

## Virginia Viewpoint - December 20, 2023

### Virginia Legislative Update:

Governor Glenn Youngkin presented his 2024 – 2026 biennium budget to the Virginia House Appropriations, House Finance and Senate Finance & Appropriations Committees on Wednesday, December 20. In his first opportunity to share a two-year budget, he highlighted new measures for taxes, the economy and workforce, public safety, education, and healthcare. He also underscored the importance of efficiency in state government.

Governor Youngkin's remarks promoted tax relief with a modest reduction in Personal Income Tax rates twelve percent across the board, reducing the lowest bracket to 1.75% and the highest bracket to 5.1% even while surprising many with a tax increase- increasing the Sales & Use Tax from 4.3% to 5.2%.

In the weeks leading up to proposal, Governor Youngkin previewed his priorities including:

- 1. Conservation:** Governor Glenn Youngkin is seeking over \$500M in Virginia's budget for additional conservation funding, furthering the administration's commitment to Virginia's natural resources. The funding will be dedicated to key conservation and stewardship programs to address water quality, flooding, parks, dam safety, land preservation, and habitat restoration.
- 2. "Right Help, Right Now", Youth Mental Health:** At the one-year anniversary of the "Right Help, Right Now" launch, Governor Youngkin announced plans for \$500 million in new funding for the continued transformation of Virginia's behavioral health system, including the expansion of efforts to address youth mental health. The bulk of funding (\$307 million) would be used to expand waivers for individuals with developmental disorders to receive support services without being in an institution. A significant portion (\$23 million) would be used to expand school-based mental health services.
- 3. "Virginia's Research Triangle":** Governor Youngkin announced his proposed \$90 Million investment to launch a biotechnology, life sciences, and pharmaceutical manufacturing network to foster collaboration between three major state research institutions at University of Virginia, Virginia Tech and Virginia Commonwealth University.
- 4. Entertainment District in Virginia:** Governor Youngkin and Monumental Sports and Entertainment CEO Ted Leonsis announced an agreement to bring the Washington Wizards and Capitals to Potomac Yard in Alexandria. In addition to the NBA and NHL teams, this \$2 billion public-private partnership includes new 9 million-square-foot district developed by JBG SMITH to feature the global corporate headquarters for Monumental Sports & Entertainment (MSE), an industry-leading Arena for both the Washington Capitals and Washington Wizards, a state-of-the-art Monumental Sports Network media studio, the Wizards practice facility, a performing arts venue, and an expanded esports facility, in addition to bringing new retail, residential, restaurants, hotels, conference, and community gathering spaces. The project needs to be approved by both the Virginia General Assembly and the Alexandria City Council. If approved, work would begin in 2025 with the first phase set to open in 2028.
- 5. Building Blocks for Virginia Families:** Governor Youngkin released his plan to for \$448 million annually toward child care creating capacity for 300,000 children, an effort to help working parents and parents who are looking for work. This budget proposal would fill the void when federal funding through the American Rescue Plan ends.

Speaker-Elect Don Scott has made committee chair appointments, with over half of the committees now being chaired by a legislator from Northern Virginia. The Senate will have major changes to



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their committee assignments as over half of the Senate will be new members. Especially impacted will be the Senate Finance & Appropriations committee. Senator Scott Surovell was elected to Majority Leader and will be tasked with committee assignments.

There are two special elections called for January 9, 2024. Two Republican legislators are retiring, Del. Les Adams in HD16 and Sen. Frank Ruff in SD9. HD16 Republicans nominated Eric Phillips, a businessman from Martinsville, and Democrats would have had to confirm a candidate yesterday. A mass meeting was held last night for the Republican nominee in SD9, and Tammy Brankley Mulchi won on the fourth ballot. Tammy is the former legislative aide to Sen. Ruff and was endorsed by him. Mulchi will face Democrat Tina Wyatt-Younger who was chosen in a firehouse primary on Tuesday night. Wyatt-Younger is a former South Boston Town Council member and former Vice-Mayor. While the elections will not shift the balance in either body, they will add to the list of fresh faces in the legislature.

The story of the 2024 General Assembly will be how the two sides can work together and if there can be compromise. The General Assembly gavel in on January 10th, 2024.

#### Youngkin exploring repeal of 'hated' car tax

By MICHAEL MARTZ, Richmond Times-Dispatch (Metered Paywall - 7 articles a month)

More than 20 years after then-Gov. Jim Gilmore failed to fully repeal the so-called "car tax," another Republican governor is preparing to take a swing at the local government levy on personal vehicles that Virginians love to hate. Gov. Glenn Youngkin confirmed on Tuesday that he is considering proposals to do away with the local tax on personal property — which he called "the most hated tax in Virginia" — by finding new sources of revenue for local governments to replace it.

