

October 26, 2015

TO: Members, Albemarle County Board of Supervisors
Albemarle County Executive

FROM: David C. Blount, Legislative Liaison

RE: 2016 TJPDC Legislative Program Approval

Attached is the draft 2016 TJPDC Legislative Program for your review and consideration. As I discussed when I spoke to you at your September meeting, I will be presenting the program and seeking approval of it at your November 4 meeting. This year, the draft program lists three top legislative priorities, along with several other priority positions. They are contained in the draft program as follows:

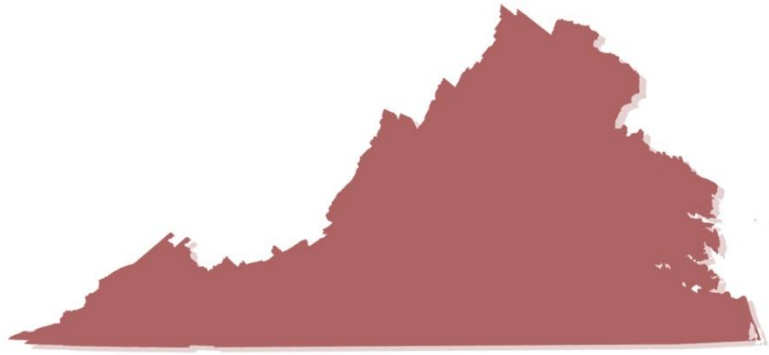
- 1) Public Education Funding
- 2) Equalized Revenue Authority
- 3) State Mandates and Funding Obligations
- 4) Water Quality
- 5) Transportation Funding and Devolution
- 6) Land Use and Growth Management

The “Legislative Positions and Policy Statements” section, which was overhauled last year, contains recommendations, requests and positions in other areas of interest and concern to the region or to our individual localities.

A summary of the top priority positions will be produced and distributed later for you to use in communicating with your legislators.

I look forward to presenting and discussing the draft program when we meet November 4. Thank you.

Recommended Action: Approve the draft TJPDC Legislative Program.



Thomas Jefferson Planning District

2016 LEGISLATIVE PROGRAM

DRAFT

Albemarle County | City of Charlottesville
Fluvanna County | Greene County
Louisa County | Nelson County

November 2016

Andrea Wilkinson, Chairman
Chip Boyles, Executive Director
David Blount, Legislative Liaison

Public Education Funding

PRIORITY: The Planning District localities urge the State to fully fund its share of the realistic costs of the Standards of Quality without making policy changes that reduce funding or shift funding responsibility to localities.

The State will spend about \$5.6 billion on public education in FY16; however, K-12 state direct aid funding remains below its 2009 peak and does not reflect the true costs of local K-12 education. Localities go beyond state mandates to meet Standards of Learning and Standards of Accreditation requirements, having spent nearly \$7 billion for school division operations in FY14. This amount represents 56% of State/local K-12 funding and is \$3.6 billion above the state-required effort. A Spring, 2015 survey of school divisions revealed they have been reducing staff and adding additional duties to remaining staff; over 70% have increased class sizes and 20% have reduced employee compensation in recent years.

Reductions in state public education dollars the last four to five years have been accomplished mainly through policy changes that are decreasing the state's funding obligations moving forward. The State also made policy changes (e.g. mandatory teacher 5% for 5%) to the Virginia Retirement System (VRS) that increased local costs and did nothing to reduce the unfunded teacher pension liability. Education expenditures are expected to continue increasing, as the percentage of at-risk students climbs (now about one-third of students) and state and local VRS contribution rates will drive additional spending in the coming years.

Equalized Revenue Authority

PRIORITY: The Planning District localities urge the governor and legislature to equalize the revenue-raising authority of counties with that of cities.

A number of state-level studies, dating back as far as the early 1980's, have noted that the differences between city and county taxing authority exist due to historical distinctions in the services provided, and that they should be eliminated. This distinction has become less prevalent with increased urbanization and suburbanization, as a growing number of counties now provide levels of services similar to cities. Levels of funding, the degree of service responsibility and standards related to delivery of such services often are topics of debate between the State and localities. Local governments cannot be expected to bear the expenses related to the imposition of new funding requirements or the expansion of existing ones on services delivered at the local level without a commensurate increase of state financial assistance or new local taxing authority. The real property tax relied upon by localities is providing a smaller percentage of local resources and likely will not grow commensurate with local needs. To compensate, many localities have increased or adopted new taxes and fees and have taken significant actions to control spending.

