

OVERVIEW OF COMPENSATION BOARD FY15 BUDGET PRIORITIES AND POLICIES

New Positions, FY15

- **New Positions:** Additional positions have been approved by the 2014 General Assembly for FY15 for staffing one new jail project and one jail expansion project, both scheduled for completion in FY15; additionally, 48 emergency corrections positions have been approved for jail facilities experiencing significant inmate overcrowding. Jail related positions for new or expanded capacity have been allocated in accordance with funding approved by the General Assembly for FY15 as follows:
 - 149 new and transferred positions for staffing of the Rappahannock-Shenandoah-Warren (RSW) Regional Jail with funding effective July 1, 2014;
 - 145 new positions for staffing an expansion for the Southwest Virginia Regional Jail with funding effective January 1, 2015.

No other additional new positions have been funded by the 2014 General Assembly for allocation in FY15 in accordance with staffing standards for constitutional offices.

Permanent Salaries, FY15

- **FY15 Salaries:** The FY15 budget provided on June 27, 2014, provides the base salary amounts approved for FY15, effective July 1, 2014.
 - These amounts include individual salary increases for all full-time permanent Assistant Commonwealth's Attorney positions of \$3,308 each (\$1,654 for part-time permanent positions), effective July 1, 2014. There will also be an overall increase to the Compensation Board funded entry level salary for full-time Assistant Commonwealth's Attorneys from \$49,601 to \$52,909 (for part-time permanent positions, from \$24,800 to \$26,454), effective July 1, 2014;
 - There are no additional performance-based or across-the-board percentage-based salary increases approved by the 2014 General Assembly to be provided in FY15 for constitutional officers or their employees.

Career Development Programs, FY15

- **Sheriffs' Career Development Programs:** The Career Development Program includes two tracks: one for offices accredited by certain law enforcement standards committees/associations or achieving certification with the Weldon Cooper Center; and a certification program for offices without such accreditations or Weldon Cooper Center certification. For FY15, 46 officers have qualified for the Accreditation Program and have received a 9.30% salary increase. The 2013 General Assembly eliminated language suspending the programs and restricting participation to pre-2010 participants, and restored some previously reduced funds, however, no additional funding was approved by the 2014 General Assembly. Although funding is not sufficient to fund all accredited offices, attrition savings from previous years was available in FY15 to newly fund a significant number of Sheriffs waiting for funding. Until additional funding is approved for the program, funding for further additional participants will be contingent upon the availability of funding through program attrition.
- **Master Deputy/Jail Officer Programs:** The 2013 General Assembly eliminated language that suspended the Master Deputy/Jail Officer programs and restricted participation to pre-2010 participants, and restored some previously reduced funds, however, no additional funding was approved by the 2014 General Assembly. Although funding is not sufficient to fund all Sheriffs' offices and Regional Jails for Master Deputies/Jail Officers at the full 20% of entry level deputies, attrition savings from previous years restored by the legislature remains available in FY15 to continue the funding for all previously classified Master Deputies/Jail Officers.

Until additional funding is approved for the program, funding for further additional participants will be contingent upon the availability of funding through program attrition. Current attrition savings is available to fund a small portion of additional Master Deputies or Jail Officers during FY15. For future participation by additional offices, 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:** The 2013 General Assembly eliminated language that suspended the program and restricted participation to pre-2010 participants, and restored some previously reduced funds. Although funding is not sufficient to fund related salary increases for all assistant Commonwealth's Attorneys currently meeting all program criteria, attrition savings from previous years restored by the legislature was available in FY15 to continue the funding for existing funded Career Prosecutors. A total of 67 Career Prosecutors continue to be funded in the program in FY15, and 8 new Career Prosecutors are funded in the program in FY15 using available attrition savings. Until additional funding is approved for the program, funding for further additional participants will be contingent upon the availability of funding through program attrition.

