

2011 Fairfax County Preliminary Draft Legislative Program

In order to remain a competitive state and an attractive place for economic development, Virginia must invest the resources necessary to educate its citizens at all levels, ensure the rule of law, protect its natural resources, provide for the basic needs of the less fortunate and build a sound infrastructure.

Priorities

Funding Core Services

Unfortunately, it has increasingly become the practice of the Commonwealth to significantly underfund core services, leaving localities to fill funding gaps with local revenues in order to maintain essential services. The critical state-local funding partnership must be restored so that the Commonwealth can weather the current fiscal crisis and emerge even stronger, as an investment in Virginia will pay dividends for years to come.

While all core services are important, Fairfax County's two funding priorities for the 2011 General Assembly are K-12 education and transportation.

1.) K-12 Funding (REGIONAL)

It is essential that the state fully meet its Constitutional responsibility to adequately fund K-12 education.

Critical gaps continue to widen between Virginia's Standards of Quality (SOQ), the funding for those standards, and the actual local costs of providing a high quality education. Fairfax County and other Northern Virginia localities more than meet their responsibilities for K-12 education through large contributions to the State General Fund, strong local effort, and the effect of high local composite indices, which diverts State funding away from this region.

Fairfax County and Northern Virginia localities oppose state budget cuts that disproportionately target or affect Northern Virginia, and support realistic and fully-funded Standards of Quality. Fairfax County and Northern Virginia also strongly oppose formula changes which further weaken the partnership between the state and localities, including but not limited to, any reduction in the current 55 percent State share of SOQ costs, capping state funding for support costs and the elimination or reduction of cost of competing funding to Northern Virginia localities. Unfortunately, the 2010-2012 budget adopted by the 2010 General Assembly exacerbates the stresses on the state-local K-12 partnership, by making the permanent, structural cuts that localities expressly sought to avoid. By relying on one-time, temporary actions to at least partially offset these cuts (e.g. reduced VRS rates, federal stimulus funds), the current budget understates the eventual impact of these structural changes. But even with these one-time actions, state funding to school divisions in FY2011 is reduced by about \$773 million as compared to the original budget for FY10 (adopted by the 2009 session). *(Revises and updates previous education position.)*

2.) Transportation Funding (REGIONAL)

Major new revenue sources for transportation must be enacted during the 2011 General Assembly session.

What was once a crisis in Northern Virginia and Hampton Roads has become a catastrophe for nearly the entire Commonwealth. There is no viable transportation solution that does not include long-term, dedicated, sustainable, new multimodal revenues.

Over the past three years, the Commonwealth Transportation Board has cut **\$4.6 billion** from the Six Year Program. Secondary and urban system construction funds have essentially been eliminated, despite the fact that the secondary roads are a Commonwealth responsibility. Six-year secondary road allocations to counties in Northern Virginia are now less than **\$2,000** each and localities are being allocated no urban construction funds. In addition, the growth in maintenance spending has been reduced from 4% to 3%, even though maintenance costs are increasing overall. The Commonwealth is risking serious disinvestment in its existing transportation infrastructure that will be more difficult and more expensive to correct in the future. Today, approximately \$1 billion is needed to address existing deficient pavement conditions, and approximately \$3.7 billion is needed to fix the Commonwealth's deficient bridges. Very shortly the Commonwealth will be unable to ensure that the required matches are available for the federal transportation funds the Commonwealth receives. Should this happen, Virginia would have to return these federal funds, further compounding the crisis.

Fairfax County continues to support additional state and regional transportation funding for highway, transit, bicycle and pedestrian improvements, and have taken actions to increase funding locally. In 2006, the region's TransAction 2030 Long-Range Transportation Plan estimated that Northern Virginia alone needs \$700 million per year in new transportation funding to address the region's transportation problems. This figure has increased since then, because most of the major HB 3202 revenue sources have been eliminated.

Fairfax County seeks reinstatement of exclusive Northern Virginia revenues in the range of at least \$300 million annually, as well as 100 percent of Northern Virginia's contribution of additional statewide revenues, to address transportation needs not originally covered by the HB 3202 funding approved for Northern Virginia. Both the regional and statewide revenues should be provided from stable, reliable, proven and permanent source(s).

