

## **OVERVIEW OF COMPENSATION BOARD FY10 BUDGET PRIORITIES AND POLICIES**

### **New Positions, FY10**

- **New Positions:** No additional positions have been approved by the General Assembly for FY10 with the exception of new jail construction and expansion projects that are scheduled for completion in FY10. Jail related positions associated with these projects have been allocated in accordance with funding approved by the General Assembly for FY10 as follows:
  - 38 positions for the second phase of an expansion of the Rappahannock Regional Jail with funding effective July 1, 2009;
  - 135 positions for the second phase of an expansion of the Riverside Regional Jail with revised funding based on a delayed opening date of September 1, 2009;
  - 16 positions for the expansion of the Blue Ridge Regional jail with funding effective November 1, 2009;
  - 77 positions for the expansion of the Loudoun County Jail with revised funding based on a delayed opening date of November 15, 2009;
  - 142 positions for the expansion of the New River Valley Regional Jail with funding effective December 1, 2009.

### **Permanent Salaries, FY10**

- **FY10 Salaries:** The FY10 budget provided on May 1, 2009 provides the base salary amounts approved for FY10, effective July 1, 2009.
- **Salary Increases:** The 2009 General Assembly has not provided for salary increases in FY10 for constitutional officers and their Compensation Board funded permanent staff positions. This includes across-the-board salary increases and performance-based increases.
- **Annual Leave:** Reimbursement for the payoff of accrued annual leave balances was eliminated in FY04 and has not been reinstated.

### **Career Development Programs, FY10**

- **Sheriffs' Career Development Programs:** The Career Development Program includes two tracks: one for offices accredited by certain law enforcement standards committees/associations; and a certification program for offices without such accreditations. For FY10, 45 officers have qualified for the Accreditation Program and have received a 9.30% salary increase, and 2 officers have qualified for the Certification Program and have received a 6.20% salary increase.
- **Master Deputy/Jail Officer Programs:** No additional funding is included in the Appropriation Act in FY10 for the 12 Sheriffs' offices and 5 regional jail facilities that certified their Master Deputy/Jail Officer programs to the Compensation Board prior to July 1, 2008, and are currently not funded for their participation in the program. Any office wishing to opt-in to participate in the Master Deputy/Jail Officer programs will need to notify the Compensation

Board by July 1 that they have established the Program in their office, and additional funds will need to be requested for appropriation to the Compensation Board by the General Assembly. **To opt into the program, the Compensation Board will send an email to Sheriffs and Regional Jails in early June advising them to submit the Certification of Career Development Plan form for the Master Deputy or Master Jail Officer program by July 1 of each year for approval of funding for the program the following July 1 (i.e. offices without funding for Master Deputies/Jail Officers should submit the opt-in form by July 1, 2009 to request participation and funding effective July 1, 2010).**

- **Career Prosecutor Program:** Current Compensation Board funding provides for 95 career prosecutor slots in Commonwealth's Attorneys offices. The General Assembly did not approve additional funding for the 83 additional career prosecutor slots requested by Commonwealth's Attorneys certifying the eligibility for participation of their Assistant Commonwealth's Attorneys by July 1, 2008. For those offices with funded slots, when classified as a career prosecutor, the Assistant Commonwealth's Attorneys will receive the associated 19.48% salary increase. **Any office wishing to obtain slots/funding to have positions reclassified to career prosecutor in FY11 must have made the request in the January 2009, FY10 budget request process in COIN, and additional funds will need to be requested for appropriation to the Compensation Board by the General Assembly (i.e. offices without funding for Career Prosecutors should have made the request in the COIN budget in January 2009 to request participation and funding effective July 1, 2010).**
- **Treasurers and Commissioners of the Revenue Career Development Programs:** Language and funding at a base level are included in the Appropriation Act for the ongoing implementation of the Treasurers Career Development Program and the Commissioners of the Revenue Career Development Program (CDP). Associated pay increases for these programs are effective July 1 of each year for a 12-month period. However, funding has not been increased beyond the original level of participation, and is continued at the same level for FY10. All participants of both programs funded for the related salary increase in FY09 that have maintained eligibility for the programs have been funded for the related salary increase in FY10. As additional funding for participation has not been approved by the General Assembly, new participants in the Treasurers CDP or the Commissioners of the Revenue CDP for FY10 have not been approved for the related salary increase.
- **Deputy Treasurers and Deputy Commissioners of the Revenue Career Development Programs:** Language and funding at a base level are included in the Appropriation Act for the ongoing implementation of the Deputy Treasurers Career Development Program and the Deputy Commissioners of the Revenue Career Development Program (CDP). Associated pay increases for these programs are effective July 1 of each year for a 12-month period. However, funding has not been increased beyond the original funded level of participation, and is continued at the same level for FY10. All participants of both programs funded for the related salary increase in FY09 that have maintained eligibility for the programs have been funded for the related salary increase in FY10. As additional funding for participation has not been

approved by the General Assembly, new participants in the Deputy Treasurer CDP and Deputy Commissioners of the Revenue CDP for FY10 have not been approved for the related salary increase.

