

State Budget Update

By:

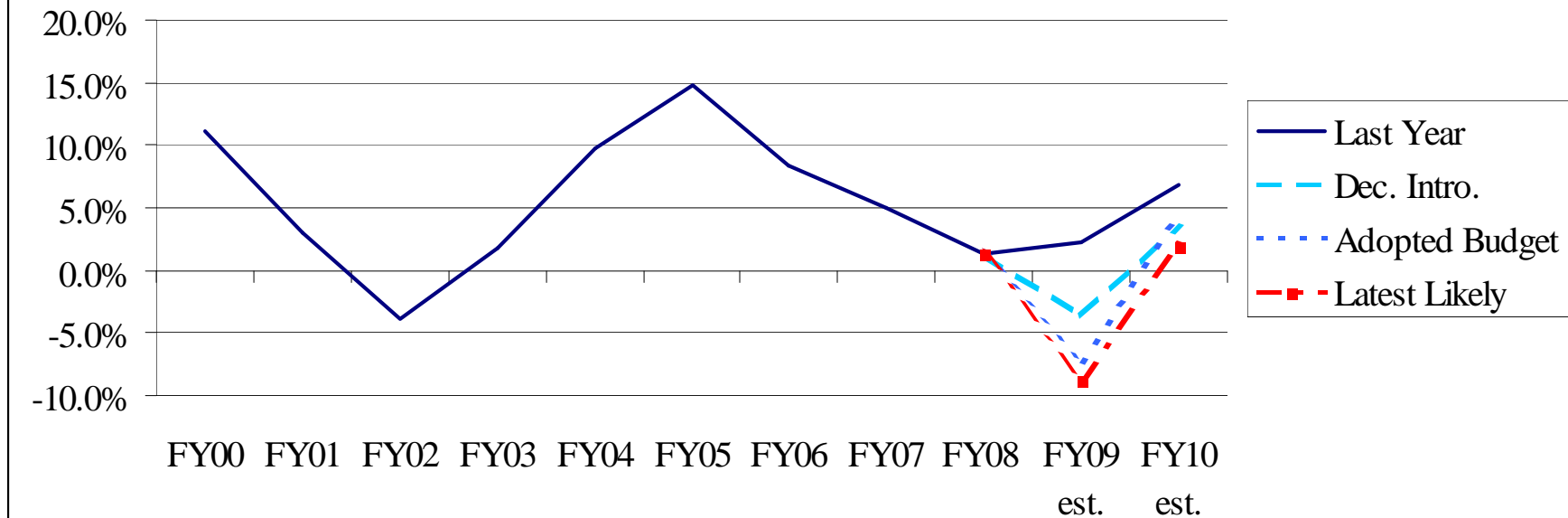
Fiscal Analytics, Ltd

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Summary

- A further slowing of revenues will require additional FY 2010 state budget cuts.
- Expect an even tougher 2010-12 state budget, with ARRA expiring, even with moderate revenue growth.
- Medicaid and other health and human service costs are likely to grow, putting additional pressure on the state budget.
- How likely are GF or transportation tax increases?
- K-12 re-benchmarking will most likely be modified or even eliminated -- including lower standards for support costs -- matching state resources to state spending.
- Prepare for other local aid cuts as well. Governor will likely order another round of administrative cuts in late summer.

General Fund Revenue Forecast Changes Since Last Year



- In 2008 Session, the Governor and General Assembly agreed to a revenue forecast calling for revenue growth in both years of 2.0% in FY09 and 6.8% in FY10.
- Now, the likeliest scenario is an **8.8% decline** in FY09 and only 2.0% growth in FY10, requiring over \$4 billion in GF budget reductions for 2008-10 biennium, with still more cuts likely.

State Revenues Reflect Economic Trends

- Individual income taxes account for two-thirds of general fund revenues.
 - As unemployment increases and workers are without jobs for longer periods of time, withholding declines: 2.3% actual growth vs. 2.5% projected growth
 - As business activity slows, self-employed Virginians and investors make less money: 16.9% YTD actual decrease.
 - Because people are making less money than expected, refunds increase: 13.1% actual increase vs. 7.4% projected increase

State Revenues Reflect Economic Trends

cont.

- Sales tax collections account for one-fifth of general fund revenues.
 - Sinking retail sales dampens collections: 4.8% actual decrease in collections vs. 3.7% projected decline.
- Corporate income tax makes up almost 5% of general fund revenues.
 - Growing number of bankruptcies and loss of profits depress collections: 22.7% actual decline vs. 15.2 projected decline.

