

March 4, 2024

The Honorable Luke E. Torian  
Chair, House Appropriations Committee  
General Assembly Building, Room 1223  
201 North 9th Street  
Richmond, Virginia 23219

The Honorable L. Louise Lucas  
Chair, Senate Finance and Appropriations Committee  
General Assembly Building, Room 1404  
201 North 9th Street  
Richmond, Virginia 23219

Dear Delegate Torian and Senator Lucas,

It is with deep appreciation that we thank you for prioritizing K-12 funding investments in your committees' FY25 and FY26 budget proposals. Last year's report from the Joint Legislative Audit and Review Commission outlined over \$3 billion in needed investment for our K-12 system, so we are excited to see the legislature finding common ground in addressing many years of inadequate funding for our local school divisions.

As you and the budget conferees deliberate a budget conference report, we urge you to continue to prioritize funding for public education. The Senate's budget proposal contains more funding than the House budget and we hope that the conferees will accede to the Senate's proposals. Specifically, the hold harmless from the grocery-tax elimination and the full removal of the cap on support staff will both make a tremendous impact on our FY25 budget.

For FY25, the House budget estimates \$173.7m and the Senate budget estimates \$177.6m for Richmond Public Schools (RPS). There has been no additional funding proposed to support the expiration of federal stimulus packages. Given this, the Senate budget proposal represents the minimum investment needed at this time as we plan for FY25.


The Virginia Municipal League and Virginia Association of Counties recently wrote to you in regards to the restoration of the hold-harmless for the elimination of the state sales tax on groceries. We echo their concern on behalf of all localities that the ongoing replacement of this loss in funding – which was codified in Virginia Code § 58.1-611.1 – was not included in the Governor's introduced budget. We hope that this funding will be included in the conference report and that it will be accounted for in future budget discussions.

The support-staff cap has been an inequitable cost-savings measure in place for over a decade, leading to tens of millions of accrued lost investment in our students. We value the importance of support staff in addressing the many needs of our students and we believe that state funding policy should not arbitrarily limit the funding of these critical positions.

We continue to be excited about your additional proposed investments in the At-Risk Add-On program, teacher and staff compensation, and the lowering of English Learner teacher ratios. These are sound investments that will immediately support the incredible staff working in our schools and the unique needs of our diverse students.

Thank you again for your leadership and consideration of the pressing needs of Virginia' schools. Please do not hesitate to contact us if we can be of any assistance.

Sincerely,



Stephanie Rizzi  
Chair, Richmond City School Board



Jason Kamras  
Superintendent, Richmond Public Schools

Attachments: February 29, 2024 Correspondence from the Virginia Municipal League  
February 12, 2024 Correspondence from the Virginia Association of Counties

Cc: The Honorable Mark D. Sickles, House of Delegates  
The Honorable David L. Bulova, House of Delegates  
The Honorable Besty B. Carr, House of Delegates  
The Honorable Terry L. Austin, House of Delegates  
The Honorable Robert S. Bloxom, Jr., House of Delegates  
The Honorable Jennifer B. Boysko, Senate of Virginia  
The Honorable R. Creigh Deeds, Senate of Virginia  
The Honorable Mamie E. Locke, Senate of Virginia  
The Honorable Todd E. Pillion, Senate of Virginia  
The Honorable Rae Cousins, House of Delegates  
The Honorable Michael J. Jones, House of Delegates  
The Honorable Lamont Bagbby, House of Delegates  
The Honorable Ghazala F. Hashmi, Senate of Virginia  
The Honorable Levar M. Stoney, Mayor of City of Richmond  
Members, Richmond City School Board  
Members, Richmond City Council  
April Kees, Staff Director, Senate Finance and Appropriations Committee  
Anne Oman, Staff Director, House Appropriations Committee  
Wendy Kang, Legislative Fiscal Analyst, Senate Finance and Appropriations Committee  
Zachary L. Robbins, Legislative Fiscal Analyst, House Appropriations Committee



BETTER COMMUNITIES THROUGH SOUND GOVERNMENT

February 29, 2024

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Town of Amherst  
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**Publications**

Virginia Town & City  
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The Honorable Luke Torian, Mark Sickles, David Bulova, Betsy Carr, Terry Austin, Robert Bloxom - Virginia House of Delegates

The Honorable Louise Lucas, Creigh Deeds, Mamie Locke, Jennifer Boysko, Ryan McDougle, Todd Pillion - Senate of Virginia

Dear Budget Conferees:

As you work to reconcile the differences between the House and Senate Budgets, we want to bring to your attention some issues of critical importance to the cities, towns, and counties represented by the Virginia Municipal League (VML).

