



## 2020 budget amendments affecting local governments

Issue	Amendment	Key Points
<p><b>HB 599</b></p>	<p><a href="#">Item 408 #1s</a> provides an additional \$8.6 million each year from the general fund to increase state aid to localities with police departments.</p>	<p>Police departments serve more than half of all Virginians. State money supplements local budgets. It does not supplant local funds.</p> <p>Governor Northam’s introduced budget for FY21 and FY22 is less than the FY09 amount.</p> <p>Aid for police departments has lagged increases in state spending for sheriffs.</p>
<p><b>Election Security</b></p>	<p><a href="#">Item 83 #2h</a> provides \$12.2 million and outlines the Assembly’s intent that the state’s recent award of federal funds be used to replace VERIS. No funding for local costs.</p>	<p>General Assembly measures to expand voting opportunities are unfunded mandates.</p> <p>Locals need the state to share the costs associated with purchasing new equipment, providing new satellite voting places, increasing operating hours, and complying with updated security standards.</p>
<p><b>Jail per diems</b></p>	<p>The House and Senate rejected VML amendments to increase state assistance for jails.</p> <p>VML &amp; VACo support a language amendment to require the results of a study underway to estimate the costs of upgrading health and mental health standards for the jails be shared with the governor for budget amendments in the 2021 Session.</p>	<p>The state cut financial assistance to support jail inmates in 2010 during the Great Recession. Ten-years later the state has not restored any of those cuts.</p> <p>New health/mental health standards for the jails will put even more fiscal pressure on localities. New state standards should not be unfunded mandates.</p>

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<p><b>Urban Road Maintenance</b></p>	<p><a href="#">Item 451 #1s</a> provides \$1 million NGF in each year to increase funding for street maintenance payments to localities, held constant in FY 2020.</p> <p>Payments to localities for road maintenance would be adjusted for inflation.</p> <p>Item <a href="#">451 #1h</a> provides \$1 million each year but does not tie future payments to CPI.</p>	<p>Urban street maintenance needs must take into account greater traffic numbers and the weight of buses and trucks using the roads. These costs are not usually associated with secondary roads maintained by VDOT.</p> <p>Urban roads are more costly than secondary roads to maintain because of the additional uses. The state has underfunded urban maintenance compared with secondary road maintenance.</p> <p>Money for VDOT has increased 50 percent since FY14 and less than 20 percent for urban maintenance over the same time period.</p>
<p><b>Teacher Retirement Fund</b></p>	<p><a href="#">Item 474 #2s</a> provides a \$30.7 million GF deposit to the VRS trust fund in FY20 to accelerate the payback of the contributions deferred during the 2010-12 biennium.</p> <p>After this deposit, the outstanding balance required for repayment will be approximately \$92.1 million, to be repaid over the next biennium.</p>	<p>Reducing the unfunded liability in the Teacher Retirement Fund will reduce employer contribution rates paid by localities and the state.</p> <p>The rate of return on VRS investments is set at 6.75 percent. By comparison, the rate of return for t-bills is less than 2 percent.</p>
<p><b>Stormwater Local Assistance Fund</b></p>	<p><a href="#">C-70 #1s</a> reduces the amount available for SLAF to \$50 million.</p> <p><a href="#">C-70 #1h</a> reduces the money available for SLAF to \$92 million.</p>	<p>Complying with the environmental regulations affecting stormwater are costly. By providing more funding, the House budget amendment will allow localities and water authorities to move more aggressively to address these environmental challenges.</p>
<p><b>Library Aid</b></p>	<p><a href="#">Item 247 #1h</a> and <a href="#">Item 247 #1s</a> provide an additional \$1 million each year of financial assistance. The amendments are identical.</p>	<p>Libraries provide internet connections for Virginians who do not have such services where they live or cannot afford such services.</p>

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<b>Joint Subcommittee on Local Government Fiscal Stress</b>	VML and VACo support a budget language amendment (not in either side's budget package) to review the fiscal impacts tied to real and personal property tax exemptions mandated by the Commonwealth.	Voters in November will be asked again to provide additional property tax relief for certain veterans. The state does not make up any of the forgone local revenue. This should be a cost-share expense and not borne entirely by local taxpayers.