

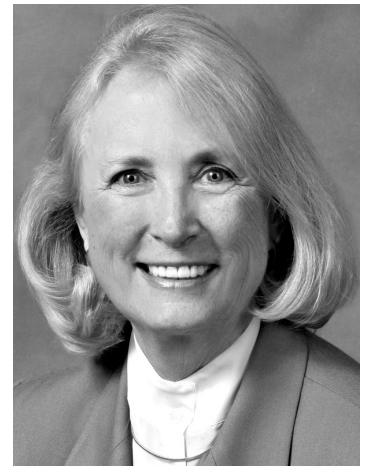
# Virginia General Assembly

2014 Report from Delegate

## Vivian Watts

*A great part of being your Delegate is getting invited to events like July 4<sup>th</sup> parades and annual celebrations. I get a glimpse of people's lives as we share thoughts at an optimistic moment. This newsletter doesn't contain as much of that optimism as I'd like but, if we can continue to work together constructively, sound solutions will come —*

*Vivian*



### State Budget

#### Why \$1.5 Billion was cut at the last minute . . .

Virginia's economy usually is among the strongest in the nation. However, federal budget and tax decisions – both actual and looming – are significantly affecting state revenue.

The last Budget ended June 30<sup>th</sup> with a \$400 million shortfall in the revenue expected from

- ▶ taxes on the profits from investment sales (capital gains) – Nationwide, investors aren't re-investing;
- ▶ income taxes paid by consultants and entrepreneurs (not payroll employees) – In Northern Virginia, consultants have pulled back in the face of federal contracting uncertainties; and
- ▶ payroll taxes – Salary increases are sluggish and new jobs are mostly in low-paying services.

The size of the shortfall wasn't fully known until after state income taxes were due May 1<sup>st</sup> and required major changes in the Budget we were about to pass. We had to start with lower figures to begin the budget year on July 1<sup>st</sup> and we couldn't be as optimistic about economic growth in the future.

The ripple effect was a \$900 million cut over the next 12 months and \$600 million in the following budget year. Half will be covered by the Rainy Day Fund, which we build up in stable financial times. The rest came from cutting new spending that we had agreed to for next year, including: no increases for college student aid, Medicaid nursing home payments, state employee and teacher pay raises, and local grants for water quality and law enforcement.

### Crisis Prevention and Intervention . . .

Mental health was the strongest priority for increased funding and continued reform. Legislators were shocked into action by the attempted fatal attack on his father and then suicide of Senator Deeds' son after officials had turned him away from an emergency commitment.

The Budget increases mental health by \$54.9 million to expand services in a number of areas, including

- ▶ crisis drop-off centers and additional state hospital crisis beds;
- ▶ services for 17 to 24-year-olds; and
- ▶ access to emergency beds through a statewide registry of available beds and more time to hold a person in crisis.

Unfortunately, it has taken still another tragedy to address essential mental health needs. Funding in response to the Virginia Tech mass shooting had been shifted to other programs or there was no follow-up on additional identified needs. When we closed large mental hospitals, we didn't put resources into community services and people in mental health crises are now over-flowing jails and emergency rooms. Finally, I strongly feel civilian community programs should be a part of addressing the unprecedented suicide rate among veterans ... but they can't do the job with long waits to see a counselor.

We did create a 4-year study. This kind of long-term focus is most unusual and I am one of the 12 members on it. I look forward to the challenge of comprehensive, effective improvement in the lives of so many.



Signing of mental health bills – Photo by Michaele White

## Healthcare Expansion

We didn't pass the Budget until the last minute because of a total disagreement over expanding Medicaid to cover 400,000 Virginians – 70% of whom work but earn less than \$32,000 for a family of four or \$15,302 for one person. This held up the Budget because:

- ▶ If we shifted to 100% federal dollars for Medicaid expansion, we could reduce the budget for expenses we now pay solely out of state taxes for prisoner healthcare, care for the poor in university teaching hospitals, and mental health services. That state money could have been used for other needs.
- ▶ Medicaid coverage is and always has been spelled out in the Budget. There are 19 pages (!) with so many sub-items that you have to go through the alphabet 3 times to cover all of the provisions.

