

The Debate

The Pitt Political Review tried many times to interview both Democratic Governor Ed Rendell and his Republican challenger, Lynn Swann, in order to inform you, as voters, about the issues they find important and their goals for Pennsylvania. Both candidates' campaigns agreed to give us interviews, but they failed to honor their agreements. We hope that in the future, politicians will be more attentive to their student constituents and will engage publications that are directed at that demographic. For the time being, we present to you excerpts of the only gubernatorial debate held in Pittsburgh between Rendell and Swann

along with our own analysis. This analysis will appear in the outside column of each page in a black box next to the statements of both candidates.

The debate was hosted by KDKA, the Pittsburgh Post-Gazette and Point Park University and was aired on KDKA on October 4. The debate was moderated by KDKA's Ken Rice and questions were asked by a panel consisting of KDKA's John Delano and Harold Hayes, The Pittsburgh Post-Gazette's Executive Editor David Shribman and Politics Editor Jim O'Toole, and two Point Park University students in the audience.

Opening Statements

The opening statements of these two candidates highlight a trend that is clearly discernable in many races throughout the country: the tendency of incumbents to take credit for the good things that have occurred during his/her term in office, and the tendency of the challenger to blame the incumbent for all that has gone wrong during that same term. Thus, Rendell focuses optimistically, if not vaguely, on "investing" in the future, while Swann takes poetic license to paint a dismal image of daily life at present in Pennsylvania.

While not all self-praise and anti-incumbent criticisms are hollow, much of this debate centers on such things as the performance of the economy and the test scores of children in schools, over which the incumbent often has little short-run control. However, both candidates seem to find it politically expedient to assume that the governor had absolute control over the course of the state for the past four years.

The closing statements of each candidate, which will not be presented in this analysis, are omitted because each candidate essentially reiterates his opening statement. Rendell, as the incumbent, can focus on what he has done in four main areas: the environment, property tax reform, education, and the economy. Swann, as the challenger, defines himself in opposition to the Governor, and outlines a platform based on lowering taxes and improving the business climate of Pennsylvania, as well as bringing change to Pennsylvania politics.

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Rendell: "When I ran for governor in 2002, I said I was running because I wanted to revitalize every community, improve education, support our seniors and reduce property taxes. Today, Pennsylvania is moving forward, and we are a stronger state than we were four years ago... We invested in our economy, and today Pennsylvania has the highest number of jobs in our state's history... We invested in our schools, and as a result, there's been substantial improvement in every grade level... We invested in our environment, and as a result, our rivers are cleaner, we preserved more open space and became a national leader in creating cleaner, more efficient, renewable energy. And we invested in protecting our senior citizens, and as a result Pennsylvania has the number one senior prescription drug program in the nation... We have challenges ahead of us, but we also have enormous opportunities."

Swann: "I believe that this election will be about change for the Commonwealth of Pennsylvania. Every day, what I've discovered over the last year, Pennsylvanians wake up, they go to work, and sometimes they can't put their finger on what the problem is, but they sense that things just aren't right. They're working longer hours, they're coming home, there's less money in their paychecks, their spending less time with their families... I believe in the "two R's:" I believe in reform, and I believe in results... My opponent believes in the "two R's" also: he believes in rhetoric, and he believes in Rendell."

Legislative Pay Raise Scandal

Both candidates struggle to avoid culpability on this issue (see "Down and Dirty in PA" on page 8). Given the centralized structure of party machinery in this country, a candidate for governor from either of the two major parties that would receive PA Clean Sweep endorsement is unthinkable. Swann depends on his support and legitimacy from the state Republican leadership, against whom voter sentiment was concentrated. Rendell signed the law.

This is a case where Rendell is culpable for a mistake he made during his term. He admits this mistake, an admirable move in today's political environment. Swann attempts to highlight the governor's moral bankruptcy in signing and supporting the bill prior to the public outcry.

Delano: " Governor... You called Lynn Swann a hypocrite because he supported the legislative leaders, Republican leaders, who backed the pay raise, the controversial pay raise, while he attacked you for signing it. But isn't this one issue where it's fair to say you flip-flopped, that you supported the pay raise initially and now call it a mistake?"

