

Following are programmatic highlights of the Governor's introduced biennial budget

Compensation and Retirement

- **Pension Reform:** Provides additional \$315.3 million for the general fund share of state and teacher pension benefits representing funding at 80 percent of the full pension contribution rates, as well as funding for the 10-year scheduled payback of deferred employee retirement contributions from fiscal years 2011 and 2012. This provides full funding of the pension reform commitment of phasing-in increases to state and teacher retirement contributions to reduce future unfunded liabilities.
- **Teacher Pension Contribution Rate Increases for State and Localities:** The budget includes the expected increase to the employer contribution rate for teacher pensions, which is needed to meet pension reform obligations. The contribution rate increases from 11.6 percent to 14.5 percent for employers and will bring the rate up to 80 percent of the VRS certified rate. The exact cost for localities will depend on factors such as the local composite index and the size of teacher payroll, but could mean an increase of as much as 24 percent. This increase in teacher contribution rates will cost localities about \$122 million a year and the state an additional \$82 million a year.
- **Increased 599 Program Funding:** Provides an additional \$7 million in FY15 and \$14.2 million in FY16 to assist local law enforcement through the "599" program for localities with qualified police departments.
- **Compensation Board Summary:** No performance based or across-the-board salary increases are included for constitutional officers and their employees in FY15 or FY16. Some specific targeted salary increases are included in individual officer items. The proposed bonus for state employees in December, 2014 of up to 3 percent, contingent upon specific revenue and year-end fund balance requirements, does not extend to constitutional officers and their employees. An in depth overview of budget amendments affecting Constitutional Officers and the Compensation Board is available on their [website](#). Below are a few of the major highlights.
 1. **Targeted Salary Increases for Sheriffs and Regional Jails –** Provides additional funding of \$4,651,300 is included in each year to support a 2% salary increase for each Grade 7 and Grade 8 sworn sheriff's deputy and regional jail officer effective July 1, 2014. This amendment includes non-supplanting language preventing local governments from supplanting local salary funds with Compensation Board funds provided for this purpose.

- 2. Temporary Corrections Deputy/Officer Positions** – Provides additional funding of \$1,536,315 in FY15 and \$1,679,216 in FY16 and 48 temporary corrections deputy/officer positions is included to alleviate overcrowding conditions of 100 percent of rated capacity or greater in local and regional jails.
- 3. New Law Enforcement Deputies, but Below Statutory Requirement** – Provides additional funding of \$928,203 and 29 positions in FY15 and \$2,070,767 and an additional 33 positions in FY16 is included to support a total of 62 new law enforcement deputies over the biennium, which only represents 25 percent and 50 percent of the positions needed to meet the statutory requirement of one deputy per 1,500 locality population;
- 4. Commonwealth's Attorneys** – Additional funding of \$2,120,757 million in each year is included to support a salary increase for each full-time Assistant Commonwealth's Attorney of \$3,308 and each part-time Assistant Commonwealth's Attorney of \$1,654, effective July 1, 2014.
- 5. Circuit Court Clerks** – Additional funding of \$430,789 is provided in each year to support a 4 percent increase in salary for each Deputy Clerk I (DCI) position and a 2 percent increase for each Deputy Clerk II (DCII) position, effective July 1, 2014. This amendment includes non-supplanting language preventing local governments from supplanting local salary funds with Compensation Board funds provided for this purpose.
- 6. Jails** – Provides \$4.5 million in recommended jail inmate per diem funding for FY14, which represents approximately half of the funding amount requested. No additional funding was recommended for the projected need of \$10.7 million in FY15 and \$11.7 million in FY16 for jail inmate per diem payments, based upon revised growth percentages.
- 7. Additional Salary Increases** – Language is included in Central Appropriations to provide funding for the recommendations of the State Employee Compensation Work Group, including funding of \$9 million in FY15 and \$10.3 million in FY16 to provide a targeted 2 percent increase effective July 25, 2014 to begin addressing retention issues in high turnover job roles, relieve salary compression and maintain market relevance. Position roles identified for increases include Law Enforcement Officer I, Security Officer I, Security Officer III, and District Court Deputy Clerk Grades 6-8.