

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

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BUDGET HEARING
OFFICE OF THE BUDGET
GENERAL ASSEMBLY MEMBERS' TESTIMONY

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House Appropriations Committee

Main Capitol Building
Majority Caucus Room 140
Harrisburg, Pennsylvania

Thursday, March 8, 2012 - 1:15 p.m.

1300 Garrison Drive, York, PA 17404
717.764.7801 877.747.2760

1 COMMITTEE MEMBERS PRESENT:

2 Honorable William Adolph, Majority Chairman
Honorable John Bear
3 Honorable Martin Causer
Honorable Jim Christiana
4 Honorable Gary Day
Honorable Gordon Denlinger
5 Honorable Brian Ellis
Honorable Mauree Gingrich
6 Honorable Glen Grell
Honorable Tom Killion
7 Honorable David Millard
Honorable Mark Mustio
8 Honorable Mike Peifer
Honorable Scott Perry
9 Honorable Scott Petri
Honorable Tina Pickett
10 Honorable Jeffrey Pyle
Honorable Mario Scavello
11 Honorable Curt Sonney
Honorable Joseph Markosek, Minority Chairman
12 Honorable Matt Bradford
Honorable Michelle Brownlee
13 Honorable Scott Conklin
Honorable Paul Costa
14 Honorable Deberah Kula
Honorable Tim Mahoney
15 Honorable Mike O'Brien
Honorable John Sabatina
16 Honorable Steve Samuelson
Honorable Matt Smith
17 Honorable Greg Vitali
Honorable Ronald Waters

18
19 NON-COMMITTEE MEMBERS PRESENT:

20 Honorable Mike Turzai
Honorable Mark Gillen
Honorable Thomas Murt
21 Honorable Bryan Cutler
Honorable Rosemary Brown
22 Honorable Joe Hackett
Honorable Dan Frankel
23 Honorable Vanessa Lowery Brown
Honorable Mike Sturla
24 Honorable Maria Donatucci
Honorable Mark Cohen
25 Honorable Rick Mirabito

1 NON-COMMITTEE MEMBER PRESENT (Cont'd):

2 Honorable Curtis Thomas
3 Honorable Bryan Barbin
4 Honorable Pamela DeLissio

5 STAFF MEMBERS PRESENT:

6 Dan Clark, Chief Counsel
7 Ed Nolan, Majority Executive Director
8 Miriam Fox, Minority Executive Director

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1 CHAIRMAN ADOLPH: Good afternoon
2 everyone.

3 I'd like to call to order the House
4 Appropriations Budget Hearing.

5 This session is on Members' testimony.
6 It's been a custom in this Committee to have
7 Members of the General Assembly come before the
8 Appropriations Committee. It gives them the
9 opportunity to address some issues that they
10 have with the Governor's budget, pro or con.
11 And with us today, our first testifier is
12 representative Tom Murt.

13 Representative, if you would identify
14 your district for the folks back home, and then
15 you can proceed with your testimony.

16 REPRESENTATIVE MURT: Mr. Chairman,
17 Members of the Committee, I represent the 152nd
18 Legislative District, which includes parts of
19 Montgomery County and Philadelphia County.

20 Mr. Chairman, thank you for the
21 opportunity to testify today. I'll be focusing
22 my remarks on how the Governor's budget proposal
23 will affect a variety of individuals with
24 developmental disabilities.

25 Mr. Chairman, a serious drawback of

1 this budget proposal is that it does not address
2 the needs of our 15,877 citizens with
3 intellectual disabilities who are on a waiting
4 list for services, most of whom are in emergency
5 and critical needs status.

6 Many of these individuals are well
7 into their 60s and are cared for at home by
8 elderly parents, some of whom are literally into
9 their 90s. Many of these caregivers are at a
10 stage where they can simply no longer care for
11 their child. It's my belief and my conviction
12 that we have a moral responsibility to support
13 these families.

14 Mr. Chairman, in addition to the
15 adults with developmental disabilities who are
16 cared for at home, many adults with
17 developmental disabilities are cared for outside
18 their homes by private care providers, over 90
19 percent of whom are non-profits and who have
20 legal contract with our Commonwealth to care for
21 this vulnerable population.

22 There have been allegations that the
23 rate-setting methodology for paying these care
24 providers in Pennsylvania is flawed, and private
25 care providers are unfairly bearing the brunt of

1 this.

2 Let me be clear, there are some
3 problems in Pennsylvania with the rates that
4 some care providers have been given. But DPW
5 sets those rates, not the providers. In most
6 cases, these rates do not even cover the cost of
7 providing the services.

8 The level of services that an
9 individual receives is not set by the provider,
10 but by the individual service plan, which is
11 approved by the Counties. The private care
12 providers do not control the rates, and they do
13 not determine the level of services. It is a
14 big mistake to assume that care providers for
15 people with disabilities can just be cut across
16 the board like they were this fiscal year.

17 Mr. Chairman, DPW has indicated on
18 several occasions that, collectively, care
19 providers are getting more revenue now than in
20 previous years. The reason for this is that our
21 care providers have been asked to serve more
22 people who have more needs, and the needs of the
23 people they already serve have increased and
24 more services have been authorized.

25 People are living longer. And like

1 the non-disabled population, as an individual
2 with a developmental disability ages, they need
3 additional supports, programs, and services.
4 The fact of the matter is that care providers
5 are affording more programs and services to
6 these baby boomers but are getting reimbursed at
7 a lower rate.

8 Mr. Chairman, I have very grave
9 concerns that in response to the cuts in funding
10 the Commonwealth will again begin to place
11 individuals in State institutions because the
12 community service system will not be able to
13 provide the funds to serve them in group homes
14 and in other residential settings. The average
15 cost of institutional care for a person with an
16 Intellectual or a developmental disability in
17 state institutions is \$650 a day. Placement in
18 the community and group home is a much better
19 and a much less expensive alternative.

20 Mr. Chairman, perhaps the greatest
21 concern I have is the Governor's proposal to
22 block grant human services to the counties.
23 This block grant proposal would result a 20
24 percent reduction of the funding for several
25 critically important programs, including mental

1 health services, outpatient, homeless
2 assistance, child welfare, intellectual
3 disability services and behavior health
4 services. Without a doubt, this will mean that
5 a number of individuals are going to be cut off
6 from services. Many of these services are
7 mandated, and counties, historically, have run
8 significant deficits in some programs.

9 Individuals who may be getting minimal
10 support, like in-home services or respite care,
11 will lose those services, leading to a crisis
12 for many families. Providing supports to
13 families and enabling them to maintain their
14 child in their home is the most cost-effective
15 way of caring for this population.

16 Mr. Chairman, I fully understand the
17 need to save money. The families who care for
18 children with developmental disabilities and the
19 providers of services both know that these are
20 hard times, and they are willing to sacrifice.
21 I know that many state callers, including PAR
22 and the Philadelphia Alliance, have already
23 submitted cost-saving ideas to the Department,
24 but there's been no action yet on these ideas.

25 Mr. Chairman, if this budget passes in

1 its current form, the State will break many
2 promises to our citizens with developmental
3 disabilities. The first of those promises was
4 that the State would continue to address the
5 waiting list for services in Pennsylvania.

6 This budget does not do a blessed
7 thing to address the waiting list. The State
8 needs to provide the appropriate community
9 services for the sons and daughters of those
10 parents who are now elderly and no are no longer
11 able to care for their child.

12 Another concern I have is that the
13 method of reducing the cost of services has been
14 done in a hasty manner. Expecting providers to
15 provide more services to more individuals at
16 rates that are reduced in the middle of the year
17 after contracts have been signed is simply not
18 going to happen. This is a process we would
19 apply to no other mission, entity, course of
20 action or industry.

21 Why should the budget be balanced on
22 the backs of people with disabilities, while
23 Chester has its new soccer stadium, prison
24 inmates get free postage, Hollywood filmmakers
25 get tax credits and our gas drillers extract our

1 natural resources without paying for them.

2 Mr. Chairman, I'll conclude by
3 respectfully requesting that the Appropriations
4 Committee look hard at this budget proposal and
5 do all in your power to properly fund programs
6 and services for adults who have developmental
7 disabilities.

8 Specifically, I request a restoration
9 of the 20 percent cut to base funding for
10 intellectual disability services. I also
11 request consideration of a pilot of the block
12 grant proposals, as opposed to an immediate
13 Statewide implementation. I ask that families
14 be given some hope by including at least a
15 minimal amount of funding for the waiting list.

16 I wasn't going to read the last text
17 and highlight, but I think I'm going to,
18 Mr. Chairman.

19 If we don't live up to our obligation
20 to care for this population, or we're not going
21 to empower Pennsylvania families to take care of
22 their own adult children who have special needs
23 in their home, then we may as well reopen
24 Pennhurst and Byberry State Hospital, because
25 that's the direction in which we're heading.

1 We must do a better job of caring for
2 the most vulnerable members of our Pennsylvania
3 family.

4 Mr. Chairman, I'm eager to work with
5 you and the Members of the Administration to
6 ensure we're fulfilling our obligation to adults
7 with developmental disabilities. We're in this
8 process of the budget together, and you are
9 assured my cooperation.

