

Legislative UPDATE

News on the 2007-08 State Budget

From State Senator Dominic Pileggi

SUMMER 2007



Dear Friend:

The 2007-08 state budget truly moves Pennsylvania in the right direction. We were able to provide increased funding for key programs, most notably education, with no new taxes.

The governor's original budget proposal included seven tax increases, but none of them are included in the final budget. One independent think tank says that preventing those tax increases will **save the average family of four more than \$800 per year.**

This budget also maintains some important tax cuts and brings the growth of state spending back to a reasonable rate – helping us prevent tax increases next year.

State spending increased by just 3.2% or 4.4%, depending on whether you include \$317 million for mass transit funding which is being transferred to a dedicated fund. No matter how you calculate it, this is the smallest spending increase under the Rendell administration. This budget also puts Pennsylvania well below the national average in terms of state budget growth this year. Clearly, we are on the right track when it comes to controlling state spending.

“Preventing those tax increases will save the average family of four more than \$800 per year.”

As Majority Leader, I led our caucus's team of negotiators in this process. Because I was determined to take a multi-year view of the state budget, this 2007-08 budget includes **a sizeable surplus to carry over** into the next fiscal year.

The Rainy Day Fund, which exists to cushion the blow of economic downturns, will increase by about \$160 million, **to a total of roughly \$690 million.** It should never be spent in good economic times, no matter how well intentioned the spending is.

A budget is an expression of the state's priorities. We balance competing interests and try to ensure that the real needs of Pennsylvanians are met.

This budget is not exactly what I would like it to be. However, budget agreements are ultimately the result of compromise. In that context, the 2007-08 state budget is a remarkably good final product.

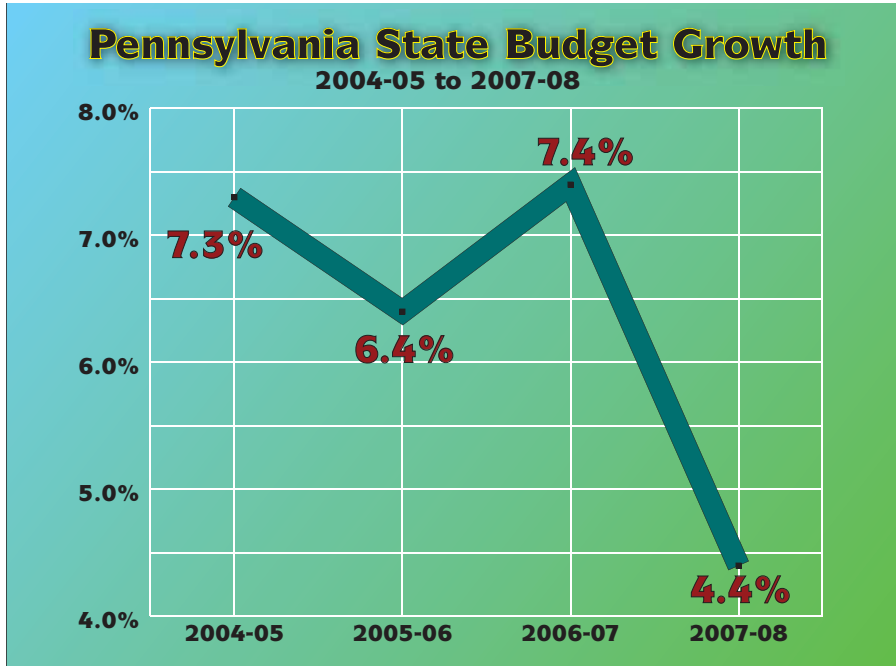
Sincerely,


SENATOR DOMINIC PILEGGI

Improving Health Care in Pennsylvania

The Senate has actively tackled the issue of health care this year. Among the most notable accomplishments:

- **Assisted Living / Personal Care** – Senate Bill 704 will require assisted living facilities to be licensed, ensuring that patients and families can make informed decisions about the quality of care they receive.
- **Hospital-Acquired Infections** – Senate Bill 968, prime-sponsored by Sen. Ted Erickson, will establish the roles of state government and health care facilities in reducing the incidence of infections, and require that all healthcare facilities implement infection control plans.
- **Scope of Practice** – A series of bills will change outdated state laws to give licensed health care workers more latitude in the types of medical care they provide.
- **Electronic Medical Records** – Senate Bill 8 would help hospitals, doctor offices and health care clinics obtain funding needed to create computerized systems to better diagnose and treat patients.



Bringing State Spending Under Control

One of my goals in this year’s budget was to bring state spending back to a reasonable level. As you can see in the chart above, the past three years saw state spending grow by an average of 7.0%. This year’s budget growth is only two-thirds of that: just 4.4%. With this budget, we were able to meet all of the state’s true needs without increasing the burden on taxpayers – and without setting up a tax increase next year.

Transportation Funding Update

In concert with the 2007-08 state budget, the legislature approved a plan to solidify state funding of mass transit and to significantly increase funding for road and bridge projects.

Over the next 10 years, nearly \$9.5 billion in additional funding will be allocated to these pressing needs. This historic investment is made possible by a financing plan based on already planned toll increases on the Pennsylvania Turnpike and by adding tolls to Interstate 80, which runs across the northern tier of Pennsylvania.

Year	Roads and Bridges	Mass Transit
2007-08	\$450 million	\$300 million
2008-09	\$500 million	\$350 million
2009-10	\$500 million	\$400 million
2010-11	\$513 million	\$410 million
2011-12	\$525 million	\$420 million
2012-13	\$538 million	\$431 million
2013-14	\$552 million	\$442 million
2014-15	\$566 million	\$453 million
2015-16	\$580 million	\$464 million
2016-17	\$594 million	\$475 million

Tackling Our Energy Needs

With my support, the legislature has approved a new law which will steadily increase the amount of solar energy used in Pennsylvania through 2020. In addition, a Special Session on Energy will convene in September to consider additional issues, such as:

- Creating a state fund to encourage alternative energy and clean energy projects. We can create this fund without any additional taxes.
- Establishing thresholds for the use of ethanol and biofuels.

Senator Dominic Pileggi 9th District

631 W. Baltimore Pike, West Grove, PA 19390 • 610-345-1084 • FAX 610-345-1087
 415 Avenue of the States, Chester, PA 19013 • 610-447-5845 • FAX 610-447-5848
 100 Granite Drive, Suite 105, Media, PA 19063 • 610-565-9100 • FAX 610-566-2010
 Senate Box 203009, Harrisburg, PA 17120-3009
 717-787-4712 • FAX 717-783-7490 • Toll Free 1-888-9th-Dist
 Email: dpileggi@pasen.gov • Website: senatorpileggi.com