

## ENVIRONMENT – NATURAL RESOURCES

**Off-Shore Drilling:** – Legislation that would allow drilling for oil and natural gas off Virginia’s coast and apply 80 percent of the future proceeds to transportation. Pres. Obama endorsed oil and natural gas drilling at least 50 miles off the Outer Continental Shelf of Virginia.

**Wind Energy** - Legislation passed that creates the Virginia Offshore Wind Development Authority to facilitate and support the development of the offshore wind industry and wind-powered electric energy facilities.

**Renewable Energy Program.** Sets up, encourages, and gives incentives to electric utilities to produce energy derived from offshore wind.

## GENERAL ASSEMBLY

**Ethics Reform** - Opens ethics inquiries to the public after a preliminary investigation of a legislator. The legislation will extend investigations even if the legislator is no longer in public office.

## GENERAL LAWS

**Discrimination** -Sexual orientation was excluded from an executive order banning discrimination in the state work force - a provision that had been included in orders signed by the two previous governors. The current governor issued a directive prohibiting discrimination in the state work force based of sexual orientation.

**Flags** - Anyone who lives in a neighborhood governed by a homeowners association can display the American flag; however, the association can place restrictions on the flag’s size and placement.

## GUNS

**Handguns in Bars** - Allows permit holders to bring concealed handguns into bars, as long as the holder does not drink.

**Concealed Handgun Permit** - Allows those with a concealed handgun permit to renew that permit by mail.

**Locked Guns** - Allows those without a concealed handgun permit to lock guns in car or boat glove box.

**One-Gun-A-Month Restriction** - Failed - A measure to repeal the one-gun-a-month restriction.

## HEALTH CARE

**Health Care Coverage - Federal Mandate** – Legislation was passed that would prohibit Virginians from being required to purchase health insurance coverage or pay any fines for not obtaining coverage that may be enacted by the federal government. Virginia’s Attorney General filed a lawsuit seeking to declare the new federal law unconstitutional.

## MOTOR VEHICLES

**Speed Limits** - Legislators passed to increase the speed limit to 70 mph on many stretches of interstate highways.

**Radar Detectors** – Failed – A measure that would have repealed the ban on radar detectors in vehicles.

**DUI** – Failed – Legislation that would have mandated ignition-interlock devices for all people convicted of driving under the influence. Such devices require a breath sample before the vehicle can be started.

## TAXES AND FINANCES

**Internet Sales Tax** – Failed - Internet retailers will not be forced to collect Virginia’s 5 percent sales tax. A panel of the House Finance Committee rejected a bill to make them pay the sales tax.

## TECHNOLOGY

**VITA** - The management structure of Virginia’s computer bureaucracy will change. The governor – not an oversight board – will have the authority to hire and fire the boss of the Virginia Information Technologies Agency. This new governance and reporting structure will enhance VITA’s effectiveness and facilitate better information technology integration in the Commonwealth. The legislation grew out of a General Assembly investigation of VITA and its 10-year, \$2.3 billion contract with Northrop Grumman, the state’s largest-ever privatization pact.

## TRANSPORTATION

**Seat Belts** – Failed – Legislation that would have made failure to wear a seat belt a primary offense. Another bill that would increase the age for mandatory seat-belt use in back seats from 16 to 18 passed.

**Gasoline Tax** – Continued to 2011 General Assembly – A bill to index the gasoline tax as fuel efficiency increases in Virginia, thus gasoline tax will remain 17.5 cents per gallon.

**Tolls** – Continued to 2011 General Assembly – Legislation that would provide for tolls on the Monitor Merrimac and Hampton Roads Bridge-Tunnels.

## HEALTH CARE REFORM ACT

The health care bill passed by Congress and signed into law by the President will make sweeping changes in our health system.

All states would receive extra funding to cover Medicaid costs that are expected to rise under the reform, including 100 percent federal coverage for new enrollees under the plan through 2016.

States will have to raise the Medicaid rates paid to primary-care doctors to the same level the federal government sets under Medicare, the program for the elderly. For the first two years, the federal government will pay the difference. After that, it is left up to the states whether to continue paying the higher rates. Supporters of the health care overhaul argue that states will wind up getting a huge economic injection from the billions of dollars in new federal money pouring into Medicaid. Medicaid is the healthcare program for the poor, jointly administered by the states and federal government.

