

## Pa. Senate GOP releases its own budget plan

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HARRISBURG - Senate Republicans yesterday unveiled a scaled-down counterproposal to Gov. Rendell's budget, one that would reduce state funding for public schools, welfare, and economic-development programs.

The GOP's \$27.3 billion plan is nearly 6 percent less than that proposed by Rendell in February and would use \$2.7 billion in federal stimulus funds to help compensate for some of the cuts.

Senate Republican leaders have repeatedly said in the last few weeks that they want to make sure that the state is not relying unduly on federal stimulus dollars - which will last for only two years - to make ends meet. Instead, they are advocating a budget with state spending that can be sustained even when the federal money runs out.

"We face one of the most trying times in the next few years," said Senate President Pro Tempore Joseph B. Scarnati III (R., Jefferson). "If we do not get it right today, it's going to be the end for Pennsylvania's future, economically."

As quickly as it was introduced, the proposal by Republicans, who control the Senate, was shot down by Rendell, who said he believed it would mortgage the future of Pennsylvanians "in the name of political philosophy."

"This seems to be an Alice in Wonderland production," Rendell said.

"This is not a game," he added during a news conference yesterday, banging his hand on the lectern for emphasis. "This is not political chess. This is real stuff that affects real people."

His remarks set the stage for a difficult and politically tricky next few months as the sides negotiate the final details of a spending plan for the 2009-10 fiscal year.

Legally, a state budget must be approved by July 1. Since Rendell took office in 2003, no budget has been passed on time.

Yesterday, Senate Republican said Rendell's \$29 billion spending plan did not reflect the state's growing shortfall for this fiscal year, now estimated at \$3 billion, and needed to be pared back to do so.

They also said it was not the time to be raising taxes, so their proposed budget rejects Rendell's plan to add levies on tobacco sales, natural-gas extraction, and health-insurance premiums.

Said Majority Leader Dominic Pileggi (R., Delaware): "We either need to raise taxes or reduce expenditures - we chose the path of reducing our expenditures to match our revenues."

Republicans hope to have their plan approved by the Senate by tomorrow.

The GOP plan would cut state funding in a number of different areas, chief among them K-12 education.

To make up for the education reduction, Republicans say they would use \$729 million in federal stimulus dollars to bring total funding for basic education to this fiscal year's level of \$5.2 billion. School districts would still get hundreds of millions of dollars in other federal stimulus education funding.

Rendell has proposed keeping state funding for public schools level, and then using the stimulus dollars to increase support for school districts. Rendell is proposing spending a total of \$5.9 billion.

Timothy Allwein, assistant executive director of the Pennsylvania School Boards Association, said yesterday at a news conference that the Senate GOP plan "further shifts responsibility for education from the state to local taxpayers and school districts."

He added: "School districts throughout the state are suffering lost revenues and increased costs. This year, more than ever, [they] need state funds to prevent the need to increase the property-tax burden on local property owners."

Pileggi, the Senate's majority leader, said that argument "assumes school districts won't take the same type of actions that we've taken here in the state to try and match their expenses to their revenues, which is their responsibility."

The Republican plan would also cut state funding for medical assistance, which it would then supplement with stimulus dollars; and ax a number of economic development programs, including some devoted to job creation.

"Are we nuts? Are we cutting off our nose to spite our face?" Rendell said yesterday.

Rendell's proposed budget includes no broad-based tax increases, but it does seek a 10-cent-per-pack increase in the cigarette tax and new levies on smokeless tobacco and natural-gas reserves.

While education, welfare, corrections, and probation and parole would receive budget increases, every other department faces cuts: Rendell has proposed eliminating funding for 101 state programs, including schools for the deaf and children of military veterans, and trimming spending for 346.

Rendell and other top Democrats yesterday acknowledged that they would have to make further cuts but released no details.

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### **Schools No Fans Of Budget Plan**

**Under the Republican** proposal, Philadelphia would lose \$300 million from basic education, stimulus funding, and other areas, said the district's chief budget officer, Michael Masch.

"**It would be** completely devastating," he said.

**Schools in the Pennsylvania suburbs** would receive about \$54 million less in basic education and stimulus funding than in Rendell's plan; 15 of 63 would lose more than \$1 million.

"**We can't afford** to lose one cent, because this is all going to come back on the backs of taxpayers," said Jennifer Hoff, a school board member in Delaware County's William Penn School District, which would get about \$2.4 million less in state funding under the GOP proposal. - *Dan Hardy*