

Administration

The Governor's proposed amendments for the Office of Administration include a net increase of \$39.0 million in general fund dollars and \$3.6 million nongeneral fund compared to the adjusted base budget. This results in a 2.8 percent increase in general funds for the Office of Administration above the adjusted base. The \$39.0 million increase includes \$58.4 million in additional funding offset by \$19.4 million in spending reductions.

The Compensation Board budget includes \$29.7 million GF in additional funding for jail per diems and \$20.5 million GF to fund staff at new jails. The budget also includes \$6.0 million GF to reimburse localities and regional jails for increased retirement costs from providing enhanced retirement benefits to jail correctional officers under the Law Enforcement Officers Retirement System. The spending reductions included in the Compensation Board include \$5.6 million in savings from removing the exemption from overhead cost recovery that was provided to four jails and \$3.1 million in savings from requiring localities to fund 50 percent of the liability insurance and bond premiums for constitutional officers.

The budget also includes \$3.7 million NGF for the Department of General Services (DGS) related to a proposal to transfer responsibility for information technology procurement from the Virginia Information Technologies Agency to DGS. The budget for DGS also assumes savings from closing the Division of Consolidated Laboratory Services' Abingdon laboratory, resulting in the layoff of seven full-time and one part-time staff. Under the proposed budget, the Department of Charitable Gaming is merged into the Department of Agriculture and Consumer Services.

- **Secretary of Administration**

- *Governor's October 2007 Budget Reductions.* Continues the strategies announced in October 2007 contained in the Governor's introduced budget for 2008 for a savings of \$180,983 GF each year.

- **Compensation Board**

- *Per Diem Payments to Local and Regional Jails.* Includes \$14.9 million GF each year to compensate local governments for the cost of housing inmates in local jails based on the per day rate.
- *Staff New Jails and Expansion.* Provides \$3.5 million GF the first year and \$17.0 million GF the second year for staffing costs in new and expanded jails. Funding is needed for additional staffing at the Newport News Jail, the Prince William/Manassas Jail, Rappahannock Regional Jail, Western Virginia Regional Jail, and the Riverside Regional Jail.
- *Funding to Sheriffs' Deputies Retirement Cost.* Includes \$2.0 million GF in the first year and \$4.0 million GF the second year to provide increased

reimbursements to localities and regional jails for costs incurred from providing enhanced retirement benefits to deputy sheriffs and jail officers. Senate Bill 1166 of the 2007 General Assembly session requires localities to provide these enhanced benefits to deputy sheriffs and jail officers no later than July 1, 2008. The provision of these benefits is optional for regional jails.

- ***Implement Operational Efficiencies.*** Reduces the budget by \$93,051 GF the first year and \$344,121 GF the second year from operational efficiencies at the Compensation Board. Three positions are eliminated through these efficiencies.
- ***Governor's October 2007 Budget Reductions.*** Continues the strategies announced in October 2007 contained in the Governor's introduced budget for 2008 for a savings of \$909,567 GF each year.
- ***Continue Savings Related to Vacancies.*** Assumes \$1.3 million GF in savings from continuing the requirement that clerks, treasurers, finance directors and commissioners of revenue keep vacant positions unstaffed for at least 90 days prior to filling the positions. This initiative was part of the October 2007 budget reduction plan but it was originally approved as a one-time savings for FY 2008.
- ***Remove Exemption from Overhead Recovery.*** Reflects savings of \$2.8 million GF each year of the biennium from removing the overhead recovery exemption provided to the Northern Neck Regional Jail, Piedmont Regional Jail, Central Virginia Regional Jail, and the Alexandria Jail. This action reduces the amount of state funding required for per diem reimbursements in these jails.
- ***Adjust Retiree Health Credit Premium Payments.*** Assumes \$402,725 GF savings in each year of the biennium from requiring localities to fund 50 percent of the cost of the retiree health care credit premium for constitutional officers and their staff.
- ***Adjust Liability Insurance and Bond Premium Payments.*** Reflects savings of \$1.6 million GF in each year of the biennium from requiring localities to fund 50 percent of the cost liability insurance and bond premium payments for constitutional officers.

- **Department of General Services**

- ***Increase Position Level for DGS.*** Increases the number of authorized positions for the Department by 16 FTEs due to increased workload in the Division of Real Estate Services and state mail services as well as the proposal to transfer responsibility for the Virginia Election Registration and Information system from the State Board of Election to DGS.
- ***Transfer Information Technology Procurement to the Department.*** Provides \$1.9 million NGF the first year and \$1.8 million NGF the second year, and 16 positions,

related to the proposal to transfer responsibility for information technology procurement from the Virginia Information Technologies Agency to DGS.

- ***Fund Replacement of Laboratory Equipment.*** Proposes \$269,900 GF in the first year and \$622,900 GF the second year to replace laboratory equipment that is older than the five to seven year life expectancy of the equipment.
- ***Increased Funding for Government Mail Services.*** Includes \$143,212 GF in each year of the biennium to support the current system of government mail services provided by DGS.
- ***Governor's October 2007 Budget Reductions.*** Continues the strategies announced in October 2007 contained in the Governor's introduced budget for 2008 for a savings of \$705,000 GF and an increase of \$404,000 NGF each year.
- ***Close Division of Consolidated Laboratory Services' Abingdon Laboratory.*** Proposes a savings of \$199,333 GF the first year and \$427,362 GF the second year from closing the Abingdon Laboratory. This proposal results in the lay-off of seven full time staff and one part time employee.
- ***Transfer Oversight of the Virginia War Memorial to the Department of Veterans Services.*** Reduces DGS budget by \$430,174 GF in each year, and three staff, from transferring the staff to the Department of Veterans Services which will assume responsibility for overseeing the Virginia War Memorial.

- **Department of Human Resources Management**

- ***Governor's October 2007 Budget Reductions.*** Continues the strategies announced in October 2007 contained in the Governor's introduced budget for 2008 for a savings of \$203,550 GF each year.
- ***Increase NGF appropriation for Flexible Spending Account Administration.*** Provides \$350,000 NGF in each year of the biennium needed for administrative costs incurred in the administration of the medical and childcare flexible spending accounts.

- **Department of Minority Business Enterprise**

- ***Governor's October 2007 Budget Reductions.*** Continues the strategies announced in October 2007 contained in the Governor's introduced budget for 2008 for a savings of \$37,491 GF each year.

- **State Board of Elections**

- ***Adjust Federal Help America Vote Act.*** Reduces the NGF appropriation for the SBE by \$5.0 million the first year and \$10.0 million the second year to reflect decreases in the amount of federal grants that are expected to be received under

the Help America Vote Act, which helps states modernize and improve their voting systems.

- *Advertising Requirements Associated with the General Obligation Bond Referendum.* Includes \$200,000 GF in the first year for the State Board of Elections to advertise the general obligation bond referendum that has been proposed by the Governor for consideration by the voters during the November 2008 election. The funds will be a one-time cost.
- *Governor's October 2007 Budget Reductions.* Continues the strategies announced in October 2007 contained in the Governor's introduced budget for 2008 for a savings of \$546,431 GF and an increase of \$35,430 NGF each year.

- **Department of Charitable Gaming**

- *Consolidate the Department of Charitable Gaming with the Department of Agriculture and Consumer Services.* Proposes to consolidate the two agencies into one, the Department of Agriculture and Consumer Services. The proposed consolidation results in a savings of \$100,198 GF each year and a reduction of one staff.