

# SEMMELE

STATE REPRESENTATIVE

187TH LEGISLATIVE DISTRICT

Dear Neighbor:

We've all heard the expression "all politics is local." I believe there is a good deal of truth to that statement. The vast majority of the issues we discuss in our House committees, and eventually on the House floor, have a direct impact in our communities.

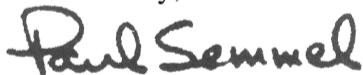
I am pleased to report that the House of Representatives is making progress on two issues that have been particularly important to the residents of the 187<sup>th</sup> Legislative District – cellular transmission antennas and community college reform.

This newsletter contains in-depth updates on each of these matters, as well as a glimpse at the Governor's new budget proposal and a few of the issues the House may be considering during the final year of the 1997-98 legislative session.

I have also included a feature article on Pennsylvania's Tuition Account Program (TAP). As a newly-appointed member of TAP's advisory board, I'm excited to inform you of the wonderful benefits this initiative holds for Pennsylvania's families.

As always, I welcome your thoughts on any of the articles that appear in this publication. Your guidance is important to me as I continue to do my best to represent your interests in Harrisburg. Please feel free to contact me at any of the numbers listed below.

Sincerely,



Paul Semmel

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## Pennsylvania Preserves 100,000 Acres of Farmland

Pennsylvania is the most productive agricultural state in the northeast with more than 50,000 farms and 7.7 million acres of crop and pasture land. Since our state's farmers are a vital component of the Commonwealth's economy, it is important that we work to preserve our valuable farmlands for future generations.

I am pleased to report that the Commonwealth now has 100,000 acres of farmland under the Agricultural Conservation and Easement Purchase Program. The Setzer family farm was the sight of the 100,000<sup>th</sup> acre of farmland to be preserved. Governor Ridge and the Secretary of Agriculture, Sam Hayes, traveled to Nazareth, Pennsylvania last October to celebrate this accomplishment.

On October 14, 1997, Governor Ridge issued an Executive Order directing all agencies of the Commonwealth to do all they can to protect "primary agricultural lands" from being used for other purposes. This order also says that state and federal monies will not be used to convert these areas from agricultural purposes.

Lehigh and Berks counties are the location of some of the best farmland in the state. As a farmer, I am proud of the progress we've made in saving our most fertile farmland and am looking forward to future accomplishments.

## House of Representatives Hits Cyberspace

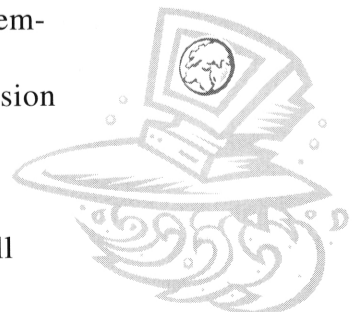
The House Republican Caucus has just unveiled a new Internet web site located at [www.pahousegopnews.com](http://www.pahousegopnews.com)

You can use this site to gain access to up-to-

date information on the daily legislative business of the House. The Republican Caucus Newsroom also provides copies of weekly press releases issued by members of the caucus, as well as their biographies.

This address can also be used to view the legislative calendar for each session week and to review each day's floor action through a Daily Session Summary. You also can find out which House committees are meeting during each week and the legislation they are scheduled to consider.

We have prepared an entire menu of information for you to browse – you'll be surprised at what you may learn about state government.



# Progress on Local Tax Reform Continues

After the overwhelming approval of the homestead exemption language last fall, the members of the House Finance Committee began work on an agenda to examine three additional pieces of local tax reform legislation. Early this year, the chairman of the committee, Representative Karl Boyes, unveiled this agenda. The remaining local tax reform issues will be considered in three distinct parts.

**Part 1: Local Taxpayer Bill of Rights** – The Finance Committee has already held a public hearing on legislation that would provide increased administrative and procedural protections at the local level for taxpayers. Under this bill taxpayers would have the right to: (1) receive interest on taxes they have overpaid to a local taxing authority; (2) negotiate an installment agreement regarding delinquent taxes with a local taxing authority; (3) an administrative review of their liability for any local tax without having to hire a lawyer and go to court. The committee is planning to consider this bill on March 19.

**Part 2: Homestead Implementation** – The ballot question that voters approved last November did not specify which properties and types of homes would be included in the homestead exemption. This legislation will essentially define the term “homestead.” A single-family house on a quarter-acre lot is easily defined as a homestead. The Finance Committee, and later the entire House of Representatives, must decide if apartments, row homes, condominiums, rental properties and other structures will be entitled to a homestead exemption. The legislature will also be considering how farms will be handled under this provision. The Finance Committee

held a public hearing on this bill in early February and is scheduled to consider the measure on March 26.

