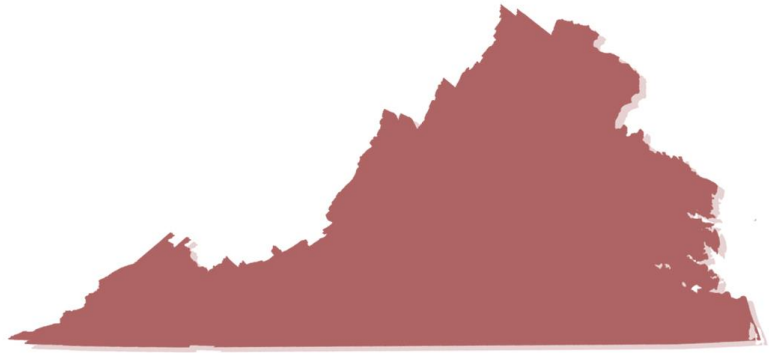




Thomas Jefferson Planning District

2017 LEGISLATIVE PROGRAM

DRAFT

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

October 2016

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

TOP LEGISLATIVE PRIORITIES

State Budget and Funding Obligations

PRIORITY: The Planning District localities urge the governor and legislature to preserve state aid to localities when addressing the current state budget gap, and to not impose mandates on or shift costs for state programs to localities in order to balance the budget.

The State's FY17/18 spending plan faces a projected \$1.2 billion shortfall, the fallout from which can impact local governments, where budgets remain challenged by slowly-recovering local revenues and state funding, as well as meeting state and local requirements and priorities. Inflation and population growth has been outpacing increases in state and local revenues; still, State income tax revenues have increased much faster than local real estate taxes since the Great Recession. While State general fund appropriations have jumped by about \$4 billion since FY09, state assistance to local government priorities has increased just about \$400 million. State aid to localities makes up about 42% of the state general fund budget in FY17.

Accordingly, we take the following positions:

→The State should strive to mitigate the impact to localities when closing the FY17/FY18 state budget gap. The State should not reduce funding for locally-provided, state-mandated services in order to compensate for the budget shortfall.

→We urge policymakers to preserve existing funding formulas rather than altering them in order to save the State money and/or to 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 confiscate or redirect local general fund dollars to the state treasury.

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 (SOQ) without making policy changes that reduce funding or shift funding responsibility to localities.

The State will spend about \$5.9 billion on public education in FY17. Localities appreciate the additional \$900 million in state funding that is targeted for K-12 in the current biennium, and urge the governor and the legislature to preserve this investment moving forward through the latest state budget challenges. However, in the past decade, overall state funding has increased just five percent, and while the state-funded per pupil amount has jumped back above

the FY09 level, state dollars do not reflect the true costs of K-12 education. Localities need an adequately defined SOQ that closes the gap between what school divisions are actually providing and what the state currently funds in the SOQ. Local governments consistently do their part to close the gap; in FY15, Virginia localities spent over \$7.1 billion for school division operations, which is double the state-required effort.

Reductions in state public education dollars since the Great Recession have been accomplished through policy changes that are decreasing the state's funding obligations moving forward. For example, changes to the Virginia Retirement System increased local costs and did nothing to reduce the unfunded teacher pension liability. Education expenditures are expected to continue increasing, as greater numbers of at-risk students (now close to 40% of students), rising State and local VRS contribution rates, and forthcoming changes to high school graduation standards will drive additional spending in the coming years.

Local Revenue Authority

PRIORITY: The Planning District localities urge the governor and legislature to diversify the revenue options available to localities, to include equalizing the revenue-raising authority of counties with that of cities, and to not restrict local revenue-raising authority.

We support the legislature making additional revenue options available to diversify the local revenue stream, which could reduce dependency on real property taxes, rather than removing or restricting local revenue authorities. One way to do this is to eliminate the differences between city and county taxing authority, which exist due to now less-prevalent distinctions in the services provided. This would mean removing the restrictions that currently apply to county authority to levy the meals, lodging, cigarette and amusement taxes. Equalizing revenue authority for counties with that of cities also should be included as part of a needed modernization of the state's 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.

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 (such as those noted above). 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. Further, it 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. The State also should support the appropriate collection of transient occupancy taxes from online transactions.

OTHER PRIORITY ITEMS

Land Use and Growth Management

PRIORITY: The Planning District localities encourage the State to resist preempting or circumventing existing land use authorities, and to provide additional tools to plan and manage growth.

