



CUTTING REMARKS—State Sen. Wayne Fontana gives his take on how budget cuts may affect minority businesses to the African American Chamber of Commerce as President and CEO Doris Carson Williams looks on. (Photo by Gail Manker)

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Fontana talks funding cuts at Chamber breakfast

by Christian Morrow
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For the African American Chamber of Commerce's last PowerBreakfast meeting until September, President and CEO Doris Carson Williams asked long-time state Sen. Wayne Fontana, D-Brookline, to give the members his take on the recently completed state budget negotiations, and how the final budget may affect small and minority-owned businesses.

Though Fontana, who also chairs the city-county Stadium and Exhibition Authority, said he respected Gov. Tom Corbett's efforts to "right the state's fiscal ship," but did not agree with his choices.

"I'm disappointed because I thought (the budget cuts were) unnecessarily harsh in some areas and that some priorities were misplaced," he said. "I tried to save some economic development programs, but in the end we saw major cuts to almost every program."

Fontana noted his dissatisfaction with the lack of a Marcellus Shale severance tax and failure to close the "Delaware loophole," both of which, he said, would have created more tax revenue and perhaps not have necessitated all the budget cuts.

As for budget changes that might be detrimental to small and minority-owned businesses, Fontana did not note any specifics during his remarks, but said that is because of uncertainty about how the overall 20-percent cut to the Department of Community and Economic Development will affect specific programs, especially with several being consolidated.

However, in a handout his office prepared, Fontana did note not everything is gloom and doom. The budget continues the phase-out of the

Capital Stock and Franchise Tax, retains the Job Creation Tax Credit and the Research and Development Tax Credit, continues to fund the PA Healthcare Cost Containment Council, and contains no new taxes or borrowing.

He noted that the restructuring of the DCED consolidated the Industrial Development Assistance, Local Development District, Small Business Development Centers, and Industrial Resources Centers programs into a single entity called PREP, Partnership for Regional Economic Performance. PREP will have 25 percent less funding than the four individual entities and 60 percent of its awards will require competitive applications.

One regret Fontana did mention was his inability to get a package of Democratic bills called PA Works to the Senate floor for debate. One part of that package was a bill to provide a statewide surety bonding program for minority businesses modeled on Allegheny County's bonding program.

"It wasn't even considered. It got bottled up in committee and died there," he said. "But since then I've had discussions with state Sen. John Pippy (R-Moon Twp.), and he has agreed to reintroduce the bill in the next session."

When asked about possible effects of the federal budget standoff, Fontana said a default could cut off funds to many programs.

"We use local and state funds to leverage federal dollars for big projects, if there are no federal dollars, there will be tough times."

As for the specific allocations to various consolidated state agencies, Fontana said he really wouldn't know what they are until the process is completed.

(Send comments to cmorrow@newpittsburghcourier.com.)