

Virginia General Assembly

2007 Report from Delegate

Vivian Watts



400 years ago, the first English settlers arrived in Jamestown. Despite many deaths, within 12 years, eight settlements had been established in Virginia and two representatives were elected from each to form the first General Assembly. Its Speaker, John Pory, observed, "...Peace is best preserved by giving...information to the people." Amen!!

This newsletter continues that tradition as we reason together to shape policies that will stand the test of time.

Transportation

In the short term, we made some progress. In the long term, we did little to put Virginia's transportation program on a sound footing.

Transit – Transit was the biggest winner. Northern Virginia (NV) will get approximately \$500 million in state funds over the next 8 years. In addition, each year from the new NV local revenue, \$50 million is set aside to match federal funding pending in Congress, \$25 million goes to VRE, and localities can use up to half of all remaining funds for transit.

Road Construction – Borrowing will generate state construction funds, but this infusion will only last for about 8 years and be followed by 25 years of paying off debt.

WRONG WAY Not only does this make the problem worse in the long term, but the up-front spending is so inadequate that state construction still will be less than it was 10 years ago.

WRONG WAY **Maintenance** – While \$200 million is earmarked for maintenance, you won't see any improved maintenance. The \$200 million goes simply to partially replace the \$250 million currently being diverted from construction. Meanwhile, maintenance costs will continue to grow by \$50 million a year – just like gas for our cars, asphalt prices have sky-rocketed.

Help for NV – Significant new money for NV that cannot be diverted to the rest of the state is another clear gain. About \$400 million annually will be raised from 10 different taxes and fees. Most comes from 3 sources: a tax on real estate sales (\$164 million) paid by the seller, a higher annual real estate tax on business property (\$84 million), and 1% of the value of all cars registered for the first time in NV (\$63 million).

WRONG WAY **Our Fair Share** – NV's share of the new state funds is smaller than our current share. Three factors drive this: (1) Using General Fund surpluses – coming primarily from NV income and sales taxes – instead of using transportation taxes means NV will contribute 50% more to what will be spent. (2) Statewide maintenance will still siphon-off construction funds and cost NV 40¢ on each diverted dollar. Adding insult to injury, the State pays only half as much to maintain Fairfax County roads as cities get paid by the State to maintain their own roads. (3) Including existing funds, NV will get just \$200 million annually from the State compared to \$400 million we're going to raise ourselves.

WRONG WAY **Who Pays** – The absolute refusal to raise state taxes means only Virginia residents will pay in higher "fees." The one getting the most attention is the extremely stiff penalties on bad drivers. To get around Virginia's constitutional requirement that all court fees go to fund schools, the new penalties were created as DMV fees paid only by Virginians for their car tags. The only tax we passed on out-of-state drivers is a diesel fuel tax increase (principally on interstate truckers) to make it the same as the tax on gasoline.

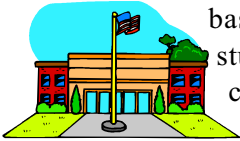
Land Use – We passed measures to tie land use more closely with owners paying for the transportation impact of new development. The effect of these new tools will depend on local governments having the discipline and sophistication to avoid court challenges if they divert funds or make inconsistent zoning decisions.

Concluding Thoughts – *I've tried to make this as simple as possible. It is not. Unfortunately, action on the 105-page bill was more political than studied. I worked in every way I could to improve it and only voted for the final bill when it was the best we could get. State transportation funding remains inadequate – in part because gasoline is taxed by the gallon and doesn't increase when prices go up. I will continue to fight for sound, fair, sustained solutions.*

Education

Public Schools – Once again, my and other Fairfax legislators' efforts to change the state school funding formula were summarily rejected. Fairfax is not treated fairly compared to growth cities. In addition, when the formula is recalculated every 2 years to determine each locality's ability to fund its schools, the benchmarking uses old economic data. Without a formula change, next year Fairfax stands to lose millions in state funding because of the false assumption we still have a robust housing market.

Higher Education – Community colleges play an essential role in providing a low cost way to get a 4-year college degree. We put new emphasis on this option by creating a need-based grant of up to \$2,000 per year for students who enroll in a Virginia 4-year college after getting a community college associate degree.



Military

College Tuition – In-state tuition for military dependents was extended to the dependents of reservists and guard members activated to duty stations in Virginia. The spouse and children of service members killed in action will receive free tuition and the waiving of all required fees.

Veteran Services – A second state veterans long term care center will open this fall and we are proceeding with plans to build a third. A Virginia veteran services officer is located in the Shirley Industrial Park – call 703-813-1374 for help.

Law Enforcement

Sex Offenders – Registered violent sex offenders may be sent back to prison if found on school grounds.

Overcrowding – Localities were given the authority to double the criminal penalty for having multiple families in a single family residence.

