

**REPORT OF THE
SECRETARY OF ADMINISTRATION
(In Response to House Joint Resolution No. 119)**

The Establishment of a State Intergovernmental Relations Commission

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 37

**COMMONWEALTH OF VIRGINIA
RICHMOND
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COMMONWEALTH of VIRGINIA

Office of the Governor

Richmond 23219

Carolyn J. Moss
Secretary of Administration

January 11, 1989

To the Members of the General Assembly:

It is apparent that we are in a new era of governmental relations. Throughout the country, states are actively stepping to the forefront in the provision of services to their citizens -- whether it be in making fundamental reforms in education, expanding transportation networks, encouraging wide-ranging economic development, or protecting the environment and natural resources.

These are exciting times for states and they are challenging times, as well. To meet these challenges successfully, states must strengthen the working relationships they have with their local governments. The problems primarily are mutual problems and it is by working together that states and localities have the best hope of solving them.

The Commonwealth of Virginia has long recognized the importance of its local governments. At your last session, you asked me to study the need for an intergovernmental relations commission. As a result of my investigation, I have concluded that there are certain steps the State could take to enhance the relations between the State and its local governments. I submit this report of my study and recommendations for your consideration.

I will be pleased to discuss any aspect of this report with you and to provide any additional data you may need in evaluating its findings and recommendations.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn J. Moss".

Carolyn J. Moss

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EXECUTIVE SUMMARY

The General Assembly and Virginia's Governors have long recognized the importance of intergovernmental relations in the Commonwealth and have sought means to improve those relations. As a result of these efforts, there are a number of activities and agencies which are concerned with intergovernmental issues.

Because of the very nature of governmental issues and the changing environment in which governments operate, intergovernmental relations will always be an important concern. In addition, the evolving nature of federalism has resulted in states and local governments assuming additional responsibilities for services. As a result, it has become even more essential that state and local governments work together.

More than half the states in the country have created advisory agencies or councils on intergovernmental relations (ACIRs) as one method of improving the relations between state and local governments. These ACIRs vary greatly in size and activities, but they have as a common purpose the provision of an institutional forum for state and local officials to discuss mutual concerns.

Survey results from Virginia local officials and interviews with state administrative and legislative officials documented a need and support for the establishment of an intergovernmental relations organization in Virginia. Such a body could serve as an information clearinghouse, a forum for discussion, a research agency, a provider of some forms of technical assistance, and an advocate for intergovernmental interests. From the survey responses and interviews were gleaned five principles that should be followed in establishing such a body: (i) it should provide a forum for discussion, (ii) its membership should reflect broad representation and balance among local government, the legislature, and the executive branch, (iii) there should be legislative and executive support, (iv) there must be institutional credibility, and (v) the creation of a new institution should be avoided.

With these principles as guidelines, alternative courses of action were developed and evaluated. These options ranged from intensifying current efforts to improve intergovernmental relations to creating a new advisory council on intergovernmental relations with its own staff. After due consideration of all the options, it was determined that an approach which utilized an existing representative body and an existing staff organization, while at the same time increasing their representation and role, would be the most effective means of enhancing intergovernmental relations in the Commonwealth. Accordingly, the Secretary of Administration recommends that:

1. The Local Government Advisory Council be restructured so as to provide representation for all the primary parties in

(i)

intergovernmental relations -- local governments, the legislature, and the executive branch -- and that the Council have a rotating chairmanship and a regular meeting schedule; and

2. That the staff component of the Commission on Local Government continue to support the Council, as well as the Commission, and be renamed the Office of State and Local Affairs.

CHAPTER ONE

OBJECTIVES AND RESEARCH APPROACH

PURPOSE AND OBJECTIVES OF REPORT

The 1988 session of the General Assembly adopted House Joint Resolution 119 which requested "the Secretary of Administration to study the need for the establishment of a State Intergovernmental Relations Commission... and, if needed, the proposed organization, duties and cost of such a body." In response to that request, this report examines (i) the nature of State-local relations within Virginia, (ii) the efforts of other states to enhance state-local relationships, (iii) the support within the Commonwealth for the establishment of an intergovernmental relations commission, (iv) the most desirable functions of such a commission, and (v) several alternative structures that could be utilized to perform those functions. Finally, this report recommends a course of action for consideration by the General Assembly. Assistance in conducting the study was provided by the Center for Public Service at the University of Virginia.

The objectives of this study were:

1. To determine if there is a strong perception among State and local officials that a need exists for an intergovernmental relations commission in Virginia;
2. To identify the most desirable components and roles of such an organization, if a need for it was identified; and
3. To recommend to the General Assembly the organizational structure and role of such a body to meet the identified needs.

BACKGROUND

Virginia's Intergovernmental Traditions

Intergovernmental relations issues are not new to Virginia. Because the Commonwealth operates under the Dillon Rule, local governments are highly dependent on the State Legislature for the authority and resources to address their concerns and to meet the needs of their citizens. In addition, an increasing number of issues should be addressed on a regional basis, yet existing government structures may hinder coordinated actions which could more effectively respond to them.

Over the years both the General Assembly and Virginia's Governors have established a number of ad hoc commissions and standing committees to study various problems and concerns related to intergovernmental relations. The following examples illustrate Virginia's continuing interest in State-local relations.

In 1966, the Virginia Metropolitan Areas Study Commission (Hahn Commission) was created by the General Assembly to deal with problems caused by increased industrialization and population changes in Virginia. The Commission was charged with studying metropolitan-area governmental problems and developing solutions to further the orderly growth of these areas and to facilitate productive governmental responses to their changing needs. The Commission was to consider all "pertinent inter-governmental relationships, as well as cooperative action between public and private agencies."

The Hahn Commission recommended a more proactive role for the State in encouraging regional cooperation. The Commission suggested that a Commission on Local Government ("to provide leadership and assert the State's concern with the sound development of its metropolitan areas...") be established. The Commission also recommended that the Commonwealth be divided into planning districts. The General Assembly adopted this latter recommendation which resulted in the creation of 22 planning districts and planning district commissions.

In 1972, the Governor's Ad Hoc Committee to review the Virginia Area Development Act was appointed. The Committee's charge was to "give immediate review of the Virginia Area Development Act and offer recommended changes for consideration by the 1973 Session of the General Assembly." Its principal recommendations proposed giving the planning districts responsibility for regional service delivery.

In 1974, the Commission on City-County Relations (The Stuart Commission) was created to study issues surrounding annexation, independent city system, and the right of counties to become incorporated cities. The Commission ultimately made recommendations concerning these issues based upon the following precepts which remain relevant to intergovernmental relations in the Commonwealth today:

1. "The social and economic well-being of Virginia localities cannot be left solely to local capacity and initiative. The State, having the ultimate constitutional responsibility for local government, is obligated to guide and assist the development of its political subdivisions.... The State should not, and indeed cannot, remain aloof from the problems of its localities."
2. The State "must deal equitably with its local governments."

Currently, the Commission on Local Government Structures and Relationships (The Grayson Commission, HJR No. 163 of 1986) is studying "the relationships among the Commonwealth's counties, cities and towns, particularly the desirability of continuing the independent city system and the problems caused by annexation." This commission is scheduled to submit its report to the 1989 session of the General Assembly.

The Joint Legislative Audit and Review Commission (JLARC) has also investigated and reported on general issues relating to local governments and intergovernmental relations in Virginia. Included among these reports were State Mandates on Local Governments and Local Financial Resources (1983), Towns in Virginia (1985), and Local Fiscal Stress and State Aid: A Follow-Up (1985). Prior to the establishment of JLARC, the Revenue Resources and Economic Commission published a number of studies dealing with local tax resources and the flow of funds between the localities and the State. Finally, there have been numerous legislative studies on particular local government issues, each addressing to some extent the relations between the Commonwealth and its localities.

In addition to these ad hoc studies, two bodies have been established within State government with the express purpose of dealing with intergovernmental issues. The Commission on Local Government was established in 1980 in the course of a general revision of state interlocal relations statutes which was a result of the Stuart Commission and a successor study commission. Although a principal function of the Commission is to prepare reports for use by courts in annexation-related cases, its activities affect numerous facets of intergovernmental activity in Virginia. The legislature declared, "It is the purpose of the General Assembly [in establishing the Commission] to....help ensure that all of [Virginia] counties, cities and towns are maintained as viable communities in which their citizens can live." (Sec. 15.1-945.1 of the Code of Virginia).

The second body which currently has intergovernmental responsibilities in Virginia is the Local Government Advisory Council (LGAC). Established by executive order and later by legislation, the LGAC serves "as a forum for identifying areas of mutual concern to local and State officials [and for] discussing and offering recommendations on issues affecting the relationship of the Commonwealth with its various local governments." (Section 2.1-335.2). The Council, composed primarily of twenty-two local elected officials appointed by the Governor, is chaired by the Governor and meets on his call.