This proposal essentially removes the caps that currently apply to county authority to levy the meals, lodging, cigarette and amusement taxes, as well as the requirement that meals taxes in

counties be subject to approval by referendum. It stands to help diversify and broaden the revenue base of counties by further reducing dependency on real property taxes. We believe that, at a minimum, equalizing revenue authority for counties with that of cities should be “on the table” as Virginia examines modernizing its tax system to comport with the realities of a global, information-driven economy, which will rely less on federal and other government spending and more on new, private sector business models.

State Mandates and Funding Obligations

PRIORITY: The Planning District localities urge the governor and legislature to 1) not impose financial or administrative mandates on localities; 2) not shift costs for state programs to localities; and 3) not further restrict local revenue authority.

Locality budgets remain challenged by slowly-recovering local revenues, recession-riddled state funding and additional requirements. While state general fund appropriations have increased by about \$2.8 billion since FY09 (from \$15.9 billion to nearly \$18.8 billion in FY16), state assistance to local government priorities has remained stagnant (at about \$8.2 billion). More state dollars continue to flow for Medicaid expenditures (now 21% of the general fund budget) and debt service (where expenditures have doubled the past 10 years and will reach nearly \$700 million in FY16).

Accordingly, we take the following positions:

→We urge policymakers to preserve existing funding formulas rather than altering them in order to save the State money and/or shift costs to localities.

→We oppose unfunded state and federal mandates and the cost shifting that occurs when the State fails to fund requirements or reduces or eliminates funding for state-supported programs. Doing so strains local ability to craft effective and efficient budgets to deliver services mandated by the State or demanded by residents.

→The State should not alter or eliminate the BPOL and Machinery and Tools taxes, or divert Communications Sales and Use Tax Fund revenues intended for localities to other uses. Instead, as previously noted, the legislature should broaden the revenue sources available to localities.

→Finally, we believe the State should examine how services are delivered and paid for in the future as a different economy takes hold in Virginia.

OTHER PRIORITY ITEMS

Water Quality

PRIORITY: The Planning District localities support the goal of improved water quality, but as we face mounting costs for remedies, including stormwater management, we believe major and reliable forms of financial and technical assistance from the federal and state governments is necessary if comprehensive improvement strategies are to be effective.

As local governments are greatly impacted by federal and state initiatives to reduce pollutants into state waters, it is imperative that aggressive state investment in meeting required milestones for reducing Chesapeake Bay pollution to acceptable levels occurs. This investment must take the form of authority, funding and other resources to assure success, and must ensure that cost/benefit analyses are conducted of solutions that generate the greatest pollution reductions per dollar spent. This includes costs associated with stormwater management, for permitted dischargers to upgrade treatment plants and for any retrofitting of developed areas, and to aid farmers with best management practices.

Specifically concerning stormwater management, we support adequate funding and training to enable the State and local governments to meet ongoing costs associated with local stormwater management programs that became effective on July 1, 2014. Any proposed legislation to streamline the State's stormwater and erosion/sediment control programs should recognize that localities need funding and technical assistance to implement the changes. We will oppose proposals that would result in new or expanded mandates or requirements, including elimination of current "opt-out" provisions, or financial burdens on local governments.

We oppose efforts that would require re-justification of nutrient allocations for existing wastewater treatment facilities in our region or that would reduce or eliminate nutrient allocation or related treatment capacity serving the region.

Transportation Funding and Devolution

PRIORITY: The Planning District localities urge the State to continue to enhance funding for local and regional transportation needs. We also oppose legislation or regulations that would transfer responsibility to counties for construction, maintenance or operation of current or new secondary roads.

We urge the State to remain focused on providing revenues for expanding and maintaining all modes of our transportation infrastructure that are necessary to meet Virginia's well-documented highway and transit challenges and to keep pace with growing public needs and expectations. As the State continues to move forward with the prioritization process established by HB 2 (2014) and the new distribution formula for highway construction projects established by HB 1887 (2015), it should be focused on the goal of getting money flowing to important local and

regional projects in the state's nine VDOT construction districts. Further, we support additional authority to establish mechanisms for funding transit and non-transit projects in our region.

We believe that efficient and effective transportation infrastructure, including the secondary road system, is critical to a healthy economy, job creation, a cleaner environment and public safety. Accordingly, we oppose shifting the responsibility for secondary roads to local entities, which could result in vast differences among existing road systems in different localities, potentially placing the State at a competitive economic disadvantage with other states when considering business and job recruitment, and movement of goods.

