



Setting THE record straight

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Fiscally responsible budget is in state's long-term best interest

The ongoing budget impasse is much more than a disagreement among lawmakers and the Rendell administration over spending levels for the 2009-10 fiscal year. It's a battle over philosophies – with one side standing firm in favor of restoring fiscal responsibility to state government, and the other continuing to advocate higher taxes and more government spending at a time when individual and business taxpayers are nearing their breaking point.

The business community and all who truly understand what's at stake for the Commonwealth over the long-term appreciate the efforts of lawmakers who recognize that Pennsylvania cannot tax and spend its way out of recession and into prosperity, and who understand that fiscal restraint is needed now more than ever. Otherwise, Pennsylvania will end up with a bigger deficit and no money to pay for expanded programs next fiscal year.

Pennsylvania government must begin to live within its means. From 1997 to 2006, Pennsylvania's economy grew at a rate of 20 percent. During that same time period, the state's budget has increased 50 percent. And under the Rendell administration, the budget has grown by 4 percent to 6 percent each year, more than the rate of inflation.

Pennsylvania taxpayers – who face the 11th highest overall tax burden in the nation, according to the Tax Foundation – cannot be expected to continue to fund this ballooning rate of growth. This is especially true with the state and nation in the midst of the worst economic conditions since the Great Depression, and with many more fiscal challenges looming on the horizon for the Commonwealth. Pennsylvania needs to set itself up to rebound economically. Higher taxes and bigger government hurt Pennsylvania's ability to be competitive.

Our economy dictates that state government, like families and job creators, tighten its belt. Responsible budget proposals have been put forth that hold the line on taxes and make responsible cuts in spending while still allowing adequate funding for vital programs, including public education. Absent the serious consideration they deserved, the budget stalemate continues, with funding jeopardized for vital government programs due to the governor's recent line item vetoes to a bridge budget that enabled state workers to collect paychecks.

Fortunately for Pennsylvania taxpayers and those in desperate need of fundamental government services, lawmakers are prepared to override the governor's vetoes in an attempt to restore funding for these programs, while sticking to their call for fiscal restraint.

Lawmakers that are standing ground against higher taxes and increased spending have a clear eye on Pennsylvania's future. If California can tighten its belt and restrain state spending, so too can Pennsylvania.

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The Pennsylvania Chamber of Business and Industry is the state's largest broad-based business association, with its membership representing nearly 50 percent of the private workforce. More information is available on the Chamber's website at www.pachamber.org

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