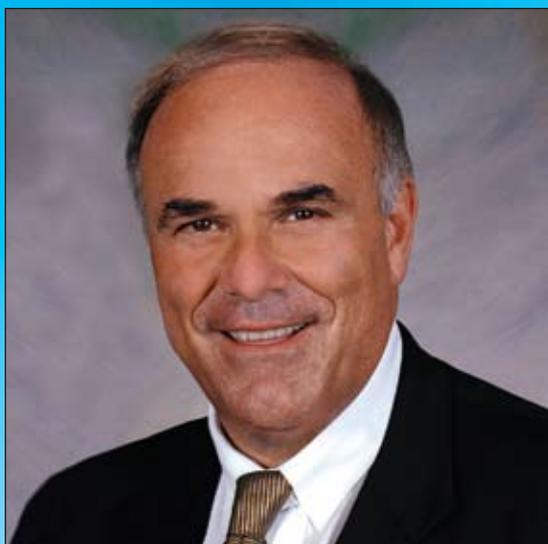


The New Pennsylvania

An Interview with The Honorable Edward G. Rendell,
Governor of Pennsylvania



The Hon. Edward G. Rendell

EDITORS' NOTE Edward G. Rendell, Pennsylvania's 45th Governor, began a second term of office on January 16, 2007. From 1992 through 1999, Rendell served as the 121st Mayor of the City of Philadelphia. Before serving as Mayor, Governor Rendell served as District Attorney of Philadelphia for two terms, from 1978 through 1985. Governor Rendell, who also served as General Chair of the Democratic National Committee during the 2000 Presidential election, has been active in the community through a variety of board memberships, and also teaches government and politics courses at the University of Pennsylvania. A United States Army veteran, he received a BA from the University of Pennsylvania and a JD from Villanova Law School.

The broad agenda that you've set as Governor of Pennsylvania has many focus areas, including education. Many people think the United States education system is broken. Have you been pleased with the impact you have had on Pennsylvania's education system? Can you highlight some of your initiatives in that area?

I'm pleased with the results we've had, but we need to go much further, because we started from so far behind. When I became Governor, we were one of only nine states not to give any money to pre-K education. It's absolutely clear that pre-K, full-day kindergarten and smaller class sizes from kindergarten through

third grade determine what goes on through the 12th grade. So, early on, we poured a lot of money into those three areas, and later into tutoring in elementary school. That has built a strong foundation. We have come so far that the National Assessment of Educational Progress found we were one of only seven states to make significant improvements in early childhood education, both in reading and in math scores. *Education Week* just ranked us the best state in the nation in early childhood education achievement. Overall, we have increased funding for education by \$2.8 billion annually, and we have applied those funds to programs that are proven to work – we haven't just handed out blank checks. The battle going on right now is for further funding and, in addition, for standards. Right now, too many kids graduate from Pennsylvania high schools as sub-par readers; they are not ready to compete for any job. We're changing that by funding new programs, by putting computers in the schools, and by improving standards, so businesses can be assured that kids with a Pennsylvania high school diploma have good skill sets.

You have also put a major focus on health care reform, which is an area seemingly challenged in terms of politics. Are you optimistic we're on the right track? Is enough being done in that area?

We have decided that we can't wait for the federal government; it's too problematic, and even if change comes, it will be too far down the road. So we've had three major initiatives, two of which have succeeded tremendously. We're one of three states that has a real prescription drug program for seniors. We did it before the federal program, and it's superior because it offers subsidization all the way through. We've managed to double the number of seniors in the program, from 200,000 to nearly 400,000. Second, in the fall of 2006, I signed a bill that will ensure that, by the end of 2009, every child will be covered by affordable, accessible health care. People can pay a premium to the Children's Health Insurance Program, depending on their income. The last effort is a cost-containment one that includes passing the most aggressive bill to constrain hospital-acquired infections, which are a \$3.5 billion cost factor for the system. We also have a bill pending that will extend health care coverage to more than half of the adults that don't currently have it.

You've also been a leader when it comes to energy independence. Is that an area where you can make an impact on a state level?

You can, but all of these things are preferable if they're done nationwide. In 2005, Pennsylvania became the 21st state to pass something called the Advanced Energy Portfolio Standard. By a given year, our utilities must be producing a percentage – in our case 18 percent – of the energy they sell us as alternative or renewable. We're trying to do the same thing right now with fuel at the pump. We have a bill pending that will require, by the time the distribution and production networks are up to snuff, that one billion out of the 11 billion gallons of gasoline Pennsylvanians buy at the pump comes from alternative or renewable sources of fuel – not fossil fuel.

When you took over as Governor in 2003, the economy in Pennsylvania was challenged.

We had lost several hundred thousand jobs in a two-and-a-half year period. We turned that around and have gained almost 200,000 jobs. At the end of January 2008, we had the highest number of jobs in our history, and in 60 out of the 61 months, we had a lower unemployment rate than the federal level, which hasn't happened in Pennsylvania for decades. We did that by investing in a \$2.8 billion government-funded stimulus program, which attracted over \$19 billion in private sector investment. It caused the Pennsylvania economy to take off.

