Many challenges face local governments in Virginia and nationwide in the 1990s. As federal funding has decreased, local governments have been forced to take on greater responsibilities. This increased workload has created a greater demand for resources and forced many localities to raise taxes. Citizens have often voiced opposition to these tax increases, adding to the problems faced by local governments. A case study examining local governments in Virginia illustrates many of the most prominent concerns facing local governments. The areas discussed are: (1) education; (2) growth and development; (3) housing; (4) jails; (5) solid waste disposal; and (6) transportation. Funding and school board elections are both prominent concerns for school districts in Virginia. Equalizing differences between wealthy and poorer districts also is an important education issue. Growth and development problems exist for both rural and urban areas of the state. Reduction of federal support for affordable housing has created a greater demand for local governments to supply such facilities. Overcrowding and increasing costs of housing for inmates in jails present a challenge for Virginia's localities. Local governments also now bear the majority of financial and legal responsibilities for proper disposal of solid waste. Finally, highway use has been increasing while federal funding for road construction and repair has been in decline. The result is a greater road maintenance burden for local governments in Virginia. This report discusses all of the key areas that must be addressed by Virginia's localities and local governments in general. Following this analysis, suggestions are made for classroom application of the materials presented, including class exercises, group projects, and guest speakers. (CK)
Issues and Concerns for Local Government Virginia in the 1990s

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by
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No one likes to pay taxes. However, taxes are the price one pays for a civilized society, for clean and safe streets, a decent education system, a viable health care system and a real social safety net.

Felix Rohatyn
Investment Banker, New York

Local government is sometimes described as the “dark continent” of American politics. It is the level of government closest to us, yet the one we seem to care about, and participate in, the least. However, the changing landscape of American political geography may force a “rediscovery” and renewed emphasis on exploring the dark continent of local politics.

During the 1980s the federal government assumed a diminished role in funding programs in education, housing, transportation, and the environment. Increasingly, state and local governments were left on their own to cope with problems in these areas, with little guidance or leadership from Washington. Not surprisingly, state and local taxes have gone up. As a result, taxpayers are becoming more vocal in their concerns about high taxes.

Just as the tax “reform” of the late 1980s placed a greater share of the tax burden on those who could least afford it, so too have states and localities had to bear an ever-larger load in financing services and programs for their citizens. Many state and local governments are at the limits of their fiscal capabilities to deal with infrastructure, educational, and social service problems. Even so, President Bush’s
proposal on federal transportation policy would shift to states and localities the
funding of most interstate highway construction and maintenance.

The Commonwealth of Virginia is already experiencing a budget crunch,
with biennial revenues projected to decrease by nearly $1 billion. Some state funds
have been reallocated from colleges and universities to jails and prisons, resulting
in higher tuition rates at most state institutions of higher education. Moreover, in
some cases localities will have to wait to share state lottery revenues, and revenues
collected on the sale of real estate.

As the problems facing American society intensify at the local level, citizens
will confront issues and dilemmas that have been conveniently ignored for most of
the last decade. Noted economist Lester Thurow has written:

No society changes until its movers and shakers are willing
to publicly admit that there is a problem. As it is, we cannot
even disagree sensibly about solutions since we don't yet
agree that we have a problem.

In the 1990s local governments in the Commonwealth will struggle with an
increasing array of complex problems. As local governments, political leaders, and
citizen activists struggle with possible solutions to these problems, the rediscovery
of local government and its importance will have been set in motion.

Issues Facing Localities in the 1990s

Education

The largest slice of the budget pie in most localities goes to education. With a
change in state formulas for funding the Standards of Quality, many localities are
receiving less state aid because of their ability to fund education, while other local
governments have been given more state dollars to compensate for their general
lack of wealth. The assumption behind the reformulation is that affluent areas
should take more initiative in funding education, with the state serving as the
redistributor of funds to poorer localities. The argument for this method of funding
is that it would help to curtail the disparity in the quality of education that
Virginia’s students receive.

But a recent study by professors at Virginia Tech and the University of Virginia found that educational disparity in Virginia, after this reformulation, has in fact grown larger. The gap has widened between per-pupil spending in affluent and poor school systems in Virginia. Critics of the study point out its failure to focus on the state’s share of funds to localities, claiming that some affluent areas have increased their spending while some poor areas have used further state aid to cut their local real estate and property tax rates—thereby creating more and not less disparity.

