

Senator Dick Saslaw's

Richmond Report

June 2010

Senator Dick Saslaw

Dear Fellow Virginian:

Once again the state legislature has completed the annual session of the General Assembly, essentially on time (24 hours later than schedule) and on budget. Thank you for sharing your views on the 2,000+ bills that were introduced. I appreciate having seen and heard from hundreds of constituents in my office during January, February, and March. This newsletter is designed to share some of the highlights (and occasionally what I consider to be "lowlights") of those 60 days. For more thorough coverage of the legislation, please go to www.legis.virginia.gov. You can track bills by number, by member that introduced them, and/or by subject.

As Majority Leader in the Senate, a good bit of my time during session was spent leading the Senate Democratic Caucus and controlling the flow of legislation on the floor of the Senate, while working with a new Governor and adjusting to a larger majority of Republicans in the House of Delegates.

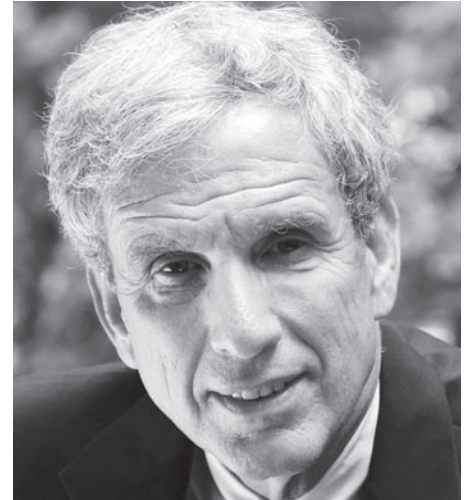
During the interim, I am often in the community as a speaker. Additionally, feel free to contact me either by email, phone or schedule a meeting on matters of concern to you.

Sincerely,



Dick Saslaw

P.S. Sign up for my E-News ~
From time to time, we will be sending out email newsletters. This is a particularly quick method to keep you informed about the General Assembly. I encourage you to visit my web page www.dicksaslaw.com and sign up.



IN THIS ISSUE

2010-2012 State Budget	2
Constitutional Amendments	4
Student Page Sought	4
Legislation of Interest:	
Doing Business in Virginia	5
Health Care Coverage	5
Other Legislation	5

YOUR COMMENTS ARE IMPORTANT:

Northern VA Contact Information: P.O. Box 1856, Springfield, VA 22151 • vasenate35@aol.com • 703.978.0200 (phone) • 703-978-3032 (fax)
During the General Assembly: P.O. Box 396, Richmond, VA 23218 • District35@sov.va.us • 804.698.7535 • Visit DickSaslaw.com

SENATE COMMITTEE ASSIGNMENTS:

Finance • Education & Health • Commerce & Labor • Courts of Justice • Rules

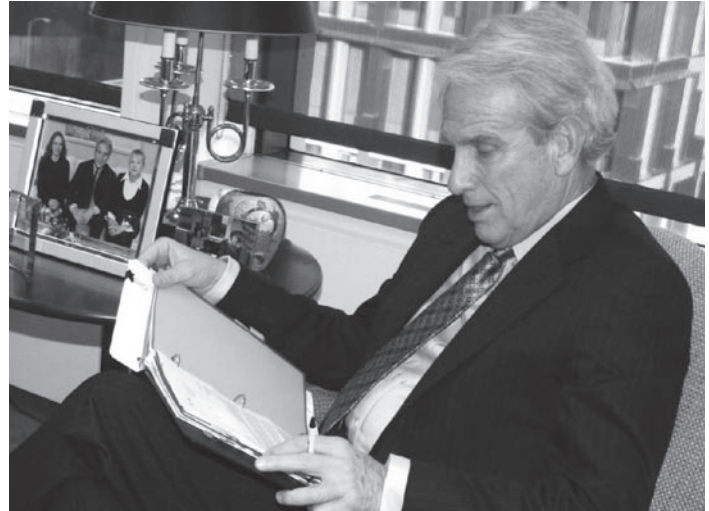
This Newsletter is funded by the generous support of voters that have contributed to my re-election campaign. If you would like to help defer the cost, please send a contribution to Newsletter at Saslaw for Senate; P.O. Box 1254; Springfield, VA 22152. Thank you in advance for your support.

