

SENATE OF VIRGINIA



WALTER A. STOSCH
SENATE MAJORITY LEADER
12TH SENATORIAL DISTRICT
PART OF GOOCHLAND AND HENRICO COUNTIES,
AND PART OF THE CITY OF RICHMOND
INNSBROOK CENTRE
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COMMITTEE ASSIGNMENTS:
GENERAL LAWS AND TECHNOLOGY, CHAIR
COMMERCE AND LABOR
FINANCE
RULES

September 12, 2007

The Honorable Tim Kaine
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, VA 23219

Dear Governor Kaine,

Thank you for your prompt response to our letter of September 10 expressing our concerns and those of our colleagues over your consideration of drawing funds out of the Revenue Stabilization Fund to balance the next budget. Given our reluctance to tap the "Rainy Day Fund" except in the most extreme circumstances, we simply wanted to share our views preliminary to your budget recommendations.

Your letter promised to "clear up a few things." However, our reading of it raises new concerns. You put on the table "changing the timing or **manner** of capitol expenditures" (emphasis added). As we all know, there are only two means of financing capitol projects – cash or debt. Given that we are currently using cash, we read your response as indicated that new debt is now an option.

On one point we are in thorough agreement with you. The 2008 Session of the General Assembly can be a productive one, and as always we look forward to working with you. However, we respectfully suggest that a hoped for temporary downturn in the state's economy is no need for going into our savings account or pulling out the state credit card to start new programs or to balance spending priorities. Pay as you go remains the best option in our opinion.

Sincerely,

Handwritten signature of Walter A. Stosch in cursive.

Walter A. Stosch
Majority Leader
Senate of Virginia

Handwritten signature of William C. Wampler, Jr. in cursive.

William C. Wampler, Jr.
Senate of Virginia