

Virginia General Assembly

2023 Report from Delegate

Vivian Watts



I'm late with my annual newsletter because of the exceptional delay this year making critical state Budget decisions. The updated Budget wasn't passed until mid-September following months of debate on needs versus tax impacts. I've tried to give you my perspective on the most significant concerns, knowing much needs to be resolved. Please share your thoughts.

Here's to meeting the challenges of the future —

Vivian

OUR ECONOMY

Inflation has hit many households hard. While not at last year's historic highs, its impacts make it essential to expand on the actions we took to help people cope.

Raising the Minimum Wage:

Back in May 2021, we began yearly increases in Virginia's minimum wage to take it from \$7.25 to \$12 currently. Unfortunately, this year's General Assembly didn't act on the **goal of reaching \$15 by 2026**. Hopefully, next year, we will get back on track.

Competitive Salaries:

Virginia has serious vacancies among teachers, direct care workers, mental health providers, and law enforcement. Part of the problem is low salaries:

- ▶ The budget hammered out during the summer and just passed in September will give a total 7% salary increase for mental health, law enforcement, and many direct care providers.
- ▶ Whether teachers see this increase, however, depends on each local government coming up with its share of the 7% that varies with measures of local wealth.

OUR SCHOOLS

The General Assembly does some of its most serious work through JLARC (Joint Legislative Audit and Review Commission) that conducts in-depth studies of issues we identify. For years, I have tried to change the state school funding formula and, this July, JLARC released its independent analysis documenting that Virginia's level of **state funding far underestimates what local schools actually cost**.

The state share assumes that meeting state standards costs just \$10.7 billion, while what PreK-12 actually costs is much, much higher at \$17.3 billion. JLARC concluded

it would take over a \$3 billion increase in annual state funding to address major shortcomings:

- ▶ State funding is based on only half the teachers and other staff – from counselors to bus drivers – who are actually employed in Virginia schools to educate and support students.
- ▶ State funding underestimates actual local salaries. This particularly hurts Northern Virginia where salaries are driven by our high cost of living and must compete with Montgomery County, Maryland.
- ▶ State funding underestimates how many high need students (low income, special education, or English learners) an individual school must educate as well as not sharing the added costs.

STATE BUDGET: PREK-12

July's JLARC findings shifted State Budget negotiations toward public school funding – somewhat. While we passed a commitment for further study of long-standing funding changes, **PreK-12 increases were mostly one-year stop-gaps**. I welcome state funding for 24 staff per 1,000 students rather than for only 21 – giving Fairfax County schools an estimated extra \$14.4 million – but we need a permanent change.

The estimated \$28.0 million that Fairfax will get to deal with COVID learning losses is also one-time to be used through June 2026. Nevertheless, I welcome that 2/3 of this state funding is focused on schools serving low income, such as these in House District 14:

Annandale and Justice high schools; Glasgow, Holmes and Poe middle schools; and Annandale Terrace, Braddock, Bren Mar, Parklawn, and Weyanoke elementary schools.



STATE BUDGET: MENTAL HEALTH

I'm grateful that mental health services were the exception to the mostly one-time budget increases for education and economic development projects. New on-going funding is targeted to

- ▶ establish more crisis stabilization and receiving centers to **give people help instead of tragically escalating their trauma** by restraining them in jail or an emergency room;
- ▶ provide supportive housing to help people in recovery live in the community;
- ▶ continue filling Virginia's major gap in **school and community children's mental health services**;
- ▶ provide private psychiatric programs in hospitals; and
- ▶ continue **expanding community services** to help people cope with mental health issues.

Even before the isolation of COVID, self-harm and deaths by suicide had increased. From 2015 to 2021, Virginia emergency room visits for 9 to 18-year-olds more than doubled. Boys accounted for 71% of deaths, with just over half of all suicides linked to guns.

In fact, suicide is now the No.1 cause of death for 13 to 14 year olds. However, I also must stress that drug overdoses are the No.1 cause of all unnatural deaths in Virginia, killing more people than gunshot wounds and car crashes combined

TAX RELIEF

Last year, we **cut taxes by \$4 billion**. The three big permanent tax cuts were

- ▶ ending the state sales tax on groceries saving an average family about \$300 a year,
- ▶ making the Earned Income Tax Credit (EITC) refundable when it exceeds the tax owed, and
- ▶ raising the standard deduction from \$9,000 to \$16,000 for a couple (from \$4,500 to \$8,000 for a single filer.)