Rendell: "Jon, I... truthfully, it was a mistake to sign the pay raise... it was the process in those two instances, and in the time that I signed it, that were wrong. What I should have done was... established a citizen's commission... to go out and hire experts to compare salaries in other jurisdictions and also in the private sector. And then the citizens commission [should have had] a full and public hearing. That's what we should have done."

Swann: "Well, I think you're right, Jon. The governor has been on all sides of the pay raise issue. He was for it, called it a good piece of legislation. He signed it, said he would sign it again the month after that; it was only when the people of Pennsylvania determined that it was not good for them, that suddenly Ed Rendell was against it and blamed the legislature. [He] blamed the legislature for something that he had hands-on negotiations with and has admitted to such."

Rendell: Well, let me start by saying that before I signed the pay raise, and before there was any to do about it, I said that I wouldn't take the pay raise myself. I thought it was improper for me to take the pay raise. Secondly, Mr. Swann is a hypocrite. He went out and supported the very legislative leaders who thought up the pay raise, pushed the pay raise."

Swann: (Laughing) "Mike Vion who is a Democrat, Ed Rendell has supported. Mike Vion voted for the pay raise... So, you know, Governor, you can call someone a hypocrite if you want; the reality is you organized it, you negotiated it, you had the chance not to sign it, and you signed it."

Mass Transit Scandal

Harold Hayes: "Is there a role for the state to play in stabilizing fares, stabilizing service, or should the local transit agency be left to its own devices to balance its own budget?"

Swann: "Well, there should be a form of dedicated funding for mass transportation so that we aren't moving hand to mouth. We have not sat down at the table, this administration has not sat down at the table, to resolve those particular issues... we have to sit down and find a dedicated source of funding, to make sure that mass transportation is there for people to get to jobs, wherever the jobs may be."

Rendell: "I came in, at a time when mass transit systems in Philadelphia and Pittsburgh were threatening debilitating service cuts and fare increases, and [I] flexed money so that those systems could keep going while we looked for better solutions for permanent and dedicated funding. But Mr. Swann is wrong about one thing: we did take action on this, the Democrats and myself, and endorsed a plan that would have raised the motor vehicle fees and put that money into a dedicated stream for mass transit."

Swann: "Well, I think that the mistake here, in trying to handle mass transportation in this administration when everybody was at the table to negotiate and trying to resolve it, was flexing the funds... he flexed a half billion dollars away from funds that were dedicated for bridges and highways and the infrastructure for the Commonwealth of Pennsylvania... you flex a half billion dollars and you don't solve the problem. I don't think that's good planning or good leadership."

Rendell: "Well, first of all, Mr. Swann's wrong on his facts. We've increased funding for highways, bridges and roads by 1.5 billion dollars... when I flexed the funds for mass transit, we also made available more funds, \$530 million dollars extra for highways and bridges. And we did try to do something about it, but it was the Republicans in the legislature who refused to pass that dedicated funding..."

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This question involves the Port Authority of Pittsburgh, upon which many students at Pitt rely in order to get to class and around the city. Both candidates speak of finding dedicated funding, but neither mentions explicitly what he means by this. Rendell mentions that he attempted to raise motor vehicle fees, which indicates that he planned to fund mass transit from a tax upon motor vehicle operators (those who are least likely to depend on or benefit from mass transit). Swann's comments indicate nothing of what he means by "dedicated funding", but his answer to a survey conducted by the Commonwealth Foundation, a conservative Pennsylvania think tank, illuminates his position: he checked "disagree" when asked if the best way to pay for mass transit in Pennsylvania was by finding a dedicated source of tax funding instead of raising fares. His comments do not discount the possibilities of raising fares or cutting back services. Rendell's comments indicate that he does not consider either option to be a viable solution, but, as Swann points out, Rendell's fund-flexing is not a permanent solution to the budget crisis that faces the Port Authority each year.

