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ASSISTANT EXECUTIVE SECRETARY

COMMONWEALTH OF VIRGINIA

Compensation Board

P.O. Box 710
Richmond, Virginia 23218-0710

December 18, 2009

MEMORANDUM

TO: The Honorable Charles E. Jett, Sr., President, Virginia Sheriffs' Association
The Honorable Neil S. Vener, President, Virginia Association of Commonwealth's Attorneys
The Honorable Gerald Duncan, President, Treasurers' Association of Virginia
The Honorable Page Johnson, President, Commissioners of the Revenue Association of Virginia
The Honorable Charles 'Vic' Mason, President, Virginia Court Clerks' Association
The Honorable Larry Pritchett, President, Virginia Association of Local Elected Constitutional Officers
Superintendent Lance Forsythe, President, Virginia Association of Regional Jails
Michael E. Amyx, Executive Director, Virginia Municipal League
James D. Campbell, Executive Director, Virginia Association of Counties

FROM: Robyn M. de Socio, Executive Secretary

RE: Overview of Compensation Board Funding Contained in the Governor's Recommended Budget (FY10 Caboose Bill and FY11/12 Biennial Budget)

Attached please find an overview of Governor Kaine's budget proposals submitted today to the General Assembly. Based upon our preliminary analysis, this overview presents items that directly affect Constitutional Officers and Aid to Localities funding on their behalf. The proposals are numerous, and please understand that staff will be working on further analysis of the impact of these changes at the local level over the next few weeks in preparation for the upcoming legislative session. We will provide more detailed analysis as soon as we have this information available.

The Compensation Board will review these recommendations at its meeting with you on January 12, 2010, at 2:00PM at our office in Richmond.

Please feel free to call me or Charlotte Luck should you need additional information or have any questions concerning the enclosed summary.

Attachment

cc: Compensation Board Members
Viola O. Baskerville, Secretary of Administration
Compensation Board Staff
John Crooks, Analyst, Department of Planning and Budget
John Jones, Executive Director, Virginia Sheriffs' Association
Robert Q. Harris, Director, Commonwealth's Attorneys' Services Council
Alan D. Albert, LeClair Ryan
Chip Dicks, FutureLaw, L.L.C.
Ron Jordan, Advantus Strategies
Madeline I. Abbitt, Abbitt Consulting Inc
Janet Areson, Virginia Municipal League
Dean Lynch, Virginia Association of Counties

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OVERVIEW OF COMPENSATION BOARD FUNDING
INCLUDED IN THE GOVERNOR'S
RECOMMENDED BUDGET FOR FY10 AND FY11/12 BIENNIUM

December 18, 2009

FY10 Caboose Budget Amendments

- Reductions implemented in September, 2009 based on the Governor's FY10 Budget Reduction Plan (9/8/09) totaling \$30,423,297 are maintained in the Caboose Bill for FY10;
- Reduction in funding of \$7,783,515 in FY10 eliminating reimbursements to localities for VRS retirement and group life insurance premium amounts payable on reimbursed salaries for constitutional officers and their employees;
- Reduction totaling \$2,170,919 in FY10 based on a 1 day furlough for all Constitutional Officers and their employees;
- Reduced funding of \$2,401,616 based upon delays in opening jail expansion projects scheduled for completion in FY10 in Loudoun County and Riverside Regional Jails;
- Supplanting of general funds for Sheriffs and Regional Jails in FY10 with fiscal stabilization federal funding in the amount of \$109,452,074;
- Additional non-general fund support of \$2 million from E-911 non-general funds in FY10 to supplant reduced general fund support for salaries of communications officers;
- Reduction in per diem funding of five percent at \$3,586,790 in FY10; no funding for currently anticipated shortfalls of approximately \$6 million in FY10;
- Caboose amendment reverts \$2 million of non-general Technology Trust Fund cash to the general fund in FY10;
- Administrative reductions implemented in September, 2009 based on the Governor's FY10 Budget Reduction Plan (9/8/09) totaling \$226,227 and eliminating three staff positions are maintained in the Caboose Bill for FY10.

FY11/12 Budget Bill (HB30/SB30) Budget Amendments

All Constitutional Officers

- Reduction in funding of \$29,136,730 in each year of the new biennium eliminating reimbursements to localities for VRS retirement and group life insurance premium amounts payable on reimbursed salaries for constitutional officers and their employees;
- Reduction in funding totaling \$5,675,021 supporting all constitutional officer and employee career development programs (programs include Sheriffs' Accreditation and Certification, Master Deputy, Master Jail Officer, Career Prosecutor, Master Commissioner, Master Deputy Commissioner, Master Treasurer, Master Deputy Treasurer). Budget language providing for each program has been maintained, however all funds have been removed and language added that suspends the programs;
- Reductions totaling \$1,650,374 in each year associated with the increased cost recovery from 50% to 100% of liability and surety bond premiums paid on behalf of Constitutional Officers.

