



# VACo County Government Day at the General Assembly

Virginia Association of Counties • Virginia Association of Planning District Commissions

## VACo | VAPDC County Government Day Bulletin

### Schedule of activities

Richmond Marriott – 5<sup>th</sup> and Broad Streets

- 9 a.m.** VACo Board Meeting (Jefferson, Madison and Monroe Rooms)
- 11 a.m.** Registration (Lower Level Coat Room)
- Noon** County Government Day begins (Box Lunch Provided) (Salons 4-8).
- 12:05 p.m.** Keynote Speaker: **Transportation Secretary Aubrey Layne**
- 12:45 p.m.** Keynote Speaker: **VACo Economist Jim Regimbal**
- 1 p.m.** VACo Staff Briefings
- 1:45 p.m.** Closing Remarks and Adjournment
- Afternoon** Visit the Capitol to speak with legislators and observe committee meetings
- Evening** Please take your state legislators to dinner

### FY 2014 – 2016 Budget Update

Governor Terry McAuliffe began the current fiscal year (FY 2016) by tackling a \$2.4 billion revenue shortfall for FY 2014 - 2016 with the introduction of strategies that cut state agency spending, tap cash reserves and reinstitute local aid to the state. These strategies, along with his FY 2014 - 2016 biennial budget amendments, propose to balance a \$96 billion state budget.

VACo worked with the administration early in FY 2016 to identify high priority budget concerns and issues. Foremost was a hold harmless for public education funding and tax policy changes to state credits and preferences that negatively impact the state general fund. Additionally, VACo advocated for \$11.3 million in additional payments for local and regional jails per diems.

The governor's amendments (December 2015) to [HB 1400](#) and [SB 800](#) held public education funding harmless and provided additional funding (\$11.3 million) for jail per diems. His amendments also increased fees for state park rentals, restaurant inspections, child protective services registrations and weights and measures inspections at gas and food stores. Unfortunately, another cut in aid to localities in the budget provided an additional \$30 million in state general fund revenues. This cut was levied in FY 2015 and is slated for adoption in FY 2016 budget.

Proposed changes in tax policy aimed at state credits and preferences generate \$114.3 million in additional revenue collections for FY 2016. These include the following:

- Coalfield Enhancement Tax Credit – limiting the credit to \$500,000 per return and provides for a 5 year carryover for unused credits;
- Virginia Coal Employment and Production Incentive Tax Credit – limiting the benefit from \$3 to \$2 per ton and the redeemable limit to \$500,000, extends the period for claiming unused credits from 10 to 12 years for credits already earned and prospectively establishes a 5 year carryover for unused credits;
- Long Term Care Health Insurance – reducing the deduction from 100 percent to 50 percent of the annual premium;
- Land Preservation Tax Credit – limiting the credit to \$20,000 per taxpayer or \$40,000 for joint returns and extends the period for claiming unused credits from 10 to 13 years;
- Sales Tax Holidays – combining all holidays (school items, energy efficient products and hurricane preparedness into a single 3 day holiday in August;
- Sale of Land for Open Space – repeals the subtraction
- Accelerated Sales Tax – lowering the threshold from taxable sales of \$26 million to \$2.5 million will include more retailers
- Online Travel Companies – requires that the sales tax and local transient occupancy tax paid on hotel and motel accommodations be remitted on the basis of the retail sales price to the customer, as opposed to the discounted wholesale price paid by accommodation intermediaries.

VACo supports the governor's proposed new spending, which includes \$11.3 million for jail per diems and funding to replace voting equipment. Two separate actions are taken to improve the quality and consistency of voting systems across the Commonwealth. First, language requiring all localities to replace direct-recording electronic voting machines with optical scanner voting equipment is included. Additionally \$1.6 million in FY 2016 is proposed for the first of three years of reimbursements to 11 localities that have already made this investment.

A separate proposed amendment, which is supported by VACo, finances the replacement of non-compliant voting equipment statewide with \$28 million in Virginia Public Building Authority proceeds. Other budget initiatives supported by VACo and included in the budget follow:

- Establishes Virginia Tourism Growth Incentive Fund (\$500,000 in FY 2016)
- Funding for Rapid re-housing assistance for the homeless (\$1 million in FY 2016)

- Reduces teacher retirement liability (\$150 million in FY 2016) and as a result, reduce employer teacher retirement contribution rate from the current 14.50 percent to 14.15 percent in FY 2016
- Revives use of Literary Fund for school construction (\$75 million in FY 2016 with \$50 million reserved for loans and \$25 million for interest rate subsidies)
- Funds broadband planning grants for localities (\$500,000 in FY 2015)
- Delays discharge of patients at state intellectual disability training centers (\$6.4 million in FY 2016)
- Funds additional local eligibility workers for health and human resources programs (\$1.9 million in FY 2016)
- Establishes new minimum salaries for sheriff deputies at grades 7 and 8 (\$1.6 million)

