



WILLIAM J. HOWELL
SPEAKER

TWENTY-EIGHTH DISTRICT

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Statement of Speaker Howell on Governor McDonnell's Proposed Biennial Budget

RICHMOND, VA – Speaker of the Virginia House of Delegates William J. Howell (R-Stafford) today issued the following statement after Governor McDonnell's address to the Joint Money Committees of the Virginia General Assembly:

"I whole heartedly support the reform measures and reprioritizations contained in Governor McDonnell's proposed biennial budget. The Governor has been a great ally in the fight for common-sense fiscal solutions, low taxes and budgetary prudence for many years, and we look forward to championing many of the measures contained in his budget," said Howell.

The 2012-2014 biennial budget is the first and only budget completely within the control of the McDonnell Administration. The Governor's proposal is targeted to fund core functions of government – transportation, education, public safety, economic development and employee retirement funding – and does not raise taxes. Key investments include \$2.2 billion in state and local contributions to the Virginia Retirement System, \$438 million for K-12 public education, \$230 million for higher education and \$100 million to continue the Commonwealth's highly successful economic development efforts.

"Tackling structural reforms to the VRS, transportation and education is an onerous task. The increase in VRS employer contribution rates and adjustments to increase transportation maintenance funding will significantly improve the long-term stability of these critical programs," continued Howell.

The budget includes various measures to increase the liquidity of state assets, a step intended to address lingering economic uncertainty and preserve Virginia's triple-AAA bond rating. The investment of \$300 million into the Rainy Day Fund will effectively double those reserves by the close of the biennium, while an investment of \$50 million into the newly created Federal Action Contingency Trust Fund and an unappropriated balance of \$31.4 million will help guard the Commonwealth against unforeseen financial challenges.

"Governor McDonnell's budget proposal is a study in restrained spending and the prioritization of funds to core government services. Fiscal prudence, liquidity and an aversion to government overreach are the basis of Governor McDonnell's approach to budgeting. The House Republican Caucus shares in these values and we look forward to working hand-in-hand with the Governor on the ambitious reprioritization and reform measures in his budget," said Howell.

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