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EDITORIAL

Corporate Welfare

With the passage of the 2012-13 Pennsylvania budget, it's time to end the "welfare queen" stereotype.

Why worry about someone using food stamps to buy candy when the state is giving billions of dollars in tax credits to a foreign oil company to build a plant in Pennsylvania that will create an estimated 400 full-time jobs or corporations that offer scholarship money for children to move to public, private or religious schools?

While Shell Oil Co. and other corporate entities are getting their cut of state tax money, teachers are being squeezed out of work, senior citizens are seeing programs cut and the disabled, well, isn't there a leper colony for them somewhere?

Pennsylvania's $27.65 billion budget contains no new tax hikes. That's something everyone can understand in today's tough economy.

Thanks to increased tax revenue and Republican lawmakers who lobbied Gov. Tom Corbett, the budget spends $550 million more than he proposed in his February budget address.

The budget holds the line on funding for state-owned and state-related universities and community colleges. At the same time, it cuts financial assistance for college students. So, costs at schools are going up and financial aid is falling. Ironically, that's being portrayed in a positive light because, initially, those schools faced a 20 percent cut in funding.

In fact, although the governor called education "our No. 1 spending priority," public schools were the big losers.

Yes, the budget contains an additional $856 million to cover public school pension costs, as well as 0.9 percent increases for public school instruction and operations and 0.7 percent for public school transportation. The majority of the instructional costs, however, are earmarked for distressed schools. Thus, if you eliminate the state-mandated pension allocation, public schools will be receiving less money than corporations that qualify for the Earned Income Tax Credit program to offer scholarships to students in underperforming schools to go to other public, private or religious schools.

If education is being shortchanged, those most at risk -- the poor and the medically disabled -- are all but being abandoned.

The budget cuts cash payments to an estimated 70,000 participants in the General Assistance program (including nearly 1,500 in Lancaster County) and establishes new work requirements for medically disabled folks at a time when the able-bodied cannot find work.

There are those who claim this program has outlived its usefulness. If so, they need to offer a solution to the problem. Unfortunately, they have offered no alternative to aid the least fortunate among us.

The governor said this budget "will bring a change in the culture of state government."

That it does. Beginning in 2017, the Shell Oil deal offers a nickel-per-gallon tax credit to companies purchasing and using ethane from gas wells in Pennsylvania. In order to be eligible for the tax credit, other companies must be willing to invest at least $1 billion in the state and create at least 2,500 construction jobs.

That's great ... if it comes to pass.

Shell has two years to decide if it will build the plant -- something that is contingent upon the supply of natural gas, the reserves of which are now being questioned after the federal Energy Information Administration revised projections downward earlier this year.

Business leaders are hailing this budget.

Little wonder: Many of them are now eligible to become the newest welfare recipients.