



**Report of the
Subcommittee on
General Government**

**(Amendments to SB 750,
as Introduced)**

**Senate Finance Committee
Virginia General Assembly**

February 4, 2007

Mr. Chairman:

The General Government Subcommittee has met several times during the session to consider the two broad areas for which it has responsibility – General Government and Employee Compensation.

Let me briefly address our recommendations which, in keeping with the concept of making adjustments to the budget at the General Assembly's short session, are modest. Most of the \$20.0 million GF net increase we are recommending recognizes the cost of legislation that has been passed by the Senate:

- \$9.7 million GF is for the net cost of legislation,
- \$6.3 million is for jails and prosecutors,
- \$5.1 million GF supports targeted compensation increases to address critical problem areas, and

While we feel that all of these recommendations are necessary, a few of our recommendations are worthy of comment.

GENERAL GOVERNMENT

First, let me highlight some of the most important initiatives in the area of General Government, which include:

- \$2.4 million GF for nine new judges in the Circuit, General District and Juvenile and Domestic Relations District Courts.
- \$3.2 million to take another step toward completing the phase-in of full funding for our Commonwealth's Attorneys. This continues to make progress on the promise we made in 2005, and
- \$3.1 million for the cost of maintaining inmates in local and regional jails.

Now, let me address compensation.

COMPENSATION

Last year, the General Assembly set aside funds for a 3.0 percent salary increase for state classified and state supported local employees. While we do not disagree with those who have said that more should be done, this year we have limited our recommendations to targeted compensation adjustments and the funding of legislation – much of which is significant:

- \$11.9 million to fund the increased Teacher Health Care Credit provided for in SB 1218.
- \$4.3 million to implement SB 1166, which increases the retirement benefits of State Police Officers beyond that provided in the budget, as introduced.
- \$3.9 million to provide an additional 3 percent salary increase for judges and an additional 5 percent for district court employees in FY 2008, and
- \$2.1 million to conform the post-retirement supplement for public safety officers covered under VALORS to the Social Security retirement age, as provided for in SB 1156.

Two of the compensation bills passed by the Senate have resulted in general fund savings of \$10.8 million:

- SB 1160 provides \$9.2 million NGF, which is the first stable funding source for the benefits provided under the Line of Duty Act for public safety officers or their families. This allowed us to use the general funds provided for this important program for other needs, and
- SB 977 increases the maximum retirement age for judges from 70 to 75, thereby saving \$1.6 million GF.

Mr. Chairman, we believe that our recommendations address the critical areas before us. It is our hope it will be your pleasure to adopt them.

Respectfully Submitted,

The Honorable Thomas K. Norment, Jr., Chairman

The Honorable John H. Chichester

The Honorable Benjamin J. Lambert III

The Honorable Walter A. Stosch

The Honorable Janet D. Howell

The Honorable Frederick M. Quayle

The Honorable H. Russell Potts, Jr.

