GOVERNOR MCDONNELL'S TASK FORCE FOR LOCAL GOVERNMENT MANDATE REVIEW

SECOND INTERIM REPORT TO THE GOVERNOR

March 13, 2013

http://www.dhcd.virginia.gov/GovMandateReview/

March 13, 2013

Dear Governor McDonnell:

I am pleased to submit for your review the second interim report of the Governor's Task Force for Local Government Mandate Review. We have come a long way since our first meeting on November 7, 2011. Thanks to your continued leadership and efforts to raise awareness of the burden of state mandates on localities and the issuance of our First Interim Report on January 16th, 2012, a historic 22 state mandates on localities were repealed in the 2012 general assembly session. The First Interim Report also resulted in other "mandate" eliminating administrative actions as the result of discussions with agencies and an effort by the Department of Education to reduce education report requirements by 15%.

Building on the historic success of the First Interim Report and a successful legislative session, the Task Force resumed its work on mandate relief in 2012. The direction of the Task Force was influenced by several factors including the passage of additional mandates on localities in the 2012 legislative session and the success of many of our discussions with state agencies and their willingness to listen and work to improve processes to lessen the impact of the mandate. These discussions have resulted in state agencies recommending legislative changes to ease mandates' impacts and the discovery of instances where perceived mandates were in fact not mandates.

Following our meeting on December 13, 2012 the recommendations in the attached report were delivered to your office for possible legislative action in the 2013 General Assembly session. As a result a number of additional mandates have been eliminated resulting in relief to localities. Perhaps more importantly you provided relief on funding. On behalf of all localities in Virginia, thank you for your leadership in the reversal of the biennial reduction in State Aid to Localities.

During the coming year the Task Force will be focusing on establishing a framework for discussion between state and local government to improve the efficiency and delivery of services. In addition we will continue our work on reforming the bureaucratic rules blocking the mandate review process and continuing to recommend reduction in state mandates. Based on our experiences to date with some agencies, we have believe the discussions between state agencies and localities has the opportunity to provide significant relief for both.

I believe we have come a long way and want to personally thank and recognize the Task Force members and liaisons, the many local governments, state agencies, and organizations for their efforts in making this report possible. I also want to specifically recognize the support of the staff from the Commission on Local Government and your office. Together this group worked as a team reacting to short deadlines, were creative and thorough with their input, and allowed us to move very quickly to produce results.

Thank you for giving us the opportunity to improve the relationship between local governments and the Commonwealth, and make government more effective by lessening the burden of state-imposed mandates on local governments and the Commonwealth and opening the lines of communication. We look forward to continuing our work as we develop more comprehensive reforms, and will periodically advise you of our progress.

Sincerely,

Pat Herrity
Chairman

TASK FORCE MEMBERS

Pat Herrity, Chair

Fairfax County Board of Supervisors

Joan E. Wodiska, Vice-Chair

Virginia Board of Education

Bob Dyer

Virginia Beach City Council

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SECOND INTERIM REPORT

BACKGROUND

In September 2011, Governor McDonnell announced the creation of the Governor's Task Force for Local Government Mandate Review. The five-member Task Force is a result of legislation introduced during the 2011 General Assembly Session by Senator Steve Newman (R-Bedford County) to review state mandates imposed on localities and to recommend temporary suspension or permanent repeal of such mandates as appropriate.

The full text of Senator Newman's bill amends Section 15.2-2903 of the *Code of Virginia* by adding the following subdivision to the duties of the Commission on Local Government:

"8. At the direction of the Governor, to assist a five-member task force appointed by the Governor to review state mandates imposed on localities and to recommend temporary suspension or permanent repeal of such mandates, or any other action, as appropriate. The Governor shall have all necessary authority granted under § 2.2-113, or any other provision of law, to implement the task force recommendations or may recommend legislation to the General Assembly as needed. The task force shall be appointed by and serve at the pleasure of the Governor and shall serve without compensation. The task force may include city or town managers, county administrators, members of local governing bodies and members of appointed or elected school boards. All agencies of the Commonwealth shall provide assistance to the Commission, upon request. The provisions of this subdivision shall expire July 1, 2014"

The Governor appointed two county Board of Supervisors members, a city council member, a school board member, and a city manager to serve on the Task Force. In addition, two members of the Governor's Commission on Government Reform & Restructuring, who are also city council members, were appointed to serve as liaisons between the bodies.

The Governor also addressed local government officials via email and a statewide telephone call, requesting that they submit ideas for mandates that could be potentially eliminated. Due to the budget situation, he directed the Task Force to initially focus on identifying mandates that can easily be eliminated without state fiscal impact during the 2012 General Assembly Session, rather than submitting a request for more funding.

On Monday, November 7th, 2011 the Task Force met for the first time. With a short time line, the Task Force immediately set out engaging local governments, state agencies, organizations, and leaders across the Commonwealth. The goal was to draft a list of mandates to immediately recommend for repeal and to begin to study the overall character of state and local relationships.

As a result of those 2 months of work, the Task Force approved the First Interim Report to the Governor on January 16th, 2012 and recommended more than 40 mandates for repeal. Of those recommended, 28 were placed into legislation with 22 being repealed. The report also resulted in other "mandate" eliminating administrative actions as the result of discussions with agencies and an effort by the Department of Education to reduce education report requirements by 15%.

EXECUTIVE SUMMARY

PROCESS

Building on the historic success of the First Interim Report to the Governor and a successful legislative session, the Task Force resumed its work on mandate relief in 2012. The direction of the Task Force was influenced by several factors:

- While the Task Force eliminated a historic 22 mandates via legislation during the 2012 legislative session, the General Assembly passed an additional 35. The Task Force knew from the beginning that simply checking off a list of mandates was not the answer to mandate reform. The 2012 session reinforced that conclusion.
- While a record five times the number of bills were reviewed for local fiscal impact by the Commission on Local Government – 30 bills vice 6 in previous years, it became much clearer that process improvements are necessary to insure legislators understand the fiscal impact of their bills on local governments.
- The success of many of our discussions with state agencies and their willingness to listen and work to improve processes to lessen the impact of the mandate. These discussions have even resulted in state agencies recommending legislative changes to ease mandates' impacts.
- The extreme budget pressures that are facing localities and the need for funding relief.

As a result, the Task Force revised its approach to mandate relief. It developed and recommended a multi-part strategy: (1) establishing a framework for discussion between state and local government to improve the efficiency and delivery of services; (2) reforming the bureaucratic rules blocking the mandate review process; (3) identifying key mandates that require funding; and (4) continuing to recommend a reduction of state mandates.

We divided our workload into three newly formed Subcommittees:

1. **Education Mandates:** This subcommittee continued to examine education mandates and make recommendations for repeal. In the long-term, this group will concentrate on mandates in specific areas such as the Virginia Retirement System (VRS), special education, data reporting, human capital, and testing.

   Members: Joan Wodiska (Chair), Shaun Kenney

2. **General Mandates:** This subcommittee continued to solicit input from local governments and organizations regarding potential mandates to recommend for elimination.

   Members: Pat Herrity (Chair), Bob Dyer, Suzy Kelly, Alicia Hughes

3. **State-Local Relationships**: This subcommittee examined methods for improving the general nature of state-local government relationships.

   Members: Kimball Payne (Co-Chair), Shaun Kenney (Co-Chair), Pat Herrity

The Task Force continued to solicit and receive input, suggestions and comments from local governments, state agencies and the public both online and through its public meetings. The Task Force also communicated regularly with Virginia School Boards Association (VSBA), Virginia Association of School Superintendents (VASS), the Virginia Association of Counties (VACo) and the Virginia Municipal League (VML) which represent a collection of localities statewide.

The correspondence received from local governments and the public, as well as a summary of comments from state agencies and this interim report are posted on the Task Force web site at http://www.dhcd.virginia.gov/GovMandateReview/default.htm .

RECOMMENDATIONS

ESTABLISHING A FRAMEWORK FOR A STANDING DISCUSSION BETWEEN LOCAL GOVERNMENTS AND STATE AGENCIES.

Throughout its deliberations, the Task Force has noted that some activities perceived by local governments across the Commonwealth as being mandates were, in fact, not mandated at all. There were instances in which the Task Force inquired of state agencies about a mandate only to have that agency return and show the Task Force that the activity being "required" was not a mandate at all. In other instances a follow up discussion between the state agency and localities, while acknowledging the appropriateness of the mandate, focused on simplifying and streamlining processes related to the mandate. This dialogue between state agencies and localities helped to resolve confusion about perceived mandates and provided an opportunity for process improvement.

The Task Force recommends testing a permanent framework through which discussions of this type may occur. Through open and sustained channels of communication between local governments and state agencies working relationships can be strengthened and long term partnerships can be created to improve the delivery of important services to the citizens of the Commonwealth. These partnerships will result in a clearer understanding of what local governments are and are not mandated to do, the purpose of mandates, a greater appreciation by the state agencies of the impact mandates have on local governments, and a permanent working group which can be used to craft better public policy and enhance service delivery.

The Task Force recommends exploring the concept of creating Intergovernmental Roundtables in state agencies to foster communication and mutual problem solving between the State and its localities. A good model for such roundtables might be an extension of the outreach by the State Department of Social Services to local DSS agencies over the last year. We recommend that the Governor allow the Task Force to pilot roundtables in select agencies next spring to determine the success of this model for improved state and local relations and mandate relief. Specific agencies where the creation of pilot roundtables holds the most promise are the Department of Social Services, the Virginia Department of Transportation, The Department of Education, and the Library of Virginia.

FUNDING STATE MANDATES

Localities continue to face fiscal difficulties. The cumulative budget gaps of local governments in the Commonwealth likely to again exceed the budget gap reported by the Commonwealth. In addition, the vast majority of localities are projecting revenue growth less than the Commonwealth's reported revenue growth.

Appendix 3 contains a list of unfunded mandates that local governments and the Task Force consider to be particularly onerous. Of the unfunded mandates identified in Appendix 3, the Task Force requests immediate relief in three areas:

- the reversal of the biennial reduction in State Aid to Localities;
- that the requirement that localities pay for expenses related to the Line of Duty Act be rescinded, and;
- that the cost of the health benefits for retired teachers, a benefit created by the General Assembly, be paid by the State.

In addition to these items, the Task Force stresses the importance of stabilizing VRS, so localities can better predict their anticipated VRS payment.

IMPROVING THE IDENTIFICATION AND IMPACT ANALYSIS OF MANDATES.

In furtherance of these objectives, the Task Force calls for a better process of fiscal and economic impact analysis and mandate review as a part of the legislative and rule making process.

First, the Task Force recommends that Section 30-19.03 of the Code of Virginia be amended to provide a better filter to stop new unfunded mandates from moving through the legislative process without a timely fiscal impact analysis. Specifically, the Task Force recommends: (1) the reinstatement of the first day introduction requirement for bills with local fiscal impact, and (2) establishment of a process whereby localities or school divisions representing 35% of the population of the Commonwealth could petition the Commission on Local Government to review bills or budget amendments that would impose unfunded or underfunded mandates on local governments or school divisions. The petition process could be initiated by localities and school divisions prior to the final approval of proposed legislation by both houses of the legislature. Local governing bodies and school boards could delegate petitioning authority to the chief administrative officer or school superintendent.

Second, the task force continues to recommend a process whereby, upon the request of local governments or school divisions, unfunded and underfunded mandates would be reviewed by the Commission on Local Government and the Governor after approval by the General Assembly but before the Reconvened Session. This process would be in addition to the fiscal impact estimation process conducted by the Commission during the legislative session.

The process would be established by adding language to Part IV of General Provisions in the Budget Bill. The process would primarily take place during the thirty days after the adjournment of the session in which the Governor has to act on the bills presented to him, including the Budget Bill.

At such time as a bill or a budget amendment is approved by its house of origin in the legislature, or passage by the General Assembly, local governments or school divisions could begin petitioning the

Commission on Local Government for a determination that the bill or budget amendment amounts to an unfunded or underfunded mandate. Petitions would be accepted until 10 days after the adjournment of the legislative session. In order for the Commission to review a bill or budget amendment, local governments or school divisions containing thirty-five percent of the Commonwealth's population would be required to submit petitions requesting the Commission's review of the particular bill or budget amendment. The Commission should also be given the authority to select bills or budget amendments for review on their own initiative.