10 The choices we make as lawmakers
11 define who we are and for what we stand. If we
12 don't properly care for people with
13 disabilities, we're not defining ourselves as
14 anything positive.

15 Thank you, Mr. Chairman.

16 CHAIRMAN ADOLPH: Representative Murt,
17 I want to thank you for testifying before the
18 Committee today, and we appreciate your passion
19 for this issue.

20 Thank you very much.

21 REPRESENTATIVE MURT: Thank you, Mr.
22 Chairman. Thank you, Chairman.

23 CHAIRMAN ADOLPH: The next member of
24 the House of Representatives that will be
25 testifying before us is Representative Mike

1 Sturla of Lancaster County.

2 Good afternoon, Representative.

3 REPRESENTATIVE STURLA: Thank you,
4 Chairman Adolph, Chairman Markosek, Members of
5 the Appropriations Committee.

6 There's little doubt that these are
7 tough economic times and our economy is still
8 recovering. But it's also undeniable that
9 policies implemented by the Administration and,
10 in some cases, backed by the Legislature, have
11 contributed significantly to the Commonwealth's
12 shortfall.

13 These policies include bonus
14 depreciation, the elimination of Adult Basic,
15 which has increased our other healthcare roles,
16 reinstating the Capital Stock and Franchise
17 Phaseout, the implementation of a Marcellus
18 Shale tax that falls more than a billion dollars
19 shy of what could have been had we adopted
20 neighboring West Virginia's tax rate, and a
21 failure to close the Delaware Loophole.

22 These and other policies have
23 contributed to the projected \$500 million
24 shortfall, according to the Independent Fiscal
25 Office, or \$719 million, if you believe the

1 Governor's numbers.

2 Pennsylvania, which had been a leader
3 in job creation in 2010, fell behind the
4 national average in this Administration's first
5 year. And the increases in unemployment for the
6 four consecutive months following last year's
7 budget passage, which resulted in the layoff of
8 approximately 14,000 educational professionals,
9 has been well-documented. Despite drops in
10 unemployment nationwide, job growth slowed
11 considerably in the second half of last year in
12 our State.

13 School districts, local governments
14 and middle class families have not yet recovered
15 from last year's budget cuts. They simply
16 cannot endure the cuts proposed for in the 2012
17 budget. After observing a \$900 million cut to
18 funding last year, offering level funding to
19 school districts in this year's budget
20 contributes to the crisis. It is not level
21 funding. It is a recurring \$900 million cut to
22 education.

23 Under the 2012 budget proposed, the
24 fiscally-distressed Chester Upland School
25 District is reduced by an additional \$133 per

1 student, on top of last year's \$1,144, for a
2 total of \$1,277 per student, or nearly \$32,000
3 per classroom, while 16 miles away, wealthy
4 Radnor Township would see a combined two-year
5 cut of less than \$1,200 per classroom.

6 I've attached with my testimony a
7 listing of all the school districts and the
8 amounts of cuts they have. I'll just point out,
9 in the case I just cited, the poverty rate in
10 Radnor is 6.2 percent, where they got a \$1,200
11 cut over the two years combined per classroom.
12 And in Chester Upland it's 42 percent, where
13 they got a \$32,000 cut per classroom over two
14 years combined.

15 If you travel west to Allegheny
16 County, you can look. Things are just as bad,
17 if not worse. In the North Allegheny County --
18 or North Allegheny School District, which has a
19 4.3 percent poverty level, they're getting cut
20 \$2,866 per classroom. Pittsburgh School
21 District, which has a 70.5 percent poverty rate,
22 is getting cut \$25,095.

23 CHAIRMAN ADOLPH: Representative, how
24 much did each of these school districts receive?

25 What did Chester Upland receive from

1 the State in their appropriation?

2 REPRESENTATIVE STURLA: I don't know
3 what they received in their appropriation. I
4 know what they got cut.

5 CHAIRMAN ADOLPH: Right. Well, you
6 compare apples with apples. When you talk about
7 dollars cut, you have to also talk about dollars
8 received.

9 And those school districts that you
10 talked about receive, probably, 10 times the
11 amount of money from the State than the others
12 do that you mentioned.

13 So -- and I've said many times during
14 our hearings this week, a five percent or a ten
15 percent cut to a big number, obviously, is a
16 larger dollar amount. So when you're talking
17 about apples, you've got to stay with apples,

18 Thank you.

19 REPRESENTATIVE STURLA: Well, Mr.
20 Chairman, I don't have the exact percentage
21 cuts --

22 CHAIRMAN MARKOSEK: Excuse me, Mike.

23 Mr. Chairman, I thought the idea of
24 this was to let the members speak and we were
25 going to let them all say their peace. I mean,

1 we can debate every member that comes up here
2 again. We've just been through three weeks of
3 hearings. And I would suggest that the
4 gentleman and all -- everybody else -- both
5 parties, let them have their peace, and go from
6 there. And we can debate this on the floor in
7 the future weeks.

8 CHAIRMAN ADOLPH: We can debate this,
9 as well, today, as well.

10 REPRESENTATIVE STURLA: And Mr.
11 Chairman, I mean, what I do know is that the
12 percentages are not the same either. They
13 are -- the percentages are higher in the poorer
14 districts than they are in the wealthier
15 districts, in terms of the cuts, because the way
16 line items were cut and some line items were
17 eliminated did not even apply to wealthier
18 school districts.

19 CHAIRMAN ADOLPH: I happen to agree
20 with that statement. And that was because of
21 the loss of the reimbursement for the charter
22 schools. And many of the school districts that
23 you were talking about were hit severely as a
24 result of the loss of those reimbursements to
25 the charter schools. So I do agree with the

1 gentleman's comments on that.

2 And Radnor School District, which is
3 part of my legislative district, have very few
4 charter school students in it. So obviously
5 they would receive a much less cut, if any, for
6 that part.

7 REPRESENTATIVE STURLA: And it's
8 unfortunate that I picked Radnor. There's other
9 wealthier districts around the State that I
10 could have picked that may not have touched off
11 such a reaction.

12 But what I will point out is that this
13 is not just a urban versus suburban problem. In
14 fact, over 250 districts Statewide have,
15 combined, cuts ten times higher than Radnor
16 Township. All the school districts in rural
17 Bedford, Bradford, Cameron, Clinton, Clearfield,
18 Crawford, Fulton, Green, Jefferson, Juniata,
19 McKean, Mifflin, Northumberland, Perry, Potter,
20 Susquehanna, Tioga, Venango and Warren Counties,
21 every school district in those counties has cuts
22 ten times higher than Radnor, 250 school
23 districts statewide. And then there's
24 Philadelphia also.

25 It's time to get serious about the

1 Governor's commitment to every child, regardless
2 of zip code or economic status, that should have
3 access to the best education possible. In a
4 final note on education, tough economic times
5 make fairness even more critical, which is why I
6 talk about fairness in that basic ed funding,
7 but, also, I would ask that Senate Bill 1115,
8 when it reaches the House, would be taken up,
9 because that corrects many of the widening
10 disparities in special education, as well.

11 Another crisis that demands attention
12 but is ignored in the proposed State spending
13 plan is transportation funding. It's a very
14 real problem that requires bold leadership. In
15 his testimony before the Senate Appropriations
16 Committee, Secretary Schoch explained that,
17 contrary to many people's views, transportation
18 in rural communities is actually subsidized at a
19 far higher rate than in urban areas. I'm
20 confident that the Secretary is more capable to
21 begin to address the transportation challenges
22 that our State faces if only he were provided
23 with the tools to act.

24 I'll point out -- I have included a
25 map that shows, and I'll talk about this, the

1 State Police coverage in the State of
2 Pennsylvania and, also, as it relates to the
3 Marcellus Shale Region. Because a suitable
4 place to start with transportation is with the
5 \$565 million that is annually funneled from the
6 Motor License Fund to the State Police strictly
7 for road patrols in areas that don't have local
8 police departments.

9 Now, I emphasize that it's road
10 patrols, because, under the State Constitution,
11 dollars that come out of the Motor License Fund
12 cannot be used for anything other than those
13 related to roads. So the State Police actions
14 in those areas that relate to drug busts, that
15 relate to domestic violence issues, that relate
16 to anything else, cannot be funded with the
17 money that's taken out of the Motor License
18 Fund. They can only be used for road patrols.

19 So we take \$565 million out of the
20 Motor License Fund each year to fund police in
21 an area that is, basically, if you look at the
22 map, almost the same as the Marcellus Shale
23 area, which we're now being told has plenty of
24 money and is a wealthy area. I just don't think
25 we should be taking \$565 million in Motor

1 License Funds to subsidize those areas with free
2 police protection.

3 Given more time, I would have
4 addressed several more issues and concerns.
5 Representative Murt addressed the one issue
6 related to some of the social safety net cuts.
7 There are environmental programs that are cut
8 with enforcement and regulations. And it's
9 inconceivable the cuts that were made to higher
10 education in the proposal from the Governor,
11 which will clearly have a harmful impact on our
12 Commonwealth's middle class families, as well as
13 the communities surrounding our institutions
14 higher learning.