VACo has a number of recommended budget amendments and initiatives to support, they include:

VACo and local partners worked to get budget amendments introduced in the House and Senate to remove the mandate included in the Governor’s introduced budget to require local governments to hand back to the state funds used by localities to carry out state and federal mandates and programs. (Eliminate “local aid to the Commonwealth” in FY 2016):

- Item 471.30 #1h (James),
- Item 471.30 #1s (Alexander),
- Item 471.30 #2s (Lucas),
- Item 471.30 #3s (Stanley),
- Item 471.30 #4s (Colgan)

VACo and local partners worked to get budget amendments introduced in the House and Senate to greatly reduce the state’s take of local fines and fees. A set of two amendments are needed to accomplish this goal, so you will see two amendments listed per patron below. These amendments revise the language on collection of fines and fees through implementation of the Inspector General’s report:

- Item 37 #1h (James),
- Item 3-6.05 #1h (James),
- Item 3-6.05 #1s (Lucas),
- Item 3-6.05 #2s (Stanley),
- Item 3-6.05 #3s (Carrico)

VACo and local partners worked to get budget amendments introduced in the House and Senate to keep the salary increase for certain levels of deputy sheriffs but to eliminate the language in the Governor’s introduced budget to require localities to supplement future increases. The initiative is to ensure that counties do not have sole responsibility for future salary increases for deputy sheriffs:

- Item 66 #5h (Tyler),
- Item 66 #2s (Garrett)

**VACo Contact:** [Dean Lynch, CAE](#)

# Economic Development and Planning Steering Committee

## **VACo supports workforce bill that incentivizes training and certifications**

VACo supports [SB 971 \(Ruff\)](#), which establishes the Community College Workforce Training Grant Program to provide a \$1,000 incentive payment to a community college for each student who (i) has successfully completed a noncredit workforce training program at the community college and (ii) subsequently obtains an industry-recognized certification or license in a high employer demand field in the region served by the community college. SB 971 reported out of Senate Finance Committee with a clause that states the bill will not become law unless an appropriation is allocated in the final state budget.

### **Talking points for legislators**

- VACo supports SB 971 because it incentivizes community colleges to increase the number of industry-recognized certifications or licenses offered and delivered where there is a high employer demand for such training in the region served by the community college.

### **Legislative Contacts**

**House Appropriations Committee:** [Jones \(Chairman\)](#), [Ingram](#), [Cox](#), [Landes](#), [O'Bannon](#), [Lingamfelter](#), [Poindexter](#), [Massie](#), [Scott](#), [Peace](#), [Greason](#), [Knight](#), [Anderson](#), [Garrett](#), [Stolle](#), [Joannou](#), [BaCote](#), [Torian](#), [Hester](#), [Sickles](#), [James](#), [Carr](#)

**Senate Finance Committee:** [Stosch \(Co-Chair\)](#), [Colgan \(Co-Chair\)](#), [Howell](#), [Saslaw](#), [Norment](#), [Hanger](#), [Watkins](#), [Lucas](#), [Newman](#), [Ruff](#), [Wagner](#), [McDougle](#), [Vogel](#), [Carrico](#), [Alexander](#)

**VACo Contact:** [Erik Johnston, CAE](#)

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## **Good workforce development overhaul needs amendment**

Nearly identical major workforce development overhaul bills aimed at improving the state's workforce development system are making their way through the General Assembly. [SB 1372 \(Ruff\)](#) and [HB 1986 \(Byron\)](#) make several changes designed to better coordinate the delivery of workforce development and training programs at the state, regional and local levels. The bills do this by (i) creating the Workforce Development Consortium, (ii) establishing a full-time director position dedicated to supporting the operations of the Virginia Board of Workforce Development (Board), (iii) requiring a regional convener of workforce development partners, (iv) establishing a 40 percent minimum level of fiscal support for workforce credential attainment, and (v) utilizing WIOA reserve funds for incentive programs to increase workforce credential attainment.

VACo supports the bills with the inclusion of an amendment that provides a waiver process for local Workforce Investment Boards (WIBs) if they can demonstrate negative impact on training outcomes due to the new 40 percent minimum requirement. The bills are likely to pass

both chambers before crossover and then will go to the Commerce and Labor Committees for further consideration.

### **Talking points for legislators**

- SB 1372 and HB1986 will encourage and facilitate better cooperation between the business community and the numerous stakeholders involved in Virginia's workforce investment system.
- SB 1372 and HB 1986 make important strides to increase the focus on training more individuals with skills needed by business and industry.
- The bills' requirement that 40 percent of federal Adult & Dislocated Worker funding on training should be amended to offer a waiver process for local Workforce Investment Boards to be able to fall below that threshold if overall training outcomes will decrease.

