

Budget Blanket
by Albert C. Pollard, Jr.
March 1, 2010

No matter how you pull and tug you can never make a queen sized blanket fit a king sized bed. This week's budget debate was an exercise in trying to make it fit anyway.

The General Assembly needs to cut an additional \$2 billion from the budget – and this is on top of the numerous cuts already made by Governor Kaine. All in all, the next budget will fund the state government at approximately 2006 levels.

This is despite the fact that Virginia has more students to educate, a greater Medicaid caseload (since people have less money the number of elderly indigent needing nursing home care has increased), and a larger prison population to secure.

Fully two-thirds of our general fund monies are spent on education and Medicaid. Last week's House floor debate highlighted the extraordinary pain that will be felt in those areas.

All in all, the House budget cut \$600 million from education and over \$200 million from health and human services. This budget will result in larger class sizes in our schools, less money for free lunch programs, less money for homeless intervention, less money for the poor in our nursing homes and less money for public safety personnel.

Even the way the money was cut and put into "block grants" hurts school districts with a large percentage of poor and at risk children. If these cuts become permanent, I'll discuss in detail the effects in our localities in a later column.

Additionally, the budget takes more drastic action such as shutting down the "camp" – the lowest security portion – of the Haynesville Correctional complex. While this directly affects the 47 local families who rely on this employment, it also affects the surrounding localities as this unit supplies the labor force for local highway and park maintenance.

Some smaller agencies such as the Commission on the Arts are completely eliminated, resulting in "saving" \$4.4 million. Such a cut will make Virginia 51st behind the 50 states and Guam in per capita funding for the arts.

As immediate and drastic as these measures directly affect our lives, my concern also resides in a portion of the budget that did not get as much discussion. One way that the House and Senate "raised" revenue is by funding the Virginia Retirement System (VRS) \$800 million less.

While there are somewhat compelling claims that we are adequately funding the VRS, the truth is the fund will be going from 85% solvency to 65% solvency. Proponents of the measure state that future stock market growth means we will be okay. But to me, this is as risky a gamble as the cuts to education.

The reason is simple - by not funding the VRS we are creating a future liability of considerable size. And, when it gets around to making up that difference, it means we will have to not only pay \$800 million, but also the compounded interest that such a contribution would have accrued.

There is no such thing as a perfect budget. However, this budget was even less perfect than I could support and I voted against the measure.

The budget is not final and the conferees have a couple more weeks to find a compromise. We can only hope they figure out some better way to pull at the blanket.

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