15 I would welcome any questions you
16 have and, otherwise, submit my testimony.

17 CHAIRMAN ADOLPH: Thank you very much.

18 REPRESENTATIVE STURLA: Thank you.

19 CHAIRMAN ADOLPH: The next testifier
20 is Representative Bryan Barbin from the 71st
21 District.

22 Good afternoon, Representative.

23 REPRESENTATIVE BARBIN: Thank you, Mr.
24 Chairman. And thank you, Representative
25 Markosek.

1 I sat through the Budget Secretary's
2 testimony, as I did last year. I'd like to
3 cover, very quickly, four points for your
4 consideration as we're establishing the budget.

5 Number one is, his testimony this
6 morning was similar to his testimony last year.
7 Last year at this same time he was asked
8 specifically, are you comfortable with your
9 budget projection of \$80 million at the close of
10 the budget. He said he was. The budget
11 promptly came in after we closed the budget and
12 voted on it above \$700 million. That amount of
13 money, a hundred million -- or \$200 million has
14 been spent by -- or since that time.
15 Approximately \$500 million is still left.

16 So as we go through these issues, the
17 three issues I'd like to talk to you about,
18 education, veterans and seniors, please consider
19 those amounts. And please consider the fact
20 that he also testified this morning that he was
21 confident again that we're in a negative \$719
22 million amount.

23 Everybody on this panel knows that in
24 May and April and June, those are the big
25 revenue months. It's not going to be negative

1 719. Everybody knows it. So if we're going to
2 make a discussion of how we meet the needs of
3 the public good, let's use real numbers and
4 let's use experience.

5 So from that I'd just like to touch on
6 these three things.

7 Education: There's two big issues
8 involved. One of them he mentioned in his
9 testimony this morning. He said, look,
10 everybody's got to cut spending, but, you know,
11 you've got to replace it. Absolutely true. I
12 also agree with your statement with
13 Representative Sturla that there should be a
14 discussion. But we've gotta tell the truth.
15 And the truth means that you get one guy on one
16 side who believes strongly one way, another guy
17 on the other side who believes strongly the
18 other way, and you'll find in the middle there's
19 the truth.

20 Well, the thing that everyone in the
21 Administration refuses to discuss is the fact
22 that we spend \$900 million on cybers and
23 charters. That's off the table.

24 Last year a billion dollars was
25 cut -- almost a billion dollars from public

1 education, but not a single penny was cut from
2 charter or cyber.

3 Last year we brought up the issue that
4 said the funding mechanism for cyber and charter
5 has nothing to do with the cost of cyber and
6 charter. There are \$900 million going out. We
7 don't know how much money goes out to the
8 for-profit subsidiaries. We don't have any
9 accountability as to how much they're paying
10 their CEOs of the for-profit management
11 companies. We just know that they're spending
12 \$900 million.

13 Now, it's been said this year that it
14 will catch up; since the public schools took
15 their hit last year, charter schools and cyber
16 schools will get their hit this year. The
17 problem with that analysis is, the things that
18 make up the amount they get paid have nothing to
19 do with their costs.

20 They include things like the pension
21 costs for a public school. Now, how does that
22 possibly have to do with handing somebody a
23 computer and a manual and saying, by the way,
24 call this number if you have any problems.
25 Wagner has said that's a \$4,000 cost. In

1 Philadelphia we're spending \$13,000 for that.

2 That's craziness.

3 We could save at least two to three
4 hundred million dollars if we required them to
5 say, how have you spent the money, and transfer
6 back to the General Fund or an education fund
7 for full-day kindergarten, or for all these
8 schools districts that have tax breaks where
9 they're providing 80 percent of the cost -- of
10 per-pupil cost is coming from local real estate.
11 We could give them some relief if we just had
12 the guts to tell the truth; we're not touching
13 those guys. Why? I think it has to do with the
14 fact that we're the only state that has
15 unlimited campaign contributions.

16 I could be wrong, but that's my side
17 of the truth.

18 Veterans and seniors, and I'll close.
19 I think -- we did this a couple years in a row.
20 And I think it's unconscionable to say to
21 somebody who's coming back from Afghanistan, who
22 served in the Reserves, that we don't have
23 enough money for veterans homes. Again, we're
24 cutting veterans homes by \$6 million. At the
25 same time, we got four or five cases of voter

1 identification fraud, and we've decided as of
2 yesterday that we're going to pass a vote ID
3 bill that's going to cost us between \$4 million
4 and \$7 million.

5 How in the world do you justify the
6 four cases of voter fraud as taking away \$6
7 million from the veteran's homes? It's
8 craziness.

9 The seniors who have voted for 30 or
10 40 years, they don't need to hand somebody a
11 voter ID card. Everybody on those boards knows
12 who they are. The idea of taking that whole
13 group out and saying, you can vote a provisional
14 ballot and it will count if you go within six
15 days to get a voter ID card is just plain wrong.
16 And we don't need to be wasting \$6 million when
17 we're taking \$6 million out of the veterans.

18 So that's my testimony. I appreciate
19 the opportunity to provide this testimony.

20 Thank you.

21 CHAIRMAN ADOLPH: Thank you,
22 Representative Barbin.

23 Next testifier will be Representative
24 Brownlee.

25 Good afternoon, Representative.

1 REPRESENTATIVE BROWNLEE: Good
2 afternoon, Mr. Chairman.

3 Once again, good afternoon, Mr.
4 Chairman. I'd like to thank you, Chairman
5 Adolph and Chairman Markosek, for the
6 opportunity to testify here. I'm Michelle
7 Brownlee, and I represent the 195th Legislative
8 District in Philadelphia.

9 As a newly-appointed member of this
10 Committee, I have been privileged for the past
11 weeks to hear testimony from many experts,
12 secretaries and other concerned citizens on all
13 aspects of this budget.

14 The details are complex, but our
15 mission is simple, to protect the people of this
16 Commonwealth. However, throughout this process,
17 it has become clear to me that the working class
18 is under attack. At both the State and Federal
19 level, I believe there are misguided priorities.

20 Energy is focused on intrusive
21 legislation that strips a woman's control of her
22 reproductive rights and would violate her to her
23 very core. As other places in the world are in
24 the midst of a revolution fighting for
25 democracy, our legislators have passed a bill

1 suppressing a person's right to vote in
2 elections, most effective -- mostly affecting
3 minorities and seniors.

4 In Pennsylvania, cushy perks are being
5 handed out to the richest corporations while the
6 poorest are being denied basic services. The
7 recently-signed Act 13 is a prime example. This
8 is a sweetheart deal for every multimillion
9 dollar gas company doing business in
10 Pennsylvania.

11 Republican leaders reluctantly passed
12 this sham bill so that they could say they made
13 companies pay for something for profiting
14 millions of dollars from Pennsylvania resources.
15 In reality, this law shortchanges every
16 Pennsylvania taxpayer. Ironically, instead of
17 paying -- instead of taxing these companies
18 fairly, the Governor has chose to plunge deeper
19 into working families' budgets for taxes on
20 internet purchases.

21 Where is the focus on jobs, education
22 and raising the standard of life for people of
23 Pennsylvania. While Education Department
24 Secretary Ronald Tomalis insists that education
25 funding has not decreased, I believe the

1 Governor's proposal will be catastrophic for our
2 schools, students and teachers.

3 It is clear to me that no matter what
4 formula you use, schools will be asked to do
5 more with less, students will suffer, and little
6 will be invested in our future. These cuts will
7 force teacher layoffs, more property tax hikes
8 and, sadly, balance Pennsylvania's checkbook at
9 our children's expense.

10 We know that our Commonwealth faces a
11 gloomy higher education outlook, with tuition
12 increases already being reported throughout the
13 State and reports that student grants and loans
14 will become harder to acquire in the coming
15 year.

16 The depth at which this budget fails
17 to protect the average Pennsylvanian is
18 astounding. And the length it goes to -- and
19 the length it goes to look out for wealthy
20 businesses and outside influences takes my
21 breath away; however, today I am focusing my
22 remarks on how this budget will affect people
23 who have become the political football in recent
24 years.

25 Mr. Chairman, the Department of

1 Welfare provides services that are vital to many
2 people in my district, but also people across
3 this Commonwealth. These are the people who do
4 not have lobbyists, special interest groups, or
5 private donors to go to bat for them. This year
6 the Governor's budget proposal includes over a
7 \$29 million reduction in funding for the
8 Department of Welfare.

9 What we've learned is that this really
10 is more like 766 million in cuts to DPW programs
11 to offset increased costs driven by inflation,
12 caseload, litigation and Federal statutes, this
13 in addition to the over one billion cuts in the
14 enacted '11/'12 budget.

15 Mr. Chairman, under the new block
16 grant program Governor Corbett is proposing,
17 counties have been cut 20 percent less to
18 provide services, many of which are proscribed
19 by State and Federal law, legal agreements or
20 contracts. I'm not sure where Counties are
21 going to be able to make up that difference.
22 Are they supposed to impose new or increased
23 taxes?

24 Perhaps it would be more helpful if we
25 identify the programs we're talking about

1 cutting, community mental health services,
2 community intellectual disability programs, drug
3 and alcohol treatment services, child welfare
4 and homeless assistance, seniors who require
5 nursing homes, children who are neglected and
6 need protection, adults with developmental
7 disabilities seeking independence. These are
8 hardly the images conjured up when you talk
9 about welfare waste, fraud and abuse.