The criteria used by the Commission in making the determination would be the same as that set forth in the statute governing fiscal impact analysis:

- Does the measure require a net additional expenditure by any county, city or town or
- Does it require a net reduction of revenues collected by any county, city or town?

The Task Force also recommends addition of criteria to measure the impact on the economy and job creation.

Upon a finding that the criteria are met, the Commission would recommend the bill or budget amendment to the Governor for further action. The Governor's options would include to:

- Recommend an amendment to eliminate the unfunded mandate;
- Recommend an amendment to fund the mandate;
- Recommend a reenactment clause on the mandate to allow time for it to be studied; or
- Take no action.

MANDATES RECOMMENDED FOR ELIMINATION OR MODIFICATION

Over the last year, the Task Force has continued to identify mandates which are overly-burdensome, unnecessary, or duplicative to existing local efforts. Contained within this report is a list of mandates being recommended for elimination (See Appendix 2). These recommendations come from a number of sources including additional outreach to local government performed through surveys and outreach, mandates suggested prior to the 2012 General Assembly Session, mandates which were identified for additional review in the first report and new mandates enacted within the last year.

The mandates were primarily identified by local governments and have been published for comment by state agencies and the public. The recommendations that follow are the result of this process and represent the recommendations for action in the 2013 General Assembly Session, or expedited action through administrative rulemaking. They are broken into two general groups – general mandates and education mandates.

> **General Mandates:** The Task Force is recommending 20 mandates for elimination or modification as more fully described in Appendix 2. Specific examples of general mandates to eliminate include the requirement for local governments to provide overtime pay to public safety employees in excess of the requirements of the Federal Fair Labor Standards Act, and raising the requirement for Environmental Impact Statement for minor local road projects from $500,000 to $2,000,000.

Education Mandates: The Task Force is recommending additional education mandates for elimination or modification as more fully described in the Education Subcommittee Report. Specific examples of recommendations regarding education mandates include elimination of the requirement for the school year to begin after Labor Day, and elimination of the requirement of local school divisions to evaluate remediation programs.

The Task Force believes the elimination of these mandates will provide not only fiscal relief to localities and the Commonwealth but the ability to more efficiently serve Virginia's residents.

The Task Force also identified mandates that it felt merited further review, discussion and analysis before recommending them for action. Given the complexity and varied input regarding several state mandates, the Task Force recommended further study to be prudent, transparent, and ensure the opportunity for public input and deliberation.

ADOPTION OF LEGISLATION PLACING A MORATORIUM ON NEW UNFUNDED MANDATES

In the short term, the Task Force calls for the adoption of legislation in the 2013 Session of the General Assembly placing a moratorium on the creation of any new mandates through legislation, including the Appropriations Act. The purpose of the moratorium would be to stop the shifting of service responsibilities and costs from the State to its localities in order to facilitate the discussion on how to best balance the delivery of services and funding requirements in the Commonwealth.

SUBCOMMITTEE REPORTS

GENERAL MANDATES SUBCOMMITTEE

Progress Made During the 2012 Legislative Session:

The 2012 General Assembly session saw the first significant progress towards mandate relief. On January 16th, 2012 the Governor's Task Force for Local Government Mandate Review submitted its first Interim Report to the Governor. Contained within that report was a list of specific mandates recommended for repeal; 41 general mandates, 20 education mandates, and a call for a 15% reduction in mandated education reports. As a result of these recommendations, Governor McDonnell submitted legislation to repeal 20 of the recommended mandates; of the 20, 15 were eliminated. In addition to the Omnibus Mandate Bill which repealed 15 mandates, 7 more were repealed through separate legislation as a result of the Interim Report (See Appendix 1).

Just as important as repealing mandates is the changing nature of mandate implementation in Richmond. As a result of increased awareness of the disparate impacts to local governments created by mandates, the 2012 General Assembly session saw a record number of bills referred to legislative review for fiscal impact analysis. In 2012, 30 Fiscal Impact Statements were prepared which greatly surpasses the average of 6 for the prior 3 years. While some new mandates have been enacted, it is clear that the work of the Administration to reform government, to reduce the burden of mandates, and to raise awareness of the full consequences of actions taken in Richmond is having an effect. The Task Force is continuing its work to raise awareness and reduce unnecessary and costly mandates on Virginia's localities.

Mandates Recommended for Elimination in the 2013 Legislative Session:

Over the last year, the Task Force has continued to focus on mandates which are overly-burdensome, unnecessary, or duplicative to existing local efforts. Contained within this report is a list of mandates being recommended for elimination (See Appendix 2). These recommendations come from a number of sources including additional outreach to local government performed through surveys and outreach, mandates suggested prior to the 2012 General Assembly Session, and new mandates enacted within the last year.

The mandates in Appendix 2 are primarily in keeping with the initial goal of limiting mandate relief to items which do not require a shift in funding. These items have been identified as duplicative, unnecessary, and overly-burdensome. By removing or modifying these mandates, local governments will be more capable of carrying out their core mission because more time and resources can be allocated to governing and less time to complying with state rules and procedures.

Mandates Currently Being Reviewed and Discussed:

As a part of the mandate research and reviews conducted prior to the 2012 General Assembly Session, the Task Force set aside several mandates that needed to be further explored prior to a recommendation being made. Over the last year, the Task Force has been reviewing mandates that were set aside for further review (See Appendix 3). As a result of these reviews, many dialogues have been facilitated with state agencies responsible for implementing these rules and procedures. While some discussions are still ongoing, others have resulted in substantive changes being implemented by state agencies that benefit both the agencies and the localities. The Task Force has found that discussions with agencies have been as productive as recommending legislative changes. Several perceived mandates have been clarified through discussions with agencies and a clarification of existing laws and making local governments aware that what was understood to be a mandate is, in fact, not a mandate.

These discussions with state agencies came as a result of the Task Force receiving a number of agency specific suggestions. To date, the Task Force has had discussions with several agencies including VDOT, VDSS, VITA, VDH, and VDACS. Some examples of successes are the Department of Social Services and the Library of Virginia. After hearing concerns from local governments regarding adult guardian reporting requirements, DSS opened discussions with the Task Force which resulted in their drafting legislation and instituting internal reviews of their policies. The Library of Virginia, upon learning of the multiple concerns expressed regarding record retention mandates, has established a working group of policy experts, local governments, and practitioners to review their requirements.

Establishing a Framework for a Standing Discussion Between Local Governments and State Agencies:

Throughout its deliberations, the Task Force has noted that many activities perceived by local governments across the Commonwealth as being mandates were, in fact, not mandated at all. There exist many instances in which the Task Force inquired of state agencies about a mandate only to have that agency return and show the Task Force that the activity being performed was not a mandate. The dialogue between state agencies and localities resolved what localities had perceived to be a mandate and processes were improved. The Task Force recommends testing a permanent frame work through which discussions of this type may occur.

Our recommendation for piloting discussions between local governments and state agencies are more fully discussed in the State-Local Relationships Subcommittee Report.

Funding State Mandates:

As part of the initial process for mandate review, the Task Force focused on mandates that did not require additional funding from the state. This allowed the Task Force to focus on mandates that were exclusively process and policy related. While the Task Force has had much success in this area over the last year, local funding problems resulting from state mandates are still prevalent and need to be addressed. Through feedback received from local governments throughout the Commonwealth, Appendix 4 contains a list of critical services performed by local governments that require significant local resources be spent. While the list does not stipulate whether or not the local governments are the appropriate body to carry out these services, the Task Force requests that the state government recognize the fiscal straits in which localities find themselves and use part of its nearly $500 million surplus to relive strained local governments.

Of the unfunded mandates list detailed in Appendix 4, the Task Force requests immediate relief in three major areas:

- the reversal of the biennial $60-million reduction in State Aid to Localities;
- that the requirement that localities pay for expenses related to the Line of Duty Act be rescinded, and;
- that the cost of the health benefits for retired teachers, a benefit created by the General Assembly, be paid by the State. The Task Force also stresses the importance of stabilizing VRS, so localities can better predict their anticipated VRS payment.

In conclusion, in order to continue to build upon the success of the First Interim Report to the Governor, the Task Force is making several recommendations with respect to specific mandates. Contained within this Second Interim Report are lists of mandates recommended for elimination (Appendix 2), mandates currently under review (Appendix 2), and requests for the Commonwealth to increase funding for specific services delivered by local governments under the direction of the state (Appendix 4). The Task Force is confident that through the implementation of our recommendations contained herein, governments across the Commonwealth will be enabled to better serve the people. We are still accepting feedback from local governments and state agencies and we encourage suggestions focused on policies, rules, and regulations which the Commonwealth has imposed which are inefficient, overly-burdensome, or simply out dated. It is through communication and collaboration that we can work together to create government which more fully fulfills its service to the people.

STATE-LOCAL RELATIONSHIPS SUBCOMMITTEE

The *First Interim Report to the Governor of the Task Force for Local Government Mandate Review* called for the creation of a mechanism for an ongoing discussion regarding the partnership between the State and its localities for the delivery of services to the citizens of the Commonwealth.[1] Early in its deliberations the Task Force identified the need to go beyond simply creating a list of mandates for review and potential elimination and then checking off those successfully removed. If the preliminary results of that process are any indication of future success, it will be difficult to demonstrate any numerical net reduction in mandates.

Rather than focusing on checking off a list of mandates, the Task Force believes that there is a need for a deeper discussion that focuses on the core issues of the relationship between the State and its localities regarding the delivery and funding of important services. This is a national issue, as many localities, which have been described as "mere creatures" of the state legislatures, or tools for delivering services, struggle to meet increasing mandates, often with reduced funding, in very difficult economic circumstances. While Virginia's localities can take slight solace in not being alone, as Virginians we can once again take up the challenge to be national leaders and set an example for a healthy state/local relationship that serves its citizens in an effective, efficient and equitable manner.

The Task Force recognizes that some mandates are appropriate, especially those that set a reasonable standard for the delivery of necessary services to the citizens of the Commonwealth, establish uniform approaches to service delivery, or define fair and equitable mechanisms for funding. There needs to be ongoing discussion regarding what services are desirable for delivery to all the citizens of the State, what is the appropriate level of service standard, who will deliver the service and how, and how the service will be funded (by what mechanism and at what level of government).

The continued shifting of the costs of mandated services by the State on to the localities is not sustainable. Local governments in Virginia have limited revenue generating capabilities, primarily property and consumption taxes, and those means of generating revenue are under continuing attack at the same time that costs for mandated services are increasingly shifted to

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[1] **Excerpt from the "First Interim Report to the Governor" of the Task Force for Local Government Mandate Review:**

The Task Force believes strongly that any longer term approach to addressing mandates will require a serious discussion of how state-mandated/locally-delivered services are funded. At its most basic level the issue of mandates is about how desired services are paid for. Every local government in the Commonwealth was created by an act of the General Assembly at least in part to facilitate the more efficient delivery of services to the citizens. In that respect, localities are "tools" of the State in the provision of essential services to its residents.

Unfortunately, the State is not taking care of its tools. Members of the Task Force have been clear in expressing their opinion that the relationship between the state and its localities is "broken" and needs to be mended. The practice of adding additional costly mandates onto localities without sufficient funding, and of shifting the costs of existing mandates from the state to local governments is not sustainable. Cost shifting is a fundamental problem with mandates and if there is going to be a successful resolution of this issue there will need to be a serious discussion regarding which level of government is the most appropriate for the funding and delivery of services to Virginia's citizens.

Looking forward, the Task Force calls for an ongoing discussion regarding the partnership between the State and its localities for the delivery of services to the citizens of the Commonwealth. This is not a call for a new board or commission; there are several existing entities that could be utilized for this discussion, including the Commission on Local Government, the Council on Virginia's Future, and the Governor's Reform Commission. The Task Force will work to identify and develop an appropriate forum for this ongoing discussion.

localities. This is the fundamental issue with mandates that local governments and the Task Force feel needs to be addressed if this effort is to be declared successful.

Our collective goal should be the creation of a partnership between the State and its localities to create the most effective, efficient and equitable means of delivering necessary or desirable services to the citizens of the Commonwealth. Changing the current practices will take open and honest discussion over time. There are many issues to explore including service choices and standards, funding mechanisms, mutual responsibilities, state control versus local autonomy and authority, and perhaps even the Dillon Rule. The discussion should also provide an opportunity to consider different models of service delivery including regional collaboration and outsourcing.

