



COMMONWEALTH OF VIRGINIA  
HOUSE OF DELEGATES  
RICHMOND

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**Chairman Putney's Comments**  
**House Bill 29 and 30**  
**Floor Statement**

Mr. Speaker and Members of the House:

Today we consider the Committee amendments to House Bills 29 and 30. Not only will we consider the budget, but we will engage in a little debate. Debate is healthy. Debate is the essence of the legislative body and a democratic government.

This past Sunday, the Appropriations Committee reported out amendments to HB 29 and 30. House Bill 30 represents the spending plan for state government for the upcoming two fiscal years.

To say this was an unusual Session would be an understatement. As I stated in my remarks on Sunday, crafting this year's budget represented the perfect storm. Think about it, we had Governor Kaine leaving office and Governor McDonnell transitioning into office, and we had what amounted to a \$1.9 billion inherited deficit to address.

Economic reality also dictated that if the \$1.9 billion in Car Tax relief is not restored by the General Assembly, then local governments will saddle taxpayers with paying 100% of the cost of the personal property tax. Imposing such a steep financial burden on working families and anxious taxpayers already grappling with job losses and economic uncertainties makes absolutely no sense.

In my 49 years as a member of the House, I have not seen a budget situation this bad. The nation's economy is in the worst shape it has been since at least the early 1980's recession. While Virginia is faring much better than just about any other state,

the stark new economic reality is that the Commonwealth's projected general fund revenues for the next two years will be at the level of 2006.

While Governor Kaine and the General Assembly worked hard to balance the budget over the last two years, the fact is that almost two-thirds of the \$6.3 billion already wrung from the current budget were one-time actions, meaning that the budget was structurally out of balance. I am not being critical of our previous actions to balance the budget; however, I would merely state that the inevitable is now before us. We no longer can rely on just the easy one-time fixes for the challenges facing Virginia. Though we certainly did not seek these circumstances, we must seize this opportunity to enact sensible, long-term structural reforms in state spending that can make the best state in America even better.

As I look back at how we balanced the 2008-10 biennial budget, what stands out the most is that approximately one-third of the budget – which would include public safety and higher education – has seen cumulative reductions of nearly 20%, with higher education alone taking reduction nearing 30%.

On the other hand, the other two-thirds of the budget – health and human services and public education – has largely been “held harmless” and spared deep reductions. I would also note that these two areas of the budget have also seen the greatest spending increases since 2004. Clearly, in developing the 2010-2012 biennial budget, economic reality dictated our looking closely at this portion of the budget.

Of course, the fundamentally important decision to restore Car Tax relief was made early in the Session when the House of Delegates on January 21 *unanimously* rejected Governor Kaine's 17% increase in the statewide income tax (House Bill 1155). This key vote made clear our shared commitment to approving a state budget that will hasten economic recovery without exacerbating the burden on Virginia's taxpayers, working families and job-producing small businesses.

As we begin to debate today the actions of the Committee I am sure that there will be disagreements on specific budget cuts. But to disagree and to not offer alternatives is merely an exercise in politics, rather than fiscal stewardship.

Indeed Mr. Speaker, House Bill 30 represents the rising of the budget phoenix. By doing the right thing today, our budget will be structurally more balanced so as the

economy recovers we can begin to make new investments and enjoy growing levels of opportunities and prosperity.

Specifically, the Committee budget does the following key things:

- 1) Mitigates cuts to law enforcement and public safety, since these activities are among the primary responsibilities of government;
- 2) Invests in job-creating economic development;
- 3) Minimizes the impact of cuts on the health safety net;
- 4) Provides school divisions maximum flexibility in implementing education budget reductions; and
- 5) Establishes a substantial reserve to replenish the Rainy Day Fund and help ensure a more structurally balanced budget going forward.

I know that not everyone shares my belief that the budget before us meets all of the core needs of the Commonwealth. However, I believe that the budget before us today strikes a sensible balance between meeting the core commitments that we as politicians like to talk about and the burden placed on the taxpayers who must foot the bill.

For those who believe that a different course should have been taken, I would say that everyone had the opportunity to vote for a tax increase in January.

If you voted your conviction back in January, then today's vote is not about being against education or health care, but rather it is a fulfillment of your intention to adopt a budget within the tax resources that we have all already agreed upon.

I am reminded of the quote that "Everybody wants to go to heaven, but nobody wants to die." I guess the budget equivalent of that saying would be that everyone wants a balanced budget, but nobody wants to cut it.

Frankly, Mr. Speaker I am very proud to deliver these amendments to the state budget.

Hopefully, you and the members of the House will agree and will so indicate through your actions today.

Mr. Speaker, as my good friend Vince Callahan liked to say, "There is no such thing as a perfect budget. In good times, we don't spend enough; in bad times, we cut the wrong programs".

I hope you will accept our Committee's recommendations.