10 Mr. Chairman, I read the Inquirer back
11 in February, and it talked about a program in
12 Philadelphia. And one of the important services
13 this program gives is helping those with
14 intellectual abilities find employment so that
15 they may fulfill their desire to be contributing
16 members of society, in general.

17 It's going to lose over 1.9 million.
18 Like other agencies, it has to turn prospective
19 clients away. There are nearly 16,000 people
20 Statewide on the waiting list for these
21 services, including over 2,000 in Philadelphia.
22 But they are not alone. Low-income parents who
23 rely on childcare assistance to help them afford
24 to pay childcare may soon find themselves on a
25 waiting list. Ironically, these programs help

1 maintain employment, and it will soon be cut.

2 Daycare services will also soon find
3 themselves -- daycare service providers, pardon
4 me, Mr. Chairman, will also soon find themselves
5 struggling to provide services for less. And
6 this budget proposal could cut a lifeline to
7 more than 31,000 Pennsylvanians --
8 Philadelphians, and 61,000 Pennsylvanians,
9 eliminating cash assistance used for clothes and
10 transportation.

11 Governor Corbett's block grant
12 proposal, the one that cuts county funding 20
13 percent, leaves me with some questions. How
14 will funds be distributed among its 67 counties?
15 How will counties meet their residents' needs?
16 How will that affect the increasing number of
17 Pennsylvanians who find themselves in need of
18 DPW because of the economy? How will we change
19 mandates to give counties flexibility to work
20 with that decreased funding? How will we track
21 funding to ensure that the block grant funding
22 is really getting to its intended goal, to the
23 people who need it?

24 Mr. Speaker, I am worried for all
25 these people. Times are tough, every cut across

1 the board is rising, jobs are hard to find, and
2 good paying jobs are even scarcer. And how is
3 our Governor responding? He is sinking every
4 lifeboat that the truly needy people of this
5 Commonwealth have to stay afloat.

6 Worse yet, at the same time, he is
7 giving rich corporations every advantage at the
8 expense of the poorest. The saying, the rich
9 keep getting richer and the poor keep getting
10 poorer, I believe we have a responsibility to
11 the poor, the neglected children, the elderly
12 and the disadvantaged.

13 Whosoever you do to the least of my
14 people that you do unto me. How we treat our
15 most needy people says a lot about who we are.

16 This budget proposal is not how we
17 should operate as a Commonwealth, and I will
18 oppose it through the coming budget
19 negotiations.

20 Thank you, Mr. Chairman.

21 CHAIRMAN ADOLPH: Thank you,
22 Representative.

23 The next member of the General
24 Assembly to testify will be Representative Mark
25 Gillen.

1 Good afternoon, Representative.

2 REPRESENTATIVE GILLEN: Good afternoon
3 Mr. Chairman, Chairman Markosek and
4 distinguished staff and members of the
5 Appropriations Committee.

6 If I could just mention for a moment
7 the Department of Public Welfare budget. I
8 heard from one of my distinguished colleagues
9 with regards to the cut in the Department of
10 Public Welfare. Certainly one could look at the
11 enormous numbers in DPW and conclude that a
12 reduction of three-quarters of one percent is
13 highly unlikely to result in some of the dire
14 predictions that we've heard here. In fact, a
15 very good case could be made that a reduction of
16 three-quarters of one percent is probably not
17 deep enough in the DPW budget with regard to
18 highly-publicized cases of abuse and fraud and
19 waste.

20 Before I drove in this morning, I did
21 my customary jog over at a track next to our
22 house. And we have a number of intersections
23 with our neighbors, a bus driver, a senior, a
24 retiree, and a businessman. And I heard one
25 familiar theme from each of them. They wanted

1 to see an end to tax and borrow and spend in
2 Harrisburg.

3 We've heard a bit about compassion
4 today, and raising taxes on seniors and pushing
5 senior citizens and those with the limited
6 ability to pay out of their homes is far from
7 being compassionate. Reducing the size of the
8 cost of governance is what my constituents back
9 home, in the place that I call Berks County, are
10 interested in.

11 I see some bright spots in the budget
12 as a former correctional and as a 20-plus year
13 emergency medical technician. I'm encouraged
14 when I see space made in the budget for a
15 hundred additional state troopers. I am
16 concerned, obviously, as many of you are here,
17 as we grapple with funding for infrastructure
18 and transportation. But I'd like to make a
19 suggestion to not only my constituent community
20 about the Legislature and the Administration,
21 that before we start talking about tolls and
22 taxes and fees, that we ought to look at
23 ferreting out waste. We ought to look at
24 reductions in the size and the costs of
25 government.

1 And as I talk to average people in the
2 street and in the community in my small town of
3 Mohnton, they're enormously encouraged that
4 we're looking at right-sizing government.

5 Now, we're going to have
6 disagreements, and there ought to be a spirited
7 debate on where the belt-tightening ought to
8 come from. I'm an Act 48 certified teacher.
9 I've been a guest teacher in the public schools.
10 I'm a product of the public education system.
11 The first college I went to was a community
12 college. The last college I went to for some
13 EMT training was a community college.

14 I graduated from Kutztown State
15 University, and so I certainly think there is a
16 need to re-calibrate and take a harder look at
17 the funding with regards to education.

18 While we're dealing with the subject
19 of schools, and it's come up in this General
20 Assembly and certainly in the Governor's speech,
21 there is a need for mandate relief on the
22 personnel side, on the transportation side, on
23 the building side, if we're looking for efficacy
24 of cost savings with regard to our schools.

25 I don't want to steal any of Mario

1 Scavello's thunder on property tax, but might I
2 add that the property taxes in Berks County as a
3 percent of home value are one of the highest in
4 the Commonwealth of Pennsylvania. Mario may
5 have the ultimate title, but in the United
6 States of America, as I've looked at 792
7 Counties with populations of 65,000 people or
8 more and I compare our property taxes, not only
9 in a raw number in Berks County, but as a
10 percent of income because I'm concerned about my
11 constituents' ability to pay.

12 This General Assembly and this
13 Administration needs to deal with runaway,
14 out-of-control property taxes. Because at the
15 end of the day, whatever conversation we have
16 about transportation or about education or any
17 other subject are muted by the reality that
18 every day in the Commonwealth of Pennsylvania
19 your constituents and my constituents are put on
20 the curbside. And our Constitutional rights
21 don't mean a whole lot when we're sitting next
22 to the street in a pile of boxes.

23 And so I encourage this General
24 Assembly to take on the issue that most of my
25 Constituents are talking about on a daily basis.

1 Thank you, Mr. Chairman.

2 CHAIRMAN ADOLPH: Thank you,
3 Representative.

4 The next Representative to testify
5 will be Representative Maria Donatucci from
6 Philadelphia.

7 Good afternoon, Representative.

8 REPRESENTATIVE DONATUCCI: Good
9 afternoon, Mr. Chairman and the Committee.

10 CHAIRMAN ADOLPH: Nice to see you.

11 REPRESENTATIVE DONATUCCI: Thank you.
12 And I thank you for giving me this time to
13 testify.

14 My comments aren't about an allocation
15 of money, but, rather, priorities and an
16 opportunity missed, but which can and should be
17 rectified.

18 My district and others in Philadelphia
19 and Delaware Counties are falling into a
20 disaster. Not a disaster of rain or wind or
21 earthquake, even though we've experienced all
22 three in the past year. It's a slow-motion
23 economic disaster. The loss of 2,000 jobs at
24 three oil refineries in Trainer, Marcus Hook and
25 Philadelphia. Thousands more jobs and even the

1 financial viability of some municipalities are
2 threatened by the ripple effect that the loss of
3 2,000 well-paying jobs will have.

4 In the past, when a single refinery
5 anywhere in the nation is damaged by some storm
6 or mishap, there was worry and speculation about
7 its impact on fuel prices. Is it just a
8 coincidence that three, three refineries within
9 a few miles of each other are being shut down at
10 roughly the same time and at the time of year
11 where fuel prices are peaking? Some experts
12 believe gasoline prices could hit \$5 a gallon or
13 more in the coming months.

14 Is it a coincidence that the closings
15 of these three refineries and the resulting fuel
16 price spikes are happening in a Presidential
17 year? Whether by coincidence or by plan, the
18 people of my district are caught in the middle.

19 We have repeatedly asked the Governor
20 to take a visible leadership role to assure the
21 people losing their jobs that their State
22 government is on their side and doing everything
23 possible to get those refineries opened.

24 Instead, we get vague assurances that
25 the Administration is working on it and there's

1 someone thinking of buying the facilities, or
2 one of the facilities.

3 Reports are that the Governor is about
4 to go on a trade mission to Europe. How about a
5 trade mission to South Philadelphia to learn
6 about the impact the refinery closings will have
7 on the unemployed workers, local businesses and
8 municipalities, and to tell the people what is
9 being done in response?

10 The impact to South Philadelphia,
11 Southwest Philadelphia and Delaware County will
12 be huge and will result in local municipalities
13 scrambling for lost revenue, and then they will
14 be burdened even more by State cuts.