The Task Force has identified a number of items to be addressed in discussions regarding the state/local relationship. They include:

- Funding the Standards of Quality through the Local Composite Index
- The roles of and funding for Constitutional Officers
- State and local responsibilities in transportation planning and funding
- The delivery of human services through local or regional Departments of Social Services
- State and local responsibilities and authority in land use planning
- The delivery and funding of mandated services through the Comprehensive Services Act

Any discussion of these and any other items should explore:

1. The appropriateness of the service for delivery to the citizens of the Commonwealth.
2. The mutual and separate authority and responsibilities of the State and its localities in the delivery of the service.
3. The source of funding for the service; at which level(s) of government and by what mechanism.
4. The expectations of service quality and quantity through the identification of specific standards of service delivery.
5. The best mechanism for service delivery, including the appropriate level of government and considering opportunities for regionalism and/or outsourcing.

In addition to the areas suggested for discussion above, the Task Force has identified a number of mandates for further study. It is clear that with those mandates, and probably with others, it is unrealistic to think that a simple up or down vote on any specific mandate will be productive. As previously noted, many mandates are appropriate; however, that shouldn't preclude an examination of how the statutory or regulatory language can be improved to reduce the burden on local governments while still accomplishing the purpose of the mandate.

The need for more a more in-depth discussion of mandates with respect to the relationship between the State and its localities calls for the development of some forum in which that conversation can take place. Whether it is through individual state agencies or through existing groups such as the Commission on Local Government or the Council on Virginia's Future or through some other means, the Task Force should reinforce its call-for an ongoing discussion on the state/local partnership in the delivery of services to the citizens of the Commonwealth.

The Subcommittee on State/Local Relationships suggests that the Task Force on Mandate Review also meet with both the Commission on Local Government and the Council on Virginia's Future, as well as staff from the Governor's Office to explore the identification of additional forums for this ongoing discussion.

Specifically, the Task Force should explore the concept of creating standing Intergovernmental Roundtables in state agencies to foster communication and mutual problem solving between the State and its localities. Such roundtables might be an extension of the outreach that has been made by the State Department of Social Services to local DSS agencies over the last year. Piloting a roundtable in select agencies could provide a model for improved state/local relations.

EDUCATION MANDATES SUBCOMMITTEE

K-12 EDUCATION IN THE COMMONWEALTH

Every day in Virginia, our public K-12 schools are filled with amazing and inspirational stories of student success. This fall, Virginia's public schools swung wide the doors of opportunity to prepare nearly 1.2 million children for college or careers. Our schools also provided jobs, a steady paycheck, health care, retirement, and a precious opportunity to contribute to improving our Commonwealth.

When Virginia invests in education, we invest in ourselves and our economic future. Today, our students and workers face great challenges and an ever-changing, evolving and more connected world. Virginia students no longer compete for future jobs with those of Maryland or North Carolina. Virginians compete for the opportunities of tomorrow with students from China, India, Singapore, and Germany.

Globalization impacts us all. The signs of globalization are all around us: from the locally owned main street shop that now sells products online in 30 countries, to the Chinese and Farsi language offerings at the public school, to the Skype chemistry lessons delivered to students in rural communities. At the same time, Virginians are also getting back to our roots: schools are planting community gardens, restaurants are using locally sourced sustainable food, and schools are purchasing more supplies from local venders to support local business and jobs.

We are, without question, in a real high-stakes game where the competition for jobs, our standard of living, and our way of life hangs in the balance. In this high stakes game, we cannot afford to lose anyone. Every student, regardless of ethnicity, race, gender, language, income, disability or even zip code, needs and deserves a world-class education. Our challenge is great. Inherent in our challenge, however, is real opportunity. We are on the cusp of a new frontier in public education, and it's our time to be pioneers and lead the way. The world has changed, Virginia public schools are changing too.

Thankfully, here in Virginia, our K-12 public education system begins this race with a good head start. Our Commonwealth has been named the best place to raise a child by Education Week, has numerous public schools ranked as the best of the best in the nation, and our public school students have the top average SAT scores in the country[2]. Recently, Virginia was recognized as having the 4th best K-12 education system in the country by Education Week in the 2010 Quality Counts report

[2] Richmond Times-Dispatch, *Virginia SAT scores again top national average,* 24-Sept-2012

and the Commonwealth consistently ranks in the top ten states on student scores in on the Department of Education's National Assessment of Educational Progress[3].

Yet, despite these accolades, challenges remain. Virginia lags behind other states with a growing amount of students eligible for free or reduced price school lunch. Since 2007, the percentage of students eligible for the program has increased by 11%. Even more concerning is, according to the National Education Association, Virginia has the 27th lowest teacher salary among states. Moreover, as the world continues to evolve, our achievements won't ensure future success.

We are, for all intents and purposes, in a new normal or new frontier for public education. Going forward, Virginia's public schools must continually improve, innovate, and evolve to ensure that every child has access to and receives a world-class public education. If enacted and implemented properly, changes in state policy and regulations, can act as a powerful accelerate to propel forward local education innovation and eliminate barriers that otherwise could hold back our success.

Recently, the Governor's Office encouraged the Task Force on Local Government Mandates to "think big." The Task Force was invited to rethink the state partnership with local school divisions and local government. In our view, opportunities remain for the Commonwealth to better link expectations and align policies across the learning continuum from early childhood education to lifelong learning. Specifically, greater emphasis should be given to align early childhood education, to K-12 education, to higher education, to economic development, and to workforce development. In Virginia, there many examples of success in this regard, such as the exciting work being done in public schools to offer dual enrollment and early college high school experiences. Such opportunities need to be offered to more students. At the heart of our state's economic development plan and our path to grow our economy is Virginia's education system.

Virginia's Education Aspirations

A few key elements guide the success of any education system: a shared vision, adequate funding, the right policies, and strong partners. All bear mentioning to fully consider the context in which local school divisions operate in the Commonwealth.

SHARED VISION

It's time for all parties – state, local, executive branch, legislative branch, higher education, K-12 education, early childhood education and the broader public – to pull together toward a common, shared vision for the future direction of public education in Virginia. Our greatest economic engine is an effective, aligned, integrated and world-class education system. At the moment, however, components of our state education engine are firing at different times, heading in different directions, duplicating effort, missing opportunities to ignite, and even siloed from one another or local innovation.

One possibility: Make Virginia the education destination of our nation. **Every student, regardless of disability, language, race, income or even zip code, should receive a world-class public education in Virginia.** Virginia should be the top choice for parents wanting to raise a child. Virginia should be the top choice for educators and school leaders to work because of our great working conditions, competitive pay, strong career ladders, and robust benefits. And, Virginia

[3] The percentage of Virginia eighth graders meeting or exceeding the rigorous national standard for proficiency in science increased significantly in 2011. Forty percent of the Virginia students tested on the National Assessment of Educational Progress (NAEP) science test last year achieved at either the proficient or advanced level, compared with 36 percent in 2009. The commonwealth's eighth graders also achieved at a significantly higher level than students nationwide and than students in 34 states and jurisdictions. Nationwide, 31 percent of public school students achieved at or above the proficient level on the 2011 science test. The performance of students in 12 states and jurisdictions was comparable to that of Virginia students. Students in only five states achieved at a higher level.

should be the top choice of business to create and grow new jobs because our education system produces the best skilled workforce in the nation. Such notions and dialogue to this accord might provide all stakeholders with an opportunity to focus and accelerate success for students.

ADEQUATE FUNDING

The Task Force received numerous comments from all across the Commonwealth about the inadequacy of funding in school divisions. At this time, state funding of public education remains a paramount issue for local leaders, school boards, city councils, and board of supervisors. While this is not an issue that the Task Force was charged to explore, the Commonwealth would be remiss if it did not further examine the impact of inadequate funding on educational attainment. Most notably, in our shared desire is to ensure that every child in the Commonwealth receives a world-class public education, questions remain about the access to that opportunity for all Virginians. Policy and funding go hand in glove; both are necessary to support student success. In the meantime, this report will introduce policy levers to alleviate some of the financial burden created due to the current shortfalls.

STRONG PARTNERSHIPS

Local school divisions can't succeed without a strong state partner; the Commonwealth can't succeed without local partners. Business, higher education, career and technical education, social services, early childhood education, community groups, and many more players also play a key contributing role in our school divisions' success. We're all this together. More work must be done to align the state's education engines. Additionally, while this report will remove state red tape on locals, more must also be done to empower, encourage, and incentivize state government to rethink and redesign services and programs from within. As will be discussed at length below, as evidenced by the Task Force's work on paperwork, when state employees are empowered, encouraged, and given the authority to rethink, redesign, or retool services, processes, and procedures, we all benefit.

RIGHT POLICIES

Make no mistake: state red tape increases the cost of education, inhibits innovation, and negatively impacts staff morale and working conditions. Over the course of the last several decades more and more mandates have been added to public schools. Since the establishment of this Task Force, the Commonwealth has made great strides in eliminating dozens of mandates – many of these in the education arena. Yet, at the same time the General Assembly added new state mandates. Simply eliminating mandates, while a worthy task, will not be enough to free-up public education resources and accelerate student success in Virginia. We must "re-think" and redesign the state-local partnership and break down the silos of state level bureaucracy.

OUR WORK

In 2011, the Virginia School Boards Association (VSBA) surveyed every school division to identify unnecessary, outdated, or burdensome state mandates. The survey instrument was based on information received from the National Governors Association and recognized by the US Department of Education as a best practice. The survey results were used to develop the First Interim Report to the Governor. In 2012, VSBA re-surveyed school divisions with special emphasis on: (1) testing and assessment; (2) special education; and (3) hunger. When analyzing the data, several common themes quickly emerged and new areas of concern appeared:

1. End childhood hunger through a stronger state partnership
2. Return more decisions to local school leaders
3. Allow local leaders to determine school start dates
4. Reduce the amount of paperwork required of school divisions

5. Eliminate barriers that inhibit Virginia from being the top recruiter of talent
6. Explore digital education solutions
7. Reduce the amount of time spent testing the Commonwealth's students
8. Reform special education reporting requirements

HUNGER

Each day in Virginia, more than 218,000 children do not have enough to eat. No community, wealthy or poor, large or small, rural, suburban, or urban, is isolated from hunger. Childhood hunger is serious, it is real, and it is everywhere. It must be addressed.

No matter how modern our school buildings, experienced our teachers, or exceptional our curriculum, a hungry student simply cannot learn. Schools are the front-line to fight childhood hunger.

In 2011, the Virginia School Boards Association successfully launched a state-wide initiative, Food for Thought, to reduce childhood hunger in schools and provide all students with healthier, more nutritious meals. Since that time, schools have been collaborating with school staff, businesses, non-profits, parents, and many more to develop and implement innovative ideas to reduce hunger and improve the quality of school meals. School districts have been studying their meals programs, looking over breakfast and lunch participation rates, exploring summer meals and afterschool snacks.

As a result of these efforts, the Task Force and VSBA surveyed school divisions to identify state barriers that were making it difficult to address childhood hunger or improving school meal quality. Much to our surprise, the responses revealed that there were no state mandates or regulations that made it difficult to serve more creative and healthier meals. Rather, the *new federal law* hindered forward progress and there were areas where *lack of state action* was making it difficult to identify and feed needy children and improve school meal quality.

Bringing fresher, healthier food into schools.

Virginia's school divisions are making great strides to provide all students with healthier, fresher, more nutritious school meals. School divisions are also working hard to buy local fresh fruits and vegetables. However, the possibility of fresh produce is inhibited by the federal bureaucracy of the United States Department of Agriculture (USDA) commodities program. Virginia's school divisions want and need healthier commodities from USDA. USDA distributes funding to purchase raw commodities to the Virginia Department of Agriculture and Consumer Services for allocation to each school district. However, orders for these commodities are required to be placed through the USDA and the commodities must be processed into end products by a USDA certified processor. Virginia needs to explore a cash-in-lieu of commodities system where cash can be provided to the Commonwealth or school divisions to purchase fresh, local raw products instead of relying on processed, canned or frozen foods. Cash-in-lieu programs also offer the added benefit of supporting Virginia's growers and farmers. Currently, thanks to a long-ago federal exception, three school divisions in the Commonwealth are able to operate the cash-in-lieu program using this system (Fairfax, Allegheny, and Fredericksburg.) Each of these school districts noted additional flexibility in purchasing fresh products with use of USDA funding in contrast to other school districts that received processed, canned, and often times, higher calorie and saltier USDA bulk commodities.

