

August 19, 2010

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## **Review of General Fund Revenues and the Virginia Economy for Fiscal Year 2010**

*A presentation to the Senate  
Finance, House Appropriations,  
and House Finance Committees*



**Richard D. Brown**  
Secretary of Finance

# ***Overview...***

## Fiscal Year 2010 Year-in-Review

- Economic Performance
- Actual General Fund Collections
- Actual Commonwealth Transportation Fund Collections
- Financial Results Balance Sheet
- July 2010 General Fund Collections

## Next Steps

- Recent Federal Legislation
- Fall Forecasting Process

## ***Both The U.S. And Virginia Economies Performed Near Expectations In Fiscal Year 2010...***

- As measured on a fiscal year basis (July through June), estimated real GDP increased 0.8 percent.
  - Rising inventories supported growth, offsetting modest consumer spending in the face of employment losses and shrinking incomes.

### **Summary of Key U.S. and Virginia Economic Indicators** Percent Change Over the Prior Fiscal Year

	<u>FY10</u> <u>Forecast</u>	<u>FY10</u> <u>Actual</u>
<b><u>U.S.</u></b>		
Real GDP	-0.7	0.8
Consumer Spending	0.2	1.3
Employment	-3.3	-3.0
Personal Income	-0.8	0.1
Wages & Salaries	-2.6	-2.4
<b><u>Virginia</u></b>		
Employment	-2.6	-2.1
Professional/Business	-3.4	-1.5
Construction/Mining	-12.3	-11.8
Personal Income *	1.3	1.6
Wages & Salaries *	0.1	0.2

\* FY10 Actual is estimated based on three quarters of actual data and one quarter of forecast.

- In Virginia, employment losses were lower than expected, supported by a more mild decline in the high-paying professional and business services sector. Income growth was near expectations.

# ***Fiscal Year 2010 Revenues and Transfers Finished \$228.5 Million (1.6 Percent) Above Forecast...***

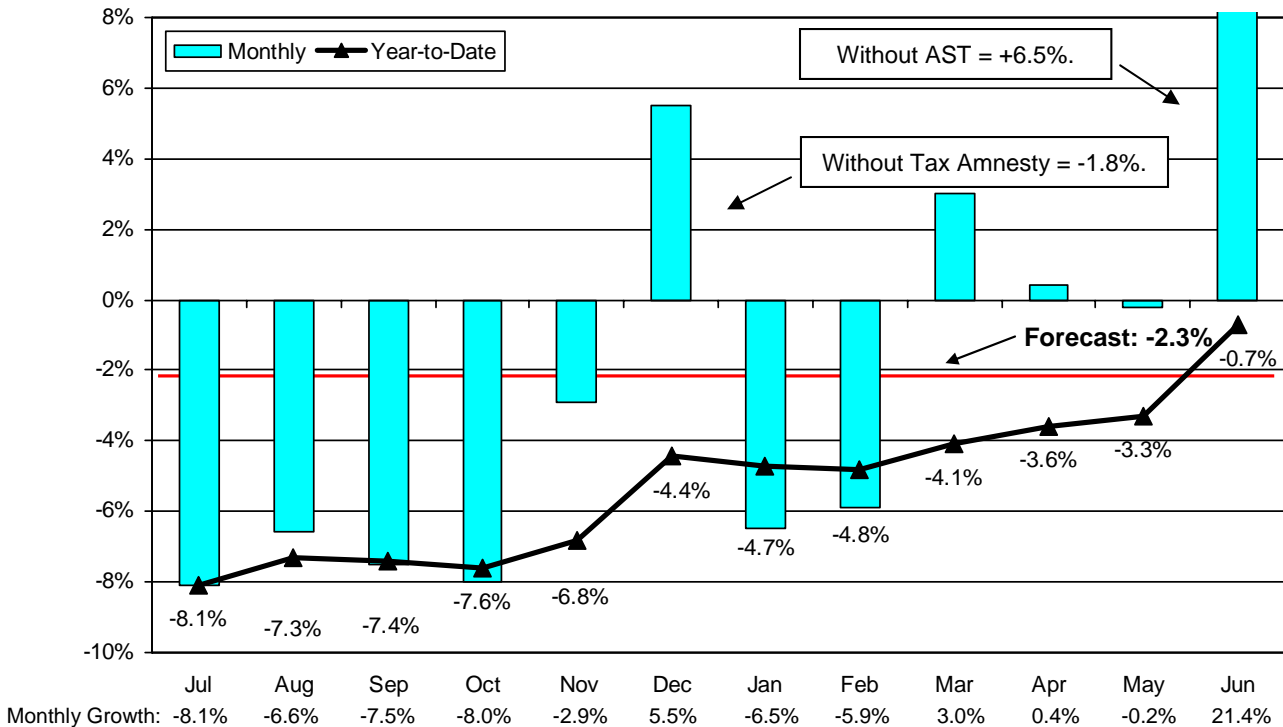
## **Summary of Fiscal Year 2010 Revenue Collections (millions of dollars)**

<u>Major Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>Annual Growth</u>
			<u>Dollars</u>	<u>Percent</u>	
Withholding	\$ 9,153.4	\$ 9,176.2	\$ 22.8	0.2 %	0.4 %
Nonwithholding	1,813.2	1,906.8	93.6	5.2	(17.5)
Refunds	(2,006.5)	(1,994.7)	11.8	(0.6)	1.4
Net Individual	8,960.1	9,088.3	128.2	1.4	(4.1)
Sales	3,043.0	3,082.5	39.5	1.3	6.2
Corporate	730.7	806.5	75.8	10.4	24.4
Wills (Recordation)	299.0	290.2	(8.8)	(2.9)	(7.7)
Insurance	242.5	261.9	19.4	8.0	2.7
All Other Revenue	713.3	690.2	(23.2)	(3.2)	(3.2)
<b>Total Revenues</b>	<b>\$ 13,988.6</b>	<b>\$ 14,219.5</b>	<b>\$ 230.9</b>	<b>1.7 %</b>	<b>(0.7) %</b>
ABC Profits	42.2	50.0	7.8	18.4	13.3
Sales Tax (0.25%)	204.5	209.4	4.9	2.4	(1.9)
Transfers	322.9	307.8	(15.1)	(4.7)	106.6
<b>Total Transfers</b>	<b>\$ 569.6</b>	<b>\$ 567.2</b>	<b>\$ (2.4)</b>	<b>(0.4) %</b>	<b>39.5 %</b>
<b>Total General Fund</b>	<b>\$ 14,558.2</b>	<b>\$ 14,786.7</b>	<b>\$ 228.5</b>	<b>1.6 %</b>	<b>0.4 %</b>

- Total revenues declined in two consecutive years for the first time in 50 years.
  - The only other years in which revenues fell were fiscal year 1991 and fiscal year 2002.

# Total General Fund Revenue Collections Improved Markedly Over The Last One-Third Of Fiscal Year 2010...

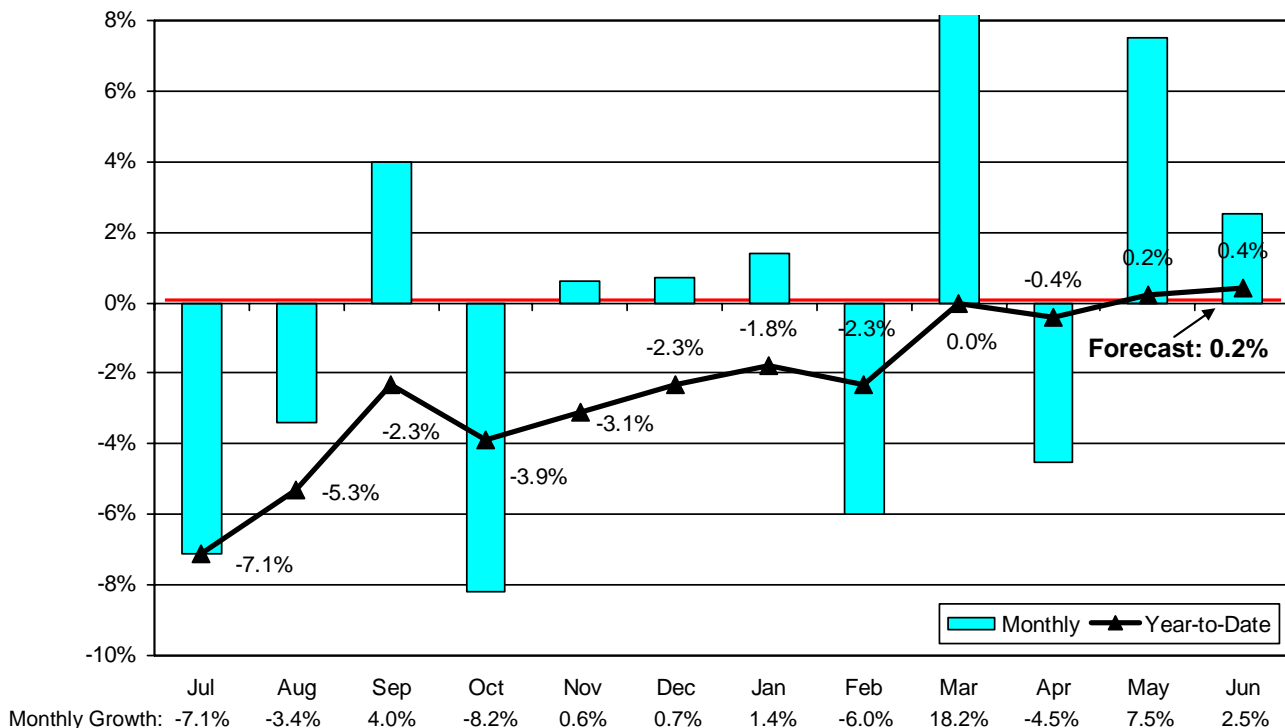
## Growth in Total General Fund Revenue Collections FY10 Monthly and Year-to-Date



- After declining for the first eight months of the year, total general fund revenues increased three of the last four months.
  - The March increase broke a streak of 19 consecutive monthly declines dating back to August 2008.

# ***Payroll Withholding Tax Collections Exceeded The Annual Estimate By \$22.8 Million (0.2 Percent) In Fiscal Year 2010...***

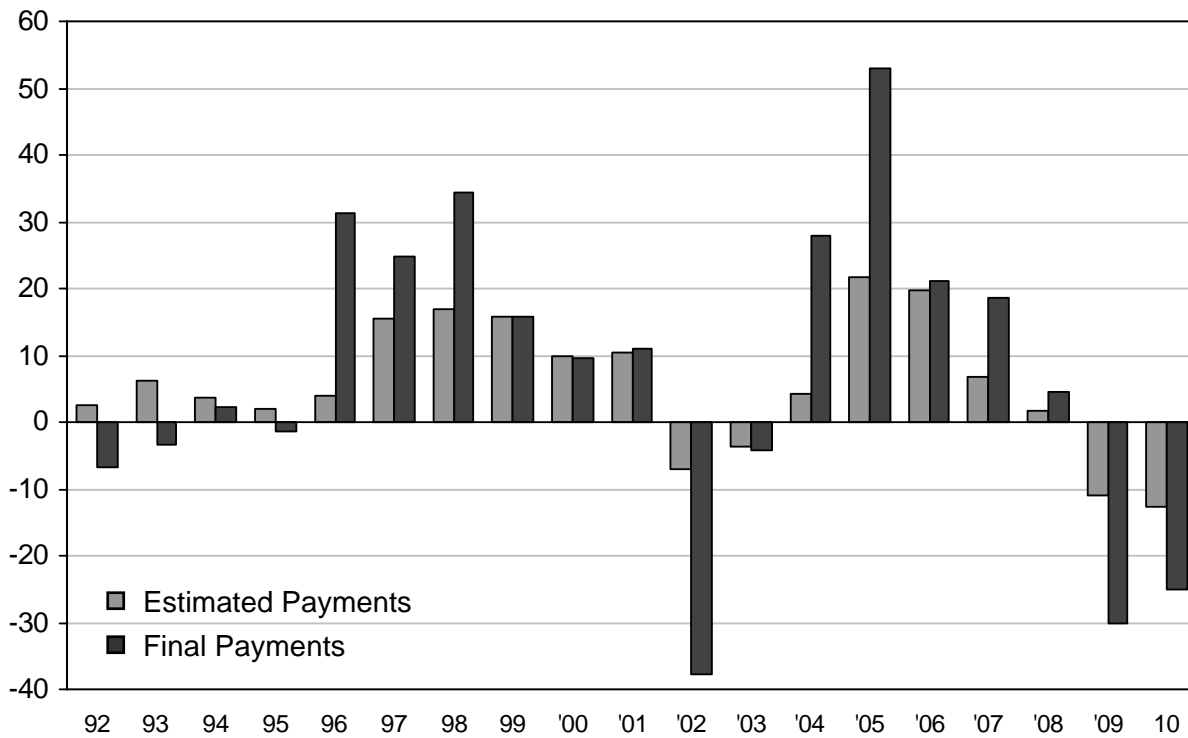
**Growth in Withholding Tax Collections  
FY10 Monthly and Year-to-Date**



- Annual collections increased 0.4 percent compared with the forecast of a 0.2 percent increase.
  - The 0.4 percent annual increase was a significant improvement from the year-to-date performance through February.
  - Collections in this source were below year-ago levels through April.
- The accuracy of the withholding forecast was directly attributable to the insights of economists, business leaders, and General Assembly members during the fall 2009 forecasting process.

# ***Individual Income Tax Nonwithholding Exceeded The Annual Estimate By \$93.6 Million (5.2 Percent) In Fiscal Year 2010...***

**Growth in Estimated and Final Payments, FY92-10**  
Percent Growth Over the Prior Year



- The large surplus was attributable to a better-than-expected performance in individual final payments, which only declined 25 percent compared with expectations of a 39 percent decline.
  - These payments are historically tied to non-wage income sources – mainly financial markets.
- Taken together, total nonwithholding collections declined 17.5 percent in fiscal year 2010 compared with the annual estimate of a 21.5 percent decline.

# ***Individual Income Tax Refunds Were Near Expectations In Fiscal Year 2010...***

## Individual Refunds

- Individual refunds finished \$11.8 million (0.6 percent) below the annual estimate in fiscal year 2010.

### **Individual Income Tax Refunds by Component** (millions of dollars)

	<u>Forecast</u>	<u>Actual</u>	<u>\$ variance</u>	<u>% variance</u>
Base	1,761.5	1,756.8	-4.7	-0.3%
Land Preservation	150.0	123.4	-26.6	-17.8%
Low Income	95.0	114.5	19.5	20.5%
<b>Total</b>	<b>2,006.5</b>	<b>1,994.7</b>	<b>-11.8</b>	<b>-0.6%</b>

- After increasing 24.1 percent through December and 12.1 percent through March, individual refunds finished the year only 1.4 percent ahead of fiscal year 2009.

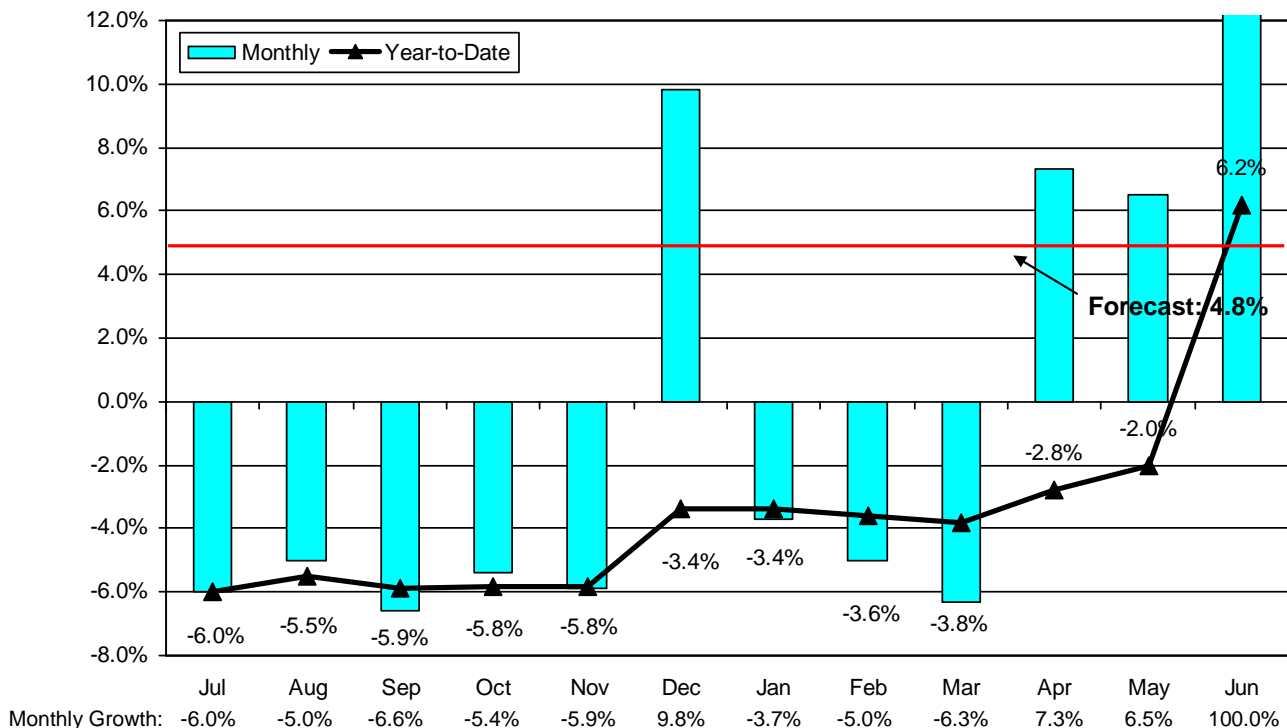
## Net Individual Income Taxes

- Taken together, withholding, nonwithholding, and refunds, i.e. net individual income taxes, declined 4.1 percent in fiscal year 2010, ahead of the annual forecast of a 5.5 percent decline by \$128.2 million – a forecast variance of 1.4 percent.



