



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of December 8, 2012

SUPPLEMENTAL REPORT

DATE: December 10, 2012

SUBJECT: 2013 General Assembly Session Legislative Priorities. (The public hearing has concluded)

DISCUSSION: At the conclusion of the public hearing, Chair Mary Hynes asked the public to submit suggestions for changes or additions to the Legislative Priorities. In response to those suggestions, as well as suggestions from Board Members during the public hearing, and the work session with the Arlington General Assembly delegation, the following have been added:

- New section under Finance adding Streamlined Sales and Use Tax Program
- Revisions of the two Transportation Funding bullets under Transportation
- Revision of the Transit Funding Allocation under Transportation
- New section under Energy and the Environment on Land Conservation
- Revision of Human Services section on Mental Health Services to remove the reference to children (who will have their own section below)
- New section under Human Services on Crisis Stabilization Projects for children
- New section under Human Services on Modification of the ID/DD Waiver
- New section under Human Services on Backup Generators for Nursing Homes and Similar Facilities

County Manager:

BMD/Wilfredo Calderon

County Attorney:

[Signature]

Staff: Patricia B. Carroll, CMO

II.



ARLINGTON COUNTY, VIRGINIA

2013 GENERAL ASSEMBLY LEGISLATIVE PRIORITIES

The 2013 General Assembly session will again present a challenging budgetary environment.

Achieve Local and State Fiscal Sustainability

As our nation continues to emerge from the worst fiscal times since the great depression, our future success depends on implementing equitable and sufficient tax structures to enable the Commonwealth to provide sustainable, cost-effective, quality services to residents.

The Commonwealth's fiscal stability is *directly tied* to the economies of Virginia's localities. As a result, our focus must remain on how to lay the groundwork for the Commonwealth's economic vitality.

For the fifth year in a row, the Commonwealth faces weak revenue growth and increasing costs for core state-supported responsibilities. The Governor and General Assembly will need to grapple with the difficult balance of reducing services and/or increasing funding.

The health, welfare and safety of Virginians depend on quality services across a number of critical areas which are *provided by local governments*. These include public education, health and human resources, public safety, protection of natural resources and the environment.

Avoid Shifting Costs to Localities

Since FY 2009, the state has reduced its funding for core state-provided services by \$265.0 million. During that same time period the State Budget General Fund allocated to critical services required of localities has decreased substantially from 52% (FY 2009) to 44.7% (projected for FY 2014).

As a consequence of reduced state funding, Virginia localities, including Arlington, have had to make very difficult decisions: cutting needed services, reallocating local dollars to continue services at some level, or increasing real estate tax rates to maintain basic government functions.

These are choices made across the Commonwealth, locality-by-locality, and are based on each community's ability to use a limited set of revenue tools. These choices erode the quality of life for all Virginians and are, over the long term, a recipe for a drastically weakened state economy.

To put us all on sustainable financial footing, Arlington County remains committed to working with the Governor and the General Assembly to ensure the ability of the Commonwealth's General Fund to appropriately fund the state's core responsibilities.

We look forward to working with the Arlington delegation and others to determine how best to solve the budget dilemma without causing extensive, permanent harm to the state or localities.

Fund Critical Needs

In order to sustain the economy in Arlington County and the Northern Virginia region, we seek a renewed partnership with the State focused on finding creative solutions to addressing our critical funding needs. **Among the most critical needs is increased funding for transportation, including transit capital, operations and maintenance.** The County joins jurisdictions along the I-95 and I-64 corridors -- from Alexandria to Virginia Beach -- in supporting a substantial increase in dedicated funding for roads and transit from new, reliable and sustainable sources.

Since FY 2009, the General Assembly has withheld approximately \$1.1 million annually, which is allocated to Arlington, to balance the state's budget. We request that the state reduce or **eliminate this Local Aid to the State funding**, so that the County can resume use of these local funds to address local needs.. Finally, we urge the General Assembly to enact legislation that would assure **Internet hoteliers pay their fair share of the Transient Occupancy Taxes.**

These measures will support Arlington's economy and the quality education, public safety, health, transit and environmental safety services that our residents expect and deserve.

We look forward to working with the General Assembly to achieving these goals.

Legislative Priorities

A. Finance

1. Local Taxing Authority: Retain all current local taxing authority, including business license, and machinery and tools tax administration, real estate and rate making authority.
2. On-Line Travel Companies/Modifying State Sales and Local Transient Occupancy Taxes: Ensure the collection and remission by on-line travel companies (OTCs) of all state sales and local Transient Occupancy Tax (TOT) levies associated with on-line travel sales.
3. Restoration of Funding to Localities: Support restoration of the Commonwealth's funding responsibilities to localities as laid out in state statutes, the Constitution and public policy.
4. Unfunded Mandates: Oppose any mandates from the Commonwealth that are not fully funded, including additional administrative burdens on local governments.

5. Local Fines and Fees: Delete the provision in the 2013-14 Appropriations Act that requires some localities to share a portion of their local fines and fees with the state.
6. Streamlined Sales and Use Tax Program: Change state code to allow Virginia to join 24 other states in the Streamlined Sales and Use Tax program to collect state and local sales taxes on interstate mail order and internet sales to Virginia customers. This effort would enable the Commonwealth to receive sales and use taxes from over 1,000 out of state vendors that have agreed to participate voluntarily in the program and would remove the current competitive advantage remote sellers have over local Virginia businesses.