The Task Force recommends that the Governor request that the Virginia Congressional Delegation strongly advocate for USDA to give Virginia more freedom to purchase healthier commodities or cash-in-lieu of commodities for school divisions.

Feed More of Virginia's Students Currently, the Commonwealth directly certifies 76% of students eligible for the Supplemental Nutritional Assistance Program (SNAP). New federal requirements require that Virginia directly certify 95% of eligible students by the 2013-2014 school year. Direct certification reduces the administrative burden on school divisions and families and helps ensure that low-income children have access to a healthy school meal fully subsidized by the federal government. Additionally, because free and reduced price meal counts are the determined for federal funding, such as programs like Title I and E-rate, an increase in the state's direct certification match may actually enable Virginia and Virginia's schools to access our fair share of federal education funds. Thankfully, Virginia recently received federal funding from USDA to help implement the new federal law, entitled the Healthy, Hunger Free Kids Act.

The Task Force recommends that Governor direct state agencies to work together to accelerate existing efforts to directly certify 95% of eligible SNAP students, as well as to explore innovative strategies to reach and feed more children through direct certification and coordination of state social services.

Address recent burdensome federal requirements for school meals. The Healthy, Hunger-Free Kids Act, signed into law in 2010, increases access to food in schools by expanding eligibility and addresses school food safety by requiring additional program monitoring. However, new nutrition standards put into place by the law have many schools in Virginia struggling to meet the requirements and have left many students hungry.

The USDA was given unilateral authority by the act to set limits on the amount of calories and sodium limits contained in school lunches. The result is that many schools are unable to even season vegetables served to kids due to "unrealistic" sodium requirements and many schools complained of having to "count out pieces of breadsticks" in order to reach the grain requirements, but not exceed the strict standards. At the Virginia School Boards Association conference, nearly 34 districts stood up and started an impromptu discussion on the negative impact these regulations have had on schools and the unprecedented expenditure of resources required to adhere to these narrow guidelines. The issue of some kids going hungry due to the resulting small portion sizes was also raised. One school board member from Washington County remarked that "the USDA needs to realize that a seventh-grade football player eats more than a fourth-grader."

While the USDA made changes in December of 2012 to reduce restrictions on meats and grains and allow students to consume more of each product in their meals, the overall calorie limits will not change. Schools have voiced concerns that if these changes are not made permanent, schools will be left to significantly alter their menus once more and the fact that this does not affect the portion size concerns of school districts. Or, of even greater concern, school divisions may be forced to drop from participation in the federal program.

While this burdensome mandate is a federal one beyond the purview of this Task Force, we cannot ignore the cries coming from school districts across the Commonwealth. **The Task Force urges the Governor to contact the Virginia Congressional Delegation and request that they work with the USDA to provide local school divisions with greater flexibility so that children can be provided substantial healthy meals and more reasonable expectations can be placed on school districts.**

HUMAN CAPITAL

In K-12 education, school divisions do not have "programs" – school divisions employ Virginians. In fact, generally speaking, 80-90% of the total cost of public education is staff salaries and benefits. Like many other states across the country, Virginia is confronted by a retiring teacher, leader, and staff workforce, the challenges of attracting high-quality, top-notch graduates into the profession of education, shortages of high-need educators and school staff in rural communities, wage disparities with the private sector, and an expensive, legacy pension system.

Since 1984, MetLife has conducted a comprehensive survey of school staff members throughout the nation. The 2012 iteration of this poll revealed that more than half of staff members expressed reservations about their jobs. Across the nation, staff reported that the new emphasis on teacher evaluations, unrealistic goals for student achievement, increasing budget shortfalls, limited resources, and pressure to cater teaching styles to standardized assessments led 1 out of 3 staff in the sampling to indicate that they were likely to leave their professions in the next 5 years. MetLife has stated that this is the lowest level of dissatisfaction since 1989.

The single most important factor in a child's educational attainment, other than parents, is the role of high-quality, content strong school staff members. As members of the Task Force and respondents attested, Virginia's school teachers, leaders, and staff often go above and beyond to ensure our children are safely transported to school, give our children the knowledge necessary to succeed after they graduate, feed them and ensure that they have safe and sanitary conditions in which learn. Given the significant role of school teachers, leaders, and staff in how well students perform both in school and after once leave for college or careers, Virginia should strive to be the state of choice for our nation's best school leaders, teachers, counselors, bus drivers, school nurses, custodians and all school staff.

School and State Staff : The Key Partner in Our Success

In 2010, our neighbor, North Carolina instituted the first statewide Teacher Working Conditions Survey. More than 100,000 licensed teachers and principals participated and the results have been used to help form state education policy, develop school annual improvement plans, and improve the state's educator evaluation process. Other states established taskforces, workgroups, or advisory groups of school staff to connect policy and practices.

Often, the ideal individuals to determine the best way to improve school division working conditions are those working in our classrooms. As local officials, Task Force members work closely and carefully with their local educators, leaders, and staff to devise and improve local policies and procedures. As many Task Force members will attest, during the recent budget crunch, many school staff that brought forward innovative ideas on how to save money, while improving education outcomes for students. Some state level process would offer an unprecedented venue for school staff and state employees to directly inform our work to improve education, while streamlining local and state government.

The Task Force recommends that the Governor consider establishing a method to formally engage and dialogue with school staff to improve working conditions, raise student achievement, recruit, retain, and reward high quality staff, and improve the overall efficiency and effectiveness of Virginia's education system. The Task Force also recommends that the Governor consider distributing a survey to all state education employee and education vendors to gather ideas to streamline state government and bureaucracy.

Critical Importance of an Aligned, Coordinated, Human Capital Pipeline.
Taking the survey results into consideration, the Commonwealth should consider policies that align personnel policies on training, retention, evaluation, compensation, and recruitment. For example, the new evaluation that's being required by the State Board of Education could be used to align state policies on professional development and preparation. Linkages and alignment must be considered to ensure that new state policy changes are supported with fidelity throughout the education pipeline. If policies are aligned and consistently implemented and reinforced across the education continuum, particularly in human capital, policy changes can feel like punishment to school personnel especially when they haven't been given the tools to succeed. The higher our expectations of staff, the more we must be conscious to enact and support policies to empower and equip staff with the tools and knowledge to succeed.

State mandates and regulatory requirements must be addressed to reduce the barrier to entry for high quality school employees and increase the attractiveness of working in our Commonwealth's schools for everyone from school administrators to teachers to bus drivers.

The Task Force recommends that Governor propose or direct the State Board of Education to align to study and recommend changes to Virginia laws and regulations to better align the new requirement for teacher evaluation to professional development, certification, licensure, retirement, compensation, and related policies, compared to other higher performing countries, to make the Virginia the 'education destination' for educators, leaders, and school staff in our nation. Such areas to consider may include closer ties between higher education and K-12 to support professional development, differentiated pay, or the creation of a career ladder.

Reduce barriers for military service members, their family members and veterans.
One in 8 Virginians have served in the armed forces and 800,000 military veterans living here are critical to the state's workforce[4]. Military vocational training is well-regarded by private and public sectors as strong indicators of high performance employees. However, service men and women leaving the armed forces and looking for work in school divisions may face unnecessary road blocks to employment. Military members and veterans are highly qualified, sought out employees. Much work is already being done around Virginia to become the destination of choice for these brave men and women. That said, given the drawn down of troops more could be done to communicate and connect existing opportunities between schools and veterans.

For example, the state procedures to allow military members, with the necessary background, to teach, instruct students on Chinese, conduct a biology lesson, administrator school lunch programs, drive a bus or nurse school children back to health should be further streamlined, as well as communicated broadly. Additional steps may be necessary to ease the portability of educator and school leader credentials for spouses and shorten the time to obtain to serve our schools.

The Task Force recommends that the Governor consider further accelerate and use his office to draw awareness to the opportunities for veterans to obtain certifications to work in various roles in schools. Further, steps should be explored to ease the portability of educator and school leader credentials for veterans and military spouses, especially in high-demand and shortage areas like special education, STEM, or occupational therapy.

Grow Our Own – Educators and School Leaders

[4] Alexandria News, *Governor McDonnell Announces New Virginia Veterans ID Card*, 12-May-2012

A recent U.S. Department of Education national survey revealed that 55% of teachers felt that they were not getting adequate professional development and continuing education and the most cited reasons for that are conflicts with work schedules and the expense.

Virginia is fortunate to have such well-regarded public institutions of higher education. Schools from George Mason to Longwood University boast rigorous and well-regarded schools of education. Around the world, the countries with the highest performing education systems have created policies to attract and target educators from the top 10 to 25% of their graduating class. This model has proven effective to improve student achievement and further professionalize education. Moreover, with the upcoming anticipated wave of retirements statewide, thoughtful strategies will need to be developed to attract the next generation of talent into our school divisions.

The Task Force recommends that the Governor propose legislation to better link Virginian's higher education and K-12 education systems to attract and retain Virginia's top graduates as educators, leaders, or school staff.

Virginia should also leverage the tremendous quality of higher education in the state to enhance the qualifications of teachers already employed by public schools. For teachers who wish to increase their credentialing by utilizing public universities, are willing to commit to Virginia's public schools for additional years of service, and were in the top 25% of their class, the Commonwealth should reduce in-state tuition rates for educators and school leaders for courses related to their profession to improve student outcomes. At present, the Tuition Assistance Grant program only covers health sciences graduation programs. Eligibility for the program should be expanded to cover graduate teaching education courses. If health professionals and national guardsmen receive subsidies for reducing higher education costs, why can't teachers? Educating our military members is about increasing defense, but increasing the quality of teachers in schools to strengthen public education is about a strong offense.

The Task Force recommends that the Governor expanding Tuition Assistance Grant eligibility to graduate education programs for teachers, school leaders, and other critical shortage areas for school staff, currently employed at least part-time by Virginia's public school divisions.

Celebrate, Share, and Scale Our Own– Education Leadership

School districts and the employees therein are innovating every day. And, every day, our staff bravely faces the demands of doing more with less, while continuing to provide a high-quality education to our children. These last few years, in particular, have been a challenge for school staff as health care costs went up, the cost at the pump and grocery store went up, and many saw their pay checks go down eroded by inflation and stagnant wages. Their labor and hard work should not go un-noticed. Local school divisions and leaders got through this period by working together, sharing best practices, and focusing on our successes rather than merely our challenges. So often as local leaders, the question emerges at School Board or Board of Supervisors meetings, what do or how do other school divisions handle this issue? What are local best practices? What new ideas are emerging? Many times, over the years, these "innovations" emerged or were brought forward by local school leaders to the VSBA Governor's Conference on Education or other organization's education symposiums around the Commonwealth. That said, no formal state recognition, database, or technical assistance exists to capture, track, celebrate, or even help scale know, effective local best practices. In today's new normal of public education, it's critical to support innovative leadership and foster a culture of continuous learning and exploration.

The Task Force recommends that the Governor explore new incentives and awards to celebrate, share, and help scale local innovations from across the state to improve student achievement. Second, the Task Force recommends that the Governor explore the creation of a state innovation team, a cadre of selected school staff that, at the request of local school divisions, can offer technical assistance, guidance, and detailed short and long-term plans to educate and empower local leaders to solve the address challenges in local schools.

Help School Divisions Reduce the Cost of Health Care

School employee salaries and benefits constitute the largest division of school district budgets. Over the last few years, many school divisions have seen double digit increase in the cost of health insurance for their employees. The increased cost of health insurance is not merely borne by taxpayers, but staff as well. Small or rural school divisions face additional barriers to negotiating high-quality and reasonably priced health insurance plans. While programs such as The Local Choice provide health coverage similar to state employee health plans, school districts and employees ultimately end up paying higher premiums than state employees due to the smaller pool of school districts. Recently approved legislation in the states of Washington and Wisconsin to allow local school districts to enroll in their state employee health insurance plans are estimated to save the states between $300 million and $1 billion dollars due to the larger negotiated pool.

