

**FY12  
COMPENSATION BOARD  
BUDGET HEARING**

**April 14, 2011 – Richmond, VA**

**11:00 a.m.**

**Frank Drew, Chairman  
Walter J. Kucharski, Member  
Craig M. Burns, Member**

## COMPENSATION BOARD FY12 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 on January 1, 2010 that still meet eligibility criteria. Based on the language approved by the 2010 General Assembly for these programs, funding for any new participants after January 1, 2010 cannot be approved in FY12.
- ◆ 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 FY12 LEGISLATIVE ISSUES

### **Constitutional Officers:**

HB2093, approved by the 2011 legislature, prohibits a constitutional officer, during the first year after termination of public service, from acting in a representative capacity on behalf of any person or group, for compensation, on any matter before the agency of which he was an officer. This prohibition does not apply to Commonwealth's Attorneys.

HB2096, approved by the 2011 legislature, permits any constitutional officer who has 20 or more years of creditable service, and whose office is abolished, to retire with unreduced benefits (i) at the age of 60 if the officer is first elected to office after July 1, 2010, and (ii) at the age of 50 for all others.

### **Consolidation into Alleghany Highlands:**

HB1770/SB899, approved by the 2011 legislature, provides a new charter for the City of Alleghany Highlands, a city to be created by the consolidation of Alleghany County and the City of Covington, if approved by voters.

HB1771/SB901, also approved by the 2011 legislature, authorizes the Compensation Board to allocate law-enforcement deputies to a city sheriff in cities without a police force if the city was created by the consolidation of a city and a county subsequent to July 1, 2011. This bill is related to the proposed charter for the consolidation of Alleghany and Covington, where the consolidated city would have law enforcement services provided by the City Sheriff.

### **Jail Fees and Expenses:**

SB1227, approved by the 2011 legislature, allows sheriffs and jail superintendents who operate correctional facilities to charge a fee for the use of an electronic visitation system or electronic messaging system. The fee may not exceed the actual costs of establishing and operating the system and the proceeds are to be used only to offset those costs.

## COMPENSATION BOARD FY12 LEGISLATIVE ISSUES

### **Jail Fees and Expenses (cont):**

HB2284/SB777, approved by the 2011 legislature, allows a locality to divide processing fees collected post-conviction from individuals admitted to jail proportionately between a police department and the sheriff's department if costs are incurred by a police department for booking or fingerprinting services. Currently, the fee may go only to sheriff's offices and regional jails.

SB1287, approved by the 2011 legislature, provides that a sheriff or jail superintendent may seek payment from the local governing body of the city or county, the regional jail authority, or other body responsible for fiscal management of a regional jail for the cost of food, clothing, and medicines for inmates, and the local governing body of the county or city, the regional jail authority, or other body responsible for fiscal management of a regional jail shall be responsible for the payment of such costs.

### **Jail Reporting Mandate:**

HB2435, approved by the 2011 legislature, directs the Department of Corrections (DOC) to eliminate mandates related to contract inmate classification reporting requirements imposed on localities.

Based upon the passage of HB2435, budget language was stricken requiring Sheriffs and Jail Administrators to provide to the DOC reports on the numbers of contract or federal prisoners held in their jails. The language was unnecessary as this information is already available to DOC from the Compensation Board as needed through LIDS jail inmate reporting data.

## COMPENSATION BOARD FY12 LEGISLATIVE ISSUES

### **Secure Remote Access:**

HB1565/SB1274, HB2483, and part of SB1369, each approved by the 2011 legislature, provide exemptions from the restrictions on secure remote access to court records for attorneys in good standing with the Virginia State Bar and their authorized agents, attorneys admitted to practice pro hac vice, an attorney's staff if directly supervised by counsel of record on a particular case, and the first bill also permits secure remote access by governmental agencies authorized by the clerk.

### **Treasurers' Reciprocal Agreements:**

HB2019/SB909, approved by the 2011 legislature, allows the treasurer of any county and the treasurer of any town partially or totally within that county to enter into a reciprocal agreement granting each treasurer the authority to collect the other's local real and personal property taxes. The governing body of each locality must approve such agreements.

