

**Senator Houck Reports From Richmond**  
**March 17, 2008**

After sixty-five days in Richmond, the 2008 General Assembly concluded its work last Thursday by approving the 2008-2010 Biennial Budget. The Budget is now before Governor Kaine for his review and approval.

As one of twelve members on this committee, I played a key role in addressing immediate needs with modest investments while eliminating substantial funding from the Governor's introduced budget. This year, the Committee faced an extremely difficult task with decreasing state revenues due to a nationwide economic downturn. In February, Governor Kaine revised revenue estimates projecting a \$2 billion dollars shortfall over the next three budget years.

To address this deficit, the Committee implemented a budget withdrawing approximately \$350 million from the state's rainy day fund. Additionally, Governor Kaine directed, with the General Assembly's support, state agencies to cut spending by approximately five percent over the biennium. The majority of the Commonwealth's revenue problems were addressed through these spending reductions and efficiencies.

Despite the tough economic period, the General Assembly was able to move forward on several initiatives representing sound investments in human capital. Funding was allocated expanding the Virginia Preschool Initiative for Disadvantaged Four-Year-Olds. This funding will increase the per pupil amount to the state's share benefiting all participating school divisions.

Dollars were also appropriated for a two percent salary increase for state employees, faculty, and state-supported local employees in both years of the upcoming biennium. A two percent salary increase for teachers and other SOQ funded positions will become effective on July 1, 2009.

Funding was provided to the Central Virginia Regional Jail in the amount of approximately \$2.5 million. This amendment restores the exemption from recoveries of state funds used to house federal inmates where the federal government paid for the construction of the bed space utilized for that purpose.

In health care, money was allocated to enhance the Commonwealth's mental health services in wake of the tragic events at Virginia Tech. The General Assembly also supported the addition of 600 new MR waiver slots and the creation of the "wounded warrior" mental health care initiative aiding our returning soldiers with mental health concerns. In the 17<sup>th</sup> District, Aging Together received funding to expand aging services such as adult day care, rural transportation, and in-home care giving to the citizens of Culpeper, Madison and Orange.

As I conclude my 25<sup>th</sup> session in Richmond, I am pleased that the Budget Committee was able to present a responsible and responsive plan representing the best interests of the

Commonwealth. If you have any questions or comments regarding the budget or any other state issues, please do not hesitate to contact me. I look forward to hearing from you.