



City of Alexandria

City Council Chambers at Del
Pepper Community Resource
Center
4850 Mark Center Drive
Alexandria, VA 22311

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Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 24, 2014
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: RASHAD M. YOUNG, CITY MANAGER /s/

DOCKET TITLE:

Update on the 2014 General Assembly Session (No. 4).

ISSUE: Update on the 2014 General Assembly Session (No. 4)

RECOMMENDATION: That City Council receive this report.

DISCUSSION: The 2014 General Assembly is nearing its March 8 scheduled adjournment. What is unclear is whether it will have completed its business. The House and Senate have now proposed their amendments to the budget (discussed in some detail below). While they are not far apart on many budget issues, this is not the case with health care. The Senate is continuing to insist on some sort of health care expansion (their current proposal is to use private insurers instead of Medicaid to provide coverage to the uninsured), while the House insists that nothing be done until there has been “a full-scale audit” of the State Medicaid program, and until all necessary Medicaid reforms (in this case, the House would determine what is minimally necessary) have been identified and fully implemented. Since the Senate has proposed its health care expansion as part of the budget,

the two sides may face a stalemate on the budget through March 8 and beyond.

The House continues its work on Senate bills, and the Senate is completing its consideration of House bills. All bills must be out of any committees by the end of the day March 3, or they die. After March 3, the General Assembly will consider floor votes (votes by the full House or Senate), conference committee reports, commending and memorial resolutions, and the filling of certain judicial vacancies.

As of Friday, February 21, 984 of the 1,945 bills that were introduced have been defeated or carried over to the next Session for action (although almost all bills that are carried over actually die before the following Session begins).

City Package. The following bills seek the enactment of proposals addressed in the City's legislative package. Attachment 1 is a more detailed status report on city package bills.

- House Bill 328 and Senate Bill 321 are Charter bills, introduced at the City's request to (1) allow the City Attorney to serve as counsel to the School Board with the concurrence of City Council and the School Board; and (2) "clean up" the City Code to reflect the fact that Council and School Board elections are now held in November instead of May. House Bill 328 has now passed the House and Senate and will go to the Governor for his signature. Senate Bill 321 was approved by the House Committee on Counties, Cities and Towns, and awaits action on the House floor.
- Senate Bill 587, which seeks to close a gap in age discrimination laws (the State enforces the law for employers with 5-15 employees, while the federal government is responsible for employers with more than 20 employees, leaving no one to enforce for employers of 15-20 employees), was passed by the Senate and is scheduled to be heard Tuesday (February 25) by a subcommittee of the House General Laws Committee.
- While the House Education Committee approved legislation (HB 747) that will make individuals eligible for in-state college tuition if they have been approved for Deferred Action for Childhood Arrivals by the U.S. Department of Homeland Security (and met certain other requirements), the bill was subsequently left to die in the House Appropriations Committee.
- Bills to abolish or delay the startup of the Opportunity Educational Institution (OEI) have been defeated. As noted below, both the House and the Senate approved budget amendments to defund, or significantly reduce funding for, OEI.
- Bills to allow wine wholesalers to conduct wine tastings at restaurants and other retail establishments have been approved by both the House and the Senate and are awaiting the Governor's signature.
- Legislation to authorize WMATA to hire fare enforcement inspectors (needed for Bus Rapid Transit) appear to be on their way to passage. SB 264 has been approved by the Senate, and is now on the House floor (it received House Courts Committee approval). HB 761 has been approved by the House; it was also approved by the Senate Transportation Committee, and awaits consideration by the full Senate.
- Legislation that would have allowed localities to participate in net metering programs for renewable energy was defeated, as were bills to cap the interest rate on payday and car title loans.
- On a positive note, no legislation is being passed that would detrimentally affect local revenue sources, such as the BPOL or other taxes.

Transportation Issues. The only transportation measure still alive that should be viewed unfavorably is an amendment proposed in the House budget. This amendment proposes to prohibit NVTa from providing additional funding for any project unless it has received an objective, quantitative rating indicating the degree to which the project is expected to reduce congestion and improve regional mobility in the event of a homeland security emergency. The language in this proposed amendment is ambiguous, and there is some question about whether it requires transit projects (previously exempted) to undergo this analysis. This would be problematic, since VDOT and the CTB (with assistance from NVTa) have been developing a project list for several months and are scheduled to approve a final list next month (VDOT has contracted with a vendor to do the actual analysis). Furthermore, since the contractor can only do this analysis for a limited number of projects, if transit projects are added, highway projects may have to be removed from the list.

Mental Health Issues. The major difference between the bills passed by the House and Senate to strengthen mental health laws is the amount of time that a person can be detained on an emergency basis so that he can be evaluated to determine whether he is mentally ill and likely to harm himself or others. The House seeks to increase the time a person can be held by only 2 hours (from 6 to 8 hours), while the Senate's legislation would expand this to 24 hours (from the present 6 hours). This difference will have to be addressed before legislation can be finalized and sent to the Governor for his approval. As noted in the last Update, both bodies have agreed to require State hospitals to accept a patient when an evaluation indicates that there is likelihood that he will harm himself or others and no bed can be found in a private facility; and to require the State to develop an acute psychiatric bed registry with real-time information on the availability of beds for persons with psychiatric emergencies.