## **Part 3: Options for Financing the Homestead Exemption and Referendum Requirements**

The final step in the local tax reform process may be the most challenging. This piece of legislation will outline the taxes that local governments that implement the homestead exemption can use to replace lost property tax revenues. The bill must answer questions such as:

- Which local taxing jurisdictions should be allowed to change their local tax systems? Schools? Counties? Municipalities? All three?

- Which taxes should be included as options for local governments to replace revenues lost through decreased property taxes? Personal Income Tax? Earned Income Tax? Sales Tax?

The initiative will also contain the referendum requirements for local taxing authorities to opt into a new tax system. There are two important questions relative to this issue:

- Should the bill require a referendum **before** any local taxing jurisdiction can change its current tax system?

- Should the bill include a referendum if local governments want to increase property tax rates **after** a switch has been made to a new taxation system?

There are already several pieces of legislation that have been introduced by House members that address some of the preceding questions. Last year the Senate passed a comprehensive local tax bill, Senate Bill 2. These measures will be examined more closely as we move along in the process.

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## High-Powered Rifle Ban Tabled

The Pennsylvania Game Commission has instructed a committee studying the feasibility of expanding the number of special regulations areas in the state, and imposing firearms restrictions in these areas, to conduct further investigation into these matters. This eliminates the possibility of center-fire rifles being banned in portions of Berks and Lehigh counties before the committee completes its additional examination of this issue.

The committee had originally proposed firearms restrictions for areas in southern tier counties due to increased residential development in traditional hunting areas. The group recommended banning the use of center-fire rifles for deer hunting in areas described

as proposed Deer Management Unit 7 - Allegheny and Beaver counties and portions of Butler, Lawrence, Washington and Westmoreland - and **Deer Management Unit 17**, which includes Lancaster County and portions of Adams, **Berks**, Bucks, Chester, Cumberland, Dauphin, Lebanon, **Lehigh**, Montgomery, Northampton, and York.

*The Game Commission is seeking public comment on this matter. Please mail your letters to the Pennsylvania Game Commission at 2001 Elmerton Avenue, Harrisburg, Pennsylvania, 17110-9797 or you can deliver your correspondence to my office and I will forward it on your behalf.*

## *Staying in Touch with Representative Semmel*

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# Investing in Your Children's Future

## Semmel Appointed to TAP Advisory Board

As we draw closer to another high school graduation season, many parents will be thinking about college for their children and how to finance this experience. I am pleased to report that a program in Pennsylvania allows parents to begin saving for college expenses when their children are young.

The Tuition Account Program (TAP) was started in Pennsylvania several years ago and is overseen by the State Treasurer's Office. Thousands of Pennsylvania families have enrolled and are accumulating credits toward their children's college education. In order to open your TAP account, you must complete an application and pay a \$65 application fee. After this, you can deposit any amount of money into your fund at any time.

I am honored to play a special role in overseeing this unique opportunity for Pennsylvania families. As a member of the 17-member advisory board, I assist in monitoring the performance of the TAP program. Financial experts and educators also serve on this board. Each year our group, along with Pennsylvania's Treasurer Barbara Hafer, issue a report to the General Assembly on the status of the TAP Program and the TAP Fund.

By law, the TAP Fund is independent from other state funds and cannot be used for any other purpose. The money in the TAP fund is invested in a balance of fixed income and domestic equity securities. The program is evaluated on a yearly basis for solvency by an independent actuary.

The TAP Tuition credits you purchase will increase in value as tuition increases at participating schools. The four state universities, all the schools in the State System of Higher Education and all Pennsylvania public community colleges have been designated as participating institutions. Once you make this investment, TAP **guarantees** to pay your child's tuition, regardless of what happens to tuition costs. If your child decided to attend any other accredited college or technical school in the United States, the value of your TAP Tuition credits may be used for tuition at those schools.

Parents are not the only people who can use the TAP Program. This opportunity is also available to grandparents, businesses or other organizations.

All TAP tuition credits are fully exempt from state and local taxes. Federal income tax is deferred until the money in your fund is used. At that time, the difference between the amount paid for the credits and the amount of tuition paid is considered taxable income to the student. **If for some reason you cannot use the money you've accumulated in your TAP fund, you can receive a refund.** The portion of the refund you receive depends upon the reason for your request.

