

# **AUGUSTA COUNTY BOARD OF SUPERVISORS**



**Legislative Issues, Priorities, and Proposals  
2020 Session  
11/21/19**

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## Augusta County Facts

The County of Augusta was formed in 1738 and named for Augusta, Princess of Wales and the mother of King George, III. The original western boundary of the County was the western edge of Virginia, which at that time was the Mississippi River. The present boundaries of the county were set in 1790. Situated in the Shenandoah Valley of Virginia, the County of Augusta is at the juncture of Interstates 64 and 81, and the headwaters of the James River and the Potomac River basins. It is 150 miles southwest of the nation’s capital, Washington, D.C., 100 miles west of the state capital, Richmond, and 85 miles north of the City of Roanoke. Within the boundaries of the County of Augusta are the independent cities of Staunton, founded in 1747, and Waynesboro, founded in 1801.

Although primarily a rural county, Augusta County’s 2018 population was 75,144. Augusta County enjoys a diversified economy, with manufacturing accounting for approximately 21% of the jobs in the County. Manufacturing employs approximately 5,500 of 36,000 plus workers in the County’s labor force and makes up approximately 3.3% of the total local property taxes. The County is home to several well-known industries, such as Hershey Chocolate, McKee Foods (Little Debbie), Nibco and Daikin (formally McQuay).

Agriculture is a large portion of the overall economy of the County. Augusta County is one of the top producers of many commodities in the state and this wealth of production overflows into many other industries of the County; including farm equipment manufacturers and dealers, transportation, energy, retail, and the ever growing agri-tourism business. The unemployment rate for the County decreased from 3.6% in 2017 to 3.0% in 2018. The County’s rate remains lower than that of the State’s unemployment rate of 3.3% and compares favorably to the national unemployment rate of 4.2 %.

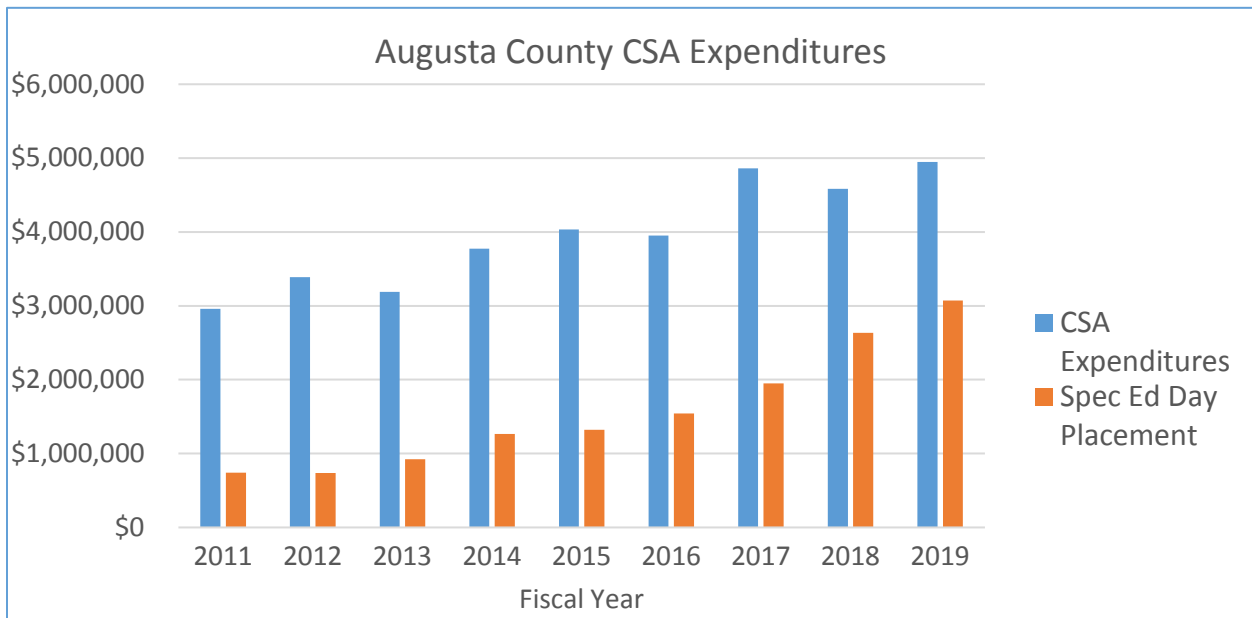
Population 2018	75,254
Median Age	45-49
Student Population	9,939
Real property tax rate – CY2019	\$.63 per hundred
Machinery and tools tax rate – CY2019	\$2.00 per hundred
Assessed value of taxable real property – 2019	\$7,424,080,000
Personal property tax rate – CY2019	\$2.50 per hundred
State reimbursement for personal property taxes	\$4,296,000
FY2019 General Government Budget	\$70,862,454
FY2019 School System Budget	\$128,617,056
General Government employees	504
School System employees	1,592
FY2018 Debt service per capita	\$1,168
Schools	11 (E) 4 (M) 5 (H)
Voting Precincts	26