Obviously the relationships among the Commonwealth's local governments and between them and the Commonwealth has been a continuing concern in Virginia. While some of the particulars may have changed over the years, many of the same intergovernmental issues have surfaced repeatedly. As noted by the Stuart Commission in 1974, the fact that it was the "successor to at least four other study groups created by the General Assembly since 1950 to consider the impact of these [marked social, political, and technological] changes on localities, does not suggest the inadequacy of the previous efforts, but rather the intractable nature of the problems confronted." The words of the Stuart Commission are as appropriate today as they were in 1974, if not more so.

In requesting that this study be conducted to examine the need for an intergovernmental relations commission in Virginia, the 1988 General

Assembly referred to the "new and increasingly difficult technical and fiscal problems" confronting local governments. Further, as noted by the study resolution, there is now an additional factor--"the federal government's withdrawal of financial support to the states and their local governments [which] is causing a reevaluation of the State-local government relationship." These changes are commonly referred to as the "New Federalism."

Virginia's Response to New Federalism

To meet its pressing problems, the Commonwealth and its localities not only have less federal money, but more pressure to respond to these challenges. Under this latest brand of federalism, the federal government continues to withdraw funding from many programs and states are increasingly assuming new service and regulatory responsibilities. Especially hard hit have been program areas such as social services, health, and environmental regulation. The decreased federal support and increased mandates have resulted in heightened tensions between the federal and state governments. Equally stressed have been the relationships between states and their localities.

As a result of these increased demands and fewer tax dollars, states have been placed in the position of evaluating their abilities to fund and deliver services and have thus had to reexamine their own intergovernmental systems.

Local governments are also confronted with this heightened demand to produce more with less. As noted by the recent report of the Local Government Attorneys of Virginia, Inc. (LGA), Task Force on Local Government Structure, "Virginians increasingly depend on our local governments, from the smallest towns to the largest counties and cities, for an astonishing variety of public services."

State-Local Organizations

To assist in dealing with these State-local issues, the National Conference of State Legislatures (NCSL) has recommended that states establish organizations dedicated to state-local issues. In 1986, the NCSL State-Local Task Force found that:

[o]ne of the major challenges facing the states is to find ways to help local governments without necessarily incurring heavy financial burdens for the states.... We believe that state-local organizations can play a pivotal role in studying and resolving local problems.

The concept of state-local organizations has been inspired primarily by the example and work of the United States Advisory Commission on Intergovernmental Relations (ACIR). This highly respected organization was created by Congress in 1959 to monitor the operation of the American federal system and to recommend improvements. To achieve

broad based representation, the federal Commission is composed of 26 members - three Senators, three U.S. Representatives, three Federal executive officials, four governors, three state legislators, four mayors, three elected officials, and three private citizens.

In its work, the U. S. ACIR addresses specific issues and problems, the resolution of which would produce improved cooperation among the levels of government and more effective functioning of the federal system. John Kincaid, Executive Director of the U. S. ACIR, recently described its current leading priorities as federal preemption, budget deficit reduction, and the forging of new federal-state-local partnerships.

At the state level, there are three basic models of ACIR-type organizations. The major distinction between the models is the composition of their membership. To date, twenty-eight states have some form of ACIR, and they are as follows:

1. State ACIRs (21 states). These organizations are modeled after the federal ACIR and have the broadest membership representation, including local government officials, State legislative and executive members, and citizen members. They serve as nonpartisan, neutral forums for discussion of State-local issues. States utilizing this model are:

Connecticut	Missouri	Rhode Island
Florida	New Jersey	South Carolina
Iowa	North Carolina	Tennessee
Louisiana	North Dakota	Texas
Massachusetts	Ohio	Utah
Michigan	Oklahoma	Vermont
Minnesota	Pennsylvania	Washington

2. Legislative Organizations (4 states). Membership in these organizations is restricted to legislators, although they often consult with executive branch officials and advisory groups of local government leaders. States in this group are:

Illinois	New York
Maryland	South Dakota

3. Local advisory panels (2 states). The membership of these panels consists primarily of local government officials with some executive branch representation, and their primary purpose is to advise the Governor and other Executive branch officials about State-local concerns. Virginia and Maine have advisory panels.

In addition, the State of Colorado currently has an informal panel consisting of state legislators, local officials and state executives.

For the sake of simplicity, this report will refer to all state intergovernmental relations organizations by the generic term, "ACIR", although there are important differences in the various types referred to in this report.

ACIRs are not confined to states with similar intergovernmental structures. They are present in both strong home-rule states and Dillon Rule states. States with relatively few jurisdictions and a simple structure use ACIRs as do states with a large number of local jurisdictions. For example, both Maryland, with only 24 counties and one independent city, and Ohio, with 88 counties, 1300 townships, and 1000 villages and towns, find ACIRs useful in bridging the varied perspectives among their localities and the state governments.

Despite using common models, no two state ACIRs are organized, or operate, identically. Each reflects the needs of its particular state. Some ACIRs are created by executive order and some by statute. Membership size varies from 13 to 39. Some ACIRs include special interest or functional area representatives such as school districts, regional commissions, or federal agency representatives. The resources of the various ACIRs range from New York's ACIR with a staff of eight and an annual budget of \$450,000, to that of South Dakota with one part-time staff member and a \$5,000 annual budget.

Beyond the ACIRs' structures, it is important to consider their accomplishments. The level of State ACIR activity varies over time, depending on the membership, and broader political climate and events. While some are relatively inactive at present, many others are new organizations just becoming established and productive. By contrast, some ACIRs have been, and continue to be, highly visible, making significant contributions within their states. As an example of this latter type, the NCSL State-Local Task Force praises the highly active Florida program which:

prepares annual reports on state mandates, maintains a data base on financial and demographic information on local governments, publishes a local government financial handbook, analyzes bills affecting local governments, and prepares research on such topics as property tax assessment and exemptions, local government retirement systems, federal block grants, and impact fees.

The issues selected by ACIRs and the way they approach them also vary. ACIRs formulate their agendas from issues deemed relevant by their state's social and political forces. Some ACIRs actively identify emerging issues requiring the attention of policymakers; others largely react to issues. Often, ACIRs do not work alone on an issue, but work cooperatively with other interested organizations. For an overview of intergovernmental issues recently studied or developed by ACIRs nationwide, see Table 1.

TABLE 1

SELECTED INTERGOVERNMENTAL ISSUES FROM EXISTING STATE ACIRS*

Federalism

Identification of state vs. local roles (MN,NY,WA)
Federalism changes at the national level (PA)
How localities compensate for lost federal aid (MO)
Effects of federal aid cuts, including impact on
local governments (PA,TN)
State mandates on localities (FL,MD,OH,SC,TX,WA)
The future of regionalism (MD)
A review of interstate compacts (MD)

Government Structure

Accountability of special districts (FL)
Inventory of special districts (MO,SC,TX)
Forms of local and county governments (NJ)
Home rule study (SC)
Evaluation of powers and responsibilities
of local governments (TN)
Local governance and consolidated services
(WA,OH,SC)
County profiles: economic, demographic and social
(TN)

Program Areas

Solid waste management (MI,NJ,NC,WA)
Assessment of infrastructure needs (MI)
Election frequency and voter participation (SC)
Chesapeake Bay clean up (MD)
Savings and Loan Associations (MD,SD)
School annexation procedures (OH)
Review of state workers' compensation system (OH)
Child support enforcement (TX)
9-1-1 emergency communications (TX)
Planning for the future (SC)
Study of low-level radioactive sites (TX)
Education reform (ME,TN)
Education funding (MD,TN)
Inventory of state services to local governments
(OH)
Financing indigent health care (TN,TX)

Finance

State revenue sharing with localities (FL,MD,OH,NY)
Fiscal capacity of local governments (FL,TN)
Assessment of financing sources (MI)
Capital budget for local governments (MO)
Monitoring federal and state-aid flows to
localities (NY)
Fiscal stress warning systems for local
governments (PA)
Assessment of infrastructure (FL)
Uniform fiscal data reporting system for localities
(SC)
Local fiscal impact statements (CO,CT,SC)
Local public policy and the location of business
activity (TN)

Taxation

User Fees (FL)
Property tax reform (ME,TN)
Industrial tax assessments (MI)
Review of existing program for state-local shared
taxes (TN)
Local government tax capacity/effort (MD)
Local government revenue options (SC,NY)
Sales tax base (CO)
Tax-base sharing among local governments (OH)

Liability

Tort liability reform (MI,MO)
Risk management (TX)
Insurance pools (MO)
Insurance liability (FL,MD,NJ,OH,VT)

*Virginia's LGAC legislation may be interpreted as providing the Council with the authority to study, most, if not all, of the issues listed above.

RESEARCH DESIGN

The results in this study are based primarily on the responses of Virginia local and State government officials who were asked about the Commonwealth's need for a new institution to focus attention on state-local issues. They were asked their preferences regarding the structure and function of such an organization. In addition, state ACIRs and local government associations in 27 other states were contacted to learn about their organizations' successes, failures, strengths and weaknesses.

