



Parks Animal control **Police** Elementary schools Building code enforcement Recreation leagues Libraries Water and sewer systems Public transportation High schools Fire services Health clinics Garbage collection Storm water utilities Behavioral health services Traffic control After-school programs Landfills Economic development Street lights lails **Building inspections** Emergency medical services Housing authorities Services for at-risk youth Community centers Middle schools Parking enforcement Hazardous materials response Bookmobiles Historic preservation **Building** permits Community festivals Medicaid eligibility

E-911

Dear legislators,

The members of the Virginia Municipal League recognize that the underpinnings of Virginia's economy are stressed. Sacrifices will need to be made at all levels of government – and by citizens – to ensure a prosperous, sustainable future. Local governments stand ready to work with the General Assembly and the administration to craft solutions to the fiscal challenges ahead. The millions of Virginians who we represent as elected officials deserve no less.

There is no shortage of legislative issues crucial to helping local governments build vibrant communities where businesses thrive, and where the citizens we serve live, work and play. Local governments depend on a fair, reliable partnership with state government to carry out their numerous responsibilities, many of which are mandated by the General Assembly.

To improve the effectiveness of this state-local partnership, VML's 2015 Legislative Program clarifies the obligations and responsibilities owed by each on issues affecting transportation and education funding, as well as taxing authority. The specifics are spelled out in this booklet.

As always, we stand ready to work with you in meeting our mutual goals to promote the long-term prosperity of Virginia. Please call on us as you seek solutions to the many issues that you will confront during the upcoming legislative session.

Sincerely,

Kimberly A. Winn VML Executive Director

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VML 2015 Legislative Program

VML's membership approved the legislative program set out in this pamphlet at the annual conference held in Roanoke in October. The first five items in this program were identified as the top priorities for local governments in 2015.

Education Funding

A strong public school system is essential to economic development and prosperity. The state must be a reliable funding partner in accordance with the Virginia Constitution and state statutes. The Standards of Quality should recognize the resources, including positions, required for a high-quality public education system. VML opposes changes in methodology and changes in the division of financial responsibility that result in a shift of funding responsibility from the state to localities. As an example, VML opposes the elimination or decrease of state funding for state-mandated benefits for school employees.

Further, VML opposes policies that lower state contributions but do nothing to address the cost of meeting the requirements of the Standards of Accreditation and Standards of Learning. The State Board of Education should identify areas within the Standards of Quality and other educational requirements, such as mandates for expenditures in the area of student health services that can be modified or eliminated in order to provide localities with greater flexibility in their use of scarce education funds.

VML supports a study by the Joint Legislative Audit and Review Commission to determine how the SOQ may be revised and adequately funded to meet the requirements contained in the Standards of Learning and Standards of Accreditation. VML also supports implementation of JLARC recommendations to promote 3rd grade reading performance.

State Assistance to Local Law Enforcement (HB 599)

Law enforcement is a basic service of government. Funding for this service should be a shared responsibility of state and local government as it has long been for sheriffs' departments. The state's commitment to HB 599 has

increasingly lagged in the past decade, and will be sorely tested again by the recent alarms about state revenues. The committee may consider asking the Finance Policy Committee to look at this issue and consider ways in which local governments can better prove and advocate the need for consistent funding for this program.

Transportation Funding

VML appreciates the actions taken by the General Assembly in the 2013 legislative session to boost transportation funding for new road construction, road maintenance, transit operating and capital, and rail passenger service. In order for Virginia to prosper a strong infrastructure is essential to meet the needs of commerce, commuters, and families.

VML understands that the landmark legislation from 2013 is a "down payment" or first step to comprehensively address transportation needs. More dedicated revenue for transit operations and capital as well as passenger and freight rail is needed to keep pace with growing public needs and expectations. It is also critical to find additional resources for urban and secondary road construction in light of actions taken by the state to halt allocations for these projects in the Six-Year Transportation Improvement Program.

State and Local Government Fiscal Relationship
Governance at the local level becomes ever more challenging as the Commonwealth and the federal government
add new programs, or modify existing program guidelines,
and promulgate complex regulations and higher standards
for local governments to implement. It is not uncommon
for the state and federal governments to either underfund
their share of the costs or to ignore them altogether.

To that end, the Virginia Municipal League holds as essential these principles on local taxing and budget authority.

- Specific local revenue authority and sources cannot be further restricted without first granting and providing alternative revenue authority with reliable, sustainable revenue sources. This includes, without limitation, the BPOL and M&T taxes.
- Local general fund revenue and special funds cannot be confiscated or re-directed to the state treasury.
- 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 com-

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- mensurate increase of state financial assistance or new local taxing authority.
- 4. Shifting traditional state funding responsibilities onto local governments, for such services including public education, law enforcement and public safety activities, is bad fiscal policy, resulting in the stress of local finances without reductions in overall program costs
- Piggybacking state fees, taxes or surcharges on local government services frustrates transparency at both the state and local level.
- Placing additional administrative burdens on local governments without sufficient resources or administrative flexibility jeopardizes the quality of services delivered at the local level.
- State budget cuts to state mandated and other high priority programs should specify the programs to be affected by the cuts.

The Commonwealth should:

 Enter into a dialogue with local governments to examine state requirements and service expansions that can be suspended or modified to alleviate to the degree possible the financial burden on state and local taxpayers.

