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## The Patriot-News

### **Schools win in Rendell's budget**

**Without new taxes, it would aid poor, libraries**

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**BY CHARLES THOMPSON AND SHARON SMITH**  
**Of The Patriot-News**

Gov. Ed Rendell yesterday unveiled his \$25.4 billion state budget for 2006-07, but it could serve as his campaign platform in his bid for re-election.

The plan includes no new taxes, despite increasing state spending by more than \$900 million, or almost 4 percent. It is laden with promises to offer health care coverage to all the state's children, more money to revamp schools and laptop computers in every high school classroom. It would offer prescription drug benefits to 120,000 more senior citizens.

The budget is built on the promise of a growing, research-based economy that is producing surplus tax revenues and shaking off the last vestiges of Rust Belt doldrums.

In a 63-minute speech to lawmakers, Rendell painted the budget as a capstone of a first term whose "tough choices" on taxes, spending and government operations have paid dividends.

Now, an expanding economy provides money to care for the vulnerable and increase economic competitiveness, Rendell argued.

"What I have proposed today is bold and far-reaching," Rendell said. "It is necessary and vital for our future. And the good news is that it is totally affordable."

To Republicans who control the Legislature, Rendell's plan carries a reckless debt level that runs the risk of crippling the state's finances for years.

"My question would be, what's the tax increase going to be next year?" said House Majority Leader Sam Smith, R-Jefferson.

Sen. Jeff Piccola, R-Dauphin County, said he was perplexed at the need for more social service spending. "If the economy is going so well, you shouldn't have to increase welfare," Piccola said.

Most new dollars are aimed at education, which would get one-third of the budget. Rendell proposed an additional \$517 million for public schools, a 6.4 percent increase.

To expand social services, he proposed a \$306 million increase for the Department of Public Welfare. He would spend an additional \$130 million to repair the state's bridges and highways.

Rendell has proposed borrowing \$500 million to accelerate state investment in scientific research, although the budget requires no money for that initiative. Rendell wants to spend the money over the next two years to help colleges attract and keep top-flight researchers. The money would be repaid from future tobacco settlement payments.

Republican lawmakers have criticized the proposal because it would add to the state's debt load. They said they are reluctant to cut the state's long-term medical research spending stream for a short-term splash.

One of Rendell's biggest initiatives, offering health care coverage to an additional 15,000 children in 2006-07, would cost \$4.4 million in state money. The governor proposed it as part of a five-year plan to make health care coverage available to all the state's children.

"The failure to provide health insurance for every child forces parents to make impossible choices," Rendell said.

Rendell proposed \$20 million toward a goal of placing laptops capable of accessing the Internet on every public high school student's desk. He would spend \$3.7 million to expand scholarships for students seeking college degrees in computer science, math or science and who agree to work in the state after graduation.

The governor also offered \$75.5 million in aid to the state's public libraries, a \$14 million increase. The extra money pleased library officials who blasted the governor for cutting spending on libraries in previous years.

Democratic lawmakers hailed Rendell's budget as one that should win easy passage. Under state law, the budget should be in place by June 30, but Rendell's previous budgets have gone past that deadline.

Senate Minority Leader Robert Mellow, D-Lackawanna, said it is "the kind of budget that can be done in the middle of June."

But Smith likened the plan to former Gov. Robert P. Casey's proposed budget in 1990, when Casey sought re-election. The next year, the state had to drain its reserves, enact \$3.2 billion in tax increases and impose budget cuts.

Smith said Rendell should look to spend less money, especially because the governor claims to have cut \$1 billion in waste out of state government.

"In my world, if we saved \$1 billion, then we should be spending \$1 billion less," Smith said. "This budget would propose to spend \$1 billion more."

Other GOP leaders complained Rendell's plans come at the expense of many programs that help a lot of people, such as aid for hospitals with high rates of charity care, a mobile science education program serving rural schools and the Civil Air Patrol.

"It's \$113 million worth of cuts, \$113 million that he didn't want to talk about" and must be revisited, said Senate Pro Tempore Robert Jubelirer, R-Blair.

Many special interests were ecstatic with the proposal.

"I am hard-pressed to remember the last time a governor led with a proposal that made more important and strategic investments in improving the lives of children," said Joan Benso, executive director of Pennsylvania Partnerships for Children.

James Weaver, president of the Pennsylvania State Education Association, said the basic education subsidy increase is the largest in 16 years and will help "teachers and school employees significantly."

Hospital executives bemoaned what they called "mixed messages" of expanded health care coverage for the poor but proposing cuts of about \$150 million in medical assistance to hospitals that serve low-income residents.

And even \$221 million in proposed business tax cuts couldn't erase business leaders' concern about increasing the state's debt. They said it will affect future budgets and tax rates, particularly when tax revenues are down.

While Rendell said the 2006-07 budget would raise spending by just under 4 percent, he also wants to add \$218 million in supplemental spending to the current budget. Republicans said Rendell's budget proposal would raise spending well over 4 percent.

CHARLES THOMPSON: 705-5724 or [cthompson@patriot-news.com](mailto:cthompson@patriot-news.com) SHARON SMITH: 783-5196 or [sharonsmith@patriot-news.com](mailto:sharonsmith@patriot-news.com)

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