### **Other Funding Items, FY10**

- **Technology Trust Funds:** Appropriation Act language provides for the use of \$2.98 million of Technology Trust Funds (TTF) in FY10 to offset previous and current general fund budget reductions. As requested by the Virginia Circuit Court Clerks' Association (VCCA), the Compensation Board has continued to offset general operating budget reductions by this amount. Appropriation Act language provides for the additional use of \$1 million of TTF in FY10 for general operating costs in Clerks' offices. The Compensation Board has approved a proportionate allocation of the funds to office expenses in FY10. In addition, the 2009 General Assembly approved the transfer of \$104,280 from the \$1 portion of the TTF to the Supreme Court to establish a support position that will assist with the implementation of an interface between local case management and financial management systems and the statewide systems operated by the Supreme Court. Finally, the 2009 General Assembly approved an exception for the Newport News City Clerk, allowing for the allocation of TTF for general operating expenses in FY09 and FY10.
- **Office Equipment Funding:** No funding has been provided for office equipment in the approved budget for Constitutional Officers for FY10. For Sheriffs and Regional Jails, requests for Livescan/upgrades previously considered by the Compensation Board through the budget approval process will now be considered on an individual basis and presented as a docket request item at the Compensation Board's regularly scheduled monthly board meetings. (Note for Clerks: Technology Trust Funds are not a part of your base budget funds and budgeting is handled separately in the months of August and September).
- **Training Events:** Additional allowance funding is not available for the reimbursement of attendance at non-Compensation Board-sponsored training events, such as VALECO, LGOC, and the Association's annual meeting. However, attendance at these events is considered a reimbursable expense if funds are available in your budget. All Officers will continue to be reimbursed for the approved travel-related expenses associated with attending Compensation Board-sponsored training events such as Lawful Employment and New Officer Training.

## Transfer Policy, FY10

- **Vacancy Savings:** FY09 policies restricting transfers of accumulated vacancy funds for all Constitutional Officers will be continued in FY10.
  - Exception – one time approval of full salary amount transferred from permanent salaries to the office expense budget category for yearlong vacancy of food service or medical service positions in jails, where a contract for such services is procured in lieu of direct staffing. **Sheriffs and Superintendents who wish to leave such permanent positions vacant for the entire fiscal year and transfer the funds to office expenses should submit their requests to the Compensation Board not later than July 1 for Compensation Board action on July 15 along with information regarding the costs of such medical and food service contracts;**
  - Exception – transfer of remaining salary funds will be approved for positions held vacant under the position reallocation policy;
  - Exception – transfer of remaining salary funds will be approved for positions which become vacant as a result of the incumbent being called to active military duty.
  
- **Turnover:** Turnover funds can be used by ALL offices as follows, through April 30 and prior to the May 1 setting of the budget for a subsequent fiscal year:
  - Restoration to prior base salary amount for employees with salaries reduced due to across-the-board budget reductions;
  - Salary increases in accordance with Compensation Board salary policy involving classification actions that result in a change in pay band;
  - FY09 policy restricting the use of turnover for in-band pay adjustments and transfers to other base budget categories has been continued in FY10.
  
- **Base transfers:** Base budget transfers of turnover funds to other budgeted categories will not be approved in FY10. Base budget transfers can be made by ALL offices between Office Expense and Temporary budget categories, but require Compensation Board action.
  
- **One-time transfers:** One-time transfers can be made by ALL offices as follows:
  - From Temporary or Office Expenses to Equipment (not in the base) but transfers require Compensation Board action;
  - Between Temporary and Office Expenses not to exceed \$10,000 per month (not in the base);
  - Exception – no transfers from Temporary or Office Expenses of funds available in those categories through approved one-time transfers of permanent salary funds.