Property Tax

Swann's proposal for property taxes does, in fact, include provisions to use surpluses to lower taxes. Governor Rendell accurately points out that this would cause the tax to fluctuate as the budget surplus fluctuates. It also represents what Ed Rendell refers to as "tax shifting". Swann, like Rendell, plans to permanently finance property tax relief with gaming revenue and the reduction of wasteful spending. Rendell focuses on gaming, believing he can raise \$1 billion in revenue per year from this source. Swann emphasizes the reduction in spending, particularly by consolidating local health care for school districts into the state's health care system, which the Budget and Finance Committee estimates could save nearly \$835 million annually. Both estimates seem generous. Both Rendell and Swann also have plans to prevent future increases in property taxes. Swann proposes an end to the current system, whereby property taxes are taken as a percentage of the current value of the property, which is assessed by the state, and which fluctuates year to year. This system has led to increases in property taxes, especially in recent years, since housing prices have grown at an incredible pace. Rendell supports voter referendum for any increase in property taxes that exceeds the rate

Schribman: "Governor, you promised that there would be a thirty percent reduction in property taxes in your first term. So far, as you noted yourself, some low income seniors have received some property tax relief. Given the challenges of moving even a modest tax change through legislature, how do you think you can deliver the more widespread, significant property tax savings that many Pennsylvanians really want?"

Rendell: "We passed a bill that will deliver one billion dollars in property tax relief, and it's not just a few low income seniors. It's every senior who makes less than \$42,000... For the rest of us, I couldn't get the legislature to pass new tax shifting, raise another tax, to cut down property taxes. Everyone across the state will get a \$206 cut, that's not as good as I would like, and I'm going to go work and see if we can do some tax shifting next year to deepen the property tax cut."

Swann: "Well, I think obviously, you've heard that there are dollars being thrown at a problem, throwing dollars at the senior citizens, giving them a few more dollars, but not reforming property tax... it's not real reform. And, it's only dollars and cents for one out of six property owners. What about the other five? We need real property tax reform in the Commonwealth of Pennsylvania... it seems like (Rendell) is always complaining that it's the legislature that's always at fault...Where's his responsibility in initiating a real reform?"

Rendell: "Well, Lynn, you'll learn that the people of PA don't elect you as king, you have to work with the legislature, and you can only propose; the legislature disposes. But let me talk to you a little bit about Mr. Swann's property tax plan... it depends greatly on taking 75 percent of existing surpluses. So, if we have a surplus one year, you'd get property tax cuts, but in the next year, your property taxes would go up if we didn't have a surplus."

Swann: "Number one, Ed's numbers are wrong. The average surplus for Pennsylvania over the last 10 years has been about \$300 million a year. Go figure how, in an election year, we come up with a \$900 million surplus. What my property tax plan does is reform property tax for Pennsylvania, for all of Pennsylvanians. There's a cap on it. It reforms the entire system."

The Future of Education

Point Park Student: "It has recently been reported that public colleges and universities in Pennsylvania are charging more than similar institutions throughout the United States. What are you planning to do to help us, as students, cope with these rising tuition costs?"

Swann: "I can't sit here and tell you honestly that there's this infinite pile of money that we can throw at any particular problem, so we have to be fiscally smart and conservative about how we use the money. I think currently our state budget, at \$26.1 billion, is an awful lot of money that the Commonwealth is spending in terms of its budget. If we are fiscally more responsible; if we can save money in other areas, we should be funneling that money towards education."

Rendell: "Well, Michelle, I intervened personally with the state's system of higher education, the only colleges that we have direct control over the last three years, and had them roll back the tuition increases they wanted to do. Secondly, we've increased the grant money for PHEAA, the state has put an additional 38 million dollars annually, and we leaned on PHEAA to make them put in \$72 million, that's a 110 million more in grants... and those PHEAA grants are available to students who go to any college or university."

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of inflation.

