

Suggestions for Consideration by the Task Force Reviewing State Mandates

Submitted by the City of Falls Church – December 5, 2011

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The City of Falls Church appreciates the opportunity to add its voice to the extensive work done by the State Mandate Taskforce overall and specifically to the 11/19/11 adopted list of potential mandates to be eliminated. Additionally, the City aligns itself with the valid points set forth by the Virginia Municipal League (VML) and the other local government submissions.

1. VDOT Approval of Red Light Camera sites. Section 15.2-968.1 of the Code authorizes localities to use red light photo-monitoring equipment. Paragraph J of this Section says that, prior to the initiation of a program “A locality shall submit a list of intersections to the Virginia Department of Transportation for final approval.” Towns and cities in Virginia are responsible for the maintenance of their own roads, and their police enforce the traffic laws in the jurisdiction. There is no need for VDOT approval of the locality’s intersections.
2. Line of Duty Act. This is one of the best examples in recent years of a mandate that the State put into the Code, as good public policy paid for by the State, but shifted to localities with no funding. The Line of Duty Act requires payments to public safety officials and their families if they are killed or disabled in the line of duty. The State initiated the program some 30 years ago and fully covered its cost. When State revenues fell in recent years, it shifted the responsibility for paying for this multi-million dollar program to localities.
3. Child Welfare Programs. The State and localities have embarked on a transformation of child welfare services. Consultation from the Casey Foundation has provided the direction and the training for new best practices. This effort has improved services on the local level but has increased the amount of time that staff has to spend on each case to provide services and document the services. The transformation has been a very effective and long overdue emphasis on improving services for our vulnerable children and families, but no new funding for staff is a part of the effort. Similar to eligibility determination described above, requirements have been added but no new funding has been provided by the State. The local share of costs has increased each year. This is an example of a mandate

that initiated a new and better policy; but it is also an example of a case where the State should be a true partner and pay its fair share.

4. Comprehensive Services Act (CSA). The Fairfax-Falls Church CSA program has functioned exceptionally well and funding has been saved for both the State and the City with the successful effort to keep children in our community. This program was mandated with insufficient State funding for localities for administrative costs; new requirements are continuously added, thus increasing local costs—but no new State funding accompanies these new requirements. The state should either provide additional funding or revise its data collection and reporting procedures. In addition, regional service development should be encouraged by allowing localities to use the lowest match rate of the locality in that region in service development. Pool funding should be allowed to be used to provide up front development of services, rather than restricting funding to per child payments. Joint or State negotiation of services should be considered to lower costs of services.
5. CSA State Executive Council. Although local governments are a major funding partner in CSA, representation on the State Executive Council does not reflect this fact. By giving local government greater representation on this body, the SEC would be more sensitive to issues surrounding unfunded mandates on localities.
6. Car Tax and Reimbursements. The Department of Motor Vehicles (DMV) requires annual certification of each vehicle for which a locality receives a partial reimbursement of the car tax. If DMV would promptly provide localities with information on new car purchases, vehicle disposals, changes of address, etc., it would be unnecessary for the City to send out a notice each year to each vehicle owner asking the owner to advise the City as to the accuracy of the City's ownership data.
7. Public Hearing Notices. There are many land use processes and public hearings required by state law or Charter, and they often require public notice in a newspaper of general circulation. This form of notice is outdated as more and more people depend on the internet (rather than newspapers) for their information--and newspaper notice is quite expensive. We believe public notice is critical to an informed population and serious debate about land use and all legislative issues both large and small. If there could be a legal option of notice by an official internet site created for such purposes, the public information objectives of the current requirement would be met.

8. Licensing Local Government Loan Originators. The federal SAFE Act places training and licensing requirements on Mortgage Loan Originators. The state has interpreted the requirements to cover local government employees working with federal, state, and locally funded home purchase and rehabilitation assistance, despite a HUD interpretation to the contrary. Specifically, HUD's Final Rule on the subject explicitly states in its preamble (Federal Register, Vol. 76, No. 126, page 38466) that local government employees are not covered:

The SAFE Act does not cover employees of government agencies or housing finance agencies who act as loan originators in accordance with their duties as employees of such agencies. Individuals who act as loan originators as employees of government agencies or of housing finance agencies, as defined by this rule, are not subject to the licensing and registration requirements of the SAFE Act.

Subsequent to the release of HUD's final rule, the Virginia Department of Housing and Community Development advised its funding recipients that the Virginia SCC interprets the SAFE Act to cover local government employees, and as a result, the City's Housing and Human Services incurred costs for licensing training for one staff during FY 2011 in connection with the administration of our loan programs (to control cost impact only trained one staff so affects program delivery with no redundancy). Cost projections for compliance with the rule are estimated at almost \$770 per employee (registration and licensing - \$230, education - \$360, and testing - \$180) plus agency fees of \$200, and ongoing annual continuing education and compliance requirements and surety bonding.

9. The State requires localities to provide a list of new hires to the State every month; question the value of this requirement.
10. 15.2-2209.1 Extension of approvals to address housing crisis- current code allows developers to, in some cases, have until July 2014 to complete and attain specified zoning improvements and approvals. Impacts: 1) home builders are having a hard time selling homes because developers have yet to complete road improvements because they are able to extend that until July 2014; and 2) state code attempts to "trump" contract terms and locality property right is they have funding or land involved in a project with performance requirements and yet local conditions are not met. Recommend eliminating or narrowing the scope of the applicability of developer extensions in some improvements
11. Real Property Tax Exemption for Disabled Veterans- current code mandates that all service disabled veterans be 100% exempt from paying local real property taxes. The code does not take into consideration: 1) the value of the property exempted;

2) the economic need of the veteran; or 3) the fiscal effect on the local government. The exemption should be subject to income and property value criteria.

12. VRS contribution- local governments are not allowed the option to require employees hired before July 1, 2010 to contribute the 5% employee share of VRS. Benefits are a local issue that should meet the needs of the local government as determined by the local governing body; also allows for equity within a locality which has self-insured pensions for local government and public safety and VRS for teachers. Allow local governments to have the option to require employees hired before July 1, 2010 to contribute the 5% share to VRS.

13. Reductions in State Aid to Libraries. State Library regulations (17VAC15-110-10) state that:

“Local operating expenditures from taxation or endowment for any library, or library system, shall not fall below that of the previous year. In cases where the budgets of all the departments of the local government are reduced below those of the previous year, the library's state grant-in-aid would be reduced.”

Given the fact that many localities are seeing stagnant—or even falling revenues—it is unreasonable to expect that a locality will *never* reduce its appropriation to its library from one year to the next. While the City fully supports its Library if increase the library appropriation by 10 percent each year for four years but then must reduce it by 5 percent in the fifth year because of a downturn in the economy is being harshly penalized by this regulation. This regulation should be revised so it's a local option.

14. Water Supply Plan: The state Local and Regional Water Supply Planning Regulation (9 VAC 25-780-10) requires that all Virginia localities submit a water supply plan. While the intention is to ensure an adequate supply of drinking water across the state, this regulation is an unnecessary overlay on top of the regional plans and compacts that have already been developed in the water utility industry. Northern Virginia localities should be allowed to submit to the state their existing documentation on water supply planning, rather than create an extensive new report that is used solely for compliance with this regulation.