Year-to-Date Growth in General Fund Revenues

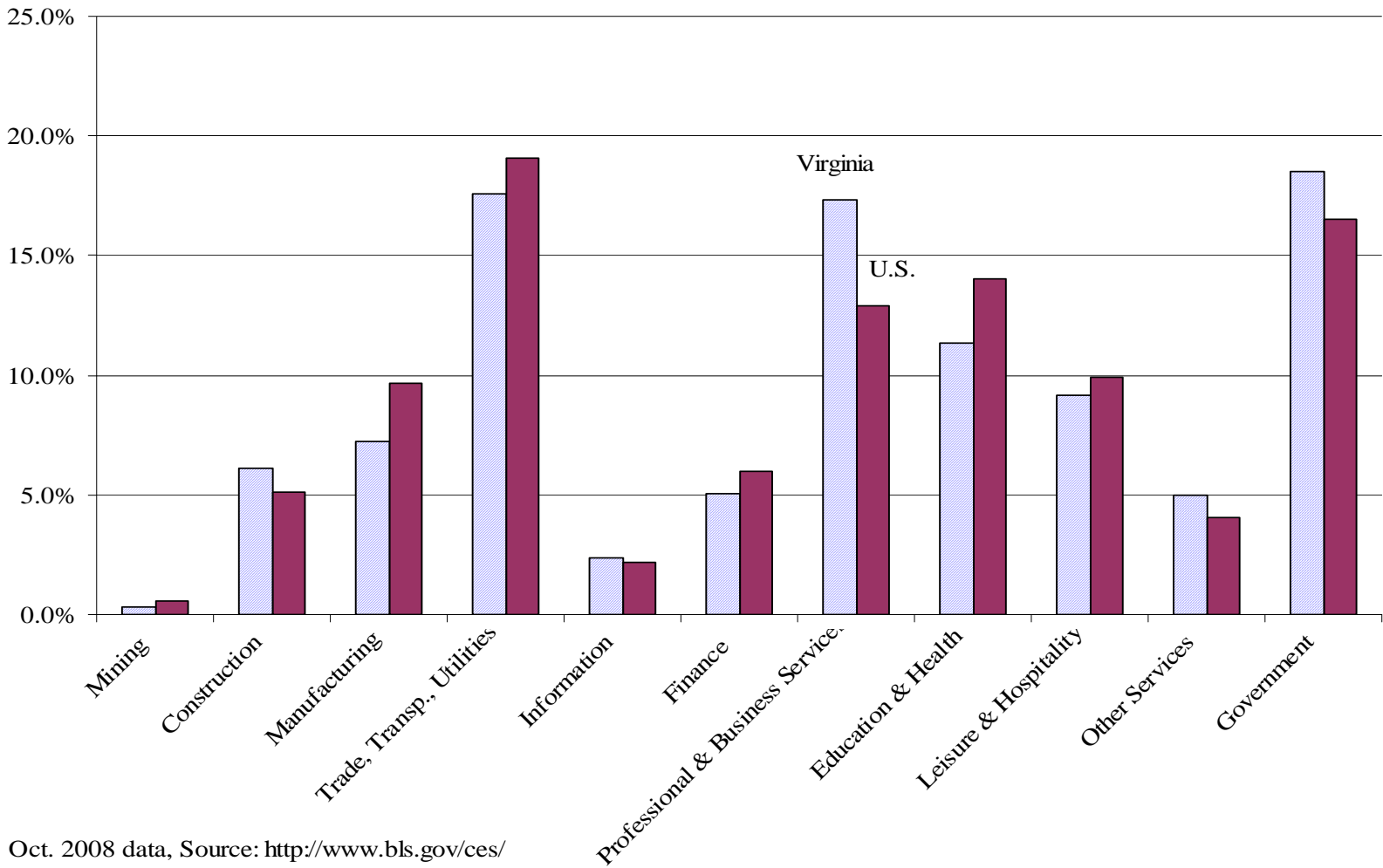
	% of GF Revenues	Official Growth Estimate	Actual Growth Thru April
Individual Income Taxes:			
Withholding	62.6%	2.5%	2.3%
Non-Withholding	16.1%	-17.9%	-16.9%
Refunds	<u>-12.4%</u>	<u>7.4%</u>	<u>13.1%</u>
Net Individual	66.3%	-4.1%	-4.5%
Sales Taxes	20.3%	-3.7%	-4.8%
Corporate Income	4.7%	-15.2%	-22.7%
All Other GF	8.7%		-33.0%
Total GF	100.0%	-7.3%	-8.6%

How is Virginia's Economy Faring Compared to Other States?

<u>Rank</u>	<u>April 2009 Unemployment Rate</u>		<u>Rank</u>	<u>April 2009 Unemployment Rate</u>	
1	North Dakota	4.0	26	Connecticut	7.9
2	Nebraska	4.4	26	Maine	7.9
3	Wyoming	4.5	28	Alaska	8.0
4	South Dakota	4.8	28	Massachusetts	8.0
5	Iowa	5.1	30	Minnesota	8.1
6	Utah	5.2	30	Missouri	8.1
7	New Mexico	5.8	32	New Jersey	8.4
8	Montana	6.0	33	Wisconsin	8.6
9	Louisiana	6.2		<i>US Average</i>	8.9
9	Oklahoma	6.2	34	Alabama	9.0
11	New Hampshire	6.3	35	Mississippi	9.1
12	Kansas	6.4	35	Washington	9.1
13	Arkansas	6.5	37	Georgia	9.3
14	Texas	6.7	38	Illinois	9.4
15	Maryland	6.8	39	Florida	9.6
15	Virginia	6.8	40	Kentucky	9.8
17	Hawaii	6.9	41	Indiana	9.9
18	Idaho	7.0	41	Tennessee	9.9
19	Vermont	7.1	43	Ohio	10.2
20	Colorado	7.4	44	Nevada	10.6
21	Delaware	7.5	45	North Carolina	10.8
21	West Virginia	7.5	46	California	11.0
23	Arizona	7.7	47	Rhode Island	11.1
23	New York	7.7	48	South Carolina	11.5
24	Massachusetts	7.8	49	Oregon	12.0
			50	Michigan	12.9
Source: BLS					
http://www.bls.gov/web/lauhsthl.htm					

U.S. average increased from 6.5% in Oct. 2008 to 8.9% in April 2009

Comparison of Percentage of U.S. and Virginia Employment by Category



FA Economic Forecast

- Consumer and finance/leverage driven economy will continue to be downsized, with increasing savings rates.
- U.S. unemployment may exceed 10% by late 2009, from 6.5% in October 2008.
- Virginia unemployment may exceed 8.0%, from 4.4% in October 2008.
 - VA leads the nation in federal procurement spending (2/3 defense-related) – somewhat insulating our economy.
- Expect sluggish recovery due to long unwinding of “bubble” economy and servicing of massive government debt increases.
- Can Virginia live with less long-term growth than in the past?
 - Last 20 years averaged 6 percent.

How Can Faster Economic Growth Be Achieved? **Increase Productivity.**

- Reduce inefficiencies and bottlenecks in the economy, such as improving the efficiency of road-and-transit infrastructure, and creating a more efficient health care system.
- Improve the quality and productivity of the work force. In the short run, that means financing training programs to enable workers to gain new skills or improve those they already have. In the longer run, it means improving the education system so that more kids stay in school and actually learn the skills they need for the 21st-century economy.
- Make investment capital cheaper and more readily available to high-risk but potentially high-reward companies that are creating industries or revitalizing existing ones.

Over Next Few Years, State Budget Will Continue to Be Under Severe Pressure

- Largest components - K12, Medicaid, and Other HHS programs - have grown the fastest in last 10 years. Medicaid and Other HHS hard to reduce.
- K-12 GF reduced 10 percent in FY 10. ARRA only partial offset. Other local aid largely spared so far.
- However, budget still not yet right-sized for new revenue reality – “one-times” used for half of 2008-10 budget solution.
- Transportation program also shrinking rapidly.
- ARRA provides only a temporary reprieve.

Where Has the State Budget Grown?

