

NORTHERN VIRGINIA REGIONAL COMMISSION

2011 Legislative Program

The following priorities and positions are adopted by the NVRC member Commissioners, individually and collectively, on behalf of the over two million residents of Northern Virginia that they represent.

PART I – NORTHERN VIRGINIA’S REGIONAL PRIORITIES

PLANNING DISTRICT COMMISSIONS

NVRC supports legislative and administrative initiatives, intended for improving the means and methods of providing state and local government services, that use and further enhance the existing regional structure established in the Regional Cooperation Act in which the Planning District Commission purpose, structure, duties, and responsibilities is established.

Chapter 42 of Title 15.2 in the Code is the Regional Cooperation Act.

§ 15.2-4201. Purpose of chapter. This chapter is enacted:

1. To improve public health, safety, convenience and welfare, and to provide for the social, economic and physical development of communities and metropolitan areas of the Commonwealth on a sound and orderly basis, within a governmental framework and economic environment which will foster constructive growth and efficient administration.
2. To provide a means of coherent articulation of community needs, problems, and potential for service.
3. To foster planning for such development by encouraging the creation of effective regional planning agencies and providing the financial and professional assistance of the Commonwealth.
4. To provide a forum for state and local government on issues of a regional nature.
5. To encourage regional cooperation and coordination with the goals of improved services to citizens and increased cost-effectiveness of governmental activities.
6. To deter the fragmentation of governmental units and services.

FUNDING FOR REGIONAL / PLANNING DISTRICT COMMISSIONS

State General Funds must be appropriated to support the work of planning district commissions at a rate of at least 35 cents per capita to realistically reflect the costs associated with the partnership between local and state governments undertaken by planning district commissions.

STATE FUNDING OF LOCALLY ADMINISTERED PROGRAMS

NVRC and the Northern Virginia jurisdictions call upon the General Assembly and the Governor to rebalance its resources and responsibilities, so that the structural balance of the budget and the funding partnership with localities for locally administered public services are restored.

The Commonwealth faces a serious structural imbalance in its budget as more than \$4 billion in federal stimulus funding has largely sustained the state's General Fund spending in the last two years. Additionally, as a result of federal health care reform, the policy adopted in the 2010 Session to reduce Medicaid eligibility, thereby saving state costs, is no longer an available option. For FY 2011, a temporarily higher ratio of federal-to-state Medicaid revenues was used to avoid severe human services reductions, further exacerbating the structural imbalance through the use of one-time funds for ongoing expenses. The current budget also depends on certain accounting tools, such as accelerated sales tax collections and borrowing funds from the Virginia Retirement System.

The depth and breadth of state cuts to localities in recent years has strained the state-local funding partnership. State aid to localities will be approximately \$1 billion less in FY 2011 than it was in FY 2008. In one reduction strategy, the state reclaimed \$50 million per year in FY 2009-2010, increased to \$60 million per year in FY 2011-2012, in what has become known as the "local aid to the Commonwealth" fund.

As state revenue collections improve, funding restorations to the following programs should be of paramount consideration: local police departments (meeting the provisions of HB 599); state supported local employees; local jail per diem rates for state-responsible inmates; and local health, social, and human services programs.

TRANSPORTATION FUNDING

During the past three years, the Commonwealth Transportation Board has cut \$4.6 billion from the Six-Year Program. Secondary and urban system construction funds essentially have been eliminated, despite the fact that the secondary roads are a Commonwealth responsibility. Six-year secondary road allocations to counties in Northern Virginia are now less than \$2,000 each. Additional funds to dramatically increase Secondary Road investments are needed. The growth in maintenance spending has been reduced from 4% to 3%, even though maintenance costs are increasing overall. The Commonwealth risks serious disinvestment in its existing transportation infrastructure that will be more difficult and more expensive to correct in the future. Today, approximately \$1 billion is needed to address existing deficient pavement conditions and approximately \$3.7 billion is needed to fix the Commonwealth's deficient bridges.

Very shortly the Commonwealth will be unable to ensure that the required matches are available for the federal transportation funds the Commonwealth receives. When this happens, Virginia would have to return federal transportation funds, further compounding the crisis. **Major new dedicated revenue sources for transportation must be enacted during the 2011 General Assembly session.**

Northern Virginia jurisdictions continue to support additional state and regional transportation funding for highway, transit, bicycle and pedestrian improvements. In 2006, the region's TransAction 2030 Long-Range Transportation Plan estimated that Northern Virginia alone needs \$700 million per year in additional transportation funding to address the region's transportation problems. This figure has increased since most of the major revenue sources included in HB 3202 (2007) have been eliminated.

