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INSIDE THE SENATE

A special report from
State Senator Pat Browne

July 2005 • 16th Senatorial District

Dear Friend,

As you may know, the General Assembly passed the 2005-06 state budget in the early morning hours of Thursday, July 7 and approved a proposal to expand the Growing Greener environmental program in Pennsylvania.

In this edition of Inside the Senate, we will look at those issues. Over the coming months, we will review several other bills that were approved during June and July.

As always, if you have questions about any state issue, call my Allentown District Office at (610) 821-8468, my Northampton County Office at (610) 502-1567, or my Monroe County District Office at (570) 402-1499. Or, visit my website at www.senatorbrowne.com.

Regards,

Pat Browne

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Budget for Fiscal Year 2005-06 Enacted

As you probably know, we wrapped up work on the state budget early on July 7. However, that doesn't mean our job is over. In fact, it is important that we start working to resolve some long-term problems or we will be facing a similar situation next year at this time.

Certainly, the state budget for Fiscal Year 2005-06 mitigates Governor Rendell's proposed cuts in Medicaid services, but the Administration and General Assembly must begin work now to prevent cuts from recurring next year.

This is a 'dodge-the-bullet' budget. Hopefully, it's the first step in a work in progress that we have to take to really

solve the problem of soaring Medicaid costs and to find a permanent solution. It is incumbent upon the Administration and the General Assembly that we start that process immediately.

The nearly \$24.3 billion budget uses surplus revenues from the FY 2004-05 budget and projected savings to restore funding for medical assistance services, shore up the financial prospects for hospitals and medical schools at state-related universities, continue black fly eradication programs, provide money to hire more State Troopers and increase state support for education.

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Education Funding Hits Unprecedented Levels

While restoration of funding for Medicaid was a key priority, Senate Republicans also pressured for additional funding for education, public safety, environmental protection and other important quality-of-life programs.



for basic education for a total of \$4.49 billion. The budget includes supplemental funding totaling \$124.2 million in a number of areas to help poor districts, growing districts, small districts and districts having significant numbers of students with limited English proficiency. It also includes a foundation supplement to help bring schools up to the \$8,500 per student spending plateau, something I've supported in the past with budget amendments.

This year, education spending is reaching unprecedented levels. We increased basic education subsidies well over the Governor's request. We increased funding for Head Start and for our community colleges. With this budget, we are helping children prepare for school, helping schools improve and helping young people move on to college and beyond.

The budget allocates an additional \$131.2 million (3 percent) over last year

An additional \$24 million (2.5 percent) over last year is allocated for special education for a total of \$953 million. Community college funding is increased by \$21 million (9.1 percent) to a total of more than \$252 million for FY 2005-06. Head Start funding will double

in FY 2005-06, with an increase of \$15 million for a total of \$30 million for the program.

A \$5 million line is also included this year to support concurrent enrollment programs. By including the funding in the budget, school districts and vo-tech schools will receive state money for concurrent enrollment programs that allow high school students to earn secondary and post-secondary credit by taking college-level courses.

Public Safety/Quality of Life Issues Receive More Money

The 2005-06 budget provides \$14.8 million in money from the General Fund and Motor License Fund to provide for an increase in complement of 180 State Troopers and necessary vehicles to improve public safety and homeland security efforts in the Commonwealth.

The budget also includes \$4.4 million for black fly eradication efforts, a program the Governor cut from his proposed 2005-06 budget. Funding was also restored for a number of other key areas including: crop insurance and plum pox eradication under the Department of Agriculture; the

New Choices/New Options program; the Access to Jobs program and transportation programs for veterans and the disabled; and, the Civil Air Patrol and several community development/job creation programs.

Even though the FY 2005-06 budget package is in place, we can't be complacent in our preparations for next year. We're really at the starting point of a long-term process. We have a budget, but we have some big challenges going forward that we have to face before we have an even worse problem a year from now.

Medicaid Funding Restored

The most significant change in the final version of HB 815 over Governor Rendell's original budget proposal is the restoration of nearly \$145 million in state funding for medical care under the Department of Public Welfare budget.

With that restoration of funding, we avoided the monumental cuts in human services that were proposed by the Governor. However, we don't know what is going to happen during this current fiscal year.

We have to be extremely sure that we haven't just shifted the costs from the Commonwealth to our health care providers and our hospitals. We have to be sure that the changes that were made result in costs savings, but don't adversely affect those who are getting the services. At the same time, we want to be sure that the changes do not shift those costs over to agencies with the result that they can't provide those services.

Growing Greener Enhancements Approved

In addition to adopting a budget for Fiscal Year 2005-06, the General Assembly also approved legislation to implement the \$625 million environmental bond approved by voters in May.

The legislation authorizes the Commonwealth to borrow \$625 million over six years for a variety of environmental and conservation initiatives collectively known as "Growing Greener," while rejecting tax hikes previously proposed by Governor Ed Rendell.

Debt service on the bond will be paid by using a portion of the existing \$4.25 per-ton fee charged for waste disposal at landfills. Governor Rendell had originally proposed increasing taxes on households and businesses by nearly \$150 million annually to pay debt

service and fund other projects.

A key provision of the legislation is the creation of an innovative County Environmental Initiative program. Under this program, each county will be able to designate at least \$1 million in priority projects to be funded from bond proceeds. The actual amount for each county was determined by the county's class as designated under state law:

- First, Second & Second-A Class - \$2.7 million;
- Third Class - \$1.75 million;
- Fourth, Fifth & Sixth Class - \$1.39 million;
- Sixth, Seventh & Eighth Class - \$1 million.

Other highlights of the package include:

- At least \$100 million for improve-

ments to State parks and State forests;

- \$82.5 million to supplement farm land preservation programs;
- At least \$60 million for acid mine drainage abatement and mine cleanup;
- \$90 million for open space conservation;
- \$27.5 million to the Fish & Boat Commission and \$20 million to the Pennsylvania Game Commission for infrastructure improvements;
- Temporary funding for the Hazardous Sites Cleanup Fund;
- Continued support for county and local government recycling programs through a \$2 per-ton recycling fee.