



Wrong time for state to put head in sand

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The budget passed last week by the state Senate would bury Pennsylvania's head in the sand not only for the remainder of the recession, but far into the future.

The proposal promotes stagnation while being self-contradictory. Its authors applaud that the proposal would hold the line on taxes, but that is disingenuous in several ways.

First, the new taxes proposed by Gov. Ed Rendell in his tentative budget have overwhelming public support. One would establish a tax on gas extracted from the vast Marcellus Shale formation; the other would make Pennsylvania the 50th state to impose a tax on cigars and smokeless tobacco products.

And while the Senate proposal precludes new state taxes, its \$1 billion rollback in education funding would be certain to produce substantial increases in local property taxes, statewide.

Amid the recession, the Senate budget proposal also would vastly reduce or eliminate funding for economic development programs. Even as unemployment increases, the bill would eviscerate funding for job training, job-creation incentives, development incentives and other funding to boost business activity.

The bill would wreak havoc upon the state's already hard-pressed hospitals by eliminating more than \$300 million in Medicaid funding — a program under which reduced state funding results in reduced federal funding.

Mr. Rendell had proposed to use an influx of federal stimulus money as intended by Congress — to augment existing state government spending in order to invigorate the private economy. The Senate proposal would use that money simply to partially fill some of the gaps that the cuts would create, not even maintaining the status quo.

Like every budget, the Senate's proposal is about philosophy as much as math. In this case, it raises an important question: When, if not amid crisis, should the state government move aggressively to maintain important public institutions such as education and health care, and to help to create and preserve jobs? Apparently, the Senate GOP's answer is: Never.