



Commission on Local Government: Overview and Other Considerations

House Appropriations

November 16, 2016

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Background of CLG

- Created in 1979
- 5 member commission appointed by the Governor
- 5 year terms
- 3 staff members
- Merged into DHCD in 2003



Duties of CLG

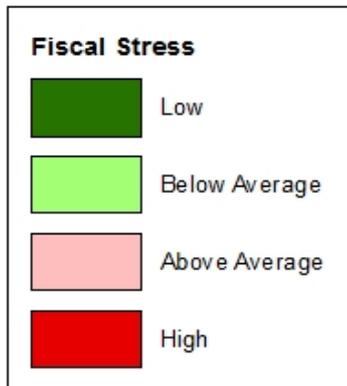
1. **Boundary adjustments and local transition issues**
2. Mandates Catalog and Assessments
3. Cash Proffers
4. Various requested studies (consolidation incentives, annexation, local salaries, etc.)
5. LAS and FIS during General Assembly session
6. **Fiscal Stress**



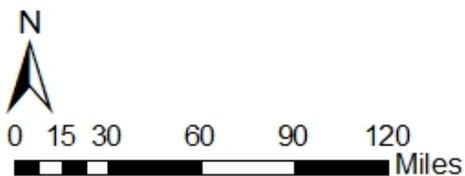
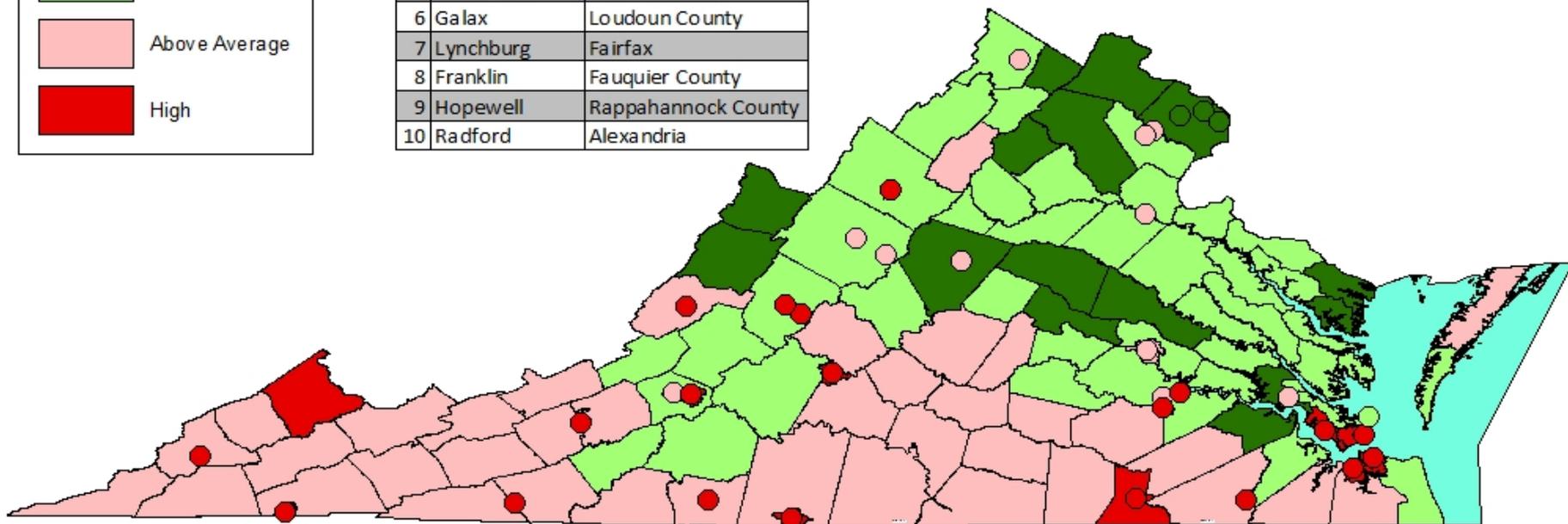
Fiscal Stress

- 1986 JLARC report (House Document 4)
- Not codified, but several references in State code
- APA and Census data
- Three variables indexed to the statewide average:
 - Revenue Capacity
 - Revenue Effort
 - Median Household Income
- Only for cities and counties
- Used in several state aid funding formulas/calculations of need
- Cities of Emporia, Covington, Petersburg, and Buena Vista

Commonwealth of Virginia: Fiscal Stress Classification FY2014



	Greatest Stress	Least Stress
1	Emporia	Falls Church
2	Buena Vista	Arlington County
3	Petersburg	Goochland County
4	Martinsville	Bath County
5	Covington	Fairfax County
6	Galax	Loudoun County
7	Lynchburg	Fairfax
8	Franklin	Fauquier County
9	Hopewell	Rappahannock County
10	Radford	Alexandria



