

Senator Houck Reports to the 17th District
August 21, 2008

As a member of the Senate Finance Committee and of the Budget Committee of Conference, I attended Governor Tim Kaine's annual summer address this week highlighting the current budget outlook for the Commonwealth.

Like the entire nation, Virginia is facing a severe economic downturn negatively impacting budget revenues for the upcoming fiscal year. Sales tax collections and home sales continue to fall short of forecasters' expectations, and employment growth has substantially slowed.

To respond to sagging revenues, Governor Kaine has called upon state agencies to further reduce spending. These cuts will be in addition to the nearly \$2 billion dollar reduction in spending implemented by the General Assembly earlier this year.

In the upcoming weeks, Governor Kaine will assemble his economic advisors to help quantify the magnitude of the problem and he will ask the General Assembly for advice on how to close our growing shortfall. As a senior senator, I will work with Governor Kaine and my colleagues in both houses to resolve this matter.

During my 25 year career in the State Senate, the Commonwealth has faced several economic downturns where budget cuts were necessary to balance the budget. Based on this prior experience, it is clear that the General Assembly is facing a painful process. But this experience also shows that we have acted responsibly in each case, contributing to the fact that Virginia repeatedly is named the best-managed state in the nation.

We will act responsibly once again. Raising taxes is not an option; instead, we will have to explore spending cuts to programs. Unfortunately, no state programs are immune to reductions. It will be a difficult task, but it is not impossible.

It is important for Virginia that all legislators, Democrats and Republicans, as well as private citizens and interest groups become involved in the budget process. I politely ask that you contact my office either via telephone at (540) 786-2782 or via e-mail, senatorhouck@comcast.net, to share your viewpoints. Thank you in advance for taking a pro-active role in our legislative process.