2014 Special Session I

Budget Bill - HB5001 (Chapter 1)

Central Appropriations

Item 472 (Not set out)

	First Year - FY2013	Second Year - FY2014
Reversion Clearing Account - Aid to Local Governments (23400)	**-$50,000,000**	**$0**
Reversion Clearing Account - Aid to Local Governments (23400)	-$50,000,000	$0
Fund Sources:		
General	-$50,000,000	$0

Authority: Discretionary Inclusion.

A. The purpose of this item is to capture savings in state aid to local government programs in a manner that provides localities flexibility in how such savings are implemented. This reversion was necessary as a result of the continued slowing of the Virginia economy. It is eliminated in the second year.

B. Within 30 days after enactment of this act, the Director, Department of Planning and Budget, shall provide the chief operating officer of each city and county in the Commonwealth a list of certain state aid to local government programs along with an estimate of the general fund amount for each program that each county and city could expect to receive from the state during each year of the biennium. The total amount listed for these programs will serve as the basis for calculating the savings apportioned to each city and county for this Item. The savings apportionment will be equal to the percentage of the aggregate general fund amount for all of these state aid programs in each city and county totaling $50,000,000 the first year.

C. Each city and county in the Commonwealth shall have flexibility in determining how it will implement the savings apportioned to it. Each city or county can choose to (1) take the total savings out of one program included on the list provided by the Department of Planning and Budget, (2) reduce multiple state aid programs on a proportional basis or by a specified percentage reduction, or (3) reimburse the Commonwealth in aggregate for their share of the savings, thereby keeping the state aid programs at an unreduced level. Each locality may also use number 3 above in combination with 1 or 2. The governing body of each city or county shall make its selection and certify its choice to the Director, Department of Planning and Budget, by August 30, 2012. Within 10 days of receipt, the Director, Department of Planning and Budget, shall review such certification for accuracy to ascertain that the required savings apportioned to the city or county are obtainable using the selection(s) submitted on the certification. Unless the Director, Department of Planning and Budget, finds a certification to include savings that are not obtainable or sustainable, the certification shall be approved and implemented without further delay. In the event that a city or county has not submitted or obtained an approved certification by October 1, 2012, the Director, Department of Planning and Budget, is hereby authorized to withhold an amount equivalent to the savings apportioned to the affected city or county from the aid to local government programs that the Director determines are most discretionary and represent general purpose aid to the local government in question before he begins to withhold any funds from categorical grants serving a particular functional area or public service. The Director, Department of Planning and Budget, shall notify the affected locality of his decision in this regard and such decision shall remain in force unless it is superseded by the subsequent approval of a certification for the affected city or county after October 1, 2012, but before November 15, 2012. No such certifications shall be approved after November 14, 2012.

D. The savings in state aid to local government programs identified by each city or county on their approved certification (or by the Director, Department of Planning and Budget, in absence of an approved certification) shall be transferred from the other Items where such amounts are appropriated in this act to offset the reversion amount listed in this Item. Payments from local governments electing to use option (3) above in paragraph C shall be deposited to a suspense account which shall be administered pursuant to § 3-1.03 of this act.