10 Year Growth in the GF Budget including selected ARRA*

			Final		Annualized
	<u>FY 1998-00 GF</u>	<u>% GF</u>	<u>FY 2008-10 GF</u>	<u>% GF</u>	<u>% Growth</u>
Direct Aid to K-12*	\$7,053.10	32.8%	\$12,153.4	35.6%	5.6%
Medicaid	\$2,428.6	11.3%	\$5,495.4	16.1%	8.5%
Other Health & Human Serv.	\$1,753.3	8.2%	\$3,246.0	9.5%	6.4%
Higher & Other Education	\$3,143.80	14.6%	\$3,911.2	11.5%	2.2%
Public Safety	\$2,333.60	10.9%	\$3,564.4	10.4%	4.3%
All Other	<u>\$4,761.10</u>	<u>22.2%</u>	<u>\$5,776.4</u>	<u>16.9%</u>	<u>2.0%</u>
Total*	\$21,473.5	100.0%	\$34,146.9	100.0%	4.7%
* Includes Lottery Profits					

* ARRA included where GF will be needed to keep current policy, primarily K-12 and Medicaid

General Fund Cuts in FY 2010

	Original	Final	<u>% Change</u>
Legislative Dept	\$69.1	\$68.3	-1.1%
Judicial Dept.	\$406.5	\$407.0	0.1%
Executive Offices	\$32.3	\$27.3	-15.3%
Admin., Finance & Tech	\$1,430.4	\$1,366.4	-4.5%
Commerce and Trade, Ag	\$178.7	\$159.2	-10.9%
Direct Aid to K-12 (incl. Lottery)	\$6,390.5	\$5,750.1	-10.0%
Higher & Other Education	\$2,031.3	\$1,832.2	-9.8%
Medicaid (not incl. ARRA)	\$2,672.1	\$2,317.4	-13.3%
Other HHS	\$1,723.4	\$1,627.8	-5.5%
Natural Resources	\$111.9	\$98.3	-12.2%
Public Safety	\$1,828.2	\$1,755.0	-4.0%
Transportation	\$41.0	\$41.0	0.0%
Other (Central Appr., Ind. Ag., Non-S, Capital)	\$1,104.1	\$824.1	-25.4%
GF Appropriations (\$ mil.)	\$18,019.5	\$16,274.2	-9.7%

State Aid to Locality Changes in FY 2010

Major Categories of State Aid to Localities					
FY 2010 GF Appropriations					
	<u>Original GF</u> <u>Appropriation</u>	<u>Current GF</u> <u>Appropriation</u>	<u>% Change</u>	<u>% of State</u> <u>Aid to</u> <u>Localities</u>	<u>% of</u> <u>Total GF</u>
K-12 Direct Education Aid*	\$6,391,513,050	\$5,750,141,500	-10.0%	72.4%	35.5%
Car Tax	\$950,000,000	\$950,000,000	0.0%	12.0%	5.3%
Compensation Board	\$666,153,186	\$631,050,421	-5.3%	7.9%	3.7%
Comprehensive Services Act	\$323,640,564	\$315,840,564	-2.4%	4.0%	1.8%
HB 599	\$205,001,876	\$197,295,927	-3.8%	2.5%	1.1%
DJJ Juvenile Confinement/Tre	\$50,787,956	\$50,787,956	0.0%	0.6%	0.3%
Recordation Tax Distribution	\$40,000,000	\$40,000,000	0.0%	0.5%	0.2%
DCJS Admin. of Justice	\$21,908,828	\$23,408,828	6.8%	0.3%	0.1%
Public Library Aid	\$17,378,628	\$17,378,628	0.0%	0.2%	0.1%
State Board of Elections	\$7,392,674	\$7,392,674	0.0%	0.1%	0.0%
Rolling Stock Tax	\$4,970,000	\$5,670,000	14.1%	0.1%	0.0%
DSS General Relief	\$3,458,455	\$3,458,455	0.0%	0.0%	0.0%
Flexible State Aid Reduction	(\$50,000,000)	(\$50,000,000)	0.0%	-0.6%	-0.3%
Subtotal	\$8,632,205,217	\$7,942,424,953	-8.0%	100.0%	47.9%
Total GF Appropriations*	\$18,019,470,000	\$16,274,230,000	-9.7%		100.0%
* Includes Lottery Proceeds					

K-12 had Major Changes in the Adopted Budget

- GF support for K-12 reduced by over \$600 mil.
- \$365 mil. in federal stimulus K-12 funding partially offsets FY 10 GF loss. Will help in FY 11, but not FY 12.
 - Allowable uses appear to be fairly broad.
 - Appropriation doesn't include over \$200 mil. per year in direct LEA federal aid for Title 1, Special Ed, etc.
- Rebenchmarking for FY 2010-12 will likely be impacted, including:
 - Elimination of school construction grants
 - Reduction of lottery non-recurring cost distributions
 - Adoption of support cost reductions?

FY 2010 K-12 Direct Aid* Changes

	<u>FY 2010 Education Changes</u>
FY 2010 Original Appropriation, incl. lottery	\$6,543,818,612
Technical: ADM, Sales Tax, Census, and Lottery Revisions	(\$138,464,023)
Benefit & Compensation Changes	(\$74,289,696)
Modify Lottery to Support GF Programs	(\$55,805,042)
Set Support Position Cap at 4.03 Instructional Positions per Support Position	(\$340,934,092)
Remove School Construction Grants	(\$27,499,997)
Total Adopted FY10 K-12	\$5,906,825,763
Change from Original	(\$636,992,849)
% Change from Original	-9.7%
Appropriated ARRA Stimulus	\$365,187,984
Adopted Total with ARRA Funding	\$6,271,334,747
\$ Change with ARRA Funding	(\$272,483,865)
% Change with ARRA	-4.2%

*DOE distributions, including lottery, VPSA and other non-general funds

**"One Times" Were Half of Strategies
to Close the 2008-10 Budget Gap**

	<u>GF Millions \$</u>
Rainy Day Fund Withdrawal	\$490
Tax Policy/Other Revenue Items	\$450
Budget Reductions	\$1,925
Bonded Debt for GF Capital	\$355
Enhanced Medicaid Match	\$996
State Fiscal Stabilization Fund - Flexible Funds	\$109
State Fiscal Stabilization Fund - K12	\$365

Shrinking Transportation Program

- In June, the CTB will approve a budget and new six-year improvement program for 2010-2015 that will:
 - Have \$3.2 billion *less* for highway construction than the 2008-2013 program
 - Have \$900 million *less* for rail and public transportation than the 2008-2013 program (significant amount due to Dulles Rail transfer to MWAA)

Major Policy Changes Proposed for FY09 - FY15 Six-Year VDOT Program

- Eliminates state formula distributions for unpaved roads, primary, secondary and urban systems.
- Surface Transportation Program federal formula funding will no longer be distributed by locality starting in FY11. CTB will do the programming.
- State can support no more than \$2 billion in debt - unable to issue all \$3 billion in bonds authorized in 2007.