2010-2012 State Budget

July 1st marks the beginning of the state's fiscal year. Reviewing the past several newsletters I noted that the biennial budget has dominated both the session and these yearly summaries. In spite of the fact that our nation continues to struggle in the grips of the worse recession of our lifetime with a most volatile economy, the Constitution of the Commonwealth of Virginia mandates a balanced budget. In the off year, we must produce a caboose budget bill (which ends the current fiscal year) reconciling any and all revenue adjustments. During the even year sessions, we must also produce a biennial budget based on the best information available at the time.

Once again last January, we found ourselves going into the budget process with a projected \$4B shortfall, requiring steep reductions to meet the goal of balancing the budget. Not unlike the tough decisions individuals and families are making each day of this slow recovery, my colleagues and I wrestled with minimizing the negative affects on the forward vision we established during the Warner and Kaine administrations. As a member of the Senate Committee on Finance as well as a Budget Conferee, I can attest to the enlightened leadership we have had during these tough times. However, from time to time I still hear comments to the affect of "cut the fat." I submit we have done more than that and have actually gone well into the muscle.

As an example, since 2002 we have reduced VDOT (VA Dept. of Transportation) from 10,500 employees to less than 7,500. This is a 30% cut to just one state agency. Imagine for a minute that the federal government raises the gas tax and sends much needed additional funds to our Commonwealth to apply toward new projects. At this jun-



ture, we would not have enough people to administer the contracts. Put as an example of an actual situation which occurred, the state (we taxpayers) have born the cost of an additional \$20M when we widened I 64. Due to a lack of available inspectors, an entire section of that project had to be redone! It is wasteful and more importantly it hampers our ability to further develop needed infrastructure. In the long run these elements indirectly contribute to our quality of life.

Over the past several years we have seen a decline in revenues from sales and income taxes, coupled with a no growth or contracting economy. At the same time, there have been increased demands for unemployment services; funding for public safety and education including higher ed; and more people in need of Medicare and Medicaid health services.

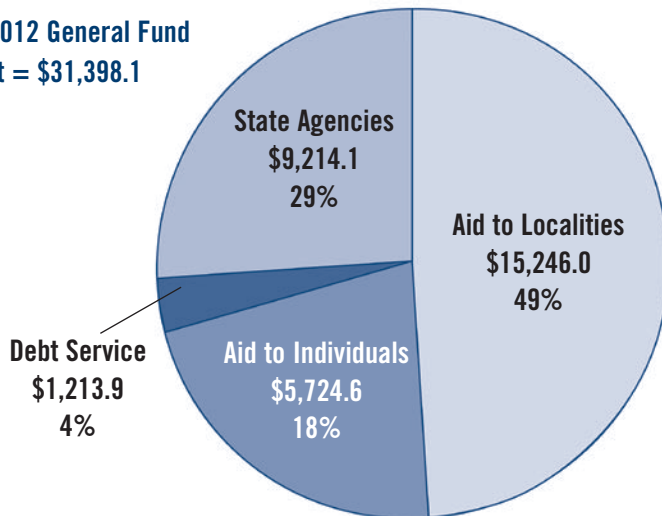
This situation has been exacerbated by the slow economic recovery and more job losses.

Approved 2010-2012 General Fund

Operating Budget = \$31,398.1

Chapter 874

(\$in millions)



Breakdown of Aid to Localities (in millions):

Public Education:	\$9,642.4	31%
Car Tax Relief:	\$1,900.0	6%
Community Service Board:	\$1,221.1	4%
Local Sheriffs:	\$875.3	3%
Other Aid to Localities:	\$1,607.2	5%



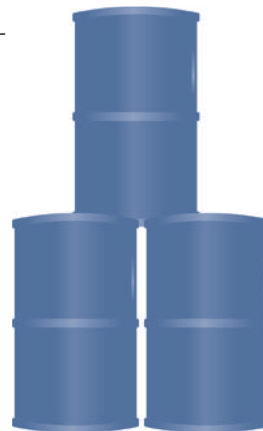
A major concern that I have lies in the fact that we are grossly underfunding and starving our institutions of higher learning. People often ask why their child or grandchild cannot get accepted into a state university. There is no mystery here; it is a simple math equation. Since out-of-state students pay twice the tuition that in-state students pay, most of our 17 colleges and universities are now accepting 25%–30% of out-of-state applicants for the additional revenue. How does this affect our in-state students?