The Tuition Account Program is a smart, low-risk way to save for college tuition. If you would like to learn more about this unique program, you can call **1-800-440-4000**, or contact my office for a free brochure entitled, "**Important Facts to Consider When Joining TAP.**"

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## Ridge Budget Proposal Benefits Working Families

### Includes \$128 Million in Tax Reductions

Governor Ridge unveiled his 1998-99 state budget before both chambers of the General Assembly on February 3. The proposed General Fund budget is \$17.8 billion, an increase of \$518 million or 3 percent over last year. More than \$128 million in tax reductions are included within the budget to help working families and to stimulate job creation and retention.

**The budget proposal recommends the following tax relief proposals for individuals and employers:**

- **Personal Income Tax:** The keystone of the Governor's budget is his \$54 million personal income tax cut for working families. This initiative eliminates the tax for a family of four with an income of \$25,000 or less each year.

- **Job Creation Tax Credit:** This credit first became available to Pennsylvania companies two years ago and was used by approximately 80 enterprises. Approximately 13,000 jobs will be created in Pennsylvania through the tax credits that have already been approved. The 1998-99 budget increases the line-item for these incentives from the current \$15 million to \$20 million.

- **Capital Stock and Franchise Tax:** Currently, Pennsylvania's capital stock and franchise tax is the highest in the nation and must be paid even if a business experiences a loss. In an attempt to relieve this burden for job-creating firms and other industries, the budget reduces this tax by one-half mill to 12.25 mills per dollar of capital stock value.

- **Corporate Net Income Tax:** The current maximum period for businesses in Pennsylvania to deduct net operating losses is three years. This is the most restrictive provision of any state that permits a net operating loss (NOL) deduction. This Governor's budget would allow businesses to deduct

net operating losses for up to **10** years. This initiative benefits new companies and high technology businesses with long product development lines.

- **Keystone Opportunity Zones:** Businesses in 12 geographic areas in economically distressed urban and rural communities would be exempt from paying non-federal taxes for a specific period of time.

**The budget aids and promotes agribusiness:**

- The Governor's proposal appropriates \$3 million for agricultural research in plant and animal health, marketing technology, and nutrient management systems.

- \$1.1 million is earmarked to expand domestic and international markets for Pennsylvania's agricultural products.

- \$3.3 million is dedicated to improving planning and prevention of the discharge of agricultural nutrient pollutants.

- \$100,000 has been appropriated for enhanced food safety training for employees in school cafeterias, day care centers, fair concessions, and nonprofit organizations.

**The budget increases funding for education:**

- The Governor has included \$120.7 million in his budget for basic education. This is a 3.5 percent increase over last year.

- Special education programs across the state would receive a \$21.8 million increase.

- The "Link to Learn" program is slated to receive its third and final \$48.3 million installment.

- The State System of Higher Education and the four state-related universities would receive \$33.2 million, a 3.25 percent increase.

- Community colleges will receive \$5.1 million, a 3.25 percent increase, for continued operations.

# Subcommittee Report: A Closer Look at Cellular Antennas

As the chairman of the House Subcommittee on Telecommunications of the Committee on Consumer Affairs, one of my responsibilities is to examine the effects of telecommunications technology on the citizens of this Commonwealth.

Last year, one of my House colleagues had a situation where a school in his district granted permission to have a cellular antenna erected on the roof of one of the school buildings. Immediately, parents and other residents began questioning the health risks associated with having these antennas so close to the students. A cursory examination of this matter suggested the need to further investigate to determine exactly what authority state and local governments have over the placement of these antennas and what responsibilities rest with the federal government.

In April of 1997, the House of Representatives approved a resolution directing the Subcommittee on Telecommunications to investigate all aspects of cellular transmission antennas, as well as the wireless technology associated with these structures. After several months of examination involving public hearings, I was pleased to report the following findings and recommendations to the House of Representatives:

1. *The Subcommittee found that it is within the jurisdictions of state and local governments to exercise authority over the placement, construction and modification of personal wireless service facilities (cellular and PCS facilities), within limitations specified by federal law.*

2. *The Subcommittee recommends that the Department of Environmental Protection establish a program using either state employees or private contractors to review all tower siting applications. These individuals would also test existing towers on a random basis and in response to complaints from municipalities.*

3. *The Subcommittee found that municipalities need assistance in reviewing existing ordinances and in developing new ordinances to address cellular and other personal wireless service applications.*

4. *In order to respond to the previous finding, the Subcommittee is recommending that the State Department of Community and Economic Development (DCED) assist municipalities that are considering proposals from wireless communications companies in developing model ordinances. The Subcommittee's report contains a list of provisions that should*

*be considered when drafting a municipal ordinance.*

5. *In order to give municipalities maximum zoning authority over wireless facilities, the Subcommittee recommends that the state's Public Utility Code exempt wireless communications services from the definition of public utility, similar to an existing exemption for cellular services.*

