

Proposed spending cap clears 1st hurdle

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HARRISBURG -- A plan to cap state spending cleared its first Senate hurdle Wednesday, but bigger legislative obstacles lie ahead.

Sens. Mike Folmer, R-Lebanon, and Robert Regola, R-Westmoreland County, authored the two-bill package that cleared the Senate Finance Committee on a party-line vote.

Each bill was approved on a 6-3 vote with Republicans backing it and Democrats dissenting. Dubbed the Taxpayer Protection Act, the plan would restrict state spending increases to an index tied to inflation, and allow exceptions for emergencies such as natural disasters if two-thirds of the Legislature approves a suspension in the cap.

The bill from Folmer would put the restriction in state law while the bill from Regola would write it into the state constitution. Both bills now move to the full Senate.

A similar plan sponsored by former Senate Majority Leader David J. Brightbill, R-Lebanon, cleared the Senate last term but languished in the House.

Even if the bill clears the full Senate again, the biggest challenges for Folmer and Regola are yet to come because the House is in Democratic hands, and leading Democrats oppose it.

"That's why we're staying on top of it," Folmer said.

The plan's critics include Gov. Ed Rendell, who has argued it would mean cuts in key programs for schools and seniors, and House Appropriations Chairman Dwight Evans, D-Philadelphia.

Backers of the plan say it's needed to keep more money in taxpayers' pockets.

They note that spending from the state general fund has more than doubled since 1990 -- from \$12.4 billion to \$26.1 billion.

Though Rendell opposes it, Folmer noted that Regola's bill would not require the governor's signature.

Constitutional amendments must be approved by the Legislature in two consecutive terms and be ratified by voters in a statewide referendum.

What's next?

The Taxpayer Protection Act moves to the full Senate.

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