By nature, people can be averse to change and concerned about how it will affect them. Was it challenging to implement all of these initiatives? Did the people come on board pretty quickly to put these plans in action?

This is an older state and change comes more slowly to Pennsylvania than it does elsewhere. So it was a struggle, and we had to compromise and convince the legislature. Traditionally, our state is reluctant to change. When I was Governor elect, I was in a hotel dining room, and an older man saw me and asked, "Are you Rendell?" When people ask me in that tone of voice, I usually say, "No, I just look like him." But this time, I said, "Yes, sir." He said, "Good, I like the way you're talking." And he banged the table and said, "Pennsylvania hasn't had a new idea since 1939." I hesitated to ask him what the new idea was in 1939, but I got his drift.

How has the reception been for your proposed new sales tax for the 2007-2008 budget?

There is no appetite for that in the legislature, but the budget is going to be a good one. We will end 2008 with a surplus of between \$300 and \$400 million, while almost every other big state in the nation is facing billion or multi-billion dollar deficits. So that's going to allow us to continue to finance educational expansion with a budget that has no new tax and a low increase in spending.

There are a number of leading Fortune 500 companies in Pennsylvania, and the state has a great education system at the university level. Given the competition for professional talent today – not only in the U.S., but also globally – are people getting the message about the career opportunities available in Pennsylvania?

It's not as well understood as it could be. We have more trade and investment reps than any state in the union. We're pushing the new Pennsylvania all over the world. We've made many forays into Wall Street to make investors

understand the changing climate in the state. Of all the 50 states, we were the third highest in venture capital spent for job creation and the second highest in the amount of jobs produced by that venture capital spending. Fifteen years ago, to put Pennsylvania and venture capital in the same sentence would have been oxymoronic, and now we're one of the leaders.

How important is an effective public/private sector partnership to pushing your initiatives through?

I often slip and say, "Since I've been Governor, we've created 200,000 jobs." We didn't create any jobs; actually, we've cut about 4,000 state employee jobs. But we create the context, the atmosphere, the environment, and the incentives that help the for-profit sector create jobs. So economically, there's absolutely no doubt that there has to be a partnership between the public and private sectors.

Throughout your career, you have been heavily involved in the community. How important is engagement with the community, and is that an obligatory role for leaders today?

No doubt. The great corporate leaders are people who fulfill dual goals – one is doing well for their company and their stockholders, but the second is making that company a real civic asset, and not just in writing checks. Improving the educational system is as important as business taxes. The state that has probably done the best job in reversing its educational direction is North Carolina. It happened because [former Governor of North Carolina] Jim Hunt engaged the 10 biggest businesses in North Carolina, and they laid it out for the legislature and said it was as important to them as the corporate bottom line.

Looking back at your career, did you know early on that public service was of interest to you? How did you end up in this arena?

It was of interest to me, but I never thought I'd get into it. I was working as an Assistant District Attorney under Arlen Specter, who was the District Attorney in Philadelphia. He ran for a third term and lost, and I left the office because I didn't like the guy who had beaten him. My fears about the guy who beat him came to pass; he didn't run a very good or very effective office, and there were overtones of corruption. So nobody else would run against him in the Democratic primary. I was so angry that I ran against him. I didn't think I would win, but I did, and the rest has all flowed from that. I'm an accidental elected official.

Many talk about the challenges in running for public office and leading a public life. Can more be done to excite young people about this kind of career?

One of the outgrowths of the Democratic primary battle is more young people are focusing on government and politics, and as they become voters or supporters of the candidates, I think they're starting to put careers in politics or government on their radar screen again. Kids are beginning to understand how important these issues are, and they want to be a part of solving them.

You have been able to work across party lines, but we live in a politically polarized

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time. Does that make progress even more challenging today? Are you optimistic that we can cross party lines to make a positive impact?

There is cause for optimism, because I think Senator McCain and Senator Obama both understand this. I would not be surprised if, regardless of which of the two gets elected President, we find a real fusion in our government. I think you're going to see a real effort by the new President to break the divisiveness.

Would you be interested in serving in the administration of the next President of the United States?

I have pledged to the people in Pennsylvania that I will serve out my term as Governor, which ends January 2011. But, in 2011, if Senator McCain or Senator Obama asked me to serve in some capacity through which I thought I could make a difference, I would do it. And I wouldn't care about the party affiliation of the President.

If I asked those who have worked closely with you about the experience, what do you think they would say?

I try to instill in people a belief that we have a mission to change people's lives, create opportunities, and make a real difference. All of us in public life work for far less money than we can make on the outside. The working conditions aren't good. In most cases, the people who work in Harrisburg live in Pittsburgh, Scranton, Erie, or Philadelphia, and they're away from their homes three or four days a week. It's tough. So I have to build an esprit de corps, and the best way to build it is convince them that we're mankind's best hope. If you can do that, you'll have people who are inspired, and inspired people do the best work. ●

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