



Legislation Details (With Text)

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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 26, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:
Update on the 2018 General Assembly Session.

ISSUE: Update on the 2018 General Assembly Session.

RECOMMENDATIONS: That City Council receive this report.

DISCUSSION: The 2018 General Assembly Session is in its final two weeks with session scheduled to adjourn on March 10. Crossover occurred on February 13, 2018. The Senate is now considering only House bills or those Senate bills that were amended by the House, and the House is only considering Senate bills or those House bills that were amended in the Senate. March 5, 2018 is the deadline for committee action on legislation.

The House Appropriations and Senate Finance Committees released their proposed amendments to the budget on Sunday, February 18, 2018. Each body passed their amended budgets on February 22, 2018. Because the budgets are not the same, they will be resolved in the Budget Conference Committee. Conferees must be named

in each body by midnight on February 28, 2018. While we expect Senate budget conferees to be the same as last year's conferees, there will be a number of new budget conferees named in the House due to last year's election.

Once the budget conferees reach agreement, their conference report cannot go to the House and Senate floors for a vote any sooner than 48 hours after copies of the conference report are made available to all legislators (this requirement was included in the Procedural Resolution adopted at the beginning of Session).

The Governor will have 30 days following Session to review all the bills that have passed and decide whether to sign them, send them back to the General Assembly with proposed amendments, or veto them. The Reconvened "Veto" Session, at which the General Assembly will accept or reject the Governor's amendments to, or vetoes of legislation, will be held on April 18, 2018.

While City staff is involved in numerous issues and many pieces of legislation throughout the session, effort is primarily focused on bills that support the issues and concerns expressed in the City's Legislative Package, including the following:

Combined Sewer Overflow Project Funding: Unfortunately, both the House and Senate removed the Governor's recommended \$20 million in bond funding for the City's CSO project from their recommended budgets. After talking to a number of players in this process, it feels like this is not a "no" but rather a "not right now" from those holding the purse strings. Questions have been raised about our timeline and our budget, whether "rich" Alexandria needs State funding for this project like Richmond and Lynchburg did, and whether we "need" the money right now, noting that we are early in our process and Richmond did not receive any money in the first biennium of their project.

City staff is continuing to talk with all those involved in the budget process to exhaust all opportunities to secure bond funding for our CSO project. Should the bond money for our CSO project not be put back into the budget in conference or by the Governor, Senate Finance staff has recommended that, in the interim, Senate Finance Subcommittee members (with a hold on the purse strings) visit Alexandria and AlexRenew and, perhaps, revisit the money available for next year.

WMATA and Other Transit Funding: Neither the House nor Senate budgets included funding for WMATA/VRE - the legislature is relying on standalone legislation to determine both the policy and funding for transit. SB 856 (Saslaw) and HB 1539 (Hugo) remain the vehicles for funding for mass transit in the Commonwealth. The significant differences between the two on both funding and reforms set the scene for intense negotiations to come to resolve the two bills into a compromise bill that we hope will arrive at a sustainable solution for WMATA and VRE.

To recap the bills, the Senate proposal provides \$133 million for transit and augments the current funding for transit. The bill accomplishes this by instituting a regional gas tax floor, re-allocating a portion of Northern Virginia's existing regional transportation funding directly to Metro, redirecting \$30 million in state transit funding, increasing the Grantor's tax, and raising the region's hotel tax. The legislation also calls for caps on operational cost increases and reforms to the Metro Board of Directors.

The House proposal includes similar reform provisions to the Senate bill, but provides just \$105 million in funding and no new recurring revenue for regional transit.

Note that neither these bills nor the House or Senate budgets include the five-year \$550M Bond authorization (\$110 m/year) for statewide transit capital to deal with the transit "fiscal cliff." It is unclear whether anything

will be done to address the transit fiscal cliff this session.

