

# Administration

The Governor's proposed 2004-06 budget for Administration results in a net increase of \$40.2 million GF for the biennium when compared to the adjusted appropriation for current operations. This total reflects new spending of \$40.3 million, offset by reductions of \$160,352.

This new GF spending includes \$18.9 million to support per diem payments and additional staff at local and regional jails, \$10.3 million for additional staff at three new or expanded local and regional jails, \$3.3 million to expand the Department of Corrections' contract bed program with the local and regional jails, \$2.3 million to offset a shortfall in salary dollars for certain local constitutional officers and \$1.5 million to maintain one law enforcement deputy per 1,500 local residents.

- **Compensation Board**
  - ***Provide Funding for Per Diem Payments to Local and Regional Jails.*** Provides \$6.0 million GF the first year and \$9.1 million GF the second year to support additional reimbursements to localities for housing inmates in local and regional jails. The proposed amounts are based upon the official inmate population forecasts and the per diem rates established in the Appropriation Act.
  - ***Support for Additional Deputy Positions Required to Address Jail Overcrowding.*** Provides \$1.3 million GF the first year and \$2.6 million GF the second year to support the hiring of temporary corrections officers at the most overcrowded local and regional jails. This funding will support the addition of 48 positions in FY 2005 and 43 positions in FY 2006 to alleviate security and liability issues in 12 local and regional jails that have had inmate populations exceeding 100 percent of operational capacity for more than six months.
  - ***Provide Staff for New or Expanding Local and Regional Jails.*** Recommends \$2.5 million GF the first year and \$7.8 million GF the second year to hire additional staff at new and expanding jails expected to come on-line during this biennium. The facilities are the Virginia Beach (expansion), Southwest Regional (new), and Middle River Regional (new) jails.
  - ***Provide One Law Enforcement Deputy for 1,500 Local Residents.*** Provides \$698,908 GF the first year and \$763,894 GF the second year

to ensure that sheriff's offices with law enforcement responsibilities have sufficient deputies to meet the 1:1,500 standard required by the Code of Virginia. The funding supports the hiring of an additional 26 law enforcement deputies for the counties of Cumberland, Fauquier, Frederick, Hanover, Loudoun, Orange, Richmond, Rockingham, Spotsylvania, and Stafford.

- ***Expand the Jail Contract Bed Program.*** Includes \$1.3 million GF the first year and \$2.0 million GF the second year to expand the Department of Corrections' contract bed program with local and regional jails by 200 beds.
  - ***Fund Shortfall in Salary Regrade Annualization Costs.*** Recommends \$1.1 million GF the first year and \$1.1 million GF the second year to provide additional dollars for continuation costs of the 2.25 percent salary increase approved for all local constitutional officers during the 2003 Session.
  - ***Adjust Technology Trust Fund Appropriation.*** Recommends \$1.3 million NGF the first year and \$1.3 million NGF the second year to more accurately reflect the historical expenditures in the Circuit Court Clerks' Technology Trust Fund.
  - ***Convert Contractual Systems Support Position to Classified Status.*** Proposes a reduction of \$36,004 GF in the first year and \$42,604 GF in the second year by converting a contractual position into a full-time classified position. The contractual position currently provides application support for both of the Compensation Board's automated systems. The savings result from eliminating the contract's overhead costs.
- **Department of General Services**
    - ***Adjust Rent Charges.*** Recommends an increase in the rental rates that state agencies are charged for office space in state-owned buildings at the seat of government. Provides an increase of \$1.3 million NGF the first year and \$1.7 million NGF the second year to account for increases in the costs of contractual services, utilities, payments in lieu of taxes, personal services, and the costs of maintaining vacant space. Sixty-one percent of the department's total collections are derived from the general fund appropriations of other state agencies.

