

Finance

The budget, as adopted, for the Finance secretariat includes \$183.0 million in additional general funds and \$0.1 million in additional nongeneral funds for the biennium above the base budget.

Adopted general fund spending includes \$21.3 million in the first year for the constitutionally-mandated deposit to the Revenue Stabilization Fund required by Article X, Section 8 of the Constitution of Virginia; and \$198.1 million in additional debt service for current and new obligations.

In addition, the adopted budget contains numerous savings within the secretariat including a reduction in transfer payments to localities for ABC profits and wine taxes by \$16.8 million and a reduction at the Department of Taxation of \$1.3 million for savings related to changes in the rate structure charged by the Virginia Information Technologies Agency.

- **Department of Accounts**

- *Staffing to Support Information Technology Security Audit Standards for Small Agencies.* Includes \$318,870 GF the first year and \$363,594 GF the second year to assist small agencies with the support needed to comply with recently issued security standards for information technology.
- *Increase Positions in Payroll Service Bureau.* Provides four additional personnel for the payroll service bureau which recently assumed responsibility for the payroll functions for the Department of Motor Vehicles.

- **Department of Accounts Transfer Payments**

- *Revenue Stabilization Fund Deposits.* Includes a \$21.3 million deposit into the “Rainy Day Fund” in FY 2009. No deposit is required in FY 2010 based on current revenue projections.
- *Eliminate Alcohol Beverage Control Profits Transfer Payments.* Includes general fund savings of \$4.1 million each year by eliminating transfer payments to localities for Alcohol Beverage Control profits.
- *Eliminate Wine Taxes Transfer Payment.* Includes general fund savings of \$4.3 million each year by eliminating transfer payments to localities for Wine Taxes.
- *Additional Funding for Line of Duty Benefits.* Includes \$1.3 million GF the first year and \$2.6 million GF the second year to begin funding Line of Duty benefits on an actuarial basis.
- *Northern Virginia Transportation Commission.* Includes a nongeneral fund appropriation of \$68.9 million in the first year and \$74.7 million the second year to

reflect the revenues that have been generated by the additional two percent sales tax on gasoline within the jurisdictions which comprise the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission. This additional gasoline tax was authorized in 1981 and these revenues are used to support transportation improvements within these jurisdictions.

- **Department of Taxation**

- *Increased Funding for Postage Cost.* Includes \$340,000 GF in each year for increased postage costs related to recent rate increases by the US postal service. The Department of Taxation sends over eight million pieces of mail a year.
- *Reflect Savings Attributable to Changes in the Rate Structure for the Virginia Information Technologies Agency.* Assumes savings of \$658,802 GF each year for the Tax Department related to changes in the rate structure for services provided by the Virginia Information Technologies Agency. The new rate structure will reduce expenditures at the Tax Department and some other agencies but will result in a net increase for agencies in total. Funding is included in central appropriations for the agencies that will incur increased cost due to the new rate structure.
- *Electronic Income Tax Filings.* Includes savings of \$118,500 GF the first year and \$158,000 GF the second year pursuant to the passage of Chapter 217 of the 2008 Acts of Assembly (HB678) which requires large income tax returns to be prepared electronically.
- *Administer the New Locally Assessed Motor Vehicle Taxes.* Includes language allowing the Department of Taxation to recover its direct cost related to administering the new Motor Vehicle Fuel Sales Tax under the Hampton Roads Transportation Authority, and the new sales and use tax on motor vehicle repairs under the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority.

- **Department of the Treasury**

- *Increased Funding for Postage Cost.* Includes \$113,850 GF in each year for increased postage costs related to recent rate increases by the US postal service.
- *Appropriation for Increased Charges by the Virginia Information Technologies Agency.* Provides \$119,000 in nongeneral funds in each year for increased cost related to changes in the rate structure for services provided by the Virginia Information Technologies Agency.
- *Funding for Unclaimed Property Compliance Services and Securities Portfolio Custody Services.* Increases the nongeneral fund appropriation by \$200,000 each

year of the biennium to reflect increases in stock portfolio and mutual fund holdings and three new compliance services contract.

- ***Reduction in Check Processing Costs.*** Reduces the nongeneral fund appropriation by \$304,755 each year of the biennium to reflect decreases in check processing costs due to the Virginia Employment Commission, which process unemployment checks, and the Department of Social Services, which processes child support checks, switching to paycards for these services.
- ***Fund Costs for Administration of Local Government Investment Pool.*** Includes \$71,092 NGF in the first year and \$75,920 NGF the second year to fund an additional staff person for the Local Government Investment Pool.

- **Treasury Board**

- ***Adjust Debt Service Funding.*** Increases the general fund amounts required for debt service on outstanding obligations and issuances of currently authorized General Obligation, Virginia College Building Authority (VCBA), and Virginia Public Building Authority bond projects by \$54.9 million in the first year and \$81.6 million in the second year.
- ***Debt Service for New Issuances.*** Provides \$2.8 million GF the first year and \$14.5 million GF the second year for debt service on new authorizations and issuances which have been approved as part of the capital bond program for the 2008-10 biennium.
- ***Higher Education Equipment Trust Fund.*** Provides \$12.9 million GF for lease payments on \$57.9 million in equipment allocations from the Higher Education Equipment Trust Fund in each year of the biennium.
- ***Maintenance Reserve Revolving Fund.*** Includes \$16.7 million GF the second year to leverage \$75 million each year in VPBA/VCBA bonds for capital maintenance reserve projects as part of a five-year revolving fund.
- ***Higher Education Equipment Trust Fund Amortization.*** Changes the amortization of equipment purchased under the HEETF program to seven years consistent with the projected useful life of the equipment. This generates savings of \$2.9 million GF the first year and \$9.6 million GF the second year.