

# The Virginia NEWS LETTER

## Virginia's Government Structure

By Gerald L. Baliles

*Editor's Note: This is an adaptation of the keynote address given August 12 by former Governor Gerald L. Baliles at the 50th anniversary meeting of the Virginia Local Government Officials' Conference. We believe it has particular relevance as a new Governor and a new House of Delegates prepare to take office.*

**O**n March 30, 1980, at a meeting of the Virginia Municipal League, I said:

"All of us live in either a city or a county. The structure and power of that local government depends upon whether it is a city or county. We live with the terms city and county. Yet I submit that we do so without comprehending that time and events have blurred the distinctions that city and county once had. We tinker almost annually . . . adjust for core city problems . . . alter for suburban areas . . . change for rural needs. . . [We need] to effect the changes desired by both urban and rural interests in the various state funding formulas for local governments. We owe it to ourselves and to the future of the Commonwealth."



Gerald L. Baliles

I repeat these words now not to demonstrate my long-standing interest in this subject, but to acknowledge that like many others, I recognized the problem, yet fell short of finding a solution.

I am also more than a little chagrined to say that I concluded that speech by calling for a Blue Ribbon Commission to study the matter.

And I did so in spite of the fact—as I observed in that speech 21 years ago—that city/county problems had already been studied at least six times since 1950!

The fact is we have accumulated studies on local government by the truckload and we have dumped rhetoric by the ton on the public.

The time has come to take all those studies and actually do something with them, to recognize that the present arrangement of local government often results in inefficient uses of public resources and compromises our economic ambitions, thereby choking off Virginia's hopes for the future.

And unless we act, this fine conference, a half century old, could easily celebrate its centennial with Virginia still struggling to structure government in its best interest.



WELDON COOPER  
CENTER FOR PUBLIC SERVICE  
*University of Virginia*

*Jefferson's spirit  
has been absent from  
state government.*

Now, I could spend a good deal of time delineating the many challenges that local governments face today.

But you know them far better than I. You live with them.

Besides, a former colleague of yours, who served as city manager of Norfolk and administrator of James City County, Jim Oliver, laid it all out in a Virginia News Letter article ("Virginians Need to Take a Bold Look at Their Governance," September, 1999) two years ago.

He wrote that:

"We Virginians lack a shared vision for the state and for the purposes and responsibilities of the various levels of governments. We operate with policies and structures of government, including how these governments are financed, that are confusing, uncoordinated and often ineffective. Because of the independent city system, our local governments are established in isolation and often produce policies and programs that don't consider realities beyond their boundaries. But consider how many issues today cross boundary lines: crime, traffic, education, poverty and so forth."

Mr. Oliver's frustration was quite apparent. He went on to say:

"I often thought the state was insensitive to local government, or worse. Whether through action or inaction, words or silence, it felt like local government was facing complicated problems alone, unless, of course, it was time for a new rule or mandate. The result was not a sense that we were partners, or even 'agents of the state.' It was instead a sense of aloneness, worry about 'incoming scuds' [missiles] from the State Capitol. At the same time, I often found myself just trying to focus on helping my city survive as opposed to thinking out better choices."

Mr. Oliver did manage to end his informed and intelligent essay on an optimistic note, with a tip of the hat to Jefferson, never a bad idea in Virginia, and the hope that we can educate the population sufficiently to inspire action.

I like that idea. It has merit. We should do all we can to broaden and deepen the public's understanding of how Virginia's present governmental structure diminishes efficiency and mitigates against favorable outcomes. It's their money, after all.

But events of recent years argue that Jefferson's spirit has been absent from state government. And considerable credit for the failure to act, a failure that now extends well beyond a generation, lies with Virginia's political class. Too often, we have found it convenient to avoid

rather than engage the subject.

It's obvious from all the studies that we do not mind talking about it; for years, local governments' financial problems have been studied, reports and recommendations have been made.

More recently, high profile legislative and corporate recommendations have been advanced.

We have even seen the creation of another commission, operating now in the closing days of the current administration.

But, at this point, does anyone really lack sufficient insight into the problem?

I should hope not, and certainly not after reading the report of the Morris Commission, which concluded its work nearly two years ago. The commission's work was comprehensive; its recommendations were thoughtful and intelligent. [See the January, 2001 News Letter, "Fixing Virginia's Tax Structure," by Thomas R. Morris and Robert S. Hodder Jr.]

Which is more than I can say for the reception it has received. It has been shelved for the most part.

The commission's work deserves better.

So does Virginia.

Obviously, at this point, the problem is not direction, but lack of political will to get moving.

Like Jim Oliver, like you, I am concerned with the lack of action, particularly when the economy finally opened the door to action.

The decade of the 1990s offered us a wonderful opportunity. But we didn't take it.

Instead, we watched state revenues increase significantly, strengthened by rises in sales and income taxes. Meanwhile, localities were largely confined to stagnant property tax revenues.

Then, four years ago, Virginia made a fateful turn. We adopted the car tax cut.

Understand, reducing taxes is a legitimate political position—and, obviously, a popular one. I embraced one myself with a large, but largely forgotten tax cut in 1987.