American Recovery and Reinvestment Act of 2009 (ARRA)

- \$4.8 billion in federal stimulus funds to Virginia are allocated through the appropriation act. (See ARRA Appendix for details)
 - About \$2.5 billion used to address budget shortfalls in 2008-10 biennium.
 - About \$922 million will remain available for the next biennium.
 - The balance of funds will be allocated through existing formulas directly to agencies or through grants.
- VA localities are expecting about \$365 million in SFSF education funds and another \$259 million for Title 1, Special Ed and other programs in each of FY10 and FY11.
- General Assembly did not appropriate competitive grants funded through the ARRA.

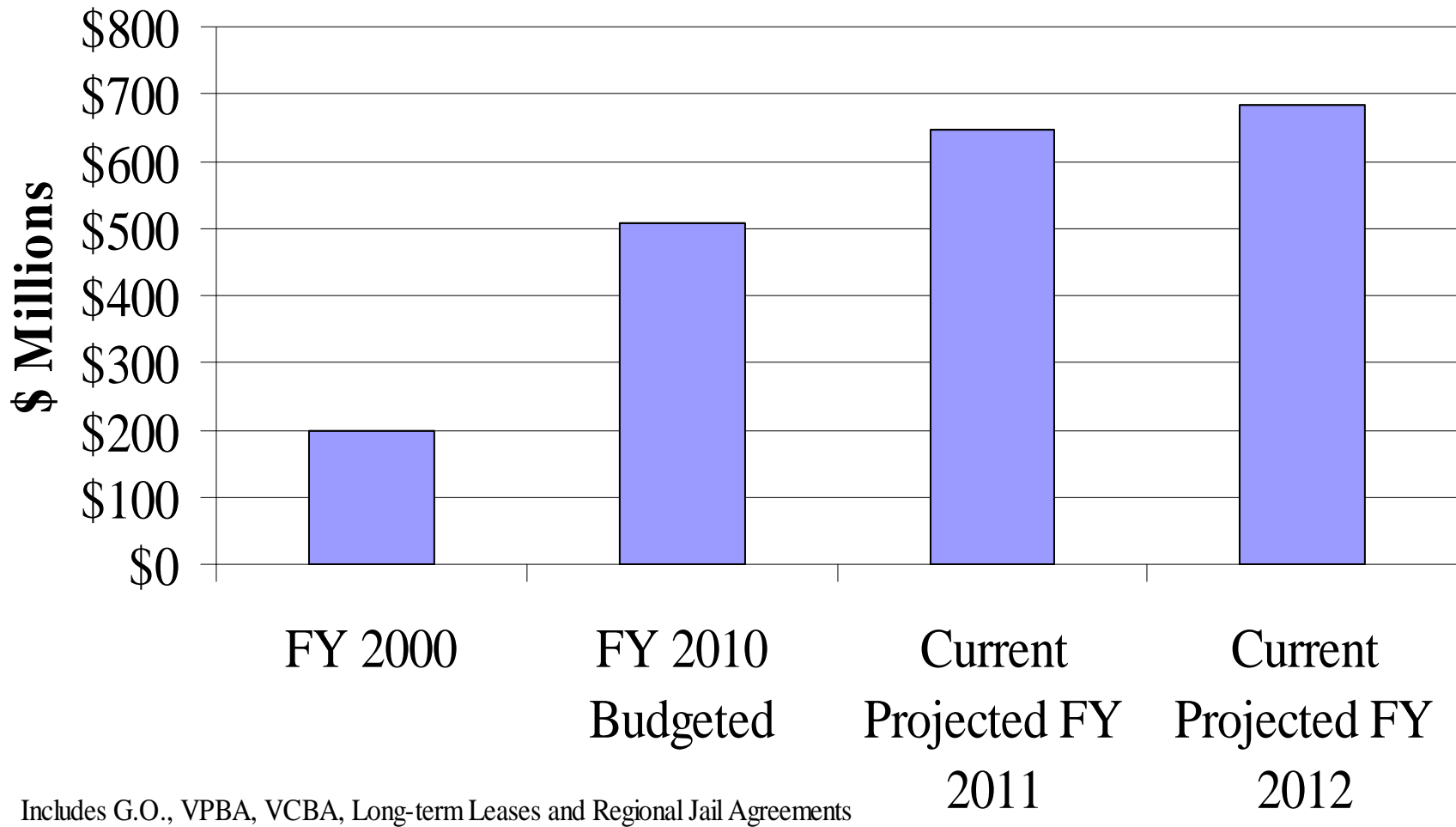
See Appendix for more ARRA details.

2010-12 Initial Budget Outlook

- Reduced state revenues in FY 2009 and 2010 will lower revenue base for next biennium.
- Remaining one-time funding options limited.
- Also, Medicaid and other human services, such as the CSA program, will continue to grow.
- Programs with other funding options, such as K-12, higher education, and other local aid will most likely get cut further.
- Localities should anticipate additional reductions in state aid beginning in FY10.

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
<i>FA Est. GF Revenue (2%,5%,5%)*</i>	\$14,728	\$15,464	\$16,237
Transfers	\$442	\$400	\$400
Unexpended Balances *	\$158		
Total Est. GF Available	\$15,328	\$15,864	\$16,637
<i>Expenditures:</i>	<i>Adopted</i>		
Legislative and Executive Dept's	\$96	\$96	\$96
Judicial Dept.	\$407	\$407	\$407
Planned GF Debt Service***	\$507	\$645	\$684
Admin., Finance (incl. debt) & Tech	\$859	\$859	\$859
Commerce and Trade, Agr., Nat. Res.	\$258	\$258	\$258
K-12 Direct Aid **	\$5,320	\$5,320	\$5,320
K-12 Rebenchmarking?		\$400	\$400
Higher & Other Education	\$1,832	\$1,832	\$1,832
Medicaid	\$2,317	\$2,800	\$3,200
Other HHS	\$1,628	\$1,659	\$1,694
Public Safety	\$1,755	\$1,755	\$1,755
Transportation	\$41	\$41	\$41
Agency, Non-State, Capital)	<u>\$824</u>	<u>\$1,051</u>	<u>\$1,051</u>
Total Expenditures	\$15,844	\$17,122	\$17,596
Projected Scenario Gap	(\$516)	(\$1,258)	(\$959)
* \$175 mil. FY09 shortfall assumed; \$139 mil. balance now unavailable, includes \$49 m. unappropriated balance and \$109 mil. unexpended ARRA			
** G.O. VPBA, VCBA, Long-term Leases, Regional Jails			
*** Does not include lottery, assumes support cost reduction in base			