Medicaid Expansion: The House budget laid out plans for the “Virginia Way” on Medicaid expansion/transformation. Chairman Jones noted that “the Affordable Care Act is here to stay” and that this is a step in the right direction of providing additional healthcare for uninsured low-income Virginians under Medicaid. The House budget expands premium assistance to Virginians earning up to 138% of the Federal poverty level and includes a job training/education/employment requirement. House staff has estimated that extending healthcare coverage and receiving the 90% federal match, the State will save approximately \$371million in General Funds.

The Senate budget does not include provisions to expand Medicaid, noting that the Senate budget was a “conservative budget” based on predictable resources. However, in his statement on the budget, Senate Finance Co-Chair Emmett Hanger noted that, with regard to Medicaid expansion, “I am encouraged by the productive discussions we continue to have and am certain those discussions have not yet reached conclusion.”

The fiscal impact statements filed on the work requirements have noted a potential cost to localities for the implementation and monitoring of those subject to the work/training/education requirements. Costs would depend on many factors that are still part of the negotiation of the concept, including the extent of the requirements, who is responsible for implementation/monitoring of these individuals and to what extent, etc. City staff have noted that they anticipate that approximately 25% to 30% (5,800) of adults currently receiving Medicaid may be subject to the work requirement as currently drafted. A study conducted by the Commonwealth Institute for Fiscal Analysis shows that 5,900 Alexandrians would qualify for coverage with Medicaid expansion and staff projects that 35% of these individuals would be subjected to the work requirement.

The final outcome of Medicaid expansion/transformation and the work requirement will be part of the budget conference committee process, which will be complete and a final budget reported out no later than March 8, 2018.

Funding for the Alexandria Law Library: HB 702, patroned by Del. Levine, would have allowed localities in Planning District 8 to increase the current court cost assessment on civil cases used to support local law libraries from \$4 to \$7. Unfortunately, the bill was re-referred back to the House Courts Committee after successfully passing out of the House General Laws Committee. The bill is now dead for the session.

Annual ABC License for the Office of Historic Alexandria: SB 588 (Ebbin), which authorizes museums owned and operated by localities to obtain an annual ABC license to serve mixed beverages at events hosted at City-owned museums (rather than having to file for individual licenses for individual events) passed out of the House 97-1-1. The bill is on its way to the Governor for signature. The House Bill version of this legislation, HB 136 (Levine), was recommitted back to the Senate Rehabilitation and Social Services Committee where it was passed by indefinitely by a vote of 7-4-2.

Confidentiality of Residential Building Plans: SB 921, patroned by Sen. Ebbin, would fix the unintended consequences of last year’s HB 1587, so that residents and City staff can see single-family residential building plans and drawings, which is especially important in cases of Board of Zoning appeals. The bill passed out of the House 100-0 and is awaiting signature by the Governor.

“Ban the Box”: SB 252 (Dance), which would put current “Ban the Box” policies into State law has been passed by the Senate and is on the House General Laws Subcommittee #1 docket on Tuesday, February 27, 2018. Staff will provide an oral update on this item at the Council meeting.

Local Option for Setting the Opening Day of School: The Senate Education and Health Committee voted 9-6 to pass HB 372 by until 2019. This was the last “local option bill” standing. The bill included a requirement for a 5-day Labor Day weekend, which was seen as a compromise with the tourism industry, but the industry still expressed significant opposition to the bill with this “compromise” language included. Sen. Lynwood Lewis noted that there seems to be movement towards a compromise position on this issue and suggested in the interim the parties come together to make more progress toward a compromise.

Other City Package Bills:

Other legislation that is supported in the City Package but has been defeated includes:

- Legislation to make it illegal to use a “handheld personal communications device” while driving, unless it is being used “hands-free”;
- Legislation to allow localities to move statutes and memorials related to wars;
- Legislation to raise the statewide minimum wage or offer a local option for localities to raise their minimum wage;
- Bills to require drivers to stop, not just yield to pedestrians;
- Bills to authorize in-state tuition to certain students who have applied for permanent U.S. residency;
- Bills to authorize drivers’ licenses for undocumented immigrants;
- The Charter bill, which would have expanded the City’s tree preservation authority.