The high standard for gaining admission into our universities is a result of the limited classroom space and professors we can attract and retain. What is the real consequence we face? Because our state colleges and universities are underfunded, it is projected that many students will be forced into extended stays as the number of offered courses decreases. As an example, funding for VCU is currently at the same level it was at in 2001. At the same time its enrollment in this last decade has grown from 22,000 to 32,000 students. Since fewer mandatory (required for a degree) courses are now offered at our state colleges and universities, I believe this will pose significant financial burdens on

most students and their families in the future.

Whenever possible we have tried to be cooperative with the new administration in attempting to work our way out of this economic downturn. There are two areas that I believe may be a fool's errand. One is the movement to privatize the ABC stores. The governor has suggested the state would get a one time infusion of \$500M to put towards our state infrastructure should ABC be privatized. Since we own marginal real estate, I believe this is a rather unrealistic figure. Additionally, much of the revenue from the stores is currently earmarked for education and healthcare. Most people put the value at between \$100M–\$150M. The state is currently generating \$221M from the stores plus sales tax revenue at around \$25M. The loss of this annual revenue grossly exceeds a one time purchase price. I firmly believe that this is not a good idea for the Commonwealth. In fact, it is a bad idea. During session, we were successful in defeating legislation that would have provided for the auction of "package store" licenses to authorize the retail sale of alcoholic beverages for off premises consumption.

A bill which I supported called for offshore drilling exploration beyond the 50 mile



limit. In hind sight, it has proven to be a catastrophic approach to funding transportation. Despite being alerted to the Naval operation requirements off the Virginia Coast, Gov. McDonnell continues to pursue this platform. Since April, three elements have clearly made this endeavor a non-starter. First and foremost, there has been no other comparable natural disaster to our environment as is currently going on in the Gulf. That alone should cause pause for consideration. We now have a moratorium on offshore drilling issued by the President. Secondly, the Navy has reiterated its position of the offshore requirements for its continued use of the Nation's largest naval base in Norfolk. Thirdly, without national legislation, Virginia would not receive any funds from successful drilling. What is the likelihood, that we would get such agreement from states that are land-locked?

None of these observations is a state secret. I have shared these concerns many times. Our region is the economic engine of the state. This economy requires a highly skilled work force. I believe it is critical to invest in the next generation if we are to grow and be competitive in the future. Do we have dilemmas? Yes, but these are manageable issues that require an honest approach as we plan for the future. I have served in the legislature for many years and am not aware of any publicly funded issues, such as transportation or education, that were resolved without cost. In sum, there is no free lunch.

To review the complete budget & analysis, visit: <http://sfc.state.va.us>

Constitutional Amendments

As required by the Virginia Constitution, the following measures have been passed by the Legislature in both 2009 and 2010. Therefore, these amendments will appear on the ballot for approval by the voters in the November election.

Property Tax Exemption for Certain Veterans

Exempted from taxation is the principal residence of certain veterans or at their death, their eligible widow. The veteran must have had a 100% service connected, permanent and total disability determination by the U.S. Dept. of Veteran Affairs.

Property Tax Exemption for Seniors and Disabled Citizens

Localities will be able to establish their own income or financial worth limitations for purposes of granting property tax

Localities will be able to establish their own income or financial worth limitations for purposes of granting property tax relief for homeowners not less than 65 years of age or permanently and totally disabled.

relief for homeowners not less than 65 years of age or permanently and totally disabled. (The Constitution currently requires that homeowners eligible for property tax relief show that an extraordinary tax burden exists in relation to their income or financial worth)

Revenue Stabilization Fund

This amendment will increase the permissible size of the Revenue Stabilization Fund by 50%.