Research Efforts Within Virginia

Local Government Input

The primary method used to solicit opinions of local government officials was a mailed survey form. This approach was selected because of the constraints in reaching all 325 local governments in Virginia. It also facilitated comparison of answers. A five-page survey was designed and mailed to the chief elected officer of each city, county, and town in Virginia. The package included a cover letter briefly explaining the purpose of the study, a copy of HJR 119, information about the activities and functions of ACIRs in other states, and a pre-addressed stamped envelope for returning the survey. Forty-one percent of the city officials and 20 percent each of the county and town officials sent back completed questionnaires.

The returned surveys provide a good cross-representation of Virginia local governments. For cities, all areas of the state were represented, and all sizes of cities. As an indication of the diversity of replies, there were responses from the small cities of Galax in Southwest Virginia, South Boston and Emporia in Southside, and Manassas Park in Northern Virginia; the medium-sized cities of Charlottesville in central Virginia, Hopewell in the eastern section, and Winchester in the Valley; and the larger cities of Roanoke and several in Hampton Roads. A similar diversity of counties responded, ranging from Lee County in the far Southwest to Accomack on the Eastern Shore and to the suburban counties of Roanoke and Chesterfield. An equally diverse group of towns responded, from Coeburn to Christiansburg to Onancock to Herndon to Shenandoah.

Both structured and open-ended questions were included in the questionnaire which dealt with several aspects of the ACIR issue. Questions were posed concerning:

- o The current status of state-local relations in Virginia in general, and specific ranking of 23 functional areas (e.g. health, social services) which involve state and local governments;

- o Specific state policies which were developed without sufficient opportunity for localities to present their concerns;
- o Response to the statement "Virginia would benefit from the establishment of an ACIR to serve as forum for state-local issues.";
- o The relative importance of specific roles (information clearinghouse, forum, research, technical assistance, advocate) for an ACIR;
- o The appointment process, membership, meetings, staff and budget resources, and the importance of an independent ACIR;
- o Other agencies with which an ACIR should work closely or that could perform some ACIR-roles; and
- o Other ways to improve state-local relations in Virginia.

(A copy of the survey is included in the appendix.)

Regional Input

The 22 planning district commissions were contacted for their perspectives on the status of state-local relations and their interest in an ACIR because of their unique position of working regularly with regional issues and local governments. Surveys and information packets similar to those sent to local governments were mailed to each of the 22 Planning District Commissions in Virginia. As with local governments, the responses provided a broad cross-sampling of the state. Among the PDC's responding, for example, were Cumberland Plateau in far Southwest Virginia, the Fifth PDC (Roanoke), Southside, Southeastern Virginia, Accomack-Northampton, Richmond Regional, and Northern Virginia.

State Government Input

There is no one "state perspective" regarding intergovernmental relations. While executive and legislative officials may have frequent contact with local governments, the nature and purpose of those contacts is likely to vary depending upon the institutional mission of the individuals or agencies involved. Accordingly, personal interviews were conducted with:

- o 17 members of the General Assembly;
- o 13 state agency heads whose department operations have a significant impact on localities;
- o Other former or current officials knowledgeable in the area of intergovernmental relations

These individuals offered valuable insights on former and current intergovernmental relations efforts at the state level.

Public Input

The views of the local government associations in Virginia were also sought. For example, the Executive Directors of the Virginia Municipal League and the Virginia Association of Counties, and the President of the Virginia Local Government Management Association were interviewed. Recent study efforts such as the LGA Task Force on Local Government Structure and the VML/VACO Task Force on Interlocal Cooperation were also monitored. In order to give citizens and other groups an opportunity to comment, a public hearing was held in Richmond.

Research Gathered From Other States

Information was gathered from other states in order to:

- o Assess better the options available to Virginia.
- o Make an independent judgment about the value, benefits, and liabilities of those organizations; and
- o Learn from the experiences of other states, especially the potential early pitfalls to avoid during the critical start-up period.

In order to gain insights into the experience of other states, surveys were mailed to every state ACIR. A related survey was also mailed to the associations which represent the municipalities, counties, and local government managers in those states and to university research organizations. Major survey question areas included:

- o Current status of state-local relations, and any changes since the establishment of an ACIR;
- o Relationships with the state legislature, Governor's office, state agencies, local governments, local government associations, and other relevant relationships;
- o Roles performed by the state ACIR;
- o Goals, priorities, planning strategy, and key intergovernmental issues facing their state in the next ten years;
- o Characteristics of a successful ACIR, successes and shortcomings, and changes that would enhance the ACIR;
- o Abilities in building consensus and conflict resolution, and approach to controversial issues;

- Alternative ways to improve state-local relations; and recommended start-up phase strategies for a new ACIR.

Chapter Two presents the survey results and analyzes the important factors and strategies in establishing effective ACIRs.

CHAPTER TWO

ANALYSIS OF SURVEY RESULTS

The survey of local government officials conducted for the study is similar to surveys that have been conducted by ACIRs in New York, Connecticut, Pennsylvania, and Minnesota. The results of these other surveys demonstrate the value of asking local and State officials about their views of the status of State-local relations. First, the answers are sometimes unexpected and therefore especially enlightening. For example, when asked what one thing they would most like to see changed, New York local officials did not respond with the predictable "more money and/or fewer mandates." Rather, they most wanted state officials to begin viewing local officials as partners in addressing intergovernmental concerns..

Second, surveys can show those areas in which the views of state officials differ from the views of local officials, or in which local jurisdictions disagree on needs and priorities. A number of states noted that state governments could improve relations with local officials by merely asking for their input on important issues. States with ACIRs continue to conduct surveys of local officials annually in order to establish agendas for their ACIRs, and to assess their progress in addressing intergovernmental issues.

The surveys and interviews that provided the information for this report were used to query local and state officials regarding their perception of the need for, and their support for the establishment of an ACIR. Another purpose of the survey was to determine the proper functions for an ACIR if one were established in Virginia. The remainder of this chapter provides a review of the survey and interview results. (All percentages are based on the number of responses to the questions in the survey, and are not representative of the total population.)

GENERAL SUMMARY OF SURVEY RESPONSES

State-Local Relations in General

A large majority of respondents rated overall state-local relations in Virginia as being average or better:

- o 50 percent of the localities, 62 percent of the PDCs, and 42 percent of the state agencies rated the current status of the relationship between state government and its localities as average.

- o 22 percent of the localities, 23 percent of the PDCs, and 58 percent of the responding state agencies rated state-local relations as above average.

Specific Programmatic Relationships

By their nature, some program areas are better received by localities, especially if those programs offer grants and have few regulations. Table 2 shows how cities, counties, and towns rated state-local relations in 23 functional program areas:

- o The combined ratings for localities ranked housing, community development and economic development as the top areas with the best state-local relations programs.
- o Cities, towns, and counties unanimously selected taxing authority as the area with the worst state-local relations.

In those areas receiving high marks from local officials, the state agencies involved consider the localities as a major client or constituent. This is a non-adversarial relationship from which localities get tangible benefits such as financial aid, recognition, or technical assistance. These state agencies have developed broad networks and contacts and have regularly communicated and consulted with local governments through individual and regional visits to localities.

Local Governments' Contacts at the State Level

An important factor in shaping the nature of state-local relationships in a state is the frequency of contact among local government officials, legislators, and state agency officials. In the Commonwealth, the amount of contact varies with the levels involved.

- o Generally, localities rated highly their opportunities to convey concerns to the legislature (74 percent of localities and 85 percent of PDC's rated their opportunities as average or better).
- o 52 percent of localities (and 69 percent of PDC's) rated their opportunities to convey concerns to the Governor's Office and Cabinet Secretaries as average or above.
- o Localities' most frequent contacts were with state agencies, but 63 percent said they only occasionally contacted the Governor's Office or Cabinet Secretaries, while 27 percent never had contact.

TABLE 2
LOCAL GOVERNMENT RATINGS OF PROGRAM/ISSUE AREAS

Local government officials were asked to rate state/local relations in these program/issue areas using a scale ranging from 1 (excellent relations) to 5 (poor relations). Listed are the average ratings for each area:

<u>Program/Issue Area</u>	<u>Combined Rating</u>	<u>Cities</u>	<u>Counties</u>	<u>Towns</u>
Housing and community development	2.60	2.67	2.69	2.52
Economic development	2.73	2.44	2.35	3.10
Procurement	2.86	2.83	2.71	2.93
Elections	2.89	2.62	2.88	3.03
Law enforcement and corrections	2.92	3.07	3.12	2.76
Highways and bridges	2.94	3.25	2.65	2.94
Recreation/historic resources	2.95	2.75	2.94	3.07
Constitutional officers	3.03	3.00	2.94	3.10
Equal opportunity/ affirmative action	3.06	2.92	2.75	3.28
Job training and placement services	3.08	3.00	3.00	3.17
Health	3.09	3.00	2.94	3.23
Mental health and substance abuse	3.11	2.79	3.00	3.37
Air pollution control	3.19	2.86	3.13	3.42
Waste water treatment	3.19	3.00	3.13	3.31
Employee relations	3.20	2.92	3.11	3.39
Water supply and control	3.20	3.19	3.12	3.25
Agriculture/rural development	3.21	2.78	3.08	3.45
Public transportation	3.25	3.21	3.36	3.21
Education	3.30	3.25	3.50	3.23
Solid waste management	3.32	3.12	3.12	3.56
Planning and land use	3.38	3.13	3.27	3.58
Social services	3.44	3.36	3.47	3.48
Taxing authority	3.76	4.00	3.81	3.59

Attitudes Toward an Intergovernmental Relations Commission

Respondents were given general information about ACIRs and asked if they generally supported the idea of establishing an ACIR in Virginia. As the responses demonstrate, support was high, especially among localities.