**GENERAL GOVERNMENT SUBCOMMITTEE
SPREADSHEET
(SB 750)**

2007 Session General Government Subcommittee Recommendations
Sunday February 4, 2007

| | General Fund | | | Nongeneral Fund | | | FTE |
|--|------------------|------------------|------------------|-----------------|----------|----------|----------------|
| | FY 2007 | FY 2008 | TOTAL | FY 2007 | FY 2008 | TOTAL | Positions |
| Legislative | | | | | | | |
| Operating & Maintenance of Capitol & Extension | 395,000 | 1,580,000 | 1,975,000 | 0 | 0 | 0 | 0.00 |
| DLS: Capitol Tour Guides | 11,900 | 94,500 | 106,400 | 0 | 0 | 0 | 0.00 |
| DLS: Salary Plan | Language | 225,000 | 225,000 | 0 | 0 | 0 | 0.00 |
| DLS: Joint Subcommittee on Allocation of Electoral Votes (SJR 308) | 0 | 12,500 | 12,500 | 0 | 0 | 0 | 0.00 |
| DLS: Commission on the Bicentennial of Abraham Lincoln (SB 809) | 0 | 38,400 | 38,400 | 0 | 0 | 0 | 0.00 |
| VA Code Commission-Admin Law Advisory Comm | 0 | 30,000 | 30,000 | 0 | 0 | 0 | 0.00 |
| Legislative Commissions - Separate Items | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Civil War Sesquicentennial | 57,000 | 154,400 | 211,400 | 0 | 0 | 0 | 1.00 |
| Civil War Sesquicentennial - Facility Planning | 0 | 2,000,000 | 2,000,000 | 0 | 0 | 0 | 0.00 |
| JLARC: Study of State Employee Compensation | 0 | 310,000 | 310,000 | 0 | 0 | 0 | 0.00 |
| Capitol Police - 14 FTE | (653,285) | 0 | (653,285) | 0 | 0 | 0 | (14.00) |
| Capitol Police - Career Advancement Plan | (71,295) | 0 | (71,295) | 0 | 0 | 0 | 0.00 |
| Capitol Police - Review GAB Security Requirements | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Capitol Police - Jt. Rules Approval of Personal Security Details | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total: Legislative | (260,680) | 4,444,800 | 4,184,120 | 0 | 0 | 0 | (13.00) |
| Judicial | | | | | | | |
| Supreme Court: Court Appointed Counsel Fees | Language | 0 | 0 | 0 | 0 | 0 | 2.00 |
| Court of Appeals: Chief Judge's Salary | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Court of Appeals: Staff (3 FTE) | 0 | 146,680 | 146,680 | 0 | 0 | 0 | 3.00 |
| Court of Appeals: Submission of Budgets to Governor and General Assembly | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Various Courts: Criminal Fund | 0 | 2,000,000 | 2,000,000 | 0 | 0 | 0 | 4.00 |
| Circuit Court: New Judges (4 FTE) | 0 | 927,324 | 927,324 | 0 | 0 | 0 | 4.00 |
| District Courts: New Judges (3 FTE) | 0 | 630,339 | 630,339 | 0 | 0 | 0 | 3.00 |
| J&DR District Courts: New Judges (2 FTE) | 0 | 420,226 | 420,226 | 0 | 0 | 0 | 2.00 |
| Indigent Defense Commission | 0 | 432,000 | 432,000 | 0 | 0 | 0 | 0.00 |
| Total: Judicial | 0 | 4,556,569 | 4,556,569 | 0 | 0 | 0 | 18.00 |
| Administration | | | | | | | |
| Comp Bd: Conform LEOS Coverage to SB 1166 | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Comp Bd: Sheriffs Serving Multiple Localities | 0 | 9,000 | 9,000 | 0 | 0 | 0 | 0.00 |
| Comp Bd: Commonwealth's Atty Staffing | | 3,150,000 | 3,150,000 | 0 | 0 | 0 | 0.00 |
| Comp Bd: FY 2007 Jail Per Diem Payments | 3,103,848 | 0 | 3,103,848 | 0 | 0 | 0 | 0.00 |
| DHRM: Medicare Part D Coverage for ED | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Bd of Elections: SB1015 Campaign Finance | 43,250 | | 43,250 | 0 | 0 | 0 | 0.00 |
| Total: Administration | 3,147,098 | 3,159,000 | 6,306,098 | 0 | 0 | 0 | 0.00 |
| Education | | | | | | | |
| Direct Aid to Public Ed: SB 1218 Teacher Health Care Credit | 0 | 11,900,467 | 11,900,467 | 0 | 0 | 0 | 0.00 |

