

Administration

The adopted 2002-2004 budget for Administration results in a net reduction of \$48.6 million GF and a net increase of \$75.5 million NGF when compared to Chapter 899. This total reflects new GF spending of \$15.8 million, offset by \$64.4 million in GF reductions, and additional NGF revenues of \$83.4 million, offset by \$7.9 million in reductions.

The new general fund spending items include \$7.8 million for increased per diem payments to local and regional jails and \$1.3 million for increased insurance premiums for constitutional officers. The major nongeneral fund spending increases include \$23.2 million to reflect the transfer of the Veteran's Care Center from private to state management, and a technical correction to nongeneral fund revenues for the local choice health insurance program.

Reductions are spread across the agencies with the largest savings generated by the Compensation Board and the Department of General Services. Additional reductions to the constitutional officers were adopted, totaling 5 percent for sheriffs, seven percent in the first year and five percent in the second year for Commonwealth's Attorneys, and 11 percent reductions for the treasurers, commissioners of revenue and circuit court clerks. In combination with administrative efficiencies, these proposals would generate total biennial savings of \$40.7 million from the Compensation Board. Savings at the Department of General Services total \$7.5 million and include increased reliance on fees for services.

The adopted budget eliminates two agencies by consolidating the Commission on Local Government with the Department of Housing and Community Development and transferring the responsibilities of the Virginia Public Broadcasting Board to the Secretary of Administration. The Charitable Gaming Commission shifts from nongeneral fund to general fund status effective July 1, 2003, and nongeneral fund balances of approximately \$2.3 million are swept to the general fund.

- **Secretary of Administration**
 - ***Consolidation of Public Broadcasting.*** Provides \$6.5 million GF in the second year to reflect the proposed transfer of the activities and funding for the Virginia Public Broadcasting Board to the Office of the Secretary of Administration, effective July 1, 2003. An amendment also directs the Secretary of Administration and the VPBB to develop a formula for allocating the public television community service grants no later than June 15, 2003.

- **October Reductions.** Reduces GF appropriations by \$78,744 the first year and \$91,949 the second year, representing reductions of 10.1 percent each year.
- **Charitable Gaming Commission**
 - **Support Agency from General Fund.** Switches the funding source for the agency from nongeneral fund to general fund as of July 1, 2003. In FY 2004, increasing the GF appropriation by \$2.1 million and reducing the NGF appropriation by \$2.5 million achieves a net savings of \$400,000. Language in Part 3 transfers the agency’s nongeneral fund balances of approximately \$2.3 million to the general fund.
 - **October Reductions.** Reduces appropriations by \$366,921 NGF the first year and \$356,852 NGF the second year, representing reductions of about 15 percent.
- **Commission on Local Government**
 - **Eliminate Agency and Transfer Responsibilities to DHCD.** The agency is eliminated and its activities, three of its six positions, and the associated funding transferred to the Department of Housing and Community Development effective July 1, 2003. This results in savings of \$183,774 GF in the second year.
 - **October Reductions.** Reduces appropriations by \$98,564 GF first year and \$101,603 GF the second year, representing reductions of 15 percent.
- **Commonwealth Competition Council**
 - **October Reductions.** Reduces appropriations by \$34,855 GF the first year and \$45,347 NGF the second year, representing reductions of 15 percent each year.
- **Compensation Board**
 - **October Reductions.** Reduces appropriations by a net \$20.8 million over the biennium as follows:
 - **Commonwealth’s Attorneys.** Funding for Commonwealth’s Attorneys is reduced seven percent in the first year and five percent in the second year for savings of \$2.4 million GF in FY 2003 and \$2.2 million GF in FY 2004.

- **Circuit Court Clerks, Treasurers and Commissioners Reductions.** Appropriations for Circuit Court Clerks, Treasurers and Commissioners are each reduced 11 percent each year, generating savings of \$15.1 million GF and \$1.5 million NGF over the biennium.
- **Reduced Funding for Sheriffs.** A five percent reduction to sheriff's funding over the biennium is included, totaling \$27.0 million GF. To reflect the difficulty in achieving savings in the first year, the reduction is split \$8.8 million the first year and \$18.2 million the second year. The reduction is reflected largely in the jail per diem payments.
- **Increased Inmate Per Diem for Local and Regional Jails.** Includes an increase of \$5.4 million GF the first year and \$2.7 million GF the second year for per diem payments to localities, reflecting the projected increase in local jail populations.
- **Increased Funding for Insurance Premiums.** Increases funding \$717,001 GF the first year and \$572,001 GF the second year due to increased general liability insurance premiums for constitutional officers.
- **Capture TTF Balances.** Language in Part 3 of the Appropriations Act transfers \$3.7 million NGF balances in the Circuit Court Clerk's Technology Trust Fund to the general fund in FY 2003 and \$3.5 million in FY 2004.
- **Community Corrections Pilot Program.** An amendment transfers \$1.0 million from the Compensation Board to the Department of Criminal Justice Services for reimbursement to localities for participation in the Community Corrections pilot program. A related amendment in DCJS authorizes participation in the program.
- **Human Rights Council**
 - **Funding and Support Services.** Maintains the agency's status as an independent agency. The introduced budget had proposed merging the Council into the Office of the Attorney General in the second year. A total of 3 positions, \$294,363 GF and \$43,498 NGF are provided in the second year.