- 90 percent of the localities, 69 percent of the PDCs, and 36 percent of state agencies responding believed that Virginia would benefit from an ACIR.
- Of the 17 legislators interviewed, 6 were against establishing an ACIR, 6 were wholly supportive and 5 were somewhat supportive of some ACIR roles.
- Support for an independent organization was high among the localities (89 percent) and the PDCs (75 percent); however, only 40 percent of state agencies supported giving an ACIR independent status. An independent ACIR is one which is not part of the executive or legislative branch.

Attitudes Concerning ACIR Membership

The respondents were also asked a number of questions concerning the membership of an ACIR. Those questions and the responses are summarized below:

- Most were in favor of keeping the size of an intergovernmental advisory panel small and manageable. The two most common categories chosen were 12 to 18 members (34 percent of localities, 27 percent of PDCs, and 58 percent of state agencies); and 7 to 11 members (41 percent localities, 27 percent PDCs, and 17 percent state agencies).
- Most favored an advisory panel that would be required to meet fairly frequently. 54 percent of localities, 46 percent of PDCs and 42 percent of state agencies favored quarterly meetings. Some wanted bimonthly meetings to ensure a more active panel (18 percent of localities, 27 percent of PDCs and 17 percent of state agencies).
- There was strong support for appointing legislators to any intergovernmental relations commission. 63 percent of localities, 92 percent of PDCs and 75 percent of state agencies were in favor of having legislative members.
- Any intergovernmental body should have local elected officials as members. 84 percent of localities, 100 percent of PDCs, and 92 percent of state agencies favored their membership.

- o While PDCs were supportive of having the Governor or other elected executive officials as members (77 percent), neither localities (39 percent) nor state agencies (42 percent) were strongly convinced of the need for their direct participation.
- o Support was stronger for the executive branch to be represented by department heads (52 percent of localities, 77 percent PDCs, and 58 percent of state agencies).
- o A majority supported having local administrative officials as members in order to gain added perspective and expertise (60 percent of localities, 77 percent of PDCs, and 58 percent of state agencies).
- o There was less support for having governmental association representatives (46 percent for localities, 54 percent PDCs, and 42 percent of state agencies). However, many respondents specifically mentioned the local government associations as either performing ACIR-like functions or serving as important contacts and work partners for any ACIR.
- o A majority of state agencies (58 percent) favored appointing citizen member(s), while only 33 percent of localities and 46 percent of PDCs favored some citizen participation.

Resources for an ACIR

Most respondents were supportive of a full time staff and annual budget for an ACIR. However, many felt unable to specify the staff size and annual budget without knowledge of the specific charges and duties given to the ACIR. Most felt that an adequate budget and staff would be critical to the ACIR's ability to fulfill its responsibilities. Of those indicating a specific size, the most support was expressed for a staff of between 4 to 6 (52 percent of localities, 36 percent of PDCs and 33 percent of state agencies).

In regard to the source of funding, the general attitude was that an ACIR should be fully funded by the General Assembly with no required support from local governments because determining funding formulas for very diverse localities would be difficult. For example, 48 percent of the localities indicated that a local share should be no more than 10 percent, and 37 percent were in favor of a larger share. However, many mentioned that an ACIR could utilize grants and contract support for additional funding, as is done in a number of other states.

ACIR ROLES

The surveys and interviews with state and local officials gauged their perceptions about the proper roles of an ACIR. Of course, the identification of a role to be served by an ACIR implies that such role is not currently being adequately served, if at all. Accordingly, this

section describes the amount of support among state and local officials for potential roles of an ACIR and discusses each in depth.

Some roles ranked higher than others in the views of the survey participants, although the differences among them were not great. In the following discussion, they are listed in the order in which they were accorded priority by the survey responses. It should be noted that state agency officials were clearly less supportive of each of the proposed ACIR functions than were local government officials.

Information Clearinghouse

- o Based on the survey results, the localities most strongly favored an information clearinghouse role. (90 percent of the localities and 83 percent of the PDCs). 46 percent of state agencies favored this role.

Government officials at any level are dependent on information in making decisions that affect the welfare of their constituents. There is a direct correlation between the completeness and accuracy of information provided and the quality of the decisions made based on that information. Local government officials recognize this and rank the information function as the highest priority for an ACIR.

There is a vast amount of information available regarding local governments and intergovernmental concerns. Each state agency which has programs directly involving local governments, which is the vast majority of state agencies, generates and collects data relating to localities. In addition, the Virginia Employment Commission, the Commission on Local Government, the public service organizations at state universities, and the planning district commissions all maintain data bases on various aspects of local government demographics and financial resources. This information can only be useful to state and local officials if they know it is available, if they have access to it, and if they know how to use it in their decision making processes.

An ACIR could fill a valuable and necessary role as an information and referral service on intergovernmental matters in several ways. First, it could collect a wide variety of materials relating to intergovernmental issues and thus become highly versed in these issues. Second, it could compile information on state programs which involve local governments. Third, on a broader scope, it could compile a local government data base utilizing the disparate sources of data now available. Concerning this latter activity, the Local Government Attorneys Association, in its recent report, also urged the Commonwealth to "establish and continually refine a comprehensive statistical profile of the Commonwealth's counties, cities and towns that will recognize current and varying conditions of each locality."

The ACIR could disseminate much of its information on a formal, regular basis. More importantly, however, it would serve as the one source of information about local governments and intergovernmental

relations to which local officials, state officials, executive branch officers, and legislators could turn for information in the policymaking process. Seven legislators who were interviewed, specifically mentioned that localities could benefit from a central resource which could take their questions. In addition to being a convenient and comprehensive source of information not limited by programmatic concerns, the ACIR would be an objective and credible source of information because it would not have a vested interest in any of the activities for which the information would be used.

Forum for Discussion and Problem Solving

- The survey respondents also strongly supported the forum role for an ACIR. (Eighty-five percent of the localities, 91 percent of the PDCs, and 50 percent of the state agencies favored this role).

In the other states, the primary role of intergovernmental relations bodies has been to foster discussion among executive, legislative and local representatives in a neutral nonpartisan setting. The survey respondents ranked this as the second most important role for a Virginia ACIR.

There are numerous such forums already in place in Virginia. Most obvious is the General Assembly, which is the primary statewide body for discussion, resolution, and establishment of policy. In addition, both the General Assembly and the Governor establish various ad hoc committees, commissions, and councils to examine specific or general issues which arise. Finally, many state agencies also have advisory boards or commissions which serve as forums for discussing issues specific to their operations.

However, an ACIR would not supplant these activities. Rather, it would provide a forum that would differ from current efforts in several ways. First, although intergovernmental issues are often the subject of review or study, as has been noted, the persons involved in those activities usually have other primary responsibilities and concerns which demand their attention. This part-time, short-term approach to intergovernmental issues and problems may, therefore, result in solutions which are not adequate for the long-term strategies required to implement fully and integrate the recommendations that come from such studies or reviews.

Second, an ACIR would examine each issue from a multi-jurisdictional perspective. This approach would allow all parties to educate and inform each other and build an understanding of the viewpoints of others. Because of its larger perspective, the ACIR also could become a source for consultation and the mediation of conflicts.

Third, by setting up a permanent, institutional mechanism, the discussion of issues could be conducted on a routine basis before they become crisis issues. Also, by working together regularly over a period

of time, members of an ACIR representing different interests could come to trust each other and be more open to viewpoints different from their own. The ACIR, therefore, holds promise for being a means of fostering mutual collaboration toward problem resolution.

Research Agency

- o Localities (85 percent) and PDCs (83 percent) are highly supportive of a research role for an ACIR. However, legislators and agency heads are more skeptical about adding to the already large numbers of studies which are produced, although 55 percent of state agencies favored a research role of some sort.

Many legislative, executive and university agencies and committees currently conduct research in the field of intergovernmental relations. However, an ACIR could also perform this function without duplicating the efforts of other organizations.

Because an ACIR would be a source of expertise and experience in intergovernmental relations, it could conduct the types of studies currently undertaken on an ad hoc basis by other organizations. This would relieve some of the burden on these other groups. In fact, in many states, ACIRs have this responsibility. For example, ACIRs in Ohio, New York, Washington and Connecticut conduct analyses on the fiscal impact of proposed legislation on local governments. Furthermore, in its role as an information and referral service, the ACIR could identify gaps in existing data bases maintained by other agencies and, as part of its research role, collect information to fill in those gaps.

In addition, there is a need for additional basic research on local governments and intergovernmental relations in Virginia. The studies that are conducted are often in reaction to specific, limited concerns. Recommendations from those studies are usually narrowly focused on the immediate issue, and there may be little follow-up.