15 I also wish to add my disappointment
16 over the Marcellus Shale Impact Fee. The State
17 Constitution says the resources of the State
18 belong to all the citizens, but the citizens of
19 my district won't see one thin dime. In my own
20 community and across the State, school districts
21 are scrambling to make up for the loss of State
22 subsidies for public education. The gift of the
23 tiniest impact tax on the gas companies is
24 juxtaposed against the continuing and even
25 growing burden already on local taxpayers.

1 In schools across the State, class
2 sizes are being increased, academic offerings
3 are being trimmed, sports teams are being
4 consolidated or eliminated, or the students are
5 going to have to pay a fee to participate, just
6 like a tax.

7 The Governor, the Legislature and
8 school boards have the easy roles in the slow
9 glutting of our public schools. Local taxpayers
10 have a harder role when asked to supply more in
11 property taxes to make up for the State
12 education cuts. But the toughest role in this
13 is reserved for the students. They have to live
14 with it. And the reduced educational resources
15 and opportunity will shadow them for the rest of
16 their life.

17 As this Committee deliberates what it
18 has learned in their hearings, I hope that
19 service to the people and to their well-being
20 wins out over politics.

21 As it was for our parents, our goal
22 should be to make our nation and Commonwealth
23 better for the children now growing up instead
24 of surrendering to short-term political gains.
25 Instead, the odds are growing against the coming

1 generations. The budget cuts and cuts to
2 services is making even a more bleak future.

3 Thank you.

4 CHAIRMAN ADOLPH: Thank you very much,
5 Representative, for your testimony.

6 REPRESENTATIVE DONATUCCI: Thank you.

7 CHAIRMAN ADOLPH: The next testifier
8 will be Representative Mark Cohen from
9 Philadelphia County.

10 Good afternoon, Representative.

11 REPRESENTATIVE COHEN: Good afternoon,
12 Mr. Chairman. Good afternoon, Chairman
13 Markosek, distinguished members of the
14 Committee. I appreciate the opportunity to
15 testify. I appreciate that all members have the
16 opportunity to testify.

17 I agree, as you might expect, most
18 with the Democratic colleagues you've heard so
19 far. I would like to respond to a
20 Representative Gillen's statement about property
21 taxes. Yes, we need to do more about property
22 taxes, but the way we do more about property
23 taxes is we give more State money to local
24 governments and school districts so they don't
25 have to spend local resources. They could spend

1 State resources.

2 When we cut State resources, we are
3 voting to increase local property taxes. Now,
4 my -- I will give you, very briefly, my sense of
5 what this budget ought to be doing. We ought to
6 be restoring the benefit cuts enacted over the
7 last 14 months in the Department of Public
8 Welfare. Food stamps stands out as an issue
9 where there's no State savings at all in cutting
10 the food stamps, because we were talking about
11 Federal dollars, not state dollars. But even
12 where there are State dollars involved, we ought
13 not to be cutting those benefits. People
14 desperately need them.

15 Second, we ought to be increasing the
16 education budget to restore it back in the
17 direction that it used to be. The increase in
18 the valuation of the Dow Jones -- of the stock
19 market, as measured by the Dow Jones average and
20 other averages, should mean that there will be
21 lower costs for school retirement this year. It
22 should mean that there will be lower costs for
23 school retirements in the future. There is some
24 money there, whatever that money is, and we'll
25 find out, obviously, in more detail how much

1 that money is by where these averages stand as
2 we finish budget deliberations, but that money
3 that is saved as a result of reduced pension
4 costs ought to go directly into public
5 education.

6 The public education budget is
7 dismally low compared to what it ought to be.
8 Money spent for public education at all levels,
9 from K through college and graduate school, is a
10 good investment for the future of Pennsylvania.

11 Third, we have to repair our roads and
12 bridges. We ought to be able to cross party
13 lines and work together in order to do that. We
14 need to have better roads. We need better mass
15 transit. The more money we spend for mass
16 transit, the more attractive mass transit will
17 be, and the less of a burden it is on the roads
18 and bridges of our Commonwealth. Money for mass
19 transit saves money for other transportation
20 costs in the long run.

21 And, finally, I would like to suggest
22 that the Legislature look into restoring
23 legislative initiative grants. I've heard the
24 argument that they only exist for our own
25 benefit for re-election. But, increasingly, as

1 I go around my district and other parts of
2 Pennsylvania, I hear other arguments from the
3 people who are affected, that the programs
4 actually had value, that people miss the money
5 they were getting, that services that had been
6 offered before are not being offered now, and
7 they do not really understand the argument that
8 these -- that these moneys were just for our own
9 re-election tool. They believe they are needed
10 public services. So I think they ought to be
11 restored, put in whatever transparency measures
12 people think is appropriate, but local
13 communities need direct money. And it's a lot
14 cheaper to meet individual needs of local
15 communities than to try to set up a State
16 benefit program and say that everybody shall get
17 money for this purpose or that purpose. Maybe
18 there are only a few communities that really
19 need the money for this or that purpose. It's
20 much simpler to operate through legislative
21 initiative grants than it is through massive
22 Statewide programs.

23 I believe that we have opportunities
24 here for bipartisan cooperation. We have sort
25 of cooperated in the past by the Democrats

1 making statements and the Corbett Administration
2 then responding to the statements in terms of
3 program modification. I guess we can continue
4 in this form of public negotiation, if that's
5 desired. But I would also hope that we can work
6 together in a constructive manner, knowing the
7 interests of the other side and trying to
8 produce a budget instead of passing on a,
9 basically, partisan vote, to pass with an
10 overwhelming bipartisan vote in both houses of
11 the General Assembly.

12 Thank you very much.

13 CHAIRMAN ADOLPH: Thank you,
14 Representative Cohen.

15 The next testifier will be
16 representative Bryan Cutler from Lancaster
17 County.

18 REPRESENTATIVE CUTLER: Thank you, Mr.
19 Chairman.

20 CHAIRMAN ADOLPH: Good afternoon,
21 Representative.

22 REPRESENTATIVE CUTLER: Good
23 afternoon, Chairman Adolph and Chairman
24 Markosek. Pleasure to be here.

25 I'm probably going to switch gears and

1 go to, I hope, what is a less controversial
2 topic.

3 As many of the members know, one of
4 the issues that I advocate annually on is in
5 regards to Lou Gearing's funding and the care of
6 the patients that are there.

7 In fiscal year 2010 and '11 I worked
8 with Josh Shapiro to have a line item included
9 in the Department of Health, and that money was
10 used to care for the roughly 800 patients that
11 we have here in the Commonwealth.

12 What I would respectfully request is,
13 as we reconsider the budget and we prioritize
14 the spending there, that we evaluate how that
15 money was spent and the money that was saved in
16 relation to that spending. And hopefully we
17 could find a couple hundred thousand dollars to
18 re-allocate into that program.

19 As you all know, this is an issue that
20 is very personal for me. Both of my parents
21 passed away from Lou Gehrig's disease when I was
22 much younger, and so I will be very free to
23 admit my bias regarding this specific disease.

24 However, I have a greater concern.
25 Because this disease, while the life expectancy

1 was only two years when my parents were
2 diagnosed, has now moved up into the five to
3 seven years. These individuals typically end up
4 in nursing homes and subsequently on Medicaid,
5 once they run out of money. And so there's a
6 substantial cost to the State, potentially up to
7 \$90,000 a year that we incur as we care for
8 these patients. There is a much better
9 alternative both from a care perspective, as
10 well as a savings perspective, if we care for
11 these individuals in their homes.

12 It's proven that we can save a
13 substantial amount of money. Many times the
14 caregivers are a mix of hired help from the
15 outside, from home health agencies and things
16 like that, which I know are currently also
17 struggling in this budget, but also family
18 members, friends and neighbors that typically
19 care for these individuals.

20 My main concern, though, is even
21 bigger than the 800 patients that are currently
22 here. Because, obviously, me coming asking for
23 help doesn't do anything for my parents. They
24 have already passed, and many of the friends
25 that I got to know at the same time my parents

1 were ill have also passed. But as a
2 Commonwealth, we're facing a very stark reality.
3 And that reality is that we have the largest
4 majority of deployed National Reservemen in the
5 country.

6 And the reason that is so important is
7 because there's a very definitive link between
8 service in the military and Lou Gehrig's
9 Disease. In fact, studies have demonstrated
10 that, dating back to World War II, they're
11 almost twice as likely to contract Lou Gehrig's
12 Disease, or some other neurological disorder
13 that's roughly associated in the family. And
14 that's the concern that I have.

15 As we have our contingent of troops
16 who are bravely defending us across the world,
17 they're going to return home. And the
18 infrastructure is in place. And if we don't
19 fund it or we don't fully support it now, it may
20 be gone by the time that those veterans truly
21 need it.

22 So I'm hopeful and, again,
23 respectfully request -- I know in 2010/'11 the
24 allocation was about \$325,000, I believe -- you
25 know, something in that neighborhood. Obviously

1 I would love to have more than that because
2 there's substantial return on investment there.
3 But the reality is, our veterans are returning
4 home, they're going to have these problems, and
5 I think we owe it to them in order to have that
6 infrastructure in place in order to meet their
7 needs.