**AUGUSTA COUNTY BOARD OF SUPERVISORS**  
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**2020 Session**

**Priority Legislative Issues for the 2020 General Assembly Session:**

- **Children’s Services Act Costs:**

This partnership program has been in existence for well over twenty years, during which time County costs have increased significantly. The largest expenditure category for Augusta County is special education day placement, of which the Commonwealth of Virginia provides funding for two-thirds of expenditures and the County funds one-third. The following graph and tables detail funding for the last nine years:



<u>Fiscal Year</u>	<u>State Funding</u>	<u>% Change</u>	<u>Local Funding</u>	<u>% Change</u>	<u>Total</u>	<u>% Change</u>
2011	\$2,004,597		\$953,381		\$2,957,978	
2012	2,225,750	11.03%	1,164,226	22.12%	3,389,976	14.60%
2013	2,090,037	-6.10%	1,099,998	-5.52%	3,190,035	-5.90%
2014	2,426,842	16.11%	1,345,326	22.30%	3,772,168	18.25%
2015	2,513,077	3.55%	1,519,735	12.96%	4,032,812	6.91%
2016	2,520,543	0.30%	1,429,944	-5.91%	3,950,487	-2.04%
2017	3,110,573	23.41%	1,752,197	22.54%	4,862,770	23.09%
2018	2,942,309	-5.41%	1,643,090	-6.23%	4,585,399	-5.70%
2019	3,197,266	8.67%	1,749,869	6.50%	4,947,135	7.89%

<u>Fiscal Year</u>	<u>State Funding</u>	<u>% Change</u>	<u>Local Funding</u>	<u>% Change</u>	<u>Special Ed Day Placement Total</u>	<u>% Change</u>
2011	\$495,657		\$244,350		\$740,007	
2012	493,074	-0.52%	243,077	-0.52%	736,151	-0.52%
2013	617,730	25.28%	304,530	25.28%	922,260	25.28%
2014	847,888	37.26%	417,995	37.26%	1,265,883	37.26%
2015	885,942	4.49%	436,755	4.49%	1,322,697	4.49%
2016	1,033,113	16.61%	509,307	16.61%	1,542,420	16.61%
2017	1,306,859	26.50%	644,259	26.50%	1,951,118	26.50%
2018	1,764,474	35.02%	869,855	35.02%	2,634,329	35.02%
2019	2,057,681	16.62%	1,014,402	16.62%	3,072,083	16.62%

Bills have been entered into the 2018 and 2019 Sessions to request state CSA funding for day placements programs run by a public school system. In 2019, a 2% cap increase on day placement rates was levied for each year. We **support** these policy and budget initiatives in the 2020 Session including 2% cap per biennium and a local public day placement pilot program which would allow for the following:

- Children would remain in the community where they reside
- Local school personnel could track the progress of the child
- Children could return to school more quickly because of local monitoring
- Community services could be provided to families and children beyond the day placement
- Savings could be achieved through shorter length of stay
- Savings in how services are delivered allows savings for Virginia taxpayers
- Regional public programs could be more efficient than private placements

