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Gov. Schweiker Signs 'Zero-Growth' Budget That Targets Pennsylvania's Priorities

Invests \$242 million for public schools statewide, including promised support

for dramatic reforms in Philadelphia School District

Makes historic \$200 million investment in Homeland Security

Landmark Growing Greener to live on with dedicated funding



HARRISBURG, Pa., June 29 /PRNewswire/ -- Gov. Mark Schweiker this morning signed the 2002-03 budget, which cuts taxes for Pennsylvania's working families and businesses for the eighth time in eight years, while leaving \$300 million in the state's Rainy Day Fund -- nearly five times what the Administration inherited in 1995.

The \$20.7 billion "zero-growth" budget closes a \$1.3 billion revenue gap by tightening state spending, securing recurring revenue sources and using the state's savings account as it was intended.

Despite a record revenue shortfall, the new budget makes a historic investment in Homeland Security; boosts state support for public schools; and solidifies Pennsylvania's commitment to the environment with an unprecedented long-term investment in the landmark Growing Greener program.

"For the first time in modern history, Pennsylvania stared down a recession without raising the personal income tax, the sales tax or an array of onerous job-crushing business taxes," Gov. Schweiker said. "In fact, we were able to cut taxes for families and our job creators."

The new budget expands the Working Family Tax Cut (\$12.4 million) for a sixth straight year, so a family of four earning up to \$31,000 will pay zero taxes. And it continues the phase out of the job-crushing Capital Stock and Franchise Tax (\$45 million).

"At the same time, as our world confronts new dangers from the threat of terrorism, we'll make an historic \$200 million investment in Homeland Security," Gov. Schweiker said.

"We'll boost support to our public schools by \$242 million, pushing our investment in public education to \$9 billion, and we'll provide \$75 million to help our children in the Philadelphia School District."

Other highlights of the education bill include: \$11 million in additional federal funds toward the \$126.2 million multi-year Early Childhood Initiative; \$348 million in scholarship grants to help make higher education more affordable for Pennsylvania's college students; \$30 million to continue the successful Educational Improvement Tax Credit program; and \$23.6 million for "Classroom Plus" tutoring grants of up to \$500 to parents of children who are struggling in reading and math.

The budget includes new revenue sources -- namely a 69-cent increase to the state's cigarette tax and a \$4-per-ton increase to "tipping fees" -- fees paid by waste haulers to dump trash at state landfills.

"We'll increase our tipping fee on trash to dedicate a continuing funding stream for our Growing Greener program," Gov. Schweiker said. "Now, Growing Greener will survive well beyond a fifth year, ensuring the health of Penn's Woods for generations to come."

This year's budget will invest \$50 million in Growing Greener. In the next year and through 2012, nearly \$100 million will be dedicated to Growing Greener.

"We'll fulfill our pledge that every penny of our money from the National Tobacco Settlement will go directly toward making Pennsylvanians healthier. We'll make the price of a pack of cigarettes more expensive -- saving the lives of thousands of Pennsylvania children and adults. And we'll dramatically cut the enormous cost of treating cancer-related illnesses.

"It was certainly a difficult budget year," Gov. Schweiker said. "But I know we do right by Pennsylvania today."

The new budget, Senate Bill 5, sponsored by Senate Appropriations Chairman Robert J. Thompson (R-Chester) and Senate Majority Leader David J. "Chip" Brightbill (R-Lebanon), was approved by the General Assembly early Saturday morning, 29 to 21 in the Senate, and 131 to 70 in the House.

"Many difficult decisions needed to be made to reach this point, and it's the result of the strong support and commitment of all the Democrats and Republicans in the General Assembly who voted 'yes' -- particularly the House and Senate leadership team: Senate President Pro Tempore Robert Jubelirer (R-Blair); Speaker of the House Matthew Ryan (R-Delaware); Senate Majority Leader David "Chip" Brightbill (R-Lebanon); House Majority Leader John Perzel (R-Philadelphia); Senate Appropriations Chairman Robert Thompson (R-Chester); and House Appropriations Chairman David Argall (R-Berks).

"It also could not have happened without the tireless work of my staff, notably: my Chief of Staff, David Sanko; my Budget Secretary, Robert A. Bittenbender; and my Secretary of Legislative Affairs, Peter Gleason. I'd like to thank them all for their outstanding work. "

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