The Northern Virginia jurisdictions seek reinstatement of exclusive Northern Virginia revenues in the range of at least \$300 million annually, as well as 100 percent of Northern Virginia's contribution of additional statewide revenues to address transportation needs not originally covered by the HB 3202 funding approved for Northern Virginia. Both the regional and statewide revenues should be provided from stable, reliable, proven and permanent sources.

The Northern Virginia jurisdictions ask the General Assembly to adopt new statewide transportation revenue sources to bolster existing highway and transit revenue sources which are not generating sufficient funding to meet the Commonwealth's critical transportation needs or to meet the Commonwealth's statutory 95 percent share of eligible transit operating and capital costs (net of fares and federal assistance). This additional transit funding alone would require approximately \$166 million annually in new funds for the limited transit projects and eligible operating costs included in Commonwealth Transportation Board's Six Year Program.

Any funding solutions must ensure that dedicated funding for Washington Metropolitan Area Transit Authority capital improvements and for Virginia Railway Express capital and operating expenses are addressed.

Existing General Fund revenue streams (almost half of which now go to localities) are required and used for core services of the Commonwealth, such as education and public safety. These historically underfunded, locally provided core services have already experienced significant cuts due to reduced General Fund revenues. Shifting the state's transportation funding responsibility to localities only increases local budget pressures without providing a true transportation solution.

TRANSPORTATION REVENUE SHARING PROGRAM

NVRC and the Northern Virginia jurisdictions support restoration of the Department of Transportation's Revenue Sharing Program to the structure that existed prior to the 2006 GA Session and the increase of its funding. Specifically, the project tiers should be removed, and the program structure restored to the pre-2006 levels, while continuing to allow cities and towns to participate.

The Revenue Sharing Program provides additional funding for use by a county, city, or town to construct or improve the highway systems within the locality. Local funds are matched with state funds for qualifying projects. The program was originally intended to give all counties an equal opportunity to qualify for funding. The current program guideline has changed that intent by adding tiers that favor projects administered by local governments and projects for which the local government contributes more than a 50 percent match. Because the Program's funding has fallen from \$50 million per year to \$15 million in FY 2011, the total number of projects funded has been reduced significantly.

LONG-TERM STATE FUNDING FOR K-12 EDUCATION

NVRC and the Northern Virginia jurisdictions support full funding for the biennial re-benchmark of the Standards of Quality (SOQ), and strongly oppose formula changes which further weaken the partnership between the state and localities, including but not limited to, any reduction in the current 55 percent State share of SOQ costs, capping state funding for support costs and the elimination or reduction of cost of competing funding to Northern Virginia localities. Unfortunately, the 2010-2012 budget adopted by the 2010 General Assembly exacerbates the stresses on the state-local K-12 partnership, by making permanent the structural cuts that localities expressly sought to avoid – the effect of these budget actions is to reduce state funding to school divisions in FY 2011 by about \$773 million as compared to the original budget for FY 10 (adopted by the 2009 GA).

The state must fully meet its Constitutional responsibilities to fund K-12 education. Critical gaps exist between state SOQ funding and the actual costs of providing a high quality education faced by localities. The Northern Virginia localities more than meet their responsibilities for K-12 education through their large contributions to the State General Fund, strong local effort, and the effect of high local composite indices, which divert State funding away from this region.

ONLINE TRAVEL TAXES

NVRC and the Northern Virginia jurisdictions support legislation to insure the proper collection by online travel companies of state sales and local Transient Occupancy Tax (TOT) levies associated with online travel sales, as well as the transparency of costs and taxes for customers in their online travel bookings of Virginia lodgings. Online travel companies (OTCs) should collect state and local taxes based on the full price paid by their customers and remit the taxes collected on that full amount.

As a general rule, OTCs do not collect state and local taxes from their customers on charges that they characterize as “fees,” in contrast to Virginia lodgings that collect and remit state and local taxes on the full amount customers are charged. These OTC business practices create an unfair price advantage for OTCs, prevent customers, state and local governments, and the contracting Virginia properties from knowing the customer’s true costs for lodging and taxes, and place Virginia properties at a competitive disadvantage.