8 I'll be glad to distribute some
9 information afterwards, because I want to be
10 mindful of your time, and I'll follow up with
11 some of the specific data in regards to what it
12 costs to care for individuals in nursing
13 facilities versus a home. And I'll be happy to
14 answer any questions afterwards once I send the
15 information.

16 Thank you for your time.

17 CHAIRMAN ADOLPH: And thank you,
18 Representative, for your testimony.

19 Thank you.

20 The next testifier will be
21 representative Rick Mirabito from the 83rd
22 Legislative District.

23 Good afternoon, Representative.

24 REPRESENTATIVE MIRABITO: Good
25 afternoon.

1 Thank you, Chairman Adolph and
2 Chairman Markosek and the other members of the
3 Committee. Thank you for providing the
4 opportunity for me to speak on behalf of the
5 people of the 83rd Legislative District.

6 One-half of the population of the 83rd
7 lives in Williamsport, a third-class city
8 located in Lycoming County and North Central
9 Pennsylvania, and the rest live in eight other
10 townships and boroughs surrounding Williamsport.

11 When I spoke with you a year ago, we
12 emphasized how State budget cuts hurt education
13 in rural communities and shifted the tax burden
14 to property owners. I'm disheartened to tell
15 you that we have the same problems before us as
16 we address the 2012/2013 budget.

17 I've learned two lessons from these
18 budget debates. First, although we may try to
19 reduce State spending, the problems in our
20 communities do not go away. Second, we need to
21 recognize that rural and urban communities are
22 fundamentally different in their economic
23 structure. Put simply, they are poorer and less
24 able to sustain massive State cuts in funding.

25 Today I want to address these issues

1 in the context of how budget cuts in rural
2 communities affect education, public
3 transportation for the most vulnerable of our
4 citizens and State Police functions.

5 When we analyze the situation facing
6 many of our rural communities, we see that they
7 are fundamentally different from the more
8 affluent parts of the State. In fact, they
9 share many of the problems and economic
10 struggles of our urban areas. For example, if
11 we look at the 83rd Legislative District in
12 Lycoming County, we see a stark comparison with
13 the rest of Pennsylvania. Thus, the Statewide
14 median household income is approximately 50,398,
15 but Lycoming County's median income is a little
16 over 42,000, a full 15.3 percent lower. And in
17 the third-class City of Williamsport, our median
18 household income is only in the range of 28,000,
19 a level that compares with sections of
20 Pennsylvania's large urban communities.

21 As you know, this means that half of
22 our households are living on less than \$28,000 a
23 year. We have similar median incomes in the
24 more rural parts of Lycoming County.

25 Part of the reason our household

1 incomes are lower is that we have fewer
2 individuals with higher education, thus,
3 Statewide, over 26 percent of persons over the
4 age of 25 have a bachelor's degree, but in
5 Lycoming County, only 18.8 percent have this
6 level of education. And, finally, while
7 Statewide we have 12.4 percent of the population
8 living below the poverty level, in Lycoming
9 County we have over 14 percent living below the
10 poverty level.

11 Because the rural and urban areas of
12 our State are poorer, we rely more on State help
13 in the areas of education and transportation.
14 As you can imagine, it's difficult to own and
15 maintain a car on a median income of \$28,000.
16 And yet we have large distances to travel within
17 these rural communities to get to jobs, schools
18 and healthcare facilities.

19 Your Committee has heard from a number
20 of entities regarding State funding for
21 education. My constituents continue to tell me
22 that education is a fundamental tool to foster
23 economic development and that a skilled
24 workforce is essential to meet the needs of
25 existing businesses and to entice businesses to

1 come to Pennsylvania.

2 My constituents also tell me that the
3 proposed budget does not adequately invest in
4 Pennsylvania's future in the area of education.
5 While we all know that simply throwing money at
6 education will not improve it, we should also
7 know that stripping resources from schools will
8 not advance the quality of education either.

9 Last year the massive cuts to public
10 education fell most heavily on our rural and
11 urban school districts. This appears to be
12 happening again this year. Under this budget,
13 school districts may be forced to decide whether
14 to keep preschool and kindergarten programs.
15 These are programs which have proven to be very
16 effective in the area of childhood education,
17 but we have not made them a priority in this
18 State budget.

19 Early education is not an option for
20 us in rural communities. It's an imperative.
21 Early childhood programs not only help poor
22 children, they help children from also
23 socioeconomic classes. Our children in rural
24 communities need the benefits of preschool and
25 kindergarten in order to grow into contributing

1 citizens and be able to compete in a global
2 economy.

3 In addition, under this budget, school
4 districts will be forced to pay for cyber and
5 charter schools without State assistance. This
6 policy puts more pressure on school districts.

7 The cuts in education that have
8 occurred in our rural communities over the last
9 two years are devastating. For example, the
10 per-student cuts for the school districts in the
11 83rd Legislative District for two years include
12 \$275 per student, or \$6,875 per classroom for
13 Loyalsock Township; \$578 per student, or \$14,450
14 per classroom for South Williamsport; and \$720
15 per student, or \$18,000 per classroom for the
16 Williamsport Area School District. By the way,
17 the Williamsport Area School District has a
18 poverty ratio of about 62 percent.

19 Constituents in the 83rd District are
20 concerned that even as school districts try to
21 cut back on spending, fixed overhead costs will
22 force local property tax increases on struggling
23 homeowners and retirees. For example, when oil
24 reaches a hundred dollars a barrel, the effects
25 permeate throughout the entire economy,

1 including school district budgets. Thus, while
2 many say that there's no tax increase at the
3 State level, we are shifting the cost and the
4 tax burdens to the local level, again,
5 particularly devastating for rural communities
6 which have a less-developed economy.

7 The shifting of costs and burdens has
8 occurred in the area of higher education.
9 Again, these types of cuts hit our rural
10 residents hardest because our rural families
11 have lower median household incomes and less
12 disposable income for college or technical
13 training.

14 We also see the effects of the State
15 budget cuts in rural communities in the area of
16 transportation for our most vulnerable citizens.
17 As an example, STEP is a local nonprofit shared
18 ride provider, and it's been in the business of
19 providing people to get to their appointments
20 for more than 35 years. It's worked on a
21 365-day, 24/7 basis in a 2,100 square mile area
22 of two counties, Lycoming and Clinton.
23 During the last 10 years, STEP has provided
24 almost 1.4 million one-way trips and has logged
25 over 10 million miles, meeting the

1 transportation needs of seniors, the blind and
2 others with physical and intellectual
3 disabilities.

4 This service helps them remain
5 independent. Many of these appointments are for
6 life-sustaining needs, like cancer treatment and
7 dialysis, and many are for critical medical
8 needs, like primary care, lab work, physical
9 therapy, mental health and intellectual
10 disability services. Still others are for
11 employment and social appointments for seniors.

12 All are essential to our rural
13 residents to remain independent and vital
14 members of our community and to decrease the
15 enormous costs associated with premature
16 institutionalization and the overuse of
17 ambulance services and emergency room visits.

18 During this time, however, the costs
19 have escalated while funding has decreased.
20 Along with other transportation providers
21 throughout the State, STEP has been using it's
22 own resources to keep the service functioning.
23 Although STEP has decreased its service level,
24 the current decision to reduce funding for the
25 Medical Assistance Transportation Program, plus

1 the higher administrative costs associated with
2 the proposed co-pays, jeopardizes the entire
3 program. The elimination of this type of
4 program would be devastating to residents in
5 rural communities.

6 Finally, we've seen how the budget
7 cuts have affected the Pennsylvania State Police
8 Aviation Patrol Unit Four, which serves all the
9 Lycoming, Northumberland, Union, Snyder,
10 Montour, Clinton, Tioga, Cameron, Potter,
11 Bradford and Sullivan Counties. This service
12 has been operational at the Williamsport
13 Regional Airport for over 40 years. It's been
14 the primary air support for Pennsylvania State
15 Troopers and local law enforcement agencies in a
16 7,630 square mile area with a population of
17 almost a half a million people. The unit has
18 played major roles in rescue and support
19 operations in response to many natural and
20 manmade disasters, including the flooding of
21 September 2011 which destroyed our communities.

22 The mountainous terrain of the service
23 unit area of Unit Four makes aerial support a
24 necessity in order to ensure efficient and
25 effective response to all emergencies.

1 Moreover, the rapid and exponential increase in
2 motor vehicle traffic throughout Lycoming,
3 Clinton, Tioga, Potter and Bradford Counties due
4 to the Marcellus Shale gas drilling operations
5 and the possibility of emergency issues related
6 to those operations further necessitates the
7 need for nearby emergency aerial response.

8 I urge you to consider providing the
9 funds necessary to return the State Police
10 Aviation Patrol Unit to the Williamsport
11 Regional Airport.

12 In summary, I urge the Committee to
13 consider the special needs of our rural
14 communities as we debate this budget and to
15 recognize that some parts of our State need
16 help, not because they're not willing to help
17 themselves, but because they are fundamentally
18 poorer in their economic makeup.

19 In short, constituents tell me they're
20 not looking for a handout, they are looking for
21 a helping hand. And we hope you'll consider
22 providing it.

