



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** JANUARY 7, 2019

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

**DOCKET TITLE:**  
PREVIEW OF THE 2019 GENERAL ASSEMBLY SESSION AND STATE BUDGET

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**ISSUE:** Preview of the 2019 General Assembly Session, including an overview of the Governor Northam's proposed budget amendments for Fiscal Years 2019/2020.

**RECOMMENDATION:** That City Council approve the legislative positions included in Attachment 1 (Recommended Positions on Bills of Impact to the City), as recommended by Council's Legislative Subcommittee (Mayor Wilson and Vice Mayor Bennett-Parker) at their January 4, 2019 meeting.

**DISCUSSION:** The 2019 General Assembly Session will begin on January 9 and is scheduled to adjourn on February 23. This is a short legislative session with the General Assembly in session for just 45-days this year. Sarah Taylor, the City's Legislative Director, will continue to represent the City in Richmond during the General Assembly Session.

The deadline for the introduction of legislation is Friday, January 18. As of January 3, almost 500 bills and numerous resolutions have been introduced and are in the process of being reviewed by staff, with recommended positions on 79 bills already completed by staff, approved by the Legislative Subcommittee, and included in the attached documents for your approval.

**City Priority Legislation:** The City's 2019 Legislative Package included three priority items: securing funding for the City's CSO project, securing funding and/or financing opportunities for school construction and renovation, and protecting funding for localities.

The Governor's proposed amendments to the current biennial State budget included \$25 million in Virginia

Public Building Authority (VPBA) bonds for the City's CSO project. We are certainly pleased to see that funding included in the Governor's budget amendments; however, the hard work of keeping that funding in the budget as the House and Senate propose their own amendments and likely amend what the Governor has proposed. Staff will continue to work with AlexRenew in our coordinated efforts to influence legislators and staff involved in the budget process and protect that funding.

The Governor's proposed budget amendments also included \$80 million through the Literary Fund for school construction loans to cover all outstanding requests to the Literary Fund for school construction. This funding would not provide revenue for any new requests to the Literary Fund for school construction.

Sen. Bill Stanley created a school facility modernization subcommittee of the Senate Local Government, which met during the interim and has proposed using half of the state's internet sales tax revenue to secure \$4 billion in bonds for new school construction and renovation of deteriorating schools. Staff will continue to monitor proposals in this area, including identifying how much of any proposed funding would be available to the City of Alexandria.

In addition, legislation has been filed by Del. James Edmunds (HB1634) that would authorize localities to impose an additional local sales and use tax, if initiated by a resolution of the local governing body and approved by the voters at a referendum, where the revenue would be used solely for capital projects for the construction or improvement of schools.

Finally, City staff will continue to monitor legislation and budget amendments for proposals and efforts to protect existing funding structures that provide aid to localities, including K-12 education, transportation and other core government services. Specifically, as the legislature works on statutory changes necessary to allocate new internet sales tax revenue, staff will work to ensure any changes protect the existing formula in place for "brick and mortar" sales tax revenue, which includes "off the top" funding for localities, K-12 education, and transportation.

**Other City Package Legislation:** The City has worked with a number of legislators on bills in support of items in the City's 2019 Legislative Package. In addition, several bills have been filed that support items in the City's Legislative Package. These bills, to date, include:

HB1763 (Sullivan) - Creates a procedure by which any attorney or law-enforcement officer may apply to a judge or magistrate for a new kind of protective order - an "emergency substantial risk order" - to prohibit a person who poses a substantial risk of injury to himself or others from purchasing, possessing, or transporting a firearm.

SB1070 (Ebbin)/HB1669 (Carr) - Authorizes localities to impose a tax on certain disposable paper and plastic bags provided to consumers by grocery stores, convenience stores, or drug stores, with revenue earmarked for pollution and litter mitigation efforts by the locality.

SB1005 (Chase)/SB1074 (Howell)/ HB1652 (Robinson) - Grants local school boards the authority to set their school calendar as is appropriate for their community and determine the opening day of school as they see fit.

SB1026 (Spruill), SB1035 (Locke), SB1075 (Howell), HB1641 (Herring), HB1794 (VanValkenberg) - Various

iterations of legislation allowing for expanded/no excuse early and/or absentee voting.

In addition, legislation has been filed on decriminalizing marijuana possession (SB997), raising the minimum wage (SB1017), providing in-state tuition to DACA students (SB1055), requiring Net Neutrality in Virginia (HB1755), and regulating e-bikes and scooter deployment and use in our community (HB1786).

