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House panel rejects Pa. GOP budget

Philadelphia Business Journal - by [Athena D. Merritt](#) Staff Writer

The Pennsylvania House Appropriations Committee shot down the Senate Republicans' \$27.3 billion budget plan in a 20 to 14 vote on Monday.

Senate bill 850, the counterproposal to Gov. Ed Rendell's \$29 billion budget, would not have restored any of the Governor's cuts and would have made deeper cuts to balance a widening budget hole. This year's budget shortfall is now projected at \$3.2 billion, nearly a billion dollars more than Rendell projected in February.

Among the funding cuts proposed in the Republican plan, were education, public welfare and \$250 million in tax credits. The plan would have relied on \$2.3 billion in federal stimulus funds, including \$729 million to offset cuts to education funding.

"I do not believe that Senate Bill 850 takes us in the right direction," House Appropriations Chairman Dwight Evans said. "I believe we have to have a compromise approach."

Evans said other options, including a general tax increase in conjunction with cuts, should be considered because of the higher revenue shortfall the state faces.

The defeat puts the process of adopting a budget back at square one, said Rep. Doug Reichley, R-Berks/Lehigh, who voiced opposition to tax increases.

"There are 22 days until the end of the fiscal year," Reichley said. "Republicans will not be voting for tax increases to pay for more spending during this recession no matter how often Democrats tell us that we need to be taxed more."