6. *The Subcommittee urges state and municipal agencies to negotiate in good faith with any wireless communications company that inquires about collocation on their facilities.*

7. *Finally, the subcommittee urges cooperation between counties and municipal agencies in compiling information on all existing wireless facilities, as well as each new location when approved, for use by emergency medical services and state and local governments. This information should be provided to DEP and PennDOT's Bureau of Aviation in order to compile and publish an annual aeronautical chart marking these sites. Wireless communications companies should cooperate fully with this effort.*

The Subcommittee report explains that federal law prohibits state and local governments from regulating the placement of personal wireless service facilities on the basis of environmental effects, health and safety, as long as those facilities are in compliance with federal regulations. In other words, state and local governments do not have the authority to prohibit the placement of these facilities based on health and safety concerns. The Federal Communications Commission (FCC) has regulations in place that these facilities must comply with.

At this time, the FCC is reviewing a proposed rulemaking concerning what information state and local governments can require from wireless providers to determine if their existing facilities comply with the federal regulations and to determine if their proposed facilities will be in compliance. The Subcommittee recommends that this matter be monitored to determine if state or local action is necessary.

As appropriate, some the Subcommittee's recommendations must be drafted into legislation and acted upon by the full House and Senate before becoming law. Other recommendations can be implemented without legislative action.

I will continue to monitor this issue closely. If you have additional questions pertaining to cellular antennas please do not hesitate to contact me.

## Reform Proposed for Our Urban Schools Another Key Element to Workforce Development

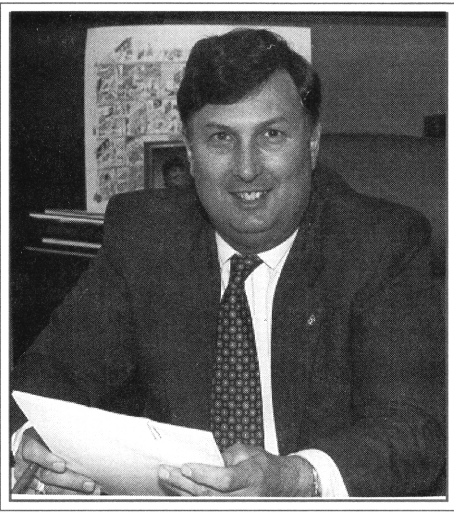
Last December, a special House commission unveiled a series of proposals for changing the structure and operation of the Commonwealth's 24 urban school districts. The panel, known as the "Legislative Commission on Restructuring Pennsylvania's Urban Schools," aimed to identify how the urban education system should be improved to ensure that children become productive citizens and are prepared to enter the workforce in the 21<sup>st</sup> century.

The Commission's final report lists 17 recommendations for reforming urban schools. Some of these suggestions include: (1) opening preschool for four-year-olds; (2) capping class size for children in kindergarten through third grade at 20; (3) developing a report card to evaluate each school's performance; and (4) creating a system of accountability of teachers, students, schools, and community leaders.

One of the most contentious recommendations within the Commission's report proposes a limited tuition voucher pilot program that would allow 3,000 students in the most distressed urban schools to attend any public or non-public school within the city of Philadelphia.

Our state's urban school districts are home to approximately 25 percent of the Commonwealth's 1.8 million students. These schools receive 32 percent, or more than \$1 billion, of Pennsylvania's Basic Education Funding each year. Urban schools also receive 27 percent of the annual allocation of Special Education Funding.

Work is progressing on the legislation that is needed to implement these recommendations. This bill may be considered by the General Assembly later this year.



State Representative

# Paul Semmel

(R-187)

## Special Report on Pennsylvania's Fiscal Plan

July 1998

### State Budget Good For Taxpayers

The General Assembly passed and Gov. Ridge signed the \$18 billion state budget for the 1998-99 fiscal year, more than two months ahead of the June 30<sup>th</sup> constitutional deadline. It includes the biggest tax cut in three years, education funding is at its highest levels and it is the earliest budget in Pennsylvania history.

The budget contains more than \$218 million in tax cuts including \$120 million in job-creating tax relief for businesses and \$88 million in tax cuts for working families.

Pennsylvania homeowners also will save millions of dollars from the repeal of the capital gains tax on the sale of a principal residence. If homeowners decide to move and sell their current home within a certain time frame, they do not have to reinvest the proceeds in another home or have to pay state income tax on the profit.