Growth in General Fund Debt Service Costs

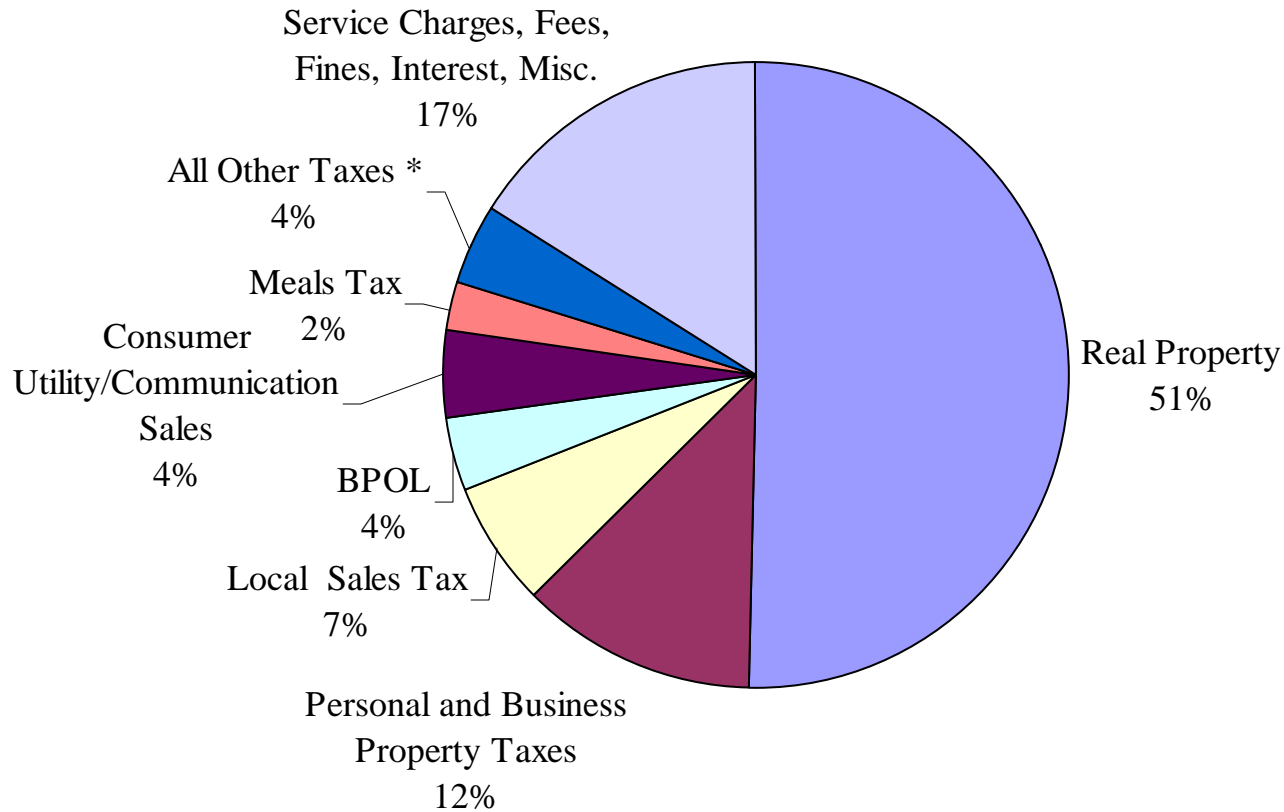


Structural Budget Imbalance – Recent Tax Changes Have Cost the General Fund \$1.9B

	<u>FY Implemented</u>	<u>2008-10 (\$ Mil.)</u>
Car Tax Relief	1999	(\$1,900)
Historic Rehab Tax Credit	1999	(\$92)
Low Income Tax Relief	2000 and 2007	(\$125)
Land Preservation Tax Credit	2003	(\$300)
2004 Tax Reforms	2005	\$1,600
Add'l Reduced Sales Tax on Food	2006	(\$381)
Shift Insurance Premiums and Recordation Taxes for Transportation	2009	(\$352)
Estate Tax Repeal	2009	<u>(\$311)</u>
Total		(\$1,861)

Localities Rely on Property Taxes

Local Revenue Sources (FY 08)