Regardless of the cause, public education in Virginia has become a system of “haves and have nots.” A group of the “have nots” may decide to challenge the traditional method of state funding in the courts. The potential outcome(s) of such a suit could have wide-ranging implications for local governments and taxpayers.

A second educational concern is the possibility of elected school boards. Virginia is the only state without elected school boards; each year more bills are introduced into the General Assembly to establish them, and each year the pressure for enactment grows stronger. After the 1990 census figures are in and the ensuing redistricting has taken place, such a bill may actually pass the General Assembly.

**Growth and Development**

While urban areas of Virginia, especially the urban crescent, struggle with growth and development-related problems, localities in Southside and Southwest Virginia grapple with the challenge of bringing needed industrial growth to their respective regions. In Lee County, for example, only two new housing permits were issued from November, 1989 through January, 1990.

As the populations of Fairfax, Arlington, Loudoun, Prince William, Stafford, Spotsylvania, Henrico, Chesterfield, and other urban counties continue to grow, those jurisdictions will be faced with more planning and zoning dilemmas, transportation concerns, and affordable housing needs. Some prominent developers already view western Prince William County as the next Tysons Corner.
As building and development increase, what will happen to roads, housing affordability, tax rates, and the availability of schools?

How can local governments in Southside and Southwest Virginia attract industry and development? Will the widening of Route 58 through southern Virginia entice new businesses? What about the possibility of creating public-private partnerships to spur growth? Should localities offer favorable tax breaks as an incentive to industries seeking expansion sites?

As growth continues in Virginia, local governments can be expected to encounter more revolving-door arrangements as elected and appointed officials move to more lucrative positions in the private sector and lobby their former departments, agencies, and colleagues on matters of special financial interest to their new employers. Will preventive and/or corrective legislation be needed? Should the state conflict-of-interests law on these matters contain a local government component?

**Housing**

A mobile home park in Charlottesville will close on May 15 to allow the property owner to build office buildings and warehouses. More than twenty-five low-income families will be displaced, with few affordable housing options available to them. Zoning laws restrict the construction of new mobile home parks, so current trailer owners have no place within the city to relocate. Should the local government help to ensure the availability of affordable housing? And if so, how?

A report in Loudoun County indicated the need for as many as 7,000 new units of housing to accommodate workers earning between $15,000 and $35,000. In Albemarle County, most listed homes sold for over $100,000 last year, meaning that most lower-wage employees at the University of Virginia cannot afford to live close to work, but must commute. And as recently as 1987, more than 50,000 households in Virginia lacked indoor plumbing.

Cuts in federal housing programs mean that local governments must pick up a large part of the slack. How can that task be accomplished while keeping tax rates
from soaring?

Jails

During the latter part of 1989, local jails housed more than 3,000 convicted felons who awaited transfer to state correctional institutions. The increases costs of housing these inmates placed a severe strain on local jail facilities and resources. Referring to the burden being placed on localities, Williamsburg Police Chief Larry Vardell said, “Something’s got to give somewhere. The whole thing is getting out of perspective.”

Virginia has eighty county jails, six regional jails, and three city jails. Virtually all are overcrowded, some drastically so. Yet the rate of incarceration in Virginia is rising even though the crime rate has remained stable. The result is overcrowding in state prisons and local correctional facilities.

Convicted criminals who receive sentences of between one and four years (up to six years in some areas of the state) will most likely serve their time in local jails. The state compensates localities at the rate of $8 per day for each inmate housed under a state warrant, plus $6 per day for each felon with more than six months of a sentence left to serve (the latter population grew by more than 80 percent from 1983 to 1989). Not surprisingly, jails in Norfolk, Orange, Virginia Beach, Henrico, Arlington and other regions of the state are more than 200 percent (and some more than 500 percent) over capacity.

Although Virginia ranks first in the nation in providing state funds to localities for corrections—and the 1989 General Assembly approved legislation reimbursing localities for half of new correctional construction costs—many local jail administrators are demanding even more help. Some have initiated lawsuits against the State Compensation Board, the agency that supplies financial assistance.

In addition to greater funding, the state must also consider alternative forms of punishment, release procedures, and incarcerations for minimum-risk prisoners, an approach recommended by the 1989 Commission on Prison and Jail Overcrowding. If the present correctional trends continue, the problem will only
become worse.

