

August 28, 2009

Patriot News – Fax 717-255-8456

I read with interest the article “Rendell sees warning for Pa. budget in bond rating”. The article basically quotes the Gov. and budget secretary as saying that without “recurring revenues” (translated as increased taxes), our balanced budget would be temporary and create financial problems in the out years.

What I find astounding about this argument is that it completely ignores the real solution: cut spending. The news focus has been on the resistance of the Senate majority to raise taxes. It has neglected reporting that there are actually three items of contention: the spending number, the revenues to get there, and the sustainability. This last point refers to the fact that we have to be able to balance our spending with existing revenues when the federal stimulus funds go away in two years.

While I recognize that spending cuts are unpopular with the folks on the receiving end of state programs, I have been surprised at how many people who have come to me to advocate for their favorite public cause, actually say that they understand that the economy is bad and that some cutbacks are justified. Many say they are willing to live with less, but not to have their budget line item cut entirely. The glaring exception is public education (K-12) which continues to clamor for large state spending increases over last year added to the federal stimulus funds which it is receiving.

The rating agencies’ evaluations resulted in a bond rate of about 3%, which the budget secretary was reported to have described as “favorable”. Just possibly the rating agencies view resistance to tax increases during a recession as responsible fiscal policy. The “significant aversion to raising revenues” that the governor observes in elected officials is coming from their constituents. In difficult economic times people want government to do what they have to do: live within its means.

Sincerely,

A handwritten signature in cursive script that reads "Mary Jo White".

MARY JO WHITE

SENATOR, 21ST DISTRICT