- **Solar Farms:**

The treatment of solar projects is an emerging issue for some Virginia localities. Augusta County has received interest in the placement of solar farms in our urban service areas where we expect to see growth in industry, commercial and residential projects. Investments have been made for the necessary utilities for growth, such as electric, gas, water and sewer and even rail. Continuing to allow for an 80% tax break on these projects does not allow a locality to have a return on investment that encourages approval of solar farms. In 2018 session, SB-902 (now law) allowed for a local option on the 80% reduction on larger projects of 150 megawatts or more. Consideration should be given to allow the local option on any project greater than 25 megawatts.

- **Support Change in School Composite Index Formula to Use-value Assessments:**

Support legislation to adjust the calculation of the local Composite Index for public school funding by directing the Department of Education to adjust its funding calculations for the local ability to pay by using the use-value assessment of real property, instead of the true value, in localities that have adopted use-value taxation. Sixty-nine counties and eighteen independent cities have local agricultural use value ordinances. By putting this in place, the Commonwealth can align its goals across programmatic areas, supporting a strong agricultural economy while also accepting responsibility for its fair share of public education funding.

- **Support Fair Taxation Authority for Counties:**

Counties should have the ability to impose a cigarette tax and to raise the meals tax beyond 4% without a referendum. Cities have authority for both revenue sources, placing counties at a disadvantage. As a result, counties are more reliant on real property taxes. For example, in Augusta County, a 1% increase on meals tax rate would equal \$637,500, almost one cent on the real property tax rate.

## **END OF PRIORITIES**

### **Taxation:**

- **Oppose Change to Machinery & Tools and Business, Professional and Occupational Tax Structure:**

While neither of these taxes is particularly “popular” with various constituencies, unless and until the Commonwealth enacts replacement revenue sources for local governments, the two above-referenced taxes must stay in place as options for local governments. It is irresponsible to further add to the real property tax burden on constituents by eliminating more diverse revenue sources for local governments. A loophole in the BPOL is growing by virtue of the buying up of doctors’ practices by untaxed (not-for-profit) hospitals. Not only do local governments forego real property taxes on these hospitals and their expansions, but now, the impact on BPOL is becoming yet one more burden to be offset by residential real property taxes. Augusta County would stand to lose the following revenue if the following taxes were eliminated, constituting an 11-cent increase to the real estate tax rate:

Machinery & Tools	\$4,127,000
Business License	<u>3,650,000</u>
Total	<u>\$7,777,000</u>

- **Commercial Vehicle Registrations:**

On July 1, the Commonwealth initiated an increased vehicle registration fee for commercial vehicles in an effort to fund improvements on Interstate 81. The fee is aimed at commercial water haulers, but inadvertently, private water trucks are seeing the increased rate as well. At the DMV level there is no differentiation between the commercial haulers and those citizens with a private truck that haul water to meet personal household needs. We **support** a review of the designations to local citizens in not paying the higher registration fee (example \$300 vs. previously \$99) for privately owned vehicles used only for private residential water hauling.

## **Oppose Unfunded Initiatives Pushed to Local Tax Burden:**

- **Mandates:**

Mandates from the General Assembly come to local governments in two forms:

- Issues that local governments have to perform which they are not currently performing (this item means additional expenditures in local budgets); and

- Issues which involve revenue reductions either by cutting state revenue that has historically been shared with local government (example – ABC profits), or the abolition/altering of local revenues (example – car tax, BPOL, machinery and tools tax).

Workgroups considering local mandates and local fiscal stress need to be bold in their recommendations for the 2020 Session and include reduction of financial burdens on local governments.

- **State Funding for Any New State Initiatives:**

The Commonwealth should bear 100% of the cost for any service or program mandated by the state.

