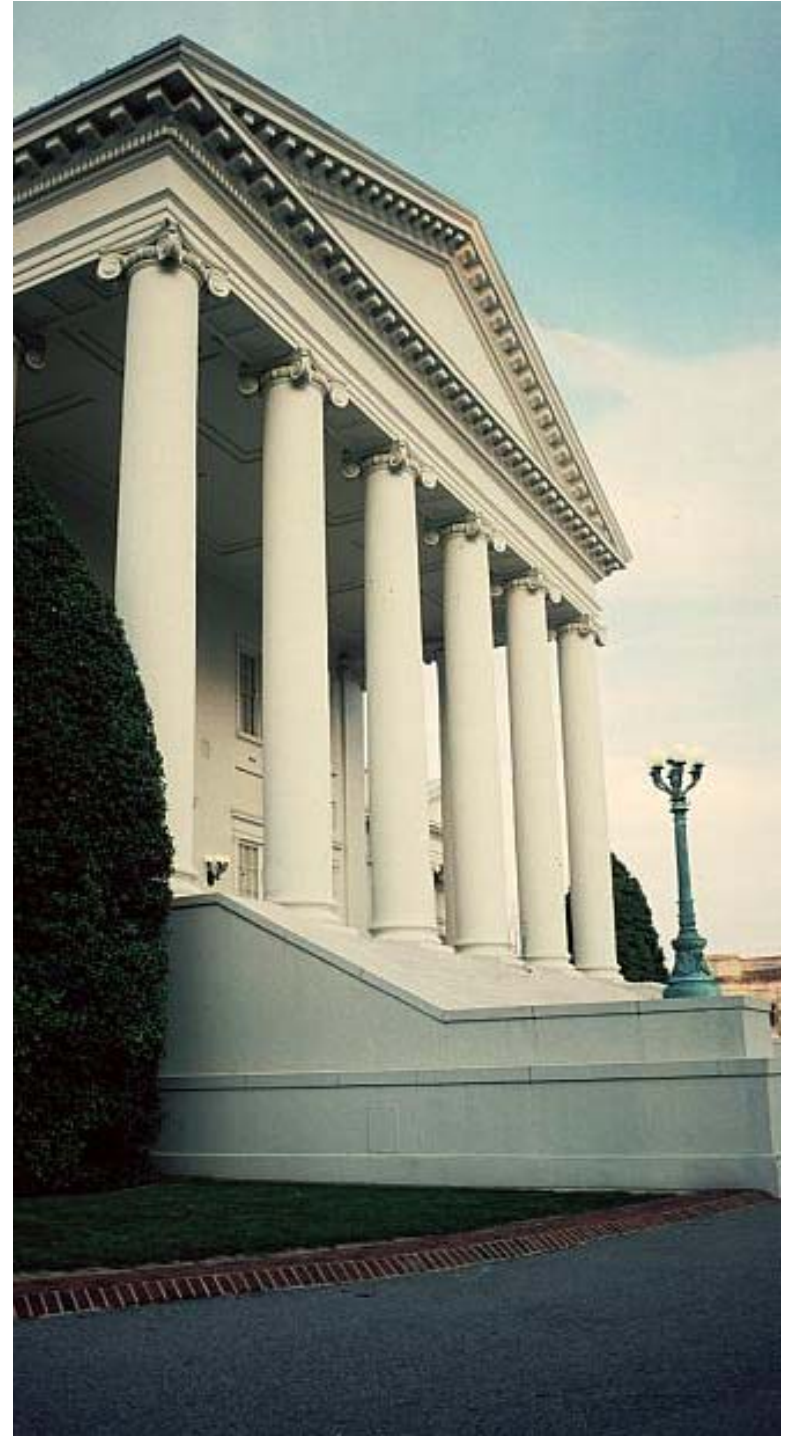


**2008 Session**  
**Town Hall**  
**Meeting**

**Delegate David Bulova**  
**Senator Chap Petersen**  
**February 2, 2008**



# Session Overview

- Convened January 9th in the restored Capitol in Richmond.
- 1,887 bills introduced in the House.
- 941 bills introduced in the Senate.
- February 12<sup>th</sup> is “cross-over.”
- Session ends March 8<sup>th</sup>.
- Committee assignments.



# Controversial New House Rules

- Rule allowing bills to die in subcommittee without a recorded vote.
- Rule allowing bills to come to the House Floor from the Rules Committee without a recommendation.
- Cap of 10 bills per member for the 2009 Session.



# The Budget



- The tight budget forecast will define the Session.
- \$36.2 billion in proposed for the General Fund (FY08-10)
  - Compare to \$34.3 billion (FY06-08)
- \$17.65 billion in FY09
- \$18.55 billion in FY10

# Projected Economic Growth



- 3.6% for FY 2008
- 5.2% for FY 2009
- 6.7% for FY 2010
- These are conservative compared to historic numbers (approximately 7.5%).

# Recent Virginia Economic Indicators



- Unemployment rate of 3.0%.
- Sales tax revenues up 4.9% (Dec '06 to Dec '07).
- Recordation tax receipts down 27% (Dec '06 to Dec '07).
- Home sales are down significantly:
  - Northern Virginia: 4,700 pending sales (June '05) to 2,100 pending sales (Nov '07).