**COMPENSATION BOARD  
FY12 SPECIFIC BUDGET ISSUES  
ALL OFFICES**

**Salary Increases:**

Based upon current economic conditions and reduced revenues, the 2011 General Assembly has not provided funding for salary increases in FY12 for Constitutional Officers or their Compensation Board funded permanent staff positions.

**New Positions:**

No additional funding or positions were included in the Governor's Budget Bill or during the 2011 General Assembly session to address additional staff needs based upon staffing standards in the offices of any Constitutional Officers, Regional Jails, or Finance Directors.

**Career Development Programs:**

Constitutional officer and employee career development programs funding is limited by the \$5.5 million approved by the 2010 General Assembly that restored funding based on approved participants as of January 1, 2010. Programs include Sheriffs' Accreditation and Certification, Master Deputy, Master Jail Officer, Career Prosecutor, Master Commissioner, Master Deputy Commissioner, Master Treasurer, Master Deputy Treasurer. Language suspending the programs is maintained for any individual participants not receiving funding for their participation as of January 1, 2010. Any future participation in any of the Career Development 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.

**COMPENSATION BOARD  
FY12 SPECIFIC BUDGET ISSUES  
ALL OFFICES**

**Reduction to Aid to  
Localities:**

Language and an associated funding reduction totaling \$60 million in FY12 was maintained by the 2011 General Assembly, creating a reversion clearing account to achieve savings in funding provided for all state aid to localities programs. This action requires that within 30 days of enactment of HB1500, the Department of Planning and Budget (DPB) is to provide an estimate of aid to localities funding 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 the payments they receive.

**Consolidation into Alleghany  
Highlands:**

Budget language was approved providing that in the event of the consolidation of a county and city into a consolidated city, any positions in the constitutional offices of the former county which are available for reallocation as a result of the transition shall be first reallocated in accordance with staffing standards to the constitutional officers in the consolidated city. This language is also related to proposals for the consolidated City of Alleghany Highlands.

**Turnover Restrictions:**

Restrictions on the use of accrued turnover funds for certain personnel actions and for transfer to other budget categories that were implemented for all Officers beginning in FY08 and FY09 will continue in FY12.

**Premium Recoveries:**

Language approved by the 2011 General Assembly increases the recovery of the cost of Division of Risk Management's VARISK General Liability Insurance and Surety Bond premiums from 50% to 100% in FY12 and maintains the recovery of 100% of the cost of VRS Retiree Health Care Credit coverage for all constitutional officers and their employees. Estimates of the amounts covering both premiums for all offices were included in the FY12 estimates provided on March 11, and will be recovered from the July payroll reimbursement.

## **COMPENSATION BOARD FY12 SPECIFIC BUDGET ISSUES SHERIFFS AND REGIONAL JAILS**

### **Across-the-board Budget Reductions:**

The 2011 General Assembly approved proposals and requests by Governor McDonnell for \$14.3 million for FY12, to address the 2010 failure to pass a new Public Safety Fund fee or to restore any of the \$21.7 million in FY12 funds eliminated in the 2010 budget bill that were to be replaced with the new fee. A \$7.4 million shortfall remains in the base appropriation for Sheriffs and Regional Jails for FY12, resulting in reductions of approximately 1.8% from FY11 base budget levels.

On April 7, the General Assembly approved an additional amendment by Governor McDonnell to provide funds from FY11 year-end statewide general fund balances to offset on a one-time basis the \$7.4 million shortfall in FY12. Confirmation of availability of these fund balances and allocation to the Compensation Board for restoration in a one-time manner to Sheriffs' offices and Regional Jails is not anticipated until August, 2011.

Budget estimates provided on March 11 included an estimate of base budget funding levels, and an estimate of funds to be reduced from Sheriffs and Regional Jail reimbursements to localities in FY12. Final base reduction amounts and implementation plans were provided to officers and localities on April 8. Action to incorporate the reduction amounts into each office's base budget will be approved by the Compensation Board prior to May 1 as required by law based upon agency appropriations. As soon as the availability of FY11 year-end balances to offset reductions is confirmed, the Board will take action to proportionately restore reduced funds to budgets of Sheriffs and Regional Jails in a one-time manner for FY12.