- **Treasurers and Commissioners of the Revenue Career Development Programs:** The 2013 General Assembly eliminated language that suspended the programs and restricted participation to pre-2010 participants, and restored some previously reduced funds. Although funding is not sufficient to fund related salary increases for all Treasurers and Commissioners of the Revenue currently meeting all program criteria, attrition savings from previous years restored by the legislature was available in FY15 to continue the funding for existing funded Officers. A total of 59 Treasurers and 48 Commissioners continue to be funded in the programs in FY15, and 4 new Commissioners are funded in the programs in FY15 using available attrition savings. Until additional funding is approved for the programs, funding for further additional participants will be contingent upon the availability of funding through program attrition.
- **Deputy Treasurers and Deputy Commissioners of the Revenue Career Development Programs:** The 2013 General Assembly eliminated language that suspended the programs and restricted participation to pre-2010 participants, and restored some previously reduced funds. Although funding is not sufficient to fund related salary increases for all deputies currently meeting all program criteria, attrition savings from previous years restored by the legislature was available in FY15 to continue the funding existing funded deputies. A total of 169 Deputy Treasurers and 76 Deputy Commissioners continue to be funded in the programs in FY15 and 15 new Deputy Commissioners are funded in the program in FY15 using available attrition savings. Until additional funding is approved for the programs, funding for further additional participants will be contingent upon the availability of funding through program attrition.

Other Funding Items, FY15

- **Technology Trust Funds:** Appropriation Act language provides for the use of \$2.98 million of Technology Trust Funds (TTF) in FY15 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 FY15. 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 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, FY15

- **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 FY15.
 - 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 11 for Compensation Board action on July 23. 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 17 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 and pay practices.
- **Base transfers:** Base budget transfers of turnover funds to other budgeted categories may be considered under special circumstances in FY15. 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 Vacancy Savings, Temporary or Office Expenses to Equipment (not in the base) but transfers require Compensation Board action;
 - Between Temporary and Office Expenses or from Vacancy savings to one of these categories, not to exceed \$10,000 per month (not in the base); amounts requested for transfer above \$10,000 per month require Compensation Board action;
 - Exception – no transfers from Temporary or Office Expenses of funds available in those categories through approved one-time transfers of Vacancy Savings funds.

Other Funding Policies, FY15

- **5% Salary Amount and Transition of 5% VRS Member Contribution to Officer/Employee related to Chapter 822, 2012 Acts of Assembly (SB497 of 2012 General Assembly) – Non-Supplanting Language:** While not a matter of Compensation Board policy, during the reconvened session of the 2013 General Assembly, a Governor’s amendment was approved preventing 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 “plan 2” employees have been required to pay their own 5% member contribution since that time).
- **Required Data Submissions:** 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.
- **Division of Risk Management Liability Insurance/Surety Bond Premium Recovery:** Included in the Appropriation Act for FY15 is continued 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 is anticipated to be recovered from the July payroll reimbursement amount prior to electronic transfer of funds to the locality. However, budget language allows for recoveries to occur in more than one month if necessary due to recent increases in premiums for the Division of Risk Management’s liability insurance coverage from \$2.9 million in FY13 to \$6.5 million in FY15.

- Constitutional Officers' VRS Retiree Health Care Credit Premium Recovery:** Included in the Appropriation Act for FY15 is continued language requiring that 100% of the unfunded 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. The recovery amount is anticipated to remain unchanged at a statewide recovery of \$805,450, although the Compensation Board has been provided additional funding of \$1.2 million in FY15 to pay the difference between the recovery amount and the new premium amount of \$2 million in FY15. 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 is anticipated to 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.
- June Payroll Shift:** Based upon action by the 2002 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 funding limitations, requests for additional funding in any budget category are unlikely to be approved during FY15. 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:

Sheriffs and Regional Jails – Joan Bailey – 804-225-3435, joan.bailey@scb.virginia.gov;

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

Charlene Rollins – 804.225.3321, charlene.rollins@scb.virginia.gov;

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