

**Governor's Task Force for
Local Government Mandate Review
March 24, 2016 at 2:00 PM
12th Floor North Conference Room
Main Street Centre
600 East Main Street
Richmond, Virginia 23219**

Members Present

Wyatt Shields, Chair
The Honorable Mimi Elrod, Vice-Chair
Gary Larrowe
Dr. Marcus Newsome

Members Absent

The Honorable George Wallace

Staff Present

Elizabeth Rafferty, Policy & Legislative Director
J. David Conmy, Local Government Policy Administrator
Ali Akbor, Senior Public Finance Analyst
Kyle Flanders, Policy Analyst
Kristen Dahlman, Administrative Assistant

Note: Mayor Wallace is listed as absent; however, he monitored the meeting via speakerphone, but abstained from any voting and other official actions taken at the meeting.

I. Call to Order

Mr. Shields called the meeting to order at 2:20 p.m. on March 24, 2016, at the Main Street Centre in Richmond, Virginia. He also asked that Ms. Rafferty introduce the new staff members from the Policy and Legislative Office and Commission on Local Government.

II. Approval of Draft Agenda

Mr. Conmy provided the Task Force with an overview of the agenda for the meeting. By consensus, the Task Force members present approved the draft agenda.

III. Approval of Minutes of Task Force Meeting on August 27, 2015

Dr. Elrod made a motion, which was seconded by Mr. Larrowe, to approve the draft minutes of the Task Force's August 27, 2015 meeting, as presented. The minutes were approved 3-0.

IV. Public Comment

The Chair opened the floor for all attendees to introduce themselves.

Mr. Dean Lynch, Deputy Executive Director for the Virginia Association of Counties, thanked the Task Force and staff for their work.

Mr. Neal Menkes and Mr. Joe Lerch, of the Virginia Municipal League, also introduced themselves and indicated that they had some ideas for future work that could be conducted by the Task Force and would provide that information later in the meeting.

Ms. Elizabeth Morris of the Department of Education (DOE) and Mr. Jim Regimbald of Fiscal Analytics also introduced themselves.

V. 2016 Legislative Update

Mr. Conmy directed the Task Force members to their packets, which included a Legislative Update summary sheet. He suggested that the Task Force procedurally address each item individually to include comment from the public prior to taking any action – if any – on those particular items.

Mr. Conmy began with an update on the existing seizure of local fines and forfeitures. He indicated that the item still remains in the budget, but that two localities have been excluded from the provision in the conference report. *(At this time, Dr. Newsome arrived at approximately 2:33 p.m.)* Mr. Neal Menkes provided additional background on the topic and suggested the Task Force consider requesting that the Governor veto this item from the budget.

Mr. Conmy then proceeded with an update on the Line of Duty Act (LODA). He indicated the House Bill 2204 from the 2015 General Assembly Session was required to be re-enacted during the 2016 Session, which was accomplished through House Bill 1345. The bills contain several amendments to the LODA program based on recommendations by the Joint Legislative Audit Review Commission (JLARC). At the request for public comment, Mr. Lynch mentioned VACo and VML's support for the bill and that they would be seeking additional improvements in the future.

On the topic of re-instating the first-day introduction requirement for local fiscal impact bills, Mr. Conmy indicated that the only bill addressing this topic failed. He provided additional background on the topic and also provided some perspective on the lack of a first-day introduction requirement on local fiscal impact bill reviews prepared by Commission on Local Government (CLG) staff. Mr. Menkes mentioned ongoing conversations he and others have had with the General Assembly leadership on suggested alternatives that they will be pursuing for incorporation into the House and Senate Rules for the 2017 Session.

Mr. Conmy provided an update on several items related to K-12 funding from the Governor's introduced budget and the conference report. Dr. Newsome referenced information from a JLARC Report on "Efficiency and Effectiveness of K-12 Spending" that indicated a decline in educational spending per student while accountability requirements have increased. He also expressed the Virginia Association of School Superintendents' (VASS) disappointment in the lack of clarity in the recommendations for the General Assembly to address the issues. Mr. Regimbald expressed gratitude to the Task Force for the assistance in drawing greater attention to the need for more educational funding and emphasized the importance of the flexibility provided to local governments in how to use the additional funding provided in the budget.