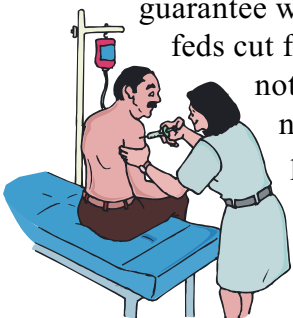
Unfortunately, there was no compromise and the Budget passed without new language. The Governor may proceed by using the broad language in the existing 19 pages, but lawsuit(s) will follow.

Two arguments were repeated again and again against expansion: (1) Medicaid must be reformed and (2) the federal government won't pay its share.

Reform: I certainly agree we have a duty to improve any program but, for the 2<sup>nd</sup> year, Virginia is first in the nation in Medicaid fraud recovery. In fact, there have been 61 audits since 2002. Frankly, being 47<sup>th</sup> in Medicaid spending, Virginia doesn't have much room for waste, fraud and abuse.

Federal Share: Under the Healthcare Act, the feds pay 100% until 2017, dropping to 90% by 2021, which still far exceeds the 50% federal share of basic Medicaid that Virginia has long accepted. Nevertheless, even with a

guarantee we could pull-out if the feds cut funding, opponents chose not to address the health needs of 400,000 working poor at all if they might have to vote for cuts in the future.



Beyond the humanity of expanding healthcare, here are the dollars and cents facts as I see them:

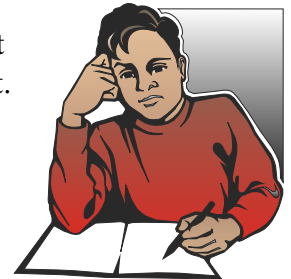
- ▶ Adults whose only source of health care is the emergency room drive up hospital costs and insurance rates for all.
- ▶ Expansion would use managed care to prevent problems from getting worse and more costly to treat, as well as undercutting a wage-earner's ability to support his or her family.
- ▶ Virginians have already paid the federal taxes to fund expansion and are getting nothing in return. In fact, we are losing between \$4 and \$5 million a day.
- ▶ Expansion would create over 30,000 jobs.

## Education

**SOL test reform** – We lowered the number of state-required SOL tests from 22 to 17 for grades 3 - 8. Also, local school boards have new flexibility to use alternative tests (after getting state approval) that better reflect classroom learning goals.

**K-12 Funding** – State funding per student in public schools is lower than it was 7 years ago.

**Colleges** – Higher education was cut particularly hard in paring-back the budget. We'd planned to increase financial aid by \$40 million – that was cut – as was \$130 million in operating funds. Therefore, we haven't addressed the fact that in-state tuition must cover 1/2 the student cost compared to only 1/4 ten years ago. We did leave in the commitment to gradually increase in-state slots at William & Mary, UVa, Tech, and James Madison.



## Neighborhoods

**Home Owner Associations** – In response to Virginia Supreme Court rulings, we addressed procedures that must be followed by HOA boards in dealing with dues, fees, and restrictive covenants. The bottom line: homeowners have a right to due process but, if boards follow established rules, then so must residents. If legal action is required, the losing side pays all reasonable attorney fees and court costs. If the case goes to court, it will be to the District Court (rather than the substantially greater expense of going to Circuit Court.)

**Underground Power Lines** – The cost of putting power lines underground that are knocked out most frequently in storms will be shared by Dominion customers statewide for less than a \$1 a month on the average bill. This will save maintenance costs in the long run and improve service.

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

- Economy**     **Transportation**     **Education**     **Health Care**     **Mental Health**
- Environment**     **Personal Freedoms**     **Taxes**     **Immigration**     **Other** \_\_\_\_\_

My concerns about #1 are \_\_\_\_\_

My concerns about #2 are \_\_\_\_\_

Cut along the dashed line on the back page to include your address label with your response.

## Key Efforts This Session

**Groping** – I shared the frustration of Springfield residents that, if the man who had grabbed intimate parts of more than 20 victims before dashing away was finally caught, he could not be charged with a sexual crime. Virginia had no groping offense. My bill, HB 567, defines repeated, unwanted, sexual touching as groping and applies to repeated sexual harassment against one person as well as multiple attacks like those that plagued Springfield.

**Guidelines for Child Support** – I finally got the guidelines updated that are used to determine child support. The amounts to raise a child (depending on income and number of children) were based on economic data from the 1960s! Since 1989 alone, energy costs have more than tripled while average clothing costs have increased just 10%. When a judge departs from the guidelines, HB 933 requires the reasons be in writing to give parents more information about what might be considered a future change in circumstances.