We also gave you a one-time rebate of up to \$500 for couples (\$250 for single filers) on taxes you paid.

This year, we cut taxes another \$1 billion. You'll get another one-time rebate of up to \$400 for couples (\$200 for single filers.) In addition, we continued to raise the standard deduction and it is now \$17,000 (\$8,500.)

Why didn't we do more? The two big reasons are, first, **the need to fund education**. Lack of funding dropped Virginia teacher salaries to 48th in the nation in measuring up to other salaries paid in each state.

While I applaud the funding added to the Budget for one-on-one tutoring to counter COVID learning losses, it underscores why routinely having 30 kids in many Fairfax classrooms is a barrier to effective teaching. In

fact, getting tutors will be difficult. Teacher shortages have become even worse as teachers are stymied by the number of students they must directly reach to handle post-COVID problem behavior in their classrooms.

The second reason is **economic uncertainty**. With 30% of Virginia's economy tied to federal spending, a **federal government shutdown** would hit us hard.

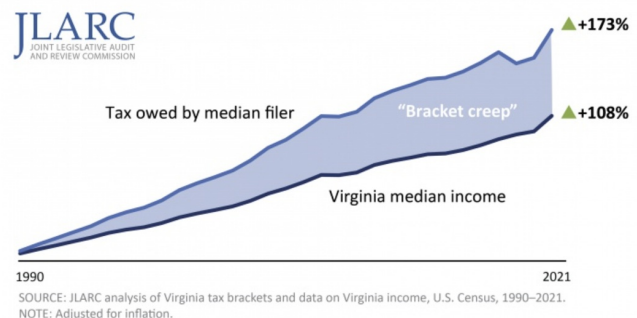
TAX REFORM

Schools are the biggest item in the state budget – individual incomes taxes are the biggest source of state funding. Schools are the biggest item in local budgets – the real estates taxes are biggest source of local funding. It's inescapable: **state tax cuts directly impact local real estate taxes**.

Our 6-month budget battle was over two proposals: (1) cut the corporate tax rate – even though Virginia's rate is in line with most states and (2) lower Virginia's top tax bracket – which would give 16% of the cut to only the top 1% of taxpayers.

Fortunately, a 2022 JLARC study I sponsored provided background on 11 much better approaches to make Virginia's income tax fairer. The bottom line is we need to deal with the fact that our state tax isn't adjusted for inflation and "bracket creep" throws more and more people into paying more of their income in taxes:

Taxes owed have far outpaced median income, because income brackets have not been changed since 1990



In the face of serious education challenges, budget negotiators had to settle for only a small Standard Deduction increase in our effort to fight "bracket creep" by continuing to raise the tax-free floor for all taxpayers – for **bottom-up fairness** not top-down trickle.

Nevertheless, we've started an *informed* discussion that must also include over-dependence on the local real estate tax. Too often, in this modern economy, the real estate tax isn't a good measure of ability to pay. For 100 years, cities also have been able to tax spending of people passing through, while counties were left with a colonial tax base tied to the real estate tax. Finally, my 2020 bill is fully in effect and Fairfax County has most of taxing powers of a city.

There is so much else I could have covered. Please, let me hear your concerns . . .

Vivian, my personal concern about Virginia is

My biggest ongoing concern(s) are ☐ Education ☐ Health Care ☐ Mental Health ☐ Environment

☐ Equality ☐ Law Enforcement ☐ Taxes ☐ Personal Freedoms ☐ Other _____

✂ Please cut to include your name and address, which is printed on the back, with your response. ✂

SENIORS

✓ This year AARP and others hit dug-in objections to help score a major win in my 20-year fight to require **minimum nursing home staffing**. Critical work lies ahead in actual enforcement, dealing with equity buyouts, and raising Medicaid funding to support 60% of residents who have no other support.

The breakthrough only happened after the tragedy of Virginia – as one of few states without staffing standards – having 30% more of our COVID deaths happening in nursing homes than occurred in other states.



✓ In another area where care of vulnerable elderly matters, **guardians of incapacitated people** now must visit individuals they're responsible for at least three times a year, including once in person.

HEALTH CARE

✓ As part of the push to expand people going into nursing, we clarified the process for testing and **certifying internationally trained nurses**. This can immediately fill critical shortages while giving immigrants and refugees the opportunity to practice their profession and support their families.

