



# **General Assembly Preview**

**January 6, 2023**



# General Assembly Preview

**Logistics and Process**

**Budget Overview**

**Anticipated Key Topics/Bills**



# General Assembly Preview

## Logistics: What about the Schedule

- ❑ Budget presentation—December 15
- ❑ General Assembly Convenes—January 11
- ❑ House and Senate budget changes—February 5
- ❑ Crossover Day—February 7
- ❑ Adjournment—February 25
- ❑ Virginia Constitution (Article IV, Section 6) stipulates that “no regular session of the General Assembly convened in an odd-numbered year shall continue longer than thirty days; but with the concurrence of two-thirds of the members elected to each house, any regular session may be extended for a period not exceeding thirty days.”

# General Assembly Preview

Logistics:  
Lay of  
the Land

- Bill Introduction Limits in effect
  - House: 15
  - Senate: 26
  - Total: ~2,500 bills
  - Typically, will see about 2,000 in short sessions, plus another 1,000 resolutions.

# General Assembly Preview

## State Budget Proposal

- Chapter 2 in effect 6/22/22
- Governor Youngkin's Proposed Budget introduced 12/15/22
- Revenues projected to be \$63.2 billion GF; \$114.1 billion NGF for FY23/24 (\$177.3 billion total).
- Overall, the budget proposal contains about \$2.6 billion more in general funding spending than the current budget.

# General Assembly Preview

## State Budget Proposal

- Governor: Budget is all about going faster and getting more done.
- Focus on improving the state's economic competitiveness, protecting public safety, meeting Chesapeake Bay goals.
- Economic Development--Tax reductions, a large investment in business site development, and additional funding for workforce development/reorganization workforce development agencies.
- “The governor proposes, and the General Assembly disposes.”

# General Assembly Preview

## Budget:

### Overview of key Items

- \$900 million+ in reserves
- About \$1 billion in additional tax relief: lower income (contingent) and corporate rates; higher standard deductions; small business and military tax breaks.
- State employee bonus and merit bonuses, but no additional pay for state-supported local employees (5% for FY24 previously approved).

# General Assembly Preview

## Budget:

### K-12

- ❑ \$5,000 merit bonuses (\$50 million)
- ❑ State share of “retention bonus” for SOQ positions in FY24
- ❑ \$10 million for recruitment incentives for hard to staff schools/positions
- ❑ Reading specialists in K-5 (one/550)
- ❑ Math Specialists in K-8 underperforming schools
- ❑ \$15 million for division and school-based mental health services
- ❑ An additional 12,650 students expected

# General Assembly Preview

## Budget:

## Community Develop- ment

- \$50 million for VATI/broadband each year.
- Virginia Business Ready Sites Program (VBRSP): \$200 million in FY23/\$250 million in FY24 (contingent); for state acquisition or VBRSP.
- \$2 million more for Va. Main Street Program in FY24 (\$1.5 million for initiatives in the Crater PDC).
- Workforce: Primary initiative is \$24.5 million in FY24 for the GO Virginia Talent Pathways program for regional industry clusters aligning with region's growth and diversification plan; \$10 million more for GOVa for workforce development initiatives for certain industries in specified regions.
- No additional dollars for the Housing Trust Fund (currently at \$75 million/year).

# General Assembly Preview

Budget:

Environ-  
ment and

Agricul-  
ture

- \$45.7 million for Ag BMPs (Bay) and \$19.6 million (outside Bay).
- \$8.5 million for SWCD technical assistance
- \$100 million each year for Resilient Revolving Loan Fund for local governments to finance resiliency projects (FY24 contingent).
- \$3.5 million to improve DEQ permitting processes (recently-launched Permit Evaluation and Enhancement Program for permit application status).
- Funding from several sources for workforce and research needs in the agricultural technology sector.

# General Assembly Preview

Budget:

HHR

- Behavioral Health: “*Right Help, Right Now*” plan
  - \$20 million to fund 30 new mobile crisis teams to respond to 9-8-8 hotline calls;
  - \$58 million to increase the number of Crisis Receiving Centers and Crisis Stabilization Units;
  - \$9 million to expand tele-behavioral health services in public schools and on college campuses; and
  - \$20 million for partnerships with hospitals for alternatives to emergency departments for crisis, which will include collaboration with community services boards.
- Plan to transform behavioral health, develop a statewide strategic plan on health care workforce needs, and study coordination of behavioral health and substance abuse programs.

# General Assembly Preview

Budget:

HHR

- Behavioral Health: Alternate transportation and custody
  - \$20.2 million (FY23/24) for sheriff's deputies and contracting with off-duty officers.
  - DBHDS to develop plan to provide alternative custody options to reduce time law enforcement resources are involved and to improve patient outcomes.