# Sales And Use Tax Collections Exceeded The Annual Estimate By \$39.5 Million (1.3 Percent) In Fiscal Year 2010...

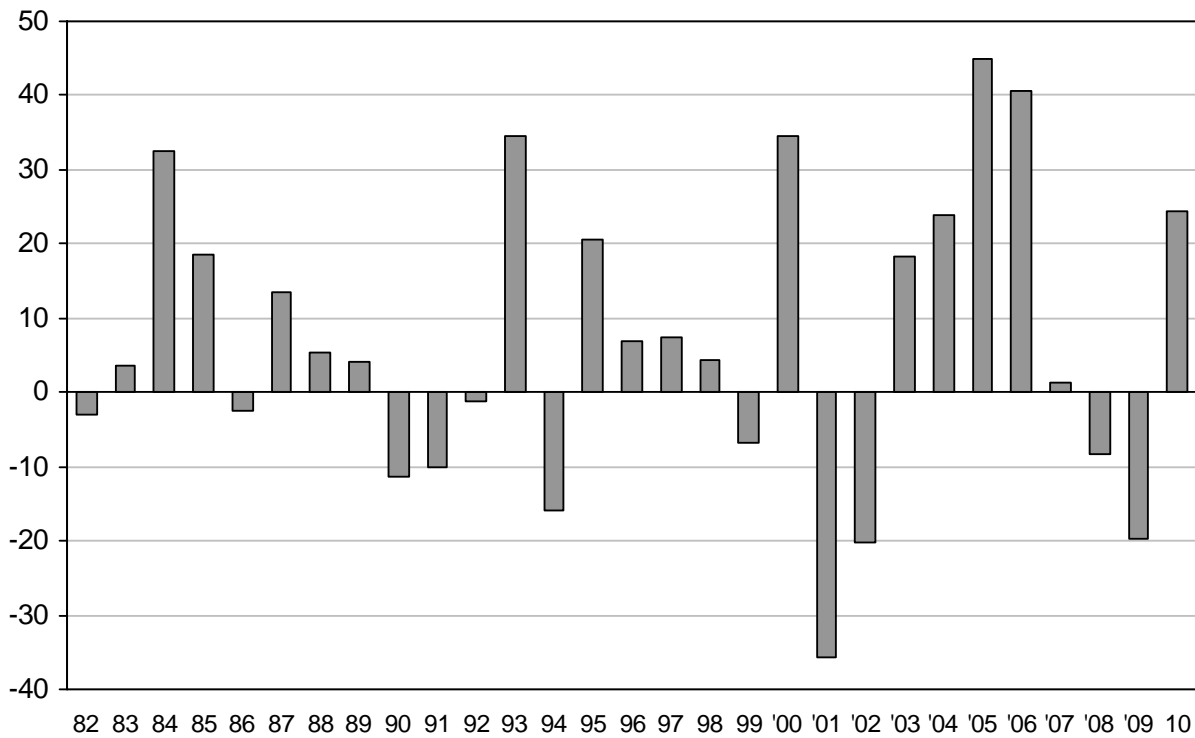
## Growth in Sales Tax Collections FY10 Monthly and Year-to-Date



- Removing accelerated sales tax (AST) payments received in June, collections declined by 1.5 percent in fiscal year 2010 compared with the policy-adjusted forecast of a 3.0 percent decline.
  - Collections were down 3.8 percent on a year-to-date basis through March. However, base collections for April through June increased 5.8 percent.
    - For April through June, sales tax receipts from department stores, restaurants, and housing-related retailers increased 12.8 percent over the same period last year.

# ***Corporate Income Tax Receipts Exceeded The Annual Estimate By \$75.8 Million (10.4 Percent) In Fiscal Year 2010...***

**Growth in Net Corporate Income Tax Receipts, FY82-10**  
Percent Growth Over the Prior Year



- Corporate income tax collections, one of the most volatile revenue sources, increased 24.4 percent in fiscal year 2010, ahead of the annual forecast of a 12.8 percent increase after a 19.8 percent decline in fiscal year 2009.
  - The annual surplus was primarily due to a few large, one-time payments.
    - These payments were related to mergers, acquisitions, and one-time taxable events.

## ***Most Other Revenue Sources Were Close To Expectations In Fiscal Year 2010...***

### Wills, Suits, Deeds, and Contracts (Recordation Tax)

- Wills, Suits, Deeds, and Contracts (primarily recordation tax collections) finished \$8.8 million (2.9 percent) below the annual forecast.
  - Collections declined 7.7 percent in fiscal year 2010, below the projection of a 4.9 percent decline.

### Insurance Premiums Tax

- Insurance premiums tax exceeded the annual estimate by \$19.4 million (8.0 percent).
  - The annual surplus was primarily attributable to some large, one-time payments.

### All Other Revenue

- All Other Revenue finished \$23.2 million (3.2 percent) below the annual forecast.
  - The shortfall was primarily attributable to interest income, which fell short of expectations by \$21.2 million (18.3 percent) in fiscal year 2010.
    - Most of the underperformance was attributable to a shortfall in non-general fund interest captures and unexpected losses on the sales of investments.

# **Commonwealth Transportation Fund (CTF) Revenues Exceeded The Official Forecast By \$64.4 Million In Fiscal Year 2010...**

## **Summary of Fiscal Year 2010 Revenue Collections Commonwealth Transportation Fund (millions of dollars)**

Revenue Sources	FY2009 Actual	FY2010 Actual	FY2010 Forecast	Percent Change 2009-2010		Forecast Variance	
				Actual	Forecast	Amount	Percent
Motor Fuels Tax	\$ 827.9	\$ 817.3	\$ 813.3	-1.3%	-1.8%	\$ 4.0	0.5%
Road Use Tax	9.4	11.2	8.6	-3.5%	-3.5%	2.6	30.2%
Vehicle Sales Tax	413.2	444.1	392.8	7.5%	-4.9%	51.3	13.1%
Vehicle Licenses	241.6	230.2	239.9	-4.7%	-0.7%	(9.7)	-4.0%
State Sales Tax	499.4	490.7	478.3	-1.7%	-4.2%	12.4	2.6%
Recordation Tax	35.7	35.2	33.5	-1.4%	-6.2%	1.7	5.1%
Priority Transportation Fund	20.0	20.0	20.0	0.0%	0.0%	-	0.0%
Insurance Premiums Tax	132.3	129.1	129.1	-2.4%	-2.4%	-	0.0%
Int'l Registration Plan	59.0	59.8	58.6	-20.4%	-30.6%	1.2	2.0%
Interest Earnings	27.7	23.0	23.9	-55.4%	-50.6%	(0.9)	-3.8%
Rental Tax	29.1	29.6	27.3	-7.0%	-3.5%	2.3	-3.6%
Aviation Fuels Tax	2.1	1.7	2.1	0.0%	-6.0%	(0.4)	6.3%
Miscellaneous	12.9	12.7	12.7	-13.4%	-11.4%	-	-2.3%
<b>TOTAL</b>	<b>\$ 2,310.3</b>	<b>\$ 2,304.5</b>	<b>\$ 2,240.1</b>	<b>-0.3%</b>	<b>-3.0%</b>	<b>\$ 64.4</b>	<b>2.9%</b>

*As required by Section 33.1-23.03:8A(2) of the Code of Virginia, all revenues that exceed the official forecast are deposited into the Priority Transportation Fund.*

- The revenue surplus was attributable to solid growth in motor vehicle sales tax collections.
  - Both new and used car sales rebounded strongly from their dismal fiscal year 2009 performance.
- CTF revenues declined by 0.3 percent, falling for the second year in a row and ending at fiscal year 2006 levels.

# All Of The Surplus Dollars Are Either Dedicated Or Reserved...

## General Fund - Budgetary (Cash) Basis (Unaudited) Fiscal Year 2010 (millions of dollars)

<b>Assets</b>		
Cash, Cash Equivalents, and Investments	\$ 870.5	
Cash and Travel Advances	<u>2.4</u>	
Total Assets		<u>\$ 872.9</u>
<b>Liabilities and Fund Equity</b>		
Liabilities:		
Due to Other Funds (Note 6)		
Deposits Pending Distribution	<u>2.0</u>	
Total Liabilities		\$ 2.0
Fund Equity:		
Reserved Fund Balance:		
Revenue Stabilization Reserve Fund	295.2	
Revenue Stabilization Reserve 2007 (Note 4)	-	
Payroll Reserve for July 1, 2010 Payroll	83.1	
Lottery Proceeds Fund	<u>1.4</u>	
Total Reserved Fund Balance	379.7	
Unreserved Fund Balance:		
Designated:		
Reapp. 2010 Unexpended Bal. for Cap Outlay	6.1	
Central Capital Planning Fund	3.3	
Communication Sales and Use Tax	37.5	
3% Bonus for State Employees	82.2	
Natural Disaster Sum Sufficient	23.9	
Amount Required by Chapter 874	49.2	
Amt. Required for Mandatory Reapp.	103.6	
AST for Transportation Trust Fund	27.7	
Fed. Portion of Dominion VA Power Rebate	1.2	
Virginia WQIF - Part A	23.1	
Virginia WQIF - Part B	13.4	
Discretionary Reappropriations	71.2	
Transportation (2/3 of Undesignated Bal.)	32.7	
Nonrecurring Expenditures	<u>16.3</u>	
Total Designated Fund Balance	<u>491.4</u>	
Undesignated Fund Balance	<u>-</u>	
Total Unreserved Fund Balance	<u>491.2</u>	
Total Fund Equity		<u>\$ 870.9</u>
Total Liabilities and Fund Balance		<u>\$ 872.9</u>

# ***July 2010 General Fund Revenue Collections Are Distorted Due To The Accelerated Sales Tax Program In June 2010...***

## **Summary of July (FY2011) Revenue Collections**

<u>Major Source</u>	As a % of Total <u>Revenues</u>	Percent Growth over Prior Year		
		<u>YTD Actual</u>	<u>Official Estimate</u>	<u>Variance</u>
Withholding	64.4 %	1.9 %	2.4 %	(0.5) %
Nonwithholding	14.5	(18.3)	11.0	(29.3)
Refunds	(13.2)	(24.6)	(3.5)	(21.1)
Net Individual	65.7	3.3	5.5	(2.2)
Sales	19.8	(59.6)	(6.5)	(53.1)
Corporate	5.4	(103.2)	(1.7)	(101.5)
Wills (Recordation)	2.2	(20.2)	8.2	(28.4)
Insurance	1.9	NA	4.8	NA
All Other Revenue	5.0	(29.1)	6.3	(35.4)
<b>Total</b>	<b>100.0 %</b>	<b>(16.3) %</b>	<b>2.6 %</b>	<b>(18.9) %</b>

- Adjusted for AST payments received in June 2010, total general fund revenues increased 0.4 percent in July.
- Collections of payroll withholding taxes grew 1.9 percent in July, the third consecutive monthly increase.
- Sales tax receipts (adjusted for AST) increased 8.5 percent in July, the fourth consecutive monthly increase.
- The large drop in corporate income tax receipts was attributable to a few large corporate refunds issued in July, while collections of insurance premiums tax are zero until the required transfer to the TTF is completed.

# ***The Federal Government Recently Enacted Legislation To Extend The Federal Medical Assistance Percentage (FMAP) And To Create The Education Jobs Fund...***

- Date of Enactment: The FMAP extension and education jobs bill passed Congress and was signed into law by the President on Tuesday, August 10, 2010 (HR 1586).
- Purpose/Impact of the Bill: The purposes of the amended legislation were to extend a portion of the enhanced FMAP rate for six additional months and to retain or create educational jobs that provide early childhood, elementary or secondary educational services in the current school year.
- Estimates of the financial impact of the bill vary based upon source. These will need to be revised as time passes.

	<b><u>All States</u></b>	<b><u>Virginia</u></b>
<b>Education Jobs</b>	\$10.0 Billion	\$249.5 million
<b>FMAP</b>	\$15.1 Billion	\$265.6 million

## ***The Federal Government Recently Enacted Legislation To Extend The Federal Medical Assistance Percentage (FMAP)...***

- The federal action:
  - Extends the increased FMAP for six-months from December 31, 2010, through June 30, 2011.
  - Increases the base match rate by 3.2 percentage points in the January through March quarter and by 1.2 percentage points in the April through June quarter with the unemployment factor applied.
    - This results in an FMAP of 58.77 percent and 56.88 percent for each quarter, respectively.
- This extension provides an increased federal match which will reduce Virginia's general fund requirement for Medicaid expenses by approximately \$265.6 million.
- The 2010 Appropriation Act includes specific budget items that the General Assembly identified to be restored or funded, contingent on the passage of a six-month extension of FMAP.
- The \$265.6 million is much less than the original \$430.8 million the General Assembly had contemplated; therefore, an allocation methodology is required to spread the available funding across the contingent budget items.
- In order to receive the funds, states must request the additional funds within 45 days.



# ***Six-Month Medicaid FMAP Extension: \$177.5 Million of the \$265.6 Million Additional Resources Fully Funds Required Restorations...***

## **Six-Month Medicaid FMAP Extension Estimate of Resources and Recommended Allocation**

<b>FMAP Resources Potentially Available</b>	<b>FY 2011</b>
DMAS FMAP 2 Qtr. Extension	\$238,786,825
DMAS FMAP 2 Qtr. Extension - Part D Clawback	\$13,366,918
Medicaid Match for DBHDS State Facilities	\$8,836,904
Medicaid Match for Comprehensive Services Act	\$2,550,054
FMAP Available to IV-E Foster Care	\$2,027,700
	<b>\$265,568,401</b>

## **Legally Required Restorations**

<b>Budget Item</b>	<b>GF Costs</b>	
	<b>FY 2011</b>	<b>FY 2012</b>
Freeze enrollment in Medicaid waivers in 2011	\$3,159,959	\$13,310,010
Eligibility reduction of SSI Group from 300 to 250%	\$14,232,161	\$72,881,622
FAMIS eligibility reduction	\$0	\$19,295,228
Inflation increase of medically needy income limits	\$0	\$563,081
Eligibility reduction for Aged, Blind and Disabled	\$0	\$36,167,138
Auxiliary grant reduction (DSS and Medicaid Impact)	\$0	\$3,036,672
Out-of-state inpatient hospital reimbursement	\$2,135,757	\$0
Implement a provider tax on ICF-MR facilities	\$3,516,180	\$8,486,183
Optometry services	\$296,861	\$418,500
<b>Total</b>	<b>\$23,340,918</b>	<b>\$154,158,434</b>

**Biennial Total**

**\$177,499,352**

# ***Six-Month Medicaid FMAP Extension: All Contingent Items Will be Fully Restored From October 1, 2010 Through June 30, 2011...***

## **Allocation of Funding for Remaining Contingent Items (Effective October 1, 2010)**

<b>Contingent Restorations or Spending Items</b>	<b>GF Costs FY 2011</b>
Environmental Modifications / Assistive Technology Limits	\$233,158
Indigent care funding for teaching hospitals	\$4,928,727
Long-stay hospital rates	\$311,897
Inpatient hospital reduction	\$10,141,778
Outpatient hospital reduction	\$4,809,834
Nursing facility operating and capital rates	\$8,979,968
Physician rates	\$6,093,147
Dental rates	\$1,022,818
Reduced limit on hours for respite care	\$4,956,586
Medicaid waiver rates	\$12,602,378
Pharmacy reimbursement	\$568,864
Residential psychiatric treatment services	\$917,085
Add 250 new Intellectual Disability wavier slots	\$3,754,038
Hospital capital rates	\$1,117,619
Mental health therapeutic day treatment rates	\$1,037,212
Community mental health services for children	\$1,575,000
Centers for Independent Living	\$352,091
Local departments of social services	\$1,231,421
Child Welfare Services	\$2,250,000
Chore and companion services	\$750,000
Other purchased services for local departments of social services	\$750,000
General relief	\$1,800,000
Healthy Families	\$1,026,146
<b>Total</b>	<b>\$71,209,766</b>
 <b>Remaining Balance</b>	 <b>\$16,859,284</b>

## ***The Federal Government Recently Created the Education Jobs Fund...***

- School districts must use these funds to pay the salaries and benefits of teachers, school administrators, and other essential staff.
  - The funds can be used to recall or rehire former employees, retain existing employees, and hire new employees to ensure that students receive vital education and related services.
  - These funds may not be used for general administrative expenses, overhead, or other support services by school districts.
  
- States must apply within 30 days of enactment and submit additional Maintenance of Effort (MOE) data within 60 days of grant award.
  - U.S. Department of Education (USED) anticipates awarding funds within two weeks of the submission of an approvable application.
  
- Funds are available for obligations for the 2010-2011 school year, beginning August 10, 2010. School divisions that have funds left over at the end of the school year may use them through September 30, 2012.
  
- The preliminary funding allocation for Virginia, pending final verification, is estimated at \$249.5 million.
  - Funding must be distributed on the basis of the “primary elementary and secondary formula” or each school divisions’ relative shares of funds under the Title I-A program for the most recent fiscal year. The specific LEA distribution formula to be used in Virginia is undetermined at this time.

## ***The Normal Fall Forecasting Process Will Begin In September...***

- Significant revenue elements used in the fall forecasting process will be available over the next few months and will be incorporated in the fall forecasting process.
  - September:
    - Individual, corporate, and insurance estimated payments are due.
  - October:
    - Retailer corporate estimated payments are due.
    - Joint Advisory Board of Economists (JABE) reviews economic projections for current and next biennium.
  - November:
    - Corporate refunds from extension returns peak.
    - Governor's Advisory Council on Revenue Estimates (GACRE) reviews revenue forecast for fiscal years 2011 and 2012.
  - December:
    - General fund revenue forecast finalized.
    - Governor McDonnell's amendments to the 2010-2012 budget are presented to the Joint Money Committees.

## Appendix

Fiscal Year 2010 General Fund Collections: Actual and Forecast

December Standard and Official General Fund Forecast for Fiscal Year 2011 and Fiscal Year 2012

December Standard and Official Commonwealth Transportation Fund Forecast for Fiscal Year 2011 and Fiscal Year 2012

Growth in Total General Fund Revenues, Fiscal Years 1961 to 2010

Revenue Stabilization Fund Balance, Fiscal Years 1995 to 2010

June 2010 Revenue Report

July 2010 Revenue Report

Initial Guidance for States on the Education Jobs Fund Program

Note:

The General Fund Preliminary Annual Report, August 13, 2010, is available at the Department of Accounts Web site ([www.doa.virginia.gov](http://www.doa.virginia.gov)).

This presentation is available at the Secretary of Finance Web site ([www.finance.virginia.gov](http://www.finance.virginia.gov)).

