

**FY15
COMPENSATION BOARD
BUDGET HEARING**

June 25, 2014 – Richmond, VA

10:00 a.m.

**Susan Swecker, Chairman
Martha S. Mavredes, Member
Craig M. Burns, Member**

COMPENSATION BOARD FY15 BUDGET PRIORITIES

The Compensation Board develops priorities each year to be used in establishing the budgets for all Constitutional Officers. To begin the budgeting process, the Compensation Board applies its general priorities in establishing a base funding level for each office, considering annual budget requests of constitutional officers and General Assembly actions, prior to determining individual budget amounts. These general priorities include:

- ◆ Level funding of existing base budgets for personnel, including salaries for permanent positions, fringe benefits, hourly-wage/temporary funding and office expense funding.
- ◆ Continued funding for existing participants in career development programs.
- ◆ Allocation of any positions and funding established through legislative actions.
- ◆ Salary adjustments for Constitutional Officers changing population groups.
- ◆ Reclassifications where there is no salary cost.
- ◆ Allocation of positions based on the position reallocation policy.
- ◆ No funding is available for equipment for any offices. For local and regional jails, LIVESCAN equipment funding previously considered during the budget allocation process for will be considered on an individual request basis at regularly scheduled Board Meetings (Clerks' Technology Trust Funds are not a part of base budget funds and are budgeted separately beginning in the late summer).

COMPENSATION BOARD FY15 LEGISLATIVE ISSUES CONSTITUTIONAL OFFICERS

Constitutional Officers:

HB1051 and **SB124** include electronic or other systems among those items that a local governing body shall provide for the use of Circuit Court Clerks as in the governing body's judgment may be reasonably necessary for the proper conduct of their offices. The bills also provide that if a proposed local budget reduces funding for any constitutional officer at a rate greater than the average rate of reduced funding for other agencies, excluding the school division, the locality shall give written notice to the constitutional officer at least 14 days prior to adoption of the budget. If a constitutional officer determines that the proposed budget cuts would impair the performance of his statutory duties, the officer must make a written objection to the local governing body within seven days after receipt of the written notice and must also provide a copy of the objection to the Compensation Board. The local governing body must consider the written objection of the constitutional officer prior to going forward with the reduction.

Election for a Vacant Constitutional Office:

HB1024 requires the court to order a special election for a vacancy in any elected constitutional or local office to be held on the date of the next general election, unless the governing body requests in its petition a different date for the special election that precedes the next general election. However, if the vacancy occurs within 90 days of the next general election, the special election shall be held on the second general election, unless otherwise requested in the petition.

Local Policies for use of Public Property:

HB494 requires that every locality establish personnel policies covering the use of public property by officers and employees of the locality to cover (i) personal use, to the extent that such use interferes with the employees' productivity or work performance, or (ii) political activities. Public property includes such items as telephones, computers, and related devices that are the property of the locality,

**COMPENSATION BOARD
FY15 LEGISLATIVE ISSUES
SHERIFFS AND REGIONAL JAILS**

Emergency Custody:

HB478 and **SB260** extend the time that a person may be held pursuant to an emergency custody order from four hours with a possible two-hour extension to eight hours. The bills also provide that the law-enforcement agency taking the person into emergency custody or executes an emergency custody order must notify the local community services board as soon as practicable after the person is taken into custody or the order is executed. The bills also require that a person who is the subject of an emergency custody order or temporary detention order be given a written summary of the procedures and statutory protections associated with such custody or detention. Finally, the bills direct the Governor's Mental Health Task Force to study issues associated with law enforcement's involvement in the admission process, including costs and resource requirements, and to make recommendations designed to reduce the burden on law-enforcement resources. **SB260** further institutes additional requirements that state mental health facilities be required to accept an individual under the issuance of a temporary detention order, requires the development of an acute psychiatric bed registry, and requires reporting on the implementation of these provisions.

Temporary Detention:

HB323 provides that a magistrate may specify any willing law-enforcement agency that has agreed to provide transportation to execute a temporary detention order and transport the person who is the subject of the order. Currently, the magistrate must specify the law-enforcement agency of the jurisdiction in which the person resides or the jurisdiction in which the person is located.

**COMPENSATION BOARD
FY15 LEGISLATIVE ISSUES
SHERIFFS AND REGIONAL JAILS**

**Jails, Citizenship Status
Reporting Requirements:**

SB641 provides that a sheriff or other officer in charge of a jail need only communicate the results of any immigration alien query if it confirms that a person committed to the jail is illegally present in the United States to the Local Inmate Data System of the Compensation Board. Currently, the sheriff or other officer must communicate the results of all queries regardless of whether the results confirm illegal presence in the United States.

