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VIA ELECTRONIC MAIL

April 19, 2024

The Honorable Glenn Youngkin  
Governor of Virginia  
P.O. Box 1475  
Richmond, VA 23218

Dear Governor Youngkin:

I write on behalf of the Virginia Association of Counties to extend our appreciation for your support of important areas of shared interest during budget discussions. We share your goals of ensuring that communities across the Commonwealth are safe, healthy, and thriving, and we look forward to a resolution of budget negotiations in the coming weeks so that counties can adopt their local budgets. As you work to finalize a budget agreement, we encourage your support of several top priorities for county governments.

**Grocery tax hold-harmless:** As you know, when the state portion of the sales and use tax on groceries was eliminated in 2022, language was included in the Code of Virginia requiring funding to be provided to compensate for the lost revenue associated with the elimination of the portion of the grocery tax that was distributed for K-12 needs based on school-age population. We strongly support the inclusion of this funding in any final budget agreement. The state must live up to its promises and meet its statutory obligation.

**Washington Metropolitan Area Transit Authority (WMATA) and I-81:** VACo supports additional state assistance with stabilizing WMATA's finances while it works toward long-term sustainability in its capacity to meet regional transportation needs, as proposed in the March conference report. VACo also continues to support additional state investments in the I-81 Corridor Improvement Program and was pleased to see additional funding proposed in your December 2023 budget for this purpose. Both efforts are critical needs in improving traffic safety and supporting local, regional, and statewide mobility and economic growth.

**Water quality:** We strongly support funding levels in the conference report for wastewater projects for Chesapeake Bay nutrient reduction. Although recent appropriations have been helpful in assisting localities to meet an upcoming statutory nutrient reduction deadline, a 2023 needs assessment concluded that the funding gap for the upcoming biennium was approximately \$400 million, a need that would be met with the General Fund appropriation and bond authorization included in the conference report. This funding is critically important for localities' ability to complete upgrades needed to comply with state Code, many of which are in active construction, and avoid shifting costs to local ratepayers.

**Virginia Preschool Initiative (VPI):** We support efforts to strengthen Virginia's system of early childhood care and education, an effort that is particularly critical as federal pandemic relief funding expires and a goal we know you share. We support maintaining the existing

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framework for state and local cost sharing in VPI and preserving existing provisions capping the Composite Index of Local Ability to Pay. Eliminating this cap would reduce the state's share of funding in localities with Local Composite Indices above 0.5000, which would require affected localities to replace state dollars with local funds or reduce the number of children participating in VPI.

Thank you for your consideration of our requests. We hope you will not hesitate to have your staff contact us if we may be of assistance in any way.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean A. Lynch". The signature is fluid and cursive, with the first name "Dean" and last name "Lynch" clearly distinguishable.

Dean A. Lynch, CAE, CM  
Executive Director

cc: Members, Virginia Association of Counties Board of Directors