PRE-TRIAL SERVICES

NVRC and the Northern Virginia jurisdictions oppose any legislation that would limit a local government’s authority to operate pre-trial release programs. Pre-trial release programs have been shown to effectively limit the costs of jailing charged individuals awaiting trial, and to provide supervision and drug testing of the individual charged, without increasing a risk to the public’s safety.

HEALTH CARE REFORM AND THE EXPANSION OF MEDICAID COVERAGE

NVRC and the Northern Virginia jurisdictions support legislation and administrative actions that prepare Virginia for the implementation of provisions in the federal Affordable Care Act that result in an expansion of Medicaid that lead to increase access to services, especially preventative services.

In considering the Medicaid policy revisions, the General Assembly and Administration should:

- Work with local governments to provide appropriate flexibility and the resources necessary to effectively respond to the provisions of the new federal law that will be implemented at the local level, such as Medicaid eligibility determination;
- Avoid actions that would shift costs to localities, including weakening the social safety net by restricting access or reducing funds for locally-administered services;
- Establish implementation strategies that provide a smooth transition for those newly eligible for Medicaid services; and
- Seek to implement innovative methods of achieving cost containment without restricting access to services, and to implement the use of technology to find and reduce Medicaid fraud.

PART II – POSITION STATEMENTS

DILLON RULE

NVRC supports relaxation of the Dillon Rule to provide counties greater autonomy in areas including land use, local revenue measures and other issues of local concern. Examples include but are not limited to, the authority to regulate parking, to change BPOL taxes and to provide tax relief to certain citizens. The General Assembly should extend powers and authorities currently granted to some local governments by existing statute, to all other local governments.

WATER AND ENERGY CONSERVATION AND EFFICIENCIES

NVRC supports legislation that will improve the state's stewardship of preserving Virginia's natural resources and further reduce the annual cost of non-renewable energy purchases within the Commonwealth.

NVRC supports the development and implementation of a comprehensive water resource management policy that fosters proactive planning, sustainability, regional cooperation, public education and involvement, and ecological integrity.

NVRC supports legislation that would collect data about greenhouse gas emissions and set achievable goals for the reduction of carbon dioxide.

NVRC supports local government efforts that establish and implement local public energy conservation policies and that recognize private sector achievements in protecting and conserving Virginia's natural resources.

HEALTH AND HUMAN SERVICES

NVRC supports policies that maintain the state's responsibility in partnership with local government to provide community capacity to:

- **Protect vulnerable persons of every age;**
- **Ensure that children thrive and that youth successfully transition to adulthood;**
- **Ensure the health of people and communities through prevention and early intervention;**
- **Strengthen the capacity of people and communities for self-sufficiency; and**
- **Build and sustain a high-performing and diverse workforce.**

RECYCLING SERVICES

NVRC supports legislation that improves the opportunities for recycling solid waste materials through the development of recycling markets throughout the state.

NVRC opposes any legislation that will reduce the authority or inhibit the ability of local governments to manage solid waste in accordance with mandated local solid waste management plans, and to implement mandated recycling programs and reporting requirements.

LOCAL GOVERNMENT PLANNING AUTHORITIES

NVRC and the Northern Virginia jurisdictions support existing local authority to regulate land use through zoning and subdivision controls, and oppose legislative efforts to weaken or transfer that authority away from local governing bodies.

NVRC and the Northern Virginia jurisdictions support existing local authority to accept cash and in-kind proffers from developers to assist localities in providing the capital facilities and infrastructure needed to serve new development, and oppose legislation to eliminate or restrict that authority. Also, NVRC and the Northern Virginia jurisdictions oppose any proposal for replacing such proffer commitments with development impact fees that would diminish the amount of such capital assistance received by localities.

NVRC and the Northern Virginia jurisdictions support changes to the Urban Development Area statute that encourage "smarter" growth planning while preserving local flexibility to implement this mandate, and oppose amendments that limit flexibility, including any establishment of unrealistic minimum density thresholds for residential and commercial development within the UDA.

NVRC and the Northern Virginia jurisdictions support the existing authority of localities or locally created authorities to impose connection fees and rates adequate to support the full cost of water, wastewater and stormwater utility systems, and oppose any legislation that would limit that authority.

NVRC and the Northern Virginia jurisdictions support legislation that gives localities greater authority to require proper maintenance of properties, particularly unoccupied properties that are in foreclosure.

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