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COMMONWEALTH OF VIRGINIA

Compensation Board

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

December 17, 2007

MEMORANDUM

TO: The Honorable Robert J. McCabe, President, Virginia Sheriffs' Association
The Honorable Harvey Bryant, President, Virginia Association of Commonwealth's Attorneys
The Honorable C. R. Suddith, President, Treasurers' Association of Virginia
The Honorable Sharon McDonald, President, Commissioner of the Revenue Association of Virginia
The Honorable Gary Clemens, President, Virginia Court Clerks' Association
The Honorable Raymond H. Hunley, President, Virginia Association of Local Elected Constitutional Officers
F. Glenn Aylor, 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 (FY08 Caboose Bill and FY09/10 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.

The Compensation Board will review these recommendations at its meeting with you on January 8, 2008, at 2:00PM at our office in Richmond.

Please feel free to call me, Wade Jewell, or Charlotte Luck 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
Viola O. Baskerville, 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
Chip Dicks, FutureLaw, L.L.C.
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 FY08 AND FY09/10 BIENNIUM

December 17, 2007

All Constitutional Officers

- Funding is recommended to provide a 3% salary increase effective July 1, 2009 (FY10) for Constitutional Officers and their employees. The same increase is provided to state employees.
- Budget reduction strategies implemented in October 2007 restricting the use of turnover savings for all Constitutional Officers, as well as the 90-day delay in reimbursement of personnel actions that fill vacant positions for Clerks, Directors of Finance, Treasurers and Commissioners offices, have been continued for the FY09 and FY10 biennium.
- Funding of \$7.5 million is included in base budget funds in FY09 and FY10 to meet the increased cost associated with retirement and group life insurance rate increases in FY07 and FY08. Fringe benefits rates provided for in the Budget Bill for FY09 include an employer portion of retirement benefits for state employees of 6.68% and a group life insurance rate of 0.36% with associated funding provided in central accounts.
- Funding of \$305,485 is provided in each year of the FY09 and FY10 biennium to address the shortfall in the annualized cost of salary increases provided for FY07 and FY08 for Constitutional Officers.
- Base budget funding provided for the payment of retiree health credit premiums on behalf of Constitutional Officers and their employees to the Virginia Retirement System was reduced by 50% and language requires recovery of 50% of the cost of premiums from the July reimbursement made to localities (\$402,725).
- Base budget funding provided for the payment of liability insurance and bond premium payments to the Division of Risk Management on behalf of Constitutional Officers and their employees was reduced by 42% and language requires recovery of 50% of the cost of premiums from the July reimbursement made to localities (\$1.6 million). A portion of these premiums is currently recovered from Treasurers and Commissioners of Revenue on an annual basis.
- No additional positions or funding were provided to meet staffing standards for Constitutional Officers.

Sheriffs and Regional Jails

- No additional funding or positions are provided for law enforcement deputies in FY09 or FY10. Based on provisional population data released by the Weldon Cooper Center for Public Service at the University of Virginia in January 2006, additional funding of \$1,319,307 and 41 additional positions is needed to meet the FY09 cost of additional law enforcement positions due based upon the ratio of 1 deputy per 1500 of locality population.

- Additional funding totaling \$3,458,055 and 317 positions was provided in FY09 for completion of expansion projects in Riverside, Prince William/Manassas, and Rappahannock Regional Jails and completion of a bed conversion project in Newport News City Jail. Funding is based on a 3-month delay from the anticipated dates of completion. Funding and positions have also been included in the caboose bill for the portion of the expansion project in Riverside Regional Jail scheduled to be completed in January of 2008. Funding and positions were not included for facilities and expansion projects scheduled to open within three months of the end of FY09 or those anticipated in FY10.
- Funding of \$2 million in FY09 and \$4 million in FY10 was included to support the Governor's commitment to LEOS enhanced retirement benefits for Sheriffs' deputies. Language provides for the allocation of funds in accordance with fiscal stress factors.
- Additional language has been added that any locality or group of localities may submit the required studies prescribed by §53.1-82.1., Code of Virginia by March 1 of any year for the review and approval of the Department of Corrections and for consideration by the Governor of inclusion of such a project in the Budget Bill.
- In addition to conditions for approval or commitment of additional funds for the state share of the cost of construction or expansion of local and regional jail facilities, language has been added to require such projects meet the design criteria set out in the Board of Corrections' Standards for Planning, Design, Construction and Reimbursement of Local Correctional Facilities.
- No additional funding was provided for further participation of offices in the Master Deputy/Jail Officer Program.

Jails

- Additional per diem funding was included in the caboose bill to meet the anticipated need of \$14.8 million for the remainder of FY08. The same funding is also provided to meet the increased costs of per diem payments for housing inmates in local and regional jails over the next biennium. Current language provides that per diem funding is to be budgeted based upon actual inmate populations each year, and funding needs are anticipated to be addressed separately each year. The estimated remaining need based on current inmate population forecast data is \$6 million in FY09 and \$9.3 million in FY10.
- Language providing for federal overhead recovery exemptions for Alexandria City Jail and Central Virginia, Northern Neck, and Piedmont Regional Jails has been removed along with related funding in the amount of \$2.8 million.

Commonwealth's Attorneys

- No additional funds were provided for the conversion of part-time Commonwealth's Attorneys requesting full-time status effective July 1, 2008.
- No additional funding was provided for further participation of offices in the Career Prosecutor Program.

Circuit Court Clerks

- Language which provides for the transfer of \$1.49 million of non-general Technology Trust Funds to offset general fund budget reductions to Clerks' operating budgets was continued in the Budget Bill.

Treasurers

- No additional funding was provided for increased participation of officers or deputies in the Treasurers' Career Development Program or the Master Deputy Treasurers' Career Development Program.

Finance Directors

- None

Commissioners of the Revenue

- Additional funding of \$75,129 was provided to correct the technical omission of funds by the 2004 session of the General Assembly for the Master Deputy Commissioners' Career Development Program.
- No additional funding was provided for increased participation of officers or deputies in the Commissioners' Career Development Program or the Master Deputy Commissioners' Career Development Program.

Administration

- Additional funding of \$28,500 was included in the Budget Bill to maintain the annual cost of the interface between the Virginia Sex Offender Registry and the National Justice Exchange (VINE victim notification).
- Budget reduction strategies implemented in October 2007 regarding reductions in spending for VITA (information technology) services and training costs, as well as the elimination of one full-time position and associated funding has been removed from base budget funding for the FY09 and FY10 biennium.
- The Budget Bill includes an additional budget reduction strategy to streamline agency operations resulting in a reduction of \$93,051 in FY09 and \$344,121 in FY10 associated with the reduction of three full-time positions.