However, there is a need for on-going, basic intergovernmental research that both explores little-examined areas or issues without the pressure of deadlines and also maintains current data applicable to these issues. Basic research can alert policymakers to emerging problems before they become major public issues. This need is often neglected. An ACIR could well fill this role.

Technical Assistance

- o Many localities (84 percent) support technical assistance as an ACIR role, but only a few PDCs (33 percent) and state agencies (36 percent) recommend this role, in part because these agencies provide technical assistance to localities.

One of the primary PDC functions is to assist local governments in areas in which they lack expertise. Such assistance is an important state agency function as well. State agencies and planning district commissions provide technical assistance to local governments in many ways. Examples include holding periodic workshops and seminars, providing on-site consultation, monitoring programs, training local staff, publishing news letters or informational bulletins, and assigning staff members as liaisons to local governments and agencies. Normally, a state ACIR would not provide technical assistance that competed with services offered by state agencies. Local government support for technical assistance from an ACIR probably reflects a desire for more assistance rather than a judgment that an ACIR could most appropriately provide that assistance.

There are two instances, however, in which an ACIR could provide technical support. Some ACIRs, especially those in Ohio, Colorado, and Washington, assist smaller and more rural jurisdictions "through the state capitol maze" to obtain help on problems. Such assistance by an ACIR would complement its activities as an information and referral service. Other states have found that ACIRs can be useful in mediating disputes between localities and state agencies. The ACIR, especially if key policymakers are members, can bring all parties together when requested to do so, and often help negotiate a reasonable compromise.

Policy Advocate

- Seventy-three percent of responding localities favor the policy advocate role, but only 54 percent of PDCs favor it; and only 27 of state agencies recommend this role.

The role of policy advocacy, in which the ACIR would promote its own recommendations, is the most controversial one, both in the opinion of Virginians and in the experience of other states. In Virginia, respondents seemed to be divided in their opinions on this subject. Some seemed to think, "What good is an ACIR if it doesn't promote its own recommendations?" Others were concerned that if an ACIR lobbied in the political arena, it would lose its nonpartisan and neutral quality, thus losing its credibility and ability to persuade policymakers.

In light of the concerns expressed by the respondents in this study and the experiences of ACIRS in other states, to the extent that the ACIR serves in an advocacy role at all, it must be limited. In the strictest case, it would limit itself to being an advocate for the common good, representing the overall intergovernmental system. As expressed by one legislator, an ACIR should be an agency that, while oriented toward local governments and representing their viewpoints to the State government, has an ultimate goal of working toward what is best for the whole Commonwealth. This comment suggests that the ACIR may be able to act as the institutional voice of local governments within the executive and legislative branch.

It is perhaps inevitable that an ACIR would be an advocate, at least for its own recommendations. However, it must be very careful to retain credibility with all of the major participants -- the legislative, executive and local jurisdictions -- as an objective, nonpartisan forum and source of information. Otherwise it will lose its effectiveness.

CHAPTER THREE

FINDINGS AND ALTERNATIVES

FINDINGS

The survey and interview results reveal a pervasive desire and widespread support for an active intergovernmental relations organization in Virginia. Drawing upon those results, the experience of other states, and discussions with state policymakers, five principles were formulated to serve as guidelines in devising the structure and functions of an intergovernmental relations organization for the Commonwealth.

This section sets out those guidelines and discusses each in some detail. The second section of this chapter sets out five options which were considered for recommendation, describes each option, and examines the extent to which each satisfies these guiding principles.

FIRST PRINCIPLE: Forum for Discussion

An ACIR should serve as a forum for the discussion of intergovernmental issues. This role has been a standard activity for ACIRs in other states, and, as noted earlier, a large majority of the study participants favored such a role for a Virginia entity. While there was considerable support for the establishment of a body for intergovernmental dialogue, most supporters were either skeptical that the forum could truly be nonpartisan and neutral or expressed the concern that the proper place for discussion of such issues was the General Assembly. Most of those respondents, however, were willing to agree that an established, routinized forum for discussing concerns could be valuable. The following is a sampling of comments on this prospective role of an ACIR:

- o PDC Official. An ACIR could provide "an opportunity for bringing diverse groups together to promote better understanding and better working relationships among many levels and types of government.
- o State Agency Head. There is a benefit in "periodically getting all the actors together and having an opportunity to discuss issues and sort out who needs to deal with what."
- o Legislator. "An ACIR could give the state an opportunity to convey its concerns to the localities.... a forum for communication and education to broaden the perspectives of the participants.... This would be a place for localities to go to get information and to try to make changes within the system.... It could pre-screen matters that come before the General Assembly, since the General Assembly has too much to do to give adequate attention to all issues while in session."

SECOND PRINCIPLE: Broad Representation and Balance.

Any significant change in intergovernmental relations requires the active participation and consent of the three major interests; the General Assembly, the Executive branch, and the localities. This premise is central to the establishment of a state ACIR.

Because Virginia is a state with such unique and diverse local government structures, many of those surveyed questioned the ability of one body to be truly representative and serve all localities, from the small rural town to the large metropolitan county or city. Concern was expressed that the larger jurisdictions would control the work of an ACIR and that such a body would disproportionately serve the interests of larger localities at the expense of the interests of the smaller communities. As noted by a legislator, "How could one agency be a spokesman for all?" In order to ensure that an ACIR would be as representative as possible, the membership of the organization might be established as follows:

- o Local government members might be selected from counties, cities and towns of varying sizes, with all geographic areas of the state being represented. This would prohibit any one faction from dominating.
- o The majority of members might represent localities, with those members having significant influence in selecting agenda items.

The composition of the membership of an ACIR is clearly an important consideration which affects its credibility with the various constituencies. Members of the legislature have acknowledged "that a commission could be beneficial to the General Assembly in providing information if it were truly representative."

THIRD PRINCIPLE: Legislative and Executive Support and Leadership

Many state ACIRs note that such advisory bodies can only be as effective as the executive and legislative branches want them to be. Both branches, they contend, must be committed to their establishment, their initial activities, and later to their products and recommendations.

To gain the support of both the legislative and executive branches of state government, members of other state ACIRs recommend the following measures:

- o Start with a clear, well-defined set of objectives to which legislative, executive, and local interests agree, and which will be addressed effectively by the body's initial activities;

- o Assure that the organization is nonpartisan;
- o Develop cooperative efforts with legislative committees and local government associations;
- o Establish the ACIR by statute with a dependable funding base and regularly scheduled meetings;

Virginia public officials also recognize the importance of support from the executive and legislative branches for the proper functioning of an ACIR. As one member of the House of Delegates stated, "The success [of an ACIR] would depend upon the Governor and the local government committees of the House and Senate. If they look to it and take its recommendations and advice, then it can work."

A related factor which will influence the acceptance and credibility accorded an ACIR is its independence. Local government officials have emphasized the need for an independent organization. An ACIR must be sufficiently independent of the executive branch or the legislature to have the freedom to disagree with State policies and to recommend changes in those policies. On the other hand, legislative and executive support for an ACIR will likely be weakened if the members of those branches believe that the ACIR is dominated by any one faction.

FOURTH PRINCIPLE: Institutional Credibility

It is essential for an ACIR to gain credibility if it is to elicit cooperation and action from state policymakers. The ACIR will have the burden of proving its worth.

Local government officials, legislators, and State agency officials participating in the study, while supporting the functions that would be performed by an ACIR, expressed reservations about the wisdom of establishing an additional agency for that purpose. Local government respondents worried about having one more agency hurdle to cross to get anything accomplished. Legislators were concerned about increasing the size of the State's bureaucracy and the production of more reports which may not be read. Members of the General Assembly also expressed concern regarding the creation of an additional organization which might isolate them from their constituents. State agency officials expressed reservations about dealing with one more office and having one more meeting to attend. A PDC director summarized these reservations in his remark, "Unless the Virginia ACIR were to be sharply targeted in its functions, much duplication of effort could occur, much confusion could be created, and direct conflict or confrontation brought on as a result of the interplay among agencies."

In establishing credibility for an ACIR, it must be recognized by other state agencies and local governments as an objective agency which has the most expertise in intergovernmental issues. Having a membership and staff with extensive experience in state-local relations and

consistently producing work of high quality would promote the acceptance of the ACIR.

Second in importance in establishing the credibility of an ACIR is its ability to affect policy decisions and their implementation. In this regard, almost all of the state ACIRs and many Virginia survey participants cited the need for a newly-established ACIR to set its agenda carefully. The following suggestions were made by state ACIRs:

- o Do not undertake too much initially. Pick a few issues that are manageable, capable of meaningful research, and on which immediate action can be taken.
- o Choose issues that are important to local governments and intergovernmental relations and treat them with a broader perspective than past efforts.
- o Follow through on recommendations.
- o Avoid highly controversial, politically-charged issues until credibility of the agency is established.

FIFTH PRINCIPLE: Nothing New, Please!

Many of the public officials surveyed in Virginia did not want a new organization created to fulfill the roles of an ACIR. Those officials were highly skeptical that something new could be successful, especially if it had to satisfy high initial expectations. A new agency, they noted, would have little initial credibility. In addition to the usual credibility problems, a new, separate ACIR might be viewed by some as an agency which would first attempt to justify its existence and develop a need for its products and services, rather than make use of the many resources currently available in the Commonwealth.