2007 Session General Government Subcommittee Recommendations
Sunday February 4, 2007

| | General Fund | | | Nongeneral Fund | | | FTE Positions |
|---|--------------------|---------------------|---------------------|-----------------|-------------------|-------------------|------------------|
| | FY 2007 | FY 2008 | TOTAL | FY 2007 | FY 2008 | TOTAL | |
| Total: Education | 0 | 11,900,467 | 11,900,467 | 0 | 0 | 0 | 0.00 |
| Finance | | | | | | | |
| Treas Bd: Out of State Capital Fee to \$2 | 0 | (2,000,000) | (2,000,000) | 0 | 2,000,000 | 2,000,000 | 0.00 |
| Treas Bd: Riverside Regional Jail | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Treas Bd: Culpeper Jail | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Tax: Withholding by Pass-through Entities (SB 1238) | | 220,506 | 220,506 | 0 | 0 | 0 | 2.00 |
| Tax: Treasury Loan for Start-up Costs (SB 1021) | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| DOA: Administrative Costs - Line of Duty Act Fund (SB 1160) | 0 | 0 | 0 | 0 | 150,000 | 150,000 | 2.00 |
| DOA Transfers: Line of Duty Act Fund (SB 1160) | Language | (9,223,276) | (9,223,276) | 0 | 9,223,276 | 9,223,276 | 0.00 |
| Total: Finance | 0 | (11,002,770) | (11,002,770) | 0 | 11,373,276 | 11,373,276 | 4.000 |
| Public Safety | | | | | | | |
| Compensation Supplements: State Police - Nova Salary Differential (Areas 5 & 12) | 0 | 1,205,123 | 1,205,123 | 0 | 46,586 | 46,586 | 0.00 |
| State Police: SB 1166 Public Safety Retirement | Language | 4,255,000 | 4,255,000 | 0 | 968,000 | 968,000 | 0.00 |
| Total: Public Safety | 0 | 5,460,123 | 5,460,123 | 0 | 1,014,586 | 1,014,586 | 0.00 |
| Technology | | | | | | | |
| VITA: Move Savings to FY 2008 | 0 | (3,288,000) | (3,288,000) | 0 | 0 | 0 | 0.00 |
| Total: Technology | 0 | (3,288,000) | (3,288,000) | 0 | 0 | 0 | 0.00 |
| Central Accounts | | | | | | | |
| Compensation Supplements: Community Corrections (Technical) | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Compensation Supplements: Salary Increase Calculations for Medicaid funded Positions in MH&MR (Technical) | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Compensation Supplements: Judges 3% Increase (Total 6%) | 0 | 1,343,095 | 1,343,095 | 0 | 0 | 0 | 0.00 |
| Compensation Supplements: District Court 5% Increase (Total 8%) | 0 | 2,546,646 | 2,546,646 | 0 | 0 | 0 | 0.00 |
| Compensation Supplements: SB 1156 VALORS Supplement to Social Security Age | 0 | 2,082,000 | 2,082,000 | 0 | 0 | 0 | 0.00 |
| Compensation Supplements: SB 977 Judges Mandatory Retirement Age | 0 | (1,624,000) | (1,624,000) | 0 | 0 | 0 | 0.00 |
| Economic Contingency: Governor's Miscellaneous Contingency Account | (1,000,000) | (1,000,000) | (2,000,000) | 0 | 0 | 0 | 0.00 |
| Economic Contingency: Geospatial Mapping | 0 | (454,298) | (454,298) | 0 | 0 | 0 | 0.00 |
| Total: Central Accounts | (1,000,000) | 2,893,443 | 1,893,443 | 0 | 0 | 0 | 0.00 |
| Virginia Retirement System | | | | | | | |
| JLARC Study of State Employee Compensation | 0 | 0 | 0 | 0 | 415,000 | 415,000 | 0.00 |
| Cost of VRS Bills Approved by the Senate | 0 | 0 | 0 | 0 | 666,156 | 666,156 | 2.00 |
| SB 1166 Public Safety Retirement | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |

2007 Session General Government Subcommittee Recommendations
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| | General Fund | | | Nongeneral Fund | | | FTE Positions |
|---|--------------|------------|------------|-----------------|------------|------------|------------------|
| | FY 2007 | FY 2008 | TOTAL | FY 2007 | FY 2008 | TOTAL | |
| Total: Virginia Retirement System | 0 | 0 | 0 | 0 | 1,081,156 | 1,081,156 | 2.00 |
| General Provisions | | | | | | | |
| Conform Agency Head Salaries to Actuals (Technical) | Language | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total: General Government | 1,886,418 | 18,123,632 | 20,010,050 | 0 | 13,469,018 | 13,469,018 | 11.00 |

**GENERAL GOVERNMENT SUBCOMMITTEE
LANGUAGE AMENDMENTS
(SB 750)**

Judicial Department**FY 06-07****FY 07-08**

Supreme Court

0.00

2.00 FTE

Language:

Page 20, line 37, after "C.", insert "1."

Page 20, line 46, after "Secretary.", strike the rest of the line.

Page 20, strike line 47.

Page 20, line 48, strike "electronic voucher."

Page 20, line 49, after "Item", insert: "up to".

Page 20, line 51, after "waivers.", insert:

"Out of this amount, the Executive Secretary may use (i) up to \$100,000 the second year to hire additional personnel to assist in processing waiver requests, and (ii) up to \$350,000 for development of information systems to strengthen financial management of the court-appointed attorney compensation system, including accounting for compensation of court-appointed counsel on the basis of cases as well as charges."