Immigrant Status – Most measures we considered regarding immigration underscored the unreliability of current federal databases and the money required (at \$132,000 per officer) to have state police trained to enforce immigration laws if the federal government doesn't spend the money to detain, try, and deport those who do not have legal status.

Environment

Conservation Easements – Last year I was part of a conference committee that defeated efforts to cut the tax credit for landowners who put permanent restrictions on their land barring development. This year was the most successful yet. 70,000 more acres have been preserved to protect Appalachian Trail views, control runoff, and save unique historic properties, such as a 121-acre farm run by the same family since 1638.



Chesapeake Bay – \$250 million in Public Building Authority bonds will be sold to help localities upgrade sewerage treatment plants.

Billboards – Attempts to undercut local control of billboards were soundly rejected after concerned citizens came out in force.

Consumer Protection

Electric Power – States moved to deregulate electric companies, in part to avoid brown-outs by fostering large regional power grids. While Dominion Power is doing well as a multi-state provider, no competition developed within Virginia. We were determined not to have the extreme rate increases that hit Maryland and worked all session to hammer out re-regulation terms. Highlights include:

– **Fuel cost increases.** Dominion Power had to absorb \$1.5 billion in higher fuel costs because of the rate cap we put on 3 ½ years ago. To recover this loss, starting July 2008, they can raise rates up to 4% per year. There will be public hearings and the State Corporation Commission must approve.

– **Allowable profits.** Dominion and any other electric utility serving Virginians will go back rates being controlled by the State Corporation Commission. Rates will be tied to similar utility companies in Southeastern states, keeping them below the national average.

– **Conservation.** We created incentives to increase the use of renewable energy sources for electric generation to 7% within 10 years and 12% by 2022. The goal for conservation is a 10% demand reduction.



Payday Loans – From the military to senior citizen groups to the Better Business Bureau, I've never seen a more diverse coalition. Most wanted complete elimination and we lost a chance for compromise. Hopefully, next year we will be able to severely curtail usurious interest rates, define transaction fees, and limit the number of loans any person can get.

Health

Family

Medicaid – After many years, the amount a nursing home patient can keep for personal needs was raised from \$20 to \$30 a month. Such a harsh rule is just one reason why Virginia’s Medicaid payments are well below the national average. Nevertheless, it’s estimated that 26% of all Virginia’s future tax revenue growth will be needed to cover growth in Medicaid costs.

Nursing Shortage – There is a critical need for nurses. Before we can train more, however, we need the college faculty to do so. Working with the Governor, we initiated a scholarship and loan repayment program for students in advance degree programs who commit to teach in community colleges. We also increased nursing faculty salaries by 10%.

Mental Health – \$43.7 million in new spending created 330 additional mental retardation waiver slots, 100 developmentally disabled slots, and gave Northern Virginians a 15% cost of living differential to pay for services.

Nursing Homes – The 30,000 people in nursing homes – most of whom are on Medicaid – still don’t have the protection of staffing standards.

Organ Donations – Virginia’s law regarding after-death donations was conformed with the national uniform model. In addition, we enacted a tax deduction of up to \$5,000 for unreimbursed expenses related to tissue and organ donations made by living donors.

Hospital Visitation – Subject to health-related rules, hospitals cannot bar an adult patient from having any particular visitor.



Teenage Drivers – Drivers under age 18 may not use a cell phone or other communication device while driving.

Child Safety Seats – The age of children who must ride in child restraints has been increased to include 6 and 7 year olds. Standard seatbelts may only be used if the child is at least 4 and a doctor approves in writing. Rear facing baby carriers must be used in the back seat.

Senior Citizen Amber Alert – Law enforcement must respond immediately to anyone reporting a missing person over 60 years of age who suffers from Alzheimer's or dementia.



HPV Vaccine – Virginia has one of the shortest legislative sessions in the nation, which makes it challenging to handle breaking developments. Based on highly regarded reports, we voted to require all girls, starting before the 6th grade to be vaccinated against a virus linked to cervical cancer. However, based on concerns raised over the newness of the vaccine, we then agreed that parents may opt out of the requirement for any reason and delayed the effective date of the bill so that it won’t affect 6th graders until 2 years from now.

Contraception – The House again refused to pass legislation guaranteeing that “birth control shall not be considered abortion.” Over 40% of commonly used birth control can “abort” a fertilized egg before it is implanted in the uterus.

Adoption – Continuing with our comprehensive reform, adoption and placement agencies must give prospective parents all the medical, psychological and background information that is reasonably attainable.

Vivian, the two issues I’m most concerned about are:

- Transportation
 K-12 Education
 Health Care
 Crime
 Mental Health/Mental Retardation
 Environment
 Higher Education
 Taxes
 Immigration
 Other_____

My concerns about #1 are _____

My concerns about #2 are _____