### **Special Fund Sources For Sheriffs' Budgets:**

Appropriation and language providing for the use of \$8.0 million in wireless E-911 nongeneral funds to supplant general funds in support of communications operators in Sheriffs' offices with primary law enforcement duties continues in FY12. This fund change does not impact the allocation of positions in Sheriffs' offices or change reimbursements to localities.

## **COMPENSATION BOARD FY12 SPECIFIC BUDGET ISSUES SHERIFFS AND REGIONAL JAILS**

### **Positions for New or Expanded Jail Capacity:**

The 2011 General Assembly approved funding and positions to support the opening of FY12 jail expansion projects as follows:

- An expansion of Blue Ridge Regional Jail and the associated closing of Amherst and Appomattox County jails, scheduled for September, 2011, is funded for January 1, 2012, with an additional 92 positions.

No additional positions have been funded to address emergency security needs in overcrowded jails.

### **Jail Per Diem Payments:**

FY12 per diem rates remain unchanged:

- For local responsible inmates housed in local or regional jails \$4 per day
- For local responsible inmates housed in jail farms \$18 per day
- For state responsible inmates housed in local or regional jails or jail farms \$12 per day

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. Additional funds needed associated with inmate population growth will be determined based on updated population data during the fall 2011 budget development process and considered during the 2012 General Assembly session.

### **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 FY12.

**COMPENSATION BOARD  
FY12 SPECIFIC BUDGET ISSUES  
SHERIFFS AND REGIONAL JAILS**

**Jail Construction or  
Capacity:**

Budget language was approved requiring the Department of Corrections to assess staffing of the Piedmont Regional and Western Tidewater Regional Jails, and providing the Compensation Board the authority to staff jail bed capacity housing state and local responsible inmates in beds formerly built for housing federal inmates, were federal contracts under which the beds were previously built with federal funds have expired.

**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  
FY12 SPECIFIC BUDGET ISSUES  
OTHER OFFICES**

**Commonwealth's Attorneys  
Conversion of Offices from  
Part-time to Full-time:**

The General Assembly has not approved funding to support the conversion of any part-time Commonwealth's Attorney's office requesting full-time status effective July 1, 2011.

**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 is it 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. 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 FY12.

Additionally, language remains that provides for the transfer of up to \$104,280 from the \$1 portion of the TTF to the Supreme Court to support the implementation of an interface between local case management and financial management systems and the statewide systems operated by the Supreme Court.

**COMPENSATION BOARD  
FY12 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 2.08% for July through March or 2.13% for  
April through June, paid on 100% of approved salary  
amounts. Contributions for VRS Group Life Insurance  
will be required in FY12, 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.

**COMPENSATION BOARD  
FY12 REIMBURSEMENT POLICIES  
FUNDING LEVELS**

**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.

**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 2.08% for July through March or 2.13% for April through June for permanent staff positions only, paid on 100% of approved salary amounts. Contributions for VRS Group Life Insurance will be required in FY12, 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 on one-half of approved salary amounts.

**COMPENSATION BOARD  
FY12 REIMBURSEMENT POLICIES  
FUNDING LEVELS**

**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.

**EQUIPMENT**

**Sheriffs/Regional Jails:**

No funding is provided in FY12 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 FY12 for equipment.

**Clerks:**

Clerks' technology funding requests will be considered by the Compensation Board at its September 2011 Board Meeting after on-line budget requests are submitted in August. A stress factor will not be applied. An estimate of fiscal year 2012 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, an \$8 million line of credit will allow the Compensation Board to budget incoming collections in FY12.

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  
FY12 REIMBURSEMENT POLICIES  
FUNDING LEVELS**

**MEETING AND CONFERENCE  
EXPENSES**

**All Officers:**

We anticipate continuing to offer programs in FY12 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  
FY12 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 FY12. 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 these expenses in November and May of each fiscal year.