

2014 BUDGET ISSUES FOR VIRGINIA'S TREASURERS

House Appropriations
Compensation & Retirement
Subcommittee

January 16, 2014

TREASURERS: SNAPSHOT

- 125 principal officers, elected pursuant to Constitution
- 781 Compensation Board-authorized deputies
- By statute, deputy costs are split 50-50 with locality; in fact, unfunded state share is presently ***\$4 million per year***
- Collect state & local taxes/revenues
- State functions include income tax, DMV satellite offices, administering car tax relief, pilot program for collection of delinquent state taxes

ISSUE #1: RETAIN CAREER DEVELOPMENT FUNDING FOR “WAIT LIST” INCLUDED IN BUDGET BILL

Career Development background

- Program legislatively created by money committees in 2002 to retain experienced deputies, promote professional development; similar to Master Deputy Sheriff, Career Prosecutor programs
- Rigorous coursework, testing administered by Weldon Cooper Center for Public Service, U.Va.
- Provides small salary bump for those who earn certification (state pays only the state share of this bump – 50% for deputies)
- Funding frozen since 2008 – at this time last year, there were more than 110 treasurers & deputies who had qualified but were unfunded, most for years

CAREER DEVELOPMENT WAIT LIST FUNDING, *continued*

- This number has come down; budget language last year permitted funds saved from retirements and departures to be used for new entrants, and allowed us to cover some on the wait list.
- Currently, two treasurers, and 33 deputy treasurers, remain on the wait list – they have fully qualified, but are unable to participate.
- The funding in the Budget Bill will take care of the rest – and it's vitally important to retain that funding.

ISSUE #2: REGRADE FOR LOWEST-LEVEL DEPUTIES

- Introduced bill provides salary regrade for lowest-level deputy sheriffs & deputy clerks – and second year of funding for a regrade for all Assistant Commonwealth's Attorneys.
- But deputy treasurers & commissioners are left out, even though they're paid the lowest salaries of all – entry-level salary is only \$20,452.
- This is only \$23/month more than the qualifying level for food stamps (SNAP) for a single parent with a child – and it's \$412 **less** than the qualifying level for a household of three (e.g., deputy, non employed spouse and one child).

SALARY REGRADE FOR LOWEST-LEVEL DEPUTIES, *continued*

- Proposal is to provide a 2% regrade to the lowest pay grades – Deputy I, Deputy II and equivalent administrative positions
- Cost:
 - \$153,326 in FY15
 - \$167,265 in FY16
- This is the same level of increase provided to lowest-level deputy sheriffs, and to the deputy clerk II position, in the introduced bill (deputy clerks I actually receive 4%)

ISSUE #3: SALARY COMPRESSION RELIEF

- Treasurers join in the request by all five constitutional offices to provide salary compression relief similar to that provided for state employees last year.
- Because there were no cost-of-living raises for such a long time, constitutional officers face the same problem that the Commonwealth had: the salaries of experienced deputies are not very different from those for brand-new hires.
- Proposal is for \$65 per year of service (\$70 for deputy sheriffs), up to 30 years.
- Minimum of five years of service to qualify
- Will be addressed further today by VALECO.

ISSUE #4: BEGIN RESTORATION OF STATE SHARE OF OFFICE OPERATING COSTS

- Cumulative budget cuts over recent biennia now total **\$4.05 million per year** in unfunded state share of treasurer office operations costs
- To place this in context, this is the equivalent of the state share of funding for over **350** deputy treasurers; the state share for one deputy is only slightly over \$10,000, because the cost is split 50-50 with the locality.
- Localities have been forced to absorb this state responsibility – or leave the positions vacant.
- It is important to **start** the restoration; we propose a 10% restoration in FY15, and 20% in FY16 (Cost: \$405,000 in FY15; \$810,000 in FY16).