

FY12 Budget Reduction Implementation April 7, 2011

On March 11, the Compensation Board made available on its website estimates of reimbursable funding for each Sheriff's office and Regional Jail, based upon action taken by the legislature during its 2011 session, adjourning on February 27. These estimates included funding reductions for each office of approximately 1.8% based upon a \$7.4 million appropriation shortfall approved by the 2011 General Assembly.

During the reconvened session of the General Assembly held on April 6, the legislature approved an amendment proposed by Governor McDonnell that provides for the allocation in FY12 of \$7.4 million of FY11 year-end general fund balances, provided sufficient funds are designated as available by the State Comptroller for nonrecurring expenditures. Designation of the availability of such funds will not occur until after the close of FY11, and allocation of the potential funds is not likely before August, 2011. Because the availability of these funds in FY12 will not be known until after the beginning of FY12, the Compensation Board must proceed with plans to reduce the base budgets of Sheriffs' offices and Regional Jails in order to set budgets for FY12 as required by law by May 1, 2011.

Once year-end balance funds become available for allocation in FY12, the Compensation Board will take action to allocate those amounts in the same proportional manner in which funds are being reduced. However, offices should anticipate that any additional allocations must be approved as one-time funding in FY12.

The reduction in reimbursable funds that is applicable to each office for FY12 is based upon an across-the-board cut to match the shortfall in appropriated funds supporting Sheriffs and Regional Jails based upon legislative action, and these amounts cannot be changed. However, officers may review the default budget reduction implementation plan, and may request alternate reduction strategies within their own office to meet the required reduction. Any reduction plan changes must total to the targeted reduction amount provided.

The Compensation Board has provided a database on its website identifying the default budget reduction implementation plan affecting each position and budgetary line item. Each office can download their own details, and can use a resulting spreadsheet to generate a request for changes to the default. **This spreadsheet must be submitted electronically to the Compensation Board no later than Thursday, April 14, 2011.** Compensation Board staff will compile, review and present any requested changes received to the Compensation Board at its April meeting, and will incorporate either the default reduction or requested changes into the approved budget on May 1, 2011. Instructions for downloading your office's information identifying the details of the default implementation plan, and for using the resulting spreadsheet to submit any change requests, are available at <http://www.scb.virginia.gov/docs/fy12brinstructions.pdf>.

As you review the specific budget reduction implementation for your office, please note that the Compensation Board established and followed a default methodology for reducing budget line items until reaching the targeted reduction amount. This methodology included the following priorities and order of reduction:

- Reducing, then eliminating base budget office expense funds;
- Reducing, then eliminating base budget temporary salaries
 - Any available turnover funds accumulated and unused as of April 1 have been moved to base budget temporary salaries for FY12 and may be used toward meeting the budget reduction target in the default implementation; if you had plans to use the turnover funds in April, please contact Compensation Board staff to return the turnover for your planned use and designate budget reductions in other base funding areas;
- Eliminating positions, focusing first on vacant positions, transferred positions, and positions below the entry level of the pay band. If a position was eliminated at a savings higher than the targeted reduction level, the remaining funds were transferred to base temporary salaries;
- Reducing position salaries where savings could be achieved without reducing the position below the entry level of the pay band;
- Where filled positions were eliminated, priority was given to maintaining sworn deputies and officers, including master deputy/officer positions in all offices with career development program participants.

The Compensation Board recognizes that within the required target reduction amounts, there may be alternative strategies that each office may identify as meeting their individual needs. The opportunity to request changes, as noted above, allows for consideration of these alternatives. Please note that the Compensation Board has established specific priorities and rules regarding alternative approaches, as follows:

- Reductions must be made at the base budget line item level – vacancy savings cannot be used to meet targeted reduction levels;
- Constitutional Officers may choose to reduce their own salaries below the level set by the General Assembly, but must accompany such a request with a certification statement acknowledging their understanding that there is no expectation that the salary levels will be restored without specific legislative appropriation to do so, or without the office choosing an alternative reduction of other expenses at a later date. This request is binding on any subsequent officer;

- No salary amount may be reduced below the entry level of the payband, if not already below the entry level; however, positions may be reclassified downward by the officer to access a lower pay band;
- Savings from eliminating a position or reducing the salary of a position that exceed the targeted reduction amount may be transferred to base temporary salaries or base office expense funds, but may not be used to increase the salaries of other positions at this time. After July 1, base temporary salaries and base office expense funds may be used to increase salaries of other positions in accordance with current turnover use policies for out-of-band classification and pay adjustments (no in-band adjustments at this time).

Please review the [instructions](#) for downloading your individual office budget details and for submitting a request to change the implementation of the reduction amounts. **No requests to change the implementation of the budget reduction will be accepted after April 14, 2011.** If you have additional questions regarding budget reduction implementation or submitting a request to make changes, please contact Regina Hill, Charlene Rollins, Charlotte Lee, or Robyn de Socio.

Contact (click for email):

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