### **Legislative Contacts**

**House Commerce and Labor Committee:** [Kilgore \(Chairman\)](#), [Byron](#), [Ware](#), [Hugo](#), [Rust](#), [Marshall](#), [D.W.](#), [Cline](#), [Miller](#), [Loupassi](#), [Bell](#), [Robert B.](#), [Habeeb](#), [Villanueva](#), [Farrell](#), [O'Quinn](#), [Yancey](#), [Joannou](#), [McClellan](#), [Ward](#), [Tyler](#), [Spruill](#), [Kear](#), [Filler-Corn](#)

**Senate Commerce and Labor Committee:** [Watkins \(Chairman\)](#), [Colgan](#), [Saslaw](#), [Norment](#), [Stosch](#), [Wagner](#), [Newman](#), [Obenshain](#), [Stuart](#), [McWaters](#), [Stanley](#), [Alexander](#), [Cosgrove](#), [Chafin](#), [Dance](#)

**VACo Contact:** [Erik Johnston, CAE](#)

## **Education Steering Committee**

### **Oppose HB 1361 relating to Virtual Schools**

[HB 1361 \(Bell\)](#) establishes the Board of the Virginia Virtual School as a policy agency in the executive branch of state government for the purpose of governing the online educational programs and services offered to students enrolled in the Virginia Virtual School (VVS). The bill gives the 13-member Board operational control of Virtual Schools and assigns the Board's powers and duties. A Virtual School program is defined as a series of online course with instructional content where the teaching is conducted from a remote location. The bill requires the a Virtual School program to be open to any school-age person in the Commonwealth and provide an educational program meeting the Standards of Quality for grades kindergarten through 12. The bill has a delayed effective date of July 1, 2016.

### **Talking points for legislators**

- If a Virginia Virtual School program is created it should not be developed at the expense of local school divisions.
- According to a fiscal impact statement completed by the Department of Planning and Budget, localities would receive reduced basic aid payments from the state because VVS would be funded with up to \$6,500 for each enrolled student, which would come from the state SOQ per pupil funding amount.

- For localities there could be an additional fiscal impact because local school divisions could be responsible for costs associated with participation by students who are not enrolled in public schools.

#### **Legislative Contacts**

**House Appropriations Committee:** [Jones \(Chairman\)](#), [Ingram](#), [Cox](#), [Landes](#), [O'Bannon](#), [Lingamfelter](#), [Poindexter](#), [Massie](#), [Scott](#), [Peace](#), [Greason](#), [Knight](#), [Anderson](#), [Garrett](#), [Stolle](#), [Joannou](#), [BaCote](#), [Torian](#), [Hester](#), [Sickles](#), [James](#), [Carr](#)

**VACo Contact:** [Larry Land, CAE](#)

## **Environment and Agriculture Steering Committee**

### **Support Stormwater Local Assistance Fund**

Senator Emmett Hanger and Delegate Ed Scott have proposed budget amendments that would authorize \$40 million in Virginia Public Building Authority (VPBA) bonds in FY 2016 to support the Stormwater Local Assistance Fund (SLAF), which was established in 2013 as a way to provide grant assistance to local governments that are mandated to improve the performance of their urban stormwater systems. This \$40 million proposed in the budget amendments would be in addition to \$10 million for SLAF that was carried over from FY 2014. So the budget amendments, if passed, would provide local governments with \$50 million in grant funding for stormwater improvements during the current biennium. **VACo supports the budget amendments.**

#### **Talking points for legislators**

- They would provide additional grant funding to assist localities with mandated upgrades to their urban stormwater systems.
- Improvement of stormwater systems would help localities meet mandated water quality standards and improve flood control.

#### **Legislative Contacts**

##### **General Assembly Members**

**VACo Contact:** [Larry Land, CAE](#)

## **Finance Steering Committee**

### **Help VACo eliminate bad tax bill**

Many bad tax bills offered during the 2015 session have been eliminated. The one outstanding bill of concern is [HB 1352 \(Ramadan\)](#).

**VACo opposes HB 1352**, which went before the [House Finance Committee](#) on February 4. HB 1352 allows contractors to deduct from their gross proceeds the amounts paid to subcontractors

beginning in license year 2016. The potential revenue loss could be substantial, according to the Virginia Department of Taxation. The measure does not include an alternative revenue source to make up for the losses nor was budget amendments submitted by the patron to have the state reimburse localities for the drop in collections.

#### **Talking points for legislators**

- BPOL accounts for some \$700 million each year for Virginia's cities, counties and many towns. BPOL combined with machinery and tools tax is comparable to the state's corporate income tax that raises nearly \$900 million each year.
- Without BPOL or an alternative, sustainable revenue source, localities would have to increase its dependence on real estate and other property taxes.