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Budget:

HHR

- Opioids: \$12 million proposed for a public awareness campaign to reduce the number of incidents of fentanyl poisoning among youth (\$5 million) and to support a statewide fentanyl response strategy (\$7 million).
- Virginia Opioid Abatement Authority: Opioid Settlement Funding and Best Practices Workshop January 19 and 20 in Richmond.
  - Information on funding opportunities and how the application process will be administered, as well as information on best practices for prevention, treatment, and recovery.

# General Assembly Preview

## Budget:

## Public Safety

- ❑ Operation Bold Blue Line: \$30 million for recruiting and training qualified law enforcement from other states and to develop skilled in-state talent.
- ❑ Operation Ceasefire Grant Fund: Additional \$20 million for violent crime reduction strategies; law enforcement and prosecutor training; equipment; and grants to organizations engaged in group violence intervention efforts.
- ❑ Virginia Mass Violence Care Fund: \$10 million to assist victims of mass violence in Virginia.
- ❑ \$13.9 million to address compression issues and provide salary enhancements for sworn deputy sheriffs and regional jail officers.

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Budget:

What's  
Left?

- \$5.75 million in FY24 to reimburse localities for costs related to the 2024 presidential primary.
- \$10 million in FY24 to assist local governments in building capacity to review and issue building permits.
- \$500,000 in FY24 for a study on the use of a public-private partnership to accelerate the completion of the Interstate 81 corridor expansion.
- Note: Over \$1 billion in FY24 appropriations contingent on FY23 revenue forecast being met.

# General Assembly Preview

## Budget:

### The Timeline

- Virtual budget hearings were held yesterday across the state.
- Money committee staff brief members in session's first few days.
- Member budget amendments due 1/13.

# General Assembly Preview

## Key Legislation

Bills, bills,  
and more  
bills

- Headlines: Tax relief, abortion restrictions, public education, emission standards, guns, RGGI, casinos, social issues, etc., etc., etc.
- Tax Policy
- Housing
- K-12/School Construction
- FOIA/Virtual meetings
- Other Items of Interest

# General Assembly Preview

## Key Legislation Tax Policy

- Money will be available to provide additional relief; statutory provisions also needed.
- Governor proposing:
  - Lowering the top individual income tax rate from 5.75% to 5.5%;
  - Increasing the state income tax standard deduction; and
  - Reducing the corporate income tax rate from 6% to 5%
- Grocery tax: 2022 legislation eliminated the state sales tax on groceries and personal hygiene products effective January 1, but preserved the 1% local sales tax.
- HB 1484 would eliminate the local tax; localities would receive a supplemental school payment from the existing state sales tax pool.

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## Key Legislation Housing

- Affordable Housing: Governor’s “Make Virginia Home” plan to propose “guardrails” for zoning/local review processes and reform of land use and zoning laws.
- Budget directs \$10 million for grants to localities or PDCs to increase capacity for and accelerate the review and issuance of building permits.
- SB 839 directs DHCD to develop statewide housing needs assessment and housing plan, and to collect and publish zoning information from localities.
- Legislation possible to restrict local authority to regulate short term rentals through local ordinances.
- Other bills to be forthcoming.

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## Key Legislation

## K-12 and School Capital

- Policies from “A to Z”: Assessments, books, gender policies, standards of learning, etc.
- School Construction: During 2019-2020, nine localities authorized to enact a one-cent sales tax increase to generate revenue for construction or renovation of public schools.
- 2022: Individual and statewide authority bills all failed.
- About \$25 billion in unmet needs identified.

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## Key Legislation FOIA

- 2022 legislation allowed, effective this past September, electronic (all virtual) meetings for regional bodies and certain local public bodies, under certain conditions.
- Bills expected to be introduced to extend all virtual provisions to local governing bodies/advisory bodies and to allow additional flexibility (fewer restrictions on number and quorum requirements).

# General Assembly Preview

Key  
Legislation

Other

- ❑ Bills for behavioral health package, including mobile crisis teams and emergency crisis centers, will need legislation.
- ❑ Workforce development initiatives and reorganization efforts also will need bills to accompany the budget items.
- ❑ Transit: Legislation to allow more flexibility in the Transit Rider Incentive Program. As some of the zero-fare and regional connectivity grants are ending, looking to have more options for bus infrastructure improvements and help with transition to zero-emission buses.
- ❑ Marijuana: Establishing retail market framework has local land use and tax implications (HB 1464).

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## Other Considerations

- Election year: All 140 seats up for grabs; Supreme Court redistricting created dozens of paired incumbents and open seats
- House/Senate relationships
- Mood factors

# General Assembly Preview

Where  
to Turn  
for More  
Info

- [Virginia Legislative Information System](#)
- [Virginia State Budget](#)
- [Budget Highlights](#)
- [TJPD Legislative Services](#)  
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# Questions & Discussion

