

Remarks
Senator John H. Chichester
February 4, 2007

Before we begin, I want to thank the members of the Committee for their hard work this year. We've had our share of distractions, and there were a few bumps along the road.

But once again, in the tradition of the Senate, the Committee has worked diligently to produce a well thought out, quality product. As always, I am most appreciative of their effort.

As I observed at the beginning of the session, our task this year has been one of "fine tuning" the outstanding two-year budget we adopted last June. The current budget is one of the better, more comprehensive biennial budgets that we've crafted in recent years.

We left few second-year "holes". We put aside a sizable reserve for a second year salary increase. And, we funded a \$1 billion capital program – entirely from cash.

And so our recommendations this year attempt to "round out" the budget with limited new funding to address caseload growth, shortfalls in capital projects, or other unanticipated cost increases.

You will see from the Resources chart that, in contrast to recent years, we had little in the way of new revenues with which to work. And, we used some of that revenue to grant several new "sales tax holidays".

The additional funding in this budget, then, is the product of the subcommittees who carefully evaluated the new spending proposed in the budget, and looked for savings opportunities.

With an eye toward the next biennium, we have been selective in our choices regarding on-going obligations. Many of the recommendations relate to legislation passed by the Committee to address long-standing issues.

Year after year members of the Senate have proposed increasing the retired teacher's health care credit. This year, we have finally adopted this legislation, and fully-funded its budget impact in Fiscal Year 2008. We hope this

measure encourages much-needed teachers to stay in the classroom, and provides relief to those dedicated professionals who have retired.

Likewise, we adopted a long-sought update in the definition for creditable compensation for teachers. And, we enhanced retirement for our hard-working state police, local sheriffs and deputy sheriffs -- another area of long-standing interest.

As I noted, we have fully-funded the cost of these items in the second year of the budget, thereby avoiding putting a "bill in the drawer" for the next biennial budget.

We also endorse proposals to increase salaries for judges and district court staff, as well as for those men and women who work in our correctional facilities, and in our public defender offices across Virginia.

In the area of health and human resources, our actions continue to build upon the investments we have made in recent years, especially for the mentally disabled. Most of the additional funding relates to caseload and changes in federal law or funding. But you will also hear about key investments to enhance access to health care, as well as for substance abuse -- an issue that imposes costs on many of our health and human resources programs.

Retaining and recruiting outstanding teachers is critical to our children and Virginia's future. In addition to the health care credit mentioned earlier, we support the additional funding for a 3 percent increase for teachers. Plus, we recommend additional funding to support our scholarship program to recruit more teachers in critical shortage areas.

Supporting the core funding needs in higher education remains a high priority, as reflected in our recommendations. We also recommend funding to address access to higher education for those students completing a degree at a community college. If higher education is to remain accessible, adequate funding for our public institutions must remain a shared priority of the state, students, and their families.

All told, our recommendations reflect a budget crafted in the Virginia way. By that, I mean a budget that carefully allocates taxpayer dollars, mindfully incurs new obligations, and selectively employs long-term debt.

Each of these elements reflects the integrity and sound business principles that have brought accolades to Virginia government.

But the “Virginia way” also demands that we be forward thinking and responsive to calls for action from the citizens of Northern Virginia and Hampton Roads, as well as other regions of the state, to help them move people and goods.

Our budget recommendations incorporate the general fund and revenue actions included in the Committee’s transportation package. The \$161 million in general funds for transportation in the introduced budget will be deposited to the Priority Transportation Fund to support debt service payments on the proposed bond package.

And, the \$339 million in general funds that we set aside last year is allocated to several key transportation projects. The non-general funds raised by the package will be used largely for critical road maintenance.

This has indeed been an extraordinary year. After four consecutive sessions, we are still looking for a transportation solution. The debate has frayed some nerves, but hopefully not our friendships.

This Committee and the Senate have led the way in advancing innovative, creative solutions to the transportation challenge. We remain committed to providing transportation with a dependable revenue stream that meets the needs of all Virginians.

Now before we turn to the subcommittee reports, I want to again thank each member of this Committee for the outstanding job that you have done in bringing together our budget recommendations.

We have less than three weeks remaining in the 2007 Session. My hope is that we can concentrate on the work before us, and less on the media and the bloggers. Focus, as we have always done, on the “longer view” – not just November. Then, we will complete our work with our usual high quality product, and in a timely fashion.

I ask that you listen carefully to the subcommittee reports as they are delivered. Copies of the reports will be available outside this meeting room immediately upon adjournment, along with the Senate Finance Committee Internet address.

I will now ask Senator Wampler to deliver the report of the Health and Human Resources subcommittee.

