



WattsLine from Repr. **Ralph Watts**

Date: Feb. 10, 2011

all: ralph.watts@legis.state.in.us website: www.ralphwatts.com

281-7475 (H) Ph: 993-4850

Personal updates regarding legislative issues of constituent interest.

HOUSE GOP BUDGET TARGETS RELEASED

House Republicans have released their proposed budget target today for the FY12 budget year. The basic principles followed in crafting this very difficult budget are in keeping with what we promised to do if elected. The budget does not spend more than we take in and we will provide for priority services in the areas of education, health and human services, and public safety. In addition, the Taxpayers First Act will provide for significant tax relief from previous one-time spending practices.

The FY12 budget proposes \$347 million in spending less than the current budget. We are following the law in limiting spending to 99% of revenue. In order to provide a basis for a two year budget plan if that bill is passed by the Senate and signed by the Governor, we are proposing spending 98% of projected revenue. House Republicans are proposing a budget almost \$200 million below the Governor's proposal. The overall budget for FY12 will spend nearly \$6 billion.

The adjustments this year in the House GOP plan are based on our position that in order to control the budget growth in later years, we must get our spending in line with ongoing revenue and resist the practice that has been used many times to fund ongoing government expenses with one-time revenues.

EDUCATION FUNDING

You may have heard some complaining about school funding this past week when the House Republicans passed a bill setting the allowable growth rate for school funding at a zero percent growth level. An important thing to know about the zero percent allowed is that we will be spending an additional \$218 million for schools to fill the gap left by last year's budget when the Democrats allowed education costs to rise, but failed to cover it in the budget and, as a result, many people saw significant property tax increases. The bill passed this week by the House provided \$47 million for property tax relief for a total increase related to Education of \$265 million.

For the budget targets to be released this early in the legislative session is important for a number of reasons. It sends the signal that House Republicans are serious about bringing the budget under control. Unlike the past four years, these budget targets included a balance sheet which simply tells everyone how much money we plan to spend at the end of the day. Previously, for the past four years, we were told by the Senate Democrat leadership that we would get a balance sheet when they were done. The public deserves better transparency in budgeting than that.

LEGISLATIVE FORUM

The first legislative forum for the 2011 session will be held at Waukeet City Hall on Sat. Feb. 12 at 9:30a. Hope to see you there and in the meantime, feel free to call or email your concerns.