Finally, while we opposed closing of VDOT's Louisa residency facilities and support its reopening, we also support the option for the locality to purchase the property if available.

Land Use and Growth Management

PRIORITY: The Planning District localities encourage the State to provide local governments with additional tools to manage growth, without preempting or circumventing existing authorities.

In the past, the General Assembly has enacted both mandated and optional land use provisions. Some have been helpful, while others have prescribed one-size-fits-all rules that hamper different local approaches to land use planning. Accordingly, we support local authority to plan and regulate land use and oppose legislation that weakens these key local responsibilities.

Current land use authority often is inadequate to allow local governments to provide for balanced growth in ways that protect and improve quality of life. Therefore, we believe the General Assembly should grant localities additional tools necessary to meet important infrastructure needs. These include the following: 1) impact fee and proffer systems that are workable and meaningful for various parties, without weakening our current proffer authority; 2) impact fee authority for costs for facilities other than roads; and 3) authority to enact adequate public facility ordinances for determining whether public facilities associated with new developments are adequate.

We support ongoing state and local efforts to coordinate land use and transportation planning, and urge state and local officials to be mindful of various local and regional plans when conducting corridor or transportation planning within a locality or region.

Finally, concerning land preservation, we request state funding and incentives for localities, at their option, to acquire, preserve and maintain open space.

LEGISLATIVE POSITIONS and POLICY STATEMENTS

Children's Services Act

The Planning District localities urge the State to be partners in containing costs of the Children's Services Act (CSA) and to better balance CSA responsibilities between the State and local government. Since the inception of CSA in the early 1990's, there has been pressure to hold down costs, to cap state costs for serving mandated children, to increase local match levels and to make the program more uniform by attempting to control how localities run their programs.

CSA Administration:

We request increased state dollars for local CSA administrative costs, as localities pay the overwhelming majority of costs to administer this shared program. State dollars for administration have not increased since the late 1990's, while at the same time, costs have jumped due to additional data collection and reporting requirements.

Pool Expenditures:

- The State should provide full funding of the state pool for CSA, with allocations based on realistic anticipated levels of need.
- The State should establish a cap on local expenditures in order to combat higher local costs for serving mandated children, costs often driven by unanticipated placements in a locality.
- Categories of populations mandated for services should not be expanded unless the State pays all the costs.

Efficiency:

- The State should be proactive in making residential facilities and service providers available, especially in rural areas.
- In a further effort to help contain costs and provide some relief to local governments, we recommend that the State establish contracts with CSA providers to provide for a uniform contract management process in order to improve vendor accountability and to control costs.

Economic and Workforce Development

The Planning District's member localities recognize economic development and workforce training as essential to the continued viability of the Commonwealth. We support policies and additional state funding that closely links the goals of economic and workforce development and the State's efforts to streamline and integrate workforce activities and revenue sources. We encourage equipping the workforce with in-demand skill sets so as to align workforce supply with anticipated employer demands. We also support continuing emphasis on regional cooperation in economic, workforce and tourism development.

Economic Development:

- We support efforts to grow and diversify the private sector in each region, with the State serving as a catalyst and partner to provide financial incentives, technical support and other incentives for collaboration by business, governments, educational institutions and communities to spur economic development, job creation and career readiness.
- We support legislation that dedicates income and sales tax revenues generated by corporations and limited liability companies within an economic development project to such locality in cases where the locality has expended local funds for such project and state grant funds or incentives were not involved.

Broadband:

We encourage and support continuing state and federal efforts and financial incentives that assist communities in deploying universal, affordable access to broadband technology, particularly in underserved areas. We believe such efforts should include:

- A focus on correcting the accuracy and availability of statewide broadband maps;
- Support for linking broadband efforts for education and public safety to private sector efforts to serve businesses and residences;
- Provisions that provide for sharing utility and road right of way easements for expanding broadband;
- Maintaining local land use, permitting, fees and other local authorities; and
- Development of a statewide comprehensive plan for broadband and state support for local governments that are developing local or regional broadband plans.

Planning District Commissions:

- We support increased state funding for regional planning district commissions.
- We encourage opportunities for planning districts to collaborate with state officials and state agencies on regional programs and projects, and support funds for the Regional Competitiveness Act to initiate and sustain such efforts.

Agricultural Products and Enterprises:

We encourage state and local governments to work together and with other entities to identify, to provide incentives for and to promote local, regional and state agricultural products and rural enterprises, and to encourage opportunities for such products and enterprises through a balanced approach.