**Fiscal Year 2010 General Fund Collections: Actual and Forecast**  
(Dollars in Millions)

	Fiscal Year 2009		Fiscal Year 2010					
	Actual	% Growth	Official Forecast	Actual	Forecast Variance		% Growth Over FY 09	
					Dollars	Percent	Official	Actual
<b>MAJOR TAX SOURCES</b>								
Corporate Income	\$ 648.0	(19.8) %	\$ 730.7	\$ 806.5	\$ 75.8	10.4 %	12.8 %	24.4 %
Individual Income Tax:								
Gross	11,448.5	(2.9)	10,966.6	11,082.9	116.3	1.1	(4.2)	(3.2)
Withholding	9,138.1	2.3	9,153.4	9,176.2	22.8	0.2	0.2	0.4
Nonwithholding	2,310.4	(19.2)	1,813.2	1,906.8	93.6	5.2	(21.5)	(17.5)
Refunds	<u>(1,967.4)</u>	<u>17.1</u>	<u>(2,006.5)</u>	<u>(1,994.7)</u>	<u>11.8</u>	<u>(0.6)</u>	<u>2.0</u>	<u>1.4</u>
Net	9,481.1	(6.3)	8,960.1	9,088.3	128.2	1.4	(5.5)	(4.1)
Insurance Company Premiums	255.0	(35.7)	242.5	261.9	19.4	8.0	(4.9)	2.7
State Sales & Use Tax	2,903.4	(5.6)	3,043.0	3,082.5	39.5	1.3	4.8	6.2
Wills, Suits, Deeds, & Contract Fees	<u>314.3</u>	<u>(31.1)</u>	<u>299.0</u>	<u>290.2</u>	<u>(8.8)</u>	<u>(2.9)</u>	<u>(4.9)</u>	<u>(7.7)</u>
Total Major Tax Sources	\$ 13,601.9	(8.4) %	\$ 13,275.3	\$ 13,529.3	\$ 254.0	1.9 %	(2.4) %	(0.5) %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>								
Alcoholic Beverage State Tax	\$ 129.6	3.4 %	\$ 131.4	\$ 131.6	\$ 0.2	0.2 %	1.4 %	1.5 %
Bank Franchise Tax	22.5	63.1	20.0	23.1	3.1	15.7	(11.0)	3.1
Beer & Beverage Excise Tax	43.6	0.2	43.4	43.5	0.1	0.2	(0.5)	(0.2)
Corporate Franchise & Charter Fees	49.4	5.1	46.2	46.6	0.4	0.9	(6.5)	(5.7)
Excess & Other Fees from Officers	(17.1)	29.6	(6.5)	(10.5)	(4.0)	61.3	62.1	38.9
Estate & Gifts	6.0	(96.1)	3.6	5.7	2.1	57.5	(40.1)	(5.6)
Institutional Revenues	6.4	(15.7)	5.9	6.0	0.1	2.0	(7.8)	(6.0)
Interest & Rents	104.6	(44.9)	115.8	94.7	(21.1)	(18.2)	10.8	(9.5)
Licenses & Permits	4.3	(6.6)	4.2	4.3	0.1	2.0	(2.3)	(0.4)
Miscellaneous Taxes and Penalties	221.1	(0.4)	214.7	208.0	(6.7)	(3.1)	(2.9)	(5.9)
Other Miscellaneous Revenues	51.6	41.2	40.0	39.8	(0.2)	(0.4)	(22.4)	(22.7)
Public Service GR / Consumption Tax	<u>91.3</u>	<u>(5.2)</u>	<u>94.6</u>	<u>97.3</u>	<u>2.7</u>	<u>2.8</u>	<u>3.6</u>	<u>6.5</u>
Total Misc. Taxes and Other Revenues	\$ 713.2	(22.1) %	\$ 713.3	\$ 690.2	\$ (23.2)	(3.2) %	0.0 %	(3.2) %
<b>TOTAL GF REVENUES</b>	<b>\$ 14,315.1</b>	<b>(9.2) %</b>	<b>\$ 13,988.6</b>	<b>\$ 14,219.5</b>	<b>\$ 230.9</b>	<b>1.7 %</b>	<b>(2.3) %</b>	<b>(0.7) %</b>
<b>TRANSFERS</b>								
A.B.C. Profits	\$ 44.1	22.2 %	\$ 42.2	\$ 50.0	\$ 7.8	18.4 %	(4.3) %	13.3 %
Sales Tax (0.25%)	213.4	(5.8)	204.5	209.4	4.9	2.4	(4.2)	(1.9)
Transfers Per Appropriations Act	<u>149.0</u>	<u>13.9</u>	<u>322.9</u>	<u>307.8</u>	<u>(15.1)</u>	<u>(4.7)</u>	<u>116.7</u>	<u>106.6</u>
Total Transfers	\$ 406.5	(50.0) %	\$ 569.6	\$ 567.2	\$ (2.4)	(0.4) %	40.1 %	39.5 %
<b>TOTAL GENERAL FUND</b>	<b>\$ 14,721.6</b>	<b>(11.2) %</b>	<b>\$ 14,558.2</b>	<b>\$ 14,786.7</b>	<b>\$ 228.5</b>	<b>1.6 %</b>	<b>(1.1) %</b>	<b>0.4 %</b>

The Official forecast is based on the October 2009 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates revenue collections data through January and actions of the 2010 General Assembly.

**The December and Official General Fund Forecast for Fiscal Year 2011**  
(Dollars in Millions)

May 7, 2010

	Fiscal Year 2011				
	December Forecast	Official Forecast	Change	% Growth Over FY 10	
				December	Official
<b>MAJOR TAX SOURCES</b>					
Corporate Income	\$ 737.4	\$ 792.8	\$ 55.4	(8.6) %	(1.7) %
Individual Income Tax:					
Gross	11,531.8	11,511.8	(20.0)	4.1	3.9
Withholding	9,394.5	9,394.5	0.0	2.4	2.4
Nonwithholding	2,137.3	2,117.3	(20.0)	12.1	11.0
Refunds	<u>(1,988.4)</u>	<u>(1,924.1)</u>	<u>64.3</u>	<u>(0.3)</u>	<u>(3.5)</u>
Net	9,543.4	9,587.7	44.3	5.0	5.5
Insurance Company Premiums	274.4	274.4	0.0	4.8	4.8
State Sales & Use Tax	2,890.2	2,880.8	(9.4)	(6.2)	(6.5)
Wills, Suits, Deeds, & Contract Fees	<u>299.0</u>	<u>314.0</u>	<u>15.0</u>	<u>3.0</u>	<u>8.2</u>
Total Major Tax Sources	\$ 13,744.4	\$ 13,849.7	\$ 105.3	1.6 %	2.4 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>					
Alcoholic Beverage State Tax	\$ 134.6	\$ 134.6	\$ 0.0	2.3 %	2.3 %
Bank Franchise Tax	15.0	15.0	0.0	(35.2)	(35.2)
Beer & Beverage Excise Tax	43.4	43.4	0.0	(0.2)	(0.2)
Corporate Franchise & Charter Fees	46.2	46.2	0.0	(0.9)	(0.9)
Excess & Other Fees from Officers	(6.5)	(6.5)	0.0	38.0	38.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a
Institutional Revenues	5.9	5.9	0.0	(2.0)	(2.0)
Interest & Rents	96.9	108.4	11.5	2.4	14.5
Licenses & Permits	4.2	4.2	0.0	(1.9)	(1.9)
Miscellaneous Taxes and Penalties	218.9	233.6	14.7	5.2	12.3
Other Miscellaneous Revenues	54.2	54.8	0.6	36.1	37.6
Public Service GR / Consumption Tax	<u>94.2</u>	<u>94.2</u>	<u>0.0</u>	<u>(3.1)</u>	<u>(3.1)</u>
Total Misc. Taxes and Other Revenues	\$ 707.0	\$ 733.8	\$ 26.8	2.4 %	6.3 %
<b>TOTAL GF REVENUES</b>	<b>\$ 14,451.4</b>	<b>\$ 14,583.5</b>	<b>\$ 132.1</b>	<b>1.6 %</b>	<b>2.6 %</b>
<b>TRANSFERS</b>					
A.B.C. Profits	\$ 44.9	\$ 46.2	\$ 1.3	(10.1) %	(7.5) %
Sales Tax (0.25%)	208.9	208.9	0.0	(0.3)	(0.3)
Transfers Per Appropriations Act	<u>152.9</u>	<u>159.3</u>	<u>6.4</u>	<u>(50.3)</u>	<u>(48.2)</u>
Total Transfers	\$ 406.7	\$ 414.4	\$ 7.7	(28.3) %	(26.9) %
<b>TOTAL GENERAL FUND</b>	<b>\$ 14,858.1</b>	<b>\$ 14,997.9</b>	<b>\$ 139.8</b>	<b>0.5 %</b>	<b>1.4 %</b>

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The Official forecast is based on the October 2009 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates revenue collection trends through January and actions of the 2010 General Assembly.

**The December and Official General Fund Forecast for Fiscal Year 2012**  
(Dollars in Millions)

May 7, 2010

	Fiscal Year 2012					2010-2012 Biennium		
	December Forecast	Official Forecast	Change	% Growth Over FY 11 December	Official	December Forecast	Official Forecast	Change
<b>MAJOR TAX SOURCES</b>								
Corporate Income	\$ 813.3	\$ 838.4	\$ 25.1	10.3 %	5.8 %	\$ 1,550.7	\$ 1,631.2	\$ 80.5
Individual Income Tax:								
Gross	11,993.5	11,983.6	(9.9)	4.0	4.1	23,525.3	23,495.4	(29.9)
Withholding	9,700.7	9,700.7	0.0	3.3	3.3	19,095.2	19,095.2	0.0
Nonwithholding	2,292.8	2,282.9	(9.9)	7.3	7.8	4,430.1	4,400.2	(29.9)
Refunds	<u>(1,911.9)</u>	<u>(1,847.1)</u>	<u>64.8</u>	<u>(3.8)</u>	<u>(4.0)</u>	<u>(3,900.3)</u>	<u>(3,771.2)</u>	<u>129.1</u>
Net	10,081.6	10,136.5	54.9	5.6	5.7	19,625.0	19,724.2	99.2
Insurance Company Premiums	292.2	291.4	(0.8)	6.5	6.2	566.6	565.8	(0.8)
State Sales & Use Tax	2,986.0	2,974.2	(11.8)	3.3	3.2	5,876.2	5,855.0	(21.2)
Wills, Suits, Deeds, & Contract Fees	<u>299.0</u>	<u>314.0</u>	<u>15.0</u>	<u>0.0</u>	<u>0.0</u>	<u>598.0</u>	<u>628.0</u>	<u>30.0</u>
Total Major Tax Sources	\$ 14,472.1	\$ 14,554.5	\$ 82.4	5.3 %	5.1 %	\$ 28,216.5	\$ 28,404.2	\$ 187.7
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>								
Alcoholic Beverage State Tax	\$ 137.9	\$ 137.9	\$ 0.0	2.5 %	2.5 %	\$ 272.5	\$ 272.5	\$ 0.0
Bank Franchise Tax	10.0	10.0	0.0	(33.3)	(33.3)	25.0	25.0	0.0
Beer & Beverage Excise Tax	43.4	43.4	0.0	0.0	0.0	86.8	86.8	0.0
Corporate Franchise & Charter Fees	46.2	46.2	0.0	0.0	0.0	92.4	92.4	0.0
Excess & Other Fees from Officers	(6.5)	(6.5)	0.0	0.0	0.0	(13.0)	(13.0)	0.0
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	0.0	0.0
Institutional Revenues	5.9	5.9	0.0	0.0	0.0	11.8	11.8	0.0
Interest & Rents	118.2	142.8	24.6	22.0	31.7	215.1	251.2	36.1
Licenses & Permits	4.2	4.2	0.0	0.0	0.0	8.4	8.4	0.0
Miscellaneous Taxes and Penalties	224.0	238.7	14.7	2.3	2.2	442.9	472.3	29.4
Other Miscellaneous Revenues	31.8	31.8	0.0	(41.3)	(42.0)	86.0	86.6	0.6
Public Service GR / Consumption Tax	<u>94.2</u>	<u>94.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>188.4</u>	<u>188.4</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 709.3	\$ 748.6	\$ 39.3	0.3 %	2.0 %	\$ 1,416.3	\$ 1,482.4	\$ 66.1
<b>TOTAL GF REVENUES</b>	<b>\$ 15,181.4</b>	<b>\$ 15,303.1</b>	<b>\$ 121.7</b>	<b>5.1 %</b>	<b>4.9 %</b>	<b>\$ 29,632.8</b>	<b>\$ 29,886.6</b>	<b>\$ 253.8</b>
<b>TRANSFERS</b>								
A.B.C. Profits	\$ 45.4	\$ 49.3	\$ 3.9	1.1 %	6.7 %	\$ 90.3	\$ 95.5	\$ 5.2
Sales Tax (0.25%)	215.8	215.8	0.0	3.3	3.3	424.7	424.7	0.0
Transfers Per Appropriations Act	<u>144.6</u>	<u>179.8</u>	<u>35.2</u>	<u>(5.4)</u>	<u>12.9</u>	<u>297.5</u>	<u>339.1</u>	<u>41.6</u>
Total Transfers	\$ 405.8	\$ 444.9	\$ 39.1	(0.2) %	7.4 %	\$ 812.5	\$ 859.3	\$ 46.8
<b>TOTAL GENERAL FUND</b>	<b>\$ 15,587.2</b>	<b>\$ 15,748.0</b>	<b>\$ 160.8</b>	<b>4.9 %</b>	<b>5.0 %</b>	<b>\$ 30,445.3</b>	<b>\$ 30,745.9</b>	<b>\$ 300.6</b>

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**The December and Official Commonwealth Transportation Fund Update for Fiscal Year 2011**  
(Dollars in Millions)

August 19, 2010

	Fiscal Year 2010		Fiscal Year 2011				% Growth over FY 10	
	Actual	% Growth	December	Official	Change	December	Official	
			Forecast	Forecast		December	Official	
<b>Highway Maintenance &amp; Operating Fund</b>								
Motor Fuels Tax	\$ 710.8	(1.3) %	\$ 734.7	\$ 726.3	\$ (8.4)	3.4 %	2.2 %	
Road Tax	4.2	180.0	0.5	0.5	0.0	88.1	88.1	
Motor Vehicle Sales And Use Tax	289.5	7.3	272.7	272.7	0.0	(5.8)	(5.8)	
Motor Vehicle License Fees	209.5	(4.8)	221.3	221.3	0.0	5.6	5.6	
International Registration Plan	59.8	1.4	60.3	60.3	0.0	0.8	0.8	
Recordation Tax (1 cent)	11.7	n/a	11.2	11.2	0.0	(4.3)	(4.3)	
Miscellaneous	12.8	(2.3)	12.7	12.7	0.0	(0.8)	(0.8)	
<b>Total State Taxes and Fees</b>	<b>\$ 1,298.3</b>	<b>0.2 %</b>	<b>\$ 1,313.4</b>	<b>\$ 1,305.0</b>	<b>\$ (8.4)</b>	<b>1.2 %</b>	<b>0.5 %</b>	
<b>Transportation Trust Fund</b>								
Motor Fuels Tax	\$ 106.4	1.2 %	\$ 104.9	\$ 104.9	\$ 0.0	(1.4) %	(1.4) %	
Priority Transportation Trust Fund	149.1	(2.1)	148.2	148.2	0.0	(0.6)	(0.6)	
Base	20.0	0.0	20.0	20.0	0.0	0.0	0.0	
Insurance Premiums Tax (1/3)	129.1	(2.4)	128.2	128.2	0.0	(0.7)	(0.7)	
Road Tax	6.9	(12.7)	7.5	7.5	0.0	8.7	8.7	
Motor Vehicle Sales And Use Tax	154.6	7.7	149.3	149.3	0.0	(3.4)	(3.4)	
Motor Vehicle License Fees	20.7	(4.2)	21.2	21.2	0.0	2.4	2.4	
Retail Sales and Use Tax	490.7	(1.7)	488.6	488.6	0.0	(0.4)	(0.4)	
Recordation Tax (2 cents)	23.5	(1.3)	22.3	22.3	0.0	n/a	n/a	
Interest Earnings	23.0	(17.0)	30.6	30.6	0.0	33.0	33.0	
Rental Tax	29.6	1.7	26.7	26.7	0.0	(9.8)	(9.8)	
Aviation Fuels Tax	1.7	(20.1)	2.1	2.1	0.0	23.5	23.5	
<b>Total State Taxes and Fees</b>	<b>\$ 1,006.2</b>	<b>(0.6) %</b>	<b>\$ 1,001.4</b>	<b>\$ 1,001.4</b>	<b>\$ 0.0</b>	<b>(0.5) %</b>	<b>(0.5) %</b>	
<b>Total HMOF And TTF</b>								
Motor Fuels Tax	\$ 817.2	(0.9) %	\$ 839.6	\$ 831.2	\$ (8.4)	2.7 %	1.7 %	
Priority Transportation Trust Fund	149.1	(2.1)	148.2	148.2	0.0	(0.6)	(0.6)	
Base	20.0	0.0	20.0	20.0	0.0	0.0	0.0	
Insurance Premiums Tax (1/3)	129.1	(2.4)	128.2	128.2	0.0	(0.7)	(0.7)	
Road Tax	11.1	18.1	8.0	8.0	0.0	(27.9)	(27.9)	
Motor Vehicle Sales and Use Tax	444.1	7.5	422.0	422.0	0.0	(5.0)	(5.0)	
Motor Vehicle License Fees	230.2	(4.7)	242.5	242.5	0.0	5.3	5.3	
International Registration Plan	59.8	1.4	60.3	60.3	0.0	0.8	0.8	
Retail Sales and Use Tax	490.7	(1.7)	488.6	488.6	0.0	(0.4)	(0.4)	
Recordation Tax (3 cents)	35.2	(1.4)	33.5	33.5	0.0	(4.8)	(4.8)	
Interest Earnings	23.0	(17.0)	30.6	30.6	0.0	33.0	33.0	
Rental Tax	29.6	1.7	26.7	26.7	0.0	(9.8)	(9.8)	
Aviation Fuels Tax	1.7	(20.1)	2.1	2.1	0.0	23.5	23.5	
Miscellaneous	12.8	(2.3)	12.7	12.7	0.0	(0.8)	(0.8)	
<b>Total State Taxes and Fees</b>	<b>\$ 2,304.5</b>	<b>(0.1) %</b>	<b>\$ 2,314.8</b>	<b>\$ 2,306.4</b>	<b>\$ (8.4)</b>	<b>0.4 %</b>	<b>0.1 %</b>	

The December forecast is based on the October 2009 Global Insight Standard outlook and the corresponding Virginia state forecast developed by developed by the Department of Taxation and includes actions of the 2010 General Assembly session.

The Official forecast is based on the actions of the 2010 General Assembly session.

**The December and Official Commonwealth Transportation Fund Update for Fiscal Year 2012  
(Dollars in Millions)**

August 19, 2010

	Fiscal Year 2012				
	December	Official	Change	% Growth over FY 11	
	Forecast	Forecast		December	Official
<b>Highway Maintenance &amp; Operating Fund</b>					
Motor Fuels Tax	\$ 744.5	\$ 735.3	\$ (9.2)	1.3 %	1.2 %
Road Tax	0.3	0.3	0.0	(40.0)	(40.0)
Motor Vehicle Sales And Use Tax	288.9	288.9	0.0	5.9	5.9
Motor Vehicle License Fees	222.2	222.2	0.0	0.4	0.4
International Registration Plan	62.0	62.0	0.0	2.8	2.8
Recordation Tax (1 cent)	11.2	11.2	0.0	0.0	0.0
Miscellaneous	12.7	12.7	0.0	0.0	0.0
<b>Total State Taxes and Fees (HMOF)</b>	<b>\$ 1,341.8</b>	<b>\$ 1,332.6</b>	<b>\$ (9.2)</b>	<b>2.2 %</b>	<b>2.1 %</b>
<b>Transportation Trust Fund</b>					
Motor Fuels Tax	\$ 105.5	\$ 105.5	\$ 0.0	0.6 %	0.6 %
Priority Transportation Trust Fund	154.2	154.2	0.0	4.0	4.0
Base	20.0	20.0	0.0	0.0	0.0
Insurance Premiums Tax (1/3)	134.2	134.2	0.0	4.7	4.7
Road Tax	7.9	7.9	0.0	5.3	5.3
Motor Vehicle Sales And Use Tax	157.4	157.4	0.0	5.4	5.4
Motor Vehicle License Fees	21.3	21.3	0.0	0.5	0.5
Retail Sales and Use Tax	504.4	504.4	0.0	3.2	3.2
Recordation Tax (2 cents)	22.3	22.3	0.0	0.0	0.0
Interest Earnings	28.7	28.7	0.0	(6.2)	(6.2)
Rental Tax	26.9	26.9	0.0	0.7	0.7
Aviation Fuels Tax	2.1	2.1	0.0	0.0	0.0
<b>Total State Taxes and Fees (TTF)</b>	<b>\$ 1,030.7</b>	<b>\$ 1,030.7</b>	<b>\$ 0.0</b>	<b>2.9 %</b>	<b>2.9 %</b>
<b>Total HMOF And TTF</b>					
Motor Fuels Tax	\$ 850.0	\$ 840.8	\$ (9.2)	1.2 %	1.2 %
Priority Transportation Trust Fund	154.2	154.2	0.0	4.0	4.0
Base	20.0	20.0	0.0	0.0	0.0
Insurance Premiums Tax (1/3)	134.2	134.2	0.0	4.7	4.7
Road Tax	8.2	8.2	0.0	2.5	2.5
Motor Vehicle Sales and Use Tax	446.3	446.3	0.0	5.8	5.8
Motor Vehicle License Fees	243.5	243.5	0.0	0.4	0.4
International Registration Plan	62.0	62.0	0.0	2.8	2.8
Retail Sales and Use Tax	504.4	504.4	0.0	3.2	3.2
Recordation Tax (3 cents)	33.5	33.5	0.0	0.0	0.0
Interest Earnings	28.7	28.7	0.0	(6.2)	(6.2)
Rental Tax	26.9	26.9	0.0	0.7	0.7
Aviation Fuels Tax	2.1	2.1	0.0	0.0	0.0
Miscellaneous	12.7	12.7	0.0	0.0	0.0
<b>Total State Taxes and Fees</b>	<b>\$ 2,372.5</b>	<b>\$ 2,363.3</b>	<b>\$ (9.2)</b>	<b>2.5 %</b>	<b>2.5 %</b>

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The Official forecast is based on the actions of the 2010 General Assembly session.