# Closing the Gap in FY08



- Virginia is faced with a \$641 million deficit in the remaining fiscal year (June 30th)
- Governor's proposed solution:
  - \$300M in agency budget reductions.
  - Use of NGF funds.
  - Balance paid with Revenue Stabilization Fund.
- Stabilization fund can only be used to make up for past missed revenue forecasts – not to balance future budgets.

**Looking forward to FY 2008-2010**

**...**

# Governor's Major Targeted Increases



- \$942.5 million for public schools (SOQs).
  - “Re-benchmarking.”
  - Update spending to reflect increasing population.
- \$344.0 million for Medicaid.
- \$132.4 million for teacher pay raise (effective July 1, 2009).
- \$122.0 million for state employee pay raise (effective July 1, 2009).
- \$44.3 million for higher education.

# Governor's Targeted Budget Cuts



- Continue cost reduction strategies (5%).
- Deferral of salary increases.
- Use of Non-General Funds.
- ??????

# GO Bond for Higher Education



- \$1.525 billion subject to approval on 2008 ballot.
- Three projects at GMU totaling \$105 million:
  - Renovate Science & Tech II.
  - Construct Krasnow addition.
  - Construct Campus Library.

# Major Issues

- **Mental Health**
  - New definition for when someone can be involuntarily committed.
  - Increased focus on emergency services and outpatient follow-up.
  - \$47 million in additional funding for Community Service Boards.
- Repeal of the **Abusive Driver Fees**
  - Repeal legislation passed in both houses.
  - Still some technical issues concerning those already charged.

# Major Issues

- Governor Kaine's **Universal Pre-School Initiative**
  - Governor narrowed scope from universal coverage to extension to cover free and reduced lunch students.
  - Cost will eventually be \$250 million annually.
- **Illegal Immigration**
  - Range of bills, scope yet to be determined.
  - No bond or release for illegal immigrants held for a crime.
  - E-verification of legal employment status.
  - Eligibility for higher education.

# Major Issues

- **Homestead Exemption** (Constitutional Amendment)
  - Exempts up-to 20% of the value of a home from property tax.
- **Environmental Board Consolidation**
  - Effort to take permitting authority from air and water boards and give it to the Director of the Department of Environmental Quality.
- **Payday Lending** Repeal or Reform
  - Question is whether the payday lending legislation can be fixed or should be repealed.
  - If repealed, how do you avoid loan sharking?

# David's Initiatives



- HB387: Tree Conservation
- HB389: Transportation Maintenance Funding Formula
- HJ171: Study of Endocrine Disrupting Compounds.
- HB390: Compromised Data Notification Act
- HB399: Conveyance of State Easements
- HB1436: Line of Duty Act

# Chap's Initiatives



- SB 443-444: Repeal of Abuser Fees
- SB 445: Dedication of Funds for Biofuels Research
- SB 446: Clean Energy Futures Act
- SB 447: Use of LEED standards in State buildings
- SB 448: Tree Conservation
- SB 449: Requirement of Competitive Bidding
- SB 450: Amendment to Slayer Statute

# What You Are Telling Us

## Preliminary 2008 Survey Results

- Over 400 responses to the 2008 survey.
- What to do with **abuser fees**?
  - 50% Repeal Entirely
  - 50% Apply to Out-of-State/Reduce on Less Serious Offenses
- How do we **replace the revenue**?
  - 38% 2¢ on Gas Tax
  - 19% ¼ % Increase on Sales Tax
  - 24% Don't Replace/Tighten Budget
  - 24% Other

# What You Are Telling Us

## Preliminary 2008 Survey Results

- How about the Governor's **pre-K initiative**?
  - 31% Support
  - 19% Support by Not at This Time
  - 38% Oppose
- Do you support **HOT lanes**?
  - 43% Strong Yes/Yes
  - 21% Neutral/Maybe
  - 28% No/Strong No
  - 8% Other

# What You Are Telling Us

## Preliminary 2008 Survey Results

- Should we use the **revenue stabilization fund**?
  - 56% Support
  - 15% Support Smaller Withdrawal
  - 18% Oppose
- What about access to higher education by non-citizen **children of illegal immigrants**?
  - 26% Restrict Access
  - 26% Don't Restrict Access/Pay Out-of-State Tuition
  - 41% Eligible for In-State Tuition w/ Conditions
  - 6% Other

# What You Are Telling Us

## Preliminary 2008 Survey Results

- How do you feel about the **death penalty**?
  - 38% Support
  - 15% Support Reservations
  - 23% Oppose w/ Exceptions
  - 24% Oppose

# What You Are Telling Us

## Preliminary 2008 Survey Results

- What are your **top three priorities**?
  - 69% Transportation
  - 46% Illegal Immigration
  - 30% Health Care Costs
  - 26% Growth and Development
  - 25% Reduce/Reform Taxes
  - 24% K-12 Education
  - 23% Environment/Open Space

**Thanks you!**

**What are your  
questions?**