Jackie Henderson

20

From:Bernard CatonSent:Thursday, February 19, 2015 5:31 PMTo:City CouncilCc:Mark Jinks; Laura Triggs; Julie FuerthSubject:FW: Letter from the Mayor to the State Budget ConfereesAttachments:2.19.15 Mayor Letter to Delegates_Senators re Budget Amendments.pdf

Sorry—Here's the attachment.

From: Bernard Caton
Sent: Thursday, February 19, 2015 5:30 PM
To: City Council (<u>CityCouncil@alexandriava.gov</u>)
Cc: Mark Jinks; Laura Triggs; Julie Fuerth
Subject: Letter from the Mayor to the State Budget Conferees

Attached is a letter sent by the Mayor to the budget conferees. All but one of the items mentioned in the letter are the ones discussed at the February 10 Council meeting. Item #6—funding for the VPI program—was added; we did not realize the negative effect this would have on the City when we first reviewed the proposed budget amendments.

Please let me know if you have any questions.

Bernard Caton Legislative Director City of Alexandria, Virginia Office of the City Manager 703.746.3963 www.alexandriava.gov



William D. Euille

City of Alexandria, Virginia 301 King Street, Suite 2300 Alexandria, Virginia 22314

City Hall: 703.746.4500 Home: 703.836.2680 Fux: 703.838.6433 william.euille@alexandriava.gov

Mayor

February 19, 2015

Delegate S. Chris Jones Delegate M. Kirkland "Kirk" Cox Delegate Thomas A. "Tag" Greason Delegate Johnny S. Joannou Delegate R. Steven "Steve" Landes Delegate John M. O'Bannon, III

Senator Walter A. Stosch Senator Charles J. Colgan Senator Emmett W. Hanger, Jr. Senator Janet D. Howell Senator Thomas K. Norment, Jr. Senator John Watkins

Dear Senators and Delegates,

I am writing you as conferees on the budget with requests from the City of Alexandria regarding some of the amendments under your consideration. We appreciate the work of both the House and Senate in crafting a balanced budget. As you can imagine, there are some proposals that affect us that we support, and some that we do not. I ask your consideration of our recommendations on the following items:

- The Senate proposes to eliminate the \$30 million Aid to Localities reversion account in FY
 16 (Item 471.30 #4s); the House does not make such a proposal. Alexandria, like many other
 localities throughout the State, has its own revenue shortfall. It is unfair to expect us to make
 cuts in our budget because our own revenues are down, and to have to do the same thing to
 help the State. Please accept the Senate proposal to eliminate the Aid to Localities reversion
 account.
- 2. The House, but not the Senate, has several proposals that are detrimental toward WMATA (the Metro bus and rail system) and the Northern Virginia Transit Commission (NVTC):
 - a. Item 439 #1h says that State revenues which should go to WMATA in FY 2016 would be withheld if it receives a qualified audit, unless the Director of the Department of Rail and Public Transportation determines (in consultation with the chairmen of the Appropriations and Finance committees) that any material deficiencies of the audits have been addressed.

"Home Town of George Washington and Robert & Lee"

Item 439 #2h says that State revenues which should go to WMATA in FY 2016 would also be withheld unless WMATA has addressed all recommendations cited in the Federal Transit Administration document "Full Scope of Systems Review of the Washington Metropolitan Transit Authority," again in consultation with the chairmen of the Appropriations and Finance committees, as well as the FTA compliance officer.

While WMATA localities, which fund large portions of Metro operations, and whose residents depend heavily on Metro bus and rail, are concerned about any problems that a Metro audit or other review uncovers, denying Metro State operating funds is not the way to address such problems. This would only lead to an increase in local taxes or a significant reduction in transit services. Instead, we should all be insisting that Metro staff develop an action plan to correct any shortcomings, and give us regular updates on how this plan is being implemented. This is the approach that has been taken by the WMATA Board. It would certainly be reasonable for the General Assembly to ask for such updates.

b. Item 439 #3h proposes to limit NVTC administrative and personnel costs to a rate not exceeding "the annual growth rate in direct local contributions received from the member jurisdictions." NVTC staff has been directed by the NVTC Commissioners (local elected officials and General Assembly members) to improve their financial compliance, project management, and related work. In order to do so, they have had to hire additional staff (staff had been reduced by half in recent years). Putting restrictions like this on NVTC could result in financial reporting and other problems in the future.

Please reject the House budget amendment Items 439 #1h, 2h, and 3h. If the General Assembly does believe it should monitor the issues addressed in the proposed WMATA amendments, it should request periodic updates from WMATA on any corrective actions it is taking.

- 3. We support additional State funding for salaries for State-supported local employees, as proposed in both the House and Senate budgets (Item 467 #2h).
- 4. We also support increases to the one-time payment (\$150 million) proposed by the Governor to improve the funded status of VRS accounts for K-12 employees. Again, such increases are proposed by both houses; Items 136 #10s, and 136 #7h).
- 5. The Senate includes \$4.3 million in new funds to provide supportive housing to 300 individuals with mental illness (Item 308 #2s); we believe this addresses a serious problem, and could actually save money in the long run, since many of these individuals become homeless; they end up in hospital emergency rooms; and they become either incarcerated or hospitalized in a psychiatric facility. We ask you to include the Senate amendment in the final budget.

Budget Amendment Letter to Senators and Delegates February 19, 2015 Page 3 of 3

6. We are very concerned about a proposed amendment to the Virginia Preschool Initiative (VPI) program in the House budget. Item 136 #2h of the House budget amendments limits participation in the Virginia Preschool Initiative (VPI) program to children who would be eligible for a free meal in the School lunch program. To meet this eligibility standard, the student's family must be at or below 130 percent of the federal poverty level. This is far more restrictive than the limit used in the City of Alexandria (250 percent of poverty) and other localities. If this language is incorporated into the final budget, we expect up to 40 percent of our VPI children to lose their eligibility. We ask that this provision <u>not</u> be included in the final budget.

Sincerely,

liam D. Euille

Mayor, City of Alexandria