- **State Funding for Mandated and Shared Programs:**

The state has enacted programs which are overseen at the state level and administered at the local level and concurrently required the localities to fund increasingly larger shares of the expenses of these programs, whether directly or through re-defining terms within the formulas used to compute such funding requirements. The state needs to fund its true and responsible share of these programs including:

- education, including:

- \*sufficient funding for K-12

- \*sufficient funding for the SOLs

- \*additional funding for school construction;

- public libraries;

- constitutional officers and their offices;**

- area agencies on aging;

- community service boards;
- mental health and intellectual disability programs and facilities;
- funding for local EMS and Rescue Squad training;
- the mandated replacement of election equipment; and
- law enforcement agencies and staff, including total compensation and benefits.

- **Funding for Local Libraries:**

The state has enacted a formula for full funding of local public libraries; however, the Commonwealth has not fully funded the formula, leaving great disparities in library access across the Commonwealth. Augusta’s shortfall is \$112,251 or 40%. The Commonwealth needs to fully fund the local library formula, allowing access for our library to adequately support the Talking Book Center, provide shorter waiting lists through additional book purchases, add databases and online classes and to eliminate the cap on the number of items and cost for Hoopla downloads.

- **Relationship between State and Localities:**

The relationship between the Commonwealth and its local jurisdictions has deteriorated over some of the last several years with responsibilities and costs being shifted to local governments. The Board of Supervisors commends the Governor and the General Assembly for eliminating the “Local Aid to the Commonwealth” and encourages the General Assembly to eliminate any proposed reinstatement of this burden on local governments in SFY2021 as well as unfunded shifting of responsibilities to local governments.

The State should consider reimbursing localities for past “allocations”:

2009	\$50 million
2011	60 million
2013	50 million
2015	30 million

For Augusta County this reimbursement would total \$1.9 million

Additionally, The Board would request that the General Assembly consider an additional \$1.7 million reimbursement for Middle River Regional Jail.

## **Land Management:**

- **Land-Use Decisions:**

Local land use decisions should remain at the local level without unreasonable or arbitrary state constraints.

- **Storm Water Regulations:**

We also **support** legislation to:



- Amend Section 62.1-44.15:48 of the Code of Virginia to remove the requirement that proceeds from penalties must be used only for purposes mandated under that section of the Code.
- Amend Section 62.1-44.15:28 of the Code of Virginia to give localities the ability to waive the state’s portion of the VSMP fees if a locality waiver policy has been implemented by a locality and approved by the Board. We also request a new locality/state workload analysis to justify the state’s portion from the storm water permit fee. The new analysis should address long-term responsibilities placed on localities that previous studies ignored.
- We **support** adequate funding to enable local governments to meet ongoing costs associated with local storm water management programs that became effective on July 1, 2014. It is critical for the state to evaluate the effectiveness of the fee structure as outlined in the Virginia Storm Water Management Permit regulations because these fees are the PRIMARY source of revenue for funding local storm water management programs. As such, we support legislation to Amend Section 62.1-44.15:28.9.a of Virginia’s Storm Water Management Law such that it would distribute a maximum of 10 percent of statewide storm water fees revenue to the Virginia Storm Water Management Fund with the remaining 90 percent remaining with local governments.
- Amend Section 62.1-44.15:33 of the Code of Virginia to mandate that the State Water Control Board permit localities to consider long-term maintenance costs of a Best Management practice when approving a local storm water program.
- Allow improvements in non-MS4 areas to count towards meeting credit requirements for the MS4 program. This would include receiving credits for projects funded by the Dupont settlement.
- Reconsider the new wastewater treatment wasteload allocation regulation in the recently adopted Virginia Chesapeake Bay TMDL Phase III Watershed Implementation Plan (August 2019).
- **Nutrient Credits:**  
**Support** legislation for localities to retain their Nutrient Credits from “unused” Wastewater Treatment Plant capacities.
- **Large Utility Projects:**  
**Support** adequate direction and resources for the Department of Environmental Quality (DEQ) to provide monitoring and enforcement of

Erosion and Sediment Control and Storm water requirement by entities constructing large-scale utility projects, for example, pipelines and solar farms. DEQ should conduct a review of the annual standards, specifications and construction general permit requirements for these projects to determine if they are providing adequate protection of water quality and natural resources.