Medicaid Expansion. The Senate Budget bill includes language that, if passed, would require Virginia's Secretary of Health and Human Resources to implement a program to allow Virginians who would benefit from any Medicaid expansion to purchase health care coverage through a State-created private insurance network. The private insurance would include many of the components of expanded Medicaid, including behavioral health services. Participants would be required to provide co-pays in some instances; and to seek employment if unemployed, not in school, or not caring for young or disabled family members. The program would include provisions to minimize overuse of emergency care, and otherwise promote the appropriate use of health care services. Funding for the program would come from the federal government under the Affordable Care Act (in lieu of Medicaid expansion). Several states have already established similar programs rather than expand Medicaid. The House has already voted against such a program.

State Budget. On February 16, the House Appropriations and Senate Finance Committees made their recommendations for amendments to (1) the budget proposed by Governor McDonnell for the next biennium (FY2015-16), and (2) the budget for the four remaining months of the current fiscal year.

A proposal by the House Appropriations Committee is especially troublesome to the City. Governor McDonnell had included in his recommended changes to the current biennial budget an additional \$1 million appropriation to the City to assist it in addressing its CSO problems; the House has recommended that this funding be deleted from the budget. Staff is working with the members of the City delegation to have the House proposal rejected when the House and Senate budget conference committee meets. Staff will prepare a letter for the Mayor's signature, asking the conferees to include this funding in the final budget bill.

Other items of particular interest to the City include the following:

1. The House (as noted above) includes ambiguous language that may prohibit NVTa from funding transit projects unless they have undergone a prioritization process now required only for highway projects. The NVTa discussed this language at its meeting on February 20, and is writing a letter to the budget conferees, asking them to reject this language.
2. The Senate proposes to eliminate all funding for the Opportunity Educational Institution, which is scheduled to take over administration of Jefferson-Houston Elementary School prior to the 2014-15 school year. The Senate also prohibits the transfer of any schools to OEI. The House does not eliminate OEI funding, but does substantially reduce it (the Governor had proposed \$600,000 annually, and the House reduces that amount to \$150,000).
3. The Senate, as noted above, proposed creation of a program to allow low-income uninsured Virginians (those who would otherwise have been covered under Medicaid expansion) to purchase private health insurance; funding for this program would be provided by the federal government pursuant to the Affordable Care Act. The House continues to reject this and any other form of expanded health care coverage to assist those who would be eligible under Medicaid expansion.
4. The Senate proposed \$38,820,574 for Alexandria City Public Schools for FY 2015; the House recommended \$38,306,022. This compares to \$38,203,888 that was proposed in the Governor's budget in December. Both the House and Senate increased appropriations for Northern Virginia's Cost of Competing funding, although this funding is still far below what is called for in the Cost of Competing formula.

5. Both the House and Senate propose additional funds for mental health programs. The Senate includes funds for therapeutic assessment “drop off” centers, children’s mental health services, and additional bed space at State facilities to serve those with mental health emergencies. The House funds additional “drop off” centers, as well as additional bed space at State facilities to serve those with mental health emergencies.
6. The Senate increases funding for Alexandria under the HB599 (local law enforcement) program to \$5,569,850 in FY 15; the House allocates \$5,380,493 for FY15.
7. The Senate approved Governor McDonnell’s proposal to deposit \$4 million each year of the biennium into the Housing Trust Fund; the House did just the opposite, and removed the funding that had been proposed by Governor McDonnell.
8. The Senate adds funding for Project Discovery (\$1 million annually statewide). The House eliminates the \$425,000 included in the Governor’s budget for this program.
9. State funding for libraries is increased by \$500,000 each year of the biennium (statewide) by the Senate; the House also added that amount, but only for the first year of the biennium.
10. Both the House and Senate propose approximately \$5 million in the biennium in additional support for programs to address domestic violence.
11. The Senate proposes a 1% salary increase for State-supported local employees, effective December 31, 2014. The House proposes a January 1 salary increase of 2 percent for certain State-supported local employees in “high turnover” positions, and a 2 percent bonus for other State-supported local employees. No information has been provided that would allow the City to estimate the effect of these proposals on City revenues from the State.
12. The Senate included funds for air quality monitoring/studies at the termination of the I-95/395 HOT lanes at Turkeycock Run (the House did not include such funding).
13. Both the House and the Senate restore funding for the Interstate Commission on the Potomac River Basin (this was a request in the City’s Legislative Package).

As noted above, the General Assembly will use the remainder of the Session-and very possibly additional time after March 8-to try and reach agreement on a budget.

Ethics Issues. Ethics legislation continues to make its way through the General Assembly. As noted in the last Update, legislation passed separately by each house (SB 649 and HB 1211) places a \$250 limit on any tangible gift to an elected official, requires the filing of semiannual disclosure statements, and creates a central entity (a newly created Conflict of Interest and Ethics Advisory Council) to receive these statements.

These bills are still in the General Assembly and must ultimately go to the Governor, who is expected to review them carefully.

Living Wage. House Bill 422 as introduced would have prohibited localities from requiring contractors to pay a living wage, but it was amended to grandfather the City’s living wage program. Nonetheless, the bill was defeated on February 17 in the Senate Committee on Commerce and Labor.

ATTACHMENTS:

Attachment 1. Current Status of City Package Bills, February 21, 2014

Attachment 2. Current Status of Bills on Which the City Has Taken a Position, February 21, 2014

STAFF: Bernard Caton, Legislative Director