COMPENSATION BOARD FY15 LEGISLATIVE ISSUES CIRCUIT COURT CLERKS

Clerks' Duties:

SB435 provides that circuit court clerks may keep an automated system in lieu of order books and land books as well as allow remote access to the system for nonconfidential court records. The bill also permits circuit court clerks to keep court records at a designated location outside of the clerk's office. The bill also exempts instruments and records that are more than 100 years old from the prohibition against the clerks' posting of personal information on the Internet.

Clerks' Fees:

HB477 allows counties and cities to assess a fee of up to \$5 as part of the costs in each criminal or traffic case in district or circuit court to be used locally for the implementation and maintenance of an electronic summons system for local law enforcement agencies.

COMPENSATION BOARD FY15 SPECIFIC BUDGET ISSUES ALL OFFICES

Salary Increases:

With the exception of targeted increases approved for assistant Commonwealth's Attorneys, no salary increases have been approved for Constitutional Officers and their Compensation Board funded employees in FY15.

New Positions:

With the exception of temporary corrections positions to address severely overcrowded jails, no additional funding or positions were included by the 2014 General Assembly to address additional staff needs based upon staffing standards for the offices of any Constitutional Officers, Regional Jails, or Finance Directors.

Career Development Programs:

The 2014 General Assembly did not approve funding to support additional participation in existing career development programs in FY15. Salary increases for newly funded participation in FY15 will be approved where existing funds have accrued through attrition of former funded participants.

Premium Recoveries:

The recovery of VARISK Liability and Surety Bond premiums and VRS Retiree Health Care Credit premiums paid on behalf of Constitutional Officers and their staff will continue in FY15 at similar levels to FY14, with a slight reduction in overall cost statewide for VARISK premiums from \$6.6 million to \$6.5 million. Redistribution of premium amounts between the officer groups will result in some officer groups experiencing higher costs and some experiencing lower costs, but with most localities experiencing lower overall costs.

In addition, language and funding is included in the approved budget to provide an additional \$1.18 million in each year to support the increased cost of retiree health insurance credit contributions for constitutional officers and their employees, payable by the Compensation Board. The partial contribution amount of \$805,450 that is currently recovered from locality reimbursements is anticipated to remain unchanged.

**COMPENSATION BOARD
FY15 SPECIFIC BUDGET ISSUES
ALL OFFICES**

Salary Increase Non-Supplanting Language:

An approved amendment restores language inadvertently deleted that was initially approved during the reconvened session of the 2013 General Assembly session. The restored language prevents local governments from using Compensation Board funding to supplant local funds provided for the salaries of constitutional officers and their employees under the provisions of Chapter 822, 2012 Acts of Assembly, who were affected members in service on June 30, 2012. In accordance with the provisions of SB497 from the 2012 Session of the General Assembly (aka Chapter 822, 2012 Acts of Assembly), localities provided a 5% salary increase (unless phasing in) on July 1, 2012 to constitutional officers and their employees to offset the transition of the payment of the 5% member contribution to VRS for retirement premiums from the locality to the employee. Any Compensation Board funded salary increase funds cannot be used to offset the 5% salary increase amount (or phase-in amount) funded by the locality in association with this VRS contribution change. This language regarding non-supplanting of local funds does not apply to any salary supplement amounts provided by localities that exceed the 5% increase related to the VRS member contribution amount, nor does it apply to employees hired into a Compensation Board funded position after July 1, 2012 (or after July 1, 2010 if locality implemented phase I and phase 2 programs at that time).

COMPENSATION BOARD FY15 SPECIFIC BUDGET ISSUES SHERIFFS AND REGIONAL JAILS

Positions for New or Expanded Jail Capacity:

The 2014 General Assembly approved funding and positions to support new and expanding jail projects scheduled for completion in FY15: the new Rappahannock-Warren-Shenandoah (RSW) Regional Jail is scheduled to open in July, 2014, with an total of 149 positions including transfers of existing corrections positions from the local jails that will be closing; the expansion of the Southwest Virginia Regional Jail is scheduled to open in January, 2015 with an additional 145 new positions.

Positions to Address Jail Overcrowding:

The 2014 General Assembly approved \$1,536,315 million and 48 positions to address overcrowding conditions in the most severely overcrowded local and regional jails; the additional positions are targeted to address overcrowding in jails where the average daily inmate population exceeds the DOC rated capacity by approximately 100% or more and the jail is due overcrowding positions based on current staffing and staffing standards.

Jail Per Diem Payments:

The 2014 General Assembly approved amendments to increase FY14 per diem funding by \$9.3 million. After the legislative session, further funds of \$2.8 million became necessary and were able to be transferred from other program balances within existing authority.

Language in the Appropriation Act provides that should funding available for a quarterly per diem payment be insufficient to cover the entire amount of the payment, the payment will be pro-rated accordingly. Current projection of additional funds needed for FY15 per diems is \$10.7 million; however, a revision to the additional funds needed associated with inmate population growth will be determined based on updated population data during the fall 2014 budget development process and considered during the 2015 General Assembly session.

