

2010 General Assembly Session

The 2010 session of the Virginia General Assembly is going to probably be one of the most noteworthy in history. Unfortunately, this session will likely be remembered for the cuts in services that will ultimately be borne out in the reduced revenues that the commonwealth is expecting for the new budget years of 2011 and 2012. I say unfortunately because many individuals that have obtained services at the state and local level will find that service level greatly abbreviated. This actually is an opportunity. It is an opportunity to calibrate the size of government with the current revenues and to make sure that government at the state and local level goes through some of the same analysis that individuals and businesses have gone through over the last two years. Some parts of it may be painful, but it will give each of us an opportunity to thoroughly investigate the priorities of government activity.

This session will also witness the inauguration of our newest governor, Bob McDonnell. He will be faced with a daunting task of balancing this budget and maintaining the financial and economic standing of Virginia. This state remains one of few that has retained an AAA bond rating, and it is one of few that has repeatedly been rated as one of the top states in the country to do business. Even today in the throes of the downturn and recession, Virginia is the twelfth largest state in the U.S. by population; its per capita income is also twelfth in the country; and currently this state has one of the lowest unemployment rates in the U.S. All of this will present the new governor with many very tough alternatives. First and foremost is the fact that we must have a balanced budget and that we must maintain our focus on education, public safety and public health.

The budget proposal that was introduced on December 18th by Governor Kaine does not simplify the budget issues at hand. Indeed, it takes some fairly draconian positions with regard to reducing support for constitutional officers' staff and support. It reduces support for administrative and staff personnel in schools and central offices in K-12 education. It also reduces Medicaid services to individuals and reimbursements to health care providers. In state government it provides for layoffs of over 650 and imposes additional wage reductions for payments towards Virginia Retirement. The budget as introduced completely eliminates the car tax but in its place imposes a 1% surcharge on income taxes that would accrue to local governments. The budget also provides for a public safety fee and eliminates the dealer discount for retailers that collect sales tax. These are among the most noticeable, but there are several other changes that will be introduced as a part of the budget.

Needless to say, this budget will be the most challenging that we have seen in the last thirty to forty years. Other issues that will arise that have probably been mentioned in the media would be the privatization of the alcoholic beverage retail system in Virginia. This, in my mind, is one of the changes that has been needed for decades. It is unfortunate that what has prevented this privatization up until this time is a system that has been driven by a set of regional monopolies with regard to the distribution and sale of alcoholic beverages. The convenience of that control, particularly with regard to wine and beer, has led to the failure of distilled spirits being privatized. This same system has caused our new wine industry in Virginia to be required

to expand in the form of a state run cooperative in order to be able to adequately distribute Virginia wines. This has limited the competitiveness of this great Virginia product.

Another area of extreme importance in the upcoming session will be legislation dealing with energy issues. It is my hope to try to develop adequate liability protections for the sequestration of CO₂. This would enable the positioning of research projects that could assist in eliminating some of the CO₂ from the emissions of coal-fired power plants into the atmosphere. Several states that are developing advanced energy systems have utilized collaborative liability mechanisms to reduce risk.

I am also interested in providing the appropriate incentives to ensure that electric cooperatives have some of the access to renewable energy production. Potentially this could be utilized by wind, solar and wood fiber facilities for producing electricity. I am also very interested in seeing Virginia go forward with new modern facilities for the nuclear and coal production of electricity. It is hard for me to believe that Virginia is second only to California in terms of the amount of electricity that must be imported to provide that energy source for our citizens, business and industry.

This session will begin on January 13th followed closely by the inauguration on January 16th of Governor Bob McDonnell. The session is currently scheduled to close on or about March 12th. We'll see!

Please stay in touch with us. Please contact my office at District10@senate.virginia.gov or by phone at 698-7510.

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