

OVERVIEW OF COMPENSATION BOARD FY12 BUDGET PRIORITIES AND POLICIES

New Positions, FY12

- **New Positions:** No additional positions have been approved by the 2011 General Assembly for FY12 with the exception of staffing for one jail expansion project scheduled for completion in FY12. Jail related positions associated with this project have been allocated in accordance with funding approved by the General Assembly for FY12 as follows:
 - 92 positions for staffing of the expansion of the Blue Ridge Regional Jail with funding effective January 1, 2012; Transfer of jail related positions from closing local jails in Appomattox and Amherst.

Permanent Salaries, FY12

- **FY12 Salaries:** The FY12 budget provided on May 1, 2011, provides the base salary amounts approved for FY12, effective July 1, 2011.
 - These amounts do not yet include supplemental budgeting in August, 2011 of one-time funds from FY11 year-end balances to offset FY12 reductions for Sheriffs and Regional Jails.
- **Salary Increases:** The 2011 General Assembly has not provided for salary increases in FY12 for constitutional officers and their Compensation Board funded permanent staff positions. This includes across-the-board salary increases and performance-based increases.

Career Development Programs, FY12

- **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 FY12, 40 officers have qualified for the Accreditation Program and have received a 9.30% salary increase, and 1 officer has qualified for the Certification Program and has received a 6.20% salary increase. The 2010 General Assembly approved language restricting participation in the program to officers that were funded with the salary increase prior to January 1, 2010. Officers not funded in the program prior to January 1, 2010 are not funded for participation in FY12.
- **Master Deputy/Jail Officer Programs:** No additional funding is included in the Appropriation Act for any Sheriffs' offices or regional jail facilities that certified their Master Deputy/Jail Officer programs to the Compensation Board but are currently not funded for their participation in the program. The 2010 General Assembly approved language and funds for individual participants in the program that were funded in the program (i.e. receiving the pay supplement) as of January 1, 2010. The program remains suspended for any individual participants not receiving funding for their participation as of January 1, 2010. Any future participation in any of the Master Deputy/Jail Officer programs will require language to lift the program suspensions and additional appropriation by the General Assembly in order for related salary

increases to be funded. For future participation, budget language still requires that 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, recognizing that additional funds will need to be requested for appropriation to the Compensation Board by the General Assembly.

- **Career Prosecutor Program:** Current Compensation Board funding provides for 66 career prosecutors currently participating in Commonwealth's Attorneys offices that will receive the associated 19.48% salary increase. The 2010 General Assembly approved language and funding for individual participants in the program that were funded in the program (i.e. receiving the pay supplement) as of January 1, 2010. The program remains suspended for any individual participants not receiving funding for their participation as of January 1, 2010. Any future participation in the Career Prosecutor Program will require language to lift the program suspension and additional appropriation by the General Assembly in order for related salary increases to be funded.
- **Treasurers and Commissioners of the Revenue Career Development Programs:** The 2010 General Assembly approved language and funding for individual participants in the programs that were funded in the programs (i.e. receiving the pay supplement) as of January 1, 2010. The programs remain suspended for any individual participants not receiving funding for their participation as of January 1, 2010. Any future participation in any of the Career Prosecutor programs will require language to lift the program suspensions and additional appropriation by the General Assembly in order for related salary increases to be funded.
- **Deputy Treasurers and Deputy Commissioners of the Revenue Career Development Programs:** The 2010 General Assembly approved language and funding for individual participants in the programs that were funded in the programs (i.e. receiving the pay supplement) as of January 1, 2010. The programs remain suspended for any individual participants not receiving funding for their participation as of January 1, 2010. Any future participation in any of the Career Prosecutor programs will require language to lift the program suspensions and additional appropriation by the General Assembly in order for related salary increases to be funded.

Other Funding Items, FY12

- **Technology Trust Funds:** Appropriation Act language provides for the use of \$2.98 million of Technology Trust Funds (TTF) in FY12 to offset previous and current general fund budget reductions. The Compensation Board has continued to offset general operating budget reductions by this amount.
- **Office Equipment Funding:** No funding has been provided for office equipment in the approved budget for Constitutional Officers for FY12. 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. Sheriffs and Superintendents are reminded that the Board may

consider one-time transfers of an office's accrued vacancy savings to fund its livescan/upgrade needs. (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, FY12

- **Vacancy Savings:** Policies restricting transfers of accumulated vacancy funds to other budget categories for one-time use for all Constitutional Officers will not be required in FY12.
 - Officers who wish to leave permanent positions vacant for the entire fiscal year and transfer the funds to temporary salaries or office expenses should submit their requests to the Compensation Board not later than July 1 for Compensation Board action on July 15. For offices requesting to transfer annual salary amounts for medical and food service contracts must provide information regarding the costs of such contracts.
- **Turnover:** Turnover funds can be used by ALL offices as follows, through April 18 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;
 - FY11 policy restricting the use of turnover for in-band pay adjustments has been continued in FY12.
- **Base transfers:** Base budget transfers of turnover funds to other budgeted categories may be considered under special circumstances in FY12. Base budget transfers within other budget categories can be requested by all offices 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, FY12

- **Division of Risk Management Liability Insurance/Surety Bond Premium Recovery:** Included in the Appropriation Act for FY12 is language requiring that 100% 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 FY12 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. 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 \$60 million in FY12 was unchanged by the 2011 General Assembly and creates a reversion clearing account to achieve savings in funding provided as aid to localities. This action requires that within 30 days of the enactment of HB1500, 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 \$60 million. Each locality will have until August 30, 2011, 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 FY12. The Compensation Board reserves the right to make future budget adjustments as may be necessary to limit expenditures in the case of reduced appropriation balances that emerge at a later date.

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:

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Commissioners of the Revenue, Treasurers and Finance Directors – Bill Fussell – 804.225.3475, william.fussell@scb.virginia.gov;

Commonwealth's Attorneys & Circuit Court Clerks – Paige Christy – 804.225.3442, paige.christy@scb.virginia.gov;

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Local Governments

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