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MEMORANDUM

TO:	Greene County Board of Supervisors
FROM:	Cathy Schafrik, County Administrator and Clerk of the Board
SUBJECT:	Preliminary Summary of Potential Unfunded Mandates and Local Fiscal Impacts Emerging from the 2026 General Assembly (FY 2027 Budget Cycle)
DATE:	August 18, 2026

As the County begins planning for FY 2027 and beyond, several actions of the 2026 General Assembly are expected to place additional operational, administrative, and capital burdens on local governments without corresponding state funding sufficient to cover implementation costs. Virginia local government associations, including the Virginia Association of Counties (VACo) and the Virginia Municipal League (VML), have raised concerns that these measures continue a trend of shifting costs and responsibilities to localities.

Key Areas of Concern:

1. ***Requirement for bi-weekly or bi-monthly payroll for hourly workers***

This requirement apparently originates from an existing law that was passed in 2020 but did not apply to local government as we had sovereign immunity. An amendment redefining sovereign immunity was a late add to other legislation which has the effect of requiring us to make significant changes to our payroll system. There is conflicting legislation for school systems, and it is unclear if or when they will be required to make the change, though they would like to consider a bi-weekly or bi-monthly payroll.

Our current system cannot handle this change. Our research shows it will cost approximately $35,000 to shift to a modern alternative. This procurement level would require receiving three written bids.

Recommended Action: Authorize County Administration to obtain quotes for professional payroll solution provider for both the County and Schools. If the lowest responsive bidder is under the $50,000 threshold in the County policy, county administration is authorized to move forward with a plan to transition payroll to a new provider.

2. ***Requirement to pay Family Service Specialists a minimum of $55,000/year***

Recently the state passed legislation requiring an increase of the minimum salary for family services employees in local departments of social services to $55,000. These staff provide a continuum of services designed to assist families in safely caring for children and vulnerable adults.

On the County's current pay scale, the salary range for these positions is from $54,029 to $78,342. The Department of Social Services has already experienced turnover as other localities pay above these guidelines and have a lighter caseload per employee.

There are two options for a short-term solution:

A. To address concerns in the Department of Social Services, we could create a pay band within the current range to comply with the new law, however this is a short-term solution. In the long run, there are many additional adjustments that will be required so that supervising positions aren't making less than their subordinates. The only real solution is to hire a qualified contractor to refresh the data in our last pay study (completed in 2023) and make recommendations for our pay scales. Other agencies have also requested an update to the pay study, including the Sheriff's Office, EMS, and the schools. The best practice is to update the data on a two-year cycle.

B. Adding an additional 1.77% to the entire pay scale would bring the minimum for Pay Grade 8 up to $55,000 and preserve the existing internal parity with the rest of the pay scale which would cost approximately $199,512/year. This will not address the concerns in DSS or other departments about pay inequity and turnover.

Recommended action: The County creates a pay band within the range for this position until an updated pay study can be completed. The pay study will cost approximately $70,000-$100,000 depending on the scope. This would need to be bid immediately to have recommendations for the FY 2028 Budget Cycle. As the schools have requested a pay study as well, we recommend that we advertise for a contractor capable of completing both pay studies in time for consideration of the FY 2028 budget.

Future Actions Required:

1. Paid Family and Medical Leave Program Implementation

A statewide PAID Family and Medical Leave (FML) Insurance Program is scheduled to begin in 2028 which will provide paid off for FML covered events. While implementation is phased in, Greene County will need to devote resources to compliance planning, payroll adjustments, employee communications, and administrative coordination. This change will require us to create a new program, amend our personnel policy, and modify our payroll system. As we work on this, we will bring more information to a future board meeting.