But when you reduce taxes without regard for the consequences, when you pretend, even represent, that there are no consequences, then you jeopardize Virginia's future.

In turn, you condemn local government to a constant struggle, caught between diminishing resources on one side and public frustration on the other.

Similarly, you trap the General Assembly in a contradiction between broadly supported commitments on the one side and a much eroded state treasury on the other.

And, in the end, you leave yourself vulnerable, having relinquished a large measure of your ability to control and influence the future.

It seems fair to ask why Virginia has so long made it hard for local officials to do their job?

Is it that local government is simply not important to us?

That seems hardly possible. Local government has the most direct and immediate contact with the people.

Local government provides vital and essential services: fire, police, garbage collection, schools, parks, etc.

And because all of us live in a local government jurisdiction, we are affected by its financial health or lack of it.

Yet, despite all that, Virginia has failed to give local government the support needed to do its best work.

And often, ironically, the people who embrace the spirit of Jefferson and the benefits of government that is closest to the people are the same ones who resist any true reform.

They decry the powers of big government at the federal and state level ... but do they do anything to strengthen the hand of local governments?

No.

So here we are, and I am making you depressed. Let me try to do better than that. Between the Morris Commission and the many other studies undertaken, there are dozens of worthy proposals that could potentially change the fortunes of local governments, improve their abilities or address their challenges.

I want to focus on three of my own, three that I believe should be central to our discussion if we are truly to get serious about changing the present situation.

## I. Powers and Duties of Local Governments

Many of the studies completed over the years have focused on revenue needs and sources of new income.

They assume that money will address all of the challenges of local communities.

Obviously, resources are vitally important. You get what you pay for.

But some seem to suggest that an increase in resources, from whatever source, will straighten things out.

I do not accept that.

When you focus on money first, you put the cart before the horse.

We should first ask: What do we expect from local government?

That gets into the old problem of definitions.

Yes . . . what is a city? What is a county?

In years past, cities were manufacturing centers, densely populated, financially self-sufficient. Counties, on the other hand, were rural, thinly settled and administrative districts of this state, dependent upon state resources for operations.

Obviously times have changed. But the nomenclature sticks.

And it's holding us back.

We now have rural cities and urban counties.

We have small as well as large cities, declining populations in some counties and explosive growth in others.

In many areas of the Commonwealth, cities and counties are indistinguishable.

They provide essentially the same levels of service.

Yet, cities and counties are governed by different laws and their funding often depends upon their status as a city or county.

For these and other reasons, the time has long passed for us to re-examine the definition question.

Even more fundamental is the question of what we want local governments to accomplish.

Is it local fire and police protection? The operation of local schools and the maintenance of roads?

What else?

Whatever it is, it must be first defined, without any ambiguity, and then we should determine whether counties and cities should really be different.

In my judgment, once we have determined what we want local governments to accomplish—and whether cities and counties should be different—then we should be in a position to take the next step.

The next step would be to define the powers and duties of governments, draft a charter and then—and this is most important—allow local governments to operate within the framework of that clearly defined charter without having to trot to the General Assembly, hat in hand, on an annual basis.

In an era of global communication and transportation, when businesses and individuals can operate virtually anywhere and make contact instantly with anyone, do we really have to maintain an 18th Century attitude toward local government?

I say, let our counties and cities be true communities, with far greater power to define and drive their own destiny. The idea that somehow state government—and, specifically, the General Assembly—is the font of all wisdom on local matters is a concept that many observers find increasingly unacceptable.

*Is the General Assembly the font of all wisdom?*

*Define the role of  
local governments.*

I am not saying that we should create 100-plus individual fiefdoms—because local officials can be just as overbearing as state officials. What I am saying is that we live in a time when we can draw closer to Jefferson’s ideal, that, indeed, we can locate political power—and resources—where people reside.

As I envision it, as a practical matter, the General Assembly’s function would be confined to periodic reviews of the legislatively approved local charter framework and revisions to it.

The General Assembly would also bear the obligation and the duty to identify sources of revenue for financing the specified functions of local government.

Local governments have long been heavily dependent upon the taxation of property as the source of local government revenues. The practice is based in the history of the Commonwealth, long before there were weekly paychecks and steady income streams.

Suggestions have been made that reliance on property taxes could be reduced if the state would provide or share revenues derived from taxation on incomes.

Perhaps. That question fundamentally will be made easier once state definitional questions have been answered. If more is expected of local governments, the General Assembly may have no choice but to find other revenue sources for local governments, perhaps in return for a reduction or elimination of property taxes.

So, first things first. Tell us what local governments should do and define the terms of cities and counties. If there is no difference, say so. If there is, spell out the differences and provide, accordingly, the framework for governing and funding.

That alone will invest localities with an energy and political vitality not seen in today’s Commonwealth.

## II. Consolidation of Government Functions

The General Assembly possesses the authority to create, change and abolish local units of government.

Initially, all of Virginia was contained within six “shires,” out of which were carved, in a steady western movement, today’s existing counties and cities.