COMPENSATION BOARD FY15 SPECIFIC BUDGET ISSUES SHERIFFS AND REGIONAL JAILS

Federal Overhead Cost

Recovery:

The methodology for recovery of the costs borne by the Commonwealth associated with the housing of federal inmates in local and regional jails (excluding construction costs) remains unchanged in FY15.

Required Data Submissions:

New language was approved by the 2014 General Assembly requiring that all law enforcement agencies receiving funding from the Compensation Board (including local and regional jails) provide the necessary data and meet the necessary data requirements to participate in the Statewide Automated Victim Information and Notification System (SAVIN), administered for the Commonwealth's jails through the Virginia Center for Policing Innovation

Withholding of Reimbursements:

Since July 1, 2007, the Compensation Board has been 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. The Board will review and act upon late data reporting as reported by the Department of State Police on a quarterly and annual basis.

**COMPENSATION BOARD
FY15 SPECIFIC BUDGET ISSUES
OTHER OFFICES**

**Salary Increases for Assistant
Commonwealth's Attorneys:**

Funding is provided for an increase for each Assistant Commonwealth's Attorney of \$3,308 effective July 1, 2014 (\$1,654 for part-time permanent positions) and to increase the Compensation Board funded entry level salary from \$49,601 to \$52,909. This funding supports the second year of a two-year phased salary adjustment intended to provide a total increase of \$6,616 for each Assistant Commonwealth's Attorney, increasing the Compensation Board funded entry level salary to support parity with salaries paid by the Commonwealth for other public sector attorneys.

**Collection Costs for Delinquent
Fines and Fees:**

The 2014 General Assembly approved revisions to language originally modified by the 2013 General Assembly related to collection costs for delinquent court fines and fees. The 2014 changes will provide a fixed increase of 17% to the delinquent amount owed to offset a portion of the collections commission rates charged by contracted collection agents. The revised language also eliminates a higher increase rate of 25% that could have applied to fines and fees that were more than 6 months delinquent; the revised language also ensures that contracting is updated to comply with legislative policy changes when they occur. Finally, the language limits the compensation that a treasurer or local government entity may receive for collections made on delinquent accounts beginning January 1, 2016.

**COMPENSATION BOARD
FY15 SPECIFIC BUDGET ISSUES
OTHER OFFICES**

**Circuit Court Clerks'
Technology Trust Funds:**

The 2010 General Assembly approved a line of credit in the amount of \$8 million for budgeting Technology Trust Fund cash in the year in which it is collected, beginning with FY11. Amounts available for budgeting each fall are based upon any unspent collections from prior years and a projection of incoming cash for the current year, which may be less than the maximum \$8 million level. Reimbursements for expenses incurred cannot exceed actual cash collected during the budget year.

Language providing for the use of up to \$3.98 million of Technology Trust Funds (TTF) to offset previous general fund budget reductions remains unchanged for FY15. However, based upon limited availability of funding for technology projects due to reduced collections in the Fund, and the lack of budget reductions to support allocation of the full \$3.98 million, the Compensation Board only anticipates using \$2.98 million of the authorized funds for general operating budgets.

COMPENSATION BOARD FY15 REIMBURSEMENT POLICIES FUNDING LEVELS

OFFICER SALARIES

**Sheriffs/Regional Jails,
Commonwealth's Attorneys,
and Clerks:**

100% of Appropriation Act amount.

**Treasurers and
Commissioners:**

50% of 1980 salary amount plus 100%
of all increases to Appropriation Act amount.

OFFICER BENEFITS

**Sheriffs/Regional Jails and
Commonwealth's Attorneys:**

FICA at 7.65% and VRS retirement at actual rate, not
to exceed 2.13%, paid on 100% of approved salary
amounts. Contributions for VRS Group Life Insurance
will be required in FY15, and reimbursement will be
made at 0.28%.

Clerks:

Benefit rates as stated above, paid on two-thirds of
approved salary amounts. Exception: benefit rates
are paid on one-third of approved salary amounts in
Prince William County.

**Treasurers and
Commissioners:**

Benefit rates as stated above, paid at same
percentage level as officer's salary.

FULL-TIME PERMANENT STAFF SALARIES & TEMPORARY (HOURLY/WAGE) STAFF SALARIES

**Sheriffs/Regional Jails*,
Commonwealth's Attorneys,
and Clerks:**

100% of Compensation Board approved amount.

**Treasurers and
Commissioners:**

50% of Compensation Board approved amount.

*Exception: Reimbursement amounts for Medical, Treatment, Classification, and
Records positions in Sheriffs' offices and regional jails represent 2/3rds of the total salary
approved by the Compensation Board.

