



COMMONWEALTH of VIRGINIA

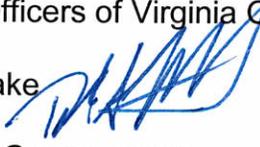
Department of Planning and Budget

DANIEL S. TIMBERLAKE
Director

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

November 14, 2014

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

FROM: Daniel S. Timberlake 

SUBJECT: State Aid to Local Governments

On November 10, 2014, the General Assembly passed HB 5010 which amends Chapter 2, 2014 Acts of Assembly, Special Session I, to include Item 471.30. This Item requires that state aid to local governments be reduced by \$30.0 million statewide in FY 2015. The act further requires that, as Director of the Department of Planning and Budget (DPB), I provide you a list of the state's aid-to-local-government programs that serve as the basis for calculating each locality's share of the \$30.0 million savings. The listing of programs and reduction amounts for FY 2015 are now available in a spreadsheet on DPB's Web site at <http://dpb.virginia.gov>.

Official Certification Form

The certification form that you must use to select your locality's reduction strategy for FY 2015, along with instructions, is located on DPB's Web site with this letter. Please note that Item 471.30 requires that this form **be submitted to DPB by January 1, 2015**. In the event that the certification form is not submitted by this date, DPB will withhold the locality's reduction from the aid to local government program(s) that DPB determines are most discretionary.

Reduction Options

Your locality may achieve its reduction by using one of the following methods:

- 1) You may designate that the reductions be withheld 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 the full amount of your locality's reductions; or
- 3) You may choose a combination of program reductions and a reimbursement payment.

Program Reduction(s)

Your locality's form contains a list of the state programs from which you may choose to make reductions. Your locality's share of the \$30.0 million reduction is based on FY 2015 projections of state payments to localities that DPB received from each of the distributing state agencies responsible for the listed programs. Each agency's "estimate" is shown in the column entitled "FY 2015 Base." Please note that actual FY 2015 funding distributions may differ, especially in the case where the payments are made on a reimbursement basis.

A calculated reduction (based on an equal proration) for each of these programs is included for your reference in the column entitled "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, including any amounts that you wish to pay directly.

To select a specific program, enter the amount in the applicable row for that program in the column labeled "Election." If you wish to select the calculated reduction amount, simply copy the amount from the "Calculated Reduction" column to the "Election" 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, enter the amount of the payment in the "Reimbursement to the Commonwealth" row (this is the last row on the form) under the Election column. The FY 2015 reimbursement amount **must be paid to the Commonwealth prior to December 31, 2014**. If you elect to reimburse the Commonwealth by direct payment, 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. See Attachment A for additional instructions.

Important Note

Effective January 9, 2015, 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 2015 is not sufficient to fully cover the reduction amount, the remaining balance will be withheld from a local program that DPB deems most discretionary.

Procedure for Submitting

After you have completed the certification form,

- 1) Send the form in **Microsoft Excel**; (Adobe Acrobat (pdf) and scanned versions will not be accepted) along with a memo/letter, signed by your city or county

administrator or equivalent approval authority, certifying your locality's reduction elections to:

budget@dpb.virginia.gov. and

2) Mail a hard copy of the form and the signed memo/letter to:

Virginia Department of Planning and Budget
Attn.: Aid to Locality Reductions, 5th floor
1111 East Broad Street
Richmond, Virginia 23219.

The completed certification form and the signed memo/letter **must be received by DPB no later than January 1, 2015**. Please make sure the electronic and hard copy versions reflect the same information and be aware that your certification form will not be considered complete until both the electronic and hard copy versions and the signed letter/memo have been received. **TIP:** When your form is complete, the "Amount Remaining to Elect" should be \$0, and it will not be highlighted. If you have not achieved the total reduction, it will be highlighted yellow on the form. If your election total is too high, it will be highlighted in red.

Deadline Recap

January 1, 2015

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

January 9, 2015

- State Comptroller will begin withholding local rolling stock and recordation tax distribution if the certification form and has not been received by DPB.
- FY 2015 reimbursement must be paid to the Commonwealth of Virginia if making a direct payment.

If you have questions about a specific service area amount, please see the tab on the Excel workbook labeled "agency contact" to discuss the amount with the distributing agency. Your cooperation is appreciated. If you have questions or concerns about the certification form, please contact the Virginia Department of Planning and Budget at (804) 786-7455 or budget@dpb.virginia.gov.

Attachment

Attachment

Reimbursement to the Commonwealth of Virginia

Due no later than December 31, 2014

Payment by Check

Make check payable to: Treasurer of Virginia

Mail to one of the following addresses:

United States Mail

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

Overnight Carrier

Virginia Department of Accounts
Attn.: Ms. Melinda Pearson
101 North 14th Street
Richmond, Virginia 23219

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 – 2014 Appropriation Act"). Mr. VanAuken 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 Ms. Melinda Pearson, Virginia 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.

(November 2014)