## Growth in Total General Fund Tax Revenues

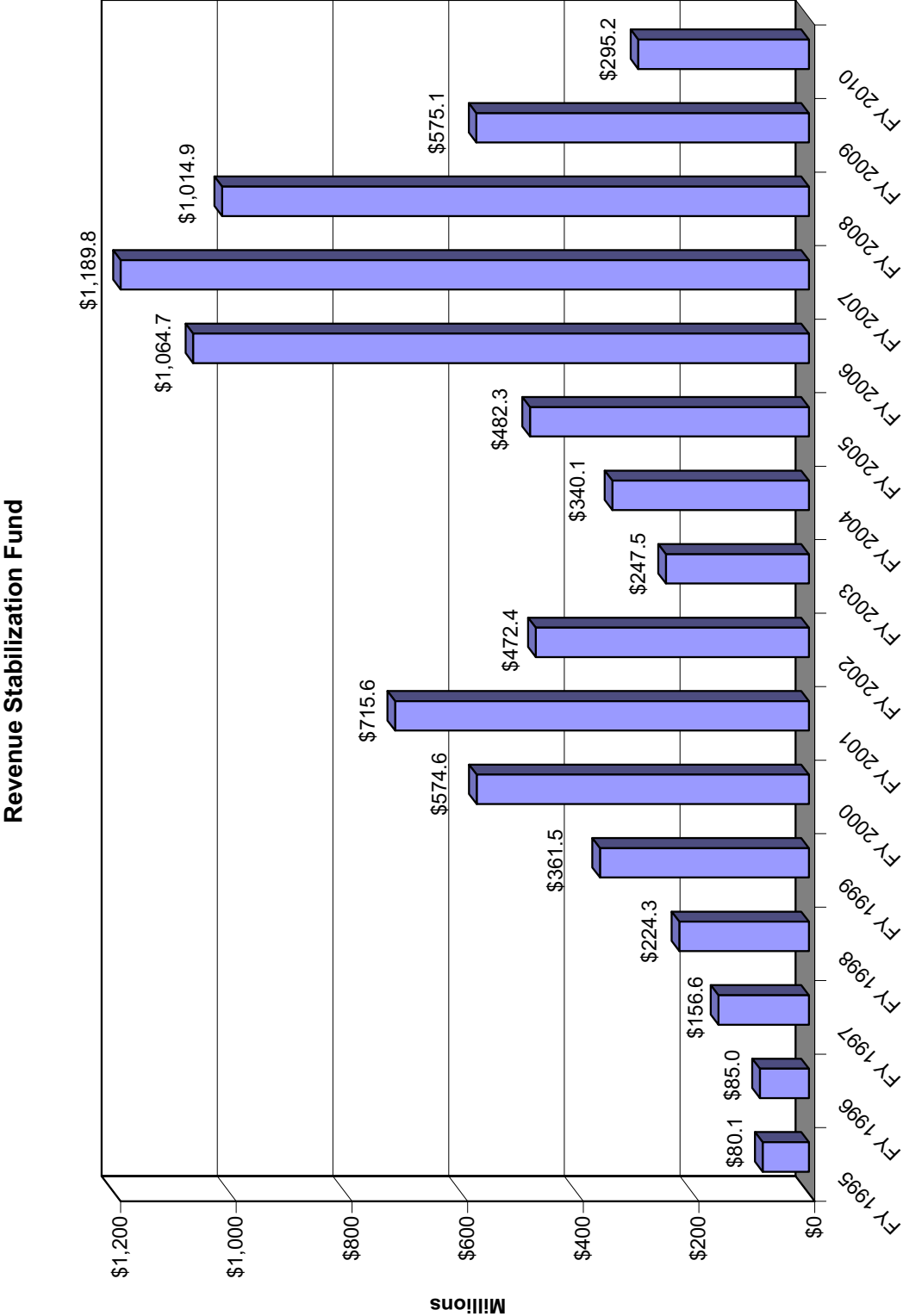
### Fiscal Year 1961 - Fiscal Year 2010

(Nominal - Actual Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	230,998,887	-	86	4,131,778,000	9.0%
62	242,144,567	4.8%	87	4,590,434,000	11.1%
63	286,304,265	18.2%	88	5,054,382,000	10.1%
64	298,033,919	4.1%	89	5,478,912,000	8.4%
65	323,213,412	8.4%	90	5,494,884,000	0.3%
66	365,129,776	13.0%	91	5,471,879,000	-0.4%
67	414,755,644	13.6%	92	5,623,213,000	2.8%
68	533,597,744	28.7%	93	6,133,637,000	9.1%
69	706,254,374	32.4%	94	6,503,368,000	6.0%
70	743,721,322	5.3%	95	6,881,145,000	5.8%
71	807,954,651	8.6%	96	7,356,110,000	6.9%
72	922,653,686	14.2%	97	7,949,327,000	8.1%
73	1,054,469,443	14.3%	98	8,773,520,000	10.4%
74	1,168,562,871	10.8%	99	9,702,747,000	10.6%
75	1,303,178,893	11.5%	00	10,788,482,000	11.2%
76	1,428,421,157	9.6%	01	11,105,275,000	2.9%
77	1,636,301,819	14.6%	02	10,678,954,000	-3.8%
78	1,923,085,084	17.5%	03	10,867,149,000	1.8%
79	2,115,211,522	10.0%	04	11,917,867,000	9.7%
80	2,344,928,934	10.9%	05	13,687,252,000	14.8%
81	2,579,663,941	10.0%	06	14,834,298,000	8.4%
82	2,796,458,741	8.4%	07	15,565,827,000	4.9%
83	2,975,687,935	6.4%	08	15,766,951,000	1.3%
84	3,397,710,261	14.2%	09	14,315,060,000	-9.2%
85	3,790,816,000	11.6%	10	14,219,477,000	-0.7%

NOTE : Total Revenues exclude transfers.

**The Balance In The Revenue Stabilization Fund Was \$295.2 Million On June 30, 2010. An Additional Deposit Of \$50 Million Is Appropriated In Fiscal Year 2012...**



FY 2010 Revised Estimate  
Per Chapter 872

Commonwealth of Virginia/Department of Accounts  
Summary Report on General Fund Revenue Collections  
For the Fiscal Years 2009 and 2010  
(Dollars in Thousands)

	(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)	(9)
	FY 2010 Estimate	As a % of Gen Fund Rev	FY 2010	June		% Change	FY 2010	Year-To-Date		% Change	% Annual Growth Req By Est
<b>Revenue</b>											
<b>Individual Income Tax:</b>											
Withholding	\$9,153,400	65.43	\$820,148	\$800,393		2.5	\$9,176,151	\$9,138,057		0.4	0.2
Tax Dues/Estimated Payments	1,813,200	12.96	224,920	217,100		3.6	1,906,757	2,310,422		(17.5)	(21.5)
Gross Individual Income Tax	\$10,966,600	78.39	\$1,045,068	\$1,017,493		2.7	\$11,082,908	\$11,448,479		(3.2)	(4.2)
Individual and Fiduciary Income (Refunds)	(2,006,500)	(14.34)	(85,155)	(124,194)		(31.4)	(1,994,656)	(1,967,369)		1.4	2.0
Net Individual Income Tax	\$8,960,100	64.05	\$959,913	\$893,299		7.5	\$9,088,252	\$9,481,110		(4.1)	(5.5)
Sales and Use Tax	\$3,043,000	21.75	\$464,164	\$232,130		100.0	\$3,082,532	\$2,903,443		6.2	4.8
Corporations Income Tax	730,700	5.22	157,556	138,025		14.2	806,473	648,033		24.4	12.8
Wills, Suits, Deeds, Contracts	299,000	2.14	29,149	34,763		(16.1)	290,189	314,264		(7.7)	(4.9)
Insurance Premiums	242,500	1.73	99,671	97,992		1.7	261,881	255,019		2.7	(4.9)
Interest Income (a)	115,500	0.83	482	2,699		(82.1)	94,318	104,217		(9.5)	10.8
Alcoholic Beverage Sales (b)	174,800	1.25	35,310	35,009		0.9	175,094	173,227		1.1	0.9
All Other Revenues	423,000	3.03	78,814	69,868		12.8	420,738	435,747		(3.4)	(2.9)
<b>Total General Fund Revenues</b>	<b>\$13,988,600</b>	<b>100.00</b>	<b>\$1,825,059</b>	<b>\$1,503,785</b>		<b>21.4</b>	<b>\$14,219,477</b>	<b>\$14,315,060</b>		<b>(0.7)</b>	<b>(2.3)</b>

# Percentage is greater than or equal to 1,000%.

(a) Interest was allocated in accordance with Section 3-3.04 of Chapter 872, 2010 Virginia Acts of Assembly.

(b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

FY 2010 Revised Estimate  
Per Chapter 872

Commonwealth of Virginia/Department of Accounts  
General Fund Statement of Revenue Collections and Estimates  
For the Fiscal Years 2009 and 2010

Revenue	(1) FY 2010 Estimate	(2) As a % of Total Gen Fund Rev	(3) (Dollars in Thousands)			(5) %			(7) Year-To-Date			(9) % Annual Growth Req By Est
			FY 2010	FY 2009	Change	FY 2010	FY 2009	Change	FY 2010	FY 2009	Change	
<b>Taxes:</b>												
Individual Income Tax - Withholding	\$9,153,400	65.43	\$820,148	\$800,393	2.5	\$9,176,151	\$9,138,057	0.4	0.2			
Tax Dues/Estimated Payments	1,813,200	12.96	224,920	217,100	3.6	1,906,757	2,310,422	(17.5)	(21.5)			
Gross Individual Income Tax	\$10,966,600	78.39	\$1,045,068	\$1,017,493	2.7	\$11,082,908	\$11,448,479	(3.2)	(4.2)			
Individ and Fiduc Income (Refunds)	(2,006,500)	(14.34)	(85,155)	(124,194)	(31.4)	(1,994,656)	(1,967,369)	1.4	2.0			
Net Individual Income Tax	\$8,960,100	64.05	\$959,913	\$893,299	7.5	\$9,088,252	\$9,481,110	(4.1)	(5.5)			
Sales and Use Tax	3,043,000	21.75	464,164	232,130	100.0	3,082,532	2,903,443	6.2	4.8			
Corporations Income	730,700	5.22	157,556	138,025	14.2	806,473	648,033	24.4	12.8			
Public Service Corporations	94,600	0.68	12,059	3,420	252.6	97,263	91,340	6.5	3.6			
Insurance Premiums	242,500	1.73	99,671	97,992	1.7	261,881	255,019	2.7	(4.9)			
Alcoholic Beverage Excise	131,400	0.94	31,400	31,100	1.0	131,601	129,626	1.5	1.4			
Beer and Beverage Excise	43,400	0.31	3,910	3,909	0.0	43,493	43,601	(0.2)	(0.5)			
Wills, Suits, Deeds, Contracts	299,000	2.14	29,149	34,763	(16.1)	290,189	314,264	(7.7)	(4.9)			
Inheritance, Gift, and Estate	3,600	0.03	1,797	654	174.8	5,671	6,006	(5.6)	(40.1)			
Bank Franchise	20,000	0.14	10,178	7,667	32.8	23,147	22,461	3.1	(11.0)			
Other Taxes	4,000	0.03	523	530	(1.3)	3,122	5,769	(45.9)	(30.7)			
<b>Total Taxes</b>	<b>\$13,572,300</b>	<b>97.02</b>	<b>\$1,770,320</b>	<b>\$1,443,489</b>	<b>22.6</b>	<b>\$13,833,624</b>	<b>\$13,900,672</b>	<b>(0.5)</b>	<b>(2.4)</b>			
<b>Rights and Privileges:</b>												
Licenses and Permits	\$4,200	0.03	\$516	\$484	6.6	\$4,282	\$4,301	(0.4)	(2.3)			
Corp. Franchise and Charters	46,200	0.33	29,821	32,257	(7.6)	46,611	49,414	(5.7)	(6.5)			
Fees for Misc. Privileges & Services	13,300	0.10	2,822	3,377	(16.4)	11,667	13,711	(14.9)	(3.0)			
<b>Total Rights and Privileges</b>	<b>\$63,700</b>	<b>0.46</b>	<b>\$33,159</b>	<b>\$36,118</b>	<b>(8.2)</b>	<b>\$62,560</b>	<b>\$67,426</b>	<b>(7.2)</b>	<b>(5.5)</b>			
<b>Other Revenues:</b>												
Sales of Property & Commodities	\$8,300	0.06	\$820	\$0	-	\$824	\$1	#	#			
Assessmts & Rcpts for Support of Special Svcs	400	0.00	64	50	28.0	373	396	(5.8)	1.0			
Institutional Revenue	5,900	0.05	292	473	(38.3)	6,019	6,402	(6.0)	(7.8)			
Interest (a)	115,500	0.83	482	2,699	(82.1)	94,318	104,217	(9.5)	10.8			
Dividends and Rent	300	0.00	32	28	14.3	349	340	2.6	(11.8)			
Fines, Forfeitures & Fees	210,700	1.51	18,723	19,461	(3.8)	204,919	215,308	(4.8)	(2.1)			
Other Revenue	6,100	0.04	1,299	2,149	(39.6)	17,145	27,098	(36.7)	(77.5)			
Excess Fees	(6,500)	(0.05)	(993)	(1,647)	39.7	(10,483)	(17,144)	38.9	62.1			
Private Donations, Gifts & Cont.	1,700	0.01	5	3	66.7	68	79	(13.9)	#			
Cities, Counties, and Towns	10,200	0.07	856	962	(11.0)	9761	10,265	(4.9)	(0.6)			
<b>Total Other Revenues</b>	<b>\$352,600</b>	<b>2.52</b>	<b>\$21,580</b>	<b>\$24,178</b>	<b>(10.7)</b>	<b>\$323,293</b>	<b>\$346,962</b>	<b>(6.8)</b>	<b>1.6</b>			
<b>Total General Fund Revenues</b>	<b>\$13,988,600</b>	<b>100.00</b>	<b>\$1,825,059</b>	<b>\$1,503,785</b>	<b>21.4</b>	<b>\$14,219,477</b>	<b>\$14,315,060</b>	<b>(0.7)</b>	<b>(2.3)</b>			

# Percentage is greater than or equal to 1,000%.

(a) Interest was allocated in accordance with Section 3-3.04 of Chapter 872, 2010 Virginia Acts of Assembly.

**Commonwealth of Virginia/Department of Lottery**  
**Summary Report on Lottery Collections**  
**For the Fiscal Years 2009 and 2010**  
(Dollars in Thousands)

	<b>FY 2010 Estimate</b>	<b>June</b>		<b>Year-To-Date</b>		<b>% Annual Growth Required By Estimate</b>	
		<b>(a)</b>	<b>% Change</b>	<b>FY 2010</b>	<b>FY 2009</b>		<b>% Change</b>
Lottery Collections							
Win for Life	\$34,900	\$1,978	(17.1)	\$28,441	\$32,129	(11.5)	8.6
Cash 5	29,000	2,290	(5.2)	28,243	29,267	(3.5)	(0.9)
Pick 4	191,400	17,175	14.9	197,460	185,418	6.5	3.2
Pick 3	277,200	20,233	0.5	246,899	250,634	(1.5)	10.6
Mega Millions / Powerball	137,500	15,269	20.9	209,445	162,096	29.2	(15.2)
Fast Play	10,900	521	(56.5)	6,885	6,773	1.7	60.9
Raffle	10,600	0	-	6,600	8,906	(25.9)	19.0
Scratch	699,800	60,513	5.6	711,155	690,382	3.0	1.4
Gross Lottery Revenue	<u>1,391,300</u>	<u>117,979</u>	<u>6.3</u>	<u>1,435,128</u>	<u>1,365,605</u>	<u>5.1</u>	<u>1.9</u>
Expenses (b)	<u>951,215</u>	<u>80,934 (c)</u>	<u>8.7</u>	<u>1,004,928 (c)</u>	<u>926,208</u>	<u>8.5</u>	<u>2.7</u>
Net Lottery Ticket Profits	<u>\$440,085</u>	<u>\$37,045 (c)</u>	<u>1.2</u>	<u>\$430,200 (c)</u>	<u>\$439,397</u>	<u>(2.1)</u>	<u>0.2</u>

(a) Estimate established in Chapter 872, 2010 Virginia Acts of Assembly, and includes the residual amounts of FY 2009 Lottery profits of \$8,897,212 and the residual balance in the Lottery Proceeds Fund of \$964,471 at June 30, 2009.

(b) "Expenses" includes prizes to winners, compensation to retailers, instant and online gaming costs, Lottery operating expenses, and net other income/expense.

(c) Current month includes operating expenses estimated (unaudited closing).