#### **Legislative Contacts**

**House Finance Committee:** [Ware \(Chairman\)](#), [Orrock](#), [Byron](#), [Cole](#), [Hugo](#), [Cline](#), [Marshall](#), [R.G.](#), [Pogge](#), [Head](#), [Farrell](#), [Fariss](#), [Fowler](#), [DeSteph](#), [Bloxom](#), [Taylor](#), [Watts](#), [Keam](#), [Filler-Corn](#), [Futrell](#), [Kory](#), [Sullivan](#), [Murphy](#)

**VACo Contact:** [Dean Lynch, CAE](#)

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#### **VACo supports HB 1865**

**VACo supports the House's efforts to implement the provisions of [HB 1865 \(Kilgore\)](#)** into the House of Delegates Rules of Procedure. HB 1865, requested by local governments, requires local fiscal impact bills to be introduced no later than the first day of the session. The bill is based on recommendations first offered last year by the Governor's Task Force for Local Government Mandate Review and the Task Force for Fiscal Impact Review. By providing local governments more time to assess the fiscal impact of proposed legislation, it is hoped that the General Assembly will make better decisions on measures affecting local spending and local revenues. VACo supports efforts that may align these procedures with the Senate of Virginia.

#### **Talking points for legislators**

- Recommendation for the bill came about from both a gubernatorial commission and a General Assembly initiative.
- Many proposals affecting local revenues and local spending are complex and require time to solicit local input, compile and reconcile local responses, and provide to the legislature before decisions are made.
- First day introduction of bills affecting local finances and spending was standard procedure until the General Assembly changed it. The reason for the change is not known.

#### **Legislative Contacts**

**House Rules Committee:** [Howell \(Chairman\)](#), [Landes](#), [Cox](#), [Kilgore](#), [Ware](#), [Jones](#), [Orrock](#), [Knight](#), [Ingram](#), [Massie](#), [Habeeb](#), [Joannou](#), [Plum](#), [Toscano](#), [Spruill](#)

**VACo Contact:** [Dean Lynch, CAE](#)

## **VACo opposes VRS related bills with unfunded mandates**

Multiple VRS related bills that place unfunded mandates upon localities are no longer under consideration or have a clause attached that they will not become law unless funded by the state. However, several of these bills are still up for consideration. **VACo opposes these bill.**

### **Talking points for legislators**

- [HB 1659 \(Rust\)](#) provides an increase in the monthly retirement allowance for certain VRS retirees. The bill would have an annual cost of \$2.6 million for all political subdivisions and would increase the unfunded teacher pension liability by over \$38 million.
- [HB 1377 \(McQuinn\)](#) expands the recipients of the health insurance credit currently being provided to retired teachers to all retired employees of local school divisions. The bill would cost localities \$8.4 million per year and increase the health insurance credit's unfunded liability by \$98 million.

### **Legislative Contacts**

**House Appropriations Committee:** [Jones \(Chairman\)](#), [Ingram](#), [Cox](#), [Landes](#), [O'Bannon](#), [Lingamfelter](#), [Poindexter](#), [Massie](#), [Scott](#), [Peace](#), [Greason](#), [Knight](#), [Anderson](#), [Garrett](#), [Stolle](#), [Joannou](#), [BaCote](#), [Torian](#), [Hester](#), [Sickles](#), [James](#), [Carr](#)

**VACo Contact:** [Erik Johnston, CAE](#)

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## **Changes to administration of Line of Duty Act proposed**

[HB 2204 \(Jones\)](#) revises the Line of Duty Act (LODA) by codifying provisions that are currently in the Appropriation Act, transferring overall administration of the Act and eligibility determinations to the Virginia Retirement System, transferring administration of health insurance benefits under the Act to the Department of Human Resource Management, and providing for an administrative appeal process for employers. The bill becomes effective July 1, 2016. The bill includes provisions from the December 2014 JLARC study of LODA. **VACo supports the changes** to the administration of the program and the appeal process for employers. The bill is likely to be considered this week in the [House Appropriations Committee](#).

### **Talking points for legislators**

- VACo supports the provisions of HB 2204, which improve the administration of LODA by transferring administrative responsibilities to VRS and DHRM.
- VACo supports the administrative appeals process for employers, which is included in the bill.

### **Legislative Contacts**

**House Appropriations Committee:** [Jones \(Chairman\)](#), [Ingram](#), [Cox](#), [Landes](#), [O'Bannon](#), [Lingamfelter](#), [Poindexter](#), [Massie](#), [Scott](#), [Peace](#), [Greason](#), [Knight](#), [Anderson](#), [Garrett](#), [Stolle](#), [Joannou](#), [BaCote](#), [Torian](#), [Hester](#), [Sickles](#), [James](#), [Carr](#)

**VACo Contact:** [Erik Johnston, CAE](#)



**Bill gives localities and schools the option to join state health insurance plan**  
[SB 866 \(Chafin\)](#) gives local school boards and local governing bodies the option to jointly elect to include their employees and eligible dependents in the state employee health plan. [SB 1075 \(Vogel\)](#) and SB 866 originally allowed only school divisions to make this election, which could have decreased the total pool of employees in some county healthcare plans and thus increase costs. VACo appreciated the patrons changing the bill to include political subdivisions and **VACo supports passage of the bill**. The bill may offer some localities greater economies of scale and savings on healthcare benefits for employees. The bill passed the full Senate and will move to consideration by the House Appropriations Committee after cross over.