The Health Care Law will also require states to create exchanges for individuals to compare and purchase health coverage.

Highlights of the Health Care Reform Act are as follows:

### Coverage

- Expand coverage to 32 million Americans who are currently uninsured.

### Individual Coverage

- Beginning 2014, everyone must purchase health insurance or face a \$695 annual fine. There are some exceptions for low-income persons.

### Employer Coverage

- Employers with more than 50 employees must provide health insurance or pay a fine of \$2000 per worker each year if any worker receives federal subsidies to purchase health insurance. Fines will apply to entire number of employees minus some allowances.

### Health Insurance

- The uninsured and self-employed would be able to purchase insurance through state-based exchanges with subsidies available to individuals and families with income between the 133 percent and 400 percent of poverty level.
- Separate exchanges would be created for small businesses to purchase coverage - effective 2014.
- Funding available to states to establish exchanges within one year of enactment and until January 1, 2015.

### Medicare

- Medicare will cover preventive screenings.
- Closes the Medicare prescription drug “donut hole” by 2020. Seniors who hit the donut hole by 2010 will receive a \$250 rebate. The “donut hole” gap in drug benefits is currently when beneficiaries spend up to \$2,700 in costs; participants lose coverage until they reach \$6,154.
- Beginning in 2011, seniors in the gap will receive a 50 percent discount on brand name drugs. The bill also includes \$500 billion in Medicare cuts over the next decade.

### Medicaid

- Expands Medicaid to include 133% of federal poverty level which is \$29,327 for a family of four.
- Requires states to expand Medicaid to include childless adults starting in 2014.
- Federal Government pays 100% of costs for covering newly eligible individuals through 2016.
- Illegal immigrants are not eligible for Medicaid.

### Insurance Companies

- Six months after enactment, insurance companies could no longer deny children coverage based on a preexisting condition.
- Starting in 2014, insurance companies cannot deny coverage to anyone with preexisting conditions.
- Insurance companies must allow children to stay on their parent’s insurance plans until age 26.

### Subsidies

- Individuals and families who make between 100 percent - 400 percent of the Federal Poverty Level (FPL) and want to purchase their own health insurance on an exchange are eligible for subsidies. They cannot be eligible for Medicare, Medicaid and cannot be covered by an employer. Eligible buyers receive premium credits and there is a cap for how much they have to contribute to their premiums on a sliding scale.

### Paying for the Health Care Plan

- Medicare Payroll tax on investment income -- Starting in 2012, the Medicare Payroll Tax will be expanded to include unearned income. That will be a 3.8 percent tax on investment income for families making more than \$250,000 per year (\$200,000 for individuals).
- Excise Tax -- Beginning in 2018, insurance companies will pay a 40 percent excise tax on so-called “Cadillac” high-end insurance plans worth over \$27,500 for families (\$10,200 for individuals). Dental and vision plans are exempt and will not be counted in the total cost of a family’s plan.



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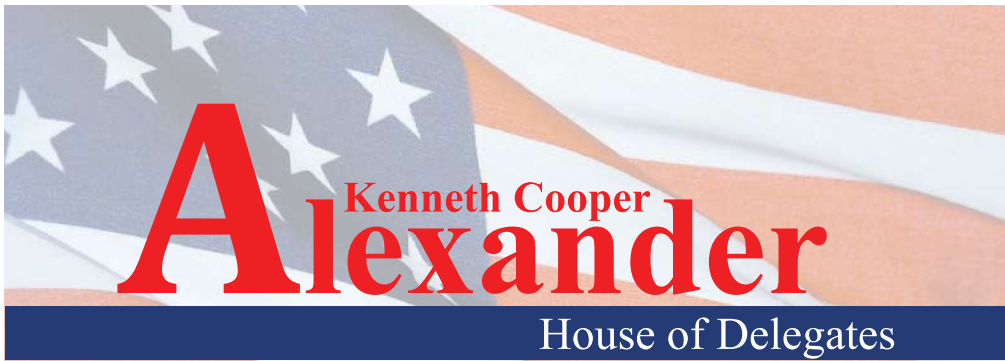
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**An Effective DELEGATE,  
A Proven LEADER**

**Moving Virginia Forward.**

**2010  
Legislative Report**  
Paid for and authorized by Kenneth Cooper Alexander



# 2010 Legislative Report

During the 2010 session, 2964 bills and resolutions were introduced. The following is a condensed list of some of the bills that passed or, where noted, failed in the 2010 Virginia General Assembly. You may find more details of these and other bills by visiting the state's Division of Legislative Services website at <http://dls.virginia.gov/hubs/highlights/2010/>.

