



The Republican Caucus

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February 3, 2005

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Smith, Republicans to Ensure Fiscal Responsibility

COLUMBIA – Speaker *Pro Tem* Doug Smith, Speaker David Wilkins, and the House Republicans introduced a joint resolution today that will extend the state's Fiscal Discipline Act, ensuring the state will always live within its means.

The bill protects both taxpayers and the public services taxpayers rely on. By restricting state spending during times of plenty, the state will keep from resorting to the drastic budget cuts that the mental health, education and criminal justice systems witnessed from 2001 through 2004.

The joint resolution enjoys wide bipartisan support with 90 sponsors. It will extend the Fiscal Discipline Act through the 2010-2011 budget year.

"This is critical for the long-term health of the state government," said Smith, a Republican from Spartanburg. "Now is the time, when revenues are again on the rise, to take the tough step of limiting ourselves so we can ensure the viability of future budgets."

Extending the Fiscal Discipline Plan of 2004 means state spending can't grow by more than three percent in any year. If there are revenues in excess of that, the money will go to:

- (1) First, the reserve fund,
- (2) then "other funds" that may have been used to balance the budget, and finally,
- (3) the Highway Improvements and Deferred Maintenance Trust fund, up to one billion dollars.

By reserving surpluses for the new Highway Trust Fund, the state will have the money to repair seriously deteriorating roads without the need for higher gasoline taxes, which are being promoted by several members.

"This is our chance to make sure we don't repeat the mistakes the General Assembly made during the 1990s," Smith said. "This joint resolution shows we learned an important lesson from the gut-wrenching budget cuts we all lived through during the past several years."