



## 2012 LEGISLATIVE AGENDA

### RESTORE THE STATE-LOCAL PARTNERSHIP IN THE DELIVERY OF STATE MANDATED SERVICES

VFC strongly supports restoring funds for state programs that have a disproportionate impact on cities with high fiscal stress, high poverty concentrations, and aging urban infrastructure. VFC supports funding for the following **Priority Programs**:

At-Risk Education Incentive Programs	State Aid to Local Police Depts. (HB 599)
Comprehensive Services Act (CSA)	Local Jails and Per Diems
Community Service Boards (CSB's)	Juvenile Justice Assistance
Enterprise Zone Programs	Brownfields
Public Transit	Street Maintenance Payments
Passenger Rail	

- **Eliminate the Mandatory Aid to Locality (ATL) Reductions:** The state should appropriate its “surplus” revenues to eliminate the \$60M /yr. mandatory reduction in aid to localities (ATLs). VFC localities bear 24.5% of the ATL funding reduction with only 13.3% of the state population.

### K-12 EDUCATION

Reduce the achievement gap and improve Virginia’s workforce and long-term economy by targeting additional funds to public schools with high at-risk populations. This will increase graduation rates and educational attainment.

### VFC PROPOSED K-12 INITIATIVES

- **\*Increase funding for At-Risk student programs** - these programs are responsible for improving Standards of Learning and NCLB test scores, standards of achievement and reducing student dropout rates.
  - Increase the Standards of Quality (SOQ) Prevention, Intervention, and Remediation Program by increasing the assumed hours needed or lowering the per pupil teacher ratio.
  - Provide an exemption for the "1 support position for every 4 teachers" SOQ standard for schools not meeting new graduation requirements.
- **\*Support policies to offset the impact of negative Local Composite Index (LCI) changes, For example:**
  - Reinstate the enrollment loss program eliminated in FY 2010. This helps schools transition programs and infrastructure to a smaller student population, eliminating a funding “cliff effect”. VFC budget amendment
  - Support the JLARC proposal for a population density adjustment which recognizes higher costs and demands in urban school districts.
- **\*Index funding for the Virginia Preschool Initiative to inflation like other education programs.** This will allow the program to keep pace with inflation. The program has documented success in improving educational attainment in the early school years.

### VFC STRONGLY SUPPORTS OTHER K-12 FUNDING PROPOSALS

- **Begin restoring vital K-12 funding, cut during the recession, by funding the Department of Education's (DOE) preliminary re-benchmarking policies for the 2012-14 biennium that:**
  - Recognize federal stimulus funds as temporary replacement for state general funds and did not subject them to the 38% federal deduction state policy. This is important to avoid a “poverty penalty” on schools with large numbers of at-risk students.
  - Fully re-benchmarks at-risk funding programs adding general funds to dedicated lottery proceeds. Without this policy funding for At-Risk programs would be cut as lottery proceeds alone are insufficient to the programs. The need for these funds is acute as schools work to improve graduation rates and the number and needs of At-Risk students grows with the recession.
  - Discontinue “no inflation adjustments” for non-personnel services and returns to the prior policy of recognizing limited inflation adjustments.

- **Improve third grade reading performance by adopting the Joint Legislative Audit and Review Commission JLARC recommendations and target to low performing schools:**
  - Fund literacy coaches in school divisions with low reading 3<sup>rd</sup> grade SOL scores.
  - Fund Board of Education recommendation on reading specialists.
  - \*Focus 3<sup>rd</sup> grade SOL testing on reading and math by maintaining science and history curriculum but eliminating 3<sup>rd</sup> grade SOL testing in those categories.
- **Fund all Standards of Quality (SOQ) policy changes proposed by the state Board of Education:**
  - \*Fund Reading and Math Specialists especially in schools with a majority of at-risk students

## EMPLOYMENT AND ECONOMIC DEVELOPMENT

**Give priority to rural and urban localities with high unemployment. As of July 2011, Virginia First Cities had an 8.7% unemployment rate versus the statewide rate of 6.2%. VFC localities had 44,900, or 17%, of the state's unemployed.**

