

Fairfax County Federation of Citizens Associations
Minutes of Membership Meeting on May 16, 2002 (Draft 5-19-02)

Call to Order. Art Wells called the meeting to order at 7:35 p.m. in the Packard Center. Members attending are listed on the attached sign-in sheet.

Legislative Report. Committee chair Sally Ormsby noted that the Federations Legislative Program for 2002 had been sent to all members of the Fairfax delegation, and that she has posted a summary report on related legislation on the Federation web page. She then introduced Senators Barry (R) and Byrne (D), and announced that Delegate Watts (D) would join us later.

Sen. Warren Barry. Senator Barry identified two overriding issues during the 2002 session: 1) dealing with the budget shortfall of \$1.3 B; and 2) funding for transportation and education. He claimed that K-12 had been spared and higher education hit hard. The tuition cap of several years was taken off to allow higher education institutions to compensate partially for these cuts.

A referendum on approval of an increase in the sales tax for both transportation and education was approved by the Senate but not the House. However, during the veto session, both houses approved the Governor's proposal for a referendum in Northern Virginia (District 8) to increase the sales tax by a half-cent for transportation. If approved, this would raise up to \$25M per year in additional revenue for specified projects. Also approved was the recommendation of the Barry Commission regarding the composition, authority, and bonding power of a Northern Virginia Transportation Authority, which he hopes will overcome parochial concerns to focus on the priority needs of the region for roads and mass transit.

Also approved was a referendum on \$965M in improvements for higher education; a bill banning late term abortions (vetoed by the Governor, with a failure to override); and a bill requiring school boards to consider proposals for charter schools. Bills to abolish the death penalty and to allow local option on dates for school openings failed. He noted the potential loss of revenue from theme parks and beaches if schools opened before Labor Day.

Sen. Leslie Byrne. Senator Byrne, who once served as Legislative chair for the Federation, commended Senator Barry's fairness in leading the Education and Health committee, which deals with the most controversial legislation introduced each year. She reviewed the budget impasse of 2001 and Gov. Gilmore's establishing a budget that cut funds for welfare, education, and health care.

She reviewed bills she introduced or sponsored to address issues such as: the threat to nursing home quality resulting from the aging population, a shortage of facilities, and high staff turnover; requiring the Department of Taxation to respond to constituents' questions about refunds via an 800 number; tightening requirements for drivers' licenses and ID cards; and establishing do-not-call lists for telephone solicitors. She also noted her opposition to payday lending, with annual interest rates as high as 300%, and her belief that current law allowed prevention of abuses without legitimizing such practices through regulation.

Senator Byrne also discussed the court's challenge to the recent redistricting, the status of the appeal, and possible consequences of a failed appeal.

Questions for Senators Barry and Byrne. Members asked questions and the senators responded on the following topics:

- Effects and causes of the redistricting, challenge, and appeal; Justice Department guidelines.
- Inadequate state support for quality education as documented by the JLARC report.
- Structural problems with the tax system; unequal taxing powers of counties compared to cities and towns.
- Lottery proceeds going to education; limited state support for school construction.
- Inadequacy of the revenue generated by a half-cent sales tax increase (\$200-250M) to meet documented regional transportation needs of \$800-900 M.
- Increasing the gasoline tax as a source of support for transportation.

- Gov. Gilmore's manipulation of state revenue data as well as VDOT costs and plans.
- The Commonwealth Transportation Board's elimination of projects because of revenue shortfalls and cost overruns for the Wilson Bridge and Springfield Interchange.
- The feasibility of monorail on Route 95, to Dulles, and at Tysons Corner.
- The need to link land use and transportation planning, as recommended by the Transportation Coordination Council.
- The conflicts between local authority for land use and state responsibility for transportation.
- Use of impact fees in Loudoun and Prince William counties with or without state authorization.
- The chances and timing of a special session to address education funding and reform of the tax system.
- The ongoing work of the Hanger and Wilder commissions to determine how to fund efficiently those essential services that are state responsibilities.
- Funding formulas as a mechanism for preventing the state from short-changing localities that assume greater burdens.
- The need to completely eliminate the car tax and replace it with a more efficient source of revenue.
- Gov. Warner's modification of car tax legislation that would have created a paperwork nightmare.
- The pros and cons of increasing the state income tax rate of 5.5%, unchanged since 1948.
- Legislation carried over which would eliminate the sales tax exemptions for non-profits.
- The difference between parental notification of abortions and parental consent for abortions.

Del. Vivienne Watts. Delegate Watts arrived just as Senators Barry and Byrne were finishing their part of the program. She focused her remarks on an issue not well understood by the General Assembly—how and why the changes in the Local Composite Index (LCI) used to determine much of state funding for education have affected Fairfax differently than other Northern Virginia jurisdictions. She distributed a handout (attached) to illustrate how the LCI inflates the measure of taxable wealth in Fairfax while ignoring the burdens of growing enrollment, aging school buildings, increasing ESL population, and higher operating costs. These distortions combined with rising assessments and falling local revenues created a budget crisis in Fairfax that was not felt in other localities. The JLARC study (which was not released until after the 2001 elections) indicates statewide under-funding of education but larger class sizes in Fairfax than in 75% of Virginia school divisions.

