

Good morning. It is usually the politician who is on the receiving end of personal questions, but today I am going to turn the tables a bit. Not to worry, I won't ask anything too personal.

(a little humor, relaxed tone and some audience interaction)

How many of you have a household budget? Now, I am not talking about numbers that you simply keep in the back of your head somewhere. I mean an actual household spending plan ... in writing, and that evolved from a family meeting?

Let's have a show of hands ...

(adjust remarks here to reflect audience on response)

(.... If no one raises hand)

Ahaa. I suspect the reasons are many, but I also suspect it is safe to say that one reason is that it is “a lot of work.”

(.... If some people raise their hands)

Good for you! Now, if I may get a little more personal here. How about you? (select someone who raised there hand) How many people are in your household?

And I am willing to bet that it was hard work.

-----→ *(point of entry after either of above responses)*

It you think coming up with a family budget is difficult,

imagine drawing up a multi-billion dollar spending plan that impacts nearly 12 million people.

That's what I want to talk with you about today - people, you, and all the other citizens of this Commonwealth ... that is what the 2000-2001 state budget is really about – you, the taxpayers and making life better for you and your family.

Yes, the numbers are important, and certainly I will quote many of them. But the real story, the real heart of the budget is not the phone-book thick compilation of facts and figures that comes out of the months-long state budget process.

No, the real story is about families. ... About businesses who provide jobs for our families. It's about education and schools,

and ensuring that our children are well prepared for the workplace of tomorrow. It's about health care. And about our older citizens.

Among the most important highlights of the recently passed \$20.2 billion state spending plan is the record-setting \$774 million in tax cuts.

This is the largest tax-cut package in Pennsylvania's history, and is the seventh consecutive year of providing tax relief for our working families and job-creating businesses.

Nearly half of this year's tax cut package, \$330 million, goes directly back into the pockets of homeowners struggling with ever higher local school property taxes.

Under the Homeowner's Property Tax Rebate program,

an estimated 3.3 million homeowners, perhaps you are among them, will receive a \$100 rebate check this fall to help pay the local school property tax bill, which often arrives in September or October.

Unfortunately, the program has received widespread criticism. The only legitimate portion of the negative attacks are those directed at a few technical glitches in the application process – problems that already have been addressed.

Don't let the program's critics fool you. We know this is not a permanent solution. We never claimed it was. It is a rationale and financially sound effort to take advantage of a state surplus that allows us for the first time to give money back to taxpayers.

I know, and am confident everyone in this room knows,

of families who struggle to pay their yearly property tax bills. \$100 won't pay them in full, but it's a help. Like the budget itself, that's what the Homeowners' Rebate Program is about – making life a little better for our taxpaying citizens.

An equally important and major piece of the \$774 million tax cut package is the reduction and eventual elimination of the Capitol Stock and Franchise Tax ... one of the most onerous taxes levied on our job-creating business community.

Do you know that Pennsylvania is one of only 18 states to hit its businesses with both a corporate net income tax, which taxes the company's profits; and the capitol stock and franchise tax, a tax on a company's assets and worth?

Since 1995, the General Assembly and administration have worked hard ... and are succeeding by leaps and bounds ... in taking Pennsylvania from its former reputation as a Rust Belt to a now nationally recognized job and economic “hot spot.”

The 2000-2001 budget builds upon those efforts by taking the first step toward eliminating this double-tax whammy on our business community. This year we will reduce the 10.99 millage rate by two mills and keep reducing it until it is totally gone in 2009.

Here again, there are those who engage in criticism that is very divisive and destructive to public understanding of the interdependence between businesses and families.

They pit the two against one another with accusations that we are helping the business community at the expense of families.

Nothing, nothing could be further from the truth.

Businesses provide jobs. Families need jobs. It's that simple. When we attract, retain, and provide the type of business-friendly environment that companies need to stay and grow, we are ensuring continued employment for our working families.

Maybe you, or someone you know ... a relative, a friend, or a neighbor ... has experienced the loss of a job. If you have, then you know it is not a pleasant experience. The financial, emotional, and family toll is immense.

This budget, as is true of every budget under the current administration, helps minimize the risk of that experience. As I said

earlier, the budget is comprised of numbers, but its core component is people.

The more we reduce the cost of doing business in Pennsylvania, the more we increase the benefit to working families. Since 1995, our efforts have helped create nearly 300,000 new jobs. Thousands and thousands of families are now enjoying the benefits of an unemployment rate that is at a 30-year low in Pennsylvania.

Again, it's that simple. Businesses, jobs, and families. It's all connected, all related. Helping one, helps the other.

That relationship also include schools, and ensuring that our children can smoothly and deftly enter fill the bill when it comes to the workforce needs of tomorrow.

Our public education system continues to receive the largest slice of the state budget pie ... the 2000-2001 budget pushes our total public school investment to \$6.2 billion. Major increases in basic and special education subsidies as well as other critical areas total \$282 million - over a quarter billion dollars in new money.

Other faces behind the numbers include our volunteer fire fighters and volunteer ambulance providers. This budget calls for the first ever fire company grant program. \$25 million will be distributed to volunteer fire and ambulance companies statewide.

Not only does this budget help those who help save lives, it also focuses on the health of all Pennsylvanians.

- \$67 million state funding for our free and low-cost

Children's Health Insurance Program (CHIP), the CHIP

program is now serving over 99,000 children – three times the number of children served in 1995.

- \$70 million will help Pennsylvanians with disabilities get services they need at home;
- \$4 million to expand newborn health screenings; and,
- an additional \$30 million for PACE, the Lottery-funded program that helps seniors pay for prescription drugs.

The increase will push total program funding from total \$260 million to \$290 million.

People ... The budget is all about people.

About you, your family, your neighbors, your employers.

It's about the 12 million citizens of Pennsylvania, and making life better for everyone.

Thank you.

I'll take questions now ... as long as they are not too personal.

(a little humor here)

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