**Commonwealth of Virginia/Department of Accounts**  
**Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues**  
**Summary Statement of Selected Revenue Estimates & Collections**  
**For the Fiscal Years 2009 and 2010**  
**(Dollars in Thousands)**

Revenue	FY 2010 Estimate	As a % of Total Fund	June		Year-To-Date		% Change	% Change	% Annual Growth Required By Estimate
			FY 2010	FY 2009	FY 2010	FY 2009			
Motor Fuel Taxes	\$824,000	25.21	\$141,710	\$137,168	\$830,112	\$839,513	(1.1)	(1.1)	(1.8)
Priority Transportation Fund (PTF)	149,100	4.56	2,000	2,000	149,102	152,286	(2.1)	(2.1)	(2.1)
Motor Vehicle Sales and Use Tax	420,100	12.86	48,128	43,324	473,707	442,309	7.1	7.1	(5.0)
State Sales and Use Tax	478,300	14.64	41,247	39,900	490,714	499,366	(1.7)	(1.7)	(4.2)
Motor Vehicle License Fees	239,900	7.34	23,483	23,181	230,200	241,636	(4.7)	(4.7)	(0.7)
International Registration Plan	58,600	1.79	6,851	9,424	59,770	58,833	1.6	1.6	(0.4)
Recordation Tax	33,500	1.02	3,774	3,703	35,186	35,703	(1.4)	(1.4)	(6.2)
Interest Earnings	23,900	0.73	4,784	1,026	22,956	27,749	(17.3)	(17.3)	(13.9)
Misc. Taxes, Fees, and Revenues	12,700	0.39	1,186	1,502	12,752	12,934	(1.4)	(1.4)	(1.8)
<b>Total State Taxes and Fees</b>	<b>\$2,240,100</b>	<b>68.54</b>	<b>\$273,163</b>	<b>\$261,228</b>	<b>\$2,304,499</b>	<b>\$2,310,329</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(3.0)</b>

# Percentage is greater than or equal to 1,000%.

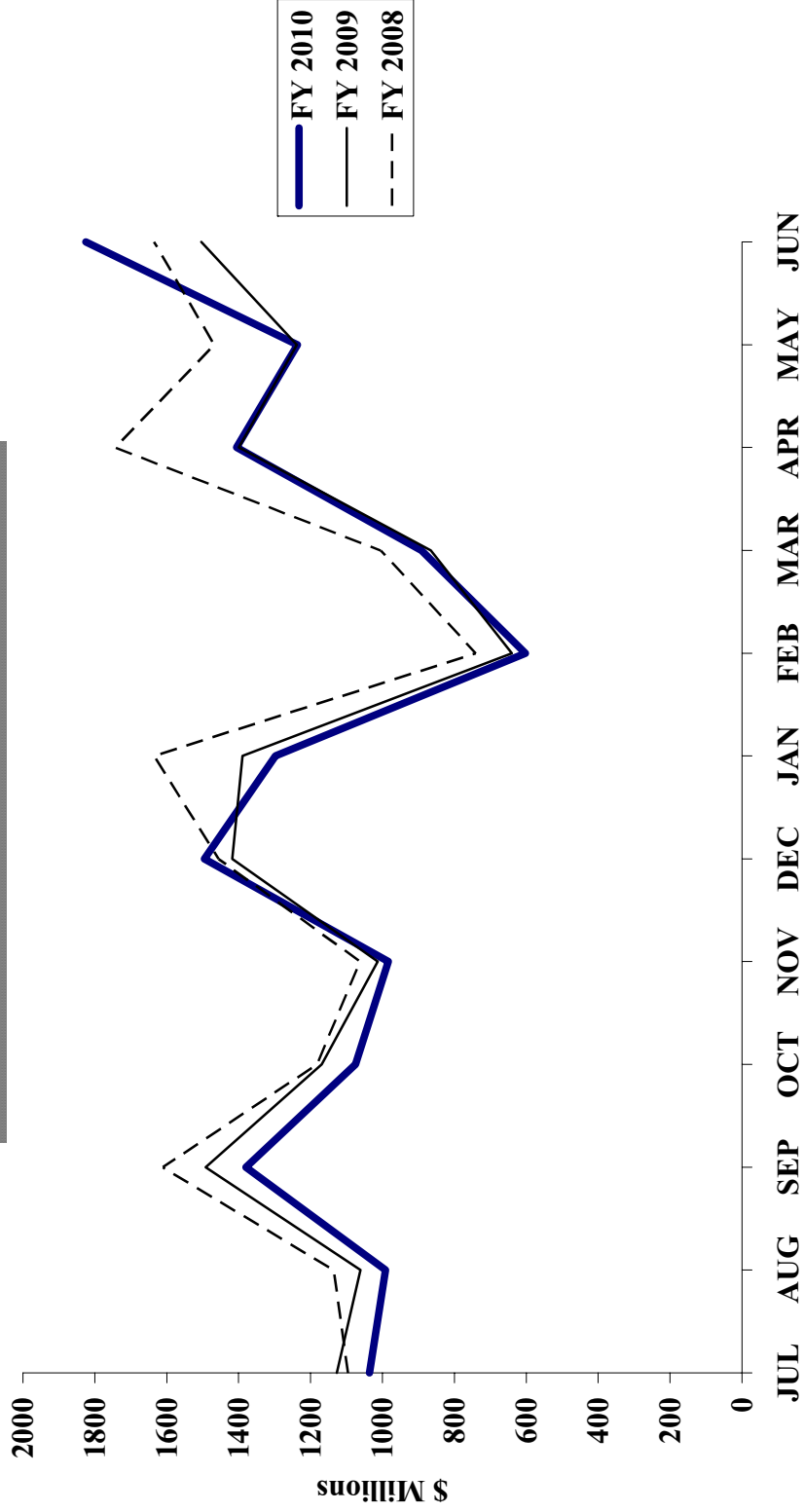


Commonwealth of Virginia/Department of Accounts  
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues  
Statement of Revenue Estimates & Collections  
For the Fiscal Years 2009 and 2010  
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	June		Year-To-Date		% Annual Growth Required By Est
			FY 2010	FY 2009	FY 2010	FY 2009	
			%	%	%	%	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>							
Motor Fuel Taxes (Includes Road Tax)	\$710,800	21.75	\$122,932	\$119,617	\$715,089	\$722,709	(1.1)
Motor Vehicle Sales and Use Tax	253,200	7.75	29,598	26,839	289,456	269,731	7.3
Motor Vehicle License Fees	218,700	6.69	21,413	21,130	209,464	220,035	(4.8)
International Registration Plan	58,600	1.79	6,851	9,424	59,770	58,833	1.6
Recordation Tax (1 cent)	11,200	0.34	1,258	1,234	11,729	11,901	(1.4)
Misc. Taxes, Fees, and Revenues	12,700	0.39	1,186	1,502	12,752	12,934	(1.4)
<b>Total State Taxes and Fees</b>	<b>\$1,265,200</b>	<b>38.71</b>	<b>\$183,238</b>	<b>\$179,746</b>	<b>\$1,298,260</b>	<b>\$1,296,143</b>	<b>0.2</b>
<b>Other Revenues:</b>							
Federal Grants and Contracts	\$0	0.00	\$1,992	\$3,255	\$19,253	\$20,341	(5.3)
Miscellaneous Revenues	15,698	0.48	684	893	14,423	13,842	4.2
Transfer (to) / from Transportation Trust Fund	500,188	15.31	157,604	0	507,604	364,831	39.1
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,781,086</b>	<b>54.50</b>	<b>\$343,518</b>	<b>\$183,894</b>	<b>\$1,839,540</b>	<b>\$1,695,157</b>	<b>8.5</b>
<b>TRANSPORTATION TRUST FUND:</b>							
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$113,200	3.46	\$18,778	\$17,551	\$115,023	\$116,804	(1.5)
PTF Motor Fuels	20,000	0.61	2,000	2,000	20,000	20,000	0.0
PTF Insurance Premiums Tax	129,100	3.95	0	0	129,102	132,286	(2.4)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	166,900	5.11	18,530	16,485	184,251	172,578	6.8
State Sales and Use Tax	478,300	14.64	41,247	39,900	490,714	499,366	(1.7)
Motor Vehicle License Fees	21,200	0.65	2,070	2,051	20,736	21,601	(4.0)
Recordation Tax (2 cents)	22,300	0.68	2,516	2,469	23,457	23,802	(1.4)
Interest Earnings	23,900	0.73	4,784	1,026	22,956	27,749	(17.3)
<b>Total State Taxes and Fees</b>	<b>\$974,900</b>	<b>29.83</b>	<b>\$89,925</b>	<b>\$81,482</b>	<b>\$1,006,239</b>	<b>\$1,014,186</b>	<b>(0.8)</b>
<b>Other Revenues:</b>							
Federal Grants and Contracts	\$844,434	25.84	\$86,508	\$37,159	\$824,119	\$789,086	4.4
Receipts from Cities/Counties	96,900	2.97	2,273	3,790	46,086	46,810	(1.5)
Toll Revenues (Includes Route 28)	52,309	1.60	1,041	7,817	44,454	77,947	(43.0)
Miscellaneous Revenues	18,542	0.57	3,996	2,569	29,604	18,328	61.5
<b>Total Other Revenues</b>	<b>\$1,012,185</b>	<b>30.98</b>	<b>\$93,818</b>	<b>\$51,335</b>	<b>\$944,263</b>	<b>\$932,171</b>	<b>1.3</b>
<b>Transfer (to) / from Highway Maintenance and Operating Fund</b>	<b>(\$500,188)</b>	<b>(15.31)</b>	<b>(\$157,604)</b>	<b>\$0</b>	<b>(\$507,604)</b>	<b>(\$364,831)</b>	<b>(39.1)</b>
<b>Total Transportation Trust Fund</b>	<b>\$1,486,897</b>	<b>45.50</b>	<b>\$26,139</b>	<b>\$132,817</b>	<b>\$1,442,898</b>	<b>\$1,581,526</b>	<b>(6.0)</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,267,983</b>	<b>100.00</b>	<b>\$369,657</b>	<b>\$316,711</b>	<b>\$3,282,438</b>	<b>\$3,276,683</b>	<b>0.2</b>

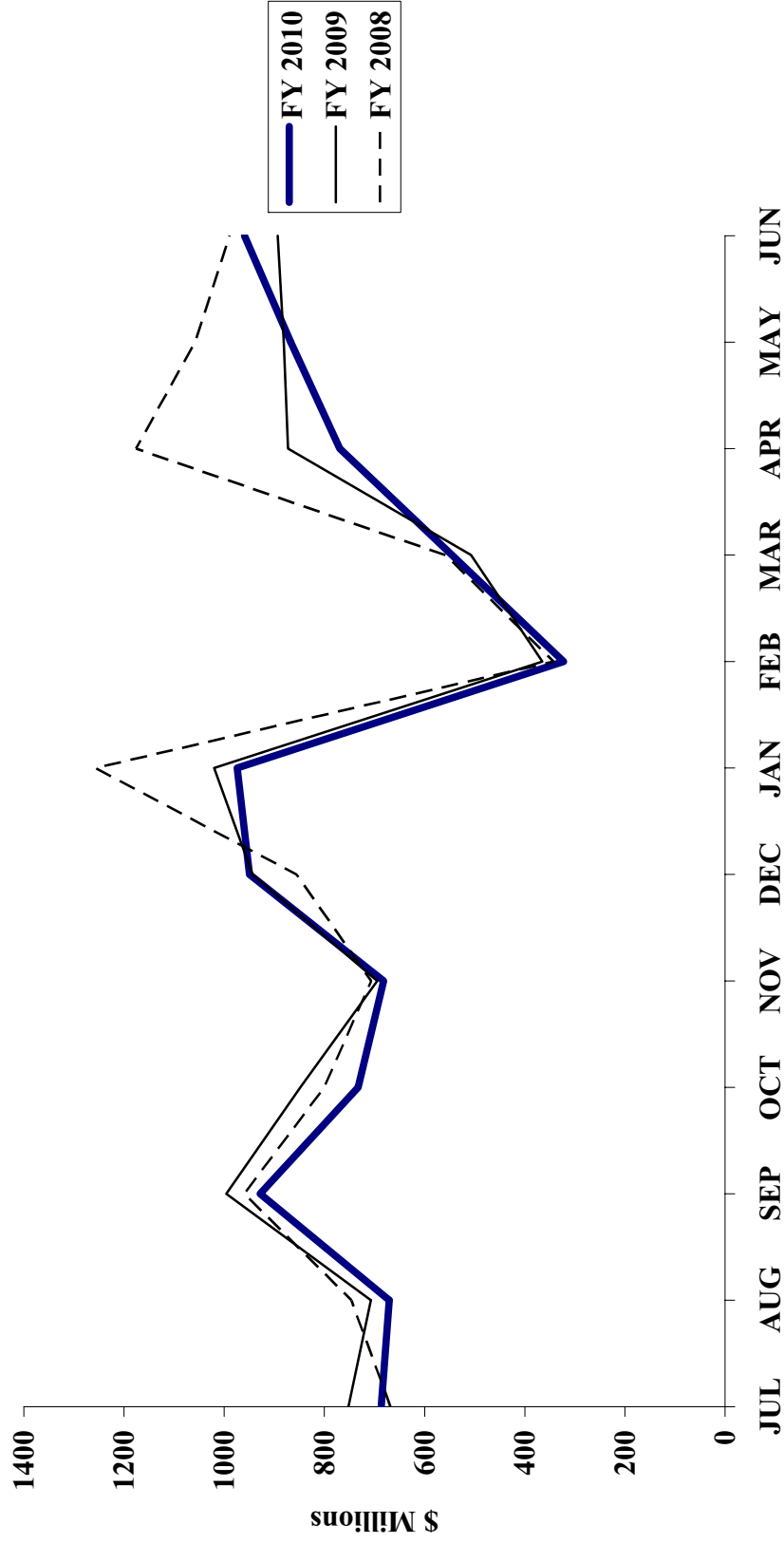
# Percentage is greater than or equal to 1,000%.

# Total General Fund Revenues



**FY 2008 Actual = \$15,766.9 Million**  
**FY 2009 Actual = \$14,315.1 Million**  
**FY 2010 Actual = \$14,219.5 Million**

# Net Individual Income Tax

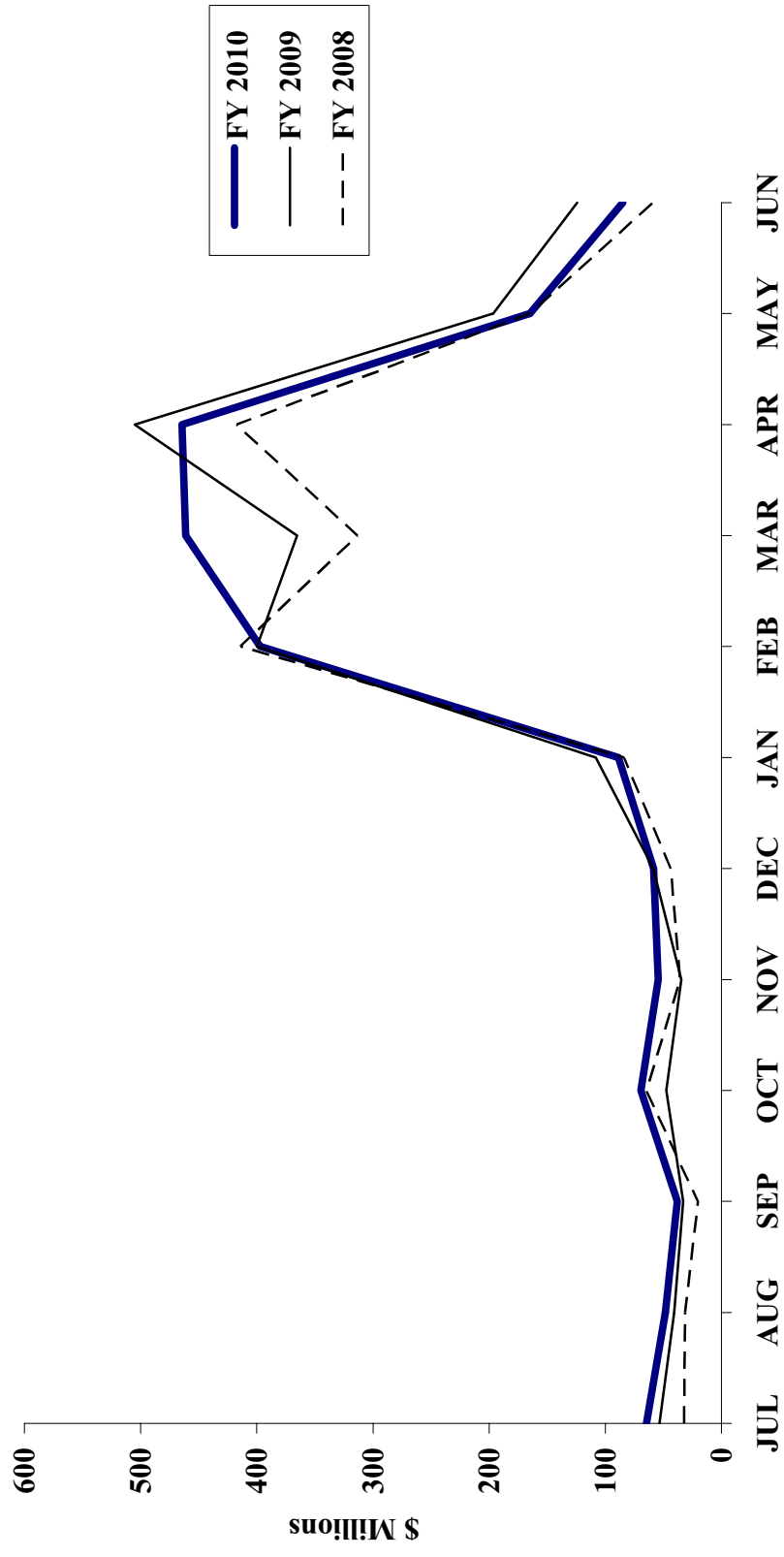


**FY 2008 Actual = \$10,114.8 Million**

**FY 2009 Actual = \$9,481.1 Million**

**FY 2010 Actual = \$9,088.3 Million**

# Individual and Fiduciary Income Tax Refunds



**FY 2008 Actual = \$1,679.9 Million**  
**FY 2009 Actual = \$1,967.4 Million**  
**FY 2010 Actual = \$1,994.7 Million**

## DEPARTMENT OF THE TREASURY

General Account Investment Portfolio  
Monthly Average Balances and Rates  
For the Fiscal Year 2010  
(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
<b>July, 2009</b>	\$2,788.6	1.50%	\$1,621.9	21.42%	\$4,410.5	8.83%
<b>August</b>	\$2,359.4	1.81%	\$1,597.4	12.94%	\$3,956.8	6.30%
<b>September</b>	\$2,575.3	1.34%	\$1,568.6	11.71%	\$4,143.9	5.27%
<b>October</b>	\$2,577.4	1.25%	\$1,577.0	7.26%	\$4,154.4	3.53%
<b>November</b>	\$2,346.8	1.29%	\$1,543.4	12.81%	\$3,890.2	5.86%
<b>December</b>	\$2,348.3	-1.08%	\$1,465.0	-14.41%	\$3,813.3	-6.20%
<b>January, 2010</b>	\$2,732.2	1.01%	\$1,403.3	16.76%	\$4,135.5	6.35%
<b>February</b>	\$2,839.7	0.54%	\$1,272.5	3.99%	\$4,112.2	1.61%
<b>March</b>	\$2,484.9	0.77%	\$1,181.4	-0.07%	\$3,666.3	0.50%
<b>April</b>	\$2,338.9	0.82%	\$1,202.8	10.50%	\$3,541.7	4.11%
<b>May</b>	\$2,680.4	0.95%	\$1,208.8	6.57%	\$3,889.2	2.70%
<b>June</b>	\$3,120.2	0.71%	\$1,219.3	14.99%	\$4,339.5	4.72%
<b>Year-to-Date Average</b>	\$2,599.3	0.92%	\$1,405.1	8.98%	\$4,004.4	3.74%

• Performance on the extended duration portion of the General Account is now reported on an annualized total return basis. Total return includes unrealized gains and losses, which in the short term can make returns more volatile. Over an extended time period the fluctuations average out and total return approaches the portfolio yield.