More specific information on legislation relating to the 2018 City Package can be found in Attachment 1.

In addition to legislation included in or supportive of the City’s Legislative Package, City staff has been involved in a number of other issues of interest to the City, including:

Wireless: City staff is working with other localities to garner opposition to a series of series of bills that favor the wireless industry at the expense of localities like the City of Alexandria. HB 1258 (Kilgore) and SB 405 (McDougle) would take away zoning authority from local governments in dealing with small cell/5G cellular towers. HB 1427 (Kilgore) and SB823 (McDougle) would implement a statewide fee schedule for the use of public rights of way by wireless providers.

There are serious concerns that giving the wireless industry unrestricted access to City rights of way would result in a loss of local control rather than a gain in wireless and broadband access and would result in an unprecedented encroachment into local control of zoning. In addition, there are concerns that a statewide fee schedule would limit the City to annual fees that are significantly less than what we are currently able to negotiate with users through franchises or leases.

SB 823 passed out of the House and is on its way to the Governor for his review and signature. HB 1258 and SB 405 are on Committee dockets for Monday, February 26, 2018. Staff will provide an oral update on these bills at the Council meeting.

The Mayor has sent a letter to the Governor expressing these concerns, asking that he formally oppose these bills and, if these measures pass out of the General Assembly for his review and signature, that the Governor pursue options to delay or defeat the measures. A copy of that letter was also distributed to the members of the Alexandria delegation.

State Budget: In addition to the items mentioned earlier, the House Appropriations Committee and Senate Finance Committee made the following recommendations that would have an effect on the City:

- The Senate included \$1.1 million in general fund money in the second year of the budget as the State's portion of the one-time relocation costs for the City's Health Department.
- The House added an additional \$6.6 million in FY19 and \$13.8 million in FY20 to the HB 599 program to support local police departments. The impact of this proposed increase on the City for FY 19 and FY 20 is not yet known but the increased funds would be distributed to eligible localities proportionate to the amount each eligible locality received in FY 2018. However, the Senate's budget decreased funding for local law enforcement by \$7.2m in FY 2020 of the biennium, effectively level funding the program and eliminating the House's 2nd year increase.
- The House increased funding for the salaries of state-supported local employees by 2% by July 2019. The Senate expressed a desire to do the same but wants to wait until next session to determine whether there is enough revenue to fund these raises.
- Both the House and Senate included increased funding for K-12 education: The current budget for Alexandria schools is \$45,852,084; the Governor's proposed budget included an increase to \$47,827,356; the Senate's budget includes an increase from there to \$47,887,175 for FY 19. The impact to Alexandria City Public Schools for FY 19 and FY 20 is not yet known in the House budget.
- There is \$2.3 million included in the House budget for enhancing and improving the Virginia Preschool Initiative (VPI) program. In addition, the Senate budget includes a \$525 per pupil increase for VPI.
- Both the House and Senate include increased funding to community behavioral health services, including an increase in the number of I/DD (intellectual/developmental disability) waiver and reserve slots. These waivers and reserve slots provide medical and non-medical assistance and services to individuals with intellectual and developmental disabilities.
- The House included an increase GO Virginia funding by \$5 million in FY 19 and \$10 million in FY 20 over FY 18 base. The Senate held GO Virginia funding steady.
- A Senate amendment transfers \$2 million from the Communications Sales and Use Tax to state general fund. The transfer of these funds away from localities general funds would lessen the revenues that in the past have always been earmarked for localities. The direct impact to the City of this potential revenue loss is not immediately known.

Note that any differences between the House and Senate recommendations will result in negotiations on those items in the Budget Conference Committee.

ATTACHMENTS:

Attachment 1. City Package Related Bills-Status Update

Attachment 2. Bills on Which the City Has Taken a Position-Status Update

STAFF: Sarah G. Taylor, Legislative Director