**Voter ID** – This fall, every voter must provide government, employer, or student photo ID. The name on the photo ID, the “full name” the voter states, and the “full name” on the poll book are all supposed to be the same. But, nowhere is “full name” defined.

My bill, HB564, would have allowed the names to be “reasonably similar.” Unfortunately, it was summarily killed in subcommittee, and I’m deeply concerned that people will be denied the right to vote because of misspellings I regularly see in the voter records I’m given, the difference between using your maiden name or your given middle name, or whether all multiple middle and last names are recorded and in what order. I am especially concerned that challenges won’t be made uniformly and only some groups will be questioned.

## Crime

**Cellphone Privacy** – We, on the Courts Committee, came down on the same side as the recent unanimous U.S. Supreme Court decision that a person has a right to expect that his cellphone is private. Except when there is imminent danger if the person isn’t located, the law we passed specifically bars law enforcement from using a person’s cellphone to locate him/her unless they have a search warrant.

**Sexting** – The sexting law was tightened to include any person who maliciously distributes a sexual picture when the person in the picture hasn’t authorized them to share it, even if she/he willingly participated in the taking of the picture.

## Military

**Spouses** – Military spouses are now allowed to apply for unemployment in Virginia if they leave a job to move because of a new active duty assignment that is out of the area.

**Voting** – We have begun the process of working with the military so that those deployed overseas can vote electronically using the military’s secure system. Hopefully, this can be in effect for the 2015 election.



Delegate Vivian Watts  
8717 Mary Lee Lane  
Annandale, VA 22003

**Phone: 703 / 978 - 2989**  
**FAX: 703 / 978 - 5762**  
**email: [vwatts@erols.com](mailto:vwatts@erols.com)**  
**website: [vivianwatts.com](http://vivianwatts.com)**

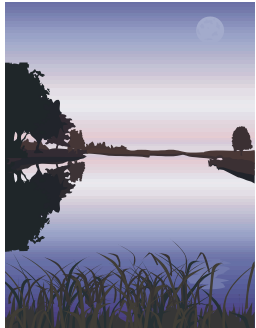
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## Environment

**Green Energy** – Wind and nuclear power are cheaper to generate but production facilities cost far more to construct than fossil fuel plants. Power companies will be allowed to spread out such higher cost of construction.

**Stormwater Management** – The Chesapeake Bay is an environmental, recreational, and economic jewel. For many decades we have struggled to get agreements to control huge loads of pollutants that wash into it from Virginia to as far away as Cooperstown, New York.



By this July, Virginia urban localities were supposed to start controlling activities that increase runoff. However, attempts were made to again put off the deadline for all other localities to step up as Fairfax County has. Crucial

negotiations were able to limit the delay to just 6 months and preserve construction permitting requirements.

Fairfax County will benefit directly from increased state funding to help localities control stormwater, including stream restoration.

**Sunday Hunting** – There are twice as many deer in Virginia and on far less undeveloped land than in colonial times. Forests are being harmed as new growth that would naturally replace mature trees is consumed. Sunday hunting during regular seasons, as established to preserve a specific game species, will add some balance to the lack of predators that once controlled populations.

## Ethics

Virginia has been built on a centuries-old tradition of it being an honor to serve. It is difficult to enshrine such a personal commitment into requirements of law. We did make a start this Session on the long road to rebuild the public trust.

Improvements include (1) putting Financial Disclosures on-line so that they can be seen easily and (2) requiring that officials file every 6 months. But, unfortunately, voters won't see the information before the election because the filing date wasn't set until December 15<sup>th</sup> for May - October activity.

(3) We removed any ambiguity about reporting gifts to family members (in addition to the spouse), but the definition only includes dependent children living at home – not adults who are dependents of the official and not dependent children who don't live at home.

(4) We created a Conflict of Interest and Ethics Council, but it is only advisory.

We should have gone further. In addition to gaps I note above, I believe family members should be prohibited from receiving gifts that could influence the official, not just a requirement that all gifts over \$250 be reported.

In the end, however, there is no substitute for personal responsibility. It's, indeed, challenging to properly separate out and report expenses and income to the IRS *as well as* on campaign finance reports *as well as* on legislative conflict of interest reports. My rule is, if I think I might be close to the line, take 10 steps back. It's a lot easier to walk straight than dodge.