

ALERT

Capitol Contact

2018 Virginia General Assembly



Friday, May 4, 2018

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State Budget Action

Needed Now

As the impasse over the state budget approaches the end of its second month, work on the caboose and biennium budgets is expected to resume on May 14, when the Senate is scheduled to return to Richmond to consider the revised budget proposals passed by the House on April 17.

ACTION REQUIRED – Please contact your legislators and encourage them to bring the budget discussions to a prompt resolution.

KEY POINTS

- It is critical that the General Assembly pass a budget that meets local needs, and that the budget be adopted as soon as possible.
- Counties need to be able to count on the state to be a consistent funding partner. Continued uncertainty is a strain on this partnership.

[As reported in the April 20 edition of County Connections](#), whether to expand eligibility for Medicaid in accordance with the Affordable Care Act remains the central sticking point in resolving differences between the House and Senate. Since the House budget provides for the expansion of Medicaid under certain conditions, it assumes savings associated with drawing down additional federal funding, allowing state General Fund dollars to be redirected to other priority spending items. The budget adopted by the

Senate during the 2018 regular session did not incorporate these additional federal dollars, resulting in fewer resources being available for allocation to core services.

The delay in adopting a state budget has placed counties in a challenging position. Localities must meet certain statutory deadlines in adopting local budgets, among them the requirement to adopt an annual education budget by May 15, or within 30 days of receipt of state funding estimates, and the requirement to set local tax rates no later than July 1. Localities must also hold a public hearing at least seven days in advance of adopting a budget; this hearing must be advertised at least seven days in advance.

As the state's partners in funding and delivering core government services such as K-12 education and public safety, localities rely on state support to provide these critical functions. Having to adopt a county budget without knowing how much state funding the county can expect to receive requires local elected officials to make critically important decisions about tax rates and spending levels without the benefit of all relevant information. Although a local budget may be amended after its adoption, making significant changes in funding levels after the fact can be disruptive to the provision of services.

KEY CONTACTS

[General Assembly Members](#)

VACo Contact: [Dean Lynch, CAE](#) and [Katie Boyle](#)