



WILLIAM J. HOWELL
SPEAKER

TWENTY-EIGHTH DISTRICT

COMMITTEE ASSIGNMENTS:
RULES (CHAIRMAN)

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Statement of Speaker William J. Howell Regarding Governor McDonnell's Announcement of \$544.8 Million for FY 2011 in Agency Savings and Surplus Revenues

-- \$234.1 mil. in Agency Savings Alongside Previously Announced Revenue Surplus of \$310.7 mil. --
-- Second Consecutive Year Virginia has Posted Substantial Agency Savings and Higher than Expected Revenues --

RICHMOND, VA – Speaker of the Virginia House of Delegates William J. Howell (R-Stafford) today issued the following statement in response to Governor Bob McDonnell's announcement of FY 2011 agency savings:

“Alongside the Governor's July announcement of \$310.7 Million in FY 2011 surplus revenues, today's announcement of \$234.1 million in agency savings and balances adds up to an overall FY 2011 surplus of \$544.8 million. Since taking office, the House Republican Caucus has worked with Governor McDonnell to responsibly tend to Virginia's financial health by controlling costs, eliminating unnecessary expenditures and upholding Virginia's constitutional balanced budget requirement, all without raising taxes,” said Howell.

“While we are pleased to build on last year's \$403 million surplus, we must continue to plan for the future and prepare ourselves for future economic contingencies. Both the Governor and our Caucus recognized the importance of frugality and good government long ago and we've weathered the recession and recovery better than other states owing to that recognition. Moving forward, we need to be proactive in safeguarding the Commonwealth's AAA bond rating and we must make deposits into the Rainy Day Fund to save for unforeseen future contingencies,” said Howell.

Overall FY 2011 agency savings include unspent funds appropriated to various agencies as well as agency savings generated through good management practices. The \$310.7 million surplus announced in July consists principally of higher-than-expected revenues, generated in large part by personal and corporate income tax collections.

Between agency savings and surplus revenues, the Commonwealth has over half a billion surplus dollars, most of which is designated through contingency language in the Appropriations Act. The surplus will be spent, in part, on the Rainy Day Fund, the Virginia Water Quality Fund, the Natural Disaster Reserve, additional funding for Sheriff's departments and repayments to the Virginia Retirement System. Additionally, the Governor has seen fit to create a Federal Action Reserve Fund, which will serve as a financial safeguard in the event that federal spending decisions have a substantial impact on the Commonwealth.

“We thank the Governor for his ongoing efforts to reduce spending and implement common sense management practices, which save money for the Commonwealth and Virginia taxpayers. While the economy continues to recover, none of us knows what fortune tomorrow brings. Our Caucus will continue to work with the Governor to prudently plan for all future scenarios,” said Howell.

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