## Other Funding Policies, FY10

- **90-day Vacancy Restrictions:** The FY09 implementation of a 90-day delay in filling vacant positions in all offices will continue in FY10.
- **Division of Risk Management Liability Insurance/Surety Bond Premium Recovery:** Included in the Appropriation Act for FY10 is language requiring that 50% of the amount of the Compensation Board's payment for liability insurance and surety bond premiums on behalf of Constitutional Officers and their employees to the Division of Risk Management be recovered from payments made to localities. Distribution of the recovery amount for the premiums paid is based upon a prorated number of positions covered in each office. Each office's related cost will be recovered from the July payroll reimbursement amount prior to electronic transfer of funds to the locality.
- **Constitutional Officers' VRS Retiree Health Care Credit Premium Recovery:** Approved by the General Assembly for FY10 is language requiring that 100% of the amount of the Compensation Board's payment for the retiree health care credit premium on behalf of Constitutional Officers and their employees to the Virginia Retirement System be recovered from payments made to localities (an increase from 50% in FY09). Distribution of the recovery amount for the retiree health care credit is based upon a prorated amount of salary funds for each office, and does not include recoveries on behalf of Directors of Finance, Regional Jails, or localities not participating in the Virginia Retirement System. Each office's related cost will be recovered from the July payroll reimbursement amount prior to fund transfer to the locality.
- **Withholding of Reimbursements:** Language in the Appropriation Act provides that the Compensation Board is authorized to withhold reimbursements due the locality for sheriff and jail expenses upon notification from the Superintendent of State Police that there is reason to believe that crime data reported by a locality to the Department of State Police in accordance with §52-28, Code of Virginia, is missing, incomplete or incorrect. Upon subsequent notification by the Superintendent that the data is accurate, the Compensation Board shall make reimbursement of withheld funding due the locality when such corrections are made within the same fiscal year that funds have been withheld.
- **Aid to Localities Reductions:** Language and an associated funding reduction totaling \$50 million in FY09 and FY10 that was approved by the 2008 General Assembly to create a reversion clearing account to achieve savings in funding provided to aid to localities remains in the approved budget for FY10. This action requires that within 30 days of the enactment of HB1600, the Department of Planning and Budget (DPB) is to provide an estimate of aid to localities for the upcoming year and provide a savings apportionment amount to each locality based upon a proportion of the aggregate total required to achieve the \$50 million. Each locality will have until August 30, 2009, to choose whether to achieve their savings from a single program, a percentage reduction in all state payments, or to reimburse the Commonwealth in lieu of reductions to payments they receive. Although a locality's choice to achieve savings through reducing funds from the

Compensation Board for some or all constitutional officer programs will not result in a reduction in the budget set by the Compensation Board, officer's should be aware that monthly reimbursements during the year could be reduced or eliminated in order to achieve the locality-designated savings.

- **June Payroll Shift:** Based upon action by the 2002 Session of the General Assembly, the Compensation Board's reimbursement cycle for fiscal year payroll and expenses has permanently changed. While the Compensation Board has always reimbursed expenditures one month in arrears, prior to FY02 it included an accelerated schedule in June to reimburse both May and June expenditures prior to the end of the fiscal year. In FY02, localities did not receive a reimbursement for June expenditures. Instead, June 2002 expenditures were reimbursed in the month of July 2002, or the beginning of FY03. In FY03, localities received reimbursements for the months of June through May. Since FY04, this reimbursement schedule has remained the same, with localities receiving reimbursement payments for the months of June through May in the months of July through June. This has not changed the budget cycle for the fiscal year, however, which is still established on a fiscal year cycle, beginning July 1 and ending June 30. Because of this change, officers should keep in mind that expenditures in the month of June of each year will be reimbursed out of budgeted funds available for the following fiscal year and could result in a delay in reimbursement of expenditures in the later months of the fiscal year.

### **Requests for Additional Compensation Board Funding**

- Due to current funding constraints, requests for additional funding in any budget category have little chance of approval during FY10.

### **Exceptions**

- The Compensation Board will consider exceptions to these policies upon written request of Constitutional Officers, Finance Directors or Jail Superintendents.

If you have further questions, please contact a member of the Compensation Board staff:

Sheriffs and Regional Jails – Regina Hill – 804-225-3435, [regina.hill@scb.virginia.gov](mailto:regina.hill@scb.virginia.gov);

Commissioners of the Revenue, Treasurers and Finance Directors – Bill Fussell – 804.225.3475, [william.fussell@scb.virginia.gov](mailto:william.fussell@scb.virginia.gov);

Commonwealth's Attorneys & Circuit Court Clerks – Paige Christy – 804.225.3442, [paige.christy@scb.virginia.gov](mailto:paige.christy@scb.virginia.gov);

Clerks' Technology Trust Funds – Lisa Carson – 804.225.3443, [lisa.carson@scb.virginia.gov](mailto:lisa.carson@scb.virginia.gov)

Local Governments

Charlene Rollins – 804.225.3321, [charlene.rollins@scb.virginia.gov](mailto:charlene.rollins@scb.virginia.gov);

Charlotte Luck – 804.225.3366, [charlotte.luck@scb.virginia.gov](mailto:charlotte.luck@scb.virginia.gov); or

Robyn de Socio – 804.225.3439, [robyn.desocio@scb.virginia.gov](mailto:robyn.desocio@scb.virginia.gov)