

2014-16 Executive Progress Report

Commonwealth of Virginia
Secretary of Administration

Compensation Board

At A Glance

The Compensation Board's mission is to determine a reasonable budget for the participation of the Commonwealth toward the total cost of office operations for constitutional officers, and to assist those officers and their staff through automation, training and other means, to improve efficiencies and to enhance the level of services provided to the citizens of Virginia.

Staffing 15 Salaried Employees, 0 Contracted Employees, 0 Authorized, and 0 Wage Employees.

Financials Budget FY 2015, \$665.93 million, 97.60% from the General Fund.

Trends	↑ Number of Customers	Key Perf Areas	➔ overall satisfaction level
	➔ Revenue	Productivity	➔ unit cost of processing
	↓ Information Technology Costs		➔ overall satisfaction level

Legend	↑ Increase, ↓ Decrease, ➔ Steady	Legend	↑ Improving, ↓ Worsening, ➔ Maintaining
--------	----------------------------------	--------	-----------------------------------------

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov

Background and History

Agency Background Statement

Constitutional Officers are provided for in Virginia's Constitution, and are elected at the locality level by the citizens of the localities they serve. The Compensation Board establishes a budget for the operation of the office, with such budget payable by the local government and reimbursable by the Commonwealth. The primary goal of the Compensation Board funding mechanism is to provide locally elected constitutional officers with a means to perform their duties of office, as prescribed by the constitution and the Code of Virginia, and remain accountable to the local citizens that elect them. This dual funding mechanism, along with its statutorily provided appeals process, provides that neither the state nor the local government may independently control the funding provided to constitutional officers, and prevents arbitrary and capricious actions in funding decisions that could result from local political disagreements between elected Boards of Supervisors/City Councils and elected Constitutional Officers. This system provides a neutrality of politics in the budgeting for these offices, allowing them to serve the citizens to which they are directly accountable.

Constitutional Officers were historically funded through the fees they collected locally for the services they provided. Prior to 1934, a Fee Commission set the fees for services of constitutional officers to provide adequacy of funding for offices. Based upon difficulties in achieving uniformity of collections and provision of services statewide, the Compensation Board was established in 1934 to replace the Fee Commission. The Compensation Board's mission, to set a budget for the operation of the offices of Constitutional Officers, was carried out with a small budget appropriation that was used to fund offices that did not collect sufficient fees to support their office operations as established by their Compensation Board budget. From 1934 until 1992, the use of fees to support offices was replaced with a general funding mechanism, and collected fees were deposited directly to the general fund. Circuit Court Clerks were the last to come off of the fee system in 1992, when the Compensation Board began reimbursing localities for all expenses, and all Clerks' fees were deposited to the state general fund.

Major Products and Services

For each of the five constitutional officer programs and the regional jail sub-program, the Compensation Board provides core services that follow the same basic flow: 1) Setting fair and reasonable budgets for constitutional officers based on the requested needs of the officers, staffing standards and the statutory requirements and appropriated funding set out in the Appropriation Act; 2) Monthly reimbursement to localities of budgeted funds for the approved salaries and office expenses of constitutional officers; 3) Consideration of appeals of approved constitutional officer budgets by the officer or the locality and attempted settlement of such appeals; 4) Quarterly payment to localities of per diem amounts based upon the populations of local and state responsible inmates housed in local and regional jails and jail farms, to assist in covering jail operating expenses; 5) Budgeting, reimbursement and other administration of a Clerk's Technology Trust Fund (TTF), representing special revenue intended for the automation of land records and the provision of secure remote access to those records in circuit court clerks' offices; 6) Arbitration between constitutional officers and local governments for the settlement of disputes; 7) Dissemination of policies and procedures; 8) On-going provision of customer service assistance to constitutional officers for addressing systems and job related questions, issues and/or problems; 9) Coordination of training to all constitutional officers and regional jails related to systems, management and career development programs.

Customers

Customer Summary

The Compensation Board provides support for the operations of 654 offices statewide, including 619 independently elected local constitutional officers (Sheriffs, Commonwealth's Attorneys, Circuit Court Clerks, Treasurers and Commissioners of the Revenue). Other offices funded include 7 multi-jurisdictional drug prosecutor offices, each of which function under a host Commonwealth's Attorney in their region, 6 appointed Directors of Finance (in lieu of a Treasurer and Commissioner of the Revenue), and 22 regional jails operated by an appointed superintendent and a board/authority comprised of Sheriffs and other officials from the member localities. Over time, the number of regional jails continues to grow as older, smaller local jails are closed and replaced in a cooperative effort by a new regional jail.