- **Job Training and Creation:** A comprehensive approach should include priority funds for the education of at-risk students and workforce training at community colleges. This is a recommendation of the *Governor's Commission on Economic Development and Job Creation*.
- **\*Oppose Eminent Domain Constitutional Amendment:** A constitutional amendment is unnecessary since eminent domain laws were strengthened in 2007 to limit condemnation by housing authorities and localities. The 2012 constitutional amendment would significantly increase the cost and may stop transportation and jobs and utility projects and even make parades prohibitively expensive.
- **Local Preference and Resident Employment Legislation:** To ease unemployment in localities where it is higher than the state average, localities should be allowed a **local preference policy discount in competitive sealed bidding (IFB) and competitive negotiations (RFP) bidding on local contracts**. An example of an IFB: if a locality has a 3% preference policy discount and a cap of \$100,000 for local businesses, a \$60,000 bid by a local bidder would be counted at a \$58,200 bid. Non-local businesses would not receive a preference; therefore, a \$60,000 bid received by a non-local bidder would remain at \$60,000. An example for an RFP: extra points could be added (a point preference) to final scoring on proposals from local businesses.
- **\*Brownfields Funding:** Continue the Brownfield Restoration and Economic Redevelopment Assistance Fund in the 2012-14 biennium. Regulations have been successfully promulgated and projects have begun applying for funding using the FY 2012 \$1 million appropriation. The Fund is used for the purpose of restoring land parcels or buildings with environmental problems so they can be marketed to new economic development prospects.
- **Enterprise Zone Program:** Provide full funding of the successful state public-private Enterprise Zone Program as recommended by the *Governor's Commission on Economic Development and Job Creation*. Build on actions of the 2011 General Assembly to eliminate funding the pro-ration and meet state commitments to businesses.
- **Property Receivership Program:** Support legislation allowing the private sector or local government to renovate derelict structures under certain circumstances.
- **Neighborhood Preservation:** Support policies that maintain vibrant neighborhoods and eliminate blight. The *Governor's Economic Development and Job Commission* recommends providing state financial and tax incentives to: 1) enhance the economic feasibility of reusing vacant, abandoned, and derelict structures and 2) encourage private investment to rehabilitate buildings in older neighborhoods and commercial districts; such as Historic tax credits.
- **Housing Trust Fund:** Support the establishment of a Housing Trust Fund to increase affordable housing across urban areas.
- **\*Industrial Site Redevelopment:** Continue funding the Derelict Structures Fund to rehabilitate industrial sites for reuse.

## \*TRANSPORTATION/ LAND USE/ INFRASTRUCTURE

### General Positions:

- **Oppose shifting additional general funds to transportation.**
- **Enact state transportation revenue increases to adequately support the transportation network.**

- **Support state transportation land use policy** initiatives that use existing infrastructure, support city redevelopment, and discourage dispersed development patterns.
- \*Maintain **street maintenance funding** and policies to maintain critical city and town infrastructure, at a growth rate of 4% annually as has been the practice over the last decade. City streets are a vital part of the regional transportation network, and are more costly to maintain due to heavy use, age, the need to accommodate pedestrian, bus, auto and truck service and complex adjacent utilities.
- \*Increase state funds for **public transportation** and provide strong incentives for participation by all localities in the provision of **regional public transportation** service. As major new service begins, unless state funding increases all transit providers will receive a smaller portion of state operating funds. Public transportation is vital to manage congestion and provide access to regional employment.
- \*Increase dedicated state funds to maintain and expand successful **inter-city passenger rail** service in Virginia. Increase the state share of the rental car tax by 4 cents; dedicating 3 cents to passenger rail operations and 1 cent to tourism. Further the state should oppose federal proposals that would threaten or eliminate state funded AMTRAK service—which could cut 64% of Virginia’s passenger rail service
- \***Water and Sewer Infrastructure:** Provide an additional \$300 million in state funding to maintain and improve critical water and sewer infrastructure. The Water Quality Improvement fund has a shortfall of \$104M for 57 signed wastewater grant projects and \$239 for new projects. VFC supports ongoing reliable revenues to implement the Watershed Implementation Plan and for TMDL planning grants [\$300 million through 2017] to meet TMDL reduction plan requirements and meet the 5% reduction targets of large wastewater systems and plan for cost effective retrofits. This will help prevent utility rates from rising rapidly, protecting rate payers, manufacturers and jobs

## OTHER POSITIONS

- \*Full Funding for **State Aid to Local Police Departments (599)** to maintain low crime rates in Virginia.
- Maintain access to successful poverty prevention initiatives that work including the “**Smart Beginnings**” initiative and the “**Healthy Families**” program.
- **State Prisoner Re-entry:** Support re-entry programs to reduce recidivism and create safer communities.
- **Predatory Lending:** Support the enactment of laws strictly prohibiting and deterring all predatory, usurious lending practices, including provisions that:
  - Provide an interest rate cap of thirty-six percent (36%), calculated as an effective annual percentage rate including all fees or charges of any kind, for any consumer credit extended in the Commonwealth of Virginia;
  - Prohibit a creditor’s use of a personal check or other device as a means, directly or indirectly, to gain access to a consumer’s bank account; and
  - Incorporate into the Virginia Code the protections regarding consumer credit to military personnel as reflected in the Military Lending Act, 10 United States Code Section 987.
- **Gubernatorial Succession:** Support legislation allowing Virginia's governor to serve a maximum of two successive terms.
- **No Additional State Mandates:** The state should refrain from passing additional local unfunded mandates and postpone the implementation of costly regulations with a local fiscal impact.
- **BPOL /Machinery and Tools Tax:** Oppose efforts to eliminate these important revenue sources due to the impact their loss would have on local revenue.
- **Tax Preferences:** Roll back special tax preferences and redirect funding to core services. The Joint Legislative Audit and Review Commission identified a long list of tax credits enacted by prior legislatures that result in significant annual forgone revenue by the state. At a time when state and local programs are being cut or underfunded, these preferences should be cut back.

## REGIONAL STRATEGIES

- The state should incentivize regional cooperation and service delivery to promote efficiency, mitigate inequities, and overcome barriers that result from Virginia’s unique local government structure and moratorium on annexation.