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Pa. House Democratic Caucus

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House Democrats propose more than \$120 million in new funding for senior programs

Proposal more than double governor's commitment; lottery privatization not needed

HARRISBURG, Feb. 12 – House Democrats today announced a proposal that would provide more than \$120 million in additional state funding for senior programs next fiscal year – more than double