The Regular 2010 Virginia General Assembly session convened on January 13th and adjourned on March 14th, and will reconvene on April 21st to consider the Governor's recommendations to the biennial budget and bills that were passed.



Delegate Alexander

## BUDGET

The 2010 General Assembly passed a two-year \$70 billion state spending plan. It offsets a \$4.5 billion budget shortfall born by the worst economic downturn since the Great Depression. Although \$ 6 billion less than the previous budget, the General Assembly was able to avoid deeper cuts than expected without raising taxes; was able to preserve the \$950 million a year car-tax relief; and was able to make a \$50 million deposit in the Rainy Day Fund. Funding for the arts, libraries and public broadcasting took cuts, but were not eliminated from the budget altogether. In fact, more than \$11 billion has been cut in state spending since the downturn in the economy in April 2007.

Highlights of the 2010-12 budget are as follows:

### Transportation

- Maintains funding to cover payoff of bonds to upgrade Route 58, which runs from Hampton Roads to the coalfields on the state's southern tier.
- Allows state transportation board to guide to mass-transit operations dollars now used for construction.

- Allows funding for passenger rail service between Richmond and Norfolk and existing service between Lynchburg and Washington; also supports bus link from Roanoke to Lynchburg to shore up Washington-bound train service.

### Public Education

K-12 general fund totals went from \$5,707.2 million and \$5,780.5 million to \$5,438.0 million and \$5,461.9 million for FY 2011 and FY 2012 respectively. The total decrease equaled (\$269.2) million in FY 2011 and (\$318.5) million in FY 2012.

- That is a 4.7% reduction in FY 2011 and a 5.5% reduction in FY 2012 for Direct Aid to Public Education.

- A portion of the reduction in FY 2012 is attributable to the last portion of the ARRA revenue funding, \$126.4 million, allocated in FY 2011.
- Specific actions that increased funding and provided flexibility to school divisions in the adopted FY 2010-2012 Biennial Budget include:
- Provide \$273.3 million over the biennium for rebenchmarking the standards of quality costs reported from the school divisions.
  - Provide \$174.1 million over the biennium for hold harmless provision payments to those school divisions that would have had a reduction in state funding due to the increase in their composite index number after the composite index was unfrozen in FY 2011.
  - FY 2011 equaled \$116.5 million
  - FY 2012 equaled \$57.6 million
- Add \$29.5 million to unfreeze the composite Index update for FY 2011.

Restore \$3.4 million for the Commonwealth Center for Children and Adolescents in Staunton and the Southwestern Virginia Mental Health Institute's Adolescent Unit in Smyth County that had been eliminated in the introduced budget.

Provide an additional \$1.0 million for the National Board of Professional Teaching Standards for bonuses to teachers that are awarded the national certification recognition. The total biennial budget for these teacher bonuses equals \$10 million.

Provide almost \$500,000 over the biennium for the new Governor's School at Innovation Park.

Significant Virginia Retirement System changes along with lower benefit rates (teacher retirement, group life and retiree health care credit) saved the state a total of \$189.0 million in FY 2011 and \$156.8 million in FY2012.

- Likewise, school divisions will realize greater local savings estimated at \$283.5 million in FY 2011 and \$235.2 million in FY 2012.
- These local VRS savings in FY 2011 of \$283.5 million will completely offset the reductions from state funding in FY 2011 of (\$269.2) million.
- Similarly, local VRS savings in FY 2012 of \$235.2 million will help mitigate the majority of reductions from state funding in FY 2012 of (\$318.5) million.