- **Maintain Public Sector Role in Onsite Sewer Program:**

**Support** an onsite sewage program at the Virginia Department of Health (VDH) that protects public health and the environment in all regions of the Commonwealth. The Commonwealth should give special focus to addressing the challenge of failing septic systems and allow localities authority to develop and implement policies that support the state’s program. We support the private sector providing onsite sewage system design, installation and repair services, as long as the services can be provided at affordable rates and in a timely manner, and as long as VDH continues to provide these direct services as well.

- **Broadband/Wireless Telecommunications:**

**Support** efforts to expand broadband capabilities in underserved and rural areas including strengthening local authority to deploy broadband directly or through public-private partnerships. Efforts to enhance the deployment of new technologies must include expansion of high-speed service to rural areas. **Oppose** legislation further attempting to bypass, limit, or otherwise further restrict the local zoning, permitting and review process for telecommunications infrastructure, including fee structures.

- **Zoning Enforcement-Mowing in Area of Agricultural Use:**

**Support** efforts to clarify language presented in Virginia Code Section 15.2-901.3 that notes “No such ordinance shall be applicable to land zoned for or in active farming operations”. The Augusta County ordinance applies to one acre or less ag lots that are used as a residence and not for farming activities. The current language restricts enforcement of zoning violations for cutting of grass for these lots by classifying them together with “active farming operations”. Language should be revised to differentiate a residential lot in ag zoning from a farm lot.

## **Local Government Operations:**

- **Annexation:**

The General Assembly needs to end annexation in all parts of the Commonwealth of Virginia. The General Assembly should guarantee “599” funding increases to all localities with police departments.

- **VAC § 9.1-701. Overtime Compensation Rate:**

If expanded, this has the same effect on businesses and local governments as collective bargaining; Augusta County **opposes** such action.

- **Legislative Nominating Processes:**

The costs of holding primary and special elections are not small for local governments. In the dual primary election in 2018, there were 8,794 total Augusta County voters, 18% of the total registrant count of 48,076. The dual primary cost to the county was approximately \$48,162, or \$5.48 per vote. The state must continue to share in the costs of such elections or require those who use the primary election processes for nomination to share or bear costs. The Privileges and Elections committees should also study and report on alternative methods for legislative nominating that are less costly while still allowing a maximum voter input in the process. Ideas might include such constructs as all-day mass meeting voting at a limited number of site(s) for each district.

- **Volunteer EMS and Rescue Squad Training:**

Augusta County **supports** practical and reasonable initial certification and ongoing continuing medical education (CME) requirements for county fire EMS and rescue squad volunteers. Augusta County recognizes the vital importance of volunteer EMS and rescue squad training; however, we **do not support** extensive education requirements that discourage public volunteer service.

- **EMS Vehicle Maintenance Regulations:**

The Office of Emergency Medical Services regulations dictate that vehicle maintenance be performed according to the recommended manufacturer's schedule of maintenance. If found in non-compliance, the localities EMS license will not be renewed. Augusta County understands the need to have a maintenance program to protect the manufacturer's warranty on emergency services vehicles; however, the County would **support** redefining the definition in the regulations.

- **Public Notice Requirements:**

A thorough review of State Code requirements as they relate to "public notices" needs to be undertaken. The cost to the County for FY19 was \$20,771 for such mandated public notices.

- **Reform and Restructuring:**

The Reform and Restructuring Commission was strong in their recognition of the need to analyze legislation for its local impact, whether financial or otherwise; legislation must not move forward that has not been well analyzed and the state fiscal share appropriated. The General Assembly needs to examine carefully short-term and long-term effects on state government and

local governments, particularly with respect to state and local budgets. Many of the ideas that have been forwarded seem to have merit; however, the methods by which the concepts are proposed to be implemented have to be carefully reviewed for long-term effectiveness, efficiency and fairness.

The legislature moved forward with expansion of health insurance under the federal ACA. Any and all additional requirements for local departments of social services, health departments, etc., need to be fully and responsibly funded by the state and/or federal government after the implementation year.

