
VIRGINIA STATE BUDGET

2003 Session

Budget Bill - HB1400 (Introduced)

Bill Order » Central Appropriations » Item 511

Central Appropriations

Item 511	First Year - FY2003	Second Year - FY2004
Compensation Supplements (State) (75700)	\$49,850,460	\$87,283,598 -\$16,723,273
Compensation Supplements (State) (75700)	\$49,850,460	\$87,283,598 -\$16,723,273
Fund Sources:		
General	\$49,850,460	\$87,283,598 -\$16,723,273

Authority: Discretionary Inclusion.

A. Transfers from this Item may be made to supplement general fund appropriations to state agencies for:

1. Adjustments to base rates of pay;
2. Adjustments to rates of pay for budgeted overtime of salaried employees;
3. Salary increases for positions with salaries listed elsewhere in this act;
4. Salary increases for locally elected constitutional officers and their employees;
5. In-band salary adjustments for employees subject to the Virginia Personnel Act to recognize changes in duties or professional skill development, establish internal alignment (equitable salary relationships), or respond to labor market conditions (retention).
6. Employer costs of employee benefit programs when required by salary-based pay adjustments; and
7. Salary increases for local employees supported by the Commonwealth, other than those funded through appropriations to the Department of Education.

This appropriation provides for the compensation adjustments described in paragraph C of this Item, subject to conditions stated in this Item.

B. Transfers from this Item may be made when appropriations to the state agencies concerned are insufficient for the purposes stated in paragraph A of this Item, as determined by the Department of Planning and Budget, and subject to guidelines prescribed by the department. Further, the Department of Planning and Budget may transfer appropriations within this Item from the second year of the biennium to the first year, when necessary to accomplish the purposes stated in paragraph A of this Item.

C.1. The Department of Human Resource Management may approve pilot compensation programs within agencies that support the redesigned classified compensation plan. Such pilot programs approved by the Department shall have clearly defined objectives, specified time frames, and shall be restricted to no more than two years. Such pilot

programs shall be funded from existing agency appropriations or from funds provided for increases specified in paragraph *G* of this Item, or a combination of both. A report on such pilot programs shall be made to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2003. The Secretary of Administration shall approve any change in compensation plans based on pilot programs, prior to their implementation.

2. Any pilot programs or alternative pay plans authorized under the provisions of this paragraph, shall provide for average annual salary increases that are no greater than those authorized in this Item for general, classified state employees.

D. The Governor is hereby authorized to transfer funds from agency appropriations to the accounts of participating state employees such amounts as may be necessary to match the contributions of the qualified participating employees, consistent with the requirements of the Code of Virginia governing the deferred compensation cash match program. Such transfers shall be made consistent with the following:

1. The maximum cash match provided to eligible employees shall not be less than \$20.00 per pay period, or \$40.00 per month. The Governor may direct the agencies of the Commonwealth to utilize funds contained within their existing appropriations to meet these requirements.

2. The Governor may direct agencies supported in whole or in part with nongeneral funds to utilize existing agency appropriations to meet these requirements. Such nongeneral revenues and balances are hereby appropriated for this purpose, subject to the provisions of § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any existing conditions and restrictions otherwise placed upon such nongeneral funds.

3. Employees who are otherwise eligible but whose 403 (b) provider does not participate in the cash match program by establishing a 401 (a) account are ineligible to receive a cash match.

4. The procurement of services related to the implementation of this program shall be governed by standards set forth in § 51.1-124.30 C, Code of Virginia, and shall not be subject to the provisions of Chapter 7 (§ 11-35 et seq.), Title 11, Code of Virginia.

E. The Director, Department of Planning and Budget, shall withhold from agency general fund appropriations and transfer to this Item an amount estimated at \$17,807,598 the first year and \$18,503,577 the second year, representing the savings from a reduction in the contribution rate for the group life program for state employees.