• Unaudited.

<sup>1</sup> Revised July External Manager Average Balances, Composite Average Balance and Rate.

<sup>2</sup> The Primary Liquidity Yield of (1.08)% reflects a \$4,476,593.84 write down of AXON Financial Funding LLC in the securities lending portfolio. Without the write down, the Primary Liquidity Yield would have been 1.17% and the Composite Rate would have been (4.82)%.

<sup>3</sup> The Primary Liquidity Yield of 0.54% reflects a \$1,032,000 write down of Morgan Stanley ABS Capital I in the securities lending portfolio. Without the write down, the Primary Liquidity Yield would have been 1.02% and the Composite Rate would have been 1.94%.

<sup>4</sup> The Primary Liquidity Yield of 0.95% reflects a \$560,506.58 recovery from the disposal of AXON Financial Funding LLC in the securities lending portfolio. Without the recovery, the Primary Liquidity Yield would have been 0.71% and the Composite Rate would have been 2.53%.

**Commonwealth of Virginia/Department of Accounts  
Report on the Revenue Stabilization Fund  
For the Fiscal Year 2010**

<b>Month</b>	<b>Beginning Balance</b>	<b>Deposits</b>	<b>Withdrawals</b>	<b>Interest Allocated (A)</b>	<b>Ending Balance</b>
<b>July</b>	\$575,063,868	\$0	\$0	\$0	\$575,063,868
<b>August</b>	\$575,063,868	\$0	\$0	\$0	\$575,063,868
<b>September</b>	\$575,063,868	\$0	\$0	\$0	\$575,063,868
<b>October</b>	\$575,063,868	\$0	\$0	\$0	\$575,063,868
<b>November</b>	\$575,063,868	\$0	\$0	\$4,071,627	\$579,135,495
<b>December</b>	\$579,135,495	\$0	\$0	\$0	\$579,135,495
<b>January</b>	\$579,135,495	\$0	\$0	\$0	\$579,135,495
<b>February</b>	\$579,135,495	\$0	\$0	\$3,614,706	\$582,750,201
<b>March</b>	\$582,750,201	\$0	\$0	\$0	\$582,750,201
<b>April</b>	\$582,750,201	\$0	\$0	\$0	\$582,750,201
<b>May</b>	\$582,750,201	\$0	\$0	\$4,539,607	\$587,289,808
<b>June</b>	\$587,289,808	\$0	(\$295,096,195) (B)	\$2,965,334	\$295,158,947

Notes: (A) Interest is earned monthly but credited to the Revenue Stabilization Fund on a quarterly basis.

(B) A withdrawal of \$295,096,195 was made as required by Item 265.E.2 of Chapter 872, 2010 VA Acts of Assembly.

FY 2011 Estimate  
Per Chapter 874

Commonwealth of Virginia/Department of Accounts  
Summary Report on General Fund Revenue Collections  
For the Fiscal Years 2010 and 2011  
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2011 Estimate	As a % of Gen Fund Rev	FY 2011	July FY 2010	% Change	FY 2011	FY 2010	% Change	% Annual Growth Req By Est
<b>Revenue</b>									
<b>Individual Income Tax:</b>									
Withholding	\$9,394,500	64.42	\$726,407	\$712,718	1.9	\$726,407	\$712,718	1.9	2.4
Tax Dues/Estimated Payments	2,117,300	14.52	31,734	38,839	(18.3)	31,734	38,839	(18.3)	11.0
Gross Individual Income Tax	\$11,511,800	78.94	\$758,141	\$751,557	0.9	\$758,141	\$751,557	0.9	3.9
Individual and Fiduciary Income (Refunds)	(1,924,100)	(13.20)	(48,759)	(64,698)	(24.6)	(48,759)	(64,698)	(24.6)	(3.5)
Net Individual Income Tax	\$9,587,700	65.74	\$709,382	\$686,859	3.3	\$709,382	\$686,859	3.3	5.5
Sales and Use Tax	\$2,880,800	19.76	\$102,436	\$253,634	(59.6)	\$102,436	\$253,634	(59.6)	(6.5)
Corporations Income Tax	792,800	5.44	(635)	20,083	(103.2)	(635)	20,083	(103.2)	(1.7)
Wills, Suits, Deeds, Contracts	314,000	2.15	23,795	29,825	(20.2)	23,795	29,825	(20.2)	8.2
Insurance Premiums	274,400	1.88	0	0	-	0	0	-	4.8
Interest Income (a)	108,100	0.74	6,896	11,177	(38.3)	6,896	11,177	(38.3)	14.6
Alcoholic Beverage Sales (b)	178,000	1.22	4,218	4,167	1.2	4,218	4,167	1.2	1.7
All Other Revenues	447,700	3.07	21,336	30,411	(29.8)	21,336	30,411	(29.8)	6.4
<b>Total General Fund Revenues</b>	<b>\$14,583,500</b>	<b>100.00</b>	<b>\$867,428</b>	<b>\$1,036,156</b>	<b>(16.3)</b>	<b>\$867,428</b>	<b>\$1,036,156</b>	<b>(16.3)</b>	<b>2.6</b>

# Percentage is greater than or equal to 1,000%.

- (a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 874, 2010 Virginia Acts of Assembly.
- (b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

**Commonwealth of Virginia/Department of Accounts  
General Fund Statement of Revenue Collections and Estimates  
For the Fiscal Years 2010 and 2011**

FY 2011 Estimate  
Per Chapter 874

Revenue	(1) FY 2011 Estimate	(2) As a % of Total Gen Fund Rev	(3) July (Dollars in Thousands)		(5) % Change		(7) FY 2010 Year-To-Date		(8) % Change		(9) % Annual Growth Req By Est
			(4) FY 2010	(6) FY 2011	(5) %	(6) %	(7) FY 2010	(8) %			
<b>Taxes:</b>											
Individual Income Tax - Withholding	\$9,394,500	64.42	\$712,718	\$726,407	1.9	\$726,407	\$712,718	1.9	2.4		
Tax Dues/Estimated Payments	2,117,300	14.52	38,839	31,734	(18.3)	31,734	38,839	(18.3)	11.0		
Gross Individual Income Tax	\$11,511,800	78.94	\$751,557	\$758,141	0.9	\$758,141	\$751,557	0.9	3.9		
Individ and Fiduc Income (Refunds)	(1,924,100)	(13.20)	(64,698)	(48,759)	(24.6)	(48,759)	(64,698)	(24.6)	(3.5)		
Net Individual Income Tax	\$9,587,700	65.74	\$686,859	\$709,382	3.3	\$709,382	\$686,859	3.3	5.5		
Sales and Use Tax	2,880,800	19.76	253,634	102,436	(59.6)	102,436	253,634	(59.6)	(6.5)		
Corporations Income	792,800	5.44	20,083	(635)	(103.2)	(635)	20,083	(103.2)	(1.7)		
Public Service Corporations	94,200	0.65	2,015	2,015	(78.9)	2,015	9,539	(78.9)	(3.1)		
Insurance Premiums	274,400	1.88	0	0	-	0	0	-	4.8		
Alcoholic Beverage Excise	134,600	0.92	0	0	-	0	0	-	2.3		
Beer and Beverage Excise	43,400	0.30	4,167	4,218	1.2	4,218	4,167	1.2	(0.2)		
Wills, Suits, Deeds, Contracts	314,000	2.15	23,795	23,795	(20.2)	23,795	29,825	(20.2)	8.2		
Inheritance, Gift, and Estate	0	0.00	659	659	266.1	659	180	266.1	(100.0)		
Bank Franchise	15,000	0.10	55	55	14.6	55	48	14.6	(35.2)		
Other Taxes	3,600	0.02	562	(97)	(117.3)	(97)	562	(117.3)	15.3		
<b>Total Taxes</b>	<b>\$14,140,500</b>	<b>96.96</b>	<b>\$1,004,897</b>	<b>\$841,828</b>	<b>(16.2)</b>	<b>\$841,828</b>	<b>\$1,004,897</b>	<b>(16.2)</b>	<b>2.2</b>		
<b>Rights and Privileges:</b>											
Licenses and Permits	\$4,200	0.03	\$198	\$288	45.5	\$288	\$198	45.5	(1.9)		
Corp. Franchise and Charters	46,200	0.32	476	476	(17.8)	476	579	(17.8)	(0.9)		
Fees for Misc. Privileges & Services	13,300	0.09	614	599	(2.4)	599	614	(2.4)	14.0		
<b>Total Rights and Privileges</b>	<b>\$63,700</b>	<b>0.44</b>	<b>\$1,391</b>	<b>\$1,363</b>	<b>(2.0)</b>	<b>\$1,363</b>	<b>\$1,391</b>	<b>(2.0)</b>	<b>1.8</b>		
<b>Other Revenues:</b>											
Sales of Property & Commodities	\$22,500	0.15	\$2	\$0	(100.0)	\$0	\$2	(100.0)	#		
Assessmts & Rcpts for Support of Special Svcs	400	0.00	24	110	358.3	110	24	358.3	7.2		
Institutional Revenue	5,900	0.04	507	432	(14.8)	432	507	(14.8)	(2.0)		
Interest (a)	108,100	0.74	11,177	6,896	(38.3)	6,896	11,177	(38.3)	14.6		
Dividends and Rent	300	0.00	30	35	16.7	35	30	16.7	(14.0)		
Fines, Forfeitures & Fees	230,000	1.58	18,455	16,985	(8.0)	16,985	18,455	(8.0)	12.2		
Other Revenue	8,400	0.06	381	381	(69.3)	381	1,242	(69.3)	(51.0)		
Excess Fees	(6,500)	(0.04)	(2,309)	(1,214)	47.4	(1,214)	(2,309)	47.4	38.0		
Private Donations, Gifts & Cont.	0	0.00	11	5	(54.5)	5	11	(54.5)	(100.0)		
Cities, Counties, and Towns	10,200	0.07	729	607	(16.7)	607	729	(16.7)	4.5		
<b>Total Other Revenues</b>	<b>\$379,300</b>	<b>2.60</b>	<b>\$29,868</b>	<b>\$24,237</b>	<b>(18.9)</b>	<b>\$24,237</b>	<b>\$29,868</b>	<b>(18.9)</b>	<b>17.3</b>		
<b>Total General Fund Revenues</b>	<b>\$14,583,500</b>	<b>100.00</b>	<b>\$1,036,156</b>	<b>\$867,428</b>	<b>(16.3)</b>	<b>\$867,428</b>	<b>\$1,036,156</b>	<b>(16.3)</b>	<b>2.6</b>		

# Percentage is greater than or equal to 1,000%.

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 874, 2010 Virginia Acts of Assembly.



**Commonwealth of Virginia/Department of Lottery**  
**Summary Report on Lottery Collections**  
**For the Fiscal Years 2010 and 2011**  
**(Dollars in Thousands)**

	<b>FY 2011 Estimate</b>	<b>July</b>		<b>Year-To-Date</b>		<b>% Annual Growth Required By Estimate</b>
		<b>(a) FY 2011</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2010</b>	
<b>Lottery Collections</b>						
Win for Life	\$21,000	\$1,981	\$2,670	\$1,981	\$2,670	(25.8)
Cash 5	26,000	2,373	2,504	2,373	2,504	(5.2)
Pick 4	205,000	17,033	16,047	17,033	16,047	6.1
Pick 3	250,000	20,946	20,967	20,946	20,967	(0.1)
Mega Millions / Powerball	180,000	14,783	14,438	14,783	14,438	2.4
Fast Play	6,000	532	738	532	738	(27.9)
Raffle	6,600	0	0	0	0	-
Scratch	720,000	60,154	56,388	60,154	56,388	6.7
Gross Lottery Revenue	1,414,600	117,802	113,752	117,802	113,752	3.6
Expenses (c)	979,400	80,845 (d)	77,166	80,845 (d)	77,166	4.8
Net Lottery Ticket Profits	\$435,200	\$36,957 (d)	\$36,586	\$36,957 (d)	\$36,586	1.0

(a) Estimate established in Chapter 874, 2010 Virginia Acts of Assembly.

(b) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year.

Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

(c) "Expenses" includes prizes to winners, compensation to retailers, instant and online gaming costs, Lottery operating expenses, and net other income/expense.

(d) Current month includes operating expenses estimated (unaudited closing).

Commonwealth of Virginia/Department of Accounts  
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues  
Summary Statement of Selected Revenue Estimates & Collections  
For the Fiscal Years 2010 and 2011  
(Dollars in Thousands)

Revenue	FY 2011 Estimate	As a % of Total Fund	July		Year-To-Date		% Annual Growth Required By Estimate
			FY 2011	FY 2010	FY 2011	FY 2010	
Motor Fuel Taxes	\$841,300	25.45	\$15,523	(\$35)	\$15,523	(\$35)	1.3
Priority Transportation Fund (PTF)	148,200	4.49	3,424	2,505	3,424	2,505	(0.6)
Motor Vehicle Sales and Use Tax	448,700	13.57	45,230	41,002	45,230	41,002	(5.3)
State Sales and Use Tax	488,600	14.78	16,778	43,246	16,778	43,246	(0.4)
Motor Vehicle License Fees	242,500	7.33	21,066	19,566	21,066	19,566	5.3
International Registration Plan	60,300	1.82	4,595	6,863	4,595	6,863	0.9
Recordation Tax	33,500	1.01	2,467	4,122	2,467	4,122	(4.8)
Interest Earnings	30,600	0.93	4	0	4	0	33.3
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,192	974	1,192	974	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$2,306,400</b>	<b>69.76</b>	<b>\$110,279</b>	<b>\$118,243</b>	<b>\$110,279</b>	<b>\$118,243</b>	<b>0.1</b>

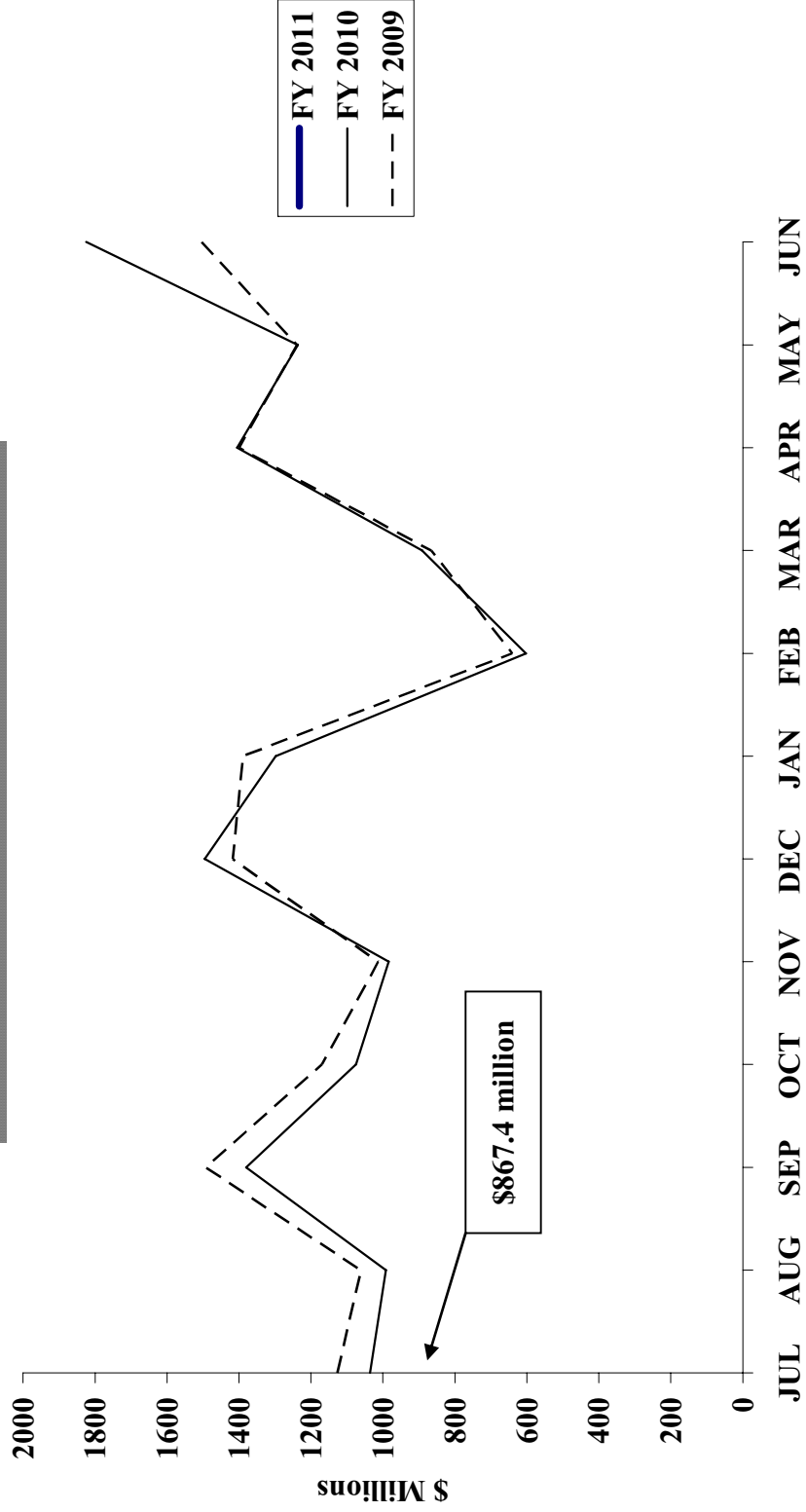
# Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts  
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues  
Statement of Revenue Estimates & Collections  
For the Fiscal Years 2010 and 2011  
(Dollars in Thousands)