One of the primary reasons cited by public officials for their opposition to a new organization is their recognition that many ACIR functions are being performed currently by various government or government-related agencies throughout the State. For example, technical assistance to local governments is currently provided by individual State agencies and the PDCs while JLARC, the universities, and public service organizations, currently conduct a significant amount of research on various issues of State and local government concern. Virginia is not without research capability, and there is little support for establishing a new State agency or another type of government-sponsored organization to do what is already being done elsewhere.

However, even among officials most skeptical of an ACIR, there is support for a coordinating organization. Such an organization could help both local and State government officials locate information relevant to their needs regarding specific issues, or could refer them to the proper agency or institution for a particular purpose. As part of such a coordinating role, the ACIR could compile information from

various, somewhat unrelated sources and produce a comprehensive profile of State-local activities in the Commonwealth. The intent would be to enhance what already exists by making it more available and accessible.

ALTERNATIVES

In response to the desire to enhance State and local relations in Virginia, five alternatives are being presented for consideration. Each of the alternatives is briefly described below and is examined in relation to the principles identified in the previous section.

OPTION 1: INTENSIFY EXISTING EFFORTS

Current concerns in Virginia about the status of State-local relations could be addressed without any formal or institutional changes, but through an intensification of existing efforts to address intergovernmental concerns. Current State intergovernmental relations activities include the following.

1. JLARC Studies. The research conducted by JLARC, particularly on State aid and local fiscal stress, as well as on programmatic issues, has contributed much to the understanding of intergovernmental relations in the Commonwealth. That research could be continued and broadened.
2. General Assembly Studies. As in the case of JLARC studies, the work of special General Assembly study commissions, such as the Hahn and Stuart Commissions, have provided insight into intergovernmental problems. These studies have manifested the State's concern for its local governments and have identified local governmental issues which require State action.
3. Technical Assistance by State Agencies. Many State agencies, such as the Department of Housing and Community Development, currently assist local governments in addressing specific functional concerns, with those efforts constituting an important relationship between the State and its localities. Such State efforts could be enhanced in areas identified by local governments.
4. Commission on Local Government. In addition to its primary responsibility of serving as a resource to the courts in the resolution of boundary adjustment cases, the Commission on Local Government is currently engaged in other activities which parallel those performed by an ACIR. Such activities include:
 - a. Statistical Analyses. The Commission has established an extensive data base containing information on the demographic, economic, and fiscal attributes of Virginia's local governments. It has also produced a

variety of statistical tabulations analyzing the comparative fiscal condition of the State's political subdivisions. These tabulations are used by various State agencies in allocating State funds to local governments and serve as a source of information concerning the fiscal viability of the localities.

- b. Fiscal Impact Notes. The Commission has the statutory responsibility for preparing analyses for the General Assembly of the fiscal impact on localities of proposed legislation which would require localities to provide new services. This activity allows the State to be apprised of legislative actions which would affect Virginia's local governments.
- c. State-Local Liaison. The Commission has broadened its State-local liaison role with the establishment in July of a new position dedicated to this activity. This position, authorized by the 1988 General Assembly, will allow the Commission to be a focal point for inquiries concerning programs or studies dealing with local and intergovernmental issues, and the demographic, economic, fiscal, and governmental attributes of the State's localities. This liaison activity represents a significant effort by the State to remain apprised of local conditions and to assist localities in their relations with State agencies.
- d. Repository of Information. The Commission has collected a wide array of documents, reports, and other resource material relative to local government and intergovernmental issues. These materials can help make public officials in Virginia aware of major new initiatives in the nation for addressing local governmental concerns.

In sum, the activities of numerous State agencies constitute a significant effort by the Commonwealth to identify and respond to the concerns of Virginia's localities. This current activity provides a foundation which can be utilized to expand and enhance the Commonwealth's relationship with its local governments.

Correlation with Principles:

1. Promotion of Discussion: The adoption of this option would leave the Commonwealth without any formal mechanism for gathering, on a regular basis, representatives of local governments, the General Assembly, and the executive branch for discussion of intergovernmental issues. While the LGAC would continue to exist as a medium for dialogue between the Executive branch and the localities, that body would not, as

presently constituted, provide for any legislative representation.

2. Broad Representation and Balance: This option would not expand or otherwise affect the representation and balance found in the existing approaches to intergovernmental issues.
3. Legislative and Executive Support: Since this option does not propose the creation of a new entity, the issue of legislative and executive support is inapplicable.
4. Institutional Credibility: The agencies currently engaged in addressing intergovernmental relations issues have already established their credibility. The level of that credibility has been, and will remain, a function of the performance of the existing agencies.
5. Nothing New: This option fully meets this principle.

OPTION 2: REORGANIZE THE LOCAL GOVERNMENT ADVISORY COUNCIL

The Local government Advisory Council (LGAC) is already considered an intergovernmental relations commission by the United States ACIR. The LGAC has an expansive statutory mission which encompasses many of the fundamental functions of an ACIR. However, the LGAC lacks certain features which may limit its effectiveness and ability to assume many of the responsibilities ordinarily assigned to ACIRs. Under existing law, the LGAC does not have a prescribed frequency of meetings, and it does not include any members of the legislature. Further, while it has existed as a medium for gubernatorial dialogue with local officials, it has not fully met the needs of Governors intent upon a vigorous and expansive dialogue with respect to State-local concerns. Consequently, Governors have, on occasion, chosen other means to consult with local government constituencies. As a result, the LGAC has little control over its level of activity and its agenda.

The current twenty-six members of the LGAC include the Governor (Chairman), the Lieutenant Governor (Vice-Chairman), the executive directors of the Virginia Association of Counties and the Virginia Municipal League, and one member of a local governing body from each of the State's twenty-two planning district regions. The LGAC is required to submit a biennial report to the Governor and the General Assembly. It is assisted in its research and operations by the same staff that serves the Commission on Local Government.

The following changes would make the LGAC a broader and more effective instrument for addressing interlocal concerns in Virginia:

- o Establish a statutory meeting schedule;

- o Authorize the Governor to designate a member of the executive branch as his alternate with authority to convene and chair meetings of the LGAC when the Governor's schedule precludes his attendance;
- o Designate the Chairmen of the House Committee on Cities, Counties and Towns and the Senate Local Government Committee to serve as ex-officio members; and
- o Authorize the Virginia Association of Counties and the Virginia Municipal League annually to propose agenda items, which the LGAC would consider when selecting its agenda and work program for the year.

Correlation with Principles:

1. **Promotion of Discussion:** This option would create a forum for the discussion of intergovernmental issues, bringing together executive officials, legislators, and members of local government bodies. However, because the Council includes a disproportionate number of local government officials, this option might not be fully successful in exposing State officials to local government concerns.
2. **Broad Representation and Balance:** This option provides the broadest geographic representation to local governments as a result of the requirement for the appointment of members from each of the planning district regions. In addition, the membership of the Governor, or his designee, the Lieutenant Governor, and the chairmen of both local government committees results in high-level participation which will enhance its activities.
3. **Legislative and Executive Support:** Ex-officio membership by the chairmen of the two local government committees should increase the interest and awareness of the General Assembly in the activities of the LGAC. Because the Governor, or his designee, serves as chairman, it is likely that the intergovernmental problems identified would receive prompt and full attention from executive agencies.
4. **Institutional Credibility:** Regularly scheduled meetings, a clear agenda relevant to all parties, and representation from all branches and levels of government should increase the credibility of the LGAC. With expanded representation and regular meetings, the significance and credibility of the LGAC can be expected to increase.
5. **Nothing New:** This option merely modifies an existing entity and fully adheres to the principle of "nothing new."

OPTION 3: ESTABLISH A LEGISLATIVELY-BASED INTERGOVERNMENTAL RELATIONS COMMISSION

New York, Maryland, Illinois, and South Dakota have intergovernmental relations commissions which are part of the legislative branch. Those commissions are similar to joint standing committees of the legislature. Recommendations made by the commissions frequently benefit from the commissions relationship with the legislature. This relationship also usually allows the commission to enjoy stability in funding and staffing.

One alternative means of implementing this option would be through the expansion of the responsibilities of the Virginia Intergovernmental Cooperation Commission. This body currently deals with interstate and federal-state relations, and reports directly to the General Assembly. However, (it) is not very active and has little staffing. Furthermore, its two current missions, while both dealing with relationships between levels of government, are very different from the state-local focus of ACIRs.

A legislatively based ACIR might also be established in Virginia through an expansion of the responsibilities of the General Assembly's two standing local government committees. This arrangement would entail dedicating staff either jointly or separately to the two committees, such as is done presently for the General Assembly money committees. It is significant to note that several legislators serving on those committees specifically suggested this alternative.