The Task Force recommends that the Governor direct the Joint Legislative and Audit Review Commission to conduct a study that reviews savings, efficiencies, benefits or challenges that could if school divisions were given the option to enroll employees in the Commonwealth's state employee health insurance plan.

EDUCATIONAL TECHNOLOGY

Digital learning is quickly permeating strategic planning for the future of K-12 education in the United States. Video streamed classes, digital textbooks, and downloadable lessons/course materials are quickly contributing to the "innovative and comprehensive infrastructure for learning" called for in the U.S. DOE National Education Technology Plan. Nonetheless, online learning continues to be the main driver behind the growing phenomenon of virtual schooling.

In the year 2000, less than 45,000 K-12 students had taken an online course. By 2010, more than 4 million did and it is estimated that 50 percent of all high school courses will be delivered online by 2020. The advent of these technologies in classrooms and courses in brick and mortar and virtual schools across the Commonwealth is placing unprecedented demand on what has become the most vital component of K-12 learning – high-speed broadband.

A survey by the Federal Communications Commission revealed that 80% of schools surveyed had inadequate broadband connections to meet their current needs. Infrastructure shortcomings significantly hinder implementation of digital educational tools and the Commonwealth is need of a comprehensive strategy to address the "foundation" as well as the opportunity offered through virtual learning.

In the Spring of 2012, the Virginia School Boards Association formed a Virtual Education Task Force, comprised of local leaders, to review best practices in other states and schools, as well as relevant state laws and regulations. Based on those findings, the Task Force developed a list of key principles to chart a vision for Virtual Learning in Virginia and recommendations for state and local policy to implement those principles. The Virtual Education Interim Report, released in November 2012, provides a snapshot of Virtual Education in the state and is a robust resource to inform the development of state policies and regulations in this arena.

The Task Force recommends that the Governor direct state agencies, working with local officials and private industry, to develop and implement a plan to accelerate digital learning, including broadband development in Virginia. Second, the Task Force also recommends that the Governor review and act on the VSBA Virtual Education Interim Report to develop cohesive statewide policies based on best practices in our nation.

Solve the Standards of Learning (SOL) Online Assessment Challenge

By 2013, online assessment will be the primary delivery mode for all SOL assessments. The annual statewide exam will utilize video, audio and simulations to determine comprehension of instruction. The exams will provide instructors with real-time data that will measure growth and accurately predict student proficiency.

While the final guidance related to bandwidth requirements for the new online assessments are not due to be released until the beginning of 2013, organizations like the American Association of School Administrators have great concern over capacity of broadband networks to support all children in states like Virginia. As mentioned above, with the assessments required to go online by the 2013-14 school year, there is a major concern that school districts won't have the capacity to complete this requirement. Digital Learning Now, a non-partisan organization that advocates for the use of online education and digital schools, recently assessed all 50 states on their ability to sustain and grow digital learning and on a scale of 0-10 in the area of infrastructure (broadband bandwidth, adequate hardware in schools, internet backbone). Virginia received a score of 0 (zero) which signals that the state is not adequately prepared for the coming advancements in online learning, let alone bandwidth heavy assessments to be taken by all students in the state. By all indications, Virginia's technology infrastructure cannot support the unprecedented burden these tests will place on the system.

The Task Force recommends that the Governor work with state agencies to ease the burden on localities struggling to meet the requirement that SOL assessments take place online and develop a statewide strategy to address local communities broadband and infrastructure needs.

Transition from Traditional Textbooks to Digital Textbooks. In 2009, the Virginia Department of Education launched *Beyond Textbooks,* an initiative to introduce textbook alternatives in select classrooms across the Commonwealth. The goals of the pilot project were to learn how digital textbooks and tools can be used to improve educational outcomes, the social and policy implications of moving from traditional textbooks with digital alternatives, and the conditions that would need to be improved in order to deliver high-quality instructional materials for a lower investment. In a VDOE study of the program, the agency found that students appreciated being able to work at their own pace with quick feedback from interactive applications, that the vast majority of students reported being more enthusiastic about reading assignments, increased engagements with the material, and more student collaboration. Fast forward to today, students are quickly moving to digital content and digital textbooks.

The Task Force recommends that the Governor provide greater flexibility and opportunity to local schools who wish to use existing state resources to purchase digital content/textbooks.

PRE-SCHOOL EDUCATION

Oversight of fully or partially state supported early childhood education programs is shared by two state agencies, an executive branch coordination office, and a private, non-profit organization. The

Virginia Department of Social Services handles accreditation of private pre-school programs, data collection, and the child care subsidy system that provides payments to providers who serve low income children or child care vouchers to parents (part of the federal Child Care and Development Block Grant). The Virginia Department of Education oversees the Virginia Preschool Initiative (VPI) which provides state funds to schools and community based organizations to provide quality preschool programs for nearly 14,000 at-risk four-year olds and DOE manages federal IDEA Section 619 early childhood special education funds.

In 2008, the Office of Early Childhood Development (OECD) was formed to encourage collaboration, align early childhood programs and provide partial administrative support for the state's new quality star rating system to distinguish the level of quality between early care and education providers throughout the state. The program, known as the Quality Rating Improvement System (QRIS), is primarily administered by a private organization, the Virginia Early Childhood Foundation, which funds the program through corporate donations and a small state appropriation.

VPI is not linked with QRIS and according to school administrators, there is inadequate quality control for the program. There are possible linkages that are not being addressed due to two main functions of early childhood being in two different state bureaucracies. The burden falls to locals, and more importantly, children and their families. The patchwork of early childhood education services could be enhanced through greater coordination, collaboration, and enhanced quality.

The Task Force recommends that the Joint Legislative Audit and Review Commission should study consolidating all early childhood programs that the Commonwealth offers into one agency to provide for true collaboration, unity of effort and actual program alignment.

SPECIAL EDUCATION

In total, there are over 175 discrete points where Virginia law exceeds the federal special education law, the Individuals with Disabilities Education Act (IDEA). The federal IDEA law protects and ensures that a student with a disability receives a free and appropriate education in the least restrictive environment possible. In Virginia, it is broadly understood that the federal law is a minimum standard, and that Virginia has much higher expectations and aspirations for our children.

Numerous respondents noted these facts, while also raising concerns about the cost and burden. The Task Force has heard that special education was the ripe with repetitive and costly mandates. However, inadequate information was provided from localities to recommend substantial changes. Therefore, given the inherent complexity and sensitivity of special education, combined with the abbreviated work period, the Task Force continues to recommend further study in this area. Additional outreach to students, parents, educators, and schools should be explored to identify areas of consensus or improvement.

Refine Select Special Education Staff Requirements

Across the Commonwealth, the Task Force received complaints from educators about the new state mandate requiring special education staff to receive additional training in autism. The requirement for training holds merit. However, the timeline that training must be completed within 60 days has proven unrealistic and some suggested even counterproductive to serving students with autism. Second, educators also responded that the mandated requirements in the Virginia Department of Education's Regulations Governing Special Education Programs For Children With Disabilities for interpreters are too rigid. In particular, rural school divisions noted that the interpreter requirements made recruitment problematic.

The Task Force recommends that the Governors increase the window of time provided for staff to complete autism training. Further, the Task Force recommends that the Governor provide much needed flexibility to rural communities to hire and retain the services of interpreters.

Eliminate Duplication of School Division Paperwork

Local school divisions are required by the Department of Education to submit a special education plan for the following year. The plan is prescribed format from the state with repetitive information to meet the mandate. To comply with federal requirements, the state only needs to collect an assurance statement that the division is in compliance with state and federal special education requirements.

The Task Force recommends that the Governor explore updating or replacing the Special Education Plan that school districts are required to send to the Virginia Department of Education with an assurance statement that LEA complies with federal and state laws instead of repetitive questions that are required to be answered in other state reporting requirements.

Remediation Program Evaluation

School divisions are required to annually evaluate remediation programs based on state criteria. Programs are so varied across the state that the data is often not usable, out of context and not comparative in regards to divisions. The format of the data renders the results statistically useless.

The Task Force recommends that the Governor eliminate the requirement of local school divisions to evaluate remediation programs.

FOSTER LOCAL INNOVATION

Local leaders, school boards, and superintendents are eager to support innovation and regain greater local control to ensure that all students succeed and to reduce unnecessary costs. As Virginia's state and local economies rebound in the aftermath of the worst recession since the Great Depression, now more than ever, duplicative, burdensome, and costly state mandates on public education must be eliminated. Virginia's public school leaders are re-thinking how to deliver services to students in the most impactful, as well as cost-efficient manner. However, these local reforms efforts are limited and constrained by state mandates in a number of areas.

School Start Dates Must be a Local Decision.

As of the 2011-2012 school year, 77 of the 132 school districts have completed the cumbersome, costly, labor intensive paperwork process to seek exemptions in order to start school before Labor Day. In particular, the waiver process for a school division seeking flexibility under the "innovation" criteria is costly, time consuming, and highly uncertain. Beyond those districts with a waiver, many more school districts desperately want the much needed flexibility to start school a week or two weeks earlier, or as they see fit, but are prohibited by state law from doing so.

Local leaders, working with parents, community members, and businesses, want and are in the best position to decide the appropriate day to start school. With the increasing rigor and expectation of every student to be college or career ready, schools need additional time to support students. The so-called "Labor Day Law" or "King's Dominion Law" is the definition of a burdensome, costly, outdated, and unnecessary state mandate and directly conflicts with Virginia's economic goals. The road to economic recovery, job creation, and good paying jobs for all Virginians is paved by a high-quality, educated citizenry.

The Task Force strongly recommends that the Governor fully repeal the Labor Day Law. Furthermore, in addition to the existing waiver system, the Governor should allow any school division or school that fails to meet the statewide academic benchmarks in reading or math to be automatically granted a waiver from the Labor Day Law for three concurrent academic calendars to improve student achievement and perform remediation. Furthermore, the Governor should grant waivers to school divisions with partnerships with higher education institutions to align calendars district wide. Lastly, the Governor should provide automatic waivers for any school divisions that adds school "days" beyond 185.

State Paperwork is a Costly, Serious Problem.

Scarce federal, state, and local resources and precious staff time is being wasted on "reporting" and paperwork. Governor McDonnell has worked hard to ensure that funds are directed to the classroom, and through our work, we've identified the primary roadblock to further advancing this work – federal and state red tape.

In 2011, the Virginia Department of Education required every public school division to complete more than 75 state education reports, many of which must be submitted multiple times per year. Regardless of the size of the staff, every school division must comply with the paperwork requirements and reports, and every school Superintendent must read, study, and comply with the volumes of daily or weekly state edicts. In addition, the vast majority of mandates, even those directly supportive of student learning, require extensive out of classroom staff time – either by school division support personnel or by teachers themselves.

In 2012, at the request of the Task Force on Local Government Mandates and Governor, the Virginia Department of Education was challenged and empowered to reduce the paperwork burden on school divisions by at least 15%. After months of hard work, the VDOE successfully reduced the number of reports to 39 by elimination, consolidation, or automation. Through these focused efforts, the paperwork burden on school divisions were reduced by 40%, according to VDOE. The VDOE's effort merits special recognition and can serve as a role model for other state agencies to "rethink and redesign" the relationship between state and local governments, utilize technology, improve customer service, and apply good-old-common sense to government. Most importantly, VDOE's success highlights the critical importance of empowering and unleashing state staff to be creative problem solvers.

However, the work to reduce paperwork is not complete for Virginia. Many Virginia reports were consolidated, and while there are fewer reports, many of the original reports are larger and still require just many man hours of school divisions. VDOE also began accepting data submissions for reports through a secure, web-based collection system. Further reforms will be necessary to adequately reduce the paperwork burden on school divisions.