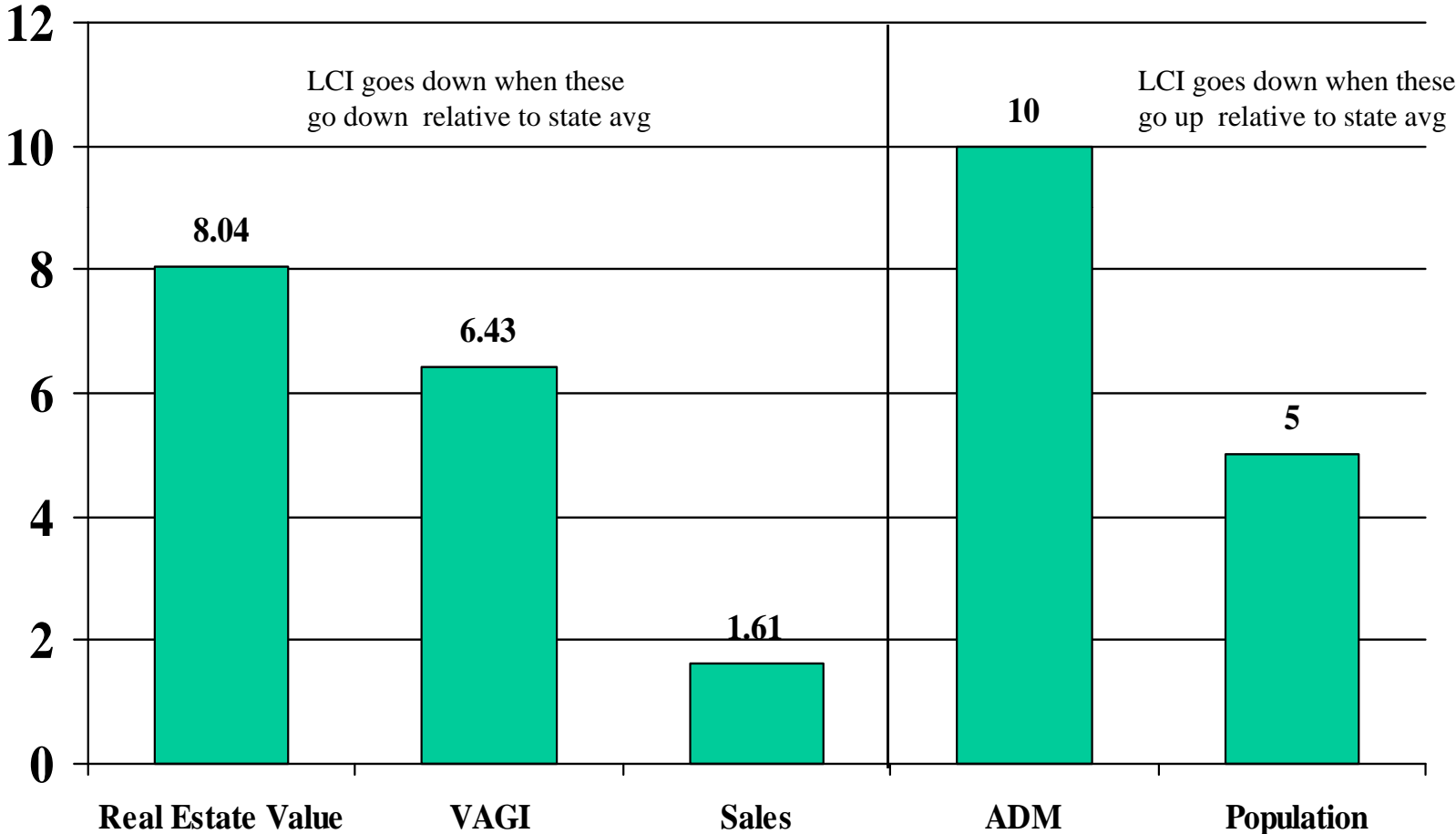


Total Local Revenue in FY 08 = \$16.65 bil.

* Includes hotel, licenses, bank stock, admissions, tobacco, communication sales, coal severance, E-911, recordation

Relative Importance in the Local Composite Index Calculation

Relative weights on a scale of 1-10



Appendix

American Recovery and Reinvestment Act of 2009 (ARRA)

American Recovery and Reinvestment Act of 2009 - Aid to Virginia			
<u>Program</u>	<u>Total \$</u>	<u>Program</u>	<u>Total \$</u>
Medicaid - FMAP Increase to 56.2%	\$1,284,768,015	Emergency Food and Shelter	\$1,247,314
Medicaid - Disproportionate Share Hospitals	\$4,344,643	Emergency Food Assistance Program	\$1,704,161
Foster Care and Adoption	\$13,360,349	School Lunch Equipment	\$1,891,294
Immunization	\$5,621,650	Elderly Nutrition	\$3,029,000
Fiscal Stabilization - Education	\$983,865,903	CCDF Childcare	\$37,892,000
Fiscal Stabilization - General	\$218,904,149	Head Start	\$11,179,767
Title 1 - Grants to LEA's	\$165,311,666	Community Service Block Grant	\$16,009,000
IDEA Part B - Special Education	\$281,415,033	Public Housing Capital Fund	\$51,212,000
Title 1 - School Improvement Grants to LEA's	\$47,913,000	Community Development Block Grant- Entitlement	\$11,311,643
Educational Technology	\$10,801,292	Entitlement	\$5,331,340
IDEA Part B - Pre-School Education	\$9,470,492	HOME Investment Partnerships Program	\$44,189,767
IDEA Part C - Early Intervention	\$10,265,580	Homelessness Prevention	\$11,400,000
Education for Homeless	\$1,009,000	Crime Victims Assistance Grants	\$1,013,000
Work Study	\$3,743,333	Crime Victims Compensation	\$335,439
Vocational Rehabilitation	\$11,601,624	Internet Crimes Against Children	\$1,263,507
Independent Living	\$342,443	Violence Against Women	\$3,305,800
		Bryne Justice Assistance Grant	\$39,369,013
Highways and Bridges	\$694,461,000	Unemployment Insurance Administration	\$13,737,000
Transit Capital grants - Urban	\$93,340,956	Employment Service	\$8,596,000
Transit Capital grants - Rural	\$18,555,163	Community Service for Older Americans	\$2,570,474
Rail Modernization	\$4,209,386	Workforce Investment Act-Adult	\$5,227,634
		Workforce Investment Act-Youth	\$12,982,612
Drinking Water Revolving	\$20,761,000	Dislocated Workers	\$14,115,351
Clean Water State Revolving Fund	\$80,826,900	Food Stamp Benefits	\$355,000,000
Weatherization	\$96,300,000	Social Security disability determination	\$8,400,000
State Energy Program	\$70,000,100	Child Support Enforcement	\$40,400,000
Total Estimated Aid to Virginia			\$4,839,205,793

Note: \$922 mil. reserved for FY 2011, incl. \$319 m. for Medicaid, and one-half of SFSF
Does not include competitive grants

Medicaid FMAP Increase

- FMAP increase from 50% to 56.8% for period 10/1/08 to 12/31/10.
- \$1.3 bil. in additional funding that can be used to supplant state general funds
- \$962.5 mil. available for 2008-10 biennium
- Funding used to offset \$821.5 mil. mid-session revenue reduction and \$183 million Medicaid utilization and inflation increase.

Fiscal Stabilization Fund (SFSF)

- About \$1.2 bil. available over two year period beginning in FY 2010 split 81% for K-12 (\$730 m) and higher education (\$254 m); and 19% for general use (\$219 m).
- General use SFSF helped offset state general fund reductions, and also funded program increases, such as:
 - \$17.2 mil. for natural resource funding
 - Stimulus funds directly to business
 - Public safety funding
 - One-half of general use SFSF, or \$109 mil., kept in reserve.

ARRA Education Funding Summary

- SFSF Education - \$984 mil. (\$730 mil. K-12)
- Title 1 Part A - \$165.3 mil.
- Title 1 School Improvement Grants - \$47.9 mil.
- IDEA Part B State Grants – \$281.4 mil.
- IDEA Part B Preschool Grants - \$9.5 mil.
- Education Technology - \$10.8 mil.
- Education for Homeless - \$1.0 mil.
- Equipment Assistance for School Nutrition - \$1.9 mil.