Education

The Planning District's member localities believe that state funding for K-12 education in Virginia should recognize actual needs, practices and costs of local school divisions; otherwise, more of the funding burden will fall on local taxpayers.

School Division Finances:

- We believe that unfunded liability associated with the teacher retirement plan should be a shared responsibility of state and local government, with the Virginia Department of Education paying its share of retirement costs directly to VRS in order to facilitate such sharing.
- The State should not eliminate or decrease funding for benefits for school employees.
- We support legislation that 1) establishes a mechanism for local appeal to the State of the calculated Local Composite Index (LCI); and 2) amends the LCI formula to recognize the land use taxation value, rather than the true value, of real property.

Literary Fund:

- The State should discontinue seizing dollars from the Literary Fund to help pay for teacher retirement.
- We urge state financial assistance with school construction and renovation needs, including funding for the Literary Loan and interest rate subsidy programs.

Environmental Quality

The Planning District's member localities believe that environmental quality should be funded and promoted through a comprehensive approach, and address air and water quality, solid waste management, land conservation, climate change and land use policies. We are committed to protection and enhancement of the environment and recognize the need to achieve a proper balance between environmental regulation and the socio-economic health of our communities within the constraints of available revenues. Such an approach requires regional cooperation due to the inter-jurisdictional nature of many environmental resources, and adequate state funding to support local and regional efforts.

Chesapeake Bay Preservation Act:

We oppose legislation mandating expansion of the Chesapeake Bay Preservation Act's coverage area. Instead, we urge the State to 1) provide legal, financial and technical support to localities that wish to comply with any of the Act's provisions, 2) allow localities to use other practices to improve water quality, and 3) provide funding for other strategies that address point and non-point source pollution.

Biosolids:

We support legislation enabling localities, as a part of their zoning ordinances, to designate and/or reasonably restrict the land application of biosolids to specific areas within the locality, based on criteria designed to further protect the public safety and welfare of citizens.

Alternate On-Site Sewage Systems:

We support legislative and regulatory action to 1) ensure operation and maintenance of alternative on-site sewage systems in ways that protect public health and the environment, and 2) increase options for localities to secure owner abatement or correction of system deficiencies.

Dam Safety:

We support dam safety regulations that do not impose unreasonable costs on dam owners whose structures meet current safety standards.

Water Supply:

The State should be a partner with localities in water supply development and should work with and assist localities in addressing water supply issues, including investing in regional projects.

Noxious Weeds:

We support changes to the *Code* and to the Virginia Invasive Species Management Plan that direct efforts to prevent and control damage caused by invasive species.

Program Administration:

The State should not impose a fee, tax or surcharge on water, sewer, solid waste or other local services to pay for state environmental programs.

Finance

The Planning District's member localities believe the State should refrain from establishing local tax policy at the state level and allow local governments to retain authority over decisions that determine the equity of local taxation policy.

Local revenues:

The State should not confiscate or redirect local general fund dollars to the state treasury. It should reverse action taken in 2012, and then expanded in 2015, which directed to the Literary Fund a portion of fines and fees collected at the local level from the enforcement of local ordinances.

Fiscal Impacts:

We support reinstatement of the "first day" introduction requirement for bills with local fiscal impact.

Transient Occupancy Tax:

The State should ensure the appropriate collection of transient occupancy taxes from online transactions.

General Government

The Planning District's member localities believe that since so many governmental actions take place at the local level, a strong local government system is essential. Local governments must have the freedom and tools to carry out their responsibilities.

Local Government Operations:

- We oppose intrusive legislation involving purchasing procedures; local government authority to establish hours of work, salaries and working conditions for local employees; matters that can be adopted by resolution or ordinance; and procedures for adopting ordinances.
- We support allowing localities to use alternatives to newspapers for publishing various legal advertisements and public notices.
- We oppose attempts to reduce sovereign immunity protections for localities.

Elections:

As elections administration has become more complex and both federal and state financial support for elections has been decreasing, we urge funding to address coming critical shortfalls in elections administration dollars and urge state funding for voting equipment replacement, as many older voting machines are exhibiting end-of-life problems.

Freedom of Information Act:

- We request that any changes to the Virginia Freedom of Information Act (FOIA) preserve 1) a local governing body's ability to meet in closed session, 2) the list of records currently exempt from disclosure, and 3) provisions concerning creation of customized records.
- We support changes to allow local and regional public bodies to conduct electronic meetings as now permitted for state public bodies.

