

Senator Martin's Pre-Session Thoughts
01/03/10

The 2010 session will see more of the same battles as previous years as local governments seek expanded authority while others resist it. At the same time certain interests will be seeking to curtail local authority while local governments fight to defend it. There will be turf battles between healthcare professions, efforts to both increase and decrease regulatory oversight, establish new licensures, abortion issue face-offs, attempts to mandate more coverage on insurance policies, efforts to both expand the death penalty and repeal it, etc.

As expected, the budget will again take center stage. It is generally accepted that the budget drives policy, but it's probably more accurate to say that budgeters drive policy based on the priorities they set, within the confines of the dollars they have to spend.

Virginia's budget is structurally out of balance and some tough decisions are necessary to get it on more solid footing. Last year we were about \$4 billion short until the federal government printed up some new money and sent it to us. That money, to be repaid by future taxpayers, was used to balance this year's budget, but we are still coming up short. The effect of the federal funding was to defer making the tough choices until this session, while creating additional national debt. We cannot expect another federal gift and should not accept any such additional federal expenditure.

Do not expect us to raise taxes. Instead, you should look for spending cuts as we make these tough choices. There will be some things that will no longer be funded by state taxpayer dollars and other things that will be funded at lower levels than previously anticipated.

About 5-6 years ago I chaired a commission that was charged to look at all of Virginia's boards, commissions and agencies to find opportunities for abolishment, mergers, defunding or reductions. We abolished and/or merged close to 50 different such entities, but our commission was terminated before we could go any further. I would expect more such efforts by the incoming governor. After all, it was Delegate Bob McDonnell who requested our commission be created.

We have enough of a budget problem already without having to be concerned for federal action which may increase the burden for Virginia families and taxpayers. There are efforts that, if successful, will undermine Virginian's Right to Work, costing more jobs, reducing revenue from income taxes, increasing unemployment insurance payouts as well as other service demands for families in need.

Any legislative or regulatory action which institutes a cap on and trading of carbon credits will cost our citizens and businesses in all aspects of their lives. It will cause our businesses to be less productive, more jobs will be lost and some companies will completely close while others relocate offshore. Goods and services will cost more and revenues from both income and sales taxes will decline while taxpayer supported expenditures increase to support the unemployed.

But, the greatest immediate concern is for what may come out of the Health Insurance Reform measure pending in DC. I call it that because it has no provision for reforming healthcare, except for the insuring of it. We know what the bill looked like when it passed the Senate, but are not all sure what it will look like when it comes out of the committee of conference.

As it presently exists, the Medicaid expansion alone could quickly cost Virginia taxpayers hundreds of millions (billions in time). We have to pay for our own increased benefit demand along with helping to pay for Nebraska and other states which got special provision for themselves. Additionally, any legislation that establishes new minimum standards for coverage increases the cost of that coverage. You cannot force the coverage of people who are already ill and remove caps on lifetime maximum benefits without it costing the premium payers more money to do so.

These federally forced increased premiums would result in some employers choosing to stop providing coverage, paying a fine instead, thus increasing our Medicaid burden even more. Other employers would have to decrease their number of employees to decrease their cost as raising the price on products being sold to consumers with less spendable income may not be a viable option.

These are costly concerns and we will be working to fight this kind of harmful action imposed on the states, but there are ways the federal government can be helpful to us. We would like for them to approve our pending applications for drilling off shore, grant approval for another nuclear power plant and help us expand markets for Virginia's clean burning coal.

Of greatest concern for me, is the loss of liberty that comes from the states being treated as branch offices of the federal government, rather than 50 united sovereign states.

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