Correlation with Principles:

1. **Promotion of Discussion:** If the two standing legislative committees, or a joint committee, were to meet on a regular basis during the period between sessions, this option could provide a significant forum for in-depth consideration and discussion of intergovernmental issues. Such inter-session activity would also parallel the current practice of the money committees.
2. **Broad Representation and Balance:** By definition, this option calls only for legislative representation on the panel. Consequently, this option clearly fails to meet standards for broad representation from the various governmental constituencies. In this regard, it is interesting to note that the legislatively-based commissions in the four states utilizing this model are increasingly inviting executive and local officials to attend their meetings, and there is a growing interest in including them as official representatives.

3. **Legislative and Executive Support:** This option could be expected to result in significant legislative support. However, the absence of a role for executive officials in legislatively-based ACIRs cannot be expected to promote as vigorous support from the executive branch. Accordingly, this option does not appear to be the optimal alternative for the promotion of both legislative and executive support.
4. **Credibility:** While a legislatively-based ACIR can be expected to be accorded credibility by the legislature, the absence of executive branch and local government officials may tend to restrict its credibility with those constituencies.

Another factor which should be considered with respect to the establishment of a legislatively-based ACIR is the capacity of such a body to address properly the full array of issues which will arise. An active ACIR will confront the need to address numerous State-local issues which involve executive and not legislative actions. In such instances, a legislatively-based ACIR may have inherent limitations.

5. **Nothing New:** A legislatively-based ACIR could satisfy this principle, for it would constitute only an expansion of the activities of existing committees of the legislature.

OPTION 4: ESTABLISH BROAD-BASED INTERGOVERNMENTAL RELATIONS ORGANIZATION STAFFED BY AN EXISTING AGENCY

This option would entail the establishment of a body consisting of representatives of the executive branch, the legislature, and local government. Such a body might utilize the staff and resources of an existing agency which has broad responsibility and familiarity with interlocal issues.

Such an approach offers a number of advantages in that it would meet most of the guidelines identified by this study. It should be noted, however, that any existing agency assuming responsibility for major additional duties will require an augmentation of its staff. Few, if any, State agencies possess the staff resources to undertake significant additional duties without an increase in personnel.

Correlation with the Guidelines:

1. **Promotion of Discussion:** This option would allow all major governmental constituencies to be represented. Such broad-based representation should facilitate

appropriate dialogue with respect to relevant state-local concerns.

2. **Broad Representation**: By definition, this option will fully meet this guideline.
3. **Legislative and Executive Support**: With the presence of legislative and executive branch representatives in the membership of the body, and with the breadth of issues which can be addressed, support from those branches of government for the ACIR can be expected.
4. **Credibility**: As a result of a broad and balanced membership, and with an experienced staff, this option could allow an ACIR to begin operating with considerable credibility. Even with this advantage, however, the new ACIR will be required to demonstrate its worth and effectiveness.
5. **Nothing New**: This option will partially meet this guideline. While the ACIR will constitute a new State entity, the supporting staff will be provided by an existing agency.

OPTION 5: ESTABLISH A NEW VIRGINIA ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS WITH ITS OWN STAFF.

This option would be similar to the organization proposed in Option 4 in terms of statutory responsibilities and membership. This alternative, however, differs from Option 4 in that it would be provided with an independent staff which would respond solely to its needs.

The major advantage of this alternative over Option 4 would be its access to a staff unfettered by existing responsibilities and, therefore, able to devote its full time and attention to the work of the ACIR. The major disadvantage to this alternative would be the necessity of building a new foundation and acceptance among the relevant governmental constituencies.

Correlation with Principles:

Since this alternative is essentially only an adaption of Option 4, its consistency with the principles would largely conform with that of the preceding option. There are, however, two exceptions which should be noted. First, since this option establishes a new staffing and support structure, its credibility will have to be established. Second, this option directly contravenes the principle opposing the establishment of "nothing new."

CHAPTER 4

RECOMMENDATIONS

After a careful review of the information revealed by this study, the Secretary of Administration has determined that an intergovernmental relations organization could perform a valuable role in Virginia by fulfilling a number of existing needs. There is no institutional mechanism that brings local government officials, legislators, and State administration officials together to discuss issues of mutual concern. Intergovernmental relations, in some instances may even be a secondary concern to state agencies. Moreover, many State agencies collect data on intergovernmental issues that pertain to their program areas, but there is an increasing need to integrate these data bases. Of particular concern is the fact that local government officials sometimes do not know where in the State administrative structure to go in order to obtain needed information or assistance. More sophisticated research on local and intergovernmental issues is required. It is not currently undertaken because it is not required to meet the immediate responsibilities of local governments or state agencies. An organization with the specific function of enhancing intergovernmental relations in Virginia would meet these needs.

It is clear that an existing agency or body would be the most desirable and perhaps cost-effective means of meeting these recognized needs. An existing agency would have the credibility and the expertise necessary to deal with intergovernmental issues and would be a familiar entity to state and local officials. Furthermore, as revealed by the study research, there is little support for a new organization.

It is possible for Virginia to have an active, broadly representative, effective, and credible intergovernmental organization without adding to the State's administrative structure. The LGAC, with slightly different membership requirements and operating procedures and continued staff support from the Commission on Local Government, would accomplish this.

Accordingly, it is recommended that:

1. The following changes be made regarding the Local Government Advisory Council (LGAC):
 - a. its membership be reduced in size and broadened in representation to include legislators;
 - b. its local government members be subject to appointment, in part, by the local government associations; in part, by the General Assembly; and, in part, by the Governor;

- c. the chairmanship be rotated on a regular basis; and
 - d. it be given a statutory minimum number of meetings to be scheduled on an annual basis.
2. The staff of the Commission on Local Government continue to provide support to the Local Government Advisory Council and that for the purpose of organizational clarity it be designated as the Office of State and Local Affairs.

Local Government Advisory Council

As previously noted, and consistent with the prevailing view of the study, it is recommended that no new entity for the enhancement of intergovernmental relations in Virginia be established. Rather, it is proposed that the LGAC be transformed into a body which represents all governmental constituencies and that it be given significant responsibility for State-local relations in Virginia. To accomplish this goal, the Secretary of Administration recommends that the membership of the LGAC be reconstituted as follows:

seven (7) members of the General Assembly -- four (4) from the House of Delegates and three (3) from the Senate;

two (2) representatives from the Executive Branch, to be designated by the Governor;

four (4) local government officials to be named by the Virginia Municipal League, at least one of whom shall be a representative of a town;

four (4) local government officials to be named by the Virginia Association of Counties, at least one of whom shall be a representative of a rural county;

One (1) representative of a planning district commission, to be named by the Virginia Association of Planning District Commissions; and

one (1) citizen member with no current official affiliation with a local government, to be named by the Governor.

It is recommended that the chairman of the LGAC be chosen by the membership, with the chairmanship rotating annually among members representing different constituencies. Individuals should be eligible for reappointment as chairman when the cycle of rotation authorizes such.

Finally, it is recommended that the Council be required by law to meet on at least a bi-monthly basis. Such a schedule will enable it to address current issues and contribute to its viability.

It is significant to note that the Council currently has a broad statutory mandate to "act as a forum... [for] discussing and offering recommendations on issues affecting local governments and, in particular, those issues affecting the relationship of the Commonwealth with its various local governments." (See Section 2.1-335.2 of the Code of Virginia.) Therefore, with these recommended structural and procedural changes, the Council should be equipped to function as an effective intergovernmental relations office.

Commission on Local Government

The staff of the Commission on Local Government is ideally suited for the role of supporting the reorganized Local Government Advisory Council. It is already providing many of the services and performing many of the activities which would be the responsibility of an ACIR:

1. The staff of the Commission is already supporting the Council and has done so for several years. As a result, Commission staff is familiar with the role of intergovernmental relations organizations and has contacts with the U. S. ACIR and state ACIRs.
2. The staff of the Commission, as a result of its extensive work with local governments in Virginia, has a broad understanding of local government in Virginia and of state-local relations in general. Furthermore, the Commission staff is widely known throughout the State and respected for its expertise.
3. The Commission staff has assembled a wide array of resource material dealing with intergovernmental issues.
4. The Commission staff has compiled a large statistical data base relating to local government finances and demographics.
5. The staff for the Commission has developed statistical measures of fiscal stress faced by local governments. These indices have been used by other state agencies, such as the Department of Emergency Services, the Department of Health, the Compensation Board, and the State Water Control Board for planning and allocating state resources.
6. In carrying out the responsibility imposed upon it by State law (Sec. 30-19.03), the Commission staff analyzes legislative proposals which would require localities to provide new services or to expand existing services. These analyses are provided to the General Assembly committees to which the bills were referred.
7. During the past two years the Commission has expanded its activities in order to meet informational needs on State-local

issues. Moreover, the 1988 General Assembly authorized the creation of a State-Local Liaison position within the Commission, which will be responsible, among other activities, for:

- a. the development of an extensive data base on all aspects of local government and State-local relations for use by local governments, State agencies and the General Assembly;
- b. the preparation of abstracts on all State financial and technical assistance provided to localities; and
- c. the establishment of a historical file on all studies conducted in Virginia which are of interest to local governments.