- **Extend LEOS Benefits to Animal Control:**

The County recognizes that duties of animal control officers are hazardous, dealing with animals, people, and situations, like law enforcement officers. Animal Control works with the local Sheriff's office on calls, such as drug busts, that include animals. County animal control does not fall under the control of the Sheriff's office and therefore, according to State law, is not eligible for LEOS benefits.

Augusta County recently conducted a survey to determine if animal control officers within Virginia currently receive VRS - LEOS. The survey was conducted through the Virginia Animal Control Association. Sixty-two (62) agencies within the State responded. There are 95 counties and 38 cities in Virginia. Not all agencies are registered with the Virginia Animal Control Association. Of those responding, the following was found:

- 15% work for a Sheriff's Office
- 47% work for a Police Department
- 30% work for the County Administrator
- 8% work for another Department

Within these agencies, 78% indicated they are not receiving VRS - LEOS. This was unexpected as we assumed the agencies working for a Sheriff or Police Department automatically received the benefit.

An additional survey was conducted and found 92% of animal control officers only enforce regulations related to animals. They are not both, a regular law-enforcement officer and animal control officer. We also found that 77% of those responding have taken an oath and are sworn by a circuit court clerk under Section 49-1 of the VA Code. This is the same oath as law-enforcement officers.

Augusta County would **support** the introduction of legislation that would include allowing duly sworn animal control officer to be eligible to receive Virginia's hazardous duty benefits under Title 51.1-138, Paragraph B of Virginia Code.

- **Virginia Public Procurement Act-Professional Services Term Contracts:**

Section 2.2-4303.1 of the Virginia Public Procurement Act (VPPA) authorizes localities' use of Term Contracts for Professional Services. Augusta County has maintained term contracts for professional services for over 20 years. Term contracts allow the county to extend the breadth and depth our professional staff through the use of consultants where we do not have the capacity or expertise on staff. By having firms pre-selected, we are able to increase the speed of project delivery and ensure continuity of design methodologies for county projects vice advertising, interviewing, selecting, and learning to work with a different consultant for each project. Significant time and expense is invested by county staff and prospective firms in order to select the right extension of our staff for multiple categories of projects. In our experience, having a consultant on board has been beneficial for both parties. We are able to see cost savings in that the firm is not trying to recover the time and expense of responding to an invitation to bid on each individual project.

Recently, we have had several projects, particularly road projects, where we were unable to use our pre-selected firm due to per project cost limitations in the VPPA. Localities with a population of 78,000 or more are permitted to execute task orders for individual projects for up to \$2.5 million. If a locality has less than 78,000 in population, then the limit is \$150,000. Augusta County's July 1, 2018 population estimate from the Weldon Cooper Center is 75,254, which is 2,746 short of 78,000. This month, we have had a situation where a project is being delayed 60-90 days because the fee proposal from our on-call firm came in at \$183,000 (recall that the limit is \$150,000). While limits on contract amounts are understandable, it is not clear why there is such a large difference in the permitted project amount based on an arbitrary population number. If the theory is to tie capacity to handle larger contracts to population, then why not have a linear scale vs. a 900% increase in the permitted amount on the basis of a single person relocating into our out of your locality? Using 2018 numbers, Rockingham County and Bedford County just bumped over the 78,000 population. Did they suddenly develop capacity to handle \$2.5 million task orders versus \$150,000? We think not.

We **support** a significant increase in the limit for individual projects and suggest a more linear approach for the future. Limitations could be based on a percentage of the localities' general ledger or some other metric.

## **Other Items of Interest:**

- **Certificate of Public Need Program (COPN):**

The County **supports** Virginia's COPN program as an important component of the Commonwealth's health care policy and encourages the General Assembly to retain COPN in its current form with process reforms similar to those recommended by the state work group lead by the Secretary of Health and Human Resources in 2015. Legislation to deregulate COPN must be coupled with policies to promote access to care, ensure provision of essential health services, fund graduate medical education, and maintain the fiscal stability of Virginia's community hospitals.