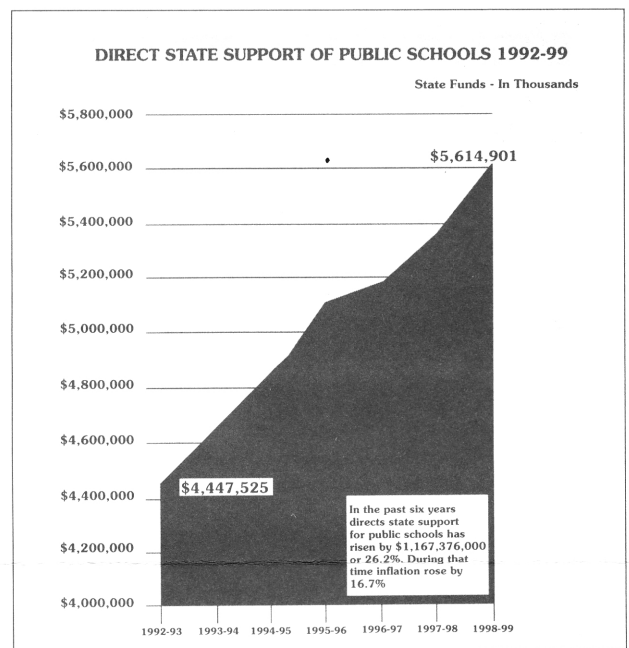
### Public Schools See Increased Funding Under New State Budget

Public schools also benefit under the new budget with a \$383 million increase in funding for education, including \$120 million more in basic education, \$46 million for special education and \$5 million for vocational education programs.

Berks and Lehigh County school districts will receive an average increase of 5.38 percent. Overall 1998-99 state subsidies for basic education, special education and nonpublic student transportation are as follows: **Berks County** - Brandywine Heights, \$3.51 million (+ 5.14 %); Fleetwood, \$2.98 million (+ 10.01 %); Kutztown, \$3.02 million (+ 4.52 %); **Lehigh County** - East Penn, \$9.79 million (+ 2.95 %); Northwestern Lehigh, \$4.92 million, (+ 4.21 %); and Parkland \$6.94 million, (+5.43 %).

The funding levels are determined by a formula which factors in student population and the overall wealth of the school district.

This increased funding for our public schools and education is very good news for our students, teachers and property taxpayers in our area and across Pennsylvania.



*Inside This Issue . . .*

*Tax Cuts . . . . . Job Growth Incentives . . . . . Crime Fighting Dollars*

## Tax Cuts & Credits Provide Greater Job Growth

- **Cut Tax Rate on Business Assets to 11.99 Mills**  
In order to create thousands of new jobs, the Capital Stock & Franchise Tax rate has been reduced from 12.75 mills to 11.99 mills, effective Jan. 1, 1998. This initiative particularly helps small and family owned business to expand and create more jobs.

**\$72.5 million**
- **Exempt Low-income Families from Income Tax**  
An estimated 400,000 individuals will benefit from an expansion of tax forgiveness from the Pennsylvania personal income tax. A family of four which earns \$25,000 will now save \$700, the equivalent of two weeks take home pay.

**\$57.1 million**
- **Exempt Capital Gain on the Sale of a Home**  
Any net gain realized on the sale of an owner's principal residence will not be subject to the 2.9 percent state personal income tax, effective for sales after Jan. 1, 1998. This will allow thousands of homeowners to keep more of their hard-earned dollars when they change residences.

**\$30 million**
- **Extend NOL Deduction to 10 Years**  
New, start-up businesses can now recoup more of their net operating losses. The period of time over which businesses can deduct their net operating loss has been extended from three years to 10 years.

**\$17.8 million**
- **Construction Contract for Exempt Entities**  
Certain items of personal property included in construction contracts with exempt entities, such as nonprofit organizations, are exempt from the sales and use tax, effective July 1, 1998.

**\$11.7 million**
- **Vending Machine Sales**  
Certain foods and beverages sold from vending machines will be exempt from the 6 percent sales and use tax, effective July 1, 1998.

**\$13.8 million**
- **Keystone Opportunity Zones**  
Businesses are being encouraged to reclaim blighted areas with 12 geographic areas in economically distressed urban and rural areas designated as Keystone Opportunity Zones. These areas will be tax-free or virtually tax-free zones for a specific time period, with the state helping to reimburse municipalities for lost tax revenues while the sites are reclaimed.

**\$5 million**
- **Job Creation Tax Credit & Other Reductions**  
Job creation tax credits are increased by \$5 million to \$20 million. Other tax reductions total \$5.2 million.

