

Administration

Adopted Amendments				
(\$ in millions)				
	FY 2015 Adopted		FY 2016 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Current Budget (Chapter 3, 2014 Special Session I)	\$675.7	\$1,584.2	\$679.1	\$1,585.7
Increases	13.8	227.5	1.7	277.8
Decreases	<u>0.0</u>	<u>(0.2)</u>	<u>(.3)</u>	<u>(0.6)</u>
\$ Net Change	13.8	227.3	1.3	277.2
Chapter 665 (HB 1400, as Adopted)	\$689.5	\$1,811.5	\$680.4	\$1,862.9
% Change	2.1%	14.4%	0.2%	17.5%
Central Account Reversions	(\$1.1)	\$0.0	(\$2.2)	\$0.0
% Change	0.0%	0.0%	0.0%	0.0%
FTEs	371.40	464.10	372.40	465.10
# Change	0.00	0.00	1.00	1.00

- **Compensation Board**

- *Deputy Sheriffs' Salaries.* Adds \$1.2 million GF the second year to increase the minimum starting salary for Grade 7 (entry level) deputy sheriffs and Grade 7 (entry level) regional jail officers by 4.63 percent, effective September 1, 2015. When combined with the 2 percent across-the-board salary increase provided in Central Appropriations for all state-supported local employees, this action will raise the salary for these entry-level deputy sheriffs and regional jail officers from \$29,081 to \$31,009.
- *Staffing Cost for Central Virginia Regional Jail.* Includes \$0.2 million GF the second year for 11 additional positions to support Phase 1 of the Central Virginia Regional Jail expansion project in Orange. This project has an anticipated opening date of November 1, 2015.

- *Jail Per Diems.* Provides \$13.8 million GF the first year to fund the projected cost of per diem payments to regional and local jails (funding to cover the currently projected second year increase of \$13.0 million GF is not included).
- *Sheriffs' Career Development Program.* Includes a language change to move the administration of the certification component of this program from the University of Virginia's Weldon Cooper Center to Virginia Commonwealth University.
- *Delinquent Accounts.* Adjusts language adopted in 2014 which prohibits local Treasurers from charging contingency fees for collecting delinquent accounts under contract with their Commonwealth's Attorneys. Under the revised language, as of January 1, 2015, only the six Treasurers who are currently charging contingency fees for collecting delinquent accounts may continue to do so, and these six Treasurers may continue to do so only until June 30, 2018. The language further requires that any collections received in excess of costs be split on a 50-50 basis between the Commonwealth and the locality, consistent with the policy for Commonwealth's Attorneys.
- *Compliance with Sex Offender Registry Requirements.* Includes language authorizing the Compensation Board to withhold sheriff and jail funding from a locality if the Superintendent of State Police provides notification that the sheriff's office of that locality is not complying with the requirements for transmitting information to the Sex Offender and Crimes Against Minors Registry.

- **Department of General Services**

- *Reflect Savings from Decreased Use of Capital Outlay Management.* Includes a savings of \$170,600 NGF the first year and \$575,400 NGF the second year to reflect both increased rates and decreased usage of Bureau of Capital Outlay Management (BCOM) services from delayed capital project schedules. The BCOM review and inspection services is authorized to increase from \$128.00 per hour to \$142.00 per hour.
- *Increase Consolidated Lab Testing.* Provides an additional \$600,000 NGF the second year for assumed increases in the drug testing services performed by the Division of Consolidated Laboratory Services that are purchased by the Department of Corrections.
- *Increase Drinking Water Testing.* Provides \$136,000 NGF the second year from an assumed rate increase for the analysis of drinking water samples mandated by the federal Safe Drinking Water Act. Language is also included that directs the Division to adjust rates in order to achieve the additional revenue.

- ***Transfer Ownership of Center for the Innovative Technology Property.*** Includes language directing the Department of General Services to assume ownership of the Mid-Rise Building on the CIT campus in Reston upon notification from the State Treasurer that all Commonwealth debt service and capital lease obligations have been met.
- ***Adjust eVA Appropriation to Reflect Usage.*** Provides an additional \$3.1 million NGF the first year and \$3.7 million NGF the second year to accommodate increased procurement system contract costs, Cardinal integration, and funding of the Virginia Strategic Sourcing initiative that was previously funded from program balances.
- ***Provide Additional Parking Facilities Appropriation.*** Provides an additional \$1.0 million NGF the second year for the Parking Fund to reflect actual expenditures. There is no rate increase associated with this technical adjustment.
- ***Internal Service Fund Analyst.*** In support of efforts to improve the forecasting and reporting of internal service fund program, the adopted amendments include 1.0 FTE in the second year to support internal service fund financial operations and rate reviews. The funding for the position will be borne across the nine internal service funds managed by the Department.