Revenue	FY 2011 Estimate	As a % of Total Fund	July		Year-To-Date		% Annual Growth Required By Est
			FY 2011	FY 2010	FY 2011	FY 2010	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>							
Motor Fuel Taxes (Includes Road Tax)	\$726,800	21.99	\$14,187	(\$204)	\$14,187	(\$204)	1.6
Motor Vehicle Sales and Use Tax	272,700	8.25	27,883	25,009	27,883	25,009	(5.8)
Motor Vehicle License Fees	221,300	6.69	19,300	17,832	19,300	17,832	5.7
International Registration Plan	60,300	1.82	4,595	6,863	4,595	6,863	(33.0)
Recordation Tax (1 cent)	11,200	0.34	822	1,374	822	1,374	(4.5)
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,192	974	1,192	974	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$1,305,000</b>	<b>39.47</b>	<b>\$67,979</b>	<b>\$51,848</b>	<b>\$67,979</b>	<b>\$51,848</b>	<b>0.5</b>
<b>Other Revenues:</b>							
Federal Grants and Contracts	\$0	0.00	\$1,619	\$1,882	\$1,619	\$1,882	(100.0)
Miscellaneous Revenues	16,191	0.49	481	1,017	481	1,017	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.46	0	50,000	0	50,000	0.7
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,832,189</b>	<b>55.42</b>	<b>\$70,079</b>	<b>\$104,747</b>	<b>\$70,079</b>	<b>\$104,747</b>	<b>(0.4)</b>
<b>TRANSPORTATION TRUST FUND:</b>							
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$114,500	3.46	\$1,336	\$169	\$1,336	\$169	(0.5)
PTF Motor Fuels	20,000	0.61	0	0	0	0	0.0
PTF Insurance Premiums Tax	128,200	3.88	3,424	2,505	3,424	2,505	(0.7)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	176,000	5.32	17,347	15,993	17,347	15,993	(4.5)
State Sales and Use Tax	488,600	14.78	16,778	43,246	16,778	43,246	(0.4)
Motor Vehicle License Fees	21,200	0.64	1,766	1,734	1,766	1,734	2.2
Recordation Tax (2 cents)	22,300	0.67	1,645	2,748	1,645	2,748	(4.9)
Interest Earnings	30,600	0.93	4	0	4	0	33.3
<b>Total State Taxes and Fees</b>	<b>\$1,001,400</b>	<b>30.29</b>	<b>\$42,300</b>	<b>\$66,395</b>	<b>\$42,300</b>	<b>\$66,395</b>	<b>(0.5)</b>
<b>Other Revenues:</b>							
Federal Grants and Contracts	\$881,334	26.66	\$91,607	\$71,445	\$91,607	\$71,445	6.9
Receipts from Cities/Counties	59,007	1.78	2,787	3,812	2,787	3,812	28.0
Toll Revenues (Includes Route 28)	30,035	0.91	2,189	1,967	2,189	1,967	(32.4)
Miscellaneous Revenues	13,089	0.40	1,934	1,363	1,934	1,363	(55.8)
<b>Total Other Revenues</b>	<b>\$983,465</b>	<b>29.75</b>	<b>\$98,517</b>	<b>\$78,587</b>	<b>\$98,517</b>	<b>\$78,587</b>	<b>4.2</b>
<b>Transfer (to) / from Highway Maintenance and Operating Fund</b>	<b>(\$510,998)</b>	<b>(15.46)</b>	<b>\$0</b>	<b>(\$50,000)</b>	<b>\$0</b>	<b>(\$50,000)</b>	<b>(0.7)</b>
<b>Total Transportation Trust Fund</b>	<b>\$1,473,867</b>	<b>44.58</b>	<b>\$140,817</b>	<b>\$94,982</b>	<b>\$140,817</b>	<b>\$94,982</b>	<b>2.1</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>	<b>\$3,306,056</b>	<b>100.00</b>	<b>\$210,896</b>	<b>\$199,729</b>	<b>\$210,896</b>	<b>\$199,729</b>	<b>0.7</b>

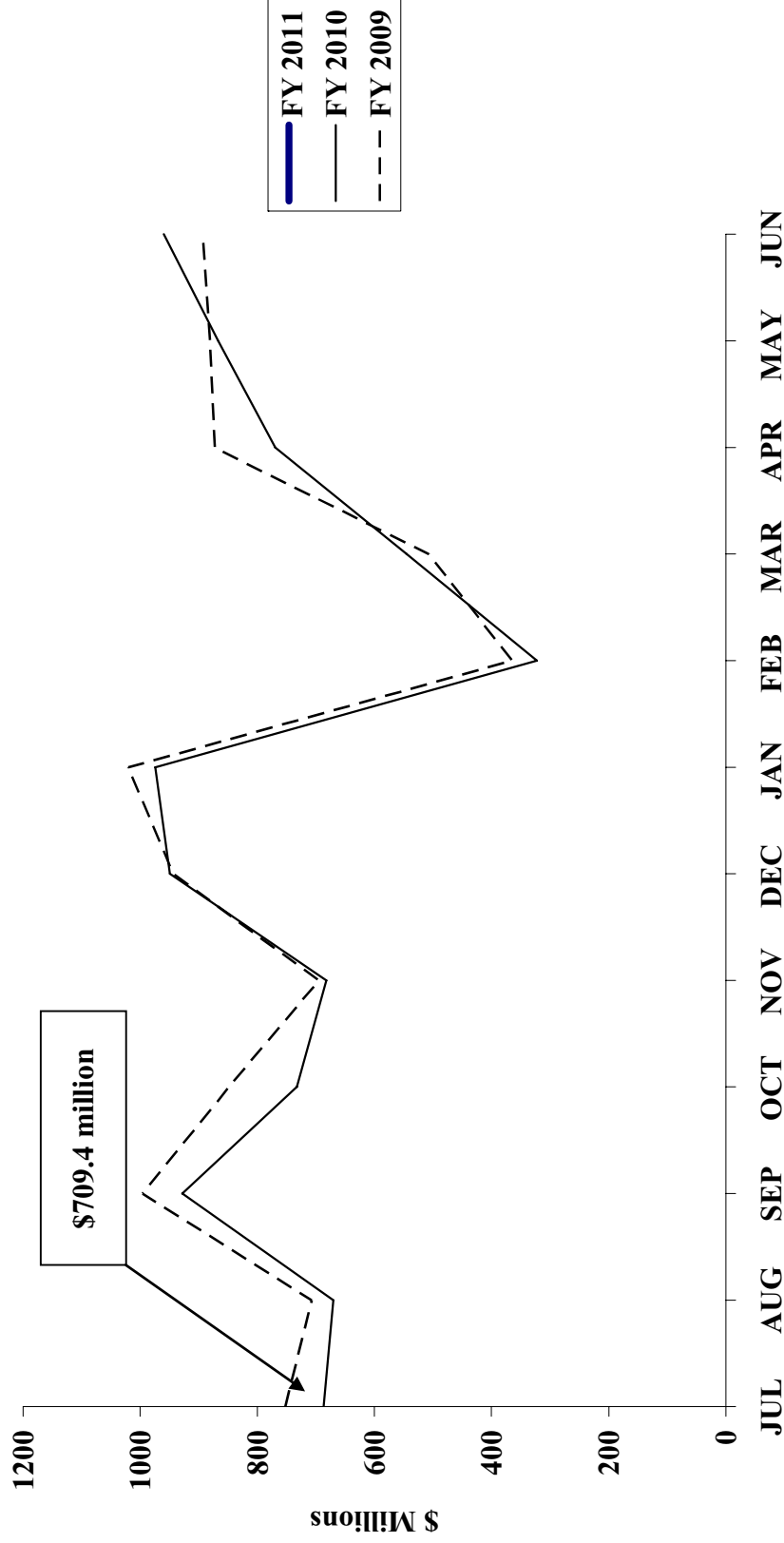
# Percentage is greater than or equal to 1,000%.

# Total General Fund Revenues



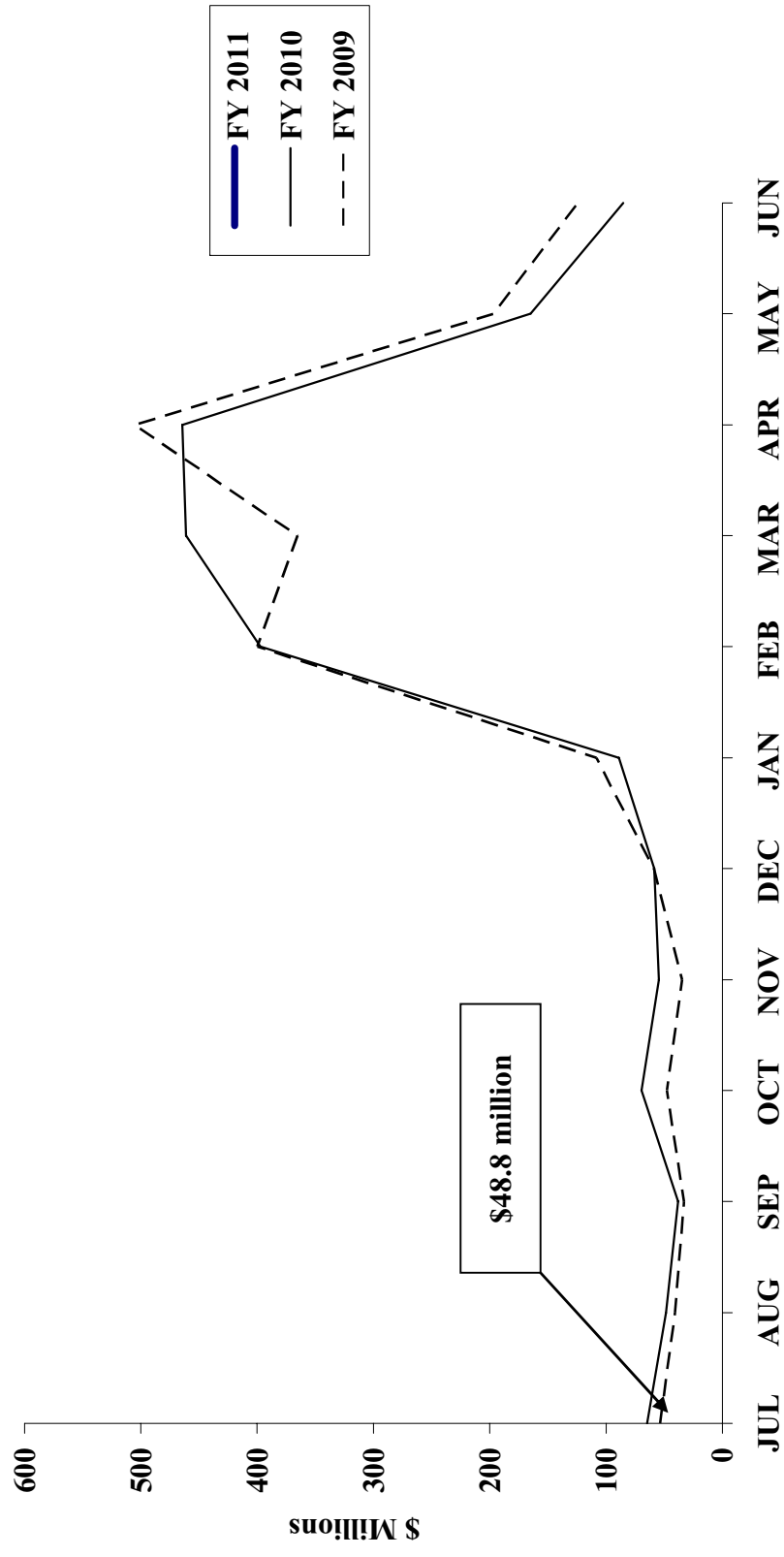
**FY 2009 Actual = \$14,315.1 Million**  
**FY 2010 Actual = \$14,219.5 Million**  
**FY 2011 Estimate = \$14,583.5 Million**

# Net Individual Income Tax



**FY 2009 Actual = \$9,481.1 Million**  
**FY 2010 Actual = \$9,088.3 Million**  
**FY 2011 Estimate = \$9,587.7 Million**

# Individual and Fiduciary Income Tax Refunds



**FY 2009 Actual = \$1,967.4 Million**  
**FY 2010 Actual = \$1,994.7 Million**  
**FY 2011 Estimate = \$1,924.1 Million**

# DEPARTMENT OF THE TREASURY

General Account Investment Portfolio  
 Monthly Average Balances and Rates  
 For the Fiscal Year 2011  
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY <sup>1</sup>
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	
July, 2010	\$3,327.4	0.63%	\$1,235.0	11.00%	\$4,562.4	3.44%	0.29%
August							
September							
October							
November							
December							
January, 2011							
February							
March							
April							
May							
June							
<b>Year-to-Date Average</b>	<b>\$3,327.4</b>	<b>0.63%</b>	<b>\$1,235.0</b>	<b>11.00%</b>	<b>\$4,562.4</b>	<b>3.44%</b>	<b>0.29%</b>

▪ Performance on the extended duration portion of the General Account is now reported on an annualized total return basis. Total return includes unrealized gains and losses, which in the short term can make returns more volatile. Over an extended time period the fluctuations average out and total return approaches the portfolio yield.

▪ Unaudited.

<sup>1</sup> Federal Reserve Bank H.15 Release.

**Commonwealth of Virginia/Department of Accounts  
Report on the Revenue Stabilization Fund  
For the Fiscal Year 2011**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$295,158,947	\$0	\$0	\$0	\$295,158,947
August					
September					
October					
November					
December					
January					
February					
March					
April					
May					
June					

Notes: (A) Interest is earned monthly but credited to the Revenue Stabilization Fund on a quarterly basis.



**Initial Guidance for States**  
**on the**  
**Education Jobs Fund Program**



**U.S. Department of Education**  
**Washington, D.C. 20202**

**August 13, 2010**

### **Purpose of the Guidance**

The purpose of this guidance is to provide information on the Education Jobs Fund program. The guidance provides the U.S. Department of Education’s interpretation of various statutory provisions and does not impose any requirements beyond those included in the statute and other applicable laws and regulations. In addition, it does not create or confer any rights for or on any person.

The Department will provide additional or updated program guidance as necessary. Please send any comments or questions to [EducationJobsFund@ed.gov](mailto:EducationJobsFund@ed.gov).

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## **A. Introduction**

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### **A-1. What is the Education Jobs Fund (Ed Jobs) program?**

The Ed Jobs program is a new Federal program that provides \$10 billion in assistance to States to save or create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

### **A-2. What is the statutory authority for the program?**

The Ed Jobs program is authorized in Public Law No. 111-226 (Act), which President Obama signed on August 10, 2010.<sup>1</sup> A copy of that portion of the Act authorizing the Ed Jobs program is included as Appendix A.

### **A-3. How does the U.S. Department of Education (Department) determine the amount of funding that each State may receive under the Ed Jobs program?**

The Department determines the allocation of each State by formula on the basis of (1) its relative population of individuals who are aged 5 to 24, and (2) its relative total population.<sup>2</sup> The amount of funding available to each State under the program is provided on the program website at <http://www2.ed.gov/programs/educationjobsfund/index.html>.

### **A-4. Are the Insular Areas and schools operated or funded by the Bureau of Indian Affairs (BIA) eligible for Ed Jobs funding?**

Yes. The Department will reserve one half of one percent of the total Ed Jobs allocation for the Insular Areas (American Samoa, Commonwealth of the Northern Mariana Islands, Guam, and the Virgin Islands) and one half of one percent for BIA schools.

### **A-5. What is the period of availability of Ed Jobs funds?**

The Ed Jobs program supports educational and related services during the 2010-2011 school year. The funds are available for obligations that occur as of August 10, 2010 (the date of enactment of the Act). An LEA that has funds remaining after the 2010-2011 school year may use those remaining funds through September 30, 2012. This period includes the additional year of fund availability authorized under the Tydings Amendment (Section 421(b)(1) of the General Education Provisions Act (GEPA), 20 U.S.C. 1225(b)(1)).

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<sup>1</sup> The Act contains some provisions that apply only to the State of Texas. Therefore, not all sections of this guidance apply to Texas. For the convenience of that State and its local educational agencies, the Department has prepared separate program guidance for Texas, which is available on the Department's website.

<sup>2</sup> For purposes of this program, the District of Columbia and Puerto Rico are defined as States.

**A-6. Does the Secretary have the authority to waive any requirements of the Ed Jobs program?**

No. Neither the Ed Jobs statute nor any other Department statute authorizes the Secretary to waive requirements of the program.

**B. Process For Awarding Funds to States**

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**B-1. What is the Department's process for awarding Ed Jobs funds to States?**

The Department will review applications submitted by Governors on a rolling basis. A Governor may request Ed Jobs funding by submitting an application no later than September 9, 2010. The Department encourages Governors to submit approvable applications as soon as possible so that local educational agencies (LEAs) may use program funds early in the 2010-2011 school year. The Department anticipates awarding a State's total Ed Jobs allocation within two weeks of the Governor's submission of an approvable application. If a Governor does not submit an approvable application by the statutory deadline, the availability of funds to LEAs in the State will be significantly delayed.

**B-2. What is an approvable Ed Jobs application?**

An approvable application is one in which the Governor assures, among other things, that:

- The State will comply with all applicable statutes, regulations, and its approved Ed Jobs application and will use funds under the program in accordance with those statutes and regulations and its approved application;
- The State will comply with the maintenance-of-effort (MOE) requirements in section 101(10)(A) of the Act and, within 60 days of the date of the State's grant award, submit to the Department the most current applicable MOE data available;
- The State will use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for funds under the Ed Jobs program, including procedures to ensure compliance with Federal cash management requirements;
- The State will reserve not more than 2 percent of its allocation for the administrative costs of carrying out its responsibilities with respect to Ed Jobs funds and will use all remaining funds to make awards to LEAs for the support of elementary and secondary education in accordance with section 101(5) of the Act;

- The State will make awards to LEAs on a timely basis so that funds are available for their use during the 2010-2011 school year;
- The State will not require an LEA that has previously submitted the required local application under the State Fiscal Stabilization Fund (SFSF) program to submit an application to receive funding under the Ed Jobs program;
- The State will not use funds under the Ed Jobs program, directly or indirectly, to (a) establish, restore, or supplement a rainy-day fund; (b) supplant State funds in a manner that has the effect of establishing, restoring, or supplementing a rainy-day fund; (c) reduce or retire debt obligations incurred by the State; or (d) supplant State funds in a manner that has the effect of reducing or retiring debt obligations incurred by the State;
- The State will develop and implement a monitoring plan that will enable the State to ensure that its LEAs comply with all applicable programmatic and fiscal requirements;
- The State will comply with the reporting requirements (including subrecipient reporting requirements) of section 1512 of the American Recovery and Reinvestment Act of 2009 (ARRA) and such other reporting requirements as the Secretary may establish;
- After reserving any funds for State administration, the State will distribute Ed Jobs funds to LEAs *either* –
  - Through the State’s primary elementary and secondary education funding formula(e) as identified in its application for funding under the SFSF program; *or*
  - On the basis of the LEAs’ relative shares of funds under Part A of Title I of the Elementary and Secondary Education Act of 1965 (ESEA) for the most recent fiscal year for which data are available.

The Ed Jobs application for Governors is available at <http://www2.ed.gov/programs/educationjobsfund/index.html>.

**B-3. Must a State provide specific education reform assurances in order to receive funds under the Ed Jobs program?**

The SFSF program education reform assurances apply to the Ed Jobs program. If a State has an approved SFSF phase two application, it is considered to be in compliance with those assurances and does not have to provide in its Ed Jobs application any additional data relative to those assurances.

**B-4. What if a Governor does not submit an approvable Ed Jobs application by the statutory deadline?**

While the Department anticipates that each Governor will submit a timely approvable application, the statute provides for an alternative distribution method (*see* section 101(8) of the Act). If the Department has to distribute Ed Jobs funds using an alternative method, it will be unable to distribute those funds to the State expeditiously and the receipt of funds by LEAs in the State will be substantially delayed.

**C. State Uses of Funds and Local Distribution**

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**C-1. How may a State use its Ed Jobs allocation?**

Each State may reserve up to 2 percent of its allocation for the costs of administering the program. The State must award the remaining portion of the allocation (at least 98 percent) to LEAs.<sup>3</sup> The Governor may not award those funds not reserved for State administration to entities other than LEAs.

