

October 9, 2008

EMAIL MEMORANDUM

TO: Constitutional Officer and Regional Jail Association Presidents

FROM: Robyn M. de Socio, Executive Secretary

COPY: Compensation Board Members

RE: Governor Kaine's October 2008 Reduction Plan

The Governor announced today the official revenue reforecast, projecting a shortfall of \$973.6 million for fiscal year 2009 and \$1.54 billion for fiscal year 2010, or just over \$2.5 billion for the biennium. The Governor also announced his executive spending reduction plan to meet the fiscal year 2009 shortfall. This memo is to provide each of you, as the leaders of your associations, with information regarding this plan and its impact on Compensation Board funding for constitutional officers.

Reductions announced today:

- Do not reduce Compensation Board budgeted funding for constitutional officers for FY09 (reductions impact funding for Compensation Board agency administration only);
- Defer the 2.0% salary increase planned for constitutional officers and their employees (along with state employees) from December 1, 2008 to July 1, 2009;
- Do not address potential reductions that may be necessary to meet the higher shortfall projected for FY10 (beginning July 1, 2009). These reduction plans will be included in the Governor's Budget Bill submitted to the General Assembly on December 17.

The Governor's Reduction Plan does not change the implementation of the statewide \$50 million Aid to Localities reductions approved by the 2008 General Assembly last spring, for which localities have recently made elections regarding distribution among state agency programs. In the coming week, we will be communicating with Constitutional Officers regarding the implementation of these reductions where localities have elected for the reduction in state aid to flow through their offices through reductions in Compensation Board funding.

The Reduction Plan also does not change existing policies regarding vacancies and the use of vacancy and turnover savings.

Please do not hesitate to contact me if I can provide any additional information.