

SENATOR STUART'S REPORT FROM THE CAPITOL

Having finished the regular session, we now go back for what is known as the reconvened or veto session on Wednesday, April 21, 2010. During that time, we will be taking up a considerable amount of amendments proposed by the Governor on legislation that passed the General Assembly in the 2010 session.

There were a couple of amendments that were brought to my attention which I believe are worth noting to you as we enter this veto session. As you are aware, I voted against this biennial budget for multiple reasons. Two of the problems that I saw with the budget the Governor is now proposing to fix.

First, the budget allowed localities to require local government employees and teachers to pay their 5% employee retirement contributions. The problem that I saw with this is that this was not something that was being required of state employees or anyone else, and they were changing the rules on these employees in midstream. In other words, this was a benefit that the employees had bargained for when they took their position. I supported the bill to make some revisions for new employees with regard to the retirement system, but I believe it is patently unfair to change the rules in midstream for employees. I would like to praise the Governor for proposing this amendment. At the end of the day, this means that the rules will not be changed for existing employees and they will get what they bargained for when they took the position. Also, everyone will be treated equally across the state.

Secondly, one of my great concerns with the budget was the fact that it eliminated what is commonly referred to as the manufacturer's deduction or the Virginia Domestic Production Activity deduction. What happened was the federal internal revenue code deleted this deduction and then the state sought to align their code with the feds. But the loss of that deduction was a disincentive to manufacturers in Virginia. As you know, you can't buy anything today without looking at the label and seeing "made in China." That, I believe, will prove to be the greatest stumbling block to our economic recovery because the only way we will have a real and meaningful economic recovery is if we get back to manufacturing and stop buying everything from overseas, which in turn means that the jobs go overseas and we send all of our money overseas. The Governor has proposed to fix this, which, again, I praise his efforts on this. It is incredibly important for job creation and job retention and is one of the most important things we can do to incentivize manufacturing, which helps us all.

There are many other amendments proposed. These two are probably the most significant that I am advised of. However, I will report further as to other amendments that I believe are of interest to you as we go forward.

As always, I appreciate the opportunity you have given me to serve you in the State Senate. If I can be of any service, I can be reached at my senate office, 804-698-7528, P.

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