
Total GF Cost (all Compensation Actions)	\$161.2	
<small>*Funding calculated using February 15, 2018 start date. Local school divisions provided flexibility as to when pay raise may be applied during biennium</small>		

- **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).

- **Miscellaneous Reversion Clearing Account**

- *Reflect Reductions to State Agencies.* Represents a clearing account to reflect total general fund reductions of \$3.2 million the first year and \$7.4 million the second year for the Department of Housing and Community Development and the Jamestown-Yorktown Commemoration 2019, as follows:
 - \$119,271 GF the first year for reduced dues assessment for the Appalachian Regional Commission.
 - \$250,000 GF each year for the Virginia Telecommunications Initiative.
 - \$500,000 GF the second year for the Virginia Derelict Structures Fund (also known as the Industrial Revitalization Fund).
 - \$600,000 GF the first year and \$325,797 GF the second year for the Center for Advanced Engineering and Research resulting from the elimination of federal funding.
 - \$1.9 million GF the first year and \$5.6 million GF the second year for the Virginia Growth and Opportunity Fund.
 - \$368,832 GF the first year and \$785,532 GF the second year from the Jamestown-Yorktown Commemorations 2019.

- **Undistributed Support**

- *Provide Funding for General Fund Share of Internal Service Fund Cost Increase.* Adds \$203,339 GF the second year to provide the general fund's share of internal service fund costs at the Virginia Information Technologies Agency (VITA) as a result of the 3 percent salary increase. A separate, corresponding amendment provides additional internal service fund appropriation at VITA to pay for the three percent employee raise.
- *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.

**Adopted 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	\$2,571,215
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	\$3,329,568

- **Inauguration and Transition Office Support**

- *Fund Inauguration and Transition for Statewide Elected Officials.* Adds \$2.3 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.

- **Other Initiatives**

- *Provide Funding for Internship and Management Training Program.* Provides \$800,000 GF the second year for a workgroup to develop and implement an internship, succession planning and management training pilot program. Language is also included that requires the workgroup to consider opportunities to collaborate with Virginia Public Colleges and Universities to explore options for certain students to earn credit hours to participate in the program on a temporary basis.
- *Provide Funding for Personnel Related Legislative and Regulatory Changes.* Provides \$200,000 GF the first year and \$50,000 GF the second year to fund the impact of new federal regulations, still under development, which require background checks for individuals with access to federal tax information.