



Report from Richmond

**Delegate David Bulova and Senator Chap Petersen
February 20, 2010**

Snow Response Update

- Thank you for your calls, comments, and suggestions.
- VDOT is responsible for County roads; City of Fairfax is responsible for their own roads.
- Items for discussion with Secretary of Transportation:
 - Contractor training and oversight
 - Prioritization
 - More efficient use of available equipment and resources
 - Sensitivity to sidewalks and school walker routes
 - Community involvement in future planning



Session Overview

- Convened on January 13th.
- 1,710 bills introduced in the House; 939 in the Senate.
- February 16th was “cross-over.”
- Session ends on March 13th.
- Committee assignments.

Current Trends and Budget Conditions

- **Economic conditions have significantly reduced state revenues...***
 - Net individual income tax (64% of the general fund) declined 5.7% .
 - Sales tax collections declined 3.4%.
 - Corporate taxes are rebounding. Unfortunately, this is just 5% of the general fund.
 - Other sources declined 3.0% to 14.9%.

*January 2010 figures compared to January 2009 figures.

Current Trends and Budget Conditions

- **...While high unemployment continues to strain public services:**
 - Employment continues to decline, although the pace of job losses has slowed.
 - Unemployment rose from 6.4% to 6.7% in December, but is off its peak of 7.3% in June.
 - The bottom line: 62,900 more people are unemployed now than this time last year.

The Challenge for the Virginia FY2011-2012

- **Projected total shortfall of \$4.1 billion:**
 - \$1.98 billion in FY2011.
 - \$2.11 billion in FY2012.
- This is on top of \$3.9 billion in cuts from last year and \$1.35 during this fiscal year.
- Hold over issues exacerbate the problem:
 - “Cliff Effect” from ARRA.
 - Depletion of the “Rainy Day Fund.”
- But, indications are that the economy has bottomed out.

How Do We Get There?

Governor McDonnell's Budget Cut Proposals

- Governor McDonnell released recommendations earlier this week.
- Final budget proposals will be available on Sunday night.
- Overall impact on state employees:
 - Eliminate 500 jobs over three years.
 - Includes 390 direct care positions at state mental-health clinics.
 - Continue no increase in state employee salaries (last increase was in November 2007).
 - Institute 10 furlough days over two years for state workers.

Core Service Areas

Education

- **\$731 million** cut from K-12 education.
 - Represents 11% reduction over the biennium.
 - \$225 million by delaying re-benchmarking the cost to implement Standards of Quality.
 - \$67 million cut for school construction and other operating costs.
 - \$5.3 million cut from school breakfast program.

Core Service Areas

Retirement

- **\$612 million** cut from the Virginia Retirement System.
 - Reduces benefits, but also partially offsets cuts to local school systems.
 - \$508 million potential savings from Virginia Retirement System
 - Risk to AAA bond rating?

Core Service Areas

Health and Human Services

- **\$300 million** cut from health and human services.
 - Freeze enrollment to Family Access to Medical Insurance (FAMIS), affecting 28,000+ people.
 - Reduce or eliminate certain Medicaid service coverage, including reducing income eligibility impacting 2,000 enrollees.
 - Eliminate general fund support for the Virginia Healthy Families Program.
 - Eliminate dental services in local health districts.
 - Reduce or eliminate over 25 other programs ranging from teen pregnancy prevention to advocacy centers to prevent child abuse.

Core Service Areas

Other Services and Programs

- Eliminates funding for mortgage assistance counseling.
- Reduces funding for homeless programs.
- Temporarily close five state parks, including Mason Neck.
- Eliminate general fund support for agricultural best management practices to protect the Chesapeake Bay.
- **Since higher education has already been reduced by 26%, only minor additional reductions are proposed.**

Key Issue – The Local Composite Index

- At issue is the fair treatment for our local schools.
- A proposal by Governor Kaine to “freeze” the Local Composite Index would have resulted in a loss of more than \$61 million to the City and the County.
- Governor McDonnell has publicly supported removing the freeze from the proposed budget.



Other Significant Issues

- Transportation and maintenance funding distribution.
- Governor's K-12 education reform initiatives:
 - Charter schools.
 - Lab schools.
 - Virtual schools.
- Mandate insurance to cover Autism.
- Increasing the Governor's Opportunity Fund.
- Energy and power generation issues.
- Virginia and 10th Amendment rights.

David's Targeted Initiatives



- **HB 208:** Streamlining school reporting requirements.
- **HB 209:** Enhancing Fairfax County's ability to remove signs in medians.
- **HB 210:** Protecting citizens from identity theft and strengthening extortion laws.
- **HB 212:** Getting tougher on texting and driving
- **HB 703:** Protecting small businesses from overregulation.

Chap's Targeted Initiatives



- **SB 109:** Green Public Buildings Act to save environment and save taxpayer dollars.
- **SB 110:** Making clean energy financing more affordable and creating jobs.
- **SB 112:** SAVE Act, a proactive conservation bill making aging pipelines for efficient.
- **SB 116:** Protecting houses of worship from fraud by expanding the Consumer Protection Act.
- **SB 405:** Indexing of gas tax to improve our roadways.

What You Are Telling Us

2010 Survey Results

- Over **791 responses** to the 2010 survey.
- Should we privatize **ABC stores**?
 - 29% Yes
 - 38% Yes, if they generate more revenue for Virginia
 - 25% No
- Should **hands-free** be required for cell phones while driving?
 - 79% Yes
 - 14% No
- Should **Virginia's one-gun-a-month law** be repealed?
 - 28% Yes
 - 55% No

What You Are Telling Us

2010 Survey Results

- Should Virginia **impose a limit on campaign contributions**?
 - 36% Yes
 - 38% No
- How important are **10th Amendment** issues to you?
 - 34% Very important
 - 20% Somewhat important
 - 9% Not important
 - 21% Opposed to attempts to assert the 10th Amendment

What You Are Telling Us

2010 Survey Results

- Should we increase the use of **nuclear power**?
 - 78% Yes
 - 10% No
- What areas of the budget **should be spared the deepest cuts**?
 - 68.2% K-12 Education
 - 44.1% Police
 - 42.8% Transportation
 - 32.8% Colleges and Universities
 - 28.4% Health and Human Services

Thank you!

**What are your
questions?**