

# Capitol Contact

## Virginia General Assembly

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Monday, February 15, 2016

## VACo Members – Please call or email NOW to support the following County Budget Actions

The [House Appropriations Committee](#) and the [Senate Finance Committee](#) will deliberate budget details and will report out their respective amendments to [HB 29 \(S. Jones\)](#) / [SB 29 \(Norment\)](#) and [HB 30 \(S. Jones\)](#) / [SB 30 \(Norment\)](#) on Sunday, February 21.

### Act now to support:

#### K-12 Public Education Budget Amendments

- Provide maximum flexibility for the proposed \$139 million appropriation for 2,500 new teachers.
- Enact flexible state teacher salary local match requirements for the 2 percent teacher salary increase in FY 2018, by allowing up to 2 percent of any FY 2017 or FY 2018 local salary increase to be used as the local required match for FY 2018.
- Local government budgets will be under pressure to provide teacher salary increases in FY 2017 and will also be required to fully fund VRS certified rates in FY 2018.
- Support fully funding FY 2018 VRS certified teacher rates.
- Fully support the \$50 million in proposed At-Risk Add-on funding.
- The percentage of free lunch qualified students has risen from 26 percent in 2008 to 35 percent in 2015.
- There is a statewide 20-point SOL achievement gap for economically-disadvantaged students and minorities in Virginia.
- At-Risk Add-on funding can be used flexibly to attract and train teachers, reduce class size, emphasize math and reading, prevent students from dropping out and offer after school wrap-around services.

- Prioritize new available funds for critical classroom expenditures not covered under the existing Standards of Quality. VACo/VML recommends covering prevailing practices for assistant principals and teacher aides.
- Since 2003, the State Board of Education (BOE) has recommended one assistant principal (AP) for each 400 students be funded in the SOQ. The BOE reasons that AP's "have become a necessity in this age of test-based accountability, and with mounting concerns about school safety and discipline." Currently, the SOQ covers only 950 out of 2,500 APs.
- Currently, the SOQ only covers kindergarten and special education teacher aides. Only about 2,650 out of 19,000 employed teacher aides are supported by the state. Teacher aides help provide individualized education to students who otherwise may have difficulties passing SOL tests.

#### Jail Per Diems – \$11.3 million in FY 2016

This amendment includes \$11.3 million in FY 2016 to cover fourth quarter reimbursements to local and regional jails, which is not sufficient to cover all the eligible expenses.

#### HB 599 – \$20 million in FY 2017 and \$43.4 million in FY 2018

The budget bill boosts the annual appropriation by \$6.7 million to \$179.1 million each year. The amendment is an attempt to link appropriations to general fund revenue growth. The amendment will restore the appropriation to the FY 2008 level (\$215 million) by the end of the next biennium. The legislative intent for HB 599 was to reduce the fiscal pressures that prompted cities to initiate annexation proceedings and to bring some equity to state support of law enforcement in cities and counties. Statewide, the average reimbursement was expected to be about 30 percent of local police department costs. HB 599 serves 38 cities, 9 counties and 128 towns and 69 percent of Virginians depend on police departments as first responders. The General Assembly has reduced state appropriations for the program or has provided level funding when state revenues declined or were static.

#### Fines & fees – Language to strike § 3-6.05 in FY 2016 - FY 2018

This language amendment will strike § 3-6.05 of the Budget Bill (HB/SB 29 and HB/SB 30) in its entirety. The current budget ignores the findings of the Attorney General and the Inspector General that local fines and forfeitures belong to localities. Language was approved in the 2015 legislative session that targets an additional number of cities and 17 counties as well as a number of towns. In FY 2016, an additional \$1 million of local fines is projected to be taken by the state. The amount will increase in future years, raising the state's "take" to 50 percent of "excess" fees by the close of FY 2018.

CSA-Local match for residential treatment center – \$10.4 million in FY 2017 and \$18.5 million in FY 2018

This amendment of \$10.4 million in FY 2017 and \$18.5 million in FY 2018 is to appropriate funding to DMAS for the elimination of the local share of Medicaid costs.

