

Virginia General Assembly

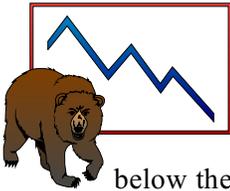
Report from Delegate

Vivian Watts

While I personally had a very successful legislative session, overall the session was deeply disturbing. I've tried to be as candid as possible on this first page about the seriousness of our budget crisis. I hope it spurs you to think about your priorities and to share your thoughts with me...and to look for better news inside!

The Budget

For the first time in 400 years, the Virginia legislature adjourned without passing a current budget. We tried again ... and again ... and yet again ... but a compromise could never be reached.



The major issue is the economy. The budget we passed last year assumed a 7% revenue growth and, as of this writing, we are at half of what we need and far

below the 5% required by law to move to the next phase of car tax relief. Cuts must be made.

The Senate and 1/3 of the House took the position that all areas of spending have to be examined. The Governor and a majority of the House insisted that increasing car tax relief to 70% couldn't be touched. I voted against both the Senate's 50% rebate rate and the House's 70%, assuming that a responsible middle-ground would be reached in conference committee. However, the time-honored process of negotiation never took place.

Important principles are at the heart of this unprecedented impasse: (1) keeping a campaign promise, (2) conservative budgeting, and (3) the balance between taxes and government responsibility.

Keeping a Campaign Promise – Although bumper stickers read “No Car Tax,” in fact, the Governor never promised to eliminate the tax. What he proposed was phased-in relief over 5 years on the first \$20,000 of a car's value starting at 12.5%. He said when we reached a 100% rebate, it would cost the state \$600 million a year.



That estimate was way off. It'll actually cost more than twice as much, or \$1.3 billion, to reach 100%. In fact, at 47.5%, we're already delivering \$600 million a year in promised tax relief.

Nevertheless, because we failed to pass a current budget, the full 70% rebate will proceed on schedule. A Fairfax County taxpayer – who owns a \$10,000 car and got a \$240 tax rebate last year – will receive about \$90 more this year. This costs \$890 million statewide, and the Governor has the legal authority to cut programs to find the money... starting with no salary increases for state employees and teachers.

Conservative Budgeting – The intensity of the budget battle also reflects concerns many of us have about Virginia losing its reputation for sound financial management. Proposals to avoid program cuts relied heavily on borrowing, such as using tobacco settlement money this year that will come in over the next 20 years and shifting maintenance costs to long term bonds. Legislative tempers also flared when the Governor did not provide current revenue estimates to his economic advisory council as required by law.

This is in sharp contrast to decades of conservative money management, which has made Virginia one of only nine states with a AAA bond rating. The benefits of a AAA rating include the lowest possible interest rates when it is prudent to borrow, saving millions of dollars.



Taxes vs. Programs – Fully funding car tax relief will take over 8% of our General Fund annually, equal to what we spend on higher education. Since Virginia is 47th in the nation as a low tax state, and most programs are funded accordingly, further service cuts hurt.

School enrollment is booming. It's getting harder for in-state students to get into Virginia colleges. George Mason University, especially, has never been funded equal to others that provide the same academic program. Transportation now competes for General Fund dollars because we've run out of gas tax monies. Virginia's low Medicaid rates and lack of coverage are causing life-threatening problems in nursing homes

and are undercutting mental health/mental retardation programs. A fledgling land conservation program to protect the Chesapeake Bay was gutted. Even the State Police have not had an increase in force for the last decade (except for federally funded or toll supported positions).

Humor

To reward you for reading through the details of the budget, here's something on the light side. This year's winner for "Worst Bill of the Session" was a bill to allow liquor tastings at ABC stores. It actually got out of committee, but only got 3 votes on the House floor after people began questioning just how many tastes we were talking about.



Mental Health Mental Retardation Substance Abuse

Expansion of Medicaid eligibility from 30% of the poverty level to 80% was put off for a year due to the budget impasse. However, mental health/mental retardation/substance abuse agencies were exempted in the first round of budget cuts.

Mental hospital closings were put on hold. The budget battle heightens concerns that even if institutions were closed, savings wouldn't be invested in community services for people who could function in the community if they are adequately supported.

Virginia remains one of only 11 states that does not have an independent ombudsman to investigate complaints of abuse or physical conditions.

Elections

Re-Districting – Massive changes occurred all over Virginia. In Fairfax, 270,000 people were shifted among House of Delegate districts even though only 45,000 people actually had to be moved from districts that had grown. Not only is this unnecessarily confusing, but elected officials aren't held accountable if voters don't know who represents them.

Recounts and Hanging Chads – In response to problems that surfaced in the Presidential election, we passed bills to set standards for recounts, to count chads if two or more corners are separated from the card, and to bind Presidential electors.

Reform Failures – Money wasn't available to help localities replace out-dated voting machines. Bills to require political ads to clearly identify the ad's sponsor and to allocate electoral college votes by congressional

district both failed. Measures to make absentee voting easier and to extend poll hours in Northern Virginia to 8 p.m. also got nowhere. Although we still have no limits on campaign contributions, 1/3 of the legislature voluntarily file campaign finance reports electronically and you can view mine on www.sbe.state.va.us.

