



## Rendell threatens to call for special session

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**BY CHARLES THOMPSON AND JAN MURPHY**

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Top Rendell administration officials and Senate Republican leaders blamed each other for the state's budget impasse yesterday.

John Estey, Rendell's chief of staff, said Gov. Ed Rendell could recall House and Senate members to Harrisburg for a special session on budget issues if the pace and progress of talks doesn't soon improve.

Rendell officials accused Republican legislative leaders of failing to seriously engage in talks about the governor's plans to raise student achievement and the taxes to pay for them.

They said the inaction, extending even to matters like passing an appropriations bill to drive out some of the \$900 million in available federal aid to cash-strapped human service programs, may very shortly turn Pennsylvania's budget impasse to a crisis.

"Obviously there continue to be significant differences between the governor and [legislative] leadership on the direction this is going," Estey said.

Top staffers for Senate President Pro Tem Robert Jubelirer, R-Blair, and Majority Leader David "Chip" Brightbill, R-Lebanon, countered Rendell has refused to compromise on a plan they believe is too costly to taxpayers.

"The problem is that [Rendell] is trying to leverage too much," said Erik Arneson, Brightbill's chief of staff. "We just don't believe that you grow the economy by raising taxes."

The latest round of sparring came a day after the Senate, on a straight party line vote, passed a new \$4.3 billion basic education subsidy bill to cover the largest hole in the still incomplete state budget and adjourned indefinitely.

Rendell has threatened to veto the bill if it reaches his desk because it doesn't provide at least \$250 million in money for his early childhood education initiatives, including preschool, full-day kindergarten and small class sizes in the early grades.

Republicans in the GOP-controlled Senate and House have been less inclined to make investments of that size in new programs this year, or to support new taxes needed to fund them.

The state Department of Education has begun surveying school districts to identify those that will face cash-flow problems if gridlock continues and state aid payments don't begin flowing as scheduled next month, and how long they can operate without them.

Spokesman Keith Pierce says preliminary indications are that all districts will be able to open on time without state money. However, some districts anticipate financial problems arising shortly thereafter, he said.

Estey said the state is developing contingencies to help districts facing financial hardships like advancing them state transportation funds, and "other methods we're exploring right now."

Districts also have the option of borrowing money or dipping into reserve funds, he said.

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