



COUNTY OF PRINCE WILLIAM

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November 16, 2011

Dear Governor McDonnell,

Thank you for soliciting comments from local governments regarding state mandates that should be considered for elimination or suspension. Your convening a Task Force to review mandates on local governments is a promising step toward strengthening the relationship between local governments and the Commonwealth. As the economy in Virginia emerges from the Great Recession, local governments continue to face the challenges of depressed revenues and continuing demand for services. The Task Force has an opportunity to identify mandate relief that can make a significant difference to localities and their taxpaying citizens.

We understand that given the difficult economic environment, the immediate focus of the Task Force is to identify mandates that can be eliminated “without cost to the state.” Unfortunately, the mandates with the greatest impact on local governments are those in the form of required programs or services that are not funded by the Commonwealth. The most troublesome mandates are those that 1) shift responsibility to localities without corresponding revenue, and 2) are services that lose previous levels of state support without relaxing requirements.

The best and most recent example of the former is the recent shift of the Line of Duty Act responsibilities from a state program to a locally funded program. The 2010 General Assembly approved budget language that transitioned this state program, created in the 1960s, from a fully state funded program to one paid by local governments. Prince William County recently paid \$364,000 for the first year’s contribution to this new responsibility.

Starting in FY 2009, measures to balance the Commonwealth’s budget have included reductions in state aid to localities. These cuts have amounted to \$60 million coming out of locally administered programs annually. Prince William County alone has seen a reduction of ten sworn positions and six civilian positions in the years since the first reductions in FY 2009. In addition, the growth in funding for state programs has slowed as populations and needs have increased, particularly in mandated human services, transferring more responsibility to local governments. While we understand the need to cut spending in difficult times, we have particularly struggled with the reductions in HB 599 funding for police departments. The County has lost almost \$3 million in HB 599 funding from FY 2008 levels, with a cumulative reduction of \$7.1 million from FY 2009-20012. As we all know, public safety is a priority for our citizens and is also a significant

contributing factor in attracting quality economic development translating to more jobs for Virginia residents.

Another relatively new state mandate on local governments is the restriction on proffer collection. Though this mandate does not involve state funding, it has the significant impact of removing a much-relied upon source of funding that provides needed infrastructure associated with new development. During last year's General Assembly session, this restriction was extended to July 1, 2015, further extending the period during which local governments cannot collect proffer payments early enough to mitigate new development. We encourage you and the Task Force to consider eliminating this mandate.

Prince William County acknowledges that many activities that are mandated by the state or federal government would likely continue without a mandate. Examples of this type of mandated service include serving the severely mentally ill, performing safety inspections, and providing child protective services. There are also mandated procedures that are not onerous, and have in fact become best practices. The County does not object to these types of mandates.

There are numerous other requirements on localities, however, that may no longer be necessary or helpful. The Commission on Local Government's Catalog of State and Federal Mandates on Local Governments is full of reporting requirements, training standards, required inspections, and mailing requirements that should be reviewed for continued relevance.

It also bears mentioning that there are several potential and significant mandates looming on the horizon for local governments. As the Commonwealth works with the U.S. Environmental Protection Agency toward compliance with federal Chesapeake Bay regulations, many details must still be determined. All that is certain at this time is that the costs will be significant, and that local governments may bear the brunt of these costs. It is also possible that the General Assembly will again address the issue of pension reform for public employees, which may in turn have significant mandated financial impacts on local governments. Localities are also hearing that maintenance of the secondary road system may be devolved to the county level. This would present a tremendous burden on local taxpayers.

It is important that the Commonwealth not impose further mandates on local governments while at the same time the Task Force contemplates suspension or elimination of mandates.

The typical framework for discussing mandates on local governments examines whether the particular service responsibility should be funded at the local or state level. Perhaps reframing the question to consider *whether the activity is worth funding at either level* would provide a new perspective on this issue.

Task Force on Local Government Mandate Review

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We were heartened to hear you acknowledge the need to address aid to localities in your address this summer to the Joint Money Committees, and we appreciate your forming of the Task Force for Local Government Mandate Review. As both the Commonwealth and local governments begin developing our next budgets we know there will be challenges. Reviewing and eliminating the costly mandates imposed on local governments can play a significant part in reducing the cost of government. We would also ask that you recognize the part that our local governments have already played in helping to balance the Commonwealth's budget and not support any further reductions in state aid to localities for the next biennium.

Restoration of the partnership between the Commonwealth and local governments will strengthen each of us. We remain committed to working hand in hand with the Commonwealth to continue to provide the best community and state in the nation for our residents and businesses.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey A. Stewart". The signature is written in a cursive, flowing style.

Corey A. Stewart
Chairman

Cc: Task Force for Local Government Mandate Review
Members, Prince William Delegation, Virginia General Assembly
Members, Prince William Board of County Supervisors
Commission on Local Government

The following mandates should be considered for elimination or state funding:

Aid to Localities

Reverse the \$120 million reduction in aid to localities.

Line of Duty Act

Delete the local funding requirement for the Line of Duty benefit. The 2010 General Assembly included budget language transitioning the Line of Duty benefit in FY 12 from a fully state funded program to one paid by local governments.

Comprehensive Services Act (CSA)

Return local CSA service rates to the FY 06 level. The Commonwealth has increased mandatory local participation percentages for the provision of services funded through the Comprehensive Services Act. Mandates increasing local rates for residential and foster care related services should be abolished and returned to the FY 06 level.

Increase the state match for certain youth programs in CSA. Local governments pay a healthy portion of the state's Medicaid match for certain youth in this program. The portion paid by local governments has increased over the life of this program. The state pays the Medicaid match for other service areas and should do so for this program.

Environmental Protection

Increase funding for Chesapeake Bay clean up. Virginia local governments face an estimated cost of more than \$7 billion to comply with the Watershed Implementation Plan under Chesapeake Bay TMDL. Localities need additional state and federal funds.

Delete local monitoring requirements in the Chesapeake Bay Preservation Act.

Local governments subject to the Chesapeake Bay Preservation Act are required to devote staff resources to monitor the five-year septic tank pump out provision of the Act. This should be the job of the Virginia Department of Health since it currently has the records and personnel already in place to monitor this requirement.

Local governments subject to the Chesapeake Bay Preservation Act are required to review soil and water runoff control and water quality assessments prepared by all agricultural operations within their jurisdiction, and to take enforcement action when necessary. This function should appropriately be the responsibility of either the Virginia Department of Conservation and Recreation or the Virginia Department of Agriculture.

Voluntary Proffer Collection

Lift the restriction on proffer collection. Though this mandate does not involve state funding, it has the significant impact of removing a much-relied upon source of funding that provides needed infrastructure associated with new development. This restriction has been extended to July 1, 2015, further extending the period during which local governments cannot collect proffer payments early enough to mitigate new development.

Devolution of Maintenance of the Secondary Road System

Devolving the maintenance of the state's secondary road system has recently become a topic of discussion. This would represent a tremendous mandate on localities, necessitating significant increases in real estate taxes to pay for the Commonwealth's disinvestment in her infrastructure.