**\$10.2 million**

## Pennsylvania Budgets Save Money *1995-1998 Budgets Cut Taxes & Improved Jobs*

- More than **\$3.6 billion** in cumulative tax cuts and Workers' Compensation savings for the business community.
- More than **\$2 billion in tax cuts** and credits enacted in past four years, benefiting business, homeowners and wage earners.
- Workers' Compensation was reformed at a cumulative **savings of \$1.6 billion** to companies, with employee deaths plunging to 137, the lowest since 1916.
- **Employment increased by 250,000** with more people working today than at any other time in Pennsylvania history.
- In 1997, Pennsylvania ranked **5<sup>th</sup> in the nation for new job creation**.
- Pennsylvania ranked **4<sup>th</sup> in the nation in 1997 for growth of high-tech exports** by *Export Today* magazine, an 11.4 percent increase over the previous year.
- Welfare reforms reduced cash grant costs by **\$474 million**.
- Pennsylvania considered the national leader in electric deregulation, with businesses and homeowners slated to save millions of dollars when it is fully in the year 2000.

**PAUL W. SEMMEL, MEMBER**

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*House of Representatives*

COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

COMMITTEES:

AGRICULTURE AND RURAL AFFAIRS  
APPROPRIATIONS  
COMMERCE AND ECONOMIC DEVELOPMENT  
CONSUMER AFFAIRS  
MAJORITY SUBCOMMITTEE CHAIRMAN ON  
TELECOMMUNICATIONS

APPOINTMENTS

MAJORITY POLICY COMMITTEE  
CHAIRMAN EAST CENTRAL CAUCUS

## PA Health Care Consumers Now Afforded Greater Protection By Rep. Paul Semmel (R-187)

June 9, 1998, represents another historic day in Pennsylvania lawmaking. Members of the General Assembly approved landmark legislation that provides sweeping changes in the way managed care providers do business in the commonwealth.

The precedent-setting measure greatly expands protection for the five million Pennsylvanians currently enrolled in HMOs (health maintenance organizations) and other managed health care plans. Better treatment, greater access to health care services and procedures to appeal provider decisions are among the major highlights of the bill.

Other key provisions of the Health Care Accountability and Protection Act include:

- plain English descriptions of what plans do and do not cover;
- ban on "gag orders" and financial incentives that prevent doctors from fully discussing all treatment options with patients and prohibition of expelling doctors for expressing disapproval over patient treatments;
- allowance for women to visit an obstetrician or gynecologist without obtaining a primary-care physician (gatekeeper) referral;
- guaranteed greater access to health-care services, including 24-hour and out-of-service-area emergency visits, and coverage requirement for emergency visits

if the patient believed the visit was medically necessary;

- detailed complaint and grievance procedure designed to provide both consumers and their medical providers with an opportunity to appeal decisions made by the managed care plan.

No longer will Pennsylvania's managed care patients find themselves without options when medical care is denied.

Other elements of the bill include prompt payment (within 45 days) of non-disputed claims; requiring plans to disclose standards used to admit participating medical providers; patient continuity of care by their provider for 60 days after they have left the plan, or for persons enrolling in a new plan; and penalties and possible injunctions for persons who violate the act.

With an estimated 80 percent of Pennsylvanians expected to be enrolled in managed care by the year 2000, this historic legislation will ensure that they are getting the best care possible.

It establishes Pennsylvania as a leader in protecting the rights of patients in managed care plans.

This is the strongest pro-consumer health care legislation ever passed by the Pennsylvania General Assembly. It meets and exceeds the 10 consumer protection principles set forth by Governor Ridge, and puts the rights of patients where they should be – first and foremost.

I am proud to have been part of this June 9, 1998, historic legislative process.

**PAUL W. SEMMEL, MEMBER**

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MAJORITY POLICY COMMITTEE  
CHAIRMAN EAST CENTRAL CAUCUS

## More Good News For College-Bound Students and Families

by Rep. Paul Semmel (R-187)

College-bound students and their families are certain to welcome good news that recently came out in two areas of importance for those planning to pursue higher education – student state grants and state-administered tuition savings accounts.

On April 30, the Pennsylvania Higher Education Assistance Agency (PHEAA) adopted changes that will enable an estimated 6,000 additional financially-qualifying students to receive state grant awards during the 1998-99 school year.

As a result, the number of students statewide receiving PHEAA grants is expected to increase to approximately 148,000. The agency adopted revisions to its grant “awarding formula” to reflect funding increases in the recently passed 1998-99 state budget. The record-breaking spending plan, the earliest completed budget in three decades, includes \$266.8 million – a seven percent increase – for the state grant program for fiscal 1998-99.