23 CHAIRMAN ADOLPH: Thank you very much,
24 Representative, for your testimony.

25 The next testifier from the General

1 Assembly will be Representative Pamela DeLissio
2 from the 154th Legislative District in
3 Philadelphia.

4 REPRESENTATIVE DeLISSIO: Good
5 afternoon. Thank you. And that would be the
6 194th, representing both Philadelphia and
7 Montgomery County.

8 CHAIRMAN ADOLPH: I should wear my
9 glasses when I look at these things.

10 REPRESENTATIVE DeLISSIO: That's okay.
11 My bifocals are built-in.

12 Thank you for this opportunity to
13 testify today. In 2011 I spent four days at
14 budget hearings, and this year eight days. A
15 colleague had commented that perhaps my time
16 would be better spent in the district, since I
17 was a new member, and this would give my
18 constituents a better chance to get to know me.

19 I believe that my constituents would
20 agree with me that the budget is one of the most
21 important legislative events that occurs and
22 learning as much as possible about the budget is
23 a very important aspect of my job.

24 I believe my time is well-spent
25 understanding the budget details, and, as they

1 say, the devil in the details. And these budget
2 details affect the daily, if not hourly, lives
3 of my constituents and all of the citizens in
4 the Commonwealth.

5 My 30-year career further informs me
6 that budget development is about revenues and
7 expenses and the priorities that are identified
8 that drive those revenues and expenses.

9 This budget provides support for the
10 priorities of this Administration. It is
11 evident that effort has been put forth on the
12 expense side. My constituents want to know why
13 a similar effort was not put forth on the
14 revenue side.

15 One response I have after listening
16 carefully and reviewing budget-related materials
17 is that the priorities I have heard include
18 short-term money savings at a potential greater
19 costs in the mid- and long-term. These mid- and
20 long-term costs do not even take into
21 consideration what I refer to as soft costs.
22 And the soft costs are the havoc wreaked in
23 constituents' lives as a result of less than our
24 strategic decisions in terms of the budget; lost
25 time, increased frustration, lost productivity,

1 increased stress, et cetera.

2 During the course of the hearings, I
3 have been impressed with some initiatives on
4 behalf of few of the cabinet-level secretaries
5 who appear to be using private-sector best
6 practices for the betterment of the departments
7 and, ultimately, for better citizen service.

8 In my very brief 15 months in office,
9 I have seen and shared with my constituents the
10 inefficiencies that I've witnessed in
11 government, sometimes on a daily basis.

12 And speaking of best practices, I have
13 learned over time that a good leader would use
14 the best practice of engaging a diverse group of
15 stakeholders when making strategic decisions
16 and, ultimately, major changes.

17 Generally, I don't find people are
18 adverse to changes if they are part of the
19 process and feel vested in the process, and I
20 remain concerned that the process has not
21 included diverse groups of stakeholders in a
22 meaningful way. If this year's budget
23 negotiations echo last year, then 45.5 percent
24 or more of the citizens will be excluded from
25 the dialogue because members of the minority

1 party were excluded from the budget discussions.

2 I want to go on the record today that it is
3 untenable if it happens again this year.

4 I speak about the budget in most of my
5 town hall meetings, and to date I've had nine of
6 those town hall meetings and will continue to
7 include the budget on my town hall agendas.
8 Citizens need to understand how it works and how
9 to participate.

10 I was struck during the hearings that
11 we have no mechanism to get public input to the
12 budget. Appropriations hearings are, indeed,
13 public events; however, the public cannot
14 participate.

15 I think the citizens should help to
16 determine the nice-to-haves versus the
17 must-haves. And I would submit to you that the
18 ultimate answer to determining must or nice is
19 subject to opinion, and my opinion counts on
20 behalf of my constituents and their opinion
21 counts as far as I'm concerned.

22 To remedy this, I will be holding at
23 least one public hearing in the 194th for my
24 constituents to provide testimony on the budget.
25 It is, after all, their tax dollars.

1 I want to thank you for this
2 opportunity to testify this afternoon. And I
3 have a few short minutes left, I think, on the
4 clock. And I just want to say that I'm here
5 after having left the Health Committee meeting
6 that's going on as we speak on Act 22 expedited
7 regs. And this Act 22 was part of a Welfare
8 Code budget that we passed last year. And,
9 again, the lack of process -- I can appreciate
10 the need for change and I have an appropriate
11 appreciation -- I'm fiscally very conservative,
12 and have an appropriate appreciation for
13 spending dollars as effectively and efficiently
14 as possible. But the process that was followed
15 to promulgate these massive changes, it's
16 allowed a 15-day comment period. And that's
17 giving the Department the benefit of the doubt
18 that the comments were posted in the a.m. on the
19 24th and not in the evening, as I suspect. This
20 is day eight -- business day eight of that
21 period. The comment closes tomorrow for massive
22 changes, and the Department is updating the
23 Health Committee now.

24 This is not a reasonable process, and
25 it's a process that deserves criticism. So I

1 will be returning to that, but I would strongly,
2 strongly, strongly urge the Committee to engage
3 in the most appropriate process possible as it
4 pertains to these budget negotiations that are
5 ahead of us. It is not only important to me, it
6 is important to the 60,000 people that I
7 represent, and I suspect very important to all
8 the citizens of the Commonwealth.

9 So with that being said, thank you.

10 CHAIRMAN ADOLPH: Thank you very much,
11 Representative, for your testimony.

12 The next testifier will be
13 Representative Rosemary Brown of the 189th
14 Legislative District.

15 Good afternoon, Representative.

16 REPRESENTATIVE BROWN: Good afternoon
17 Mr. Chairman. Good afternoon, Chairman
18 Markosek. And thank you to the Committee
19 Members for the opportunity to speak to you
20 today.

21 Mr. Chairman, I appear before you to
22 officially convey to you my thoughts and
23 concerns regarding the 2012/2013 budget
24 proposal.

25 I am fully aware that this year's

1 fiscal situation presents us with many tough
2 challenges. With many mandated line items and
3 the current status of our economy, we cannot
4 escape the many difficulties -- the difficult
5 choices that must be made to ensure this budget
6 is one that's fiscally responsible to our
7 citizens, while also seeking to maintain the
8 many programs and services of which many
9 Pennsylvanians rely.

10 With that in mind, I must communicate
11 to you my very serious concern about the
12 hardships that will be faced by the communities
13 I represent. My district of Monroe and Pike
14 County has been treated unfairly for many years
15 through an extremely outdated education funding
16 formula.

17 As an area that grew tremendously over
18 the last 20 years, we did not receive adequate
19 funding for this growth from the State. The
20 schools in my area have received and still
21 receive, much less funding -- State funding than
22 other schools with similar demographics,
23 primarily because a of a hold-harmless provision
24 where no school district can receive less State
25 financial support than the previous year. That

1 results in a funding formula that, essentially,
2 punishes school districts with rapid population
3 growth, like those in Monroe in Pike Counties,
4 and keeping money in school districts that have
5 had zero or declining growth. Not only has this
6 been unfair, but it has been unconstitutional
7 and very poor business and budget management.

8 It has devastated my district, and you
9 will often hear me refer to a possible ghost
10 town if this tax problem is not addressed. I
11 would like to ask you to ask yourself, what
12 business would not adjust their funding streams
13 based on growth and proper funding utilization?

14 The State has played a significant
15 role in the underfunding of our schools, pushing
16 the districts to come to the taxpayer. I want
17 to see our school districts get what has been
18 rightfully theirs during the last to 10 to 20
19 years.

20 The crippling effects of this funding
21 formula that was never adjusted, based on school
22 populations and other factors, hit us especially
23 hard even well before the economy weakened. The
24 damage has been done and it needs to be
25 repaired.

1 I challenge you to find another area
2 in the State that has school taxes of \$10,000
3 for a 25-square-foot [sic] home. Many of my
4 constituents pay anywhere from \$8,000 to
5 \$24,000. It's about time the Commonwealth, this
6 Legislature and the Governor do what's rights
7 and fair.

8 I request of this Committee that
9 Monroe and Pike County funding history be
10 reviewed in detail and adjusted in this budget,
11 or develop a plan of allocation over the next
12 few years to compensate for very poor
13 management.

14 Mr. Chairman, it is only fair to note
15 that our school districts also play a very
16 strong role in this tax situation. I had
17 strongly encouraged and I openly have
18 communicated with my school districts and
19 administrators the need to prioritize. I
20 continually discuss and educate my constituents
21 on the crucial role that school board members
22 make to our community and the financial
23 decisions that affect their tax bills.

24 Our school districts and our school
25 boards must propose and adopt fiscally-sound

1 budgets, and they must do their best to work
2 within tight financial constraints.

3 Skyrocketing school taxes faced by
4 local residents have crippled our area, not only
5 for the property owners on their tax bills, and
6 they have and are continuing to hinder our
7 ability to attract and retain businesses,
8 another crucial component to additional tax
9 revenue to alleviate the burden falling
10 primarily on residential taxpayers.

11 This downward cycle continues as
12 business entrepreneurs look at our area and they
13 see the high cost of doing business based on
14 their local tax bills and they look somewhere
15 else.

16 Three pieces of the puzzle, fair
17 funding from the Commonwealth, critical spending
18 habits of school districts and increased
19 business revenue, they all need to work together
20 to help give our residents relief and allow them
21 to stay in their homes.