As a function of support for locally-elected constitutional officers, the Compensation Board also provides service and information to all of Virginia's city and county governments.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
------------------	--------------------	------------------------	--------------------------------------	--------------------------

Finance

Financial Summary

The primary source of funding for the Compensation Board is the general fund. The general fund provides 97.4 percent of the agency's funding stream. These funds support primarily officer and staff salaries and minimal expenses for the operation of constitutional offices.

Nongeneral funds (Trust and Agency and Dedicated Special Revenue) provide the remaining 2.6 percent of funding for the Compensation Board. Nongeneral funds are comprised of the Technology Trust Fund (TTF) and the Wireless E-911 fund. The TTF is funded through fees charged by the Circuit Court Clerks for each instrument to be recorded in the deed books and upon each judgment to be docketed in the judgment lien docket book. The TTF funds are allocated by the Compensation Board for the purposes of 1) developing and updating individual land records automation plans, 2) implementing automation plans to modernize land records and providing secure remote access to land records, 3) obtaining and updating office automation and information technology equipment including software and conversion services, 4) preserving, maintaining and enhancing court records (including redaction of social security numbers from land records), and 5) improving public access to court records. The Wireless E-911 fund is used as a partial fund source for the reimbursement of salaries for dispatchers in Sheriffs' offices with primary law enforcement responsibilities.

Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0100	General Fund	\$649,927,947	\$640,805,834
0708	Technology Trust Fund	\$8,000,712	\$8,000,712
0928	Wireless E-911 Fund	\$8,000,000	\$8,000,000

Revenue Summary

As previously indicated, the majority of funding supporting salaries and expenses of constitutional officers is general fund dollars. While circuit court clerks do collect fees and deposit those as revenue to the Commonwealth General Fund, there is no direct link between the fee dollars collected and deposited (as listed below in the revenue collections table) and the appropriation to the Compensation Board to support the operations of circuit court clerks' offices. Technology Trust Fund fee revenue collected and deposited by circuit court clerks with the state treasurer is attributed back to clerk's offices for expenses incurred in automating land records and other court records, and providing and maintaining secure remote access to those records to the public.

As overall Commonwealth revenues have declined, funding available for constitutional officers has also been reduced. Budget reductions, many of which have not been restored, have resulted in a decline in the percentage the Commonwealth shares in the funding of these offices, with local governments attempting to absorb the difference. The scarcity of resources has taken a toll on each of the agency's customer groups in their ability to meet the needs of their localities and constituents.

Performance

Performance Highlights

The Compensation Board utilizes numerous performance measures and other tools to ensure that our service delivery is in accordance with our Mission Statement and Agency Vision as further delineated in the strategic plan. These performance measures and tools are aligned with the Agency Goals:

- Goals One (1) and Two (2) address the Compensation Board's primary responsibility to constitutional officers to provide the Commonwealth's share of funding for their total costs of operations. This responsibility is met through the prompt and accurate payment and reimbursement of constitutional officer monthly reimbursement requests. Since 1999 the Compensation Board has:
 - Maintained a 100 percent payment and reimbursement accuracy rate for constitutional officer expenses and jail per diems, and
 - Maintained a 100 percent timely payment and reimbursement rate for properly submitted requests from constitutional officers.
- Goal Three (3) addresses the remainder of the Compensation Board's Mission to provide outstanding customer service support to constitutional officers through its products and services. Major customer service accomplishments include:
 - The annual customer survey sent to constitutional officers for fiscal year 2012 reflects an Overall Satisfaction Rate of 94 percent with Compensation Board products and services.
 - Implementation of Career Development Programs for constitutional officers and staff.

