

From: Bernard Caton
Sent: Wednesday, February 24, 2016 11:07 AM
To: City Council
Cc: Mark Jinks; Julie Fuerth; Jackie Henderson
Subject: Council questions on State Budget

At last night's Council meeting, Councilwoman Pepper asked two questions about the State budget; I said I would check on both of these and get back to Council.

1. *First, she asked if the Governor, the House Committee, or the Senate Committee had included new money for workforce training by the community colleges.* Neither the Governor, nor either Committee appears to have specifically earmarked money for workforce training by the community colleges—but there are bills (SB 576, HB 66) , supported by the Administration, that do much the same thing. They creates a Workforce Credential Grant Program. Funds from this program can be used to pay two-thirds of cost to a student for a non-credit workforce training program. Eligible institutions are community colleges and several other higher education institutions (e.g., Southern Virginia Higher Education Center, Southwestern Virginia Higher Education Center), but not traditional four-year colleges and universities (such as UVA or George Mason). These bills are close to identical, so it appears that this Grant Program will be enacted. The legislation has been funded by differing amounts in the House and Senate budget amendments ((\$2 million in FY 17 and \$10 million in FY 18 in the House; and \$4 million in FY 17 and \$9 million in FY 18 in the Senate). The final funding level will be a matter for the Budget Conference Committee. Here are links to the bills:
<http://lis.virginia.gov/cgi-bin/legp604.exe?161+ful+SB576ES1+pdf>
<http://lis.virginia.gov/cgi-bin/legp604.exe?161+ful+HB66EH1+pdf>
2. *Second, she asked if the Governor, the House Committee, or the Senate Committee had included new money for the Northern Virginia Regional Commission, or planning district commissions in general.* Neither the Governor, nor either committee, included additional funds for the Northern Virginia Regional Commission or planning district commissions in general.

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Jackie Henderson

From: Bernard Caton
Sent: Sunday, February 21, 2016 5:50 PM
To: City Council
Cc: Mark Jinks; Laura Triggs; Kendel Taylor; Morgan Routt; Kate Garvey; Carol Farrell; Helen McIlvaine; Suzanne Chis
Subject: House and Senate State Budget Proposals

Today, the Senate Finance and House Appropriations Committees made their recommendations for changes to the biennial budget proposed by Governor McAuliffe in December. Both Committees' proposals appear to be less harmful to local governments than has often been the case in the past. Below is the summary of items of interest to the City; you will see the same list in the docket memo (General Assembly Update) that I am preparing for Tuesday's Council meeting. If I find anything else of specific interest to the City in the various Subcommittee reports (there are about 20 of them), I will cover it in my oral report at the meeting Tuesday evening.

The House Appropriations and Senate Finance Committees met on Sunday, February 21, to report on their proposed amendments to the budget that was proposed by Governor McAuliffe on December 17, 2015. There are a number of items are of interest to the City. These include the following.

- The House has proposed a reduction in HB 599 (local law enforcement funding) coming to the City. HB 599 statewide funding increases are based on projected increases in State general fund revenues. The Governor's budget assumes that general fund revenues will be 3.9 percent higher in FY 2017 than 2016. The House, however, lowered the growth projection to 3 percent—or about 25 percent less growth than what is assumed in the Governor's budget. Consequently, the House reduced the increase in HB 599 funding by 25 percent. Staff had estimated that, under the Governor's budget, City HB 599 funds would grow by about \$200,000 in the coming fiscal year. It appears now that this growth will be approximately \$150,000 if the House prevails on this issue. The Senate did not propose a reduction in HB 599 funding.
- Both the House and Senate have proposed a number of changes to what had been recommended by the Governor in his budget. These include changes to Cost of Competing funding for Northern Virginia, as well as increases in State funding for teachers' salaries (although increases in State funding for teacher salaries do not provide much money to the City's schools, since the State provides such a small portion of the Alexandria City Public Schools' [ACPS] budget). The State provides about \$40.1 million in funding for the Alexandria school system in the current fiscal year. For FY 2016, the Governor had proposed \$43,315,271 million for ACPS; the House has lowered this slightly to \$43,313,334; and the Senate has recommended a higher amount--\$43,554,357.

Attached is a copy of the letter recently sent by the Northern Virginia Mayors and Chairs to members of the region's legislative delegation, urging them to fully fund the Cost of Competing for Northern Virginia school systems (Attachment 3).

- It appears that the Governor, the Senate and the House have all recommended that each locality be authorized to set eligibility standards for up to 15% of the locality's families participating in VPI (the Virginia Preschool Initiative). This should allow most, if not all, Alexandria families who currently participate in VPI to continue to do so.

- It is unclear whether either the House or the Senate has proposed language to eliminate the reversion of court-collected fines and fees (for the violation of local ordinances) to the State. We will likely know for sure when the more detailed budget “half sheets” are released by each committee on Tuesday.
- The Senate has recommended a 2 percent salary increase for state-supported local employees on December 1, 2016; the House has proposed a 3 percent increase effective the same day.
- The Governor proposed increasing the annual appropriation to the Virginia Housing Trust Fund to \$10 million annually. The House and Senate have both recommended a lower amount--\$6 million annually.
- In their continued attempt to address the needs of Virginians with mental health problems, both the House and the Senate have added resources for a number of programs, including child psychiatry services, children’s crisis response, supportive housing for individuals with mental illness, and Medicaid waivers for those in need of mental health and related services.

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