

Establishing the Governor's Commission on Government Reform and Restructuring

Importance of the Issue

The Commonwealth of Virginia, like the rest of the nation, faces unprecedented budgetary challenges and increasing demands for core public services. Citizens and businesses residing in Virginia are entitled to a limited and effective state government. Revenues collected from Virginia taxpayers must be spent in the most efficient manner possible. It is incumbent on those charged with providing government services to protect the public from harm and theft, educate our citizenry, foster economic opportunity, provide necessary infrastructure, preserve fundamental rights and perform other essential functions in a manner that avoids duplication, delay and unnecessary regulation and bureaucracy. To ensure that the Commonwealth of Virginia provides the aforementioned core services utilizing the most cost effective methods available, it is necessary to conduct a comprehensive, systematic and ongoing evaluation of the effectiveness and need for the state's existing agencies, governing bodies, programs, and services. This comprehensive review will make certain that duplicative, outdated, unnecessary and ineffective services and service delivery methods are eliminated and that state revenues are dedicated to the core functions of government.

Governor's Commission on Government Reform and Restructuring

Accordingly, by virtue of the authority vested in me as Governor under Article V of the Constitution of Virginia and under the laws of the Commonwealth, including but not limited to Section 2.2-134 of the Code of Virginia, and subject always to my continuing and ultimate authority and responsibility to act in such matters, I hereby establish the Governor's Commission on Government Reform and Restructuring ("Commission").

The Commission will conduct a thorough review of Virginia state government:

- Identify opportunities for creating efficiencies in state government, including streamlining, consolidating, or eliminating redundant and unnecessary agency services, governing bodies, regulations and programs;
- Explore innovative ways to deliver state services at the lowest cost and best value to Virginia taxpayers;
- Seek out means to more effectively and efficiently perform core state functions, including potential privatization of government operations where appropriate, and restore focus on core mission oriented service; and
- Examine ways for state government to be more transparent, user friendly and accountable to the citizens of the Commonwealth.

The Government Reform Commission will have its first meeting on Friday, June 4 from 1-4pm in the Capitol, Senate Room 3.

Virginia First Cities Coalition Draft Response

The Commission should examine the practice of governance in the Commonwealth; the state's relationship with its localities, the shared responsibilities for service delivery, and the funding and structure of local government. Fifty percent of the state's general fund is for aid to locally-delivered programs. This aid is comprised mostly of K-12 public education funding (mandated by the state constitution), the car tax payment (a state initiative), and funding for Constitutional Officers. These are all state mandates or initiatives. Localities receive relatively little state aid for discretionary programs, such as local libraries.

The Commission should question whether the current arrangement is the most efficient way to deliver state-mandated, locally delivered services. For example, do we need over 130 separate social services, fire, police and EMS agencies? Can we further consolidate water and sewer authorities? Perhaps we should look at the Community Services Board model or the Virginia Department of Health model for regional health districts. If a similar model was appropriate, the state could provide incentives to encourage the regionalization of such services.

The Constitution recognizes regional government as one of the four forms of local government in the Commonwealth (with Counties, Cities and Towns) and the State Code has many provisions allowing for everything from regional authorities to consolidation. Some of the provisions, however, are made ineffective by a referendum requirement. The Commission should explore ways to facilitate greater regionalism and consolidation of service delivery rather than allow significant roadblocks to remain in place.

There are a number of recommendations contained in the 2007 Urban Policy Report to improve the delivery of government services to the people of Virginia, including:

- 1) Removing barriers to revenue sharing among localities to encourage joint development of infrastructure, sites, and facilities.
- 2) Providing meaningful incentives to areas that address economic development needs and issues on a regional, rather than local basis. Look for ways to promote regionalism, such as the regional jails model. Some areas have maintained regional economic development agencies but many localities still focus on their own economic development offices which compete against each other rather than promote the region to a global audience.

- 3) Considering incentives to encourage the consolidation of operations between school systems and local governments (Finance, IT, HR, Buildings & Grounds, Communications, Legal, Procurement, Capital Project management). Incentives have worked to slow down the increase in costs for the Comprehensive Services Act.
- 4) Relaxing mandates on localities wherever possible during these extremely tight fiscal conditions.
- 5) Linking state agencies' programs, such as DHCD and DRPT, toward a goal of more efficient, sustainable state development policies.

In addition, more flexibility should be provided localities if they are going to be asked to do more with less state assistance. The Commission should consider finding ways to increase local option taxing authority, while continuing to look for incentives to reduce expensive development sprawl on the fringes of our urban areas.