



WILLIAM J. HOWELL
SPEAKER

TWENTY-EIGHTH DISTRICT

COMMITTEE ASSIGNMENTS:
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FOR IMMEDIATE RELEASE:

September 8, 2009

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Statement of Speaker Howell on Governor Kaine's Proposed Budget Cuts

RICHMOND, VA – Virginia House of Delegates Speaker William J. Howell (R-Stafford) today issued the following statement after Governor Kaine released his immediate and proposed cuts to Virginia's current 2009-2010 Biennial Budget:

"Today's action by Governor Kaine to exercise his Constitutional authority to cut up to 15% of state government agency budgets is a first and essential step in addressing Virginia's latest budget shortfall of \$1.3 billion. The Governor's announcement of immediate and proposed spending reductions is a sobering reminder of the difficulties families and businesses are facing while they cope with the worst economic crisis since the Great Depression. Just as small businesses and families are tightening their belts, trimming expenses and reprioritizing their budgets, so too must the Commonwealth take fiscally responsible actions to ensure a balanced state budget.

"As we have done during previous revenue forecasting reductions totaling \$6.3 billion, I renew the pledge of House Republicans to work in a thoughtful, deliberate and bipartisan manner with Governor Kaine to adopt necessary budget strategies to align Virginia's spending blueprint with the latest revisions in anticipated state revenues.

"For example, there is no question that now is an appropriate time to use the state's Revenue Stabilization Fund, commonly referred to the Rainy Day Fund. Currently, its total is nearly \$600 million, or roughly half of the \$1.1 billion contained at its highest point in 2007. Using \$283 million from this fund, as the Governor proposes, is a prudent move.

"In addition, I am encouraged that Governor Kaine today has rejected the misguided call of some to raise taxes. In the midst of this economic recession, increasing the financial burden already being borne by Virginia families and businesses through higher taxes would only serve to prolong an economic turnaround and weaken any recovery.

"Since I, like other legislators, was just informed today about the basic, 'big-picture' highlights of the Governor's proposed cuts and reduction strategies, lawmakers now have a responsibility to thoroughly evaluate all of the specifics. This process will begin in earnest on September 21 when the Governor's Secretary of Finance testifies before the full House Appropriations Committee to present the Governor's proposals in full detail. Over the next several months, the House will work cooperatively with the Governor to set spending priorities that achieves long-term structural balancing of state finances.

"For our part, the House of Delegates already has committed to returning \$1.1 million to the general fund in this current fiscal year by reducing discretionary spending and returning unused balances. That figure is in addition to the \$2.0 million that the House has returned since the beginning of the recession in fiscal year 2007. Moreover, a salary cut for delegates instituted in 1991 has resulted in a savings to taxpayers of more than \$626,000 over the last 18 years. As we have in the past, the House will continue to do its part to help keep state finances on solid financial ground.

"While these are challenging times for all Virginians and their government, members of the House of Delegates and its Republican-led majority are prepared to do the right thing and act in a fiscally responsible manner."

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