

The Honorable Luke E. Torian, Chairman
Comments on the Committee
Recommendations on HB 1600
February 2, 2025

Good afternoon. Today we meet to adopt the Committee recommended amendments to House Bill 1600, the revised budget for the current FY 2024 – 2026 biennium.

At its core, our one job as legislators is to do what we can to improve the lives of Virginia’s citizens. We are here to ensure that those who can’t help themselves receive the help they need from government. And for those more fortunate, our job is to provide core services like strong education and childcare systems and healthcare to make peoples’ day-to-day lives more manageable.

We are blessed to be in an era of economic growth. Last year the General Assembly was able to invest an additional \$6.4 billion in key programs. Unlike many years, the biennial budget fully addressed many needs in both years of the biennium, leaving few second-year gaps to address this year. We already have provided pay increases for our teachers, our state and local employees, and our personal care providers that will go into effect this coming July. We already have worked to hold down college costs, provide more DD waiver slots and invest in much needed crisis services. We are far from done but let us not forget the investments already approved that come online this July.

Once again this year, we have surplus revenue from FY 2024 which allows us to make one-time investments to help hard working Virginians.

Our responsibility is to use that blessing to shore up our core services and use one-time revenues to provide financial relief. The recommendations you will consider today focus on putting cash in our citizens pockets, addressing our housing crisis, expanding the availability of childcare, investing in our K-12 and higher education systems, and expanding worker protections.

Looking first at tax relief, the amendment package dedicates \$1.1 billion to provide both immediate and on-going relief to our citizens. The amendments authorize a \$200 individual, \$400 joint filer, tax rebate check to be issued by October 15, 2025, at a cost of \$978 million. This action benefits more Virginians than the Governor's proposal because it does not exclude those without cars, or those making more than \$50,000 a year. It provides relief sooner, with rebate checks sent this fall instead of waiting until after next year's tax filing season, and gives each person more money than the Governor's proposal.

The amendment package reduces all citizens' tax liability by deducting from taxation the first \$8,750 of income for individuals, and \$17,500 for joint filers. Also included is an increase in the refundable portion of the Earned Income Tax Credit to 20% of the federal credit, providing ongoing tax relief to lower income citizens. Budget recognizes the revenue loss of \$114 million associated with these 2 actions.

I will not preempt our individual subcommittee reports by enumerating all the spending initiatives included within them. That said, I did want to take a moment to highlight some of the items that exemplify the focus of the Committee budget this year. I am proud of new efforts to address both the childcare and housing crises. In the area of childcare, Committee amendments will provide enough additional slots

to eliminate the existing waitlist in the subsidy program. We are funding a program to incentivize private sector involvement in support of their employees' childcare, recognizing that helps both businesses, and more importantly, families, to have children in reliable and affordable childcare. In the area of housing the budget will fund enhanced efforts to address both the supply side and the affordability crisis, as well as provide funding to localities who are working at the local level to commit resources to making housing more affordable to its citizens.

Finally, we are building upon my focus in my years as Chairman in ensuring access to higher education by keeping tuition costs down. Everyone benefits by building an educated workforce for the future.

This package of budget amendments fulfills our duty to support hardworking Virginians, and I hope it will be your pleasure to approve the Subcommittee recommendations today.

With that, we will turn our attention to the Committee's Resource Report and then begin consideration of the separate Subcommittee packages.