#### Youngkin: We'll end a waiting list for help with developmental disabilities

By DAVE RESS, Richmond Times-Dispatch (Metered Paywall - 7 articles a month)

JP Rey is 11. He can stand and take a few steps, with someone to hold him. He needs help getting dressed and going to the bathroom. And for 10 years he's been on a waiting list for Medicaid funds that could pay for some of what he and his brother Louie, 8, need. ... The Chesterfield family would get a little closer to getting that help, with Gov. Glenn Youngkin's \$300 million proposal to fund 3,440 more Medicaid waiver slots for Virginians with developmental disabilities in the next state budget.

#### Youngkin calls for \$500 million boost in natural resources spending

By DAVE RESS, Richmond Times-Dispatch (Metered Paywall - 7 articles a month)

Virginia needs to boost spending on water quality, including more funds for Richmond's combined sewer overflow project, Gov. Glenn Youngkin said Friday. But while his proposed boost of more than \$500 million to state spending on natural resources includes \$50 million for the Richmond clean water effort, that sum is less than the \$100 million the General Assembly dropped in this year's long-delayed budget.

#### Governor announces \$90 million funding proposal for 'Virginia's Research Triangle'

By TAD DICKENS, Cardinal News

Gov. Glenn Youngkin is proposing \$90 million to fund a "Virginia's Research Triangle" initiative that will include Roanoke-based Fralin Biomedical Research Institute at VTC. One-time funding for a biotechnology, life sciences and pharmaceutical manufacturing network will be part of Youngkin's biennial budget, scheduled to be released Dec. 20, according to a news release from the governor's office. The University of Virginia's Manning Institute for Biotechnology and Virginia Commonwealth University's Medicines for All Institute, along with Virginia Tech's Fralin Biomedical Research Institute, would receive the funds.

#### Youngkin proposes boosting VCU, UVA and VT's medical research efforts

By ERIC KOLENICH, Richmond Times-Dispatch (Metered Paywall - 7 articles a month)

Three Virginia colleges that are leading the way in health research could get a big financial boost. On Monday, Gov. Glenn Youngkin proposed a \$90 million investment to Virginia Commonwealth University, the University of Virginia and Virginia Tech to support their medical innovation departments. Youngkin envisions "Virginia's research triangle," modeled off the successful higher education-led research collaboration in North Carolina.

#### Youngkin heralds bid to bring Wizards, Capitals, \$2 billion project to Virginia

By MICHAEL MARTZ, Richmond Times-Dispatch (Metered Paywall - 7 articles a month)

Gov. Glenn Youngkin finally landed the big fish he's been seeking since becoming Virginia governor two years ago — and it's a whopper. Youngkin came to a brand new portion of this historic port city Wednesday to announce what already was an open secret — a proposed \$2 billion economic development that would bring not just the first major league sports franchise to Virginia in nearly 50 years, but two of them.

#### Youngkin proposes \$35 million for Bristol landfill

By DAVID MCGEE, Bristol Herald Courier (Metered Paywall - 15 articles a month)

Virginia Gov. Glenn Youngkin today (Friday) provided some light at the end of Bristol Virginia's dark tunnel — proposing \$35 million in state funding to assist with remediation efforts at the city's landfill. The funding would be part of \$500 million in proposed conservation funding dedicated to key conservation and stewardship programs to address water quality, flooding, parks, dam safety, land preservation and habitat restoration, according to a written statement.

#### Youngkin plans to invest \$50M from budget in Richmond sewer overflow control project

By TANNOCK BLAIR, WRIC-TV

Governor Glenn Youngkin has announced plans to allocate \$50 million in Virginia's budget to go toward a conservation project in the City of Richmond. The money would assist in upgrades to the city's combined sewer overflow control project. The project has been in the works as early as 2021, as officials have worked to improve the city's outdated sewage system and prevent the pollution of the James River in times of flooding and heavy rainfall.

#### Youngkin plans to direct \$73M to Norfolk's flood mitigation project

By HAILEY DUNN, WVEC-TV

Of the \$500 million conservation investment Gov. Glenn Youngkin proposed in his 2024 budget on Friday, the City of Norfolk would receive more than \$73 million to mitigate flooding concerns in the coming years if passed. The proposed \$73.85 million directed to Norfolk would support the city's Coastal Storm Risk Management (CSRM) Project, which the U.S. Army Corps of Engineers assists with.

#### General Assembly, Youngkin's admin are already working on AI policy

By JAHD KHALIL, VPM

Both Gov. Glenn Youngkin's administration and legislators are developing standards for artificial intelligence, policymakers tell VPM News. In September, Youngkin tasked the Office of Regulatory Management with writing recommendations for state policies on AI in an executive directive. The recommendations, which were due Friday, were delivered to Youngkin on Thursday according to ORM head Andrew Wheeler. "The governor had some questions. And we will be fine tuning some of the documents before that before they'll be released publicly," said Wheeler.

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