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. We oppose legislation that weakens these key local responsibilities; this would include recent efforts to 1) restrict local oversight of the placement of various telecommunications infrastructure, and 2) single out specific land uses for special treatment without regard to the impact of such uses in particular locations.

We also believe the General Assembly should provide localities with necessary tools to meet important infrastructure needs, as 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. This would include more workable impact fee authority for facilities other than roads, and changes to the currently-enacted proffer system. Proffer legislation approved in 2016 limits the scope of impacts that may be addressed by proffers, and establishes specific criteria for when a proffer is deemed to be unreasonable. We support changes to this new law to provide more balanced and practical standards for determining whether a proffer is reasonable.

Further, 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.

Transportation Funding and Devolution

PRIORITY: The Planning District localities urge the State to continue to enhance funding for local and regional transportation needs. We 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 implement the prioritization process established by HB 2 (2014), now known as "Smart Scale," and the distribution formula for highway construction projects established by HB 1887 (2015), there should be adequate funding, and local authority to generate transportation dollars, for important local and regional projects. We also support having

the Department of Rail and Public Transportation pursue a “Smart Scale-type” prioritization for rail and transit projects.

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.

Other positions:

We support additional authority to establish mechanisms for funding transit in our region.

We support highway maintenance dollars being preserved for cities that convert highway lanes to bicycle-only lanes.

We support VDOT utilizing Metropolitan Planning Organizations and regional rural transportation staff to carry out local transportation studies.

We support continued funding of the state’s revenue sharing program with localities.

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.

Water Quality

PRIORITY: The Planning District localities support the goal of improved water quality, but as we face ongoing 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. Dollars should be targeted to 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 programs that became effective in 2014. 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 support an exemption from stormwater planning requirements for sidewalk, path or trail construction within a public greenway, and oppose further amendments to the regulation of stormwater which would require a locality to waive stormwater charges.

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.

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 appreciate action by the 2016 General Assembly to increase state dollars by \$1 million for local CSA administrative costs, the first increase since the 1990s. We urge the State to maintain and increase this funding, as localities pay the overwhelming majority of costs to administer this shared program at the local level.

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 enhanced coordination with K-12 education to equip 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 implementation of the *GO Virginia* initiative to grow and diversify the private sector in each region, with ongoing state financial incentives, technical support and other

incentives to support collaboration by business, governments, educational institutions and communities that 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.
- We support enabling authority to allow counties to create local economic revitalization zones, authority which currently exists for cities.

Broadband:

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

- Development of a statewide comprehensive plan for broadband and state support for local governments that are developing or implementing local or regional broadband plans;
- Support for linking broadband efforts for education and public safety to private sector efforts to serve businesses and residences; and
- Maintaining local land use, permitting, fee and other local authorities.

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 the state should be a reliable funding partner with localities, recognizing the operational, personnel, and capital resources necessary for a high-quality public education system.

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 support 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 the option for 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.

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.

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.

Internet-based Businesses and Services:

We oppose legislation that would single out internet-based businesses and services for special treatment or exceptions for purposes of local taxation, licensing and regulation. Rather, there should be a level playing field for competition among businesses offering goods and services to ensure safety, reliability and fair access to such offerings by consumers and the general public.

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; procedures for conducting public meetings; and procedures for adopting ordinances.
- We support allowing localities to use alternatives to newspapers for publishing various legal advertisements and public notices.
- We support local flexibility regarding public parking regulation and enforcement.
- We oppose attempts to reduce sovereign immunity protections for localities.

State-Supported Positions:

- Localities should have maximum flexibility in providing compensation increases for state-supported local (and other) employees, as local governments provide such offices with significant local dollars and additional personnel beyond those funded by the State.
- We support removing from the appropriation act, confusing language requiring governing authorities, as a condition of receiving supplemental state funding for salaries, to certify that certain state-supported employees received a prescribed pay increase.

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. We also support 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 ID 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.
- We support changes to the Code to provide that a judicial finding be controlling of administrative findings in alleged child abuse and neglect cases.

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.

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 money away from them, but increase dollars needed for their operation.
- We support returning funding responsibility for the Line of Duty Act (LODA) to the State. In the absence of that, there should be no new or enhanced benefits that increase locality costs. 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. If a state-responsible prisoner remains in local jail longer than one year, then the State should compensate the jail for the actual cost of incarceration.
- 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.
- We support legislation requiring the use of closed circuit television for preliminary hearings and related minor procedures.

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.