

# The Fairfax County Taxpayers Alliance

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media@fcta.org

**CONTACT: ARTHUR G. PURVES**

**(703) 281-0176**

## **Needed: Spending reform, not higher taxes**

Arthur G. Purves, president of the Fairfax County Taxpayers Alliance, today accused Virginia Governor Mark R. Warner of spreading myths to justify new taxes under the guise of tax reform.

**Myth: State spending has been reduced \$6 billion since Governor Warner took office.**

**Fact:** Since Governor Warner took office in January, 2002, **state spending has increased by \$2.5 billion**, from \$23.5 billion in FY2002 to \$26 billion in FY2004. Also, since 1998 Virginia spending has increased by \$4 billion more than needed to keep up with population growth and inflation. See reverse side of this sheet.

**Myth:** Public schools are underfunded.

**Fact:** According to the Virginia Joint Legislative Audit and Review Commission's (JLARC) *Review of State Spending: December 2003 Update* ( <http://jlarc.state.va.us/Meetings/December03/spend03.pdf> ), **Virginia inflation-adjusted spending for public schools has been increasing nine times faster than enrollment.** See Table 3 on page 9 of report.

**Myth:** Public colleges are underfunded.

**Fact:** According to the same report, **inflation-adjusted budgets for Virginia's four-year public colleges have been increasing over three times faster than enrollment.**

**Myth:** More state spending for public schools will ease the burden on local taxpayers.

**Fact:** State and local government get their revenues from the same taxpayers. This is a disingenuous argument for raising state taxes without lowering local taxes.

**Myth:** Higher taxes are needed to protect the state's bond rating.

**Fact:** The real problem is **Virginia's excessive bond sales**, resulting in low revenues from bond sales. For the last two years revenues from Virginia bond sales have been about the same as the cost of debt service.

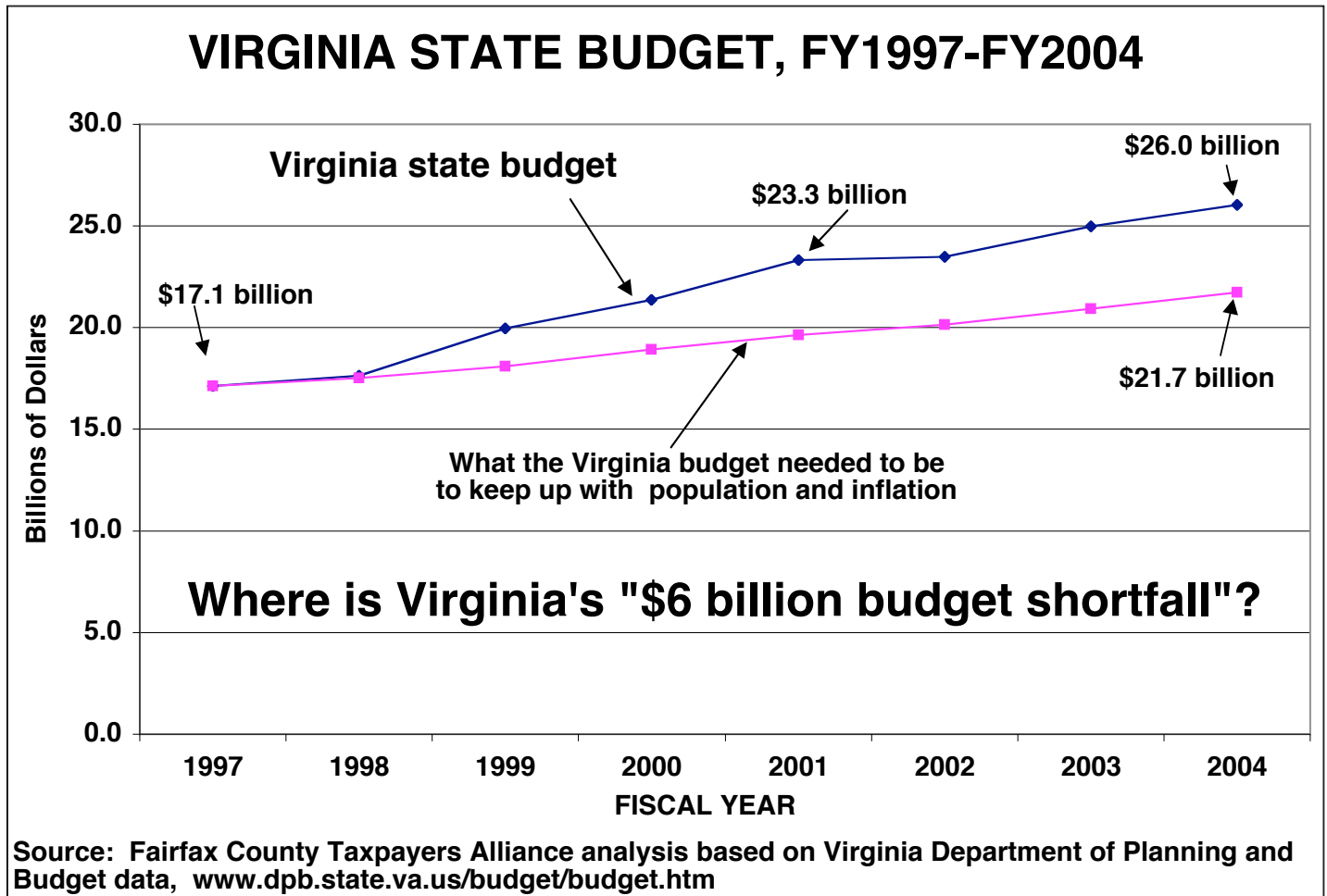
**Myth:** There's not enough money for welfare.

**Fact:** Welfare destroys families and fills prisons. Since the advent of the War on Poverty in the 60s, the number of American children born out of wedlock has increased from seven percent to 33 percent. These children are at high risk for poverty, illness, educational failure, and crime.

(OVER)

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## Stop Taxation by Misrepresentation



The pro-tax forces' mantra is that in Fiscal Year 2002, Virginia Governor Mark R. Warner and the Virginia General Assembly faced a "\$6 billion budget shortfall." This alleged shortfall is the basis for demanding tax increases in the name of tax reform, more taxes for education, and more local taxes.

The phrase "\$6 billion shortfall" suggests that the state budget decreased by \$6 billion after FY2001. However, as the above graph shows, since FY2001 the Virginia budget did not decrease by \$6 billion. It increased by almost \$3 billion, from \$23.3 billion to \$26 billion this year.

In fact, since the start of the "dot-com" bubble in FY1998, the Virginia state budget has grown by \$4 billion more than needed to keep up with population and inflation. The "shortfall" really refers to the absence of a budget increase between FY2001 and FY2002. However those who insist that there is a budget shortfall do not acknowledge the dramatic and unsustainable increase in state spending between FY1998 and FY2001.

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