K-12 Fiscal Stabilization Fund (SFSF)

- K-12 education will receive about \$365 mil. in each of FY 2010 and FY 2011.
- SFSF funds may be used for:
 - Salaries to avoid layoffs
 - Modernization, renovation, or repair, or new construction of school buildings (no maintenance, vehicles, or athletic facilities)
 - Any activity authorized under the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, or the Carl D. Perkins Career and Technical Education Act
 - With US DOE approval, may be used to meet MOE for Title 1 or IDEA.
- US DOE guidance encourages funding progress on activities that drive lasting results without unsustainable recurring cost, including:
 - College and career-ready standards and reliable assessments for all students.
 - Pre-K to Higher Ed data systems
 - Teacher effectiveness and equitable distribution of effective teachers
 - Intensive support and effective interventions for lowest-performing schools

One-Time/Short-Term Spending Ideas

- Lost local tax revenue to avoid teacher layoffs or program cuts
- Library materials
- Literacy curricula & training
- Tutoring
- State of the art technology
- Professional Development
- Data collection tools
- Advanced Placement/International Baccalaureate Program
- Improve Science labs
- Modernize and upgrade school facilities

Title I Part A Funding

- Funding to implement innovative strategies to improve education for at-risk students and to close the achievement gap for students in economically disadvantaged Title I schools.
- Funds used the same as regular program requirements, including:
 - strengthen early childhood programs
 - Identify and train effective teachers
 - develop core infrastructure in technology
 - develop longitudinal data systems
 - expand extended learning opportunities

Individuals with Disabilities Education Act (IDEA)

- Funding to implement innovative strategies to improve outcomes for infants, toddlers, children, and youth with disabilities
- Funds used the same as regular program requirements, including:
 - intensive professional development for special education teachers
 - improve capacity for collecting and using data to improve teaching
 - expand placement options for preschool children with disabilities

Other Local Grant Opportunities

- Community Development Block Grants – Competition for non-entitlement localities
- Byrne JAG grants - drug task forces, after-school programs, prisoner rehabilitation, etc.
- Public Housing Capital Fund – Directly to Housing Authorities
- Community Oriented Policing Services (COPS)
- EDA-American Recovery Program - to encourage private sector business inception and growth
- Energy Efficiency & Conservation Block (EECBG) grants - population of at least 35,000
- Weatherization grants – Directly to 13 localities, others can apply (or thru nonprofits)

Other Local Grant Opportunities

- Community Service Block Grants
 - For childcare, employment, education, health care, housing, etc
- Neighborhood Stabilization grants - purchase and redevelopment of foreclosed and abandoned homes and residential properties
- \$2 billion for Head Start
- \$100 million in competitive grants for transit (TIGGER) – energy consumption & greenhouse reduction transit projects.
- Build America Bonds - a new option for governmental financing
- Neighborhood Stabilization grants - purchase and redevelopment of foreclosed and abandoned homes and residential properties
- “Green” job training grants - training programs that target low-income workers, the unemployed and high school dropouts in areas with high poverty rates for renewable energy and efficiency jobs
- USDA Watershed Rehabilitation grants thru Depts. of Ag. & Forestry

Appendix

10 Year Changes in the Local Composite Index

Ten Year Change in the LCI

	<i>1998-2000</i>	<i>2008-2010</i>	
	<i>COMPOSITE</i>	<i>COMPOSITE</i>	
<u><i>DIVISION</i></u>	<u><i>INDEX</i></u>	<u><i>INDEX</i></u>	<u><i>Difference</i></u>
NORTHAMPTON	.3129	0.5482	0.2353
FREDERICKSBURG	.6328	0.7943	0.1615
LANCASTER	.6384	0.7824	0.1440
HIGHLAND	.5553	0.6774	0.1221
WESTMORELAND	.3975	0.5167	0.1192
COLONIAL BEACH	.3029	0.4154	0.1125
MIDDLESEX	.5756	0.6777	0.1021
MADISON	.3920	0.4878	0.0958
NORTHUMBERLAND	.6365	0.7306	0.0941
RAPPAHANNOCK	.7089	0.8000	0.0911
CLARKE	.5241	0.6112	0.0871
CHARLOTTESVILLE	.5310	0.6091	0.0781
FAUQUIER	.6000	0.6711	0.0711
NELSON	.5038	0.5708	0.0670
ROCKBRIDGE	.4067	0.4728	0.0661
ACCOMACK	.3185	0.3752	0.0567
MATHEWS	.4829	0.5337	0.0508
CAROLINE	.3316	0.3817	0.0501
MANASSAS PARK	.3388	0.3840	0.0452

Ten Year Change in the LCI

	<i>1998-2000</i>	<i>2008-2010</i>	
	<i>COMPOSITE</i>	<i>COMPOSITE</i>	
<u><i>DIVISION</i></u>	<u><i>INDEX</i></u>	<u><i>INDEX</i></u>	<u><i>Difference</i></u>
FAIRFAX COUNTY	.7199	0.7650	0.0451
CHARLES CITY	.3756	0.4162	0.0406
KING GEORGE	.3682	0.4075	0.0393
PRINCE WILLIAM	.4158	0.4437	0.0279
CULPEPER	.4078	0.4340	0.0262
VIRGINIA BEACH	.3466	0.3704	0.0238
WARREN	.4073	0.4285	0.0212
GLOUCESTER	.3245	0.3456	0.0211
BUCHANAN	.2668	0.2824	0.0156
ORANGE	.4245	0.4395	0.0150
FREDERICK	.3997	0.4119	0.0122
STAFFORD	.3530	0.3629	0.0099
SHENANDOAH	.3966	0.4056	0.0090
GRAYSON	.2534	0.2607	0.0073
MANASSAS	.4557	0.4618	0.0061
GREENE	.3177	0.3224	0.0047
GOOCHLAND	.7975	0.8000	0.0025
PAGE	.3252	0.3263	0.0011
ARLINGTON	.8000	0.8000	0.0000

Ten Year Change in the LCI

	<i>1998-2000</i>	<i>2008-2010</i>	
	<i>COMPOSITE</i>	<i>COMPOSITE</i>	
<u><i>DIVISION</i></u>	<u><i>INDEX</i></u>	<u><i>INDEX</i></u>	<u><i>Difference</i></u>
BATH	.8000	0.8000	0.0000
ALEXANDRIA	.8000	0.8000	0.0000
FALLS CHURCH	.8000	0.8000	0.0000
WILLIAMSBURG	.8000	0.8000	0.0000
FAIRFAX CITY	.8000	0.8000	0.0000
WASHINGTON	.3348	0.3340	(0.0008)
FRANKLIN COUNTY	.3899	0.3885	(0.0014)
BLAND	.2652	0.2608	(0.0044)
RICHMOND CITY	.4320	0.4272	(0.0048)
WINCHESTER	.5439	0.5382	(0.0057)
BRUNSWICK	.2685	0.2616	(0.0069)
LOUDOUN	.6777	0.6708	(0.0069)
RICHMOND COUNTY	.3467	0.3384	(0.0083)
AMELIA	.3334	0.3206	(0.0128)
ALBEMARLE	.6363	0.6232	(0.0131)
FLOYD	.3391	0.3234	(0.0157)
POQUOSON	.3384	0.3190	(0.0194)
LUNENBURG	.2346	0.2132	(0.0214)
KING AND QUEEN	.4085	0.3868	(0.0217)