Language included in the budget provides flexibility to school divisions to help with staffing mandates. The new language temporary permits school divisions to:

- Increase class sizes by one student;
- Waive Standards of Quality staffing requirements for vacant and new hires for counselors, librarians, and instructional and support technology positions;
- Waive staffing requirements for elementary resource, English as a Second Language, Gifted, and Career Technology teachers.

### State Employees

- Eliminates a proposal to require current state employees to contribute toward the cost of their retirement, but requires new employees to pay 5 percent toward theirs.
- Requires one furlough day for state employees in 2010, but none in the remaining two years.
- Allows for a 3 percent bonus for state employees in 2011 if revenues exceed projections by \$82 million.
- Defers \$620 million payment to the Virginia Retirement System, to be re-paid over ten with interest.

### Health and Human Resources

The adopted budget for Health and Human Resources provides an additional \$1.06 billion in general fund dollars over the 2010-12 biennium.

- This represents about \$2.15 billion in additional general fund spending over the biennium, offset by about \$1.09 billion in general fund reductions.
- This net increase in spending is due primarily to the fact that Medicaid spending will grow by almost \$1.4 billion due to (1) enrollment growth, (2) increased medical care costs, and (3) the cost to make up for the loss of the enhanced federal Medicaid matching funds that were increased temporarily through the federal stimulus legislation, the American Recovery and Reinvestment Act of 2009.

If Virginia receives an additional two quarters of federal Medicaid matching funds (FMAP) in FY 2011:

- About \$45.8 million will be used to restore certain eligibility reductions and other reductions in FY 2011 that would jeopardize the receipt of the enhanced federal funding.
- Most of the remaining FMAP, estimated at \$371 million, will be used to restore reductions to Medicaid provider rates in FY 2011 and FY 2012, and other eligibility reductions in Medicaid and FAMIS (children's health insurance) which would take affect in FY 2012.

The additional FMAP funding will be used to:

- Provide an additional 250 Intellectually Disabled Waiver slots beginning July 1, 2010
- Lift the freeze on Medicaid home- and community-based waiver slots, which impacts about 3,360 low-income elderly and disabled individuals
- Restore Medicaid eligibility reductions for individuals in long-term care waivers and low-income aged, blind and disabled individuals, which impacts about 16,380 individuals
- Restore FAMIS eligibility for children and pregnant women up to 200 percent of the federal poverty level in FY 2012

- Restore Medicaid funding for optometry and podiatry services, that were eliminated in the introduced budget
- Restore Medicaid funding for respite care hours that were reduced in the introduced budget
- Mitigate Medicaid and Social Services payment reductions of up to 4 percent to critical health care providers such as hospitals and nursing homes, physicians, dentists, pharmacists, and assisted living facilities
- Restore Medicaid rates for providers of long-term care waiver services that were reduced in the introduced budget, such as personal care and other in-home services
- Provide \$2.1 million in funding for community treatment of uninsured children with serious mental illnesses

The General Assembly also restored funding for critical health safety net providers, including:

- \$319,640 GF each year for the Free Clinics
- \$240,875 GF each year for the Community Health Centers
- \$13.3 million continue operating the Commonwealth Center for Children and Adolescents (CCCA) for children with serious mental illnesses in need of acute hospital care

### Public Safety

- Restores \$47 million in cuts to sheriffs and jails in 2011 and limits their reductions to 2.6 percent, instead of the 15 percent that was proposed.
- Provides more than \$32 million in funding for local police officers.
- Provides \$1.2 million for the state's two Internet Crimes Against Children task forces.

### Commerce and Trade

- Provides \$43 million to attract businesses to Virginia, including \$7.2 million for to promote tourism and \$2 million to lure moviemakers to the state.
- Provides \$ 7.5 million to purchase land around Oceana Naval Air station.

### Natural Resources

- Retains funding for state parks.

### Fees

- The fee to record a deed rises from \$10 to \$20, raising \$18.2 million over two years.
- The food inspection fee rises from \$40 to \$100, raising \$1.08 million over two years.
- The annual fee for the Coal and Mineral Mine Safety Program rises from \$180 to \$350, raising \$857,240 over two years.
- A new apprenticeship registration fee of \$55 applies to the Virginia Registered Apprenticeship, a training system run through the Department of Labor and Industry. The fee will raise \$507,100 over two years.
- Increases in environmental health services permit fees will raise \$7.56 million over 2 years.
- The driver's license reinstatement fee after a suspension for driving under the influence rises from \$50 to \$100, raising \$18 million over two years.
- The vehicle registration fee known as "S4 for Life" increases from \$4.25 to \$6.25, raising \$25.2 million over two years.
- The increase in court filing fees varies, depending on how much a lawsuit seeks in damages. The increase will raise \$19 million over two years.
- Increases in water discharge permit fees, solid waste fees and hazardous waste fees, collectively, will raise \$5 million over two years.