Drunk Driving

A highlight of this session for me was the passage of my bill (HB 924) aimed at hardcore drunk drivers. Virginia finally will join 45 other states that allow prosecutors to tell the judge/jury if a defendant unreasonably refused to take a breath test. "Experienced" drunk drivers currently take a chance that they can escape conviction on a technicality if there is no breath test evidence.

Health Care

Nursing Homes – I again put in a budget amendment to raise direct care nursing home staff salaries to \$14/hr. in Northern Virginia (adjusted downward for the rest of the state). At a cost of \$50 million in state funds (matched by \$50 million in federal funds), of course, the proposal went nowhere. But lack of competitive salaries underscores a major challenge to enacting staff ratios to protect our most helpless elderly.

HMO Appeals – The \$50 appeal fee charged by HMO's now will be refunded if the HMO declares that there is no basis for appeal.

Prescription Drugs – My bill (HB 2704) requires insurance companies to cover services performed by pharmacists, such as diabetes counseling, if the service is requested by a medical doctor.

Reproduction – Since 1979, Virginia law has required written informed consent before an abortion:

"The physician shall inform the pregnant woman of the nature of the proposed procedure to be utilized and the risks, if any, in her particular case to her health in terminating or continuing the pregnancy."

Women will now have to wait 24 hours after receiving this information. I voted against such a requirement.

A bill failed to allow medical personnel to dispense high dosage hormone pills that, if taken within 72 hours after intercourse, prevent a fertilized egg from implanting in the womb. The opponents' position was this wasn't birth control and that state law should reflect their belief that life begins at the instant of fertilization.

Breast and Cervical Cancer – This session we extended Medicaid coverage to breast and cervical cancer treatments...if the budget stand-off ends. This captures \$2 of federal funds for every \$1 in state funds.

Children's Health Insurance – Just half of children

of working poor are covered by a health insurance program launched 2 years ago. Virginia was the only state to require mothers to give information about an absent father and, in Fairfax, this was the biggest reason for denial of coverage. My bill (HB 1982) will make disclosure voluntary.

Crime

Death Penalty – During most of the last decade, Virginia has been second only to Texas in the number of executions. One reason is that 21 days after a person has been convicted in Virginia, new evidence cannot be considered. While I have voted for the death penalty, I vowed during my service as Virginia Secretary of Transportation & Public Safety (yes, prisons as well as pavement!) that I would do all I could to erase the 21-Day Rule. With the active involvement of many religious organizations and the credibility of DNA analysis, we moved a long way towards this goal this session. Appeals can now be granted based on new biological evidence. However, we couldn't get enough votes for a one-year moratorium on executions while the Virginia Supreme Court completes its study of other kinds of evidence, such as another person's confession.



Victim's Rights – Crime victims feel helpless when prosecutors believe the evidence is not strong enough to file charges. An alternative is to sue the suspect for damages, which requires less proof. My bill (HB 2189) removes a major hurdle to this means of pursuing some measure of justice by extending the 2-year statute of limitations on civil suits related to a crime.

Shifflett Murder – Two playmates witnessed the random, brutal stabbing of an 8-year-old Alexandria boy, Kevin Shifflett, last spring. Fortunately, several years ago, I sponsored a study and successfully changed the law to allow child witnesses to testify via closed-circuit television under limited circumstances.

With that experience, I was able to get the law extended to cover child witnesses to murder when facing the accused is too terrifying.

Stalking – A person now can be charged for stalking if a reasonable person would fear for their life or safety based on the stalker's behavior. Under our prior laws, charges weren't filed even though the stalker's pattern included standing in a woman's bedroom while she slept.

Domestic Violence – My bill (HB 1661) prevents insurance companies from discriminating against victims of domestic violence in providing insurance including health, accident, life and property damage.

Drugs – Last year's anti-drug initiative, SABRE, has been put on hold due to lack of funds.



Education

Fairfax schools expect over 4,000 more students next year...more in one year than for all of the 1980's. We, and most of Virginia, are being impacted by the baby boomlet...children of baby boomers.

Three years ago, we began funding local school construction, not only because of growth, but to reduce the pupil/teacher ratio in kindergarten through the third grade and to upgrade electrical systems for computer technology. But, the reality is that this add-on still leaves us over \$300 million below what is required to fully support *state required* Standards of Quality.

The problem is, when we increase state support, Fairfax gets back less than we contribute as state taxpayers due to U.S. Supreme Court decisions that require equalization between wealth and poverty. Money raised here and kept here does far more to relieve the heavy reliance on real estate taxes to fund Fairfax schools.

Therefore, the majority of the Northern Virginia delegation supported a voter referendum on a 1¢ local sales tax...half for schools and half for transportation. The measure was defeated in the House by two votes.

Vivian, of the many issues before the Virginia legislature, these are the two I'm most concerned about:

- Transportation
 K-12 Education
 Higher Education
 Taxes
 Environment
 Mental Health/Mental Retardation
 Crime
 Health Care
 Other _____

My concerns about #1 are _____

My concerns about #2 are _____

