



WILLIAM J. HOWELL
SPEAKER

TWENTY-EIGHTH DISTRICT

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Speaker Howell Welcomes Agreement by House and Senate Conferees to Amend State Budget

– Structurally Balancing Budget This Year Helps Avoid Calls for Higher Taxes Next Year –
– State Spending Revenues Remain below Fiscal Year 2007 Level –

RICHMOND, VA – Virginia House of Delegates Speaker William J. Howell (R-Stafford) today issued the following statement on the agreement by House and Senate negotiators on [House Bill 1500](#), amendments to the state budget:

“Like all Virginians, I am pleased that delegates and senators have reached agreement on differences over how best to amend the existing state budget. Balancing budgets is never easy, especially when the economic recovery is still uncertain and taxpayers, businesses and families continue struggling to live within their means. State finances are no different. Unlike Washington, Virginia has a constitutionally required balanced budget requirement. By setting clear priorities, the General Assembly has produced responsible and fiscally sound budget amendments. Today’s [budget conference report](#) funds core government services while also enacting sensible structural reforms in state spending that strengthen the state’s ledger and Virginia’s competitive position for more jobs and prosperity.

“Key priorities advanced by our House Republican Majority are reflected in the final budget accord, including:

- **No new fees or higher taxes:** The Senate budget proposed several million in fee increases, while the House budget actually reduced fees by about \$5 million. The final agreement includes no new taxes, no new fees and actually eliminates \$5.7 million of fee increases adopted last year.
- **No earmarks for non-state agencies:** The Senate budget included funding for such non-government entities as the Virginia Sports Hall of Fame, Foodbank and OpSail, among others, while the House budget heeded the Attorney General’s opinion that such funding is prohibited by the state constitution.
- **No funding or debt for a new "Taj Mahal" to replace the General Assembly Building:** The Senate budget proposed \$300 million for new/renovated seat of government buildings, while House budget had zero.
- **\$67 Million Less in Authorized Debt:** The Senate budget proposed over \$700 million in debt, while the House budget reduced authorized debt by \$120 million. The conference report reduces the amount of previously authorized debt by \$66.8 million.
- **Additional \$64 million deposit into the Rainy Day Fund, totaling \$114 million:** The Senate budget included only \$20 million on top of the \$50 million included in the Governor’s introduced budget, while the House budget added an additional \$64 million. The \$114 million total ensures that 50% of the amounts due pursuant to the state constitution in the FY 2013-2014 biennium are set aside now. That’s fiscally prudent.

- **Eliminating Accelerated Sales Tax (AST) for 80% of retailers:** The Senate budget did not address this structural deficiency, while the House budget eliminated this accounting act for 98% of businesses.
- **Investing in Core Government Services:** The House prevailed in its insistence of setting aside an additional \$30 million for the Behavioral Health Trust Fund to help intellectually and developmentally disabled Virginians. This funding will begin the process of discharging individuals in state training facilities back into our communities. There's also \$32.7 million to capitalize a new transportation infrastructure bank, \$66.3 million for higher education and at least \$40 million for job-creating economic development efforts. Health care, law enforcement and K-12 education also receive funding, with \$104 million in the budget conference report being a one-time supplemental payment of \$130 per pupil to help students and local school divisions.

“In these still tight economic times with uncertainty clouding job prospects and business opportunities for growth, I’m especially heartened that by being fiscally responsible this year, House Republicans have helped put state finances in a much stronger position so we can resist the inevitable calls by big-spending Democrats for higher taxes next year.

“Majority Leader Kirk Cox, Appropriations Committee Chairman Lacey Putney and all House budget conferees have served the Commonwealth, their fellow delegates and all Virginians well under tight budget circumstances. I congratulate them on their accomplishment today and look forward to the passage of House Bill 1500 as one of the last items of business before tonight’s scheduled adjournment sine die of the 2011 Regular Session.”

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