✓ In 2022, the price of more than 1,200 drugs surged over inflation. Even more troubling, Virginians spend 36% more per person on **prescription drugs** than average. In a bi-partisan vote, the Senate created a Prescription Drug Affordability Board to set limits on what consumers pay for certain high-cost medicines, such as capping the cost of insulin beyond Medicare. Unfortunately, a House subcommittee killed this much-needed reigning-in of drug costs.

✓ Bills that would have ended **private family-planning decisions** and threatened women's health were all turned back. Virginia laws continue to uphold choice.

YOUR HOME

✓ Apartment renters with an on-going lease, **must get notice at least 60 days before any rent increase**. This law gives time to decide whether you want to and can find a more affordable option.

✓ Being awakened by the roar of competing **"macho mufflers"** is not acceptable. I'm determined to get a state law that Fairfax police can and will enforce.

It wasn't enough to put the law back to what it was before March 2021 to allow police to go after "macho mufflers" for making un-defined "excessive" noise. Such a vague charge just doesn't stand up in court and police need authority to go after off-street meet-ups that regularly use parking lots. Hopefully, a State Police task force I'm on, finally, will hammer out up-to-date language to deal with this impact on our lives.



SAFETY

✓ Starting next July, **all motorists will be required to have insurance** and cannot, instead, pay a \$500 fee and register as an uninsured motorist.

✓ **Snack and candy look-likes containing dangerous THC levels** (derived from hemp but concentrated to get marijuana potency) have led to more and more children being rushed to the hospital. These products will now be regulated to limit their potency.

VOTING

You'll no longer have to get a witness to sign your application to get an **absentee ballot**. Instead you'll be asked for the last four digits of your social security number and birth year.

By authority of and paid by
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VIRGINIA'S FUTURE: CLIMATE

In the last 3 years, Dominion went from 50th to 27th among the 53 largest electric utility providers in actions to combat climate change. Much of the progress is as a direct **result of the Clean Economy Act** we passed in 2020 setting renewable energy goals.

While the jump was huge, Dominion's score was still below the average of other utility companies. That score, certainly, won't be helped if we're pulled out of RGGI (Regional Greenhouse Gas Initiative) by Executive Order and can't use fossil fuel charges to fund over \$250 million a year in energy-saving up-grades to low income homes, cutting their bills and the need for all ratepayers to pay for new generation plants.

What we've paid for electricity in the past is mixed into public policy debates about the future and how to pay for building low-cost clean energy. This Session, we took major action on strengthening oversight to control Dominion's rates.

The \$137 average monthly bill will be cut about \$7 by ending three surcharges and the SCC's (State Corporation Commission) authority was restored to review the utility's base rate, which has been frozen since 2013. In addition, the SCC was given authority to raise or lower allowable profits based on reliability, generating plant performance, customer service, operating efficiency, and accurate load forecasting.

I supported these changes. But they must be carried out with the SCC recognizing the reality of weather extremes occurring more and more frequently, of widespread forest fires, of submerging coastal land. The public interest is no longer only about electric bills and reliable power. **It must include climate-saving and life-saving clean energy.**

VIRGINIA'S FUTURE: EDUCATION

Expanded access to education is critical to strengthen our economy and to help individuals realize their potential. Major efforts have included expanded student aid, targeted tuition freezes, veteran workforce support, student loan forgiveness for public service jobs, and joint high school / community college / university courses to reduce the cost and time for a relevant degree or certification.

The **quality of education, at all levels, is equally**

"Don't think you are going to conceal faults by concealing evidence that they ever existed. Don't be afraid to go in your library and read every book, as long as that document does not offend our own ideas of decency. That should be the only censorship."

President Dwight D. Eisenhower, 1953

important to meet the challenges of the future.

Many years ago, well-before I ran for office, I went to a Capitol Hill seminar on being a well-informed citizen. One national figure emphasized: get daily news from two different sources, a weekly overview summary from another, and read one autobiography a year. Doesn't matter who it is – Dolly Parton or Ghandi, Mr. Rogers or Malcolm X – expose yourself to how others live, feel their personal journey.

In trying to be **open to many sources of information**, I've learned the wisdom of President Eisenhower: facts won't go away simply because they're concealed. I am as deeply concerned about the future strength of Virginia and the United States as I am about individuals living up to their potential if public education isn't built on robust factual pursuit.