

“You’re both so cheap...you deserve each other!” That was my father’s pre-wedding blessing after listening to Dave and I set-up our first apartment. There must have been some truth to his observation because we’re still married!

We’re facing economic times that are un-precedented in the life experience of most of us. This General Assembly session – which runs from January 14th through February 28th – will face daunting budget cuts. Our decisions are even more challenging because we don’t know how much more the economic meltdown will spread, how long it will be before the economy recovers, and how strong the nation’s economy and Virginia’s economy will be as we recover.

There is relatively good news regarding Virginia. Our economy is more diverse than many states. Unemployment statewide runs about 2% below the national average, however there are regions in the Commonwealth where unemployment is significantly higher. Virginia has been named the best managed state by *Forbes* for the last 3 years and continues to rank at the top of state management in *Governing Magazine*’s annual audit.

As noted recently by Standard and Poor’s, “The Commonwealth’s strong financial management focus is evident in its early and active response” to worsening economic news. Governor Kaine ordered his administration to identify cuts as early as Spring of 2007 at the first signs of a slowdown. Even before October 2008, we twice lowered the revenue forecast so as not to over-budget.

The Governor has gone about as far as the law allows in cutting this year’s budget by \$1.9 billion without legislative action. He is requesting an additional cut of \$970 million in the current budget and over \$1.5 billion in cuts in next year’s budget. Thus far, 570 jobs have been eliminated and another 800 frozen of the 1,526 jobs that the Governor proposes be eliminated. Cost-of-living salary increases will not occur.

In addition to these cuts to general government, Virginia’s meager transportation budget has been gutted by the drop in per gallon gas tax revenues. In June 2008, the 6-Year Construction Budget was cut by \$1.2 billion and we are now going through an additional round of cuts that will double that cutback. Transit support also depends on the gas tax. There is no question Virginia has “shovel ready” projects if federal money becomes available as part a economic stimulus package.

I anticipate major fights in two areas: human services and local school funding. Virginia is already 48th in Medicaid spending and, while 2/3 goes to the elderly and disabled, the more families out of work, the greater the need for basic coverage. Governor Kaine’s proposal to raise cigarette taxes will partially cover indigent medical services related to smoking. And, I believe it is critical to keep our commitments to mental health services following the Virginia Tech tragedy and recognition of our part in serving veterans under the Wounded Warrior initiative.

Local school funding will be the toughest battle. Many legislators look at the relative wealth and high employment of Northern Virginia and assume we can absorb cuts better than poorer areas. They totally ignore how little we now get because state support is tied to ability to pay. Wealth is already equalized. I will fight any cuts that further target Fairfax.

This brings me back to my father's observation. "Money problems" top the list of family fights. Emotions run high and I expect a very rough legislative session. But, being cheap at heart, I have always looked for value. There is too much at stake not to use all the wisdom available to assure government investments we make, in fact, support the common good.

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