The General Assembly must adopt new statewide transportation revenue sources to bolster existing highway and transit revenue sources that are not generating sufficient funding to meet the Commonwealth's critical highway needs or meet the Commonwealth's statutory 95 percent share of eligible transit operating and capital costs (net of fares and federal assistance). This additional transit funding alone would require approximately \$166 million annually in new funds for the limited transit projects and eligible operating costs included in the Six Year Program. Additional funds to dramatically increase Secondary Road investments are also needed.

Any funding solution must ensure that dedicated funding for Washington Metropolitan Area Transit Authority capital improvements and for Virginia Railway Express capital and operating expenses are addressed.

Existing state General Fund revenue streams (almost half of which now go to localities) are required and used for core services of the Commonwealth, such as education and public safety. These historically underfunded, locally provided core services have already experienced significant cuts, due to reduced General Fund revenues, and shifting the state's transportation funding responsibility to localities by using the General Fund increases local budget pressures without providing a true transportation solution. *(Revises and updates previous transportation funding position.)*

Given the severe state funding cuts to shared state/local services in recent years, Fairfax County has an additional priority funding concern for the 2011 General Assembly.

3.) State Structural Imbalance (REGIONAL)

The Commonwealth should rebalance its resources and responsibilities so that the structural balance of the budget and the funding partnership with localities are restored.

The Commonwealth is currently facing a serious structural imbalance in its budget, as more than \$4 billion in federal stimulus funding has largely sustained the General Fund in the last two years. Additionally, reducing Medicaid eligibility to balance the budget, as adopted in the 2010 session, is no longer an option as a result of federal health care reform. To fill this gap, Governor McDonnell and the General Assembly rely on additional federal Medicaid revenues to restore Medicaid eligibility and avoid severe human services reductions in FY 2011, exacerbating the structural imbalance through the use of one-time funds for ongoing expenses. The current budget also depends on accounting tools, such as accelerating sales tax collections, and the fiscally troubling decision to borrow funds from the Virginia Retirement System.

The depth and breadth of state cuts to localities in recent years has severely stressed the state-local funding partnership. State aid to localities will be approximately \$1 billion less in FY 2011 than it was in FY 2008, and in FY 2009 the state began requiring "local aid to the Commonwealth" -- \$50 million per year in FY 2009-FY 2010, increasing to \$60 million per year in FY 2011-FY2012. As the state's economic situation improves, funding restorations to the following programs should be of paramount consideration:

- HB 599 – This funding for localities with police departments is tied to state GF revenue levels; since FY 2010, the state has cut HB 599 funding below those levels;
- State supported local employees – Funding to the County has been cut by \$3.6 million since FY 2010;
- Jail per diems – State changes to these rates reduce funding to the County by nearly \$5 million in FY 2011;
- Flexible cut to localities – The County's share of this cut is over \$4 million each year in FY 2011 and FY 2012.

Restoring the state-local funding partnership should be a top priority of the 2011 General Assembly. *(New position.)*

Governance

Each level of government has unique strengths. As the form of government closest to the people, local government must be provided the flexibility to serve the needs of residents, which can vary greatly from one part of the Commonwealth to another. Taxation and land use are key areas in which local government needs sufficient authority and flexibility to govern effectively, and, as such, are the County's two Governance priorities.

4.) Taxation

The local tax structure, which has become outdated and over-reliant on property taxes, must be modernized.

Local government revenues must be diversified, including the provision of equal taxing authority for counties and cities, without state mandated restrictions on use or caps on capacity. Currently, about 90 percent of Fairfax County's revenues are capped, restricted or controlled by the state, which forces a dependence on the local real estate tax and prevents the creation of a more flexible tax base, structured to reflect the local economy and the core needs of County residents.

