

## 8. GOVERNOR KAINE'S FY 2010 BUDGET REDUCTION PLAN

As I'm sure you're aware, on September 8, Governor Kaine released details of his latest round of budget reductions, citing the poor economy and the toll it has taken on state tax collections. The Governor has the authority to reduce state spending by up to 15% without advance General Assembly approval.

Statewide, the planned reductions total \$1.35 billion for FY 2010 and among other things, include one day of unpaid leave for most state workers, a reduction in contributions to the state employee pension plan, closure of three correctional facilities and another withdrawal from the "rainy day" reserve fund. The cuts will eliminate 929 positions in state government and result in 593 layoffs.

On the local level, as you know, state funding accounts for more than 43% (\$24.6 million) of Southampton County's total budget of \$56.9 million. The majority of state funding is passed directly through to Southampton County Schools (\$18 million), Constitutional Officers (\$4.1 million), and Social Services (\$2.1 million).

Southampton County Schools and Social Services are largely unaffected by the proposed reductions (minor adjustments only) but the five Constitutional Officers will be significantly affected:

	Total Budget	Budgeted State Revenue	Governor's Reduction	Revised State Revenue
Clerk of the Court	469,273	294,272	(28,237)	266,035
Commonwealths Attorney	509,580	360,471	(23,476)	336,995
Sheriff*	4,764,175	3,199,037	(172,831)	3,026,206
Commissioner of the Revenue	274,401	104,843	(6,827)	98,016
Treasurer	276,516	96,477	(4,924)	91,553
			<u>(236,295)</u>	

\*Includes Law Enforcement, Detention and Bailiff

We will be working with the Constitutional Officers over the next couple of weeks to develop a strategy to reduce their collective proposed expenditures in FY 2010 by \$236,295.

**NO ACTION REQUIRED**