**COMPENSATION BOARD
FY15 REIMBURSEMENT POLICIES
FUNDING LEVELS**

**FULL-TIME PERMANENT STAFF BENEFITS
& TEMPORARY (HOURLY-WAGE) STAFF BENEFITS**

**Sheriffs/Regional Jails
and Commonwealth's
Attorneys:**

FICA at 7.65% for full-time staff and hourly staff, and VRS retirement at actual rate, not to exceed 2.13% for permanent staff positions only, paid on 100% of approved salary amounts. Contributions for VRS Group Life Insurance will be required in FY14, and reimbursement will be made at 0.28%.

Clerks:

Benefit rates as stated above, paid on two-thirds of approved salary amounts. Exception: Based on language approved by the 2014 General Assembly, benefit rates will be paid on one-third of approved salary amounts in Prince William County in FY15 and two-thirds of approved salary amounts beginning in FY16.

**Treasurers and
Commissioners:**

Benefit rates as stated above, paid on one-half of approved salary amounts.

OFFICE EXPENSES

**Sheriffs/Regional Jails,
Commonwealth's Attorney's,
And Clerks:**

100% of Compensation Board approved amount.

**Treasurers and
Commissioners:**

50% of Compensation Board approved amount.

COMPENSATION BOARD FY15 REIMBURSEMENT POLICIES FUNDING LEVELS

EQUIPMENT

Sheriffs/Regional Jails:

No funding is provided in FY15 for equipment.

Funding previously considered during the budget allocation process for LIVESCAN equipment is now considered on an individual request basis at regularly scheduled Board Meetings.

Commonwealth's Attorneys, Treasurers and Commissioners:

No funding is provided in FY15 for equipment.

Clerks:

Clerks' technology funding requests will be considered by the Compensation Board at its September 2014 Board Meeting after on-line budget requests are submitted in August. A stress factor will not be applied. An estimate of fiscal year 2015 technology trust funds has been provided on the Compensation Board website to assist in automation planning for the upcoming fiscal year.

Based on language approved by the 2010 General Assembly, a line of credit of up to \$8 million will allow the Compensation Board to budget incoming collections in FY15.

As provided in prior years, up to \$3.98 million in TTF is available for transfer to cover general fund operating costs of Circuit Court Clerks.

COMPENSATION BOARD FY15 REIMBURSEMENT POLICIES FUNDING LEVELS

MEETING AND CONFERENCE EXPENSES

All Officers:

We anticipate continuing to offer programs in FY15 for new officers and for lawful employment practices. Reimbursement will continue to be provided for expenses related to attendance at these training programs. Training will also be provided on a monthly basis for COIN (reimbursement and personnel processing system) and LIDS (Local Inmate Data System – per diems). No other funding is available for reimbursement of attendance at non-Compensation Board sponsored training events, although associated expenses may be reimbursed through existing office expense funding.

SUBSTITUTE PROSECUTOR EXPENSES

Commonwealth's Attorneys Only:

Direct reimbursement of travel expenses is provided to all Commonwealth's Attorneys and assistant Commonwealth's Attorneys not requesting hourly rate reimbursement.

Reimbursement of hourly rate fees, not to exceed \$50 per hour, plus expenses, only provided for "part time" Commonwealth's Attorneys or assistants.

EXCEPTION TO TREASURERS' FUNDING LEVELS

100% of all Compensation Board approved expenses are reimbursed for the cities of Lynchburg and Richmond. Two-thirds of all Compensation Board approved salary and office expenses are reimbursed for the cities of Danville and Williamsburg.

COMPENSATION BOARD FY15 REIMBURSEMENT POLICIES FUNDING LEVELS

JAIL PER DIEM PAYMENTS

Per Diem Payments:

Funding rates established to compensate localities for the costs of housing inmates were revised for FY11 and remain unchanged in FY15. The per diem rates for offenders that are arrested on a state warrant are, as required by law: \$4 for local responsible inmates housed in a local or regional jail, and \$18 for such inmates housed in a jail farm; \$12 for all state responsible inmates housed in all jail facilities.

Federal Overhead Recovery:

Language is included in the Appropriation Act for the recovery of the federal and out-of-state share of all state-funded costs including personnel, non-personnel (excluding construction costs), vehicle expenses, and grants. The Compensation Board determines the overhead recovery amount based upon the most recent available Jail Cost Report, and will deduct it from the quarterly per diem payment for state and local inmates. Jails that are not owed sufficient quarterly per diem amounts against which to recover the overhead amount will be required to submit a payment to the Compensation Board in the amount that the overhead costs exceed the per diem payment amount.

Emergency Medical Expenses:

The Compensation Board may reimburse localities for costs of emergency medical care for state responsible inmates due for transfer to the Department of Corrections, not to exceed \$377,010 per year statewide. The Compensation Board approves and reimburses in November and May of each fiscal year expenses incurred in the previous six months.