- **October Reductions.** Reduces appropriations by \$49,715 GF the first year and \$50,461 GF the second year, representing reductions of 15.0 percent each year. The majority of savings are generated through the use of federal Equal Employment Opportunity Commission funding to supplant general fund dollars.
- **Department of Employee Dispute Resolution**
 - **October Reductions.** Reduces appropriations by \$113,162 GF the first year and \$135,080 GF the second year, representing reductions of 15.0 percent in FY 2003 and 13.7 percent in FY 2004. The savings are generated through the elimination of two vacant positions.
- **Department of General Services**
 - **Convert Bureau of Capital Outlay Management to Internal Service Fund.** Pursuant to a 2002 legislative directive, the adopted budget replaces the Bureau’s general fund support with nongeneral fund revenue by imposing fees for reviewing the architectural, mechanical and engineering specifications for new construction and renovation projects. GF reductions of \$1.0 million the first year and \$1.9 million the second year are included, with like increases in NGF revenues appropriated.
 - **Create Procurement Service Center.** Includes language directing DGS to operate a procurement service to support the purchasing needs of agencies identified by DPB and DGS.
 - **Defer Passenger Vehicle Purchases.** A Part 3 transfer captures NGF savings from permitting DGS’s fleet management division to purchase only those replacement vehicles required for law enforcement agencies. Savings estimated at \$2.7 million in FY 2003 and \$2.5 million in FY 2004 are transferred to the general fund.
 - **Review of Virginia Distribution Center.** Includes language directing the Department of General Services, in consultation with the Auditor of Public Accounts, to undertake a comparative analysis of the total costs associated with services provided by the Virginia Distribution Center and to review methods to modify the operations of that facility by December 1, 2003.
 - **October Reductions.** Reduces appropriations by \$822,929 GF the first year and \$1.4 million GF the second year. The savings result in the elimination of 14 positions and one layoff.

- **Department of Human Resource Management**
 - ***Human Resources Service Center.*** Proposes the creation of a human resources service center to consolidate human resources activities for small agencies.
 - ***October Reductions.*** Reduces appropriations by \$665,424 GF and \$323,970 NGF the first year and \$725,165 GF and \$334,070 NGF the second year, representing reductions of 12 percent in FY 2003 and 13 percent in FY 2004.
- **Administration of Health Insurance**
 - ***Increase Appropriation for Local Health Insurance Program.*** Provides an increase of \$25.0 million NGF the first year and \$35.0 million NGF the second year to this holding account for the health insurance program for localities. This is a technical adjustment to more accurately reflect increased premium income from localities.
- **Department of Veterans' Affairs**
 - ***Implement Provisions of House Bill 1774.*** Includes language directing the Department of Planning and Budget to take such actions as may be necessary to implement the provisions of House Bill 1774 of the 2003 Session which creates a new Department of Veteran's Services by merging the Department of Veteran's Affairs, the Veteran's Cemetery Board and the Veteran's Care Center Board of Trustees.
 - ***Adjust NGF Appropriation to Reflect Cemetery Revenues.*** Proposes a technical amendment reducing the agency's NGF by \$800,000 each year to more accurately reflect plot and burial reimbursements from the federal Department of Veteran's Affairs. The number of burials performed at the Cemetery has not kept pace with initial projections.
 - ***October Reductions.*** Reduces appropriations by \$192,773 GF and \$9,300 NGF the first year \$257,363 GF and \$9,300 NGF the second year, representing reductions of 8.0 percent in FY 2003 and 10.4 percent in FY 2004. The majority of savings come from the elimination of five positions and 10 layoffs. Also proposed is a 10-day furlough for all employees in FY 2003, and a number of administrative savings.

- **State Board of Elections**
 - ***October Reductions.*** Reduces appropriations by \$337,149 GF the first year and \$308,513 GF the second year, representing reductions of about 8 percent each year.
- **Virginia Public Broadcasting Board**
 - ***Transfer Board Responsibilities to Secretary of Administration.*** Transfers the responsibilities of the VPBB to the Secretary of Administration effective July 1, 2003. The transfer does not impact funding for public broadcasting.
 - ***October Reductions.*** Reduces appropriations by \$1.1 million GF each year, representing reductions of 14.7 percent. The reductions are generated by reducing funding for contracts for K-12 instructional television, and community service grants for public television and public radio by 15 percent. Radio reading services for the blind were not impacted.
- **Virginia Veterans Care Center Board of Trustees**
 - ***Increase NGF Appropriation to Reflect Public Management.*** Adjusts the NGF appropriation supporting the Veterans Care Center's operations to reflect the transfer of responsibilities for the center from a private management company to the state. This results in an increase of \$11.6 million NGF each year and 230 NGF positions.
 - ***October Reductions.*** Reduces appropriations by \$34,383 NGF the first year and \$35,141 NGF the second year, representing reductions of 15 percent. The reductions are achieved by eliminating a vacant admissions position.