## ABC

**Privatization of Liquor Stores** - Virginia maintains its liquor-store monopoly. Legislation to either privatize or study the privatization of the state's alcoholic beverage control stores failed.

## BUSINESS AND EMPLOYMENT

**Payday/Car Title Lending** - Virginia's consumers received further protections from predatory lenders with the passage of a bill which provides smart restrictions and requirements for car-title lenders. The bill requires car title lenders to be licensed and regulated by the State Corporation Commission. The bill makes car title loans closed-ended loans, which will allow borrowers to understand how much they will owe, how much their equal monthly payments will be, and when the loan will end.

**Telecommunications Services** - Prohibits a telecommunications services provider or Billing Agent from adding services and charges to a customer's bill without the customer's authorization and verification by the telecommunications services provider.

**Service Districts Annual Tax** - Allows a locality where there exists a self-imposed Business Improvement District tax to exempt this tax to residents who live within this District.

## COURTS AND CIVIL LAW

**Writ of Actual Innocence** - Expands the definition of 'wrongfully incarcerated' to include a person who has been granted an absolute pardon for the commission of a crime that he did not commit. This will allow such persons to receive compensation when granted an absolute pardon.



State Capitol Building - Richmond, Virginia

**Court Fee** - A \$10 fee will be charged for every felony or misdemeanor conviction, with the money going to the state's two Internet Crimes Against Children task forces.

**Police Lineup Procedures** - Continued to 2011 General Assembly - Establishes a uniform procedure to be used by all law-enforcement agencies. Establishes a uniform procedure to be used in all lineups by all law-enforcement agencies intended to ensure maximum accuracy of the procedure.

## CRIMINAL JUSTICE

**Death Penalty** - The death penalty will be expanded to include the murder of fire marshals and auxiliary police officers.

**"Triggerman" Law** - Failed - The repeal of the so-called "triggerman" law under which, in most cases, only the actual killer may be eligible for the death penalty.

**Marijuana, possession and medical use** - Failed - Legislation to lower the punishment for possession of less than 1 ounce of marijuana from a criminal offense to a civil one, punishable by a \$500 fine as well as legislation to broaden the medical use of marijuana.

## EDUCATION

**College Partnership Laboratory Schools** - The measure allows for the establishment of college partnership laboratory schools by any public institution of higher education that operates an approved teacher education program.

**Establishment of Virtual School Programs** - The measure provides for the establishment of criteria for approving and monitoring multidivisional providers of online courses and virtual school programs.

**Public Charter Schools** - The measure requires the public charter school applicant to submit its proposed charter application to the Board of Education for its review, comment, and a determination that it meets certain minimum criteria, prior to the submission of the application to a local school board.

**Local Composite Index, formula revision** - This index determines school funding based on community wealth and distributes state school funding based in part on real estate values. During the session, a proposal in the budget to 'unfreeze' this index for school funding would have shifted millions to northern Virginia localities at the expense of 97 other localities, including Hampton Roads. This issue was resolved in the budget.

The House Appropriations Committee has been requested to consider a new method of calculating the local composite index and to submit a report of its findings and recommendations to the Governor and the 2011 session of the General Assembly.

## ELECTIONS

**Redistricting** - Next year will be the year to redraw the legislative and congressional districts after the 2010 census. A House subcommittee defeated a bill to create a bipartisan panel to advise lawmakers on redistricting.

**Campaign Telephone Calls** - Prohibits a candidate, campaign, corporation, political committees or vendors from falsifying or disguising caller identification information when making campaign telephone calls.

**Voter Identification Requirements** - Failed - Legislation that would have required that a voter provide a photo ID and that the voter may vote a provisional ballot if he can not provide the required proof of identification.