#### **Talking points for legislators**

- VACo supports SB 866 (Chafin/Vogel) because it allows localities and school boards to jointly decide to join the state's health plan, which may offer some local employers cost savings through the larger workforce pool.
- The bill is a local option and would put any additional costs for joining on localities and not the state.

#### **Legislative Contacts**

**House Appropriations Committee:** [Jones \(Chairman\)](#), [Ingram](#), [Cox](#), [Landes](#), [O'Bannon](#), [Lingamfelter](#), [Poindexter](#), [Massie](#), [Scott](#), [Peace](#), [Greason](#), [Knight](#), [Anderson](#), [Garrett](#), [Stolle](#), [Joannou](#), [BaCote](#), [Torian](#), [Hester](#), [Sickles](#), [James](#), [Carr](#)

**VACo Contact:** [Erik Johnston, CAE](#)

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#### **Constitutional amendment to expand real property tax exemption moving forward in House**

[HJR 597 \(Hugo\)](#) calls for a constitutional amendment to allow the General Assembly to provide a real property tax exemption for the primary residence of the surviving spouse of any law-enforcement officer, firefighter, search and rescue personnel or emergency medical services personnel killed in the line of duty. Such tax exemption may not be claimed by a surviving spouse who has remarried. On February 2, a House Privileges and Elections Subcommittee recommended reporting the bill by a 6-1 vote. The full committee will act on February 6.

#### **Talking points for legislators**

- This is the state expanding a local tax exemption.
- The resolution should require the state to cover the costs to localities.
- This could place more pressure on other local taxpayers.

#### **Legislative Contacts**

**House Privileges and Election Committee:** [Cole \(Chairman\)](#), [Ingram](#), [Jones](#), [Albo](#), [O'Bannon](#), [Miller](#), [Landes](#), [Hugo](#), [Ramadan](#), [Ransone](#), [O'Quinn](#), [Yost](#), [Minchew](#), [Rush](#), [Fowler](#), [Joannou](#), [Sickles](#), [Krupicka](#), [Futrell](#), [Rasoul](#), [Lindsey](#), [Murphy](#)

**VACo Contact:** [Dean Lynch, CAE](#)

## **VACo supports Court Fees bill**

[HB 736 \(Howell\)](#) provides that any locality, through its governing body, may assess a sum not in excess of \$20 as part of the costs in each criminal or traffic case in its district or circuit court in which the defendant is convicted of a violation of any statute or ordinance.

In fiscal year 2014, localities received \$15.2 million in fees to assist with courthouse/courtroom security fees. Assuming the same number of cases each year and doubling the fee from \$10 to \$20 as proposed in the legislation, it is expected that counties will be able to supplant some local expenditures for courthouse and courtroom security costs. The rise in fee is expected to generate an additional \$30.4 million for local courtroom security.

### **Talking points for legislators**

- The bill would assist localities in absorbing the costs in a criminal or traffic case in district or circuit court to associated courthouse security.
- The bill is permissive. A locality has the option to adjust court fees but is not mandated to do so.

### **Legislative Contacts**

**Senate Finance Committee:** [Stosch \(Co-Chair\)](#), [Colgan \(Co-Chair\)](#), [Howell](#), [Saslaw](#), [Norment](#), [Hanger](#), [Watkins](#), [Lucas](#), [Newman](#), [Ruff](#), [Wagner](#), [McDougle](#), [Vogel](#), [Carrico](#), [Alexander](#)

**VACo Contact:** [Dean Lynch, CAE](#)

## **General Government Steering Committee**

### **Support efforts to make ethics reform practical at the local level**

There are numerous ethics reform proposals this session. VACo supports common sense efforts to strengthen Virginia's public ethics and conflict of interest laws. VACo also supports efforts to make sure current and future changes to these laws are applicable and practical at the local level.

Two comprehensive ethics reform proposals are [HB 1947 \(McClellan\)](#) | [SB 1345 \(McEachin\)](#), which represent the McAuliffe Administration's ethics reform measures. These bills were adapted from the recommendations of the Governor's Commission on Integrity and Public Confidence in State Government. The other comprehensive proposals are [HB 2070 \(Gilbert\)](#), which represents the House leadership's ethics reform proposal, and [SB 1424 \(Norment\)](#). HB 2070 will serve as the starting point for discussions in the House Courts of Justice Committee and all other House ethics proposals are likely to subtract or add to this proposal.

