

AUGUSTA COUNTY BOARD OF SUPERVISORS
Legislative Issues, Priorities, and Proposals
2013 Virginia General Assembly
September 1, 2012

MAJOR ISSUES

The relationship between the Commonwealth and its local jurisdictions has deteriorated over the last several years with responsibilities and costs being shifted to local governments.

Aid to the Commonwealth:

The budgetary requirement in the 2009-2011 budget and continued in the 2011-12 budget that localities "find and return" to the Commonwealth \$100 million (that is now reduced to \$50 million) needs **to end no later than June 30, 2013. The local governments were required to "write checks" totaling \$60 million to enhance the June 30, 2012, state "surplus" total to \$129.2 million.**

Mandates:

Mandates from the General Assembly come to local governments in two forms:
-issues that local governments have to perform which they are not currently performing (this item means additional expenditures in local budgets); and
-issues which involve revenue reductions either by cutting state revenue that has historically been shared with local government (example – ABC profits), or the abolition/altering of local revenues (example – car tax, BPOL, machinery and tools tax).

The Governor's Local Mandates workgroup needs to be bold in their recommendations for the 2013 Session and include reduction of financial burdens on local governments.

State Funding for Any New State Initiatives:

The Commonwealth should bear 100% of the cost for any service or program mandated by the state.

Public Education

Since 2009, the state has reduced its per pupil contribution to Augusta schools by \$1119; this represents close to a 20% decrease. The state needs to fully fund its responsibility for high quality public education.

State Funding for Mandated and Shared Programs:

The state has enacted programs which are administered at the local level and then required the localities to fund increasingly larger shares of the expense of these programs, whether directly or through re-defining terms within the formulas used to compute such funding requirements. The state needs to continue to fund its true share of these programs including:

- education, including:
 - *sufficient funding for K-12
 - *sufficient funding for the SOLs
 - *additional funding for school construction;
- public libraries;

- constitutional officers and their offices;
- area agencies on aging;
- community service boards;
- mental health and intellectual disability programs and facilities;
- the mandated replacement of election equipment; and
- law enforcement agencies and staff, including total compensation and benefits

Transportation:

Subdivision streets should be eligible to be placed easily in the state system if they are built to state specifications and are approved by the local governing body.

The transportation funding formula should remain as it is.

The Board of Supervisors believes that sustainable, dedicated source(s) of revenue reserved for transportation only is the fairest way to fund the increasing transportation needs. We also believe that revenue sources should be found that maximize the payments by out-of-state drivers that travel the Virginia transportation system. Substandard road conditions are a tax in themselves.

Fines and Forfeitures:

Item 3-6.05 in the 2012 Special Session budget (HB 1301) is a complex answer to a simple problem. The implementation of this law is administratively burdensome and costly as written. A simpler solution would be to prohibit the use of local ordinances for law enforcement charging on the interstate highways of the Commonwealth.

Machinery and Tools Tax & Business, Professional and Occupational Taxes:

While neither of these taxes is particularly “popular” with various constituencies, unless and until the Commonwealth enacts replacement revenue sources for local governments, the two above-referenced taxes must stay in place as options for local governments. It is irresponsible to further add to the real property tax burden on constituents by eliminating more diverse revenue sources for local governments.

Comprehensive Services Act Costs:

This “partnership” program has been in existence for a dozen years, during which time County costs have increased over 1000%. In the same period, State costs for CSA services in Augusta County for our youth have increased even more than County costs. Something must be done. A comprehensive, objective JLARC study which would include the judiciary and how judges are using the CSA, including for those charged with felony acts, needs to occur and to include, the local and state costs associated with such judicial actions and potential revenue streams to cover those costs outside of CSA (eg., Juvenile Justice).

Land-Use Decisions:

Local land use decisions should remain at the local level.

-Legislation on cash proffers or similar: Such legislation should not affect counties that don't use cash proffers nor should it interfere with those that accept on- or off-site, non-cash voluntary proffers.

Water Quality:

Water Quality:

The Augusta County Service Authority operates ten wastewater treatment plants in Augusta County, and has recently upgraded three major treatment plants to comply with strict new discharge permit limits mandated by the Virginia Department of Environmental Quality (DEQ), in compliance with the goals of the EPA Bay Program. These are **four key observations** in the Wastewater Treatment (Point Source) program that are also applicable to situations now being discussed for Non-Point Sources.

1. Our local citizens are already paying tens of millions of dollars in debt over the next 20 years for Chesapeake Bay projects that have had a negligible impact on improving the Bay ecosystem.

Within a 20 mile radius of Verona, local/state funding has invested \$205,000,000 in upgrading five wastewater treatment plants (WWTP) (serving 50,000 connections) in the past five years to meet mandated EPA nutrient limitations. These improvements from the upgrade of these five treatment plants reduced the pounds of Nitrogen entering the Bay by 45,000 pounds of N per year. This is less than one-tenth of one percent of the total EPA Reduction Goal for 2025, which requires 49 million pounds of Nitrogen reductions per year from the entire Bay watershed. The average cost of removing each pound of Nitrogen was nearly \$3,000 per pound.

