



**LACEY E. PUTNEY**

NINETEENTH DISTRICT

COMMITTEE ASSIGNMENTS:  
APPROPRIATIONS (CHAIRMAN)  
PRIVILEGES AND ELECTIONS  
RULES

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**Contact:** Robert Vaughan  
(804) 698-1590

## Statement of House Appropriations Committee Chairman Lacey E. Putney on Governor Kaine's Revised Revenue Forecast

**RICHMOND, VA** – In response to Governor Kaine's announcement today of a revision to the Commonwealth's revenue forecast resulting in an anticipated state budget shortfall totaling nearly than \$1.4 billion, and to his recommendations to close that shortfall, House Appropriations Committee Chairman Lacey E. Putney (I-Bedford) issued the following statement:

“Since the introduction of the budget in December, I, the Speaker of the House, and other members of the Committee have been concerned with the overly optimistic revenue forecast assumed by the Governor. In December, the Speaker and I wrote Governor Kaine urging him to reconvene his board of economists and business leaders in January in order to reevaluate that forecast. Unfortunately, this request was ignored, and we now face a \$1.4 billion revenue shortfall five days before reporting out the House budget.

“While the Committee has been working diligently over the last several weeks to balance the budget in anticipation of this shortfall, the magnitude appears to be even greater than we assumed.

“I believe the aggressive actions of the Federal Reserve Board, President Bush and Congress will aid the economy, and perhaps will steer us from a recession. However, there is no doubt in my mind that the Virginia General Assembly needs to exercise heightened prudence by lowering the revenue forecast and taking the necessary actions to balance the budget in a fiscally responsible manner.

“I appreciate the Governor's submitting budget reduction recommendations for the Committee's consideration. In October, the Governor and his communications director indicated the only option available to the General Assembly if it opposed reducing the Rainy Day Fund would be cutting services such as Meals on Wheels, clean drinking water, and mental health services. His proposed reductions today indicate a decidedly less dramatic approach. I will ask Secretary Wagner to present the Governor's recommendations at tomorrow's Appropriations Committee meeting. We will consider these proposals, along with strategies we have been developing on our own.

“Clearly, there are several strategies proposed by Governor Kaine that we will not adopt, such as additional cuts to higher education, which would merely result in greater tuition increases, hitting middle income Virginians particularly hard. Likewise, we will scrutinize proposed reductions in local aid, which come at a time when local governments are struggling to balance their budgets with declining real estate values.

“Over the next several days, the Committee will act in a decisive manner to balance the budget while protecting core services of government.”

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