One particular paperwork burden, the "**Master Schedule Data Collection**", is deeply concerning, burdensome, and costly to school districts. As a condition for the American Recovery and Reinvestment Act (ARRA), Virginia was required to report on teacher effectiveness as it related to student achievement and the distribution of high quality teachers. Unfortunately, VDOE has broadly interpreted with federal reporting requirement. As a result, school divisions must report on a teacher's social security number, race, gender, date of birth, ethnicity, and reams of personal information about teachers. In addition, Virginia mandates a complicated, convoluted course level identifier, grade span, local course codes, licensure prefix, and defined class type. Lastly, the report mandates detailed information about the students as well. In large school districts, entire teams of staff are spending months filling out this one state report. In smaller school districts, we heard first

hand, one staff member is spending every minute of every day, for months, filling out this one state report and nothing else. Given the tremendous amount of staff time and corresponding costs associated with this, is the collection of this information worth the cost to Virginia's school divisions? How does the Virginia Department of Education using this information? And, what is the return on the investment for Virginia's taxpayers?

The Task Force recommends that the Governor explore ways to alleviate the reporting requirements of the "Master Calendar Data Collection" and conduct a full study of how other states have complied with this report, as well as cost benefit analysis of this report for Virginia school divisions.

Too Much Testing

Many school districts expressed concern about the sea of federal and state testing requirements. Without question, assessment provides critical data to inform decisions, improve classroom practices, and most importantly, ensure that every student is on track to succeed. Virginia's school leaders are committed to rigorous academic standards, disaggregated data, strong, transparent accountability, and utilization of fair and developmentally appropriate assessments. However, school leaders expressed concerns about the fairness of some of the assessments currently out in the field, the cost and burden on local divisions to develop state mandated assessments, and the requirement to test science, history and social studies.

In 2012, VSBA received numerous reports from the field that students sit for more than four hours for state mandated exams, and in some instances, even longer. One teacher from Chesterfield County recounted that she had children in her class that began taking a mathematics assessment shortly after 8:30 a.m. when their parents dropped them off and they had still not yet completed them at 3:30 p.m. when their parents arrived at the school to pick them up. Such stories, sadly, are not uncommon.

The Task Force recommends that Governor direct the State Board to review, and where possible, streamlines states assessments to ensure that tests can be completed in a reasonable amount of time, approximately less than 2 hours.

Future Areas of Work

Looking forward, more dialogue is necessary in school meals, special education, career and technical education, and especially early childhood education to better align our education systems with our expectations and vision for all Virginias. We look forward to continuing our research and dialogue with stakeholders throughout the Commonwealth.

CONCLUSION

As state and local leaders work to balance budgets, redesign and refocus government, and ensure a world-class education for every Virginian, the Task Force recommends and urges quick, decisive action to eliminate wasteful, duplicative, costly, outdated, and burdensome state red tape on education.

As noted in the Virginia catalog of mandates, education has more mandates than any other functional area of government. In fact, one-third of all state agency administered mandates identified statewide apply to education. Therein rests our collective challenge, but also an

opportunity to chart a new future for Virginia's public schools. By working together, to remove state mandates, state and local leaders can help ensure that every Virginian receives a world-class public education and that our economy continues to grow and prosper.

MORATORIUM ON MANDATES AND PROCESS IMPROVEMENTS (FROM FIRST REPORT)

In light of the turbulence and uncertainty of the economy on the federal, state and local levels, we strongly encourage consideration of a "moratorium" on unfunded mandates.

The goal of this action would be to prohibit the imposition of new unfunded and underfunded mandates on local governments and school divisions. The strategy identified by the task force would be a solution applicable to legislation that amends the Code of Virginia as well as to the Budget Bill.

I. POSSIBLE SOLUTIONS CONSIDERED BY THE TASK FORCE

The task force considered the following possible solutions:

- Amend the Constitution of Virginia;
- Establish a process whereby potential unfunded and underfunded mandates are reviewed by the Governor; and
- Establish a process whereby mandates are funded by the legislature

Amending the Constitution

The Task Force identified amending the Constitution as a potential long-term solution. A proposed amendment to the Constitution must be twice approved by a majority of members elected to both houses of the General Assembly, and an intervening general election of the House of Delegates is required before the question is submitted to the voters. Because the next general election will take place in November 2013, this approach would take three years to accomplish, provided the referendum initiative is successful.

Review by the Governor

Next, the task force considered a process whereby, upon the request of local governments or school divisions, unfunded and underfunded mandates would be reviewed by the Commission on Local Government and the Governor after approval by the General Assembly but before the Reconvened Session. This process would be in addition to the fiscal impact estimation process conducted by the Commission during the legislative session.

The process, which was suggested by representatives from VACo and VML, would be established by adding language to Part IV of General Provisions in the Budget Bill. The process would primarily take place during the thirty days after the adjournment of the session in which the Governor has to act on the bills presented to him, including the Budget Bill.

At such time as a bill or a budget amendment is approved by its house of origin in the legislature, local governments or school divisions could begin petitioning the Commission on Local Government for a determination that the bill or budget amendment amounts to an unfunded or

underfunded mandate. Petitions would be accepted until 10 days after the adjournment of the legislative session. In order for the Commission to review a bill or budget amendment, local governments or school divisions containing thirty-five percent of the Commonwealth's population would be required to submit petitions requesting the Commission's review of the particular bill or budget amendment. The Commission could also be given the authority to select bills or budget amendments for review on their own initiative. In the interest of time, local governing bodies and school boards would be permitted to authorize the chief administrative officer of the locality or the school superintendent to file the petition on behalf of the locality or school division.

Once the General Assembly approves a bill or budget amendment, local governments and school divisions would have ten remaining days in which to file their petitions, and the Commission would have ten days to review their petitions and make recommendations to the Governor. The criteria used by the Commission in making the determination would be the same as that set forth in the statute governing fiscal impact analysis:

- Does the measure require a net additional expenditure by any county, city or town [or school division] or
- Does it require a net reduction of revenues collected by any county, city or town?

Upon a finding that the criteria are met, the Commission would recommend the bill or budget amendment to the Governor for further action. The Governor's options would include to:

- Recommend an amendment to eliminate the unfunded mandate;
- Recommend an amendment to fund the mandate;
- Recommend a reenactment clause on the mandate to allow time for it to be studied; or
- Take no action.

Fund the Mandates

First, the Code of Virginia would be amended to reinstitute the first day introduction requirement for bills that have local fiscal impact. This would be an important first step in improving the process for identifying the local fiscal impact of proposed legislation because it would maximize the time available to conduct the analysis. The current process, which is conducted by the Commission on Local Government and relies entirely upon input provided by local government volunteers, would not be adequate for the purposes outlined below because the Commission, based on the information provided by a sample of local governments, identifies a range of cost to local governments and not a statewide dollar estimate. In addition, the Commission is not currently responsible for assessing the fiscal impact of proposed bills on school divisions, and, at present, does not have the resources to do so.

Once the first day introduction requirement is in place, a process could be established whereby unfunded mandates on local governments are identified early and an appropriation is made from the general fund equal to the estimated fiscal impact. This approach could be modeled after Va. Code § 30-19.1:4, which is sometimes referred to as the "Woodrum Amendment." The statute was enacted in 1993 to enable the legislature to consider the fiscal impact of proposed bills that have the effect of increasing the adult correctional population. It was subsequently amended to also require an analysis of the impact on local and regional jails and juvenile detention centers, as well as on state and local community corrections programs.

Va. Code § 30-19.1:4 requires that:

- Fiscal impact statements are prepared;
- The amount of the estimated appropriation reflected in the fiscal impact statement – or "cannot be determined" – is printed on the face of the bill;
- The fiscal impact statements are forwarded to the Clerks of the House and Senate;
- A one year appropriation is made from the general fund equal to the estimated increase; and
- A non-reverting special fund consisting of the moneys appropriated is established.

Further, this process typically involves the re-referral of bills by the Courts of Justice Committees to the Senate Finance and House Appropriations Committees. In addition, bills so identified may be amended to include a second enactment clause, such as: "That the provisions of this act shall not become effective unless an appropriation of general funds effectuating the purposes of this act is included in a general appropriation act passed by the [2012] Regular Session of the General Assembly, which becomes law."

II. ADDITIONAL APPROACHES IDENTIFIED

- Amend the Code of Virginia to add a new section in Title 30 (General Assembly) to prohibit the imposition of new unfunded mandates, unless the local governing body or school board affirmatively votes to accept the mandate or the General Assembly appropriates sufficient funds to effectuate the purposes of the bill. This approach would require that "unfunded mandate" be defined in statute. In addition, exemptions should be made for federal laws or requirements; court orders; constitutional requirements; immediate threats to public health, welfare or public safety; and other specified circumstances, as appropriate.
- Implement a "Sunset Clause" on new mandates, as requested by VML. This approach could be modeled after Va. Code § 30-19.1:9, which provides for a "sunset" on state boards and commissions after three years.
- Amend the Administrative Process Act to comprehensively address the impact of proposed regulations on local governments and school divisions through economic impact analysis (Va. Code § 2.2-4007.04) and periodic review (Va. Code § 2.2-4007.1).
- Ask the Governor to consider executive action to more comprehensively address the impact of proposed regulations, such as that which is currently extended to existing and potential employers through Executive Order 14 (2010) – Development and Review of Regulations Proposed by State Agencies, General Policy, Section N.
  Ask the Governor to consider executive action to delay the implementation of new or expanded regulations that impose a mandate on local governments or school divisions, where possible.

III. RECOMMENDATIONS OF THE TASK FORCE

In summary, it is incumbent upon this Task Force to convey to the General Assembly the detrimental impacts of unfunded mandates on the budgets of localities and school divisions.

In the short term, the Task Force calls for the adoption of legislation in the 2012 Session of the General Assembly placing a moratorium on the creation of any new unfunded mandates through legislation, including the Appropriations Act. The purpose of the moratorium would be to stop the

shifting of service responsibilities and costs from the State to its localities in order to facilitate the discussion on how to best balance the delivery of services and funding requirements in the Commonwealth.

In furtherance of these objectives, the Task Force voted unanimously at their meeting on December 9, 2011 to make the following recommendations to Governor McDonnell to improve the process of fiscal impact analysis and mandate review.

First, the Task Force recommends that Section 30-19.03 of the Code of Virginia be amended to provide a better filter to stop new unfunded mandates from moving through the legislative process without a timely fiscal impact analysis. Specifically, the Task Force recommends: (1) the reinstatement of the first day introduction requirement for bills with local fiscal impact, and (2) establishment of a process whereby localities or school divisions representing 35% of the population of the Commonwealth could petition the Commission on Local Government to review bills or budget amendments that would impose unfunded or underfunded mandates on local governments or school divisions. The petition process could be initiated by localities and school divisions prior to the final approval of proposed legislation by both houses of the legislature, and local governing bodies and school boards could delegate petitioning authority to the chief administrative officer or school superintendent.

Second, the Task Force recommends that the mandate assessment process be revised to provide for more immediate and frequent review than currently permitted. Currently, a mandate must be in effect for two years prior to agency assessment (Executive Order #58 (2007)), and cannot be re-assessed more frequent than once every four years (Va. Code § 15.2-2903 (6). The Task Force specifically recommends amendments to Executive Order and the Code of Virginia to provide for a better process of mandate review by eliminating the two-year assessment waiting period and providing for more frequent review, under appropriate circumstances, than permitted under the current four-year cycle.

