



COMMONWEALTH of VIRGINIA

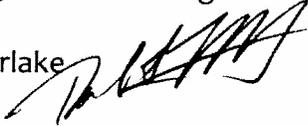
Department of Planning and Budget

DANIEL S. TIMBERLAKE
Director

1111 E. Broad Street
Room 5040
Richmond, VA 23219-1922

June 2, 2011

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

FROM: Daniel S. Timberlake 

SUBJECT: State Aid to Local Governments

Item 473.10 of the 2012 Appropriation Act (Chapter 890) requires a \$60.0 million reduction in state aid to local governments in FY 2012. The act further requires that I, as Director of the Department of Planning and Budget (DPB), provide you a list of the state's aid-to-local-government programs that serves as the basis for calculating each locality's share of the \$60.0 million savings. This listing of programs and reduction amounts for FY 2012 is now available on DPB's Web site at <http://dpb.virginia.gov/>.

Official Form

Attached is the form that you must use to select your locality's reduction strategy for FY 2012, along with instructions.

Reduction Options

Similar to last year, your locality may achieve its reduction by using one of the below-listed methods. The option you select, along with the corresponding reduction amount for each program, if applicable, **must be submitted to DPB by August 30, 2011**. The reduction options are as follows:

- 1) You may designate that the reductions be withdrawn from the payments for one or more of the programs in the list provided by DPB,
- 2) You may make a reimbursement payment directly to the Commonwealth of Virginia for all of your locality's reductions, **or**
- 3) You may choose a combination of program reductions and a reimbursement payment.

Program Reduction(s)

Your form contains a list of the state programs from which you may choose to make reductions. Your share of the \$60.0 million reduction is based on FY 2012 projections of

locality distributions that DPB received from each of the cognizant state agencies responsible for the listed programs. This “estimate” is shown in the column entitled “FY 2012 Base”; however, actual funding may differ, especially in the case where local funding is made on a reimbursement basis.

A calculated reduction (based on proration) for each of these programs also is included for your reference in the column entitled “FY 2012 Calculated Reduction.” You are not obligated to use the amount listed for these individual programs. You must, however, ensure that the total of your elections adds up to the total calculated reduction for your locality.

To select a specific program, enter the amount in the applicable row for that program in the column entitled “FY 2012 Locality Elected Reduction.” If you wish to select a calculated reduction amount, simply copy the amount from the “FY 2012 Calculated Reduction” column to the “FY 2012 Locality Elected Reduction” column.

Payment

If you are making a direct payment to the Commonwealth for all or a portion of your locality’s share of the reduction, there is a row on the form entitled “FY 2012 Locality Elected Reduction” where you should enter the amount of the payment. The FY 2012 reimbursement amount **must be paid to the Commonwealth prior to January 8, 2012**. If you elect to reimburse the Commonwealth, you may pay by check or wire or you may deposit the funds directly into the state account in which you normally deposit state funds.

Instructions for making the reimbursement are found in Attachment A.

Important Note

Effective October 1, 2011, the State Comptroller will begin withholding your locality’s rolling stock and recordation tax distributions if you have not notified DPB of your reduction option. (The annual rolling stock distribution and the remaining recordation tax distributions will not be allocated until you have made your reduction selection.) If withholding your locality’s rolling stock and recordation tax distributions for FY 2012 is not sufficient to fully cover the reduction amount, the remaining balance will be withdrawn from a local program that DPB deems most discretionary.

Procedure for Submitting

After you have completed the form –

- 1) E-mail an electronic copy to budget@dpb.virginia.gov **and**
- 2) Mail a hard copy to DPB along with a memo/letter, signed by your city or county administrator or equivalent approval authority, certifying your locality’s reduction elections. Mail the hard copy of the form and the signed memo/letter, to the following address:

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

June 2, 2011

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Aid-to-Locality Reductions
Virginia Department of Planning and Budget
1111 East Broad Street, Room 5040
Richmond, Virginia 23219-1922

The above-completed form and signed memo/letter **must be received by DPB no later than August 30, 2011**. Please make sure the electronic and hard copy versions reflect the same information and be aware that your elections will not be considered complete until both the electronic and hard copy versions have been submitted.

Deadline Recap

August 30, 2011

Email form to DPB; mail hard copy of form and signed memo/letter to DPB

October 1, 2011

State Comptroller to begin withholding local rolling stock and recordation tax distribution if required information has not been received by DPB

January 8, 2012

FY 2012 reimbursement must be paid to the Commonwealth of Virginia

Your cooperation is appreciated, and I encourage you to contact our Associate Budget Directors with your concerns and/or questions. The **budget team** is comprised of the following members:

Don Darr, Budget Operations, don.darr@dpb.virginia.gov, 804 786-1131

Jerry Edwards, Commerce and Trade, Natural Resources, Finance,
jerry.edwards@dpb.virginia.gov, 804 786-1817

Michael Maul, Education, Transportation, Public Safety,
michael.maul@dpb.virginia.gov, 804 786-6657

Mike Shook, Health and Human Resources, mike.shook@dpb.virginia.gov,
804 786-8853

Attachments

Attachment A
Reimbursement to the Commonwealth of Virginia

Due no later than January 8, 2012

Payment by Check

Check payable to: Treasurer of Virginia

Mail to: Department of Accounts
Post Office Box 1971
Richmond, Virginia 23218-1971
Attn: Melinda Pearson

Street address if sending overnight:
Department of Accounts
101 North 14th Street
Richmond, Virginia 23219
Attn: Melinda Pearson

Payment by Wire

Wire funds to the State Treasurer's account at the Bank of America.

Account Name: Treasurer of Virginia
Account Routing Number: 026009593
Account Number: 0000000026

On the day of the wire transfer, please notify Ken VanAuken at the Department of the Treasury with the amount, locality name, and purpose of the wire ("Locality Budget Reduction – Chapter 890"). H may be contacted by e-mail at ken.vanauken@trs.virginia.gov or by phone at 804 225-2221.

Payment by Deposit

Deposit funds in the State Treasurer's Account in which you normally deposit state funds.

Specific Deposit Certificate (DC) Coding:

Batch Agency: 998
Transaction Code: 001
Transaction Agency: 997
Fund: 0216
Revenue Source: 09005

Please ensure your FIPS Code is included on the DC. On the day of the deposit, please enter the DC into CARS and notify Melinda Pearson, Department of Accounts at melinda.pearson@doa.virginia.gov. If you have any questions regarding the deposit methodology, please contact Ms. Pearson by e-mail or by phone at 804-225-2376.

(June 2011)