Only SB 1424 does not include local government representation on the commission/council. All three proposals limit both tangible and intangible (trips, meals, etc.) gifts to \$100 for state and local officials with the difference being whether the limit is in aggregate or sole source. All three also require waivers from the council/commission for certain travel related expenses. The council's powers are expanded in the Norment and Gilbert bills, but the Administration bill goes

furthest in granting the commission powers of investigation, determining violations and auditing statements.

### **Talking points for legislators**

- The ethics advisory council or commission should have its powers limited in state code and not be given broad grants of authority.
- Local officials should be able to delegate filing tasks to local staff.
- Exemptions should exist to allow local officials to attend meetings and trainings related to official local government business without a waiver process.
- There should be strong local government representation on the ethics advisory council or commission as the majority of the individuals covered under its powers are local officials.

### **Legislative Contacts**

**House Courts of Justice Committee:** [Albo \(Chairman\)](#), [Kilgore](#), [Bell](#), [Robert B.](#), [Cline](#), [Gilbert](#), [Miller](#), [Loupassi](#), [Villanueva](#), [Habeeb](#), [Minchew](#), [Morris](#), [Leftwich](#), [Adams](#), [Campbell](#), [LaRock](#), [Watts](#), [Toscano](#), [Herring](#), [McClellan](#), [Hope](#), [Mason](#), [Lindsey](#)

**Senate Rules Committee:** [McDougle \(Chairman\)](#), [Colgan](#), [Norment](#), [Stosch](#), [Martin](#), [Hanger](#), [Newman](#), [Watkins](#), [Ruff](#), [Wagner](#), [Obenshain](#), [Smith](#), [Vogel](#), [Saslaw](#), [Howell](#), [Lucas](#)

**VACo Contacts:** [Phyllis Errico, CAE](#) and [Erik Johnston, CAE](#)

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### **Troublesome professional services bill headed to House Appropriations**

VACo opposes [HB 1540 \(Albo\)](#), which changes the process of negotiating for professional services under the public procurement act. Professional services include accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering.

Currently the law provides that public bodies cannot ask for price in proposals. The locality chooses candidates to interview based solely on qualifications. At the discussion stage, they ask for non-binding estimates of cost for the project. The proposals are then ranked and negotiations begin with the highest ranked vendor. Architects and engineers have requested this legislation that prohibits public bodies from asking for price information. Therefore, localities would be forced to rank and interview the candidates with no price information.

### **Talking points for legislators**

- The purpose of public procurement is to obtain the best quality goods and services at the lowest price to the taxpayers. This is difficult to achieve if the selection must be made without any price information. As stewards of the public purse it is crucial for public bodies to have some pricing information prior to ranking and negotiation.
- This change in process would increase the cost of all professional services to public bodies throughout the Commonwealth.

## Legislative Contacts

**House Appropriations Committee:** [Jones \(Chairman\)](#), [Ingram](#), [Cox](#), [Landes](#), [O'Bannon](#), [Lingamfelter](#), [Poindexter](#), [Massie](#), [Scott](#), [Peace](#), [Greason](#), [Knight](#), [Anderson](#), [Garrett](#), [Stolle](#), [Joannou](#), [BaCote](#), [Torian](#), [Hester](#), [Sickles](#), [James](#), [Carr](#)

VACo Contact: [Phyllis Errico, CAE](#)

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## Local grievance procedure bill unfavorable to counties

VACo opposes [HB 1744 \(Hugo\)](#), which seeks changes to the local government grievance procedures that make the system more cumbersome, lengthy and subject to inconsistent outcomes. Currently most localities use a hearing officer or existing grievance boards or panels. This bill would eliminate existing local grievance panels and revert to a three-member panel at the choice of the grievant. These panels are cumbersome to assemble and have no experience in conducting such procedures. The bill would also shift the interpretation of local employment policy from the Chief administrative officer to the Commonwealth's Attorney.

### Talking points for legislators

- The three-member panel process involves the two parties picking a panel member then attempting to agree on a third panel member. This process is cumbersome and often causes long delays and inconsistencies.
- The bill would eliminate a number of longstanding impartial grievance panels used by localities that currently work well.
- The bill would shift interpretation of local government policy from the Chief Administrative Officer to the Commonwealth's Attorney. The Commonwealth's Attorney may have no knowledge or experience in employment policy.

