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Gov. McAuliffe orders Va. agency heads to cut budgets

By Alan Suderman
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RICHMOND

Virginia Gov. Terry McAuliffe is ordering state agency heads to come up with across-the-board budget cuts for the next two years in order to cope with a more than \$880 million budget shortfall.

McAuliffe's chief of staff, Paul Reagan, sent a memo to agency chiefs on Friday ordering them to come up with suggestions on how to cut 5 percent from their budgets this fiscal year and 7 percent next year.

"Please ensure that your recommendations are both practical and consistent with preserving the known priorities or directives of the governor as much as possible," Reagan said in the memo. "This is a time of great economic uncertainty and your leadership will make a difference as we face these challenges."

He also emphasized the need to find recurring cuts, instead of one-time savings. And Reagan told agency bosses not to make budget cut suggestions that "simply pass on additional costs to another state agency."

Reagan said suggested budget plans could include increasing fees for outside parties.

The across-the-board cuts did not apply to higher education institutions, which would be the focus of targeted reductions later, Reagan said.

The agency heads were directed to submit their proposed budget plans to the governor's office by Sept. 19.

McAuliffe announced the \$880 million budget hole earlier this month and said that state officials will have to make "a series of hard decisions that will test our ability to protect our core priorities and balance our budget."

Officials said \$346 million will have to be found in fiscal year 2015 and \$536 million will be needed in fiscal year 2016.