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
15700000.001.001	Percentage of timely reimbursements and payments.	Percentage of timely reimbursements and payments.	
15700000.002.001	Number of Auditor of Public Accounts (APA) audit findings relative to constitutional officer monthly reimbursement requests.	Number of Auditor of Public Accounts (APA) audit findings relative to constitutional officer monthly reimbursement requests.	
15700000.003.001	Overall customer satisfaction with Compensation Board activities, as demonstrated by the ratings (percentage) received in an annual survey of all constitutional officers.	Overall customer satisfaction with Compensation Board activities, as demonstrated by the ratings (percentage) received in an annual survey of all constitutional officers.	
15700000.006.001	Number of internal control audit findings or compliance issues.	Number of internal control audit findings or compliance issues.	
15700000.006.002	Management's performance of internal control reviews and/or reconciliations.	Management's performance of internal control reviews and/or reconciliations.	
15779900.001.001	Overall customer satisfaction with Compensation Board activities, as demonstrated by the ratings (%) received in an annual survey of all constitutional officers.	overall satisfaction level	Maintaining
15779900.002.002	Unit cost of processing aid to locality payments for constitutional officers and regional jails.	unit cost of processing	Maintaining
M157SA12001	Percentage of constitutional officers satisfied with Compensation Board activities.	overall satisfaction level	Maintaining

Key Risk Factors

Defining “state support” for constitutional officers going forward presents a challenge to the Commonwealth. Significant shortfalls in funding exist for officers from the levels that standards indicate are needed to support state mandated work, due to unrestored funding reductions over the past decade, and the lack of growth in state revenues to support growing office needs. Budget decision makers face difficult decisions in determining what services provided by constitutional officers are valued, which of those services should be supported by the Commonwealth versus local governments, and how state support will be provided. Those decisions will direct the Compensation Board in its continued transition from primarily serving as a funding source for constitutional offices to being an agency of resource for management, career development, staffing assistance, and training.

Without these decisions and the provision of staffing needed to meet state workload demands, constitutional officers face an increasing challenge in serving their constituents' needs with reduced staff. Although measures of workload and standards for staffing to meet that workload exist, they have not been funded fully by the Commonwealth. As Virginia's economy continues its slow recovery, constitutional officers will see greater transactional workload in their offices; a failure to recognize the diminished resources within which officers must meet these demands can ultimately place constituents at risk of not receiving core state mandated services, or forces officers to turn to increasingly strapped localities for resources that are simply not available.

Agency Statistics

Statistics Summary

The following statistics provide a snapshot of Compensation Board customer support during fiscal year 2013.

Statistics Table

Description	Value
Number of positions funded in Sheriffs' Offices and Regional Jails in fiscal year 2013	11,498
Number of positions funded in Commonwealth's Attorneys' Offices in fiscal year 2013	1,158
Number of positions funded in Clerks of the Circuit Court's Offices in fiscal year 2013	1,111
Number of positions funded in Commissioners of the Reveue's Offices in fiscal year 2013	673
Number of positions funded in Treasurers' Offices in fiscal year 2013	603
Number of positions funded in Director of Finance's Office in fiscal year 2013	272
Number of inmates in local and regional jails in Virginia during fiscal year 2013	369,835
Number of federal inmates in local and regional jails in Virginia during fiscal year 2013	20,635
Administrative overhead percentage of total agency appropriation during fiscal year 2013 (0.38 %)	0

Management Discussion

General Information About Ongoing Status of Agency

The Compensation Board sees no fundamental changes from its current customer base or service areas. In alignment with its mission statement, the Compensation Board will continue to provide outstanding support services to constitutional officers and will remain innovative and creative in it's approach. If additional tasks, reporting requirements or support functions are requested and/or determined to be beneficial to constitutional officers, the Commonwealth or the Compensation Board, the board will work with the respective organization, agency and General Assembly to change its mandate as appropriate. As with any responsibilities of the Compensation Board, the board will conduct any new mandates with the same thoroughness, accuracy, timeliness and fiduciary responsibility that it invokes in today's activities.

As noted in the "Customer Trends and Coverage" Section, the Compensation Board is concerned with the impact of the reduced share of Commonwealth funding on constitutional officers being able to handle their workload and on the board's ability to best serve them. With that in mind, priorities include seeing full funding of staffing standards and career development programs in each of the financial assistance service areas.

Information Technology

At this time, the agency is not aware of any external factors, requirements or mandates that will require IT investments by the agency in the foreseeable future.

Workforce Development

Budget reductions have resulted in the loss of 20% of staff positions at the Compensation Board. This has led to existing staff taking on additional duties and responsibilities. Any further reductions to staffing levels will impede the agency's ability to perform its duties and to provide exceptional customer service to Constitutional Officers, their staffs and citizens of the Commonwealth.

Physical Plant

The Compensation Board offices are currently housed in leased space in the Oliver Hill Building (commonwealth owned space). At this time, the agency does not anticipate any changes in the foreseeable future.