2. The true impact on the Chesapeake Bay of a pound of Nitrogen discharged into state waters in Augusta County has now been reduced (in the EPA Bay Model) by nearly 90% from what was first assumed in 2007, leading us to further question the value of the mandated improvements being considered now, or whether anyone really understands the true ecological impact of any nutrients discharged into Augusta County rivers and streams.

Many people have commented on accuracy issues with the EPA Bay Model, and we have firsthand experience with a major component of the model and how the lack of accurate knowledge will likely cost local citizens a lot of unnecessary and potentially unproductive expenses.

The true impact on the Chesapeake Bay of any nutrients discharged in Augusta County waters is based on a "delivery factor", which is the scientific multiplier that accounts for natural degradation and loss of nutrients in the streams before reaching the Bay.

In 2007, EPA provided the original delivery factors used to compute the Waste Load Allocation (which then established a permanent cap on the ability to discharge nutrients into the Bay) for each major wastewater treatment plant in the Bay watershed. On January 9, 2012, we received new information from the Virginia DEQ on revised delivery factors. Delivery factors for Nitrogen discharged in Augusta County were reduced by nearly 80%, meaning that our true impact on the Bay ecosystem was now considered to be 80% less than was thought in 2007.

During the same month of January 2012, we attempted to verify the WWTP discharge data being cited in the Virginia Assessment and Scenario Tool (VAST). Our research into the source of the published numbers eventually led us to the actual EPA Bay model (CAST) database. We were surprised to discover that EPA was using a different (and lower) set of delivery factors than was sent to us by DEQ that same week. This was an indication that our impact on the Bay was even less (it was now 86% less than assumed in 2007) than what we were being told by DEQ. DEQ was unaware that the EPA delivery factors had been changed again.

3. Using older historical stream data to generate new mandates and new required improvements, while ignoring newer data that reflect water quality improvements made since 2005, seems to open the door for unnecessary mandates being forced upon localities.

A number of questions have been raised regarding the accuracy of existing stream conditions in Augusta County, as these parameters are currently included in the EPA Bay model. Following research we've done into the source and ultimate use of data being generated by local citizen monitoring groups, state agencies like DEQ, and federal agencies like United States Geological Service, USGS, it is apparent that only older historical data from limited sources are being used by EPA. The vast quantity of new stream data reflecting improvements made since 2005 is not being utilized. This is a tremendous waste of available resources and offers an inaccurate picture of conditions as they exist today. EPA plans to update stream data in 2017 but the majority of available local data will not be utilized.

4. Local governments will be forced to decide whether to use the nutrient credits created by wastewater plants in ways that may impact and compete with their comprehensive planning efforts to support future urban growth in their communities.

One of the basic components of the Virginia Bay Watershed Implementation Plan is to expand the use of the existing Nutrient Credit Trading Program to assist non-point source uses such as agriculture and storm water to participate in the trading program, either as buyers or sellers of credits. The Augusta County Service Authority has been an active member of the trading program and the head of the Service Authority personally serves on the Board of the Virginia Nutrient Credit Trading Association. One major point to keep in mind is that the "excess" nutrient credits currently available in the trading market have been generated through unused wastewater treatment capacity paid for by citizens' local and state funds. This "excess" represents the reserved treatment capacity needed to support future residential and commercial growth in Virginia, and the potential utilization of these available nutrient credits for non-point uses will likely end up competing with these urban growth requirements.

Additionally, as to VAC § 9.1-701. Overtime compensation rate.

If expanded, such an expansion has the same effect on all workforce employers across the Commonwealth as opening the door to collective bargaining.

Annexation:

The General Assembly needs to end annexation in all parts of the Commonwealth of Virginia. The General Assembly should guarantee “599” funding increases to all localities with police departments.

Payday Lending:

This issue has been too long a burden on unwitting consumers and must be simplified with a cap on total interest that is fair and reasonable. The current law has too many deviations from the stated “maximum” rate of interest.

Legislative Nominating Processes:

The costs of holding primary elections are not small for local governments. In the primary election in 2009 which was a “large” turnout for statewide races, there were 1,836 total Augusta voters, 4.25% of the total registrant count of 43,187. The primary cost to the county was \$25,642.39, or \$13.966 per vote.

The Privileges and Elections committees should study and report on alternative methods for legislative nominating that are less costly while still allowing a maximum voter input in the process. Ideas might include such constructs as all-day mass meeting voting at a limited number of site(s) for each district.

OTHER PRIORITIES:

Reform and Restructuring:

The Reform and Restructuring Commission is in the process of developing their recommendations for the 2013 Session, many of which may affect local government. It is too early to evaluate the total implications of these ideas, particularly without the details of any conceptual discussions. The General Assembly needs to examine carefully short-term and long-term effects on state government and local governments, particularly with respect to state and local budgets. Many of the ideas that have been forwarded seem to have merit; however, the methods by which the concepts are proposed to be implemented have to be carefully reviewed for long-term effectiveness, efficiency and fairness.

The advisory group working on health reform may also put forward recommendations for legislation to prepare for the state health benefits insurance exchange, currently mandated by the federal government to be fully operational and functional by 2014. Any and all additional requirements for local departments of social services, health departments, etc., need to be fully and responsibly funded by the state and/or federal government.