Page 21, after line 3, insert:

"2. In the event that counsel for a defendant who is convicted receives a waiver of the limitations on compensation, the court shall assess against the defendant, as a part of the costs of prosecution, an amount equal to the compensation limit specified in § 19.2-163, Code of Virginia, for each charge for which the defendant was convicted. If collected, such amount shall be paid to the Commonwealth.

3. Prior to the 2008 Session of the General Assembly, the Executive Secretary shall provide a report to the Chairmen of the Senate and House Courts of Justice Committees and to the Chairmen of the Senate Finance and House Appropriations Committees on: (i) the utilization of waivers; (ii) progress towards improved reporting of fee payments to court-appointed counsel on the basis of cases; and (iii) an updated comparison of Virginia's payments for court-appointed counsel with the level of payments of other states on a standard basis."

Explanation:

(This amendment makes several changes and clarifications in the language authorizing the Executive Secretary of the Supreme Court to waive the limit on compensation of court-appointed counsel. The Supreme Court will not be able to process electronic vouchers until 2008, so this amendment eliminates the requirement for court appointed counsel to submit waiver request vouchers via electronic voucher. In order to accommodate the additional workload created by the receipt of waiver

requests, the amendment authorizes the Executive Secretary to use up to \$150,000 to hire additional staff to process waiver requests. Current law requires convicted defendants to reimburse the Commonwealth for any costs incurred by the state for court-appointed attorneys, up to the limit set out in statute. This amendment continues this requirement for those convicted defendants whose attorneys receive waivers. This amendment also permits the Executive Secretary to use up to \$350,000 for improved financial management and reporting systems, and requires a report prior to the 2008 Session of the General Assembly.)

General Government Subcommittee

Item 31 #3g

Judicial Department

Court Of Appeals Of Virginia

Language

Language:

Page 23, line 15, strike "\$142,248" and insert "\$144,248".

Page 23, line 16, strike "\$147,898" and insert "\$149,898".

Page 23, line 18, strike "\$152,305" and insert "\$154,305".

Page 23, line 27, strike "\$1,000" and insert "\$3,000".

Explanation:

(This amendment adds language authorizing an increase in the salary of the Chief Judge of the Court of Appeals. This increase was enacted by the 2006 General Assembly, but was inadvertently omitted in the enrolling of the 2006 Appropriation Act and in the 2007 budget bill, as introduced.)

General Government Subcommittee

Item 31 #4g

Judicial Department

Court Of Appeals Of Virginia

Language

Language:

Page 23, line 15, strike "\$142,248" and insert "\$144,248".

Page 23, following line 42, insert:

"D. The Department of Planning and Budget shall provide instructions for preparation of budget requests for the 2008 session of the General Assembly to the chief administrative officer of the Court of Appeals of Virginia, which shall submit its budget requests to the Governor, with copies to the Chairmen of the Senate

Finance and House Appropriations Committees."

Explanation:

(This amendment is self-explanatory.)

General Government Subcommittee

Item 59 #8s

Administration

Compensation Board

Language

Language:

Page 59, line 52, following "L." insert:

"1. Effective July 1, 2007 all deputy sheriffs employed by a locally elected sheriff, shall be provided with those retirement benefits provided for under §51.1-138 B, Code of Virginia, with or without the resolution of election required therein, provided however that the retirement benefit for such employees shall be based on a service multiplier of 1.70.

2. Effective July 1, 2007 the retirement benefit for all locally elected sheriffs shall be based on a service multiplier of 2.00; and upon reaching age 55, an increase in the retirement multiplier equal to 0.025% for each year of service beyond age 55, and an increase in the retirement multiplier equal to 0.025% for each year of creditable service beyond 25 years of creditable service".

3. Effective January 1, 2008 localities may opt to provide a retirement annuity for their local public safety officers as defined in §51.1-138 B, Code of Virginia based on a) a service multiplier of 2.00; and b) if so electing, may also elect to provide an additional increase in the retirement multiplier upon reaching age 55, equal to 0.025% for each year of service beyond age 55, and an increase in the retirement multiplier equal to 0.025% for each year of creditable service beyond 25 years of creditable service.

4."

Explanation:

(This amendment provides that all deputies employed by a local sheriff will receive LEOS benefits effective July 1, 2007, as provided for in SB 1166.)