Formula changes made possible by the additional funding include increasing the maximum grant award from \$2,700 to \$2,900 for full-time students and from \$1,350 to \$1,450 for part-time students. The average grant for 1998-99 is expected to be \$2,078, about \$115 more than the previous year. PHEAA grants are provided to undergraduate students based on financial need and do not have to be repaid.

Other good news, coming out the same day as the PHEAA announcement, centered on two key improvements to Pennsylvania’s Tuition

Account Program (TAP). Administered by the state Office of the Treasurer, the TAP program enables families to buy tomorrow’s college tuition at today’s prices, while getting a tax break. The popular plan has more than 20,000 participants.

As a member of the 17-member TAP Advisory Board, I am pleased to have participated in actions that benefit TAP program participants. The two board-approved changes made to further enhance the program benefits are:

- reducing from four years to one year the waiting period between the time families prepurchase TAP credits and the time they are eligible to use those credits; and
- reducing the enrollment fee from \$65 to \$50.

The previous four-year waiting period, in essence, barred the program as a viable option to the very people most in immediate need – high school students and their parents. These families were being turned away because the 48-month interim between purchasing credits and being able to use the credits did not meet their more immediate needs.

Now, with the change to a one-year waiting period, TAP credits become a perfect high school graduation gift, which can be used to pay tuition at any accredited college, university, trade or technical school – public or private – anywhere in the country.

This program revision will enable TAP to serve the families of the 600,000 Pennsylvania students currently enrolled in grades 9 - 12.



# Working Families Win With New State Budget

Pennsylvania taxpayers can be proud of our new state budget, which the House approved by a 178-20 vote. The \$17.96 billion plan was then quickly signed into law by the governor two months before the June 30 deadline.

With more than \$220 million in tax cuts, this budget represents our continued commitment to Pennsylvania's families and our effort to make Pennsylvania a national leader in the competition for jobs.

## This budget helps hard-working Pennsylvania families.

- It eliminates the state income tax for families of four who earn up to \$25,000.
- It eliminates the capital gains tax on the sale of a homeowner's primary residence.
- It cuts business taxes and gives businesses expanded tax incentives to create even more jobs.
- More than \$7.5 billion is committed to educating Pennsylvania's children, including increases for Pennsylvania's colleges, universities and community colleges.

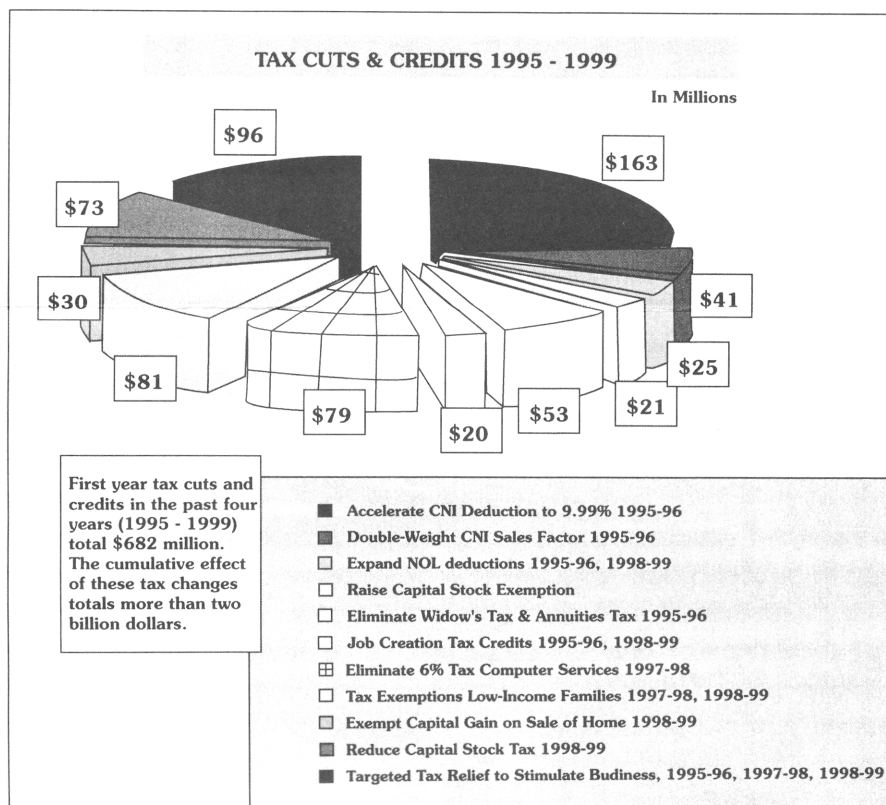
## Over three years, we have cut taxes by more than \$2 billion, creating more than 230,000 new jobs.