**Solid Waste Disposal**

Local governments in Virginia are primarily responsible for the disposal of solid waste. Although localities must comply with the Solid Waste Management Act and various state and federal regulations, they must also assume the major share of legal and financial responsibility for waste disposal.

Households in Virginia generate more than 11,500 tons of solid waste every day. Northern Virginia accounts for 3,000 tons, or 27 percent, of the total. Most of this solid waste is disposed of in local landfills.

Older landfills were relatively easy to construct. Basically, they amounted to holes in the ground into which trash was dumped and then covered with dirt. However, concern over environmental protection, coupled with new technology, has led to state regulations requiring that all new landfills contain double liners, as well as leachate detection and collection systems.

Because many landfills in Virginia are reaching capacity, localities will confront higher site acquisition and construction costs when old landfills are replaced. Moreover, local officials must be prepared to face “not-in-my-backyard” environmental and neighborhood activists. During the process of selecting a new landfill site in Loudoun County, *every* proposed site was opposed by citizens' groups organized expressly for that purpose.

Some localities are turning to mandatory recycling as part of the solution to solid waste disposal. By reducing the amount of solid waste, the active life of the landfill is extended. Others have researched or are in the process of actually constructing trash incinerators. These trash burners, costing more than $200 million each to build, convert solid waste to energy in the forms of steam and electricity, which can then be sold to recoup some of the construction and maintenance costs.

Whether localities opt for incinerators or new landfills operated as local or regional entities, they will be assured of incurring larger expenses.
Transportation

The 1980s saw a 50 percent increase in highway travel in Virginia. During that same period Virginia's population grew by 12 percent. Highway construction grew by only a few percent. Both urban and rural areas have felt the effects of this situation. Traffic jams in the urban crescent necessitate the addition of lanes to existing roads and the construction of new ones. Lack of quality highways in rural areas hampers economic development and growth. With federal government funding for highways in serious decline, where will the needed money for road construction be found?

The Commonwealth of Virginia is committed to funding the development of the Route 58 corridor across the southern tier of the state, as well as providing more funding to local jurisdictions for highway maintenance ($469 million in 1990). However, it won't be enough. Urban localities may increasingly turn to toll roads as a means of raising needed revenues (estimates are that Northern Virginia alone will require $7 billion for transportation-related problems in the next twenty years). Other options include creating special tax districts to raise funds for road improvements, levying a local income tax, selling revenue bonds, or improving development-related impact fees.

Taxpayers may balk at accepting any alternative that costs them more. Yet as Audrey Moore of Fairfax County pointed out, "...the longer you put it off, the more the cost increases."
SUGGESTIONS FOR CLASSROOM USE

1. Ask students to identify, from their personal experiences, the most important issues or problems challenging local their communities and governments. Ask them to recount specific examples and incidents to support their choices. Solicit ideas for solution from the class.

2. Using this article as preliminary reading, discuss with students the problems and issues facing local governments in Virginia. Divide the class into small groups, and assign each group the task of rank ordering the issues and problems cited in the article for (a) the magnitude of importance to the locality and (b) the need for immediate solution.

   Have each small group deliver its findings, and the accompanying rationale, to the class. Ask the class to select the three most pressing issues/problems from those presented by the small groups. Form the class into three study groups, assigning each to one of the issues/problems identified by the whole class. Each study group should (a) hypothesize possible solutions to the problem or issue under study, (b) conduct relevant research on the problem or issue, and (c) prepare a concluding position statement that applies research knowledge to the resolution of the problem/issue.

   After each group presents its study and recommendation(s) to the class, forward copies of group position statements to local elected officials.

3. Invite members of the local governing board or council into the classroom to talk with students about the problems and issues identified by the class. What plans does the local board have to addresses these concerns? What alternative solutions were discussed? Why was/is one proposal for solution opted for over others? Do students feel any of their ideas are better than those advocated by public officials?

4. Invite members of local government departments and agencies into the classroom to explain the mechanics—the "nuts and bolts"—of how local governments actually implement policies mandated by elected bodies. Include public officials from planning and zoning departments, school systems, public safety and health departments, finance departments, parks and recreation, social services, agricultural and extension agencies, water treatment and management authorities, and solid waste disposal departments.

5. Obtain copies of the most recent local government budget. Involve the class in an exercise to determine "who gets what" from the budget. This exercise can be an excellent opportunity to demonstrate that a budget is a political document that reflects the needs, desires, and values of the community.