Quality of Life Issues:

- We oppose any changes to state law that further weaken a locality's ability to regulate noise or the discharge of firearms.
- We support expanding local authority to regulate smoking in public places.

Health and Human Services

The Planning District's member localities recognize that special attention must be given to developing circumstances under which people, especially the disabled, the poor, the young and the elderly, can achieve their full potential. Transparent state policies and funding for at-risk individuals and families to access appropriate services is critical. The delivery of such services must be a collaborative effort by federal, state and local agencies.

Funding:

- We oppose changes in state funding or policies that increase the local share of costs for human services. We also oppose any shifting of Medicaid matching requirements from the State to localities.
- The State should provide sufficient funding to allow Community Services Boards (CSBs) to meet the challenges of providing a community-based system of care. We believe children with mental health needs should be treated in the mental health system, where CSBs are the point of entry.
- We support increased investment in the MR waiver program for adults and young people and Medicaid reimbursement for children's dental services.
- We urge state funding to offset any increased costs to local governments for additional responsibilities for processing applications for the FAMIS program.
- We support sufficient state funding assistance for older residents, to include companion and in-home services, home-delivered meals and transportation.

Social Services:

- We support the provision of sufficient state funding to match federal dollars for the administration of mandated services within the Department of Social Services, and to meet the staffing standards for local departments to provide services as stipulated in state law.
- We believe the current funding and program responsibility for TANF employment services should remain within the social services realm.

Prevention:

We support continued operation and enhancement of early intervention and prevention programs, including school-based prevention programs. This would include the Virginia Preschool Initiative and the Child Health Partnership and Healthy Families program, as well as Part C of the Individuals with Disabilities Education Act (infants and toddlers).

Childcare:

The legislature should provide full funding to assist low-income working and TANF (and former TANF) families with childcare costs. These dollars help working-class parents pay for supervised daycare facilities and support efforts for families to become self-sufficient.

Housing

The Planning District's member localities believe that every citizen should have an opportunity to afford decent, safe and sanitary housing. The State and localities should work to expand and preserve the supply and improve the quality of affordable housing for the elderly,

disabled, and low- and moderate-income households. Regional planning and solutions should be implemented whenever possible.

Affordable Housing:

We support the following: 1) local flexibility in the operation of affordable housing programs and establishment of affordable dwelling unit ordinances; 2) creation of a state housing trust fund; 3) grants and loans to low- or moderate-income persons to aid in purchasing dwellings; and 4) the provision of other funding to encourage affordable housing initiatives.

Homelessness:

We support measures to prevent homelessness and to assist the chronic homeless.

Historic Structures:

We support incentives that encourage rehabilitation and preservation of historic structures.

Green Buildings:

We encourage and support the use of, and request state incentives for using, environmentally friendly (green) building materials and techniques.

Public Safety

The Planning District's member localities encourage state financial support, cooperation and assistance for law enforcement, emergency medical care, criminal justice activities and fire services responsibilities carried out locally.

Funding:

- We urge the State to make Compensation Board funding a top priority, fully funding local positions that fall under its purview. It should not increase the local share of funding constitutional offices or divert funding away from them, but increase money needed for their operation.
- We support returning funding responsibility for the Line of Duty Act (LODA) to the State. In the absence of that, we support efforts to improve the administration of LODA and to ensure the long-term fiscal stability of the program.
- We urge continued state funding of the HB 599 law enforcement program in accordance with *Code of Virginia* provisions.
- The State should increase funding to the Virginia Juvenile Community Crime Control Act program, which has cut in half the number of juvenile justice commitments over the past decade.
- We support funding for mental health and substance abuse services at juvenile detention centers.

Jails:

- The State should restore per diem payments to localities 1) for housing state-responsible prisoners to \$14 per day, and 2) for housing local responsible offenders to \$8 per day.
- The State should not shift costs to localities by altering the definition of state-responsible prisoner.
- The State should continue to allow exemptions from the federal prisoner offset.

Offender Programs and Services:

- We support continued state funding of the drug court program and the Offender Reentry and Transition Services (ORTS), Community Corrections and Pretrial Services Acts.
- We support continued state endorsement of the role and authority of pretrial services offices.
- We support authorization for the court to issue restricted driver's licenses to persons denied them because of having outstanding court costs or fees.

Body Cameras:

We support the ability of local governments to adopt policies regarding law enforcement body worn cameras that account for local needs and fiscal realities.

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