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## Senate of Pennsylvania

October 2, 2008

The Honorable Edward G. Rendell  
Governor  
Commonwealth of Pennsylvania  
225 Main Capitol  
Harrisburg, PA 17120

Re: State Budget

Dear Governor Rendell:

Thank you for your letter of September 19 regarding the Commonwealth's fiscal situation. I share your disappointment that revenue collections through the end of September were 4.7 percent (\$281 million) below the July projections of your budget secretary. This situation presents us with obvious challenges, as outlined in your letter, but also an opportunity to improve our budgeting process in the future.

I plan to introduce legislation early next year to create a nonpartisan Legislative Budget Office (LBO). The LBO will be responsible for providing fact-based revenue projections, analyzing tax proposals, and doing so in an open, transparent and timely fashion. I hope you will embrace this concept.

Under the new Senate Republican leadership, Senate expenditures increased just 2.81 percent and 2.65 percent in the two most recent fiscal years. Appropriations to the Senate have declined, dropping from \$108.3 million in fiscal year 2005-06 to \$101.8 million in fiscal year 2008-09, a decrease of more than 6 percent. Finally, the actual number of employees in the Senate Republican Caucus has been reduced from 452 in January 2006 to 413 today, a decrease of 8.6 percent. We will continue to look for ways to cut expenses.

I look forward to working together in the months ahead to do all that we can to help the Commonwealth weather this economic downturn.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Pileggi".

DOMINIC PILEGGI  
SENATOR

DP/EA/jez