And while the trend, historically, has been to create jurisdictions, there have been instances in which cities and counties have been abolished through merger.

In four mergers between 1952 and 1963,

the voters of three Tidewater Virginia counties, five cities, and one town abolished their existing local governments and formed four consolidated city governments: Hampton, Newport News, Virginia Beach and Chesapeake.

But, for different reasons, not the least of which is job protection and territorial imperative, today consolidation of cities and counties is almost politically impossible.

Thirty years ago, planning district commissions were created as a means of encouraging the development of cooperative planning and programs, but without the power of implementation.

The PDCs have had a mixed record of success.

Historically the seats of local governments were established so that no citizen would be more than a day’s ride to the local courthouse.

Today, traffic permitting, no citizen is more than 30 minutes from the local courthouse and county government buildings.

But, with the arrival of technology, licenses can be renewed and taxes paid without ever visiting local government offices.

Clearly, any significant rearrangement of governing units now would have to be prospective in application—perhaps ten to fifteen years in the future in order to avoid the practical and political problems of terminating positions of local power and employment.

Short of that consolidation step, however, there may be another way to achieve the benefits of efficiency and lower costs through cooperative programs and to increase the potential of the Regional Competitiveness Act.

In some future budget session, say two or three years from now, the General Assembly could appropriate a one-time hefty increase in local government funding to meet long unfunded state mandates and make up for program budget cuts; and then declare that any future increases to local governments would be limited to a cost-of-living increase factor—no exceptions.

The General Assembly could also provide, however, that where two or more adjoining jurisdictions, whether cities or counties, combined or consolidated major functions of government, thereby achieving greater efficiencies and cost savings, the total appropriations to those localities would be increased by some significant percentage—say 25 to 35 percent. Whatever the percentage, it would have to be significant.

My guess is, in today’s stressed budgets of local government and the resistance to tax increases, such a proposal might draw a second look.

### III. Reorganization of Redistricting and Reducing the Size of Government

It can be argued that some of Virginia's local government problems can be attributed to inadequate or insufficient attention by their local representatives in the General Assembly.

Legislative districts are drawn in such a way to meet certain legal and political criteria, but the result is often a loss of "community of interest."

Indeed, some localities are divided among six or seven districts, with some legislators representing only a few precincts of those local communities.

Meetings between legislators and local officials become difficult to schedule, attendance is spotty, and interest may not be fully appreciated, especially where multiple jurisdictions may be included within a legislator's area of responsibility.

In Virginia, the House of Delegates is divided into 100 districts, the Senate into 40. The House and Senate districts are drawn separately for each body and often bear little resemblance to each other in terms of territory represented by legislators, who actually may live in the same neighborhood or locality.

It can be argued that, to the extent possible, area senators and delegates should represent the same jurisdictions, yet in light of today's number of delegates and senators, that is almost mathematically impossible.

So, why not reconfigure the size of the House and Senate so that one senator and two delegates represent the same area?

If that were true, it would be possible to draw only one redistricting plan for Virginia's General Assembly, making it easier to draw districts that would avoid slicing and dicing local governments six ways from Sunday.

Since there are many calls for reducing the size of government, why not reduce the size of the House of Delegates to 80, leaving the Senate at 40?

That would mean that each legislative district would consist of one senator and two delegates, all representing the same territory.

For those who find that unattractive, I suppose they could increase the size of the Senate to 50, leaving the House at 100, to achieve the same legislative result.

Of course, that sounds an awful lot like big government to me.

In any event, legislative districts could be more compactly drawn, recognizing and respecting communities of interest, perhaps

improving better representation of citizens and their local governments.

Do this, and we would immediately gain a more coherent arrangement and, most likely, more coherent results.

Those are my three proposals. Add them to all the rest.

Certainly, they need to be examined and measured in the context of the state's economic, social and political condition—and any required constitutional changes.

But let us now avoid the debilitating disease of political inaction of constant, unbroken procrastination.

The present situation is becoming intolerable.

And, without action, it will only get worse.

So, let's get at it . . . because there's a far better balance point out there between state and local government.

Once found, that better balance will diminish the fiscal stress presently bearing on local governments in Virginia.

Once found, that better balance will significantly improve the efficiency of government at both the state and local levels.

Once found, local government officials will worry less over incoming "scud" missiles and will feel free to focus all their energy on the citizens they signed on to serve.

But, we will not find that balance if we continue to drift, with haphazard, piecemeal reforms and adjustments, and one more study commission.

So I have one last idea. In six, quick years, Virginia will celebrate the founding of the Jamestown Settlement in 1607. Those Englishmen struggled, but ultimately found a system of government that worked for their time.

Let us do as much for our time in Virginia—and six years is more than enough to get the work done. Let's celebrate Jamestown by doing as much for the 21st Century that the first settlers did for the 17th Century. •

*ABOUT THE AUTHOR: Mr. Baliles was Governor of Virginia, 1986-1990. Prior to that he served in the House of Delegates and as state Attorney General. He is a lawyer in Richmond.*

*Virginia has had enough study commissions.*

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