

BUDGET IDEAS DISCUSSED

2 Northern Virginia lawmakers sponsor meeting on impasse

By Paul Bradley, *Times-Dispatch* Staff Writer, March 29, 2004

RESTON – Rosemary Pelletier, a government instructor at Northern Virginia Community College, has grown weary of hearing about the General Assembly’s unprecedented deadlock on balancing the state’s two-year budget.

She doesn’t have the answer but believes it must include a long-term fix eliminating future stalemates and uncertainty over taxing and spending policies.

“If you are going to do a tax increase, please adopt one that will do the job,” she said yesterday at an informational meeting sponsored by two Northern Virginia Democratic lawmakers. “Don’t come at us with these Band-Aid approaches. If you would, please, just fix it.”

Pelletier was among about 50 people who crowded into a stuffy meeting room at the Reston Regional Public Library to exchange ideas with state Sen. Janet D. Howell, D-Fairfax, and Del. Kenneth R. Plum, D-Fairfax, on how to end the impasse that has created uncertainty for local governments, school systems and residents.

At issue are two competing budget plans offered by the Senate and the House of Delegates, both dominated by Republicans. The Senate’s \$60 billion proposal raises several taxes, including those on sales, incomes and cigarettes. The House, which has refused to consider any general tax increases, is backing a \$58.3 billion budget based on projected revenue growth and the elimination of sales-tax exemptions for various businesses.

The two leading negotiators trying to bridge the gap between the two bodies met for less than a minute Friday and agreed to meet again tomorrow.

Plum, who supports the Senate plan, said the House budget would merely result in businesses passing on increased costs.

“This has been the most dishonest exercise I have ever witnessed,” he said. “I’ve been going down to Richmond for 25 years, and I have never witnessed a trick like this. By closing these loopholes, all they are doing is creating another hidden tax on the consumers.”

Stuart Gibson, a member of the Fairfax County School Board, said the state must make good on its pledge to provide local school districts with 55 percent of their funding needs. Currently, the state provides Fairfax with only about 40 percent of school costs, which creates pressure on local officials to raise real estate taxes, he said. The county’s efforts to win the authority to impose local taxes on things like meals and cigarettes have been unsuccessful, he said.

“They are putting a straightjacket on the Board of Supervisors and saying there is only one group you can tax to support public education,” he said. “That’s homeowners, and that’s not fair.”

Howell said that the demands on state government are increasing while revenues remain flat. By the end of the decade, she said, the state will have 41,000 more students in public schools and 73,000 more people on Medicare.

“Virginia is at a crossroads,” she said. “We have to decide whether we will face up to our responsibilities or whether we will drift downward.”

Judy Hines, a retiree from Loudoun County, said she is willing to pay more taxes and surrender the tax break she gets for being a senior citizen.

“For those of us who can afford it, we should be allowed to pay so we can be proud of Virginia again,” she said. “It’s time that we look after the people who really need it.”

Stephanie Foran, who heads mental-health services in Loudoun County, said scarce resources mean county residents seeking emergency mental-health assistance typically have to wait up more than three months to get it. The House budget would do little to help, she said.

Not all in attendance were convinced that the Virginia government is cash-starved, however.

Arthur Purves, head of the Fairfax County Taxpayers Association, said legislators need to address spending before levying new taxes.

“You are asking for higher taxes to subsidize and support mismanagement,” he said.

But Plum said state lawmakers have little left to cut.

“I know some people say the answer is to wring the fat out of state government,” he said. “If that’s your view, I challenge you to help us. We have wrung and wrung and wrung. There is not much left.”

(Note: Number of people attending the meeting was actually between 90 and 100, not 50 as the reporter observed.)