## Legislative Contacts

**House Counties, Cities and Towns Committee:** [Ingram \(Chairman\)](#), [Marshall, R.G.](#), [Marshall, D.W.](#), [Poindexter](#), [Morefield](#), [Stolle](#), [Wilt](#), [Morris](#), [Hodges](#), [Webert](#), [Taylor](#), [Austin](#), [DeSteph](#), [Campbell](#), [Pillion](#), [Spruill](#), [McQuinn](#), [Surovell](#), [Torian](#), [Krupicka](#), [Herring](#), [Mason](#)

VACo Contact: [Phyllis Errico, CAE](#)

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## Oppose major unfunded mandate regarding elections equipment

VACo opposes election related proposals that impose unfunded mandates upon localities. [SB 827 \(Miller\)](#) prohibits the use of direct recording electronic (DRE) machines in elections on and after July 1, 2016. The cost for localities of complying with this proposal would exceed \$28 million. VACo supports the Governor's proposal for the state to provide one-time funding to replace all DRE's. The bill reported out of the Senate Privileges and Elections Committee with a clause stating that the fiscal impacts of the bill must be funded before reporting the bill.

### Talking points for legislators

- VACo opposes SB 827 unless there is funding to implement the bill as the bill has over a \$28 million unfunded mandate for localities to replace all DRE voting machines.

### Legislative Contacts

**Senate Finance Committee:** [Stosch \(Co-Chair\)](#), [Colgan \(Co-Chair\)](#), [Howell](#), [Saslaw](#), [Norment](#), [Hanger](#), [Watkins](#), [Lucas](#), [Newman](#), [Ruff](#), [Wagner](#), [McDougle](#), [Vogel](#), [Carrico](#), [Alexander](#)

VACo Contact: [Erik Johnston, CAE](#)

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### Support preservation of 50 percent state funding of capital costs to expand regional jails

[SB 1049 \(McDougal\)](#) reduces from one-half to one-fourth the maximum state reimbursement for capital costs for construction, enlargement or renovation of regional jails where there is a regional contract for cooperative jailing. VACo, the Virginia Association of Regional Jails and others worked with the patron on [amendments](#) that preserve the 50 percent reimbursement for expansions of existing regional jails. Senate Rehabilitation and Social Services Committee adopted this amendment and referred the amended bill to the Senate Finance Committee.

### Talking points for legislators

- This program has been successful in incentivizing the creation of regional jails.
- Regional jails are taking on more and more state-responsible inmates (over 5,000 currently in local and regional jails).
- The state should continue this program at the 50 percent level for capital expansions of existing regional jails.

### Legislative Contacts

**Senate Finance Committee:** [Stosch \(Co-Chair\)](#), [Colgan \(Co-Chair\)](#), [Howell](#), [Saslaw](#), [Norment](#), [Hanger](#), [Watkins](#), [Lucas](#), [Newman](#), [Ruff](#), [Wagner](#), [McDougle](#), [Vogel](#), [Carrico](#), [Alexander](#)

VACo Contact: [Erik Johnston, CAE](#)

## Health and Human Resources Steering Committee

### Human Service bills affecting local government

[SB 1410 \(Deeds\)](#) was reported out of the [Senate Finance Committee](#) on February 3. The bill sets out additional certification requirements for crisis intervention specialists and crisis intervention specialist licensed clinical supervisors. The bill also requires community services boards and behavioral health authorities to employ or contract with certified crisis intervention specialists for evaluations of emergency custody or temporary detention.

The bill could have significant fiscal impacts for local governments, particularly for counties that fully or partially fund community services boards (CSB). Under this legislation, CSBs will have

to attract and hire a workforce that meets additional certification mandates, replacing many existing employees who have years of knowledge but would not fall under the new certification standards. The bill also has a five-year enactment clause.

**VACo opposes the bill** and encourages its members to talk to their legislators about the negative impacts of this bill.

#### **Talking points for legislators**

- The Virginia Association of Community Service Boards estimates a \$13 million statewide impact to local governments.
- The bill has significant impact on the CSB workforce. CSBs will have to attract and hire a workforce that meets additional certification mandates, replacing many existing employees who have years of knowledge but would not fall under the new certification standards.

#### **Legislative Contacts**

##### **[General Assembly Members](#)**

**VACo Contact:** [Beau Blevins](#)

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#### **VACo supports SEC bill**

[SB 1054 \(Hanger\)](#) passed out of the [Senate Finance Committee](#) on February 3. The bill places the State Executive Council (SEC) under the Administrative Process Act (APA), which has been a longstanding VACo policy. The SEC acts as a policy-making body that formulates financial and fiduciary decisions that affect local Comprehensive Services Act funds. Currently, the SEC has no formal process for receiving and considering public and stakeholder input when making these decisions. Placing the SEC under the APA would put in place a formal process that would provide localities time to review, analyze and offer comments to potential policy decisions the SEC considers. **VACo supports SB 1054.**

#### **Talking points for legislators**

- Placing the SEC under the APA would enhance stakeholders' preparedness and ability to provide input in a structured and meaningful way
- The bill would allow time for a cost / benefit analysis of each policy
- The SEC would be consistent with other regulatory and policy making entities under the APA