F.1. For fiscal year 2003, salaried employees of the Commonwealth shall receive the compensation increases set out below:

a. Except as provided for in paragraphs F 1 a 4) and F 1 b of this Item, classified employees, agency heads, cabinet secretaries, other salaried employees of the Executive, Legislative, and Judicial branches, and salaried employees of Independent agencies shall each elect in writing to receive either:

1) A one-time bonus payment equal to 2.5 percent of base compensation for fiscal year 2003 to be included in the August, 30, 2002, pay, or

2) Ten days of compensatory time off with pay. Such compensatory time shall be credited to employees on July 1, 2002, and must be used no later than June 30, 2003. Compensatory time shall not be carried forward and employees shall not be paid or otherwise compensated upon leaving employment for any balance of unused compensatory time provided to them under this paragraph, or

3) Any combination of bonus and compensatory time, subject to policies and procedures to be developed by the Department of Human Resource Management and the Department of Planning and Budget. The bonus payment

portion of any combination of compensatory time and bonus shall be included in the August 30, 2002, pay.

4) All employees who are covered by Chapter 2, 2.1, or 3, Title 51.1, Code of Virginia, shall receive a one-time bonus payment equal to 2.5 percent of base compensation for fiscal year 2003.

b. Each institution of higher education shall receive the first year an amount equal to 2.5 percent of the base compensation of teaching and research faculty, administrative faculty, part-time faculty, and graduate teaching assistants. These funds shall be used to provide, at the discretion of the institution:

1) A one-time bonus payment, or

2) Such other monetary or non-monetary incentives and awards as each institution shall deem appropriate for the retention of teaching and research faculty.

3) These incentive payments shall not be included in base compensation for purposes of retirement.

c. In the first year, each independent agency may use funds equivalent to 2.5 percent of employee base compensation in the first year for one-time compensation actions consistent with the established agency pay plans.

2.a. Classified employees in the Executive Department shall receive the increases authorized in subparagraph F.1.a. above only if they attain a rating of at least "contributor" on their latest performance evaluation.

b. Increases for other employees listed in subparagraph F 1 a. shall be consistent with the provisions of subparagraph F 2 a. as determined by the appointing or governing authority. The appointing or governing authority shall certify that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in the preceding subparagraph F 2 a.

G. State agencies and institutions of higher education shall make payments to the Virginia Retirement System for retirement contributions, Virginia Sickness and Disability Program contributions, and retiree healthcare credit contributions on a quarterly basis.

H. Included in this appropriation is \$9,436,558 the first year and \$9,846,843 the second year for an increase in the contribution rate for the Virginia Sickness and Disability Program resulting from the addition of long-term care insurance coverage and an update of the program assets and liabilities.

I. 1. The Director, Department of Planning and Budget, shall withhold from agency general fund appropriations and transfer to this Item an amount estimated at \$563,662 the first year and ~~\$644,185~~ \$3,251,056 the second year, representing savings in VRS retirement contributions resulting from ~~7 percent and 8 percent~~ *across-the-board* reductions in *the* administrative expenses of the Virginia Retirement System.

2. Nongeneral fund amounts estimated at \$563,662 the first year and ~~\$644,185~~ \$2,938,015 the second year appropriated for the payment of Virginia Retirement System contributions shall be transferred to the general fund pursuant to § 3-1.01 of this act, representing savings in VRS retirement contributions resulting from ~~7 percent and 8 percent~~ *across-the-board* reductions in *the* administrative expenses of the Virginia Retirement System. Appropriated funds from federal sources are exempted from this transfer.

J.1. ~~This appropriation includes \$101,400,000 to provide a compensation increase in December 2003 for:~~

~~2. State employees, including faculty of state-supported institutions of higher education, as established in subparagraphs 2 a through 2 d of paragraph B of this Item.~~

~~3. State-supported local employees as set out in subparagraph 2 e of paragraph B of this Item.~~

~~4. Public school employees, including instructional and support personnel, funded through the Standards of Quality.~~

K. The Director, Department of Planning and Budget, shall withhold from agency general fund appropriations and transfer to this Item an amount estimated at \$4,926,220 the first year and \$5,140,405 the second year, representing the reduction of the employer contribution rate for the state employee retiree health insurance credit program.

L. The Director, Department of Planning and Budget, shall withhold from agency general fund appropriations and transfer to this Item an amount estimated at \$3,911,095 the first year and \$4,081,141 the second year, representing the reduction of the employer contribution rate for the sickness and disability program.