Mr. Conmy indicated that the conference report included an increase in 599 funding for local police departments, but that it was a reduction compared to the Governor's introduced budget. Mr. Menkes and Mr. Regimbald provided additional historical perspective on the matter including that a certain level of funding was statutorily established but had been ignored and circumvented through the budget. Mr. Menkes and Mr. Lynch both indicated that VML and VACo would likely pursue further increases to the funding level to bring it back to its statutorily required level in the future.

Mr. Conmy summarized some administrative improvements related to reporting requirements on stormwater funds, the use of non-point source nutrient credits, and the use of public-private partnerships for stormwater management. He also indicated that no additional funding had been provided for the Stormwater Local Assistance Fund (SLAF), which was projected to be fully depleted by June 30, 2016. Mr. Joe Lerch mentioned that additional budget negotiations have including a bond bill that would provide about \$20 million for SLAF and that he anticipated the Governor would support that component. He also provided additional comments on the administrative improvements to the stormwater program and some of the ongoing requests and potential implications for exemptions from stormwater fees. He also provided an update on the work of the stormwater study group and highlighted some of the remaining issues for the group to address.

Mr. Conmy provided a summary on funding improvements to the Children's Services Act (CSA) and an ongoing study on additional administrative improvements to the program. Dr. Newsome commented on the need for more, adequate funding and offered comparisons of the funding level to what was needed in his locality. Mr. Lynch elaborated on the need for further refinement to the program and ongoing efforts to increase state funding and/or assumption of program responsibilities by the state.

Moving on to the topic of proffers, Mr. Conmy provided a detailed summary of the proffer bill, Senate Bill 549, which was signed by the Governor. He highlighted the key features of the bill, including the new definition and standards of unreasonable proffers (offsite and onsite), various provisions governing lawsuits involving proffers, various exceptions, and provisions from the original bill that were changed or altered prior to passage. Mr. Lerch provided additional comments on the bill including the new limitations for proffers to specific public facilities and that the bill could increase the likelihood of denials

for rezoning and special use permit requests. There was general discussion among the Task Force members on the potential implications on the new law related to rezoning and special use permit request approvals and the increased demand on public facilities. Mr. Menkes commented that a reasonable nexus could be connected between the state's declining support for local funding of education and transportation programs and that a majority of cash proffer funds go to address demands on education and transportation related facilities. Mr. Lerch responded that the Task Force could consider getting the support of home builders and realtors in Virginia because they would also likely recognize the connection. Mr. Menkes also commented that an additional connection regarding proffers and demand for public services could be made to the lack of state support for additional local taxing authority and the disparity of state taxing authority compared to what is granted to localities.

Mr. Conmy then proceeded to summarize the Limited Residential Lodging Act legislation. He highlighted key features of the bill, including the pre-emption of local zoning authority and other administrative requirements. He also noted the bill was amended to require re-enactment during the 2017 General Assembly Session and to require a study on the topic by the Virginia Housing Commission. Mr. Lerch provided additional background on the legislation and comments on ongoing efforts to study the matter.

Last on the Legislative Update, Mr. Conmy provided an update on legislative changes to the Conflict of Interest Act (COIA) and Freedom of Information Act (FOIA) that included a variety of administrative improvements, alterations to the definition of gift, and additional requirements of procurement. Mr. Lynch provided additional commentary on the topics and mentioned that work would continue to improve the requirements for localities. There was discussion on tracking data on FOIA requests statewide.

There was general discussion regarding the party identification legislation after a question on the topic was posed by Dr. Elrod. Mr. Menkes indicated that the bill passed and that it was under consideration by the Governor.

