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June's arrival for many Pennsylvanians signifies the start of summer fun — beaches, sun and outdoor activities. But at the state Capitol, it's crunch time.

It's more like final exam week times four (and possibly longer) for state lawmakers and key legislative staffers.

Their days ahead promise to be filled with information overload, tension, fatigue, badgering by lobbyists and special interests, and many difficult decisions related mostly to finalizing a 2014-15 budget plan by or close to June 30, when the fiscal year ends.

“Anyone with any experience knows how arduous a budget month always is,” said Sen. Pat Vance, R-Cumberland County, who goes into it just weeks off knee replacement surgery. “The fact that we have such a deficit going into it makes it that much more difficult.”

She was referring to the nearly \$1.4 billion revenue shortfall for next year that the state is facing and the hefty policy issues to address it, such as pension reform and liquor reform, that are expected to be part of the budget discussions that begin in earnest next week.

Senate Majority Leader Dominic Pileggi, R-Delaware County, told Capitol reporters that his caucus will begin its budget discussions next week by showing members discussing what a living-within-your-means spending plan would look like based on the available revenues, according to Capitolwire.

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recent Franklin & Marshall College poll shows the public has placed on increasing funding for schools, undoubtedly lawmakers will reject that notion and look to options to avoid those cuts.

At or near the top of that list for many lawmakers is introducing a severance tax on natural gas drillers, which, depending on the rate, could go far toward closing that revenue hole.

Democratic leaders are pushing for a 5 percent severance tax that would net about \$725 million to \$750 million. Their Republican counterparts who are willing to consider a severance tax are likely to balk at a rate that high.

However, the biggest hurdle to be overcome on this front is convincing Gov. Tom Corbett to go along with it. Earlier this week, he was reported in the Allentown Morning Call as saying he would oppose a severance tax.

"I can't imagine there is anything that could be presented to me that would cause me to change that," Corbett was reported as saying.

Meanwhile, Republican legislative leaders in the GOP-controlled General Assembly are of the mind that all options, minus an increase in the state's personal income tax or sales tax, have to be considered.

Speaking for Senate Republican leadership, Drew Crompton, chief of staff to Senate President Pro Tempore Joe Scarnati, R-Jefferson County, said, "I think my leadership especially believes everything needs to be on the table. That means new revenue. That means [fund] transfers. That means cuts. In our analysis, it takes all of those to be able to balance the budget."

But if a tax increase or spending level doesn't pass muster with the Tea Party conservatives in the House or Senate Republican caucuses, that would force GOP

legislative leaders to turn to their Democratic colleagues to garner the votes needed

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The myriad of revenue-raising options include, among other ideas, a tax on smokeless tobacco, raising the cigarette tax, Internet gambling, eliminating the vendor discount given to businesses for collecting the sales tax, leasing state lands for non-surface natural gas development, delaying the phase-out of the business-assets tax, eliminating the duplicate pension payments that charter schools receive, and moving some money out of the legislative reserves that are held to ensure the General Assembly has money to operate during a budget impasse.

Vance said she has not heard of any type of consensus around what Senate Republicans think should be done. Her hope, though, is that “everyone will be open-minded to the facts and make a decision.”

Other issues that will vie for lawmakers' attention in the House and/or Senate over the next few weeks, along with the unfinished business that PennLive's Jeff Frantz identified in this story from last month, are:

- **Medical marijuana** — Corbett's willingness to allow children's hospitals to conduct research on CBD, a non-intoxicating oil derived from marijuana, is expected to require legislative approval. But the problem is, supporters of medical cannabis think that approach doesn't go far enough while opponents argue that the jury is still out on the effectiveness of this treatment.
- **Liquor reform** — Reforming where you can buy beer, wine and spirits in Pennsylvania has been on lawmakers' brain for decades but the House last year took a giant step by passing legislation to privatize the sale of wine and spirits. Ever since, the Senate has been working to arrive at a modified version of that plan that could win the necessary votes to pass that chamber. Moving a Senate-passed modified plan through the House might pose another roadblock to getting this issue across the finish line.

“Anybody who travels outside of Pennsylvania and buys liquor or wine, or even

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- **Special education funding** — The Legislature commissioned a panel to develop a new way for distributing state dollars for students with special needs that reflect actual costs of their instruction. The recommended formula is viewed as unfair by the charter school community and that has slowed its adoption.
- **911 surcharge** — The surcharges on phone bills that pay for Pennsylvania's 911 system will go away at the end of the month unless the Legislature acts. The debate is not over whether to renew this surcharge, which now ranges between \$1 and \$1.50, but how much it should be.
- **Downsizing the Legislature** — This issue now sits in the Senate's court and the chamber's State Government Committee is expected to consider it on Tuesday. The House approved a bill last year that would seek to amend the state constitution to reduce its 203-member size by 50. That reduction could prompt interest among senators in seeking to downsize the 50-member Senate. But because these historic changes would involve amending the constitution, any of these measure would have to be approved again in the next legislative session before voters would cast the deciding vote.

The list of issues that could be discussed in the coming weeks doesn't end there. But that's enough to illustrate the point that longtime Capitol observer G. Terry Madonna, a political scientist from Franklin & Marshall College, made that this is one of the biggest budget month agendas that the Legislature has seen in recent years.

“If they get a budget with an education increase and either pension reform or liquor privatization, they could go home and declare victory,” Madonna added. “But it's hard for me to believe they are going to spend a disproportionate time to deal with a lot of major issues. It's too easy to say we'll put it off to the fall but who knows?”

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