Charter School Applications

Applications must be made to the State Board of Education for its review, comment and a determination that it meets certain minimal criteria prior to being submitted to the local school board. Final approval of a Charter School application remains with the local authority.

Legislation passed requiring the establishment of criteria for approving and monitoring multi-division providers of online courses and **virtual school programs**.

Public Higher Education Institutions that operate an approved teacher education program are permitted to **establish college partnership laboratory schools**.

Senate Page Sought

As Senate Majority Leader, I have the privilege to appoint a student from my district as a page during the legislative session. I am proud to say, that the Virginia Page program is recognized as one of the best in the country. It is highly structured and well supervised. Soon after October 1, 2010, I hope to be interviewing candidates that wish to be considered for the General Assembly session that will begin in January, 2011. This is a competitive position that requires a highly capable academic student in the eighth who can miss up to seven weeks of classroom instruction. It is necessary for parents to work closely with the student's principal and teachers during this time. I require a written essay of each candidate. In that essay, the individual should share their personal reasons for wanting to be a Page. It is also necessary for the applicant to have at least one parent that is registered to vote in the 35th Senate District. All essays should be sent to P.O. Box 1856; Springfield, VA 22151. They must be received by October 15, 2010. Additional information can be found at http://legis.virginia.gov/1_cap_class/stu_pro/sp_page_pro.html#Senate.



Legislation of Interest

Doing Business in Virginia

E-Verify Program

This measure requires Virginia agencies to enroll in the E-Verify Program by December 1, 2012. The program must be used for each newly hired employee who is to perform work within the Commonwealth.

Motor Vehicle Title Loans

This bill addressed car title lending. Interest cannot exceed 22% per month of the outstanding balance of the loans that does not exceed \$700; 18% per month on the portion between \$700 – \$1400 and 15% per month on the portion that exceeds \$1400. The term of the loan must be no less than a 120 days and no more than 12 months. The principal must be reduced in substantially equal installments.

Green Jobs Tax Credit

Businesses will be given a \$500 income tax credit for the creation of each “green job” with a salary of at least \$50,000 for taxable years beginning on and after January 1, 2010.

Businesses will be given a \$500 income tax credit for the creation of each “green job” with a salary of at least \$50,000 for taxable years beginning on and after January 1, 2010.

Income Tax Deduction

Individuals or businesses investing in small technology businesses, would be allowed a tax deduction for long term capital gains. For purposes of this tax deduction, a small technology business is defined as having less than \$3M annual revenues and it must have its principal office or facility housed in Virginia.

Health Care Coverage

Individual Health Insurance Coverage

This initiative provides that a VA resident will not be required to obtain or maintain a policy of individual insurance coverage not be liable for any penalty, assessment, fee or fine as a

result of a failure to have health insurance. The measure does not apply to individuals voluntarily accepting coverage under a state administered Medicare or Medicaid program. (It is likely that this measure will be declared unconstitutional).

Dental Insurance Plans

Insurance carriers are prohibited from establishing the fee or rate that a dentist or oral surgeon is required to accept for health care services that insurance companies do not reimburse or cover. Additionally a dental service provider is not required to accept reimbursement paid by the dental plan as payment in full. The law will be applied to contracts made or amended on or after July 1, 2010.

Health Insurance for Telemedicine Services

Telemedicine service means the use of interactive audio, video or other electronic media for the purpose of diagnosis and treatment. Health insurers, health care subscription plans and HMO's must provide coverage for the cost of health care services provided through telemedicine services.

Other Legislation

“MOVE OVER” Law

Drivers are required to move to the left on a four-lane highway when approaching a stationary vehicle displaying flashing blue or red lights and/or certain vehicles with flashing amber lights. Failure to do so is an offense punishable as a traffic infraction. Subsequent violations will be treated as a Class 1 misdemeanor.