Our top priorities for reconciliation in the budget conference are:

- **Hold harmless for grocery tax.** We ask that you restore full funding for the annual hold harmless payments agreed to less than two years ago upon elimination of the statewide grocery tax. This is recognized in the Senate budget (Item 125 #3s). These payments are critical as our schools continue to recover from the lingering effects of the pandemic on K-12 education. We respectfully ask that a final budget recognize and honor the commitment made in 2022 to provide these ongoing payments, consistent with the *Code of Virginia*.
- **Water Quality Improvement Fund (WOIF).** We also ask you to support the House approach on WQIF funding (Item C-53.50 #1h) to provide \$400 million over the biennium for the fund. This would meet the State's WQIF grant agreement obligations. Since its establishment in 1997, the General Assembly has never failed to adequately fund the WQIF. Failure to provide this funding would shift the state's \$400 million obligation to local ratepayers for the first time in the WQIF's nearly 30-year history.

We thank you for recognizing the unique needs of local governments when assembling your respective budgets, especially in K-12 education, and appreciate the significant funding increases for teacher salaries, at-risk funding, and English-language learners. We also greatly appreciate the additional funding in each budget to address the STEP-VA program and CSB workforce needs as well as funding for a local social services training academy to better develop and retain these critical staff.

Finally, we were disappointed that the introduced budget included no funding increase for the state assistance to local police departments program (HB 599) and would appreciate your consideration in boosting state funding to help *all* of the 174 cities, towns, and counties with police departments. The Senate budget includes a narrower amendment to boost funding to a select group of localities.

Once again, thank you for the hard work put in by your members and committee staff to craft a budget that meets the many needs of our Commonwealth. Please email me at [mgowdy@vml.org](mailto:mgowdy@vml.org) if VML can be of any assistance to you.

Sincerely,

Michelle Gowdy  
Executive Director

P.O. Box 12164  
Richmond, VA 23241

804/649-8471  
[www.vml.org](http://www.vml.org)

cc: Anne Oman, House Appropriations Staff Director  
April Kees, Senate Finance & Appropriations Staff Director

# Virginia Association of Counties

Connecting County Governments since 1934



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Albemarle County

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**Executive Director**  
Dean A. Lynch, CAE

**General Counsel**  
Phyllis A. Errico, Esq., CAE

VIA ELECTRONIC MAIL AND HAND DELIVERY

February 12, 2024

The Honorable L. Louise Lucas  
Chair, Senate Finance and Appropriations Committee  
General Assembly Building, Room 1404  
201 North 9<sup>th</sup> Street  
Richmond, VA 23219

The Honorable Luke E. Torian  
Chair, House Appropriations Committee  
General Assembly Building, Room 1223  
201 North 9<sup>th</sup> Street  
Richmond, VA 23219

Dear Chair Lucas and Chair Torian:

I write today to express our appreciation for your longstanding efforts on behalf of K-12 education in the Commonwealth and to urge your support for a top priority for Virginia counties – restoration of the hold-harmless for the elimination of the state sales tax on groceries, which was not included in the Governor’s introduced budget.

As you know, the legislation that passed in 2022 to eliminate the state portion of the sales and use tax on food for human consumption and essential personal hygiene products contained language, now codified in Virginia Code § 58.1-611.1, requiring the distribution of an amount equal to the revenue that would have been provided to localities had the state portion of the grocery tax not been eliminated. In accordance with the existing sales tax distribution outlined in Virginia Code § 58.1-638, this funding is to be distributed based on school-age population and to be used for “maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools.”

Localities’ understanding in 2022 was that the elimination of the state sales tax on groceries would be paired with an ongoing replacement for lost revenue for K-12 – an understanding reflected in this Code language. We were disappointed that this commitment was not honored in the Governor’s introduced budget, which included language to override this statutory requirement. In December, the Department of Planning and Budget calculated that the net impact to local school divisions of this policy choice was **a loss of approximately \$114.5 million per year** (after accounting for the offsetting increase to the state share of basic aid). Building on the progress we have made in recent years toward more robust state support of our K-12 system is a top priority for our members, and in our view the action in the introduced budget is an unfortunate step backward.

We are grateful for the efforts of the patrons of the 2022 legislation, Senator Boysko and Delegate McNamara, to reverse this decision by introducing budget amendments ([Item 125 #7s](#) and [Item 125 #11h](#), respectively) to restore this funding. These amendments also use updated sales tax estimates for Fiscal Years 2025 and 2026 to calculate the required distributions to localities. We strongly encourage you and your colleagues to support these amendments and to ensure that the state keeps its promise from 2022.

We thank you for your consideration and your ongoing partnership with local governments. Please do not hesitate to be in contact with us if we may be of assistance in any way.

Sincerely,

Dean A. Lynch, CAE  
Executive Director

Attachments: Copies of Budget Amendment Items 125 #7s and 125 #11h

cc: Members, Senate Finance and Appropriations Committee  
Members, House Appropriations Committee  
The Honorable Jennifer B. Boysko, Senate of Virginia  
The Honorable Joseph P. McNamara, House of Delegates  
April Kees, Staff Director, Senate Finance and Appropriations Committee  
Anne Oman, Staff Director, House Appropriations Committee  
Wendy Kang, Legislative Fiscal Analyst, Senate Finance and Appropriations Committee  
Zachary L. Robbins, Legislative Fiscal Analyst, House Appropriations Committee  
Members, Virginia Association of Counties Board of Directors

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