Since FY 2000, localities have paid a portion of the general fund match for Residential Treatment Center and certain Foster Care Case Management costs for CSA children on Medicaid.

After the state decision to reduce support to locals for residential treatment services, there has been a measurable reduction in these placements.

In recent years, one third of all residential treatment placements were made without educational support funding.

If the state removed the matching requirement, which is not required for other Medicaid programs, localities could have more resources for the approved treatment placement process.

CSA – Administrative costs-\$1.2 million/year

This amendment increases state funding to assist local governments in the administration of the Children's Services Act. Local governments are responsible for local program oversight, accountability and administration for CSA. The state has not increased administrative funding since FY 2000.

CSA-Education-\$10.7 million in FY 2017 and \$10.7 million in FY 2018

This amendment of \$10.7 million each year (based on average costs for FY 2013) is offered to cover costs stemming from "Medicaid-only" placement decisions. Medicaid does not allow payment for educational services. But, children may be placed in residential treatment through Medicaid outside of the CSA process and without any state funding for education services. Placement outside of the CSA process nullifies the benefit of locally-based multidisciplinary case planning in addition to eliminating access to funding for educational services. In 2015, 524 children were placed in residential treatment.

Payments in lieu of taxes-Strike Item 394 H from the budget that exempts DOC from PILT

This amendment strikes budget language (Item 394 H) exempting the Department of Corrections from paying service charges.

Currently, the state Department of Corrections (DOC) is exempt from the Payment in Lieu of Taxes (PILT) for the state Department of Corrections (DOC). PILT money was eliminated in state budget in FY 2010.

Counties that are annually impacted include Sussex (\$450,000), Greenville (\$200,000), Wise (\$215,000), Southampton (\$47,000), Buckingham (\$60,000), Richmond (\$32,000), Lunenburg (\$45,000) and Fluvanna (\$70,000). Mecklenburg (\$200k) and Brunswick (\$108K) were originally impacted but prisons have since closed.

#### Water quality funding - \$50 million in FY 2017

The amendment proposes to re-capitalize the Stormwater Local Assistance Fund (SLAF) by \$50 million in FY 2017. The Fund provides state financial assistance for localities to reduce stormwater pollution (mandated by federal & state permits). State assistance for SLAF funding is in decline. The historical funding trend is as follows.

- Appropriation in 2013 - \$35 million (bonds)
- Appropriation in 2014 - \$20 million (bonds)
- Appropriation in 2015 - \$5 million (cash)

#### Juvenile Justice Transformation

VACo is supportive of items in the introduced budget that includes important changes to the Department of Juvenile Justice (DJJ) in terms of Capital costs and reinvestment. It is anticipated these changes will give all counties better access to necessary treatment services for children and families without placing any mandates upon local governments.

##### **Capital costs:**

- DJJ currently relies solely on large juvenile facilities that look and feel like adult prisons with capacities around 200.
- These are not working to rehabilitate kids since three quarters of them are reconvicted of a new offense within three years of release. We need well-built and designed JCCs for better outcomes for kids who are long-term serious offenders.
- The proposed new facilities bring almost three times as many youth will be within an hour drive of their home communities and will be built for rehabilitation and education and will have smaller overall population numbers, smaller unit sizes, modern technology for both educational opportunity and operational safety, and dedicated treatment space.

**Reinvestment:**

- DJJ has endured years of budget cuts has lost its continuum of services for committed kids.
- The Introduced Budget allows DJJ to reinvest savings for juvenile justice transformation to replace services and placements without increasing DJJ's overall operational budget to ensure that each community, in each region of the Commonwealth, will have access to a range of evidenced-based and effective services and alternative placement options.
- This reinvestment plan will create more equity and better outcomes across Virginia for youth, families, and overall public safety.

**VACo Members** – please contact Delegates on the Appropriations Committee and Senators on the Finance Committee.

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

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

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