Ten Year Change in the LCI

	<i>1998-2000</i>	<i>2008-2010</i>	
	<i>COMPOSITE</i>	<i>COMPOSITE</i>	
<u><i>DIVISION</i></u>	<u><i>INDEX</i></u>	<u><i>INDEX</i></u>	<u><i>Difference</i></u>
LEXINGTON	.4257	0.4040	(0.0217)
SPOTSYLVANIA	.3913	0.3695	(0.0218)
PORTSMOUTH	.2335	0.2112	(0.0223)
STAUNTON	.4075	0.3849	(0.0226)
WYTHE	.3163	0.2929	(0.0234)
MONTGOMERY	.3744	0.3496	(0.0248)
YORK	.3894	0.3632	(0.0262)
FRANKLIN CITY	.2948	0.2686	(0.0262)
FLUVANNA	.3968	0.3685	(0.0283)
AUGUSTA	.3586	0.3299	(0.0287)
ISLE OF WIGHT	.3985	0.3697	(0.0288)
SUFFOLK	.3276	0.2983	(0.0293)
LEE	.1861	0.1552	(0.0309)
PETERSBURG	.2319	0.2008	(0.0311)
POWHATAN	.4131	0.3790	(0.0341)
NOTTOWAY	.2563	0.2221	(0.0342)
BUCKINGHAM	.2758	0.2414	(0.0344)
BOTETOURT	.3963	0.3606	(0.0357)
NORFOLK	.2947	0.2588	(0.0359)

Ten Year Change in the LCI

	<i>1998-2000</i>	<i>2008-2010</i>	
	<i>COMPOSITE</i>	<i>COMPOSITE</i>	
<u><i>DIVISION</i></u>	<u><i>INDEX</i></u>	<u><i>INDEX</i></u>	<u><i>Difference</i></u>
NEWPORT NEWS	.2901	0.2531	(0.0370)
TAZEWELL	.2691	0.2318	(0.0373)
NEW KENT	.4445	0.4066	(0.0379)
SCOTT	.2231	0.1849	(0.0382)
PRINCE EDWARD	.3146	0.2733	(0.0413)
NORTON	.3512	0.3095	(0.0417)
COVINGTON	.3475	0.3051	(0.0424)
CRAIG	.3215	0.2790	(0.0425)
ROCKINGHAM	.3644	0.3204	(0.0440)
RUSSELL	.2520	0.2079	(0.0441)
WISE	.2245	0.1798	(0.0447)
BEDFORD COUNTY	.3943	0.3494	(0.0449)
PULASKI	.3184	0.2730	(0.0454)
APPOMATTOX	.2908	0.2436	(0.0472)
ESSEX	.4544	0.4071	(0.0473)
HOPEWELL	.2712	0.2236	(0.0476)
WAYNESBORO	.3808	0.3330	(0.0478)
SOUTHAMPTON	.3063	0.2578	(0.0485)
DICKENSON	.2443	0.1957	(0.0486)
CARROLL	.2963	0.2470	(0.0493)

Ten Year Change in the LCI

	<i>1998-2000</i>	<i>2008-2010</i>	
	<i>COMPOSITE</i>	<i>COMPOSITE</i>	
<u><i>DIVISION</i></u>	<u><i>INDEX</i></u>	<u><i>INDEX</i></u>	<u><i>Difference</i></u>
CHARLOTTE	.2511	0.2017	(0.0494)
DINWIDDIE	.2962	0.2462	(0.0500)
AMHERST	.3168	0.2642	(0.0526)
HAMPTON	.2885	0.2358	(0.0527)
CHESAPEAKE	.3560	0.3025	(0.0535)
BEDFORD CITY	.3350	0.2802	(0.0548)
MECKLENBURG	.3398	0.2848	(0.0550)
PRINCE GEORGE	.2736	0.2173	(0.0563)
SUSSEX	.3369	0.2799	(0.0570)
RADFORD	.3412	0.2837	(0.0575)
BUENA VISTA	.2501	0.1924	(0.0577)
COLONIAL HEIGHTS	.4871	0.4289	(0.0582)
LYNCHBURG	.3915	0.3327	(0.0588)
CHESTERFIELD	.4062	0.3447	(0.0615)
PATRICK	.3013	0.2392	(0.0621)
PITTSYLVANIA	.2868	0.2245	(0.0623)
GILES	.3197	0.2571	(0.0626)
GREENSVILLE	.2539	0.1895	(0.0644)
SMYTH	.2678	0.2023	(0.0655)
HANOVER	.4774	0.4118	(0.0656)

Ten Year Change in the LCI

	<i>1998-2000</i>	<i>2008-2010</i>	
	<i>COMPOSITE</i>	<i>COMPOSITE</i>	
<u><i>DIVISION</i></u>	<u><i>INDEX</i></u>	<u><i>INDEX</i></u>	<u><i>Difference</i></u>
CAMPBELL	.3010	0.2340	(0.0670)
HENRY	.3016	0.2304	(0.0712)
DANVILLE	.3122	0.2394	(0.0728)
ROANOKE CITY	.4157	0.3420	(0.0737)
CUMBERLAND	.3342	0.2601	(0.0741)
BRISTOL	.4428	0.3664	(0.0764)
JAMES CITY	.6088	0.5286	(0.0802)
KING WILLIAM	.3811	0.2918	(0.0893)
SALEM	.4413	0.3518	(0.0895)
HENRICO	.5225	0.4319	(0.0906)
WEST POINT	.3327	0.2418	(0.0909)
ROANOKE COUNTY	.4280	0.3349	(0.0931)
HALIFAX	.3313	0.2380	(0.0933)
ALLEGHANY	.3157	0.2210	(0.0947)
EMPORIA	.3543	0.2573	(0.0970)
GALAX	.3685	0.2618	(0.1067)
MARTINSVILLE	.3360	0.2249	(0.1111)
LOUISA	.6626	0.5396	(0.1230)
SURRY	.8000	0.6641	(0.1359)
HARRISONBURG	.5477	0.4099	(0.1378)