She noted that no one source of taxation is fair to all groups and advocated a balanced tax system split equally among real property, income, and consumption/sales. Therefore, localities and the state need the power to diversify the tax base for support of education. She hopes for a special session to look at all aspects of the tax system.

Delegate Watts supports the transportation referendum because it allows “raising funds here and keeping them here.” Since serving as Gov. Baliles' Secretary of Transportation, she has advocated multiple sources of funding—at the federal, state, and local levels—to include user fees, fare boxes, toll roads, and private sector partnerships.

Questions for Del. Watts. Members' questions and the delegate's responses were on the following topics:

- The unlikelihood that a referendum for K-12 funding will be resurrected.
- The merits of solving complex problems through representative democracy rather than referenda.
- How the overselling and under-costing of the car tax make it difficult to provide full relief.
- The need to identify sources for the \$800M required to meet regional transportation needs.
- The inclusion of bond revenues in estimates of \$250M from a successful sales tax referendum.
- Potential effects of projected state reductions of 8% in FY2004 on top of 7% in reductions in FY2003.
- Two compelling moral and economic issues: rising Medicaid costs, and protecting the environment.

Delegate Watts ended by distributing and explaining a handout (attached) that illustrates her analysis of the decrease in buying power of the gas tax and comparisons of Virginia's taxes on drivers to those of other states. She also left copies of the 2000 Session Highlights.

Approval of the Minutes for the Membership Meeting on April 4. Recording Secretary Mary Anne Lecos summarized the minutes, which were posted on the Federation web page along with the three resolutions approved at the meeting. After a motion and second, the minutes were approved unanimously.

Treasurer's Report. Treasurer Charles Dane distributed and reviewed his report as of 5/16/02, which projects an ending balance of \$807 for FY2002.

Proposed Budget for FY2002. The Treasurer reviewed the proposed budget, which was endorsed by the Board and distributed in the May Bulletin. He noted the projected increases in banquet attendance and memberships, along with revenue from a proposed symposium for association leaders. Cost of communication would be controlled by use of the web site and postcards to supplement Bulletins. The proposed budget was approved unanimously. Art Wells commended Charlie for his work as Treasurer in getting the Federation on a firm financial footing and communicating with the membership.

Election of Officers. Glenn Stroup, representing Chairman Bill Hanks and Ray Steele, gave the report of the Nominating Committee as circulated in the May Bulletin. There were no nominations from the floor, and all of the nominees were elected unanimously: Art Wells as President; Carol Hawn as 1st V. President; Wade Smith as 2nd V. President; Dolores Moseke as Recording Secretary; Jean Packard as Corresponding Secretary; Charles Dane as Treasurer. Art Wells thanked Mary Anne Lecos for her service as Recording Secretary.

Representatives to Committees and Task Forces. Art Wells introduced Rebecca Cate, who will be serving as Federation representative to the Trails Committee. He announced his intention that all Federation representatives be expected to interact with the Federation membership and board in order to improve communication about issues and to ensure that Federation positions are accurately represented.

Education Committee. Chairman Charles Dane announced that committee member Mary Tycz will be representing the Federation on the Superintendents' Advisory Committee. He also described the committee's participation in the County Budget process and in making recommendations for reductions to the School Budget for FY2003. The next issues to be addressed by the committee are methods for teaching reading and selection of textbooks. Art Wells commended this active committee as a model for the Federation.

Legislative Committee. Chairman Sally Ormsby commented that tonight's program indicates the Federation had its work cut out for it.

Transportation Committee. Chairman George Smith announced an upcoming Transportation Advisory Committee meeting about trails and pedestrian access; that the new Transportation Authority becomes active in July; and that the Board of Supervisors is considering a resolution on funding of transportation. There was an unscheduled discussion about the advantages and disadvantages of monorail as a solution to local transportation problems.

New Business. Dolores Moseke announced a hearing by the Bureau of Land Management on public uses of the 800 A. Meadowlark Farms property. She asked for support of the Mason Neck Association position opposing use of gas-powered model planes on the property, allowed while it was privately owned. Her association has concerns about environmental damage, precedent for use of gas-powered recreational vehicles, and effects on the wild horses that will be housed at the site. They recommend that use of the model planes be accommodated at the 3000 A. Laurel Hill property in Lorton, which is being developed for active recreational uses. Art Wells proposed that the Mason Neck Association be permitted to state that the Federation has some concerns that will be communicated, after further study, within the 30-day comment period. Hearing no objections, Art asked Dolores to provide additional information at the next Board meeting.

Adjournment. The membership meeting was adjourned at 10:10 p.m. to be followed by a brief board meeting.

Respectfully submitted by Mary Anne Lecos, Recording Secretary.