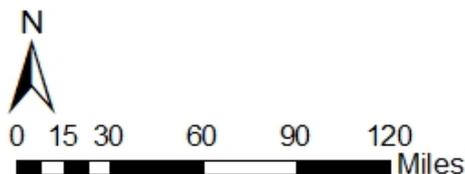
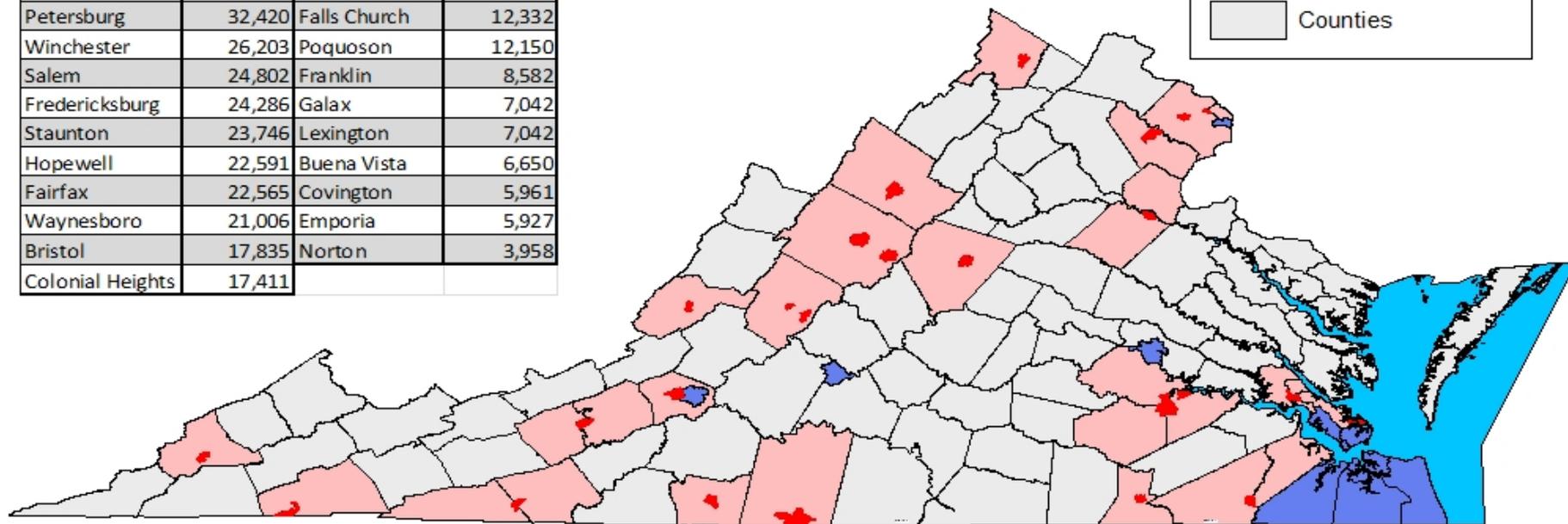
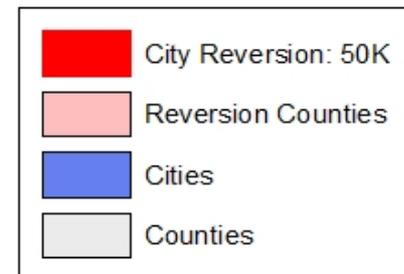


Local Government Transition Options

- Currently no statutory authority for CLG to intervene in a situation where a locality is in fiscal trouble and cannot meet its obligations
- Consolidation and Reversion to Town Status
 - All recent consolidation efforts have failed at local referendum
 - Only three successful reversions since 1995
 - Time, cost, and local identity issues

Commonwealth of Virginia: Cities Eligible to Revert to Town Status

City	2010 Population	City	2010 Population
Harrisonburg	48,914	Radford	16,408
Charlottesville	43,475	Manassas Park	14,273
Danville	43,055	Williamsburg	14,068
Manassas	37,821	Martinsville	13,821
Petersburg	32,420	Falls Church	12,332
Winchester	26,203	Poquoson	12,150
Salem	24,802	Franklin	8,582
Fredericksburg	24,286	Galax	7,042
Staunton	23,746	Lexington	7,042
Hopewell	22,591	Buena Vista	6,650
Fairfax	22,565	Covington	5,961
Waynesboro	21,006	Emporia	5,927
Bristol	17,835	Norton	3,958
Colonial Heights	17,411		





Early Warning Detection System

- Additional fiscal indicators
- Commission's existing Fiscal Stress Report
- Would benefit from additional research and stakeholder input
- Potential for reporting mandate on localities
- Commission staff are available to assist in developing such a system



Questions?