Mr. Shields inquired if anyone in the audience had additional topics they would like the Task Force to consider. While no additional topics were identified, Mr. Menkes did thank the Task Force for their assistance and emphasized the importance of the Task Force's Interim Reports sent to the Governor's Office. Mr. Lynch also encouraged the Task Force to coordinate with VACo and VML's various work study groups and task forces on a variety of topics, including those discussed during the meeting. Mr. Shields suggested that the Task Force could also consider input from the various groups and provide assistance on generating local consensus on the topics.

Based on additional discussion and by consensus, the Task Force directed staff to produce an Interim Report – subject to review and approval by the Task Force members – on the topics discussed for review and consideration by the Governor.

VI. Mandates Catalog Update and Future Catalog Iterations/Mandate Assessment Process

Mr. Conmy suggested that the Mandates Catalog and Mandates Assessment agenda items could be discussed collectively. He provided statistics on the frequency of website clicks for the CLG's 2014 and 2015 Mandates Catalogs, the CLG's Mandates Assessment page, several other related CLG webpages, and the Department of Housing and Community Development (DHCD) webpage for comparison purposes. He suggested that the statistics could indicate that the documents are not frequently accessed by the public and other interested parties and that staff has considered updating the documents and webpages to make them more interactive and user-friendly. He invited the Task Force members to offer suggestions for how the system could be improved and asked if the topic was something the Task Force would like to consider addressing in greater detail.

There was general discussion among the Task Force members and Mr. Conmy and Ms. Rafferty on the two resources and how the usability and transparency of the Catalog and assessment process could be restructured and utilized more effectively. Mr. Shields emphasized and suggested that understanding the audience and consumers of the resources could help direct how the changes could be made, especially if they become more interactive and transparent. Mr. Lynch commented on his use of the resources and remarked that a more interactive and searchable version of the information could be very helpful.

By consensus, the Task Force expressed its support for the effort and staff indicated they will apprise the Task Force members of the progress of the effort.

VII. Future Issues to Study

Mr. Shields inquired if staff had any suggestions for future issues and topics that the Task Force could consider studying. Mr. Conmy suggested that the Task Force consider continuing to study stormwater and also inviting a guest to speak about the proffer legislation.

Dr. Newsome inquired if additional information could be provided in the Mandates Catalog to assist in quantifying the impacts of existing mandates and also help localities prioritize or rank those mandates that have a greater impact on their operations. Mr. Conmy provided additional information on how the Mandates Catalog is structured. Mr. Larowe suggested that that it could be difficult for staff to quantify and organize the Catalog by those parameters. Mr. Conmy offered that the fiscal impact information from previous mandate assessments could be included in the Catalog for additional transparency purposes. Mr. Regimbald suggested that the Task Force should continue to address state funding to local governments overall rather than pursue each mandate individually. He further elaborated that most mandates are vetted and do indeed address public needs, but the issue is more so the lack of

additional state funding to localities for addressing the increased responsibilities of the mandates. *(At this time, Dr. Newsome left the meeting at approximately 4:12 p.m.)*

Mr. Shields also suggested that the Task Force could broaden the scope of examining proffers to include state regulation of land use overall. Mr. Lerch commented that the Task Force could also consider inviting the Auditor of Public Accounts (APA) to a Task Force meeting to discuss the stormwater reporting requirements. He also suggested the Task Force consider incorporating transportation topics such as House Bill 2 and revenue sharing into the land use review by the Task Force. Finally, he suggested that the Task Force consider inviting DOE and CSA to present information on their recent/ongoing studies.

Mr. Shields also inquired if staff could coordinate a meeting between Task Force members and the Governor's Office in the near future. He also suggested that the Task Force consider continuing to meeting with major state agencies on how to work effectively together and provide an opportunity for a forum on major local concerns. He suggested that DOE be the next agency to be invited to present information to the Task Force.

VIII. Scheduling of Future Meetings

By consensus, the Task Force agreed to meet prior to the next General Assembly Session in September in time to review agency budget requests and pre-filed legislation.

IX. Adjournment

There being no further business, the meeting was adjourned at 4:20 p.m.