Note that no action on bills has occurred to date, as the General Assembly 2019 Session has not yet begun. Additional information on legislation relating to the 2019 City Legislative Package is included in Attachment 1 (Recommended Positions on Bills Related to the City Package for Council Approval). Attachment 2 (Recommended Positions on Other Bills of Interest for Council Approval) includes more information regarding other 2019 bills of interest to the City.

**State Budget:** On December 18, 2018, Governor Northam proposed amendments to the current biennial State budget. This session will include a significant amount of debate and discussion of how to spend an extra \$1.2 billion in revenue generated by changes to the federal tax code as well as a “windfall” of \$200-300 million in additional sales tax revenue generated by the application of the State’s sales tax to certain internet sales.

As staff noted in an email to Council that day, the Governor’s budget proposals were generally positive for local governments and, with the inclusion of \$25 million in VPBA bonds for the City’s CSO project, particularly positive for the City of Alexandria.

In addition to funding for Alexandria’s CSO project, the Governor proposed amendments to the FY 19/20 State budget to address issues of interest to the City, including: additional K-12 funding; teacher pay raises; bonuses for state employees (including state-supported local employees); school construction funding; additional affordable housing funds; and allocations to Community Service Boards (CSBs) to address any cuts in FY 19/20 to the CSBs that cannot be made up for through Medicaid enrollment. The Governor’s budget amendments also include funding to allow the Department of Motor Vehicles to stop the practice of suspending the driver’s licenses of individuals with unpaid court costs and fees and includes funding for a statewide referendum to ratify the Equal Rights Amendment.

The Governor’s budget amendments included the following items of interest to the City:

- \$25m in VPBA bonds for Alexandria’s CSO project as “matching” funds due to the “increasing range of project.”
- A one-time 1% bonus for state employees effective December 2019 (includes state-supported local employees).
- A 2% pay raise for teachers, effective July 1, 2019, for a total 5% raise for teachers (including the 3% raise from the previous budget). Because local teacher salaries in Alexandria already exceed State minimums and because merit raises are typically funded, it appears no additional salary action by ACPS will be needed to receive these additional State funds.
- \$10m for VPI plus program (because federal funding is running out).
- \$80m for school construction through the Literary Fund for school construction loans to cover all outstanding requests to the Literary Fund for school construction. (Would not provide revenue for

any new requests to the Literary Fund for school construction.)

- \$36m for school counselors in public K-12 schools.
- \$35m in Lottery revenue to the At-Risk Add-On program and \$35 million in Supplemental Lottery Per Pupil Allocation to supplement general aid for local school divisions.
- Additional \$50m to the Stormwater Local Assistance Fund (SLAF).
- \$19m in one-time money to the Housing Trust Fund, totaling \$20m for the biennium. (Note that funding for the Housing Trust Fund continues to be one-time funding rather than identifying a permanent source of funding/revenue for the Housing Trust Fund.)
- Funding for a new position at DSS to work on the issue of evictions and \$2.6m in funding for legal aid to help those facing evictions.
- Language to allow for \$7m in allocations to CSB's on a pro rata basis to address any cuts in FY 19/20 to the CSBs that cannot be made up for through Medicaid enrollment.
- \$10m to support the development of a public/private partnership program to finance energy efficiency and renewable energy loans for both private and local government properties and entities within the Commonwealth of Virginia.
- Reforms at DMV to stop the practice of suspending driver's licenses for unpaid court costs and fees (the budget includes funds to make up for the "missing" revenue from this reform).
- Funding to enhance training for local election officials.
- Funding for a statewide referendum to ratify the ERA.

In addition to the Governor's proposed budget amendments, legislators can - and will - make their own proposals for amendments to the budget that could help or hurt local governments or change budget proposals of specific impact to the City of Alexandria - these amendments are due by January 11. The House Appropriations and Senate Finance Committees have until February 3 to determine which budget recommendations each Committee will accept or reject. Final agreement on the budget by the two bodies is not usually reached before the last day or two of Session, and sometimes later.

#### **ATTACHMENTS:**

1. Recommended Positions on Bills Related to the City Package for Council Approval (From 1/4/19 Subcommittee Meeting)
2. Recommended Positions on Other Bills of Interest for Council Approval (From 1/4/19 Subcommittee Meeting)

#### **STAFF:**

Sarah Taylor, Legislative Director