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Inquirer Editorial: One last billion for the road

Auditor General Jack Wagner acted responsibly by refusing to sign off on Gov. Rendell's end-of-term request to borrow another $1 billion for various projects.

Rendell approved the taxpayer-financed bond issue to pay for public improvements such as repairs to bridges and dams, renovations to state parks, and prison construction. The list includes projects such as the Barnes Foundation, the Kimmel Center, and a new Family Court in Philadelphia.

But the borrowing requires the approval of either Wagner or state Treasurer Rob McCord, both Democrats like Rendell. Wagner refused. McCord hasn't decided, but asked for the input of Republican Gov.-elect Tom Corbett.

Such a large request so close to the end of a governor's tenure is unsettling. While most of the money would pay for work already under way, there would be little transparency and no accountability for a lame-duck governor picking winners and losers among other projects. There's also the prospect of lucrative work for bond attorneys.

Rendell isn't breaking new ground with his request. For example, Republican Gov. Mark Schweiker approved about $500 million in borrowing in late 2002 before leaving office. Democratic Gov. Bob Casey took similar action. But Rendell's request is far higher, and precedent doesn't make it a desirable practice.

It's not like the state has run out of money. There is $307 million remaining from previous bond sales, enough to cover the cost of various projects through Feb. 1. The money needed for ongoing projects through June 1 is $540 million, not $1 billion.

A spokesman for the governor said the bond issue is "routine" and is needed to pay almost exclusively for ongoing projects. He said interest rates are low, and delaying the sale would increase the cost to taxpayers if rates rise.

Speaking of the cost to taxpayers, borrowing has soared in the past eight years under Rendell. State debt has risen 39 percent, from $6.1 billion in June 2002 to $8.4 billion last month. Adding another $1 billion to the debt would increase taxpayer-funded interest payments by about $80 million per year for the next 20 years.

In spite of dire warnings, nobody is likely to lose his job in the next two months if the borrowing isn't approved, or if a lower amount is approved.

This request would put too much money at the largely hidden discretion of a lame-duck governor.