#### **Legislative Contacts**

##### **[General Assembly Members](#)**

**VACo Contact:** [Beau Blevins](#)

# Transportation Steering Committee

## **Governor pushes Omnibus Transportation bill**

On January 13, Governor Terry McAuliffe announced [HB 1887 \(Jones\)](#), which amends the current highway funding formula. The transportation legislation is a bipartisan effort between the Governor and Delegate Chris Jones, Chair of the House Appropriations Committee, and Delegate Tom Rust, Chair of the House Transportation Committee. The bill does not include new dollars for transportation. Instead, it replaces the current highway formula for construction projects (set to expire in 2020) with the following formula:

- 40 percent to rebuild deteriorated pavement and bridges within the state's interstate and primary system of highways.
- 30 percent of funding will go to projects of statewide importance.
- 30 percent in the form of grants for construction district to fund projects to address needs identified in the Statewide Transportation Plan. These grants would be competitive.

The current highway funding formula directs the Commonwealth Transportation Board (CTB) to prioritize the funding of state projects but provides no process for determining local priorities. Under HB 1887, all proposed projects will be scored and ranked by a new prioritization process currently under development and scheduled to be adopted by the CTB in June. The ranking of local projects will assist the CTB in making final decisions on allocation of funds within the state's six-year funding plan.

The bill also allocates an additional \$40 million a year to transit capital needs. The money to pay for this allocation will come from a variety of funding streams.

VACo received informational handouts from the Secretary of Transportation's office on how HB 1887 may affect each transportation district. Please visit VACo's [Transportation Steering Committee](#) webpage to review your transportation district's informational handout.

**VACo currently has no position on the bill** and is working to better understand its effects on local government.

**VACo Contact:** [Beau Blevins](#)

## Abbreviated Schedule of Committee Meetings

<b>Thursday February 5</b>	Upon Adj	<b>House Rules - Studies Subcommittee</b> ; House Room 1, The Capitol - Immediately upon adjournment of House ( <a href="#">subcommittee info</a> )
	1/2 hr aft	<b>House Commerce and Labor</b> ; House Room D, General Assembly Building - 1/2 hour after adjournment of House ( <a href="#">committee info</a> )
	Upon Adj	<b>House General Laws - Subcommittee #2</b> ; House Room C, General Assembly Building - Immediately upon adjournment of House ( <a href="#">subcommittee info</a> )
	Adj Sub #2	<b>House General Laws - Subcommittee #4</b> ; House Room C, General Assembly Building - Immediately upon adjournment of Subcommittee #2 ( <a href="#">subcommittee info</a> )
	Adj Sub #4	<b>House General Laws</b> ; House Room C, General Assembly Building - Immediately upon adjournment of Subcommittee #4 ( <a href="#">committee info</a> )
	1/2 hr aft	<b>Senate Agriculture, Conservation and Natural Resources</b> ; Senate Room B, General Assembly Building - 1/2 hour after adjournment ( <a href="#">committee info</a> )
	3 p.m.	<b>Senate Finance Subcommittee on Education</b> ; 10th Floor Conference Room, General Assembly Building ( <a href="#">subcommittee info</a> )
	3 p.m.	<b>Senate Education and Health Subcommittee on Health Professions</b> ; 3rd Floor East Conference Room, General Assembly Building ( <a href="#">subcommittee info</a> )
	4 p.m.	<b>House Appropriations - Compensation and Retirement Subcommittee</b> ; 9th Floor Appropriations Room, General Assembly Building ( <a href="#">subcommittee info</a> )
	4 p.m.	<b>House Militia, Police and Public Safety - Subcommittee #1</b> ; 8th Floor West Conference Room, General Assembly Building ( <a href="#">subcommittee info</a> )
	4 p.m.	<b>Senate Education and Health Subcommittee on Higher Education</b> ; 3rd Floor West Conference Room, General Assembly Building ( <a href="#">subcommittee info</a> )
	4 p.m.	<b>Northern Virginia Transportation Commission</b> ; 6th Floor Speaker's Conference Room, General Assembly Building



<b>Friday February 6</b>	7:30 a.m.	<b>Senate Finance Subcommittee on Public Safety</b> ; 10th Floor Conference Room, General Assembly Building ( <a href="#">subcommittee info</a> )
	8 a.m.	<b>House Counties, Cities and Towns</b> ; House Room D, General Assembly Building ( <a href="#">committee info</a> )
	8:30 a.m.	<b>Senate Rehabilitation and Social Services</b> ; Senate Room B, General Assembly Building ( <a href="#">committee info</a> )
	9 a.m.	<b>House Militia, Police and Public Safety</b> ; House Room C, General Assembly Building ( <a href="#">committee info</a> )
	9:30 a.m.	<b>House Privileges and Elections</b> ; 9th Floor Appropriations Room, General Assembly Building ( <a href="#">committee info</a> )