



COMMONWEALTH of VIRGINIA
Department of Planning and Budget

1111 E. Broad St., Room 5040
Richmond, VA. 23219

Richard D. Brown
Director

December 23, 2008

To: Chief Operating Officers of Virginia Cities, Counties, and Regional Jails

Item 475.20, Chapter 879 of the 2008 Acts of Assembly (2008 Appropriation Act) requires a \$50 million reduction in state aid to local governments in both FY 2009 and FY 2010. The Appropriation Act further requires the Director of the Department of Planning and Budget to provide localities a list of the state aid to local government programs which serve as the basis for calculating each locality's share of the \$50 million savings.

The purpose of this communication is to notify you that this listing of programs and reduction amounts has been finalized and can be found on the Department of Planning and Budget website (<http://dpb.virginia.gov/>).

Your locality may carry out these reductions using one of the following methods; 1) you may take these reductions out of one or more of the programs in the list provided by the Department of Planning and Budget, 2) you may make a reimbursement payment directly to the Commonwealth for all of your locality's reductions, and 3) you may choose a combination of program reductions and reimbursement payment. The election of which option your locality will use along with the corresponding reduction amounts for each program must be submitted to the Department of Planning and Budget by August 30, 2008.

Per the Appropriation Act, in the event that a submission is not made by a locality by October 1, 2008, the Department of Planning and Budget is authorized to withhold the locality's reduction amount from the program deemed as most discretionary by the Department.

Shortly, you will receive an e-mail containing the form that your locality must use to make the reduction elections. The form contains a tab with instructions for your reference. The form for your locality contains the list of the state programs from which you may choose to make reductions. In addition, the state calculated reduction for each of these programs is also included for your reference. You are not obligated to adhere to the state calculated reduction amount listed for individual programs, however, you must insure that the total of your elections adds up to the total calculated reduction for your locality. To make an

election for a specific program, you enter the amount in the applicable row for that program. In addition, there is an area on the form where you should enter a very brief description of the reduction action that will take place for each program. (An example of a completed form can be found on the Department of Planning and Budget website at <http://dpb.virginia.gov/>.)

If you are electing to reimburse the Commonwealth for all or a portion of your locality's share of the reduction, there is a row in the form where you should enter this amount. The FY 2009 reimbursement amount must be paid to the Commonwealth prior to January 9, 2009.

Once you have completed the form, e-mail an electronic copy to budget@dpb.virginia.gov and mail a hard copy along with a memo certifying your locality's reduction elections signed by the city or county administrator, or equivalent approval authority to the following address:

Aid To Locality Reductions
Virginia Department of Planning and Budget
1111 E. Broad St. Room 5040
Richmond, VA 23219-1922

Your elections will not be considered complete until both the electronic and hardcopy versions have been submitted. If you have any questions, please do not hesitate to contact the Department of Planning and Budget Management Team.

Thank you in advance for your cooperation,



Richard D. Brown
Director, Virginia Department of Planning and Budget

Department of Planning and Budget Management Team:

Jerry Edwards (Commerce and Trade, Natural Resources, and Finance)	(804)-786-1817
Don Darr (Budget Operations)	(804)-786-1131
Michael Maul (Education, Transportation, and Public Safety)	(804)-786-6657
Mike Shook (Health and Human Resources)	(804)-786-8853