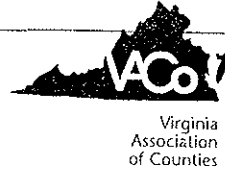




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March 30, 2010

Honorable Robert F. McDonnell
Governor
Commonwealth of Virginia
P.O. Box 1475
Richmond, VA 23218

Dear Governor McDonnell:

We understand the enormity of the challenge you faced this session. It is no easy task to balance competing needs with very limited resources. Local governments, too, face difficult challenges not only in the budget for the upcoming year, but for a number of years to come. Several items in the adopted budget make the jobs of elected officials almost intractable by shifting the cost for state responsibilities to local governments or by jeopardizing local revenues. This is unacceptable.

We ask that you veto the following items in HB 29 and HB 30:

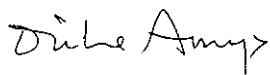
1. The redefinition of state-responsible prisoners contained in Item 377 #4c. This amendment overrides the Code of Virginia and long-standing agreements between the state and localities. The amendment changes the definition of a state-responsible felon to allow the state to shift the responsibility for housing more state prisoners to local and regional jails, at the risk of greater overcrowding. At the same time, the state is scaling back on inmate per diem payments to localities as well as funding for jail staff, thereby increasing the pressure on local taxes and local taxpayers. Localities, unlike the state, cannot simply shift the costs to another level of government.
2. The requirement for local governments to pay for benefits provided under the Line of Duty Act in Item 258#1c. The General Assembly created this program as a state-funded program. Local governments were not a party to the enactment of this program. It is a violation of trust for the state to simply shift the costs onto local government when it becomes inconvenient for the state to maintain its commitment to a program it created.
3. The appropriation of the communication sales and use tax. This tax was the result of years of negotiation between industry providers and local governments in which local governments ceded the right to impose communications taxes for a unitary measure. The bottom line is that these are local taxes which are only *collected* by the state. These are not state general fund revenues as expressed in Item 270.10 #1c in HB 29 and in Item 262 #1c in HB 30. These revenues should not be used in lieu of state general fund dollars or for other general fund purposes.

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Finally, we would like to bring to your attention the growing gap between state-mandated costs imposed through the Standards of Learning and the Standards of Accreditation, and the resources provided by the Commonwealth under the Standards of Quality. A number of policy decisions were included by your predecessor and the General Assembly in the budget to eliminate items from the rebenchmarking process and to change funding formulas. These actions do not reduce the costs to educate children to pass the Standards of Learning tests. Nor do these actions reduce the costs for schools to attain accreditation. These actions do nothing more than reduce the state's financial commitment to education. Virginia's schools have made remarkable progress on meeting accountability standards contained in state regulation, but this progress would not have occurred without local governments overmatching state SOQ dollars by more than \$3 billion a year. Local governments no longer have the resources to continue this massive effort, much less to make up for the drastic reductions in public education funding. The result will be seen in years to come in an increased failure rate on the Standards of Learning tests and on school accreditation standards. We hope that you will address this increasingly dire situation during your term in office, either by advocating for more resources for schools, or by encouraging the Board of Education to amend its regulations to more accurately reflect the resources available.

Thank you for your attention to these important matters. Please let us know what local governments can do to assist your administration in achieving its laudable goals.

Sincerely,



Executive Director, VML



Executive Director, VACo

Cc: Eric Finkbeiner, Senior Advisor for Policy