



COMMONWEALTH OF VIRGINIA

HOUSE OF DELEGATES
RICHMOND

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THIRTY-THIRD DISTRICT

COMMITTEE ASSIGNMENTS:
TRANSPORTATION
COUNTIES, CITIES, AND TOWNS
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AND INNOVATION

March 31, 2020

The Honorable Ralph S. Northam
Governor of Virginia
P. O. Box 1475
Richmond, VA 23218

Dear Governor Northam,

Unique and unprecedented circumstances give rise to uncertain outcomes. I'm sure you are mindful that Virginians, especially elected leaders, need to work together, putting aside pet projects and partisan differences for the greater good of the Commonwealth.

Please act on the two specific recommendations below. They are the product of collaboration between myself, Virginia Institute for Public Policy, CLIC VA, and The Middle Resolution.

Governor Northam, please offer amendments to:

1. Reduce essential spending across the board and tie all non-essential spending to revenue benchmarks.
2. Delay for one year the enactment of ALL measures which add to cost of living or doing business in Virginia, and ALL unfunded mandates to local governments.

Working people and businesses need relief. Our constitution requires a balanced budget. Virginia cannot print money as is done in Washington D.C., so we are required to operate within our means. Simply put, once we go through reserves, we cannot spend more than we take in.

On March 12th, the closing day of the 2020 Session, the legislature passed a budget based on the expectation of strong growth. Clearly, revenue assumptions in the proposed budget are overly optimistic given recent developments. Expense assumptions for unemployment compensation and healthcare costs need to be revisited. Virginia's financial position has vulnerabilities; we are not fully prepared for a serious economic downturn.

State income is going to decline significantly. With record unemployment and the stock market plummeting, uncertainty is the only constant. Secretary Layne recently estimated at least \$1B per year reduction in revenues. Given the indicators that change daily, that projection may be far too low. Reserve funds are not fully funded and may be inadequate. No one really knows the duration or depth of the recession ahead.

Governor Northam, we all know this is not just about budgets and economics. Unemployment is often associated with stressful situations that may increase suicide risk, substance abuse, depression and a

general decline in morale. Please lead us out of this troubling crisis by proposing the amendments contained in this letter.

Sincerely,

A handwritten signature in blue ink that reads "Dave Jafrock". The signature is written in a cursive, slightly slanted style.

CC: The Honorable Aubrey Layne, Jr., Secretary of Finance
The Honorable Brian Ball, Secretary of Commerce and Trade
The Honorable Brian Moran, Secretary of Public Safety and Homeland Security
David Von Moll, Comptroller
Clark Mercer, Chief of Staff
Matt Mansell, Director of Office of Policy and Legislative Affairs
Marvin Figueroa, Legislative Director
Members of the Virginia General Assembly