Appendix 1:

2012 General Assembly Actions Taken on Prior Task Force Recommendations

Ref #	Description	Possible Solution	Reference	General Assembly Outcome
App. 1 #2	Community Services Boards--there currently exists an annual contract requirement with the Department of Behavioral Health and Developmental Services Adds little value for citizens served and is only an administrative exercise.	Eliminate.	SHHR.DBHDS012	*Recommendation approved (HB1295/SB679) §37.2-504 & §37.2-508.*
App. 3 #4	CSA State Executive Council-- Local governments are a major funding partner for CSA however representation on the State Executive Committee does not reflect this fact.	Give local governments more representation on the CSA State Executive Committee.	SHHR.CSA001	*Recommendation adopted. Local government representation will increase from 3 to 5 local representatives on this 19 member council. (HB135/SB396)*
App. 1 #6	Erosion & Sediment control programs--currently, construction sites are inspected for E & S performance by the state. Some local governments have their own E & S control programs that must meet identical standards to the state E & S programs. However, construction sites must be inspected by the state and, in some localities, by the local government.	Eliminate the requirement for state inspection of construction sites for E & S performance in localities where an identical program exists.	SNR.DCR008	*Recommendation approved. (HB1065/SB407) These bills accomplished the elimination of overlapping state inspections, but extended a new mandate to require stormwater management programs for all localities in Virginia.*
App. 1 #8	Annual Recycling Survey Report--Local governments must prepare and provide an annual Recycling Survey Report Compiling the report requires significant staff time because most recycling is done by the private sector. County staff must prepare and mail surveys, follow-up and remind people to complete the survey, compile and send reports to Richmond. The report does not change the amount of material that is actually recycled, however.	1) Eliminate the requirement all together; or 2) Require the report be submitted every 2 or 3 years as opposed to every year.	SNR.DEQ015	*Recommendation partially approved. (SB676) The report will only be required every four years for localities with populations less than 100,000.*

Ref #	Description	Possible Solution	Reference	General Assembly Outcome
App. 1 #11	Solids Waste Management Plans--mandates that local governments develop a solid waste management plan and submit to the state. This mandate provides little to no impact on the actual management of solid waste and each local government should be allowed to operate their own plans without state oversight.	Eliminate.	SNR.DEQ014	*HB 913 Failed*
App. 1 #13	VPPA--currently required to report public notice of request for proposals in newspapers of general circulation. This is an antequated and expensive requirement.	Eliminate this requirement and replace it with appropriate online advertisements and notices in public spaces.	NSO.019 & § 2.2-333 2	*HB 222, HB 773, HB 1193, and SB 664. All Failed*
App. 1 #14	Minimum number of bidders--requires that for procurements that exceed $30,000 a minimum of 4 informal bidders are received as well as a posting of a public notice. The act also allows localities to adopt their own written purchasing procedures where goods and non-professional services do not exceed $100,000. the minimum bidder requirement for purchases over $30,000 contradicts the ability of a locality to adopt their own procurement policies for goods and non-professional services under $100,000	1) eliminate the requirement for a certain number of bidders for procurements over $30,000; 2) allow localities to adopt their own procurement procedures for all procurements less than $100,000 3) waive this requirement if the locality posts the solicitation notice on eVA.	NSO.019 & § 2.2-4303 G	*Recommendation partially accepted. (HB1295/SB679) §2.2-4303 (G). The requirement was amended to no longer require informal soliciation for localities. Instead, localities shall use eVA. Additionally, the threshold for which localities may adopt procedures for professional services to avoid competitive sealed bidding, was lowered from $100,000 to $60,000.*
App. 1 #15	Procurement thresholds--the formal procurement threshold for professional services is $50,000 yet for all other procurements it is $100,000. All procurement classifications should have equal thresholds for formal procurement to ensure uniformity and reduce administrative costs.	Raise the formal procurement threshold for professional services to $100,000.	NSO.019 & § 2.2-4343 12	*Recommendation partially accepted. (HB1295/SB679) The formal procurement threshold for professional services was raised to $60,000.*

Ref #	Description	Possible Solution	Reference	General Assembly Outcome
App. 1 #17	Licensing Local Government Loan Originators-- The Federal SAFE Act places training and licensing requirements on mortgage loan originators. The state has interpreted the requirements to cover local government employees working with federal, state, and locally funded home purchase and rehab assistance, despite a HUD interpretation to the contrary.	Eliminate.	Fed Register, Vol. 76, No. 126, page 38466,	*Recommendation accepted. (HB570/SB75)*
App. 2 #1	Required Advisory Committees. Mandated advisory committees in areas such as health, family life, career and technical education, special education, and gifted often act independently of one another, have mandated memberships that do not necessarily represent the community, and require staff time.	Eliminate. One division suggested using a single comprehensive committee to provide a more integrated advisory role.	SOE.DOE048, SOE.DOE066, §§ 22.1-207, 22.1-253.13:1, 22.1-275.1, 8 VAC 20-120-40, 50, and 70.	*Recommendation partially accepted. (HB1295/SB679) Gifted and School Health committees were made optional.*
App. 2 #2	Economics and Personal Finance Course. All students entering the 9th grade will be required to complete a course in personal finance and economics.	Eliminate, or suspend until associated FTEs may be included in the SOQ funding formula.	SOE.DOE123, §22.1-200.03, 8 VAC 20-131-50	*Recommendation not accepted. Deleted from HB1295/SB679.*
App. 2 #5	College and Career Preparation Planning and Programs. Beginning with the 2012-2013 academic year, all schools shall begin development of a personal academic and career plan for each seventh-grade student with completion by the fall of the student's eighth-grade year. The plan must further be reviewed at 9th and 11th grades.	Eliminate, or suspend until associated FTEs may be included in the SOQ funding formula.	SOE.DOE138, § 22.1-253.13:4 (D), 8 VAC 20-131-140	*Partially accepted. Implementation delayed to 7/1/13. (HB96)*

Ref #	Description	Possible Solution	Reference	General Assembly Outcome
App. 2 #7	Authentication of Court Records. School divisions are required to send personnel to court to authenticate school records in cases involving anything other than the custody of a minor or the termination of parental rights.	Permit school divisions to authenticate court records via affidavit, to parallel the authority granted to other political subdivisions under § 8.01-390.	§§ 8.01-390 & 8.01-390.1	*Recommendation accepted. (HB424)*
App. 2 #10	Civics Course Requirement for Teacher License Renewal. Beginning next year, any license renewal for elementary, middle, and social studies certification will require the teacher to take a civics or government course.	Eliminate.	2010 Acts of Assembly, Chapter 814, 8 VAC 20-22-10, 8 VAC 20-542-10	*Recommendation accepted. (HB1295/SB679). Repeals Ch 814, Acts 2010.*
App. 2 #13	Credential Requirements for Career & Technical Education (CTE). These increased credentials make finding qualified candidates difficult, especially in smaller divisions.	Eliminate or relax the credential requirements after further study.	8 VAC 20-131-70	*Partially accepted. (HB1108) Delays implementation to 7/1/13.*
App. 2 #16	Increased Graduation Requirements. Implementation of selected regulations have been delayed to 2012-2013, however exceptions to the delay include increases and changes to the credit requirements beginning in the 2011-2012 school year. Changes in the requirements impact the costs associated with personnel, staff development, and student and parent communication. Further, the reduction in elective courses reduce the flexibility of student schedules and increase personnel demands.	Suspend until the Commonwealth can restore state funding to the FY 2009 level. Suspension should be maintained until the state determines the true cost of additional FTEs needed for provision of additional courses. The State must pay its share of the cost.	8 VAC 20-131-50; 2011 Acts of Assembly, Chapters 391 & 411.	*Recommendation rejected. (HB 96) Governor's amendments removed the delayed implementation.*
App. 1 #18	Auction of surplus property--current code mandates that surplus property must first be offered for sale to other local governments and volunteer fire departments.	Eliminate.	§ 2.2-1124 and § 15.2-951	*Recommendation accepted. (HB1295/SB679) §22.1-1124.*

Ref #	Description	Possible Solution	Reference	General Assembly Outcome
App. 1 #19	UDA Reporting--current code requires that UDAs be reported to the state. Serves no practical purpose.	Eliminate.	SCT.DHCD019	*Recommendation adopted. (HB1295/HB679) §15.2-2223.1*
App. 1 #21	Airport Property Lease--current code requires that any lease on airport property be approved by the state Department of Aviation. This decision is best left to the local government based on their unique needs.	Eliminate.	TBD	*Recommendation adopted. Localities now must certify, rather than have DOAV review. (HB1295/SB679) §5.1-40*
App. 2 #18	Sale of School Property--current code mandates that all proceeds from the sale of school property go into capital improvement. This decision is best left to the local school system based on their unique needs.	Eliminate.	SOE.DOE089	*Recommendation adopted. (HB1295/SB679) § 22.1-129*
App. 2 #19	School year to begin after Labor Day--Current code mandates that public schools not granted a waiver by the Board of Education start school after Labor Day. This decision is best left to the local school system based on their unique needs.	Eliminate.	SOE.DOE132	*Several bills failed.*
App. 2 #20	Notification to parents on financial status--current code mandates that the superintendent annually reports to parents and guardians the cost per pupil across the entire system. Any parent or guardian may find this information in the school budget which is usually available online.	The language is unclear and contradictory. It needs to be clarified that this is an allowable procedure.	§ 22.1-92	*Recommendation adopted. (HB1295/SB679) § 22.1-92*

Ref #	Description	Possible Solution	Reference	General Assembly Outcome
App. 1 #24	Vending services by the blind--if a vending stand is relocated or removed in a public building the Department of Rehabilitation Services shall have the right to place another stand in its place to be operated by the blind. The necessity of this mandate is questioned. Also, the state capitol and all legislative offices are exempted from this mandate, however all other public buildings are not. If this mandate is truly a well thought out mandate then why are the capitol and legislative offices exempted?	Eliminate.	SHHR.DBVI003 & § 51.5-89	*Recommendation adopted. (HB1295/SB679) § 51.5-89.*
App. 3 #14	Certified Public Librarian--code requires that the head of a public library in a jurisdiction with more than 13,000 people must have a state certification. Unnecessary and the costs are shifted at times onto the head of the public library to attain the certification.	Eliminate.	SOE.LVA001	*The 13,000 population threshold was raised to 15,000. (HB294)*
App. 1 #27	Library Internet Use Policy--current code mandates that all libraries that receive state funds submit an internet use policy to the Librarian of Virginia. This mandate serves little to no purpose.	Eliminate.	SOE.LVA006 & § 42.1-36.1	*Recommendation adopted in part. (HB1295/SB679) § 42.1-36.1.*
App. 1 #29	Courthouse Construction--current code mandates that localities construct and maintain court facilities. Additionally, the circuit court can arbitrarily order the construction of a new court with no regard for local finances or CIP plans. Financially burdened localities should not be in the position to be forced to construct new court facilities.	Eliminate.	JUD.SUPCT001	*Recommendation adopted. (HB1295/SB679) 15.2-1643.*

Ref #	Description	Possible Solution	Reference	General Assembly Outcome
App. 1 #33	Local Use of Transportation Funds--current mandates require oversight from VDOT on certain local road projects. This mandate is unnecessary as it only adds additional personnel to a road project and local officials could be trained and perform the same oversight duties as VDOT officials while not tying up VDOT resources.	Modify mandate to allow for a VDOT certification for local governments to attain or eliminate all together with conditions.	STO.VDOT022	*HB1164 requires the Sec. of Trans to examine the approval process.*
App. 3 #19	Watch for Children Signs--current code does not allow for local governments to install these signs. This is akin to parking enforcement signs that local governments are allowed to install under a blanket permit.	Eliminate this code and allow for these signs to be installed under a similar blanket permit used for parking enforcement signs.	33.1-210.2	*Recommendation adotpted. (HB914)*
App. 1 #36	Secondary road projects through Richmond--current code requires that all secondary road projects, once approved by a regional VDOT directors, must go to Richmond for further approval. This is overly time consuming considering the fact that the VDOT District Director follows the same standards as the Richmond office. Design waivers and exceptions could also be approved in the district offices.	Modify this mandate to allow for secondary road projects to only need approval from the District Director.	TBD	*HB1164 requires the Sec. of Trans to examine the approval process.*
App. 1 #37	Red Light Cameras--VDOT currently requires cities to submit for approval the intersections that a locality wishes to place a red light camera at. Towns and Cities are responsible for their own road maintainence and this should be under local control.	Eliminate.	STO.VDOT036	*Recommendation adopted. (HB1295/SB679) § 15.2-968.1 (J)*

Ref #	Description	Possible Solution	Reference	General Assembly Outcome
App. 1 #38	State code requires the inclusion of Urban Development Areas in a local land use plan in high-growth localities. These requirements impede on the ability of a local government to make land use decisions in the best interest of their unique demographics and community concerns.	Eliminate.	NSO.085, 086, SCT.DHCD019	*Recommendation adopted. (HB869/SB274)*
App. 1 #41	VRS contribution--local governments are not allowed the option to require employees hired before July 1, 2010 (VRS Plan 1) to contribute any of the 5% employee share of VRS. Benefits are a local issue that should meet the needs of the local government as determined by the local governing body. Also, the state has this option themselves.	Allow local governments to have the option to require employees hired before July 1, 2010 to contribute up to 5% for their employee share contribution.	IND.VRS001; 2012 Appropriations Act, Item 468 (K)	*Recommendation not adopted. Local governments will now be mandated to require their employees contribute to VRS, and require the locality to provide corresponding pay increases. (SB497)*

Note: References listed in this format: SSS.DDD123 are from the Catalog of State and Federal Mandates on Local Governments.

