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## COMMONWEALTH OF VIRGINIA

### *Compensation Board*

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

December 17, 2010

#### **EMAIL MEMORANDUM**

TO: The Honorable Ryant L. Washington, President, Virginia Sheriffs' Association  
The Honorable Robert Beasley, President, Virginia Association of Commonwealth's Attorneys  
The Honorable W. Ann Davis, President, Treasurers' Association of Virginia  
The Honorable T. Scott Harris, President, Commissioner of the Revenue Association of Virginia  
The Honorable Frank Hargrove, Jr., President, Virginia Court Clerks' Association  
The Honorable Gary M. Clemens, President, Virginia Association of Local Elected Constitutional Officers  
Elton Blackstock, 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 (FY11/12 Biennial Budget)

Attached please find an overview of Governor McDonnell's budget proposals submitted today to the General Assembly. Based upon our preliminary analysis, this overview presents items that directly affect Constitutional Officers.

The Compensation Board will review these recommendations at its meeting with you on January 11, 2011, at 2:00PM at our office in Richmond.

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

My best wishes to you and your employees for a joyous holiday season.

#### Attachment

cc: Compensation Board Members  
Lisa Hicks-Thomas, Secretary of Administration  
Compensation Board Staff  
John Crooks, Budget 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  
Madeline Abbitt, Abbitt Consulting  
Ron Jordan, Advantus Strategies  
Chip Dicks, FutureLaw, L.L.C.  
Dean Lynch, Virginia Association of Counties  
Janet Areson, Virginia Municipal League

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

December 17, 2010

All Constitutional Officers

- Reduction of \$1.7 million in funding for the cost of the Virginia Risk Management liability and surety bond premiums paid by the Compensation Board on behalf of Constitutional Officers, Directors of Finance, and Regional Jails. The Compensation Board presently pays this premium and recovers 50% of such cost from reimbursements to localities. Language has been amended providing for the recovery of 100% of the cost in FY12 from localities.
- Budget language provides that localities are afforded the option to require employees to contribute a 5% employee-share amount toward the cost of VRS retirement premiums, but only if such requirement is offset by a 3% or more salary increase. Also proposed is an increase in the employer-share retirement contribution rate for state employees from 2.08% to 6.08% in FY12, which in turn increases the cap rate which the Compensation Board may reimburse on salaries of constitutional officers and their employees to a maximum of 6.08% in FY12.
  - These proposals are included in a broader set of proposals affecting the Virginia Retirement System and State Employee Pay;
  - A 3% salary increase for state employees that is a component of requiring employees to pay an employee-share contribution of 5% in FY12 does not apply to constitutional officers and their employees – the separate local option noted above is applicable instead;
  - The potential for a one-time, contingent bonus to state employees of up to 2% in FY12 does not apply to constitutional officers and their employees.
- No other funding of future salary increases for Constitutional Officers and their employees is included.
- No additional positions or funding were provided to meet staffing standards for Constitutional Officers.

Sheriffs and Regional Jails

- Additional funding totaling \$1,285,233 and 92 positions was provided in FY12 for the staffing of the expansion project in the Blue Ridge Regional Jail (Amherst) funded January 1, 2012.
- Restoration of \$8.3 million in each year to offset reductions to law enforcement and court services available funding that resulted from the failed passage of the Virginia Public Safety Fund fee during the 2010 session of the General Assembly. An original shortfall existed in FY12 of \$21.7 million, leaving a remaining shortfall of \$13.4 million in FY12.
- No additional funding or positions are included for law enforcement deputies in FY12. Based on provisional population data released by the Weldon Cooper Center for Public Service at the University of Virginia in January 2010, additional funding of \$3,871,987 and 114 additional positions is needed to meet the FY12 cost of additional law enforcement positions due based upon the ratio of 1 deputy per 1,500 of local population.

### Jails

- Additional inmate per diem funding of \$7.4 million in FY11 based on updated inmate population forecasts, and no recommendation for additional funding for per diem payments in FY12.

### Commonwealth's Attorneys

- No additional funds were provided for the conversion of part-time Commonwealth's Attorneys requesting full-time status effective July 1, 2011.

### Circuit Court Clerks

- Reductions of \$3,474,837 in FY11 and \$6,229,597 in FY12 to the appropriation for the Clerks' Technology Trust Fund to match actual cash balances available and projected revenues.

### Treasurers, Commissioners, and Finance Directors

- No program specific changes were included in the Governor's Budget Bill recommendations.

### Administration & Technical Adjustments

- Reduction of \$14,500 in previously earmarked FY10 carryover funding to meet a portion of Administrative budget reductions.
- Reduction of \$51,922 in Administrative funding of LIDS query and reporting costs.
- Technical adjustments to move \$1,004,500 in appropriated funding for the SAVIN victim notification system support from the Administration to the Sheriffs and Regional Jails program and to correct language reflecting an incorrect appropriated funding amount.
- Technical adjustment to distribute the 2010 session \$5.27 million reduction associated with fringe benefits adjustments from the Executive Management item to the appropriate Constitutional Officers' programs for FY12.
- Technical adjustment to clarify Administrative language providing that Compensation Board supported training programs will be conducted based on appropriated funding.
- All language regarding mandatory reappropriation of prior fiscal year-end balances has been removed from all programs.