22 And, quickly, I received a study this
23 morning. It's a national study that is
24 census-driven and was put out by the Tax
25 Foundation in 2009. And one of the pieces of

1 the information in the study is the taxes as a
2 percentage of income. And let me make a special
3 note that our district has about 35 percent of
4 residents that commute, so our income is skewed
5 because of the high amount of the commuter cost.
6 But, basically, this shows the ability for
7 homeowners to pay their taxes. It is no
8 surprise that Monroe County is 49th in the
9 country and number one in the State for the
10 taxes as a percentage of income.

11 I'm asking this Commonwealth to do
12 what is right and fair to help adjust and make
13 up for a funding formula that has devastated our
14 area. I would also like to mention a few other
15 concerns that I have in this budget, including a
16 proposed 20 percent funding reduction for mental
17 health and disability services. This would
18 equate to a \$1.9 million reduction to our local
19 services. A 20 percent reduction is too large
20 of a reduction to continue to offer crucial
21 services that impact thousands of individuals
22 and families affected by serious mental illness
23 or intellectual disabilities.

24 We have a societal obligation to these
25 individuals who have not chosen this path in

1 life. We must have moral obligation to respect
2 and offer services that treat and stimulate
3 these individuals and their families to the best
4 of their abilities.

5 I have, also, concerns regarding the
6 20 percent reduction to our State System of
7 Higher Education of which East Stroudsburg
8 University is a member. After receiving 18
9 percent cuts last year, the additional 20
10 percent this year will truly affect their
11 ability to offer quality education at an
12 affordable price, possibly hindering education
13 levels on our society locally, nationally and at
14 a global level.

15 And, lastly, I would be remiss to not
16 mention Pennsylvania's hospitals and the effects
17 deep funding reductions will have on our local
18 hospital, Pocono Medical Center, and their
19 patients. Pocono Medical Center is one of the
20 top employers of my area, and I would be greatly
21 concerned not only of patient care being
22 compromised, but local employment.

23 As a result of these many concerns, I
24 believe the budget proposal needs a significant
25 amount of work, especially before it can earn my

1 support. And that includes making sure schools
2 are treated fairly in terms of an improved
3 funding formula and protecting what I believe to
4 be constitutionally fair to the people of my
5 district.

6 Thank you, Mr. Chairman.

7 CHAIRMAN ADOLPH: Thank you very much,
8 Representative. I'm looking forward to working
9 with you.

10 The next representative testifying is
11 Representative Curtis Thomas from Philadelphia
12 County.

13 REPRESENTATIVE THOMAS: Good
14 afternoon, Mr. Chairman. And good afternoon,
15 Chairman Markosek.

16 Looks like I might be last.

17 CHAIRMAN MARKOSEK: First in our
18 hearts.

19 REPRESENTATIVE THOMAS: That's what my
20 mama always said, last is really first.

21 Good afternoon to members of this
22 Committee. Thank you for this opportunity.
23 Recognizing that I only have five minutes, I am
24 not going to read my testimony, but kind of
25 share with you where I am.

1 One, I'm continuing the theme that I
2 offered last year; putting people first. I
3 expand that theme this year to putting people
4 first now.

5 Restore. Recover. Rebuild.

6 Restore the promise that we have made
7 to the children of Pennsylvania, hard-working
8 people of Pennsylvania, to our educational
9 system, and to those who have been out of work,
10 through no fault of their own, because
11 businesses have moved from the State or
12 workforce priorities have changed. We know what
13 the numbers are. We know that we're only
14 dealing with \$27.14 billion in this proposed
15 budget.

16 Let me stop for a minute and extend my
17 thanks and appreciation to both Chairmen and to
18 Members of this Committee. You stood up, showed
19 up, showed out last year, in making sure that we
20 did not send to the Governor the plan that he
21 gave us last March. You made some changes, and
22 you made it possible for some people who would
23 have been locked out to have a small opportunity
24 as a result of your stewardship. And I
25 encourage you to do the same thing this year,

1 but move it a little bit farther.

2 I think that the best thing that we
3 can do is, one, reorganize our priorities; two,
4 reshape our spending. It is possible to stay
5 within the 27.14 billion, but it's possible to
6 make some hard decisions about corporate
7 interests versus peoples' interests. And if we
8 make the decision on behalf of people now, then
9 we would do the right thing in the areas of
10 education, in the areas of jobs and training, in
11 the area of healthcare, and in the area of
12 housing and housing development.

13 I think those are our four top
14 priority areas. And it is possible to do the
15 right thing in funding those four areas and then
16 look at some of the other interests as outlined
17 in the budget.

18 And in closing, let me say that in the
19 proposed budget, as I've looked at it, we can
20 move the money around and put people first. But
21 if for some reason you can't move the money
22 around and put people first, let me suggest a
23 couple things. Number one, our public schools,
24 along with our higher -- our schools of higher
25 learning, is spending millions of dollars with

1 telecommunication companies throughout
2 Pennsylvania. All of these systems have
3 infrastructure. Spending a lot of money on the
4 internet. Why not use a teleconference law to
5 provide a dedicated source of funding for
6 education for both public education and for
7 higher education? And we would not break our
8 commitment to get out of control with spending.
9 That is something that we can do and it would
10 not hurt a lot of folks, but we have to find a
11 way to bring fairness and to bring some sanity
12 to education. We cannot go along with what has
13 been proposed.

14 Secondly, I think that it's probably
15 time to look at this whole issue of internet
16 sales in the Commonwealth of Pennsylvania.
17 There's about 13 states, if I'm not mistaken,
18 that is looking at internet sales as a way of
19 generating additional revenue.

20 From all the polling that I've seen on
21 the Democratic and Republican side, people have
22 said that they do not mind spending a couple
23 extra dollars to make sure that their children
24 get a quality education and can be able to
25 participate in this global marketplace. People

1 have said that. And some people who have said
2 that came from people that really didn't have a
3 couple dollars to spend. But the interest of
4 their child's future is so important,
5 Pennsylvanians are prepared to step up to the
6 plate in doing what's necessary to make sure.

7 And -- and we don't have to do an
8 analysis on what is needed, the Costing-out
9 study was a study that we engaged in in a
10 bipartisan way. And, for the most part, we
11 accepted the majority conclusions of the
12 Costing-out Study. So the Costing-out gave us a
13 baseline on what we need to be spending to at
14 least make sure the kids get the kind of
15 education that they need.

16 And so I suggest to you that if, for
17 some reason, you're unwilling to move the 27.14
18 billion around, there are some ways that we can
19 make sure that education, both basic education
20 and higher education, get the kind of resources
21 that they need.

22 And I thank for this opportunity.

23 CHAIRMAN ADOLPH: I want to thank you,
24 Representative, for testifying this afternoon.

25 And I'm looking forward to working with you.

1 REPRESENTATIVE THOMAS: Thank you.

2 CHAIRMAN ADOLPH: Chairman Markosek
3 for any closing comments.

4 CHAIRMAN MARKOSEK: Thank you,
5 Chairman Adolph. The only thing I really have
6 left to say is it's been a really good,
7 productive, informative three weeks. And I
8 think that you and I would both be remiss in not
9 to mention our staffs, so that those perhaps
10 watching don't think that we just show up here
11 without a lot of work being done behind the
12 scenes. And we are both blessed with a
13 wonderful staff, and they really make a lot of
14 this possible.

15 So I want to thank them publicly, and
16 personally thank you, Mr. Chairman. You've been
17 gracious. You and I have got together well, and
18 I look forward to moving forward with you as we
19 work together to craft the budget for
20 Pennsylvania.

21 CHAIRMAN ADOLPH: And thank you,
22 Chairman Markosek. I want to echo the
23 Chairman's opinions regarding our staffs. We
24 have some very talented folks working for us.

25 I'd also like to thank the Members of

1 the Committee on both sides for their
2 participation -- their active participation in
3 this budget hearing process.

4 I'd like to thank those that testified
5 from the Administration, as well as the various
6 State agencies that came before us during this
7 three-week period.

8 We have a very big job ahead of us,
9 and I'm looking forward to working with Chairman
10 Markosek and in crafting a budget that is
11 responsible and sustainable and does the right
12 thing for the Commonwealth of Pennsylvania and
13 its taxpayers.

14 So do I hear a motion to adjourn?

15 CHAIRMAN MARKOSEK: So moved.

16 CHAIRMAN ADOLPH: All in favor say
17 aye.

18 MEMBERS COLLECTIVELY: Aye.

19 CHAIRMAN ADOLPH: The meeting is
20 adjourned.

21 Thank you.

22 (At 2:46 p.m., the Office of the
23 Budget Hearing for General Assembly Members'
24 Testimony concluded.)

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C E R T I F I C A T E

I, Ryan K. Black, Registered Professional Reporter, Notary Public, duly commissioned and qualified in and for the County of Lancaster, Commonwealth of Pennsylvania, hereby certify that the foregoing is a true and accurate transcript of my stenotype notes taken by me and subsequently reduced to computer printout under my supervision, and that this copy is a correct record of the same.

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Dated this 23rd day of March, 2012

Ryan K. Black - RPR
Notary Public

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