- ***Enhance the Virginia Partnership Procurement Program.*** Provides \$327,603 NGF the first year and \$349,557 NGF the second year to support the continued expansion of the department’s Virginia Partners in Procurement spend management program. The Virginia Partners in Procurement program seeks to leverage the purchasing done by state agencies, public colleges and universities, and local governments to seek the lowest possible prices from vendors. This funding will permit the department to continue this initiative using in-house staff rather than contractors. The nongeneral fund revenue necessary to support the initiative will be derived from rebates or surcharges associated with the contracts established as part of the program.
- ***Expand Procurement Account Executive Program to Local Governments.*** Recommends \$243,870 NGF in the first year and \$254,469 in the second year to provide for staff to market the Commonwealth’s procurement services to local governments and assist localities in the use of those services. The services that would be made available to localities under this initiative include existing statewide contracts, the establishment of new statewide or regional cooperative procurement contracts, access to and training for the use of the Commonwealth’s electronic procurement system, and staff analysis.
- ***Increase Consolidated Laboratory Appropriations to Account for Existing Federal Grants.*** Provides \$3.7 million NGF the first year and \$3.7 million NGF the second year to reflect additional grants received from the federal government for chemical, bioterrorism, epidemiology, and West Nile Virus testing services.
- ***Increase Consolidated Laboratory Appropriations for Newborn Screening Tests.*** Provides \$534,101 NGF in the first year and \$669,762 NGF in the second year to reflect an increase in revenues collected from hospitals, clinics, and physicians for performing newborn screening tests. The cost of these screenings has increased due to the inclusion of a new testing requirement by the General Assembly. The new requirement tests for Medium Chain Acyl-CoA Dehydrogenase Deficiency, a condition that is one cause of Sudden Infant Death Syndrome (SIDS).
- ***Adjust Electronic Procurement System Appropriation.*** Provides \$3.2 million NGF in the first year and \$3.2 million in the second year to account for revenues collected from vendor transaction fees. These fees, capped at one percent of the cost of the goods ordered

or \$500, are used to support the development and operation of the Commonwealth's electronic procurement system.

- **Department of Human Resources Management**

- ***Adjust Workers' Compensation Premiums.*** A series of amendments to almost all state agencies provides for an overall increase of \$2.6 million (all funds) the first year and \$3.9 million (all funds) the second year to pay for the Commonwealth's workers' compensation liabilities. However, the overwhelming majority of these additional funds will be paid by nongeneral fund agencies. In FY 2005, the general fund's share of these additional premiums is only \$14,963. In FY 2006, the general fund will actually save \$172,969. In large part, these general fund savings are due to the introduction in FY 1999 of an experienced-based premium structure.

Unlike private sector firms, the Commonwealth is not required to reserve sufficient sums to pay for the actuarial cost of workers' compensation claims. Instead, the Commonwealth relies upon a much cheaper pay-as-you-go premium structure that ensures sufficient cash is available to pay only the amounts necessary in a given fiscal year.

- **Department of Veterans Services**

- ***Enhance Benefits Services to Veterans.*** Provides \$137,659 GF and four positions in the first year and \$150,176 GF in the second year to increase veterans' access to claims assistance at the department's field offices in Big Stone Gap, Cedar Bluff, Wytheville, and Charlottesville. Budget language makes the spending contingent upon passage of the Governor's tax restructuring program.
- ***Staffing for New Veterans Cemetery.*** Includes \$108,796 GF and four positions and \$66,300 NGF the first year and \$102,533 GF and \$106,500 NGF the second year to provide oversight of the cemetery and perform administrative, burial, janitorial, and groundskeeping services. The source of the nongeneral fund revenues is the federal Department of Veterans' Affairs, which provides a \$300 burial allowance for each veteran buried, and families of eligible dependents, who will be charged a similar fee for burial within the cemetery.

- ***Transfer Education Unit from Department of Education.*** Transfers \$287,266 NGF and three positions the first year and \$287,266 NGF the second year from the Department of Education to support a federally funded unit responsible for approving the educational and vocational programs that veterans may attend when using the benefits associated with the Montgomery GI bill. A corresponding amendment eliminates these positions and their associated funding in the Department of Education.
- ***Account for Additional Federal Funds Available to Education Unit.*** Provides for \$185,928 NGF and two positions the first year and \$185,928 NGF the second year in additional federal funds for the state veterans education program. The department will use these additional federal dollars to inform veterans about their educational benefits.
- **Human Rights Council**
  - ***Provide Additional Staff.*** Includes \$32,577 GF and one position the first year and \$35,539 GF the second to ensure the agency satisfies its federal contract requirements and to alleviate a backlog in its discrimination investigations.
- **State Board of Elections**
  - ***Help America Vote Act (HAVA).*** Provides \$45.5 million NGF the first year and five positions and \$15.0 million NGF the second year to upgrade election equipment and implement a number of election reforms. The Help America Vote Act was passed by Congress in 2002 and provided states with \$3.65 billion in federal funds to improve the manner in which Americans vote. Currently, \$11.6 million in federal funds have already been received by the board. The board expects to receive another \$20.6 million in FY 2004, \$11.6 million in FY 2005, and \$15.0 million in FY 2006.
  - ***Rebase Registrar and Local Electoral Board Salaries.*** Provides an additional \$1.0 million GF the first year and \$1.0 million GF the second year to fund the salary costs of general registrars and local electoral boards. The salaries paid to general registrars and local electoral boards are determined based primarily on population. The amounts included represent the sums needed to comply with the salary tables shown for general registrars and local electoral boards in the Appropriation Act.