Specifically, the Commonwealth should:

- Critique the Standards of Accreditation and Standards of Learning to determine which standards impose costs on local governments that are not recognized in state funding formulas. In particular, changes adopted since 2009 to SOAs and SOLs should be examined as state funding on a per-pupil basis is now below 2009 levels.
- Re-examine those Standards of Quality that the Board of Education has adopted, but that the General Assembly has not funded. These standards reflect prevailing practices necessary to improve children's academic performance. Their academic performance is crucial to students and schools meeting the accountability standards under the SOL and SOA. If funding is not available to pay for prevailing practices, the accountability standards should be adjusted so that local governments are not in the position of having to bear the entire burden of meeting these unfunded mandates.

- Develop spending and revenue priorities that support economic development, public safety, education and other public goals. State tax credits, tax deductions and tax relief policies must receive the same scrutiny as spending programs as part of the prioritization process.
- In times of revenue crises, review ways to increase revenues to meet constitutional and statutory obligations to Virginia citizens after all other actions have been taken including eliminating unnecessary programs, achieving greater program efficiencies, and streamlining service delivery.
- 4. Include local government representatives on any "blue ribbon" commission or other body established by the state that has as its purpose changes to local revenue authority or governance."

Low Performing Schools

State Takeover of Persistently Low Performing Schools

VML supports repeal of the legislation establishing the Opportunity Educational Institution.

Improving Low-Performing Schools

Any approach to improving low-performing schools must include adequate state financial support. VML supports increased state funding for the Virginia Preschool Initiative, the K-3 reduced class size program and Early Reading Intervention program. VML also supports increased state stipends for highly effective teachers in high-poverty schools, and other innovative programs.

The state has consistently underfunded the state Standards of Quality and other state accountability programs. In the absence of increased state funding, VML opposes any efforts that would transfer to the state additional local funding that localities choose to provide to school divisions. Such local funds exceed the amounts the state requires for SOQ and other state-local match programs.

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Other legislative positions

First Day Introduction for Bills with Local Fiscal Impact

VML supports reinserting the requirement for first day introduction of bills with a local fiscal impact in the procedural resolution that governs the conduct of the General Assembly session. This recommendation was supported in the last session by the Governor's Task Force for Local Government Mandate Review and the Task Force for Fiscal Impact Review. The intent is to provide local governments more time to assess the fiscal impact of proposed legislation, During the 2014 session, delegates and senators had ten days after the start of the session to introduce legislation, leaving local governments with roughly three weeks to review bills, notify the Commission on Local Government about potential fiscal impacts and to lobby.

Fines and Costs Collections by Treasurers

VML seeks the repeal of language in the 2014 Appropriation Act that effectively bars local Treasurers from collecting delinquent fines and costs. Commonwealth's Attorneys should have the option to choose the most efficient and effective collection agent regardless of whether the agent is a public or private entity. VML does not support efforts to monopolize collection services.

Local Fines and Fees

VML supports a budget amendment to end state confiscation of local fines, fees and forfeitures. At the very least, the General Assembly should reform the policies and procedures associated with the Commonwealth's claims on these local dollars based on ideas introduced in the 2014 legislative session that adjusted court procedures to promote efficiencies, that narrowed the number of affected localities and that reduced the dollar amounts taken by the state.

Water Quality Funding

Virginia's local governments face mounting costs for water quality improvements for sewage treatment plants, urban stormwater, combined sewer overflows (CSOs), and sanitary sewer overflows (SSOs). In response to federal and state legislation, regulation and policies, VML urges the federal government and the Commonwealth to provide adequate funding for these water quality improvements.

Taxing, Licensing and Regulating Internetbased Businesses & Services

If the Commonwealth should take action to regulate private enterprises employing a business model that emphasizes the use of the Internet to either provide retail or facilitate lodging or ride-sharing services, then local government interests should be acknowledged and localities should be included in the decision-making. As general principles, VML believes state and local policies should (1) encourage a level playing field for competing services in the market place; (2) seek to preserve and/or replace local and state tax revenues; and (3) ensure safety and reliability for consumers.

Workers Compensation – Medical Costs

Virginia should adopt Medicare-based fee schedules for setting medical provider fees in workers' compensation cases, instead of the prevailing community rate standard now used. This will make providing workers' compensation coverage more affordable and will adequately protect the financial interests of the medical providers of Virginia.

Transportation Networking Companies

VML supports the continued option of the regulation of taxi companies at the local level. VML supports state regulation of ride-sharing companies as needed to ensure proper safety, liability, cleanliness, insurance coverage, local revenue, consideration of ADA access, and equitable service in communities.

Municipal Net Metering

To facilitate the deployment of onsite renewable for municipal facilities VML supports (1) allowing local governments to aggregate the electric load of their governmental buildings, facilities, and any other governmental operations for the purpose of net energy metering; and (2) raising the net-metering limit from 500 kilowatts to 2,000 kilowatts for non-residential customers.

Hydraulic fracturing petroleum extraction

The process of hydraulic fracturing raises concerns about the potential pollution of groundwater, the depletion of water supplies and an increase in seismic activity in previously benign or inactive zones. The consequences potentially are costly and irreversible to local communities. VML supports a state regulatory program that addresses these concerns while protecting the authority of local governments to regulate this type of mining activity through its land use ordinances.

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The Virginia Municipal League is a statewide, nonprofit, nonpartisan association of city, town and county governments established in 1905 to improve and assist local governments through legislative advocacy, research, education and other

services. The membership includes all 38 cities in the state, 160 towns and 8 counties.



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