Now businesses are looking to locate in the Commonwealth. *Site Selection* magazine, a recognized national authority, has ranked Pennsylvania in its top 10 for new facilities and expansions, and new manufacturing locations.

## This budget protects Pennsylvanians and improves our economy.

- Environmental protection by including \$44 million for communities to help them cover costs of operating their sewage treatment facilities and \$6.7 million for programs to assure safe water.
- Medical services for women by providing a \$2 million increase in funding to expand medical services for low-income women, including health screening and pre- and post-natal care.
- Job training by providing \$30 million in additional funding.
- Tourist promotion and marketing to attract new businesses and jobs to Pennsylvania by providing a \$5 million increase in funding.

*This is a good news budget.  
We have continued to hold the line on spending.*



## Improving Our Economy

*At a time when more people than ever are working in Pennsylvania, we have reduced taxes and implemented new incentives to create jobs in the Commonwealth. With \$218 million in tax cuts and \$605 million in economic development, this budget further boosts Pennsylvania's improving business climate.*

## Educating Our Children

*This year, we took special care to make sure our children and young people could obtain a top-quality education to learn the skills they'll need after graduation and to find good-paying jobs in Pennsylvania. We included an additional \$383 million for education, including \$120 million more for basic education and \$46 million more for special education. This budget also dedicates \$1.6 billion for colleges and universities.*

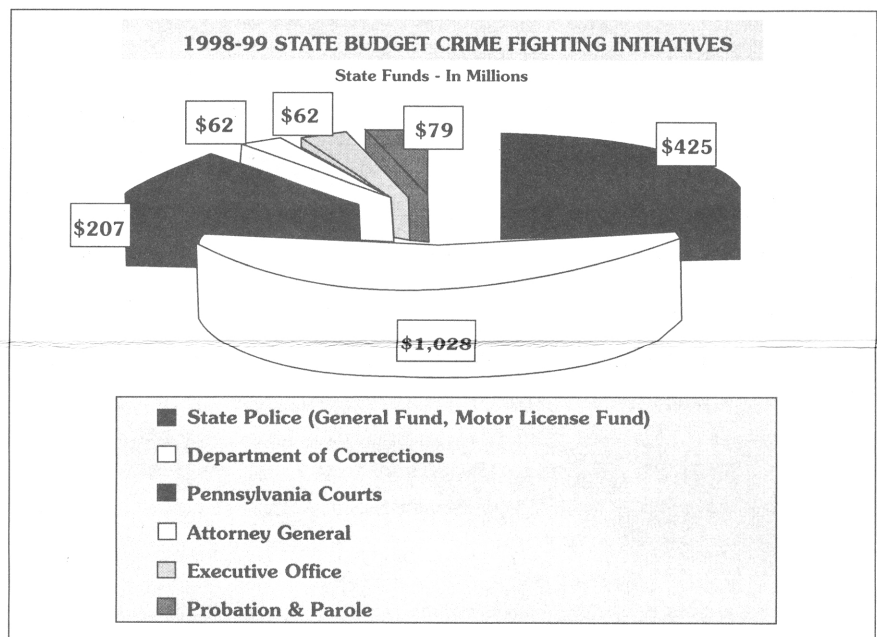
*The 1998-99 budget is a budget for everyone who works hard to collect a paycheck and for everyone who is trying to build a future in Pennsylvania.*

## Building A Future In Pennsylvania By Helping Older Citizens

### 1998-99 Major Lottery Funded Programs (In Thousands)

PENNCARE (services to seniors through AAA)	\$181,397
Pharmaceutical Assistance (PACE)	\$260,000
Property Tax & Rent Rebate	\$83,300
Transportation Assistance	\$123,027
<b>Total</b>	<b>\$647,724</b>

## Building A Safe Future By Fighting Crime



The 1998-99 state budget commits nearly \$1.9 billion to crime-fighting initiatives to make our neighborhoods safer places to live and work.

## A Few Words On Our Newsletter Inserts

Enclosed with this newsletter are two inserts that I hope you will find useful and informative. One insert is a return form for requesting free state publications through our office. Simply place a check mark next to the publication/s you would like to receive, affix a 32-cent postage stamp, and drop it in the mail.

The second insert consists of two newspaper columns written by me for publication in our weekly newspapers. I select topics that I believe will be of interest to a broad range of my constituents. Most often, the columns are about legislative efforts in Harrisburg or state programs that benefit Pennsylvanians. Sometimes, however, I write about items of local interest such as our volunteer fire companies and the PUC area code overlay issue. I hope you enjoy reading the enclosed columns. Don't forget to look for future columns in our weekly papers.