The decline of state revenues and subsequent state budget cuts passed on to localities will exacerbate this imbalance. Where possible, the state should consider updating state and local taxes to reflect changes in the economy or technology; avoid any expansion of revenue-sharing mechanisms controlled by the state; avoid any new state mandates while fully funding and/or reducing current requirements; avoid any diminution of current local taxing authority (including BPOL and machinery and tools taxes) and lessen restrictions currently imposed on local revenues; or lessen current restrictions on the use of state funds now provided to localities for shared responsibilities. *(Revises and reaffirms previous position.)*

5.) Land Use

Local land use authority must be preserved, as appropriate community solutions differ significantly from one area of the state to another.

Local government is the level of government best suited to equitably and effectively deal with these issues, ensuring orderly and balanced growth or redevelopment while providing meaningful and the most direct public participation and accountability in this critical process.

Existing local authority to accept cash and in-kind proffers from developers to assist localities in providing the capital facilities and infrastructure needed to serve new development must be retained without restrictions. Any proposal for replacing such proffer commitments with development impact fees must be at the option of each locality. *(Reaffirms previous position.)*

Initiatives/Action Statements

Transportation – Revenue Sharing

Initiate legislation to restore the Virginia Department of Transportation's Revenue Sharing Program to the structure that existed prior to the 2006 session, including removal of the local administration and overmatch criteria. However, cities and towns should remain eligible for the program.

In 2006, the General Assembly significantly changed the program by adding tiers that favor projects administered by local governments and projects for which the local government contributes more than a 50 percent match. These criteria favor cities and towns who routinely construct their own highway projects. They also set off a bidding war between jurisdictions in the terms of the overmatch. Removing the tier structure would return the program to its original intent of giving jurisdictions an equal opportunity to qualify for funding.

Position Statements

Environment

Global Climate Change

Support efforts to reduce greenhouse gas (GHG) emissions through conservation, use of renewable fuels, regulations, and market-based or other incentives. As a signatory to the Cool Counties initiative, support the reduction of GHG emissions to 80 percent below current levels by 2050, which translates to an average annual reduction of 2 percent per year.

Support enhanced state efforts to reduce GHG emissions, through implementation of strategies set forth in the Virginia Energy Plan, including: a 10 percent reduction in energy consumption by 2022; establishment and expansion of energy research and development programs; funding of renewable-energy grant programs; and incentives to assist the development and growth of energy-businesses and technologies.

Support opportunities for consumers to purchase renewable energy.

Support state legislative or executive action for Virginia to reduce GHG emissions, on a statewide or regional level, if a national system for GHG emissions reductions is not implemented.

Support legislation which would provide state income tax incentives for businesses or residents to defray a portion of the cost of new construction or improvements which save energy and mitigate adverse environmental impacts.

Support legislative or regulatory action strengthening energy efficiency standards for new homes. Virginia has not yet adopted the 2009 International Code Council energy provisions. Those provisions are currently under review by the Virginia Board of Housing and Community Development. *(Reaffirms previous positions.)*

Funding

BRAC

Fairfax County is being significantly impacted by the 2005 recommendations of the Base Realignment and Closure Commission (BRAC), with over 19,000 personnel from numerous Department of Defense (DOD) agencies and commands being moved into Fort Belvoir and the Engineer Proving Ground (EPG) in the County along with the Mark Center site in the City of Alexandria which borders Fairfax County. As a result, Fairfax County is facing significant shortfalls in the capacity of current transportation and school infrastructure to support the additional military and civilian jobs.

While federal American Recovery and Reinvestment Act funding is making possible the long-anticipated completion of the Fairfax County Parkway, overall federal assistance has been insufficient to ensure the appropriate increase in transportation capacity needed for such a large influx of personnel into an already congested area. The lack of federal assistance is compounded by cuts in state funding to the County's secondary road program, adversely affecting projects that could improve the BRAC transportation impacts at Fort Belvoir, Engineer Proving Grounds, and other locations in Fairfax County adversely impacted by the Mark Center site in the City of Alexandria. The 2011 General Assembly is requested to provide state assistance to mitigate these significant effects. *(Reaffirms and revises previous position.)*

Land Use

Rights-of-Way

Oppose any reduction, preemption, or circumvention of VDOT's authority to manage and oversee highway rights-of-way or the County's rights as a property owner. Oppose any attempt to eliminate local governments' rights to charge, on a non-discriminatory basis, fair and reasonable compensation for use of its public property. *(Reaffirms previous position.)*