Death Penalty Statute Enhanced

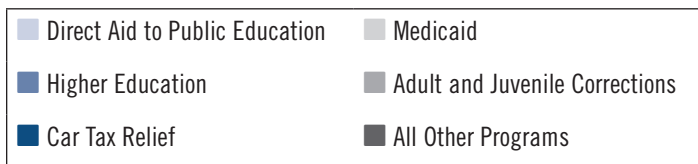
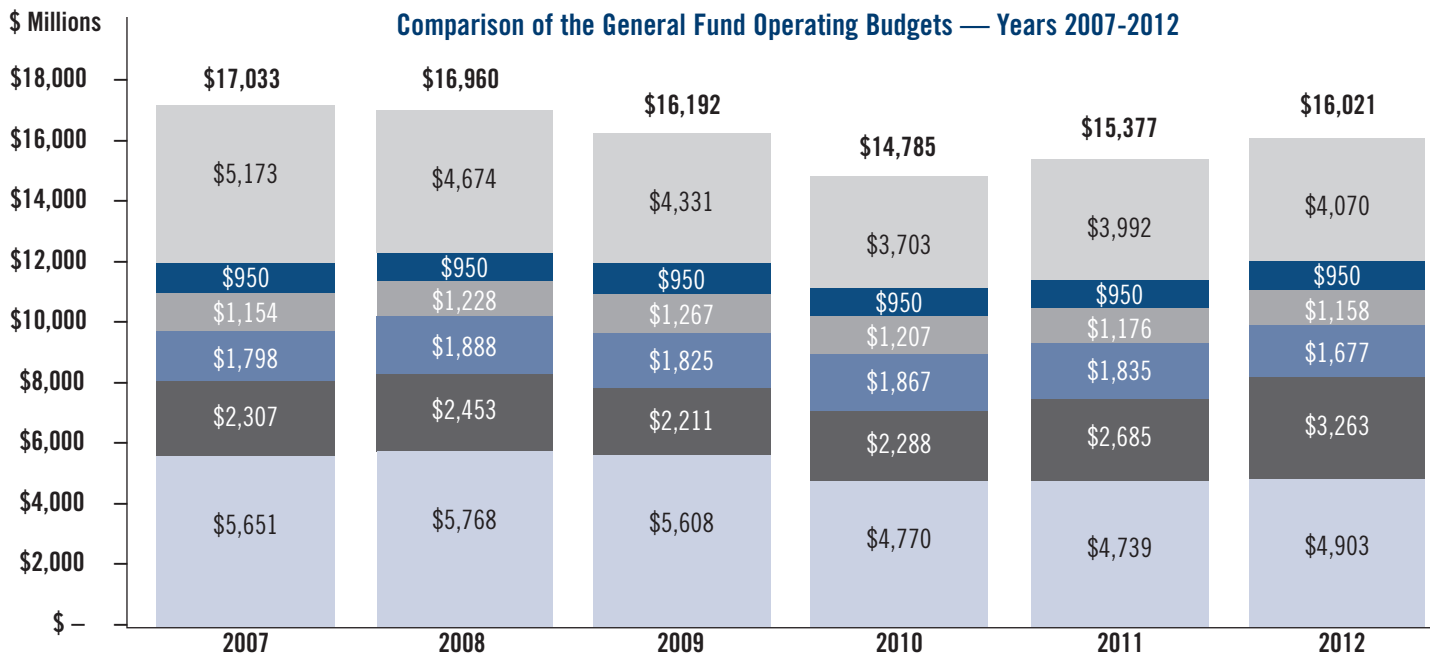
For the past several years, bills to strengthen the use of capital punishment have come before the General Assembly. This year successful measures added law enforcement officers and other first responders to the Virginia Capital Murder Statute. The death sentence can be imposed for the murder of auxiliary police officers and auxiliary deputy sheriffs. Additionally, fire marshals, deputies and assistant fire marshals with law-enforcement powers as well as emergency medical services personnel have been added into the statute when a murder is committed while these officers are performing their official duties.

SENATOR DICK SASLAW

**P.O. Box 1856
Springfield, VA 22151**

Paid for and authorized by Richard L. Saslaw

Prsrt Std
U.S. Postage
PAID
Merrifield, VA
Permit # 6067



SEE STATE BUDGET, PAGE 2