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Pgh Post Gazette 12-4-15

State may have budget deal soon, Wolf says

GOP spokeswoman says 'one big push' likely this weekend

By Adam Smeltz
Pittsburgh Post-Gazette

Pennsylvania may be down to its last week or two without a 2015-16 state budget.

In a Thursday appearance Downtown, Gov. Tom Wolf said he expects to finalize by mid-December a long-overdue budget deal with Republican lawmakers. Senate Republicans are hoping for the same timeline, said Jennifer Kocher, a spokeswoman for Senate Majority Leader Jake Corman, R-Centre.

"As you have seen in the past, my predictive powers on when we're actually going to get a budget have not been all that great. But I think we're close," Mr. Wolf told reporters at the Omni William Penn Hotel, where he spoke before the African American Chamber of Commerce of Western Pennsylvania.

The Democratic governor and

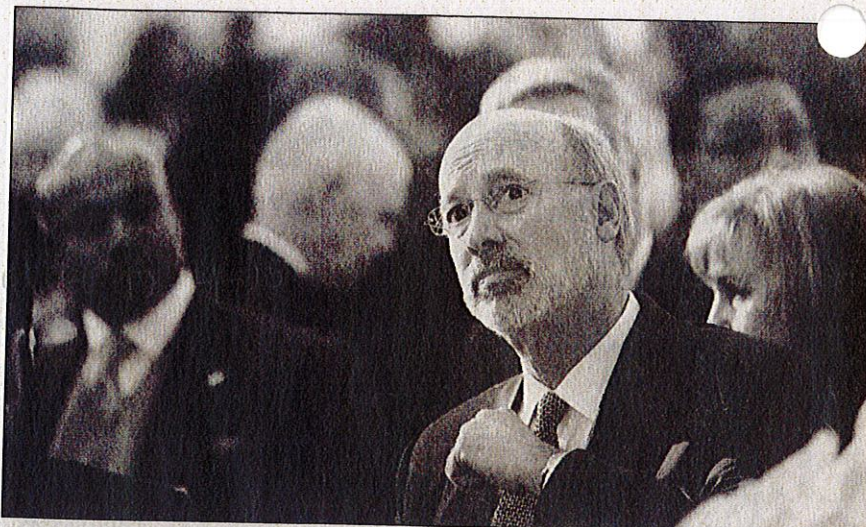
GOP lawmakers are locked in a five-month disagreement over state taxes and expenditures, having negotiated on and off since the June 30 budget deadline. Ms. Kocher said talks will probably continue this weekend in "one big push."

"We've come to agreement on about 90 percent of the issues. Some of the remaining 10 percent can be difficult to iron out," she said.

Mr. Wolf has favored higher sales and personal income tax rates, in large part to support education and to reduce property tax burdens. He said those increases are now off the table, but lawmakers appear likely to drop some exemptions to the state sales tax.

Ms. Kocher said negotiations are still sorting out which additional products and services could fall under that tax — and how best to divvy up new revenue for education. Although arts and tourism groups have opposed new sales taxes on their operations, budget negotiators said there's no agreement yet on which exemptions to remove.

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Larry Roberts/Post-Gazette

Gov. Tom Wolf listens to his introduction by county Executive Rich Fitzgerald before a speech Thursday at the African American Chamber of Commerce's annual business luncheon at the Omni William Penn Hotel, Downtown. The Democrat told the crowd a budget agreement is expected soon.

Judge denies foster care group's funding request

By Kate Giammarise
Post-Gazette Harrisburg Bureau

HARRISBURG — A Commonwealth Court judge has denied an injunction to a coalition of foster family agencies and group home service providers that had sued the state, hoping to compel the Department of Human Services to release funds during the ongoing budget impasse.

The budget stalemate, which is now in its sixth month, has halted millions in aid to social services.

The Pennsylvania Council of Children, Youth and Family Services sued Gov. Tom Wolf and the Department of Human Services in Commonwealth Court in September, arguing their services should be deemed "essential," and thus funded during the budget impasse.

Commonwealth Court Judge Robert Simpson wrote, "While in a common sense, non-legal context, a strong argument can be made that child welfare services, especially those that are court-ordered, should qualify as 'essential services' deserving of continued funding, the current controversy also implicates important state constitution and sepa-

ration of powers issues. ... [W]e reluctantly deny PCCYFS's application for an injunction, he wrote in an opinion last month.

The ruling also stated these funds are ultimately "subject to the appropriations process and require an approved appropriations act," referring to a budget.

During the impasse, payments are still being made for state payroll, federal entitlement programs such as Medicaid, payments for the "health and safety of those" in the commonwealth's custody such as prisons and state hospitals, public safety programs such as the state police, and programs not subject to the appropriations process, such as unemployment compensation or debt service payments.

"While this Court would welcome a change in current law to make PCCYFS's right to relief clear, law change authority is not within our current portfolio," Judge Simpson wrote.

A spokesman for Mr. Wolf declined to comment.

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Wolf: Budget impasse almost over

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"Many of the things on the table are closing loopholes and updating the tax code to reflect technology," such as online hotel bookings and digital downloads, Mr. Kocher said.

Republican lawmakers have said they won't consider dropping exemptions on food or clothing. Other exemptions apply to salon services, dry cleaning, parking fees, tickets to sporting events or amusement parks, golf courses and bowling alleys.

Mr. Wolf said a more far-reaching sales tax would modernize the levy.

"In a perfect world there wouldn't be taxes on anything. But that perfect world actually needs public goods," he said. "So we have to figure some fair way to pay for those things."

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