Appendix 2:
Mandates Recommended for Elimination in 2013

No.	Subject	Description	Possible Solution	Reference
1	**Airports - Use of Urea for de-icing**	Legislation enacted in 2011 banned the sale of urea for the purpose of deicing, however the consumption of urea for deicing by regional and community airports is currently permitted as long as its use is below thresholds of benchmark monitoring parameters of stormwater permit requirements.	Permit the continued use of urea by airports as long as the materials can be used within the parameters of their existing stormwater permits.	§ 3.2-3607.2
2	**DEQ - Administrative Process Act Exemptions**	We have seen numerous times when DEQ monitoring limits, regulations, inspection requirements, permit fees, etc are changed internally with no notification of the affected localities.	Have DEQ follow the same requirements and guidelines of all other state agencies when rules and regulations are changed or modified.	
3	**DEQ - Air Emissions Reporting**	Local governments that operate landfills, incinerators, wastewater treatment facilities, boilers, or other facilities that generate air pollution must comply with air emissions standards and permitting requirements. One jurisdiction mentioned that they are required to report for their Water Pollution Control Facility (WPCF) since the boilers burn diesel fuel.	The burden associated with this reporting seems unwarranted. WPCF's should be given a general exemption as long as they do not incinerate.	SNR.DEQ031
4	**DEQ - Solid Waste - Financial Assurance**	Financial Assurance for Corrective Action -Under this citation, a landfill is to provide financial assurance upon triggering the need for corrective action to address a groundwater impact. The value is set arbitrarily at $1,319,447.00 until such time as a corrective action plan is written into the landfill permit, at which point the actual estimated dollar figure for the corrective action (invariably much less than $1 million) is used as the basis.	We request that no financial assurance burden for corrective action be placed on closed non-Subtitle-D landfills until the landfill permit is revised. At that point the financial assurance would be based on the actual corrective action plan incorporated into the permit.	§ 10.1-1410 & 9VAC20-70-113
5	**DSS - Annual Report of Guardians**	Annual Report of Guardians--state code outlines specific procedures for the filing and reporting of the annual report of guardians. The rigorous requirements seem overly burdensome and draining on local government resources.	Amend § 37.2-1021 so that guardians file annual reports with the local department of social services (LDSS) in the jurisdiction in which the incapacitated person resides, rather than in the jurisdiction where the guardian appointment will occur. Further, LDSSs would no longer be required to forward annual reports to the LDSS where the incapacitated person resides. Suggested language has been submitted to the Task Force.	SHHR.DSS067 & § 37.2-1021
6	**Firearm Buyback Programs**	In order for a locality to participate in a program in which individuals are given a thing of value in exchange for surrendering a firearm to the locality, the locality must first adopt an authorizing ordinance. Such ordinance shall require that any firearm received shall be offered and duly advertised for public auction or sealed bidding to an authorized firearms dealer. After such offering, the locality may then dispose of any remaining firearms in the manner it deems proper, which may include destruction or sales to a licensed dealer.	Eliminate.	§ 15.2-915.5 & NSO.127
7	**Law Enforcement - Additional flexibility needed for officers serving certain orders.**	Local police departments are required to serve all emergency custody orders (ECOs), temporary detention orders (TDOs) and all protective orders. This impacts the availability of a police officer for extended periods of time and may result in frequent overtime costs when officers serving ECOs and TDOs must remain with patients beyond the normal work hours.	Modify code to reduce the impact to local law enforcement agencies. Specifically, additional flexibility should be provided for local officers when serving such orders.	§ 37.2-810
8	**Law Enforcement Overtime**	Overtime must be paid to fire and law enforcement employees based on their total paid hours (including annual and sick leave) as opposed to their total hours worked.	Eliminate the requirement. The Federal Fair Labor Standards Act (FLSA)would still be applicable.	§§ 9.1-700 et seq.

No.	Subject	Description	Possible Solution	Reference
9	**Procurement - Competitive Negotiation for Goods or Non-Professional Services**	In order to use competitive negotiation for the purchage of goods or nonprofessional services, there is a requirement to document in writing that competitive sealed bidding is either not practicable or not fiscally advantageous. If you choose the wrong procurement method, having this documentation on file does little to enhance the accountability of the procurement.	Eliminate.	§ 2.2-4303 (C)
10	**Procurement - State Contract sharing with locals**	Allow local governments to "piggy back" on state contracts for services like insurance, purchasing, healthcare, and maintenance where the locality determines such action to be cost-beneficial. This principle can also be applied to mental health and other provider services where certain localities may be penalized by the private sector for not being able to guarantee a certain volume of business or where the state-local matching rates are so unfavorable that local governments are forced not to provide a needed service.	Grant permission for localities to utilize state contracts for a broader array of services.	§ 2.2-4304
11	**Procurement of Professional Services - Ranking & Negotiation**	Procurement of professional services requires ranking of offerors and negotiation with the offeror ranked first. If no agreement is reached, negotiations with the first offeror are terminated, and so on until an agreement is reached.	The current practice is not consistent with the competitive negotiation process for goods and nonprofessional services. That process allows for concurrent negotiations with the top ranked offerors, enhancing the public body's ability to obtain a better result for taxpayers.	§ 2.2-4301, definition of "Cooperative Procurement," paragraph (3)(a)
12	**Public Notices for Public Hearings**	Newspaper Ads--current code mandates that newspapers be utilized for public meeting notices for a local government. This is very expensive to enact and electronic resources could be implemented.	At the option of the local government, permit localities to provide public notices electronically In addition to or instead of publishing notification in newspapers.	Refer to HB773 (2012)
13	**Public Notices for Reassessment of Property**	The code specifies an exact font, location to be used in the newspaper, and wording. This makes these notices more expensive. Also, the wording that has to be used is very difficult for the average citizen to understand.	Eliminate.	§ 58.1-3321
14	**Public Notices for RFPs**	The procurement act requires public notice of requests for proposals in a newspaper of general circulation.	Eliminate. It is more effective to post these online.	§ 2.2-4301, definition of "Cooperative Procurement," paragraph (2)
15	**SBE - Electronic Voting Equipment**	The purchasing of electronic voting equipment is restricted.	Remove/modify the restrictions.	§ 24.2-626
16	**VDACS - Animal License Procedures**	Local treasurers are to receive rabies vaccination records from veterinarians in their jurisdiction, then take action to ensure the licensure of such dogs including forwarding information to other jurisdictions of the dog owner resides elsewhere.	Amend Title 3.2, Chapter 65 and § 18.2-403.3 to remove the limitation on local animal license fees, to permit these fees to be used toward the administration of dog and cat licenses, and to replace all references to a 'license tax' with 'license fee'.	§§ 3.2-6500 et seq.
17	**VDOT - Environmental Impact Analysis Requirement**	Any local government must prepare an Environmental Impact Report for any highway construction, reconstruction or improvement over $500,000. The low threshold results in having to prepare reports many projects and increases the cost of transportation projects.	Raise the threshold to $2,000,000.	SNR.DEQ038
18	**VDOT - Local Comprehensive Plan Compliance**	Localities comprehensive plans must comply with the statewide transportation plan, or risk loss of construction funding.	Repeal.	§ 15.2-2223
19	**VDOT - Review of local development plans - 527**	Additional development review is not needed and impacts the timing on development review processes. The review can be accomplished by coordination between jurisdictions.	Repeal.	§ 15.2-2222.1

Appendix 2:
Mandates Recommended for Elimination in 2013

No.	Subject	Description	Possible Solution	Reference
20	**Zoning - Extention of Approvals due to recession**	Extends the period of validity for certain local land use approvals, to July 1, 2017. Extends sunset, and expands eligibility for extension of land use approvals. This essentially removes the ability for the locality to have 'expiration dates' for certain approvals.	Modify so that the extension of such approvals is at the option of the locality, rather than mandated by the state.	§ 15.2-2209.1

Appendix 3:
Funding Requests

No.	Subject	Description	Possible Solution
1	**CB - Funding**	Constitutional Officers are state mandated positions which each locality must have. These include sheriffs, clerks of the circuit court, tresasurers, commissioners of the revenue, and commonwealth attorneys. There are several issues surrounding the funding and accounting of these positions and local governments have voiced their concerns.	Fully fund the state's obligation.
2	**CB - Per Diem Funding**	The per diem funding for state prisoners held in local jails is insufficient.	Increase funding.
3	**Courts - Funding**	Local governments are responsible for significant costs associated with operating courts throughout the Commonwealth.	Additional funding.
4	**CSA - Funding**	The Commonwealth has reduced its burden of the costs and administrative over head of this program while at the same time requiring local governments to give more.	Additional funding and administrative support.
5	**DCJS - 599 Funding**	Funding levels for this program which provides vital assistance to local police departments has been reduced.	Additional funding.
6	**DCR - Stormwater**	Local governments are required to remit 28% of all stormwater fees collected to the state while at the same time being solely responsible for the administration of stormwater management programs.	Eliminate the requirement to remit 28% of stormwater fees collected to the Commonwealth.
7	**DEQ - Biosolids**	Monitoring and enforcing biosolid standards is currently reimbursed by the Commonwealth at a rate not sufficient to meet the enforcement needs.	Increase funding for this reimbursement or allow local governments to increase fees for permit holders.
8	**DEQ - Landfills**	The fees associated with the corrective action permit amendment is excessive and burdensome.	Decrease this fee.
9	**DEQ - Water and Sewer Plant Upgrades**	State and federal regulations with regards to water and sewer plants has resulted in excessive costs being placed on local governments.	The state should share in the cost of upgrades mandated by state regulations.
10	**DOC - Community Corrections**	The state established an alternative sentencing program for non-violent offenders and has since been underfunding the program.	Additional funding.
11	**DOC - Payment in Lieu of Taxes**	Payment in lieu of taxes has been exempted by the Commonwealth resulting in a loss of revenues.	Restore payment in lieu of taxes.
12	**DOE - Special Education for Blind/Visually Impaired**	Of the 17 special education disability designations recognized in Virgiina, only blind and visually impaired are not currently funded by the Commonwealth.	Fully fund the SOQ in the blind and visually impaired areas, to help cover the costs of teachers, aides, and staff.
13	**DOF**	When entering into a contract for services with the Dept of Forestry, local governments are required to reimburse the Department of Forestry for forest fire protection at a prohibitive rate. Such amount shall not exceed, in any one year, an amount equal to seven cents per acre of privately owned woodland beginning July 1, 2008, and nine cents per acre beginning July 1, 2009. A locality should not have to pay for the operations of a state agency.	Reduce the per acre rate for this service.
14	**DSS - FAMIS/CIMSIP**	Administrative responsibility for this program was pushed back down to localities, after being taken over by the state as a means to reduce funding to the localities. Little to no funding is received for this service.	Increase funding.
15	**Local Aid to the Commonwealth and Aid to Localities**	Aid to Localities has been reduced in recent budget cycles placing significant strain on local governments. Local Aid to the Commonwealth has resulted in local governments being required to return funds to the state or reduce state-funded services at the local level.	Restore funding levels and eliminate proposed reductions. Eliminate the required aid to the Commonwealth and service reductions.
16	**SBE - Funding**	The cost of administering elections should be shared by the state as well as costs associated with hiring state mandated positions and the acquisition of voting machines.	Increase funding and support.
17	**Telecommunications Tax**	The replacement 5% tax for local telecom taxes and fees has resulted in local governments losing revenues.	Modify the taxing structure to increase the revenues to local governments.

No.	Subject	Description	Possible Solution
18	**VDH - Disposition of Dead Bodies**	Local governments are mandated to provide for the disposition of unclaimed dead bodies while the state has exempted themselves from this mandate.	Remove this mandate or provide funding.
19	**VDOT - Funding**	Road maintenance funds are targeted for reduction.	Do not decrease funding for road maintenance.
20	**VRS - Retiree Health Insurance**	The cost for this program has been devolved to local governments since 2002 despite its being established as a state funded program.	Fund this program as was originally intended.
21	**VWC**	Self-insured localities are charged duplicative taxes and fees by the state for workers compensation.	Remove the mandate for these payments.