General Government Subcommittee

Item 78 #1s

Administration

Language:

Page 79, following line 38, insert:

" The Department of Human Resource Management shall add a drug formulary, of the Medicare Enhanced Part D, Prescription Drug Benefit of the Commonwealth of Virginia Retiree Health Benefits Program, therapeutic agents used in the treatment of erectile dysfunction. This includes sildenafil citrate (Viagra), vardenafil HCL (Levitra), and tadalafil (Cialis)."

Explanation:

(This amendment requires that the Medicare Part D prescription drug program for retired state employees provide coverage for agents used in the treatment of erectile dysfunction.)

Finance

Department Of Taxation

Language

Language:

Page 269, following line 26, insert:

"3. The Department of Taxation is authorized to request and receive a treasury loan to fund the necessary start-up costs associated with the implementation of a federal debt setoff program for local taxes. The Department shall not incur such costs unless Congress enacts legislation that allows local governments, with the assistance of their state government, to collect delinquent local tax debts using offsets from federal income tax refunds. The treasury loan shall be repaid for these costs from the funds collected for localities through the federal debt setoff program.

4. The Department of Taxation shall submit a request to the 2008 General Assembly for a special fund appropriation to reflect projected on-going operational expenses to administer the federal debt setoff program."

Explanation:

(This amendment authorizes a treasury loan for the start-up costs associated with the implementation of the federal debt setoff program for local taxes established pursuant to SB 1021.)

Public Safety**FY 06-07****FY 07-08**

Department Of State Police

\$0

\$1,205,123 GF

\$0

\$46,586 NGF

Language:

Page 436, line 38, strike "\$209,901,982" and insert "\$211,153,691".

Explanation:

(This amendment provides \$1,205,123 from the general fund and \$46,586 from nongeneral funds the second year to implement the Northern Virginia pay differential for State Police officers in Areas 5 and 7.)

Central Appropriations

Central Appropriations

Language

Language:

Page 499, following line 23, insert:

"R. In calculating the cost salary increases that are effective after November 25, 2007 for any employee or employees of the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) whose compensation is funded, in whole or in part, from Medicaid reimbursements, the Department of Planning and Budget (DPB) shall take steps to ensure that the general fund share of Medicaid funding that is budgeted to the Department of Medical Assistance Services (DMAS) is calculated, and that appropriate general fund increases in Medicaid funding are provided to allow DMAS to draw down the additional federal Medicaid funds to support such compensation increase."

Explanation:

(This amendment requires the Department of Planning and Budget to increase the general fund share of Medicaid funding to support of salary increases for employees supported from the Medicaid program.)

Independent Agencies

Virginia Retirement System

Language

Language:

Page 512, line 4, following "for" insert ": 1) "

Page 512, line 5, following "to" strike "1.85" and insert "2.00"

Page 512, line 7, following "service" insert:

", and 2) upon reaching age 55, an increase in the retirement multiplier equal to 0.025% for each year of service beyond age 55, and an increase in the retirement multiplier equal to 0.025% for each year of creditable service beyond 25 years of creditable service"

Explanation:

(This amendment conforms the provisions of the appropriations act with those of SB 1166.)

Compensation - Retirement Subcommittee

Item 4-6.01 #1g

Positions and Employment

Employee Compensation

Language

Language:

Page 647, line 61, strike "\$103,289" and insert "\$119,942".

Page 647, line 62, strike "\$106,388" and insert "\$123,540".

Page 648, line 6, strike "\$121,458" and insert "\$103,289".

Page 648, line 7, strike "\$125,102" and insert "\$106,388".

Page 648, line 18, strike "\$106,259" and insert "\$119,942".

Page 648, line 19, strike "\$109,447" and insert "\$123,540".

Page 650, strike lines 48 through 50.

Page 650, line 57, strike "\$85,764" and insert "\$94,340".

Page 650, line 58, strike "\$88,337" and insert "\$97,170".

Page 650, line 65, strike "\$82,779" and insert "\$70,279".

Page 650, line 66, strike "\$85,262" and insert "\$72,387".

Page 651, strike lines 4 through 6.

Page 651, line 27, strike "\$81,761" and insert "\$80,000".

Page 651, line 28, strike "\$84,214" and insert "\$82,400".

Page 651, line 53, strike "\$139,701" and insert "\$146,943".

Page 651, line 54, strike "\$143,892" and insert "\$151,351".

Page 652, line 45, strike "\$165,513" and insert "\$184,525".

Page 652, line 46, strike "\$170,748" and insert "\$190,061".

Explanation:

(This amendment makes corrections and updates to various agency head salaries.)
