

Legislative Update

December 2023



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Legislative Update

- 2024 General Assembly convenes January 10
- 60-day “long” session; adjournment March 9
- Historic turnover; over 50 new members
- Dems have narrow margin of power in legislature
 - Senate is 21-19
 - House of Delegates is 51-49
- New committee chairs/members
- Rules? Bill introduction limits (new delegates encouraged to limit)



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Legislative Update

- State Budget
 - Governor introduces FY24 amendments and FY25/26 proposal on December 20
 - After several years of large surpluses, state revenues for FY25/26 expected to fall back to more typical growth
- Governor Proposes, General Assembly Disposes
 - House and Senate amendments mid-session may look significantly different



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Legislative Update

- State budget is not structurally balanced headed into FY25/26
 - Budget will be challenged by ongoing revenues struggling to meet expenses
 - Mandatory spending consuming most ongoing revenue that is expected to be generated in the upcoming biennium

FY25 Revenue Growth (est)	0.9 - 3.0%
FY26 Revenue Growth (est)	3.3% - 3.8%



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Legislative Update

- **Budget Pressures:**
 - Agency requests (September) totaled \$3.7 billion for FY25 and FY26; later in Fall, agencies told to find savings
 - Medicaid; K-12 rebenchmarking; human services/behavioral health; public safety; compensation/pay raises
- **Budget Risks:**
 - Economic uncertainties include: potential for economic slowdown; a cooling U.S. labor market; slowing Virginia job growth; global events



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Legislative Update

- **Legislation:** Executive branch initiatives; Dems will approve signature bills; any major initiatives will take General Assembly/Governor agreement
- **Local Government:** D-E-F-E-N-S-E
- **Local initiatives:** Sales tax for school facilities would affect all jurisdictions; LODA benefits for private police officers



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Questions?