Sheriffs and Regional Jails

- Additional funding of \$2,326,937 in FY11 and \$2,443,441 in FY12 and 86 positions to support jail construction projects scheduled for completion in FY11 and FY12 in Rappahannock Regional Jail, and Pittsylvania and Patrick County jails;
- Unrestored shortfall of \$23,300,000 remains in each year after a one-time restoration of this earlier reduction in FY10 utilizing federal stimulus Byrne Justice Assistance Grant funds;
- Reduction of \$5,259,997 in previously restored across-the-board reductions in each year based upon staff salaries and other expense appropriations;
- Reduction in law enforcement deputy funding of \$12,628,029 in FY11 and \$12,079,990 in FY12 and an associated reduction of 375 positions in each year based on a revised staffing standard of one deputy per 2,000 locality population (currently one deputy per 1,500 locality population);
- Additional non-general fund support of \$2 million from E-911 non-general funds in each year to supplant reduced general fund support for salaries of communications officers;
- Supplant of general fund support for law enforcement and court services staff with \$8,300,448 in FY11 and \$21,674,170 of non-general Virginia Public Safety funds.

Jails

- Additional per diem funding of \$1,564,920 in FY11 and \$878,400 in FY12 to support the anticipated increase in inmate populations due to the potential housing of Pennsylvania inmates in Department of Corrections facilities;
- Reduction in per diem funding of \$19,587,856 in FY11 and \$19,531,327 in FY12 based on reductions to the per diem amounts paid for local responsible inmates housed in local or regional jails from \$8 per day to \$4 per day, for local responsible inmates housed in jail farms from \$22 per day to \$18 per day, for state inmates housed in local or regional jails from \$8 or \$14 per day to \$12 per day, and the elimination of the additional \$14

per day currently paid for any inmates in contract beds by agreement with the Department of Corrections;

- Reduction in per diem funding of \$2,610,480 in FY11 based on one-time savings due to language associated with the early release of state responsible inmates.

Commonwealth's Attorneys

- Reduction of \$3,529,849 in previously restored across-the-board reductions in each year based upon staff salaries and other expense appropriations;
- Reduction of \$2,522,576 in each year based on an additional 5% across-the-board reduction to staff salaries and other expense appropriations for Commonwealth's Attorneys.

Circuit Court Clerks

- Reduction of \$2,749,929 in previously restored across-the-board reductions in each year based upon staff salaries and other expense appropriations;
- Reduction of \$1,481,378 in each year based on an additional 5% across-the-board reduction to staff salaries and other expense appropriations for Clerks;
- Reduction of \$3,255,922 in each year based on an additional 11% across-the-board reduction to staff salaries and other expense appropriations for Clerks;
- Continuation of the use of an additional \$1.49 million (for a total of \$2.98 million) of non-general Technology Trust Funds to offset a reduction in Clerks' general fund operating expenses and \$1 million to supplement Clerks' general fund operating expenses;
- Removed language authorizing the use of Technology Trust Funds to support office operations in the Clerk's office in the City of Newport News;
- Language provides for a line of credit in the amount of \$8 million for budgeting Technology Trust Fund cash in the year in which is it collected, to replace FY10 cash collections to be reverted to the general fund.

Treasurers

- Reduction of \$1,059,334 in previously restored across-the-board reductions in each year based upon staff salaries and other expense appropriations;
- Reduction of \$530,681 in each year based on an additional 5% across-the-board reduction to staff salaries and other expense appropriations for Treasurers;
- Reduction of \$8,425,825 in each year based on the elimination of all remaining appropriation for staff and other expense appropriations for Treasurers (maintains funding for the salary of the elected official only).

Finance Directors

- Reduction of \$620,504 in previously restored across-the-board reductions in each year based upon staff salaries and other expense appropriations;

- Reduction of \$310,651 in each year based on an additional 5% across-the-board reduction to staff salaries and other expense appropriations for Finance Directors;
- Reduction of \$5,162,339 in each year based on the elimination of all remaining appropriation for staff and other expense appropriations for Finance Directors (maintains funding for the salary of the appointed official only).
- Language added authorizing counties and cities to establish offices of finance that would assume the duties of the offices of Treasurers and Commissioners of the Revenue.

Commissioners

- Reduction of \$1,071,500 in previously restored across-the-board reductions in each year based upon staff salaries and other expense appropriations;
- Reduction of \$536,748 in each year based on an additional 5% across-the-board reduction to staff salaries and other expense appropriations for Commissioners;
- Reduction of \$9,000,444 in each year based on the elimination of all remaining appropriation for staff and other expense appropriations for Commissioners (maintains funding for the salary of the elected official only).

Administration

- Moves the Compensation Board from under the authority of the Secretary of Administration to the Secretary of Public Safety;
- Reduces funding of \$11,221 in each year provided to the Virginia Center for Policing Innovation in support of the SAVIN victim notification system in local and regional jails;
- Reduction of \$218,409 and 3 positions each year in elimination and consolidation of agency responsibilities; additional reduction of \$109,818 each year in spending reductions and other efficiencies, including shifting costs of \$102,000 in LIDS system support costs to local and regional users.