



PROPOSED
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)
CSA/CSB's	Local Jails and Per Diems
Juvenile Justice Assistance	Enterprise Zone Programs
Brownfields	Street Maintenance Payments
Public Transit	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.

- **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 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 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”.
 - Support the JLARC proposal for a population density adjustment which recognizes higher costs and demands in urban school districts.
- **Add funding to the Virginia Preschool Initiative to meet growing demand.** This program has documented success in educational attainment in the early school years.

STRONGLY SUPPORT:

- **Begin Restoring vital K-12 funding, cut during the recession, by funding the Department of Education 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.
 - Discontinues “no inflation adjustments” for non-personnel services and returns to the prior policy of recognizing some inflation costs. [Restate ‘soft cap’]
- **Improve third grade reading performance by adopting the Joint Legislative Audit and Review Commission JLARC recommendations and target to low performing schools:**
 - Provide additional \$500,000 per year to fully staff PALS office (train the trainers).

(Over)

- Fund literacy coaches in school divisions with low reading 3rd grade SOL scores.
- Fund Board of Education recommendation on reading specialists.
- Focus 3rd grade SOL testing on reading and math by maintaining science and history curriculum but eliminating 3rd grade SOL testing in those categories.
- **Fund all Standards of Quality (SOQ) policy changes proposed by the state Board of Education:**
 - Use funding from reduced 3rd grade Standards of Learning fund Reading and Math Specialists especially in schools with a majority of at-risk students
- **Maintain funding for the “Smart Beginnings” initiative and “Healthy Families” program.** These successful and important early childhood development programs contribute to healthy development and readiness for school.

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.
- **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 (62% in FY11) and meet state commitments to businesses.
- **Property Receivership Program:** Support legislation allowing 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.
- **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, all transit providers will receive a smaller portion of funds unless state funding increases. Public transportation is vital to managing congestion and access to regional employment.
- Provide increasing state dedicated 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.
 - Oppose federal action to eliminate state funded **AMTRAK service**—this would cut **64%** of Virginia’s passenger rail service
- **Water and Sewer Infrastructure:** support funding to maintain and improve critical water and sewer infrastructure. The Water Quality Improvement fund has a \$104M shortfall for 57 signed wastewater grant projects and \$239 in new projects. VFC supports providing ongoing reliable revenues to implement the Watershed Implementation Plan and for TMDL planning grants [300 million through 2017] to meet TMDL reduction plan requirements, meet the 5% reduction targets of large wastewater systems and plan for cost effective retrofits. This will help prevent utility rates from a rapid rise, protecting rate payers, manufacturers and jobs

OTHER POSITIONS

- Maintain access to poverty prevention initiatives that work including the “**Smart Beginnings**” initiative and the successful “**Healthy Families**” program.
- **State Prisoner Re-entry:** Support these programs to reduce recidivism and create safer communities.
- **Gubernatorial Succession:** Support legislation allowing Virginia's governor to serve a maximum of two successive terms.
- **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.
- **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.

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.