Furthermore, the expansion of the role of the Commission staff has support among local governments. The report of the Virginia Municipal League/Virginia Association of Counties' Task Force on Interlocal Cooperation recommended that the Commission staff be given additional responsibility and authority for gathering and collating data on local governments; conducting studies on State policy issues relating to local governments; assisting local governments with special studies of local problems; and assisting in the mediation of disputes, in addition to those dealing with boundary adjustments, among local jurisdictions and between local governments and State agencies.

It is important to note here, and to stress the point, that this recommendation would have no effect on the existence or work of the Commission on Local Government. That body would continue its important role in preparing in-depth reports for the court in boundary adjustment cases. It would have at least the same degree of staff support that it has had in the past. Merely the name of the staff component would change.

The purpose of designating the present staff of the Commission as the Office of State and Local Affairs is twofold. First, the designation would provide recognition of the expanded scope of the staff's functions. Secondly, it would emphasize that the Commission on Local Government and the Local Government Advisory Council would be distinct entities, serving significantly different functions, albeit with staff support from the same source.

CONCLUSION

An intergovernmental relations organization as recommended in this report would meet the needs identified by local government and State officials for an organization which would provide a forum for discussion and, perhaps, resolution of State-local issues; would serve as a centralized location for information on local government and intergovernmental issues; and would have the capability of identifying,

and conducting, needed research which currently is outside the jurisdiction of other agencies. Furthermore, it would meet the additional guidelines of broad representation, established credibility, executive and legislative leadership, and the avoidance of creating a new agency. It would utilize present structures, resources, and ongoing activities to create a framework in which representatives of local government, the legislature and the executive could work for stronger and more effective local governments and State-local relations. Such a result would benefit all the citizens of the Commonwealth.

APPENDIX

State Intergovernmental Relations Commission Study

Virginia Local Officials Survey

DIRECTIONS

Please respond to the following questions as completely as possible. If you have any questions about the survey, contact Dr. Deborah Roberts, (804) 924-7033 or Deborah Ingram, (804) 924-1054.

		Excellent	Average		Poor	No Response	
1.	How would you rate the current status of relations between the State government (legislative and administrative) and its localities in Virginia?	1	2	3	4	5	6
2.	How would you rate your locality's opportunities to convey its concerns to:						
a.	the State legislature	1	2	3	4	5	6
b.	the Governor's Office and Cabinet Secretariat (policymaking)	1	2	3	4	5	6
c.	State Agencies (program level)	1	2	3	4	5	6

3. Please cite any specific instances where state policies and/or programs affecting local governments have been developed without sufficient opportunity for your locality to present its concerns.

4. Please rate state/local relations in the following program/issue areas:

		Excellent	Average		Poor	No Response	
a.	Constitutional Officers	1	2	3	4	5	6
b.	State Board of Elections	1	2	3	4	5	6
c.	Law Enforcement and Corrections	1	2	3	4	5	6
d.	Procurement	1	2	3	4	5	6
e.	Equal Opportunity/Affirmative Action	1	2	3	4	5	6
g.	Job Training and Placement Services	1	2	3	4	5	6
h.	Mental Health and Substance Abuse	1	2	3	4	5	6

		Excellent	Average	Poor	No Response		
i.	Housing and Community Development	1	2	3	4	5	6
j.	Health	1	2	3	4	5	6
k.	Social Services	1	2	3	4	5	6
l.	Education	1	2	3	4	5	6
m.	Employee Relations	1	2	3	4	5	6
n.	Recreation/Historic Resources	1	2	3	4	5	6
o.	Taxing Authority	1	2	3	4	5	6
p.	Highways and Bridges	1	2	3	4	5	6
q.	Public Transportation	1	2	3	4	5	6
r.	Economic Development	1	2	3	4	5	6
s.	Agriculture/Rural Development	1	2	3	4	5	6
t.	Planning and Land Use	1	2	3	4	5	6
u.	Water Supply and Control	1	2	3	4	5	6
v.	Air Pollution Control	1	2	3	4	5	6
w.	Solid Waste Management	1	2	3	4	5	6
x.	Waste Water Treatment	1	2	3	4	5	6
y.	Other(s): _____	1	2	3	4	5	6
	_____	1	2	3	4	5	6

What do you think are the principle factors responsible for the variation in state/local relations among these areas (e.g., intricacies of issues, funding, etc.)? _____

5. With which organizations/agencies do you currently consult when presenting concerns or facing difficulties with state/local intergovernmental relations?

		Frequently Consult	Occasionally Consult	Never Consult	No Response		
a.	the State legislature	1	2	3	4	5	6
b.	the Governor's Office and Cabinet Secretariat (policymaking)	1	2	3	4	5	6
c.	State Agencies (program level)	1	2	3	4	5	6
d.	Virginia Municipal League	1	2	3	4	5	6
e.	Virginia Association of Counties	1	2	3	4	5	6
f.	Other(s)	1	2	3	4	5	6

6. Please indicate your level of agreement with the following statement:

	Strongly Agree		Agree		Strongly Disagree	No Response
<i>"Virginia would benefit from the establishment of an Advisory Commission on Intergovernmental Relations (state ACIR) to serve as a forum for state-local issues."</i>	1	2	3	4	5	6

7. Please indicate your recommendations regarding the following roles which a Virginia ACIR might perform:

	Strongly Recommend		Recommend		Do Not Recommend	No Response
a. informational clearinghouse on intergovernmental issues	1	2	3	4	5	6
b. a bipartisan, neutral forum for discussion and resolution of intergovernmental issues by local government officials and state executives, administrators, and legislators	1	2	3	4	5	6
c. research agency to develop recommendations for consideration by all levels and branches of government where appropriate	1	2	3	4	5	6
d. technical assistance to local and state agencies in a broad range of program and policy areas	1	2	3	4	5	6
e. advocate for specific recommendations to the executive branch and the legislature	1	2	3	4	5	6
f. other(s) _____ _____	1	2	3	4	5	6

8. If a state ACIR were established in Virginia, do you think it would be important that it be established as an independent body (i.e., not housed in or answerable to the executive or legislative branches)?

Yes _____ No _____ No Response _____

If not, where would you recommend locating such an office (e.g., within the legislative branch, an executive agency or a university)? _____

9. Would you prefer to give the primary roles and responsibilities of a state ACIR to an existing institution, association or state agency?

Yes _____ No _____ No Response _____

If yes, to which one(s)? _____

10. What benefits (if any) would you expect local governments to receive from the activities of a state ACIR?

11. What problems (if any) would you anticipate from the establishment of a state ACIR?

12. If a state ACIR were established in Virginia:

a. Who should comprise the membership? (Circle all that apply.)

- | | |
|--|--|
| 1. state legislators | 5. local chief administrative officers |
| 2. other elected state officials
(Governor, Lieutenant Governor,
Attorney General) | 6. local government associations |
| 3. state department heads | 7. citizens |
| 4. local elected officials | 8. other(s) _____ |

b. How many individuals should serve on the Commission?

- | | | |
|----------------|------------|----------------|
| 1. less than 7 | 3. 12 - 18 | 5. other _____ |
| 2. 7 - 11 | 4. 19 - 25 | _____ |

c. How should members be appointed? (Circle all that apply.)

- | | | |
|--------------------|-----------------------|----------------|
| 1. by the governor | 2. by the legislature | 3. other _____ |
| _____ | | |

d. How frequently should the Commission meet?

- | | | |
|---------------|------------------|----------------|
| 1. monthly | 3. quarterly | 5. annually |
| 2. bi-monthly | 4. semi-annually | 6. other _____ |
| _____ | | |

e. How large should an ACIR staff be to accomplish its functions?

- | | |
|----------|----------------|
| 1. 1 - 3 | 3. 7 - 10 |
| 2. 4 - 6 | 4. other _____ |

f. How large an annual budget should the ACIR have?

- | | | |
|--------------------------|--------------------------|--------------------------|
| 1. less than \$ 50,000 | 3. \$100,000 - \$200,000 | 5. \$300,000 - \$500,000 |
| 2. \$ 50,000 - \$100,000 | 4. \$200,000 - \$300,000 | 6. more than \$500,000 |

g. What portion of the ACIR budget should be provided by local governments?

- | | | |
|------------------|--------------|------------------|
| 1. less than 10% | 3. 25% - 49% | 5. more than 75% |
| 2. 10% - 24% | 4. 50% - 74% | 6. other _____ |
| _____ | | |

13. Are there existing state agencies and/or institutions with which an ACIR should work closely? (Please specify.)

14. In general, what alternate or additional ways would you propose to improve state/local government relations in Virginia?

15. Do you have additional comments? _____

16. a. What is the current population of your jurisdiction (city, county or town)?

- | | |
|--------------------|----------------------|
| 1. less than 5,000 | 4. 100,000 - 249,999 |
| 2. 5,000 - 9,999 | 5. 250,000 - 499,999 |
| 3. 10,000 - 99,999 | 6. more than 500,000 |

b. If this questionnaire has been completed by someone other than the mayor or chairman of the board of supervisors, what is your position in local government?

c. How many years have you served in this position? _____

d. How many years have you served in local government in Virginia? _____

e. (Optional)

Name of person completing survey _____

Address _____

Telephone _____

