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The Honorable Lacey E. Putney
Remarks to House on the Conference Committee Report on HB 1600
February 28, 2009

Mr. Speaker and members of the House:

On behalf of your House Conferees I am pleased to deliver to you the Conference Committee report on HB 1600, both on time and under budget.

Several weeks ago I described the House budget as a “half-time” budget, with the second half representing a whole new game.

Well Mr. Speaker, the second half indeed was a new game, and when the final whistle was blown, your House Conferees, working cooperatively with the Senate and the Governor, delivered the winning touch-down for the people of Virginia.

Clearly, the U.S. economy continues to struggle and with that, Virginia’s revenues continue to soften. As we started the conference committee deliberation, the Governor advised us that general fund revenue collection for the remainder of the biennium would need to be revised downward another \$821 million, bringing the total revenue shortfall to \$3.7 billion.

While great uncertainty remains in our economy, with the help of the Federal Stimulus, the Conferees were able to balance the budget, restore critical core services and most importantly, set aside a revenue reserve of approximately \$160.0 million that if not needed to shore up any further decline in general fund revenues will carry forward to help with the Fiscal 2011 and 2012 budget.

With regard to the Federal Stimulus money, the House Conferees made it a point, a point which the Governor endorsed and the Senate ultimately came to agreement on, was the need to use the \$984 million in Education Stabilization Funds over a two year period. This approach allowed us to restore \$492.0 million in budget reductions in fiscal year 2010. A

like amount will be available in 2011, thus stabilizing educational funding over a two year period.

While this is good news, we must bear in mind that unless our economy begins to rebound, the cliff has just merely been moved out 2 years.

In addition to mitigating education cuts, the House Conferees prevailed on several key areas of the budget designed to meet our core responsibilities of state government, which i to protect the public safety of our citizens; to ensure the safety net for our most vulnerable citizens; and, to promote Virginia as the best state for attracting business and creating jobs. I believe the Conference Report before you today reflect these priorities.

In Health and Human Resources, we have a waiting list of families in need of services through our MR Waiver program. This list grows by 1 family each day. In order to ensure the waiting list does not grow beyond its current level, the Conference Committee recommends the restoration of 200 slots eliminated in the Governor's proposal and an additional 200 slots to restrain the growth of the waiting list.

In the area of public safety, the Conferees agreed to eliminate all of the nearly \$29.0 million in proposed budget reductions to Sheriffs, and to restore \$6.6 million for 599 funding for localities with police departments.

In fact, Mr. Speaker, the Conferees were able to restore 100 percent of the proposed cuts for all Constitutional Offices.

In the area of economic development, the House budget prevailed, restoring \$2.5 million in funding for advertising and promotion through the Virginia Tourism Corporation and the restoration of 50 percent of the cuts to the Virginia Economic Development Partnership. With these restorations, the Conferees believe we can aggressively market Virginia's strengths as the best place to visit, to locate and to expand businesses.

Finally, as I indicated at the beginning of my remarks, I am pleased that our budget recommendations include a reserve fund of \$160.0 million that if not needed to offset further reductions in general fund revenues over the remainder of the biennium will carry forward into the next biennial budget, a budget which I believe will be just as challenging as this one.

In closing Mr. Speaker, I want to express my deep appreciation to every member of the Appropriations Committee for your efforts in crafting our budget in a completely bi-partisan fashion.

I also hope you and the House would join me in expressing both pride and appreciation for our House Conferees, who through many long nights held strong in their principles, with an eye towards compromise, and a budget that I believe remains true to keeping our promises to fund the core services of government.

Finally Mr. Speaker, I would be remiss if I did not remind the Members of the outstanding performance of our dedicated and professional staff, under the leadership of our Director Robert Vaughn, they worked day, night, and weekends. Simply put, we could not have met our deadline without them. Please join me in thanking the entire staff for their service.

Mr. Speaker, and Members of the House, it is my privilege to deliver the Conference Committee Report on House Bill 1600 and I hope you will accept our recommendations.