Public Safety

Ignition Interlock Devices

Support legislation that would require all persons convicted of Driving While Intoxicated to use an ignition interlock device as a condition to driving for a minimum period of six months. Current law requires the use of such a device for second and subsequent offenses of DWI and for offenses

where the offender's blood alcohol content was at least 0.15 percent. *(Reaffirms previous position.)*

Pedestrian Safety

Support revisions to Virginia's existing pedestrian legislation to clarify the responsibilities of drivers and pedestrians in order to reduce the number of pedestrian injuries and fatalities that occur each year. In particular, support legislation that would require motorists to stop for pedestrians in crosswalks at unsignalized intersections on roads where the speed is 35 mph or less and at unsignalized crosswalks in front of schools. This issue is of special importance for pedestrians with physical or sensory disabilities, who are at particular risk of injury when crossing streets. *(Reaffirms previous position.)*

Teen Driving

Support legislation to make the following infractions primary offenses for drivers under the age of 18: violation of the ban on use of wireless communication devices while operating a motor vehicle; violation of curfew; violation of limits on underage passengers; and violation of the seat belt law. These acts are currently secondary offenses, which require observations of a primary offense for a law enforcement officer to initiate enforcement action. *(Reaffirms previous position.)*

Transportation

Overweight Vehicle Fees

Support legislation to change the state permitting fee structure for overweight vehicles to more equitably reflect the estimated pavement and bridge damage costs attributed to those vehicles. *(New position.)*

Secondary Road Devolution

Oppose any legislative or regulatory moratorium on the transfer of newly constructed secondary roads to VDOT for the purposes of ongoing maintenance. Also oppose any legislation that would require the transfer of secondary road construction and maintenance responsibilities to counties. *(Reaffirms previous position.)*

FAIRFAX COUNTY ***Draft Transportation Fact Sheet***

Northern Virginia Transportation Needs

Northern Virginia needs additional \$700 million per year for transportation, above existing revenue streams (TransAction 2030).

Additional \$172 million per year is needed to meet state commitment of 95% of eligible transit operating and capital expenses (as for urban roadway maintenance).

VRE needs more than \$265 million for high priority capital, including: acquisition of new high-capacity railcars and of a new fare collection system; expansion of service and of mid-day storage of commuter trains; and the extension of platforms within the network.

Fairfax County's Secondary Road Program has declined from \$29 million (FY 2004) to \$240,000 (FY 2010) to *literally zero* (FY 2011) and beyond.

The Current Situation

CTB actions:

- Over the past three years, the Commonwealth Transportation Board has cut \$4.6 billion from the Six Year Program.
- Unable to sell a majority of the \$3 billion in statewide transportation bonds (HB 3202), as originally scheduled, due to insufficient revenues to pay debt service. \$500 million were sold in May 2010.

VDOT has reduced staff from approximately 8,500 on September 8, 2008, to approximately 6,800, as of July 1, 2010, leaving the Department with over 600 unfilled positions below the maximum employment level of 7,500.

Growth in VDOT maintenance spending being reduced; however, costs for individual maintenance activities are increasing.

Possibility: Virginia soon unable to match federal transportation funds, requiring state to return some of these funds (in past Virginia has benefited from additional federal funds from other states unable to match).

Other Information

Current transportation funding sources:

- \$0.175 per gallon of gasoline
- ½% sales tax
- 3% sales tax on motor vehicles
- Vehicle registration fees
- Driver's license fees
- Auto insurance premium taxes
- 2% recordation tax

Sample County project costs:

- Signalizing an intersection: \$250,000
- Major Interchange (Fairfax County Parkway @ Fair Lakes Parkway): \$80 million
- Major Intersection Improvement (Rt. 29 @ Gallows Rd.): \$120 million
- Road Widening Project (Stringfellow Rd (2 to 4 lanes Rt. 50 to Fair Lakes Blvd): \$46 million
- Springfield CBD Multi-modal Transit Center: \$40 million
- Metrorail Car: \$3 million
- Fairfax Connector Bus: \$444,500

