



*COMMONWEALTH of VIRGINIA*  
*Office of the Governor*

February 14, 2020

The Honorable Janet D. Howell  
Chair, Finance and Appropriations Committee  
Senate of Virginia  
Pocahontas Building, Room E506  
Richmond, Virginia 23219

The Honorable Luke Torian  
Chair, Appropriations Committee  
Virginia House of Delegates  
Pocahontas Building, Room W1304  
Richmond, Virginia 23219

Dear Senator Howell and Delegate Torian:

As Virginia's economy continues to grow, I am pleased to report that January 2020 revenues rose 8.7 percent over revenues in January 2019. We are trending ahead of our revenue forecast for the current fiscal year. Our growing economy is a result of our mutual and continued stewardship of taxpayer dollars, and it allows us to fund public education, healthcare, law enforcement, and the other critical services Virginians expect.

Accordingly, I instructed my Finance staff to perform a mid-session revenue forecast. My review of the data indicates that it is reasonable to increase projected General Fund revenues by \$292.5 million for fiscal year 2020. By statute, \$112.3 million is the required deposit into our rainy day fund, based on this revenue revision. This leaves an unobligated, one-time balance of \$180.2 million.

Sources of this additional revenue are detailed in the attachment titled [\*Mid-Session Revenue Review\*](#). This adjustment is based solely on the trend of actual revenue collections year to date. The underlying economic forecast remains unchanged from that which we reviewed in the GACRE meeting last November.

As you and your colleagues advance your budget deliberations, I urge you to focus on two key priorities: maintaining Virginia's fiscal integrity and investing in our future. We must ensure our economy continues to grow and create new jobs. We must advance a structurally-balanced budget that protects our AAA bond rating and builds up our financial reserves, so Virginia is prepared no matter what comes our way.

To continue our economic momentum, we also must invest in Virginia's future. That's why I proposed landmark funding to increase access to early childhood education, support K-12 students and teachers, and help low-income community college students get the job training skills they need. These are generational investments in areas that have long been neglected. Fully funding these programs will be critical to our long-term success.

Thank you for your diligent work thus far. This is a historic General Assembly session, and I look forward to our continued partnership as we address the important issues facing our Commonwealth.

Sincerely,

A handwritten signature in black ink, appearing to read "Ralph S. Northam". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ralph S. Northam

Cc: The Honorable Aubrey L. Layne, Jr. – Secretary of Finance  
April Kees – Staff Director, Senate Finance and Appropriations Committee  
Anne Oman – Staff Director, House Appropriations Committee