B. Transportation

- 1. Design Review Process: Work with VDOT to develop and implement urban design standards to expedite the review process, save staff time, and accelerate construction.
- 2. Transportation Funding:
 - Provide broad new, dedicated, sustainable, reliable and additional stable, permanent statewide funding of at least \$1.3 billion annually for the state and region to support major transit needs, road construction and maintenance, and continued operations of Virginia's existing road and transit infrastructure and ensure that Virginia will continue to be able to provide the required match to access federal transportation funding. Funding must ensure capacity expansions in all modes. Transportation funding must not be taken from traditional core services, such as education and public safety.
 - Work with local elected leaders to develop funding strategies, including new dedicated revenue, and implement service delivery innovations, including bus on shoulder, that support expansion of necessary regional and local transit services essential to a vital economy.
- 3. Study of Transit Funding Allocations Recommendations: Transportation formulas, including transit, should not be revised in a way that will reduce the revenues coming to Northern Virginia and its jurisdictions, or that make the overall funding allocation process less predictable, simple and reliable. Request Joint Legislative Audit and Review Committee to study the recommendations contained in the SJR 297 report with a particular focus on their impact on economic competitiveness in the Commonwealth, Northern Virginia, Central Virginia and Hampton Roads as well as the localities' ability to comply with Title VI of the Civil Rights Act.
- 4. Washington Metropolitan Area Transit Authority: As the region prepares for the opening of the new Silver Line to Dulles Airport, ensure that the Commonwealth continues its long-term funding commitments to WMATA.

Affirm the importance of local government funding, expertise and initiative in designing transit that serves their localities and the region.

C. Local Authority

1. Employee Benefits/Health Care: Increase Arlington County's and other public employers' competitive edge by permitting localities to manage personnel functions, and to decide which benefits they need to offer.
2. Land Use Policies: Support authority of local governments to plan land use, without restrictions on local zoning authority or zoning process.

D. Housing

1. Housing Trust Fund: Support additional funds for state Housing Trust Fund that was established in 2012 budget with one-time money.
2. Assistance to Tenants: Work with state agencies to assist low-income tenants to remain in their communities while their housing is being upgraded and renovated.

E. Civil Rights Initiatives

1. Immigration: Oppose any state mandates to localities requiring local law enforcement officers to evaluate the immigration status of individuals encountered during lawful stops or other routine police activities.
2. Education: Ensure access at in-state tuition rates to Virginia colleges and technical schools for all high school graduates, including undocumented students who meet residency and other reasonable requirements.
3. Services: Support the integration, assimilation and increased civic engagement of our immigrant population, including initiatives that ensure the immigrant community is treated fairly

F. Public Safety/Emergencies

1. Domestic Violence: Support enhanced domestic violence protections, including expansion of mental health resources for children and youth exposed to domestic and teen dating violence.
2. Jail Diversion Efforts/Drug Courts: Support jail diversion efforts for individuals with mental health or substance abuse issues who become involved with the criminal justice system.
3. Line of Duty: Seek full state funding for state mandated Line of Duty benefits, or the local option to establish own program.

G. Energy and the Environment

1. Interstate Compact for Potomac River Basin and Chesapeake Bay Cleanup: Include funding for ICPRB in FY 14 Budget and beyond so that it can continue analyzing water supply and water quality needs. Maintain funding for water supply and water quality needs, including Water Quality Improvement Fund.
2. Energy/Environment: Support state and local environmental sustainability programs and policies, and the financial tools necessary to implement them.
3. Net Metering/Purchase Power Agreements: Support use of power purchase agreements for renewable energy systems.
4. Property-Assessed Clean Energy (PACE) Financing Programs: Provide localities with the clear authority to support PACE programs.
5. Land Conservation: Preserve the Land Preservation Tax Credit with no reduction in funding.

H. Human Services

1. Criminalize financial exploitation of older and vulnerable adults: Make it a crime to knowingly take control of an elderly or vulnerable adult's property or financial resources with the intent to deprive the adult of its use.
2. Services for Older Adults and People with Disabilities: Support keeping seniors and people with disabilities in their homes and communities by maintaining and enhancing funds for daily living activities. Increase Medicaid reimbursement rates for personal care services, and provide workers access to affordable health insurance and advanced training.
3. Provide Community-Based Continuum of Psychiatric Care: Continue to fund the post-acute care for older adults with severe mental health issues provided by Northern Virginia's RAFT program.
4. Mental Health Services: Restore 19 Adult Beds at Northern Virginia Mental Health Institute and implement regional crisis intervention and stabilization for children and older adults with mental health and substance abuse issues.
5. Crisis Stabilization Projects for Children: Fund crisis stabilization services for children experiencing a mental health crisis in Northern Virginia, one of the two remaining regions of the state that lacks them.
6. Modification of the ID/DD Waiver: Provide equivalent services to individuals with Intellectual Disabilities (ID) and Developmental Disabilities (DD) based on need rather than diagnosis, as well as a cost of living differential that realistically reflects expenses in Northern Virginia.

7. Community Services Act (CSA): Oppose the state's shifting costs to localities by moving children receiving mental health services from Medicaid to the CSA system. Ensure that the state also pays its share of administrative costs.
8. Health Care Access: Ensure women have access to reproductive health services and the right to make reproductive and other health care decisions.
9. Community Placements for Northern Virginia Training Center Residents: Allocate additional state resources to support community placements for individuals leaving training centers. Retain funds from sale of property for care of individuals being displaced.
10. Affordable Care Act: Support Medicaid expansion in Virginia and oppose dismantling or repeal of the Affordable Care Act.
11. Backup Generators for Nursing Homes and Similar Facilities: Require nursing homes and long-term care facilities to have auxiliary generators sufficient to support critical patient/resident needs during power outages, as well as emergency plans for the safe sheltering and evacuation of all residents.

"Arlington will be a diverse and inclusive world-class urban community with secure, attractive residential and commercial neighborhoods where people unite to form a caring, learning, participating, sustainable community in which each person is important."

— Arlington County Board Vision Statement