



Commission on Local Government: Overview and Other Considerations

Senate Finance Committee

September 22, 2016

Bill Shelton

J. David Conmy



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**

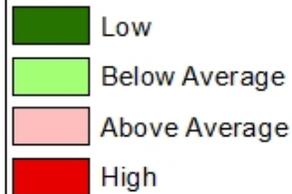


Fiscal Stress

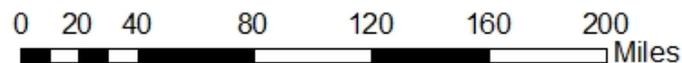
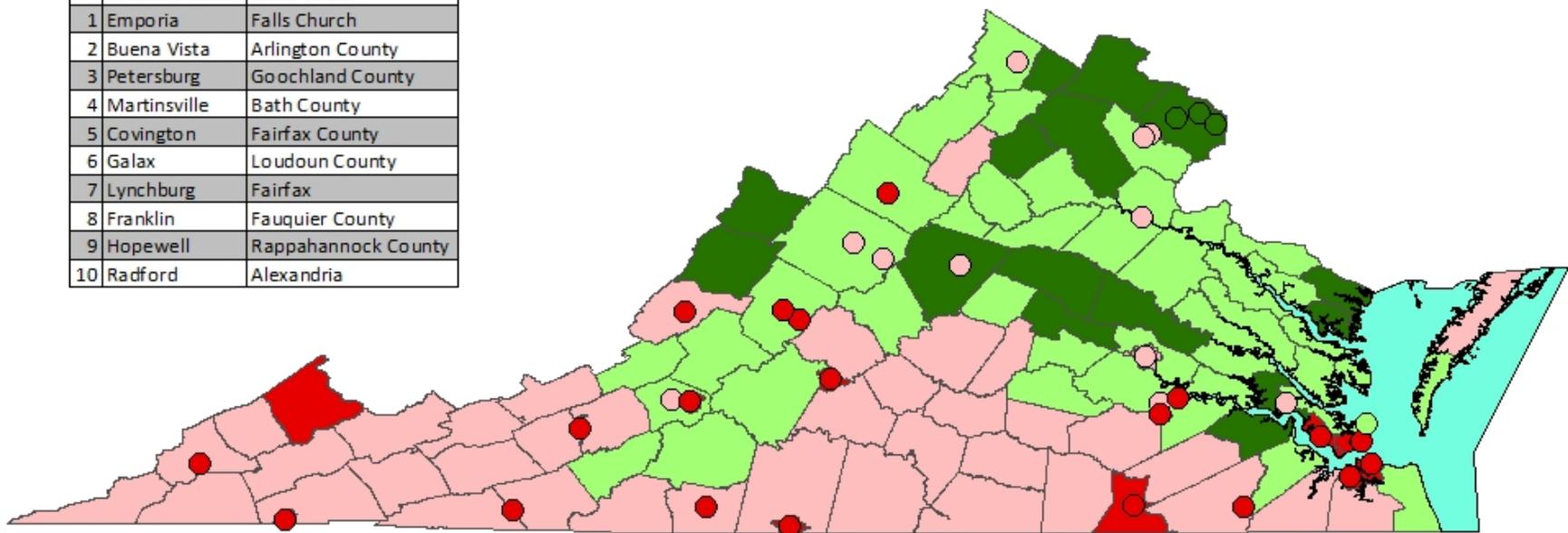
- 1986 JLARC report (House Document 4)
- Not codified, but several references in State code
- APA and Census data
- Three variables indexed to the statewide average:
 - Revenue Capacity
 - Revenue Effort
 - Median Household Income
- Only for cities and counties
- Used in several state aid funding formulas/calculations of need
- Historically, Petersburg has ranked as 3rd or 5th highest

Commonwealth of Virginia: Fiscal Stress Classification FY2014

Cities and Counties



| | 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 |



Source: VA Department of Housing & Community Development, Commission on Local Government

9/20/2016



Local Government Transition Options

- Currently no statutory authority for CLG to intervene in Petersburg's situation
- 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



Early Warning Detection System

- Additional fiscal indicators
- Option to intervene if certain indicators are triggered
- Would benefit from additional research and stakeholder input



Questions?