Swann's response focuses on fiscal responsibility, indicating that he does not intend to increase funding for education. He may or may not have a plan for removing waste within the university system in order to make college more affordable, but his vague response does not provide specific information as to how he will accomplish this. Rendell, on the other hand, provides specific examples of things that he has done to slow the growth in the cost of education. He cites, for instance, that he forced universities such as Pitt to roll back tuition increases. He doesn't mention, however, that in doing so, he also forced them to decrease their budgets. These decreases certainly involved cutting some planned spending, which may have affected the quality of education that students at Pitt and in other public universities throughout the state are receiving.

Pennsylvania's Economy

As noted previously, it is wrong to assume that the governor is entirely responsible for what happens to the economy of a state during his tenure. If this were true, then every governor in the country would be culpable for job losses in 2001, a recession year, even though the phenomenon was nationwide. Likewise, Rendell cannot take credit for the 133,000 jobs added during his tenure, as he served from 2003 to the present, a period of enormous economic expansion nationwide. Furthermore, job growth, at 2.4 percent, lags behind the national average of 3.9 percent. His claim that the Forbes report was based largely on a Pollina report with data from 2002 may or may not be accurate, but the agency has lowered Pennsylvania's pro-business ranking since 2002, from within the top 15 in 2004 to within the bottom 25 this year.

Swann also assumes that the governor is entirely responsible for the economy. He notes that Pennsylvania lost 35,000 jobs since June of this year. However, he fails to note that unemployment rose nationwide during those months, and that the economy as a whole is cooling from the pace of 2003 to 2005. His statistics about how many jobs Rendell failed to create are based on a study done by the Commonwealth Foundation, an unabashedly conservative think-tank.

While the governor of a state may be able to influence future economic growth through setting pro-business policies now, he has little control over the performance of the economy as a whole over a four-year period. This fact is not presented in the course of this debate.

Rice: "Governor... Forbes Magazine says PA is one of the worst states for business. One of the ten worst, in fact the tenth least business-friendly, based on the business costs, growth prospects, economic climate... when you look at metropolitan areas, Forbes said Pittsburgh ranks only 65... can't we do better, and specifically, how?"

Rendell: "First of all, the Forbes study is based on a report called the Pollina Report. That report was based on 2002 and early 2003 statistics. It ignores the facts that we've gained 133,000 jobs... the Tax Foundation found us fifteenth among all of the states in climate for doing business... And one of the reasons all of these reports, the one you cited, find our business climate so high is because our CNI (Corporate Net Income tax) is at 9.9 percent: one of the highest in the country. But what they don't either understand, or choose to ignore, is that under current law, 73 percent of our corporations who are subject to the CNI paid absolutely not one dollar of corporate taxes."

Swann: "I'm glad Ed is finally catching on that the CNI tax needs to be lowered, and I rolled out a plan in October, a four to seven year plan, that would take a one billion dollar tax cut off our job creators. Part of that was to role back the CNI back (sic) from 9.99 percent down to 5.99 percent, and to be more competitive, and that's the problem with the Commonwealth of Pennsylvania: we're losing jobs, we don't have opportunities, because we are not competitive. Ed Rendell raised the personal income tax by almost 9.6 percent, okay, exactly 9.6 percent, cost us about 30,000 jobs."

Rendell: "Well, first of all, seven out of the ten states that have had the greatest job growth had a higher personal income tax than Pennsylvania does, so that makes what Lynn says make absolutely no sense. Secondly, his plan, the AP said, would cost us two and a half billion dollars, not one billion dollars. And he says he would take the money from economic growth, but remember, his property tax plan is going to use 75 percent of that growth, that surplus, for property tax reduction. His plan doesn't add up. It would plunge the Commonwealth into its worst fiscal crisis in its history.

Swann: "Well, number one, Ed's got it wrong. I've never said we'd take the money out from economic growth. The plan would be a one-billion dollar reduction in taxes on job creators. The Commonwealth Foundation looked at this plan and said not only could we reduce our spending by a billion dollars with a cap and fiscal responsibility, but at the end of this four to seven year period of time, or during this process, we would have an additional 6.6 percent increase in revenue for the Commonwealth of Pennsylvania. And the most recent statistics, if we're going to talk about job growth and job development, is between June and August, we lost 35,000 jobs in Pennsylvania."