**C-2. When must a Governor make funds available to LEAs?**

A Governor must make awards to LEAs on a timely basis so that funds are available for use during the 2010-2011 school year. An LEA must be able to use all of its allocation, if it so chooses, during the 2010-2011 school year.

To facilitate local planning, the Department urges States to make publicly available as soon as possible the amount that each LEA will receive under the Ed Jobs program.

**C-3. How must a State distribute funds to LEAs?**

A State must distribute the funds to LEAs *either* –

- Through the State’s primary elementary and secondary education funding formula(e) as identified in its application for funding under the SFSF program; *or*
- On the basis of the LEAs’ relative shares of funds under Part A of Title I of the ESEA for the most recent fiscal year for which data are available.

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<sup>3</sup> State law determines whether a charter school is an LEA or a school within an LEA. A State awards Ed Jobs funds to a charter school LEA on the same basis as it awards such funds to other LEAs in the State.



**C-4. May a State distribute a portion of its funds to LEAs on the basis of the State’s primary funding formula(e) and the remainder on the basis of Title I shares?**

No. A State must choose one of the two methods to allocate Ed Jobs funds to its LEAs.

**C-5. Which fiscal year data should a State use if it allocates Ed Jobs funds through its primary State funding formula(e)?**

The State must use the same data that it uses to allocate State funds for the 2010-2011 school year.

**C-6. Must an LEA submit an application to the State in order to receive funding under the Ed Jobs program?**

If an LEA submitted an SFSF application to the State that included the required GEPA assurances, it does not have to submit an additional application to receive Ed Jobs funds and the Governor may not require the LEA to do so.

If an LEA has not submitted the required SFSF application, it must submit an Ed Jobs application to the State to receive funds.<sup>4</sup>

**C-7. May a Governor direct how an LEA may use its Ed Jobs funds?**

No. A Governor may not direct how an LEA may use its Ed Jobs funds. LEAs have the discretion to decide how to use program funds, consistent with the provisions in section 101(5) of the Act and all other applicable requirements.

**C-8. If a State has not reduced its levels of State support for elementary and secondary education, are LEAs in the State still eligible to receive Ed Jobs funds?**

Yes. Any State that meets the Ed Jobs MOE requirements, including those that have not made cuts to education, is eligible to receive program funds. If a State’s LEAs do not need funds to recall or rehire former employees, they may use the funds for activities such as paying the salaries and benefits for teachers who provide instructional services in after-school and extended learning programs.

**C-9. May a State retain, for any purpose, additional Ed Jobs funds beyond those authorized to be reserved for State administration?**

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<sup>4</sup> Such local Ed Jobs applications must include the assurances in section 442 of GEPA (20 U.S.C. 1232e).

No. All funds not reserved for State administration must flow to LEAs. Thus, a State may not, for example, retain a portion of LEA allocations to make payments into a teacher retirement system on behalf of its LEAs.

**C-10. May a State allocate Ed Jobs funds to institutions of higher education (IHEs)?**

No. A State may not allocate Ed Jobs funds to IHEs.

**C-11. May a State use Ed Jobs funds to make payments into a “rainy day fund” or for debt reduction?**

No. A State may not use program funds, directly or indirectly, to establish, restore, or supplement a rainy day fund, or to supplant State funds in a manner that has this effect. Furthermore, a State may not use program funds, directly or indirectly, to reduce or retire debt obligations incurred by the State or to supplant State funds in a manner that has this effect.

**D. Local Uses of Funds**

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**D-1. For what purposes may an LEA use its Ed Jobs funds?**

An LEA must use its funds only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services.

**D-2. What categories of expenses may an LEA support with Ed Jobs funds?**

For purposes of this program, the phrase “compensation and benefits and other expenses, such as support services” includes, among other things, salaries, performance bonuses, health insurance, retirement benefits, incentives for early retirement, pension fund contributions, tuition reimbursement, student loan repayment assistance, transportation subsidies, and reimbursement for childcare expenses.

**D-3. Which employees may an LEA support with Ed Jobs funds?**

An LEA may use the funds to pay the salaries of teachers and other employees who provide school-level educational and related services. In addition to teachers, employees supported with program funds may include, among others, principals, assistant principals, academic coaches, in-service teacher trainers, classroom aides, counselors, librarians, secretaries, social workers, psychologists, interpreters, physical therapists, speech therapists, occupational therapists, information technology personnel, nurses, athletic coaches, security officers, custodians, maintenance workers, bus drivers, and cafeteria workers.

**D-4. What are the statutory prohibitions on an LEA’s use of Ed Jobs funds?**

The statute prohibits LEAs from using Ed Jobs funds for general administrative expenses as that term is defined by the National Center for Education Statistics (NCES) in its Common Core of Data. These prohibited expenses are administrative expenditures related to the operation of the superintendent’s office or the LEA’s board of education, including the salaries and benefits of LEA-level administrative employees.

The statute also prohibits LEAs from using Ed Jobs funds for other LEA-level support services expenditures as that term is defined in the Common Core of Data. These prohibited activities include the payment of expenditures for fiscal services, LEA program planners and researchers, and human resource services.

**D-5. May an LEA use Ed Jobs funds to pay the salaries and benefits of an LEA-level administrative official who also teaches or has other school-level responsibilities?**

For an individual with both LEA-level and school-level responsibilities, an LEA may use Ed Jobs funds to pay only that portion of the employee’s salary and benefits associated with the time spent on allowable (i.e., school-level) activities. The LEA must maintain documentation substantiating that amount of time.

**D-6. May an LEA use Ed Jobs funds to change previously established employee salary schedules or to reduce the number of furlough days?**

Yes. An LEA may use Ed Jobs funds, for example, to restore reductions in salaries and benefits and to implement salary increases for the 2010-2011 school year. In addition, an LEA may use the funds for any additional salary and benefits costs associated with the elimination of furlough days that had been scheduled for the 2010-2011 school year.

An LEA may not use Ed Jobs funds to compensate employees for any period prior to August 10, 2010, the date of enactment of the Act.

**D-7. May an LEA use Ed Jobs funds to pay the compensation and benefits of individuals who provide school-level services but are not employees of an LEA?**

No. An LEA may not use the funds to pay for contractual school-level services by individuals who are not employees of an LEA (e.g., janitors employed by an outside firm). However, an LEA that contracts with another LEA to provide educational and related services may use Ed Jobs funds to pay that portion of the contract associated with the salaries and benefits of the employees of the LEA providing the services.

**D-8. May an LEA use Ed Jobs funds to meet previously unmet pension fund liabilities?**

No. An LEA may not use Ed Jobs funds to meet pension obligations incurred in prior school years. However, an LEA may use its funds for pension obligations accruing on the basis of services that an employee performs during the 2010-2011 school year.

**D-9. Does the receipt of Ed Jobs funds require LEAs to comply with Federal civil rights laws?**

Yes. The receipt of any Federal funds obligates recipients to comply with Federal civil rights laws that prohibit discrimination based on race, color, national origin, sex, disability, and age.

**E. Maintenance of Effort**

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**E-1. What are the MOE requirements that apply to the Ed Jobs program?**

Under the Ed Jobs program, a State must maintain fiscal effort for education for fiscal year (FY) 2011 in one of the four ways identified below. Methods 3 and 4 are available only to States with State tax collections for *calendar year* 2009 that are less than State tax collections for *calendar year* 2006.

Under each method, the State must separately meet the MOE requirements for both elementary and secondary education and for public IHEs.

- **Method 1: Comparing FY 2011 Dollar Levels of Support with FY 2009 Levels**

**Elementary and Secondary Education MOE Requirement**

For State fiscal year 2011, the State will maintain State support for elementary and secondary education (*in the aggregate or on the basis of expenditures per pupil*) at not less than the level of such support for State fiscal year 2009;

**-And -**

**Public IHE MOE Requirement**

For State fiscal year 2011, the State will maintain State support for public IHEs (not including support for capital projects or for research and development or tuition and fees paid by students) at not less than the level of such support for State fiscal year 2009.

- **Method 2: Comparing FY 2011 Percentages of Support with FY 2010 Percentages**

**Elementary and Secondary Education MOE Requirement**

For State fiscal year 2011, the State will maintain State support for elementary and secondary education at a percentage of the total revenues available to the State that is equal to or greater than the percentage for State fiscal year 2010;

**-And -**

**Public IHE MOE Requirement**

For State fiscal year 2011, the State will maintain State support for public IHEs (not including support for capital projects or for research and development or tuition and fees paid by students) at a percentage of the total revenues available to the State that is equal to or greater than the percentage for State fiscal year 2010.

- **Method 3: Comparing FY 2011 Dollar Levels of Support with FY 2006 Levels**

*This method is available only to States with State tax collections for calendar year 2009 that are less than State tax collections for calendar year 2006.*

**Elementary and Secondary Education MOE Requirement**

For State fiscal year 2011, the State will maintain State support for elementary and secondary education (*in the aggregate*) at not less than the level of such support for State fiscal year 2006;<sup>5</sup>

**-And -**

**Public IHE MOE Requirement**

For State fiscal year 2011, the State will maintain State support for public IHEs (not including support for capital projects or for research and development or tuition and fees paid by students) at not less than the level of such support for State fiscal year 2006.

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<sup>5</sup> Under Method 3, a State may not demonstrate that it is maintaining fiscal effort for elementary and secondary education on the basis of expenditures per pupil.

- **Method 4: Comparing FY 2011 Percentages of Support with FY 2006 Percentages**

*This method is available only to States with State tax collections for calendar year 2009 that are less than State tax collections for calendar year 2006.*

**Elementary and Secondary Education MOE Requirement**

For State fiscal year 2011, the State will maintain State support for elementary and secondary education at a percentage of the total revenues available to the State that is equal to or greater than the percentage for State fiscal year 2006;

**-And -**

**Public IHE MOE Requirement**

For State fiscal year 2011, the State will maintain State support for public IHEs (not including support for capital projects or for research and development or tuition and fees paid by students) at a percentage of the total revenues available to the State that is equal to or greater than the percentage for State fiscal year 2006.

**E-2. Are data on “State tax collections” for calendar years 2006 and 2009 readily available?**

Yes. Data on State tax collections for calendar years 2006 and 2009 can be found in the U.S. Census Bureau’s *Report on State Government Tax Collections*. In using these data to determine State tax collections for a given calendar year, a State must calculate the sum of the relevant “quarterly State tax collections data” (available at [http://www.census.gov/govs/ntax/table\\_3.php](http://www.census.gov/govs/ntax/table_3.php)). A State may rely on data other than these data to determine calendar year State tax collections. However, a State may not use the “annual State tax collections data” in the Census Bureau report because these annual data are calculated on a State fiscal year basis, not a calendar year basis.

**E-3. May a State demonstrate compliance with the Ed Jobs MOE requirements by meeting the elementary and secondary education requirement under one method and the public IHE requirement under a different method?**

No. A State must use the same method to demonstrate compliance with both the elementary and secondary education and public IHE requirements. For example, a State utilizing Method 2 would provide FY 2011 and FY 2010 MOE data on the percentages of total revenues spent on elementary and secondary education and the percentages spent on public IHEs.

**E-4. What MOE information must a State include in its Ed Jobs application?**

In the Ed Jobs application, a Governor must assure that the State will meet the statutory MOE requirements. The Governor must also assure that, within 60 days of the date of the State's grant award, the State will submit to the Department the most current applicable MOE data available. The Department will be providing technical assistance and further instructions regarding the required MOE submission.

**E-5. If a Governor does not apply on behalf of the State and its LEAs, must the State still comply with the MOE requirements to receive Ed Jobs funds?**

Yes. The MOE requirements apply regardless of whether the applicant is the Governor or an alternate entity.

**E-6. Do the SFSF MOE requirements continue to apply to a State receiving Ed Jobs funds?**

Yes. A State that receives Ed Jobs funds must meet the MOE requirements of both the SFSF and Ed Jobs programs.

**E-7. What principles govern the elementary and secondary education MOE requirements under the Ed Jobs program?**

The following principles govern the Ed Jobs program elementary and secondary education MOE requirements:<sup>6</sup>

1. The data used to determine levels of support must include only *State* support for education. Local government contributions, such as revenues generated through local property taxes, are not considered State support. However, State appropriations to local governments to support elementary and secondary education may be included as State support. Federal funds are not considered part of State support.
2. A State may establish its level of State support solely on the basis of the amount of funds provided through its primary elementary and secondary education funding formula(e), but is not required to do so. The formula(e) must include the State's base or foundation formula(e).
3. A State may also include categorical and other support that is not provided through the primary funding formula(e).

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<sup>6</sup> These listed principles were included as principles in the January 2010 Guidance on the Maintenance-of-Effort Requirements in the State Fiscal Stabilization Fund Program available at [www2.ed.gov/programs/statestabilization/applicant.html](http://www2.ed.gov/programs/statestabilization/applicant.html).

4. A State may choose to quantify its level of State support on the basis of data that it provides for other purposes, such as data that it includes as “Revenue from State Sources” in the annual National Public Education Finance Survey conducted by NCES.
5. The sources of data that a State uses to make the determinations must be consistent from year to year. For example, a State may not exclude a particular funding formula in one year and include it in the next. A State may make necessary adjustments, however, to account for changes in the procedures through which it provides support for education during the applicable years.
6. A State must maintain adequate documentation that substantiates its MOE data.

**E-8. What principles govern the postsecondary education MOE requirements under the Ed Jobs program?**

The following principles govern the Ed Jobs program postsecondary education MOE requirements:<sup>7</sup>

1. The data used to determine levels of support must include only *State* support for public higher education. The data may not include any State support for private IHEs. In some States, local governments may provide support for community colleges or other public IHEs. Local government contributions are not considered State support. In addition, Federal funds are not considered part of State support.
2. The data must include the principal funding mechanisms through which a State provides assistance to public IHEs. For example, the data would include State appropriations for public higher education.
3. The data must exclude support for capital projects (such as construction or modernization activities) and research and development, and tuition and fees paid by students.
4. The data may not include support from private donors, such as charitable contributions that individuals make to public IHEs.
5. The data may not include corporate contributions for public IHEs, such as payments that a corporation makes for stadium-naming rights.
6. A State may quantify its level of State support for public higher education by providing data in addition to that provided in the appropriations enacted by the State legislature for public IHEs. For example, a State may include data such as

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<sup>7</sup>*See id.*



funding under State auspices for non-appropriated support (e.g., tobacco settlement funds and lotteries) specifically set aside for public higher education and interest or earnings received from State-endowments pledged to public IHEs.

7. State appropriations to public IHEs for financial assistance programs to defray the costs of tuition and fees paid by students (when the appropriated funds flow directly to the IHEs) may be considered State support for such institutions. The fact that the funds represent student financial aid for other purposes does not preclude such funds from consideration as State support for public IHEs in the Ed Jobs program.
8. Unrestricted State funding for public IHEs may be considered State support for such institutions even if those institutions choose to use a portion of that funding for financial assistance to students. This financial assistance is not considered to be tuition and fees paid by students or direct State support to students.
9. If a State provides unrestricted State funding to public IHEs and does not make separate appropriations for capital expenditures or research and development, the State must estimate the amount of capital expenditures and research and development expenditures to be excluded from the unrestricted funding.
10. A State may choose to quantify its level of State support on the basis of data that it provides for other purposes, such as data on State revenues to support public higher education that the State provides to the State Higher Education Executive Officers (SHEEO) as part of that organization's annual State Higher Education Finance (SHEF) study. Alternatively, a State could use institutional finance data submitted by IHEs under the NCES Integrated Postsecondary Education Data System (IPEDS) survey.
11. The sources of data that a State uses to make the determinations must be consistent from year to year. For example, a State may not include certain data sources one year and exclude those sources in the next. A State may make necessary adjustments, however, to account for changes in the procedures through which it provides support for education during the applicable years.
12. A State must maintain adequate documentation that substantiates its MOE data.

**E-9. How may a State account for “deferred payments” in its levels of State support for education?**

If a State makes available, in a given fiscal year, funds that its LEAs anticipate receiving as support for obligations incurred in the prior fiscal year, the State may (for purposes of the Ed Jobs program) include these deferred payments as State support in the prior fiscal year if –

- The State has an established practice of deferring payments from one fiscal year to the next;
- The State accounts for deferred funds consistently across fiscal years;
- The deferred funds are intended to support activities in the prior fiscal year;
- The time between the end of the prior fiscal year and the date of the deferred payments is minimized; and
- The amount of funds deferred is minimized.

**E-10. Does the Secretary have the authority to waive the MOE requirements of the Ed Jobs program?**

No. Neither the Ed Jobs statute nor any other Department statute authorizes the Secretary to waive the MOE requirements of the program. However, the Ed Jobs statute provides multiple methods for a State to demonstrate that it is maintaining fiscal effort for FY 2011.

**F. Accountability and Reporting**

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**F-1. Are there rules that govern the amount of Ed Jobs funds that a State or its LEAs may draw down at any one time?**

Yes. A State must have an effective system for ensuring that it can draw down Ed Jobs funds from the Department’s G5 system, on its own behalf and on the behalf of LEAs, as needed to pay program costs. The State must minimize the time that elapses between a drawdown and the expenditure of funds by the State or its LEAs. (*See* 34 C.F.R. 80.21(b).) States and LEAs must promptly, but at least quarterly, remit to the Department interest earned on advances. (*See* 34 C.F.R. 80.21(i).) The Department will take appropriate actions against States and LEAs that fail to comply with this requirement.

The State may not draw down any Ed Jobs funds from the Department’s G5 system, on its own behalf or on behalf of an LEA, unless the State or the LEA intends to spend the funds to meet immediate expenditure needs (i.e., needs within 3-5 days).

**F-2. How must entities that receive Ed Jobs funds track those funds?**

The State and its LEAs must maintain records that separately track and account for Ed Jobs funds. In accordance with the requirements of section 443(a) of GEPA (20 U.S.C. 1232f (a)), the State and its LEAs must maintain records that will facilitate an effective audit and demonstrate that the funds were used in compliance with applicable requirements.

**F-3. Do the reporting requirements under section 1512 of ARRA apply to Ed Jobs funds?**

Yes. Under section 101 of the Act, a State and its LEAs must fulfill the reporting requirements under section 1512 of ARRA. Specifically, the State will submit quarterly reports on its own behalf and on behalf of its LEAs that describe, among other things, how those funds were used. For additional information on section the 1512 reporting requirements, see [www2.ed.gov/policy/gen/leg/recovery/section-1512.html](http://www2.ed.gov/policy/gen/leg/recovery/section-1512.html).

**F-4. Does the Ed Jobs program have reporting requirements in addition to the section 1512 reporting requirements?**

Yes. States will submit annual reports to the Department for this program that include information on the number of education personnel impacted by the program. The Department will be providing guidance on the annual reporting requirements.

**G. Resources and Information**

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**G-1. Where may I obtain updated information about the Ed Jobs program?**

The Department will post updated information about the Ed Jobs program on the Department's website at <http://www2.ed.gov/programs/educationjobsfund/index.html>.

**G-2. Where may I obtain answers to specific questions that I may have about the Ed Jobs program?**

You may submit specific questions about the Ed Jobs program by e-mail to [EducationJobsFund@ed.gov](mailto:EducationJobsFund@ed.gov) or by phone at 202-453-7500. We will respond promptly to your questions.