Central Accounts Saving Strategies

- ***Revert Internal Service Fund Balances.*** Actions in Part 3-1.01 revert balances from five existing internal service funds to provide \$6.4 million in GF resources in the first year. From these amounts, the largest balance reversion is \$2.9 million from the eVA procurement program, \$1.6 million from the Fleet Management Program, and \$601,800 from the State Surplus Property Program. In each case, the internal service funds are left with funding to cover federal reimbursements as well as maintaining a 60 day expenditure coverage. For the eVA funds, the excess revenues reflecting vendor charges remain in the fund for continued support of the electronic procurement program.
- ***Increase Commercial Lab Certification Fees.*** Supplants a \$250,000 GF appropriation to the Division of Consolidated Laboratory Services with an increase in certification fees under the Laboratory Certification Program.
- ***Central Account Reductions.*** Included in the savings actions enumerated in Item 471.10, \$736,449 GF the first year and \$1.5 million GF the second year is recovered from existing agency appropriations and reverted to the general fund.

- **Department of Human Resources Management**

- ***Prioritize the Settlement of Workers' Compensation Claims.*** Includes language authorizing a working capital advance of up to \$20.0 million to prioritize the settlement of workers' compensation claims and requires annual reporting on this initiative. Recent actuarial reviews of the workers' compensation program have indicated the Commonwealth has \$1.0 billion in actuarial liability against the program.
- ***PMIS Balances.*** Includes language authorizing the Department of Human Resources Management to carry forward any balances appropriated in FY 15 for the migration of the Personnel Management Information System (PMIS) from a Unisys mainframe to a Windows SQL server platform. The Department is expected to execute a contract for the system migration project in February 2015.
- ***Actuarial Review of Public Employee Health Programs.*** The approved amendments direct the Department of Human Resource Management to provide for an actuarial review of the impact on the state employee health plan by establishing one statewide pooled plan for all state and local government employees and their dependents, including local school divisions. The review is also required to examine the existing Local Choice program to increase the enrollment from rural school divisions and local governments.
- ***Increase the NGF Appropriation for Local Choice Program.*** Includes an increase in the NGF appropriation for the optional Local Choice Program of \$47.0 million the first year and \$68.3 million the second year to reflect increases in local participation. The Local Choice Program is a health benefits program offered to local governments and school systems across the Commonwealth.
- ***Increase NGF Appropriation for the Health Insurance Fund.*** Proposes to increase the base appropriation for the State Health Insurance Program by \$176.2 million NGF in the first year and \$200.9 million NGF the second year to reflect increases in health care claims.
- ***State Employee Health Insurance Program.*** The approved amendments include a series of policy changes to Health Insurance Benefits resulting in a net savings of \$1.2 million GF. Included in these actions are:
 - 1) an increase in yearly deductible by \$75 for singles and \$150 for all others;
 - 2) limiting the availability of androgens without prior authorization, and
 - 3) a reduction in the co-pay for physical therapy services.

Two additional actions included in Part III transfer \$1.2 million in balances from the Health Insurance Fund (HIF) as well as \$10.4 million in residual appropriations from FY 1999 to the Incurred but Not Reported Reserve (IBNR). Recent changes to the HIF rates have resulted in an increase in the fund balance.

Central Accounts Saving Strategies

- *Central Account Reductions.* Included in the savings actions enumerated in Item 471.10 a total of \$248,000 GF the first year and \$349,000 GF the second year is recovered from existing agency appropriations and reverted to the general fund. Additional action is included in Part III to transfer \$767,000 in NGF balances to the GF resources from various DHRM maintained funds including the Employee Dispute Resolution and Workers' Compensation Funding Accounts.

- **State Board of Elections**

- *Improve Website Capability for Election Result Reporting.* Provides \$30,000 GF each year to improve the department's website to address volume outages for election night reporting.
- *Increase Federal "Help America Vote" Act Appropriations.* Includes an additional \$1.2 million NGF the first year and \$2.9 million NGF the second year from federal funds in support of the costs of maintaining the Virginia Election and Registration Information System.
- *Change of Address Registry.* Provides \$0.2 million GF the second year in support of the update and maintenance of mailing lists in compliance with National Change of Address data.
- *Central Account Reductions.* Included in the savings actions enumerated in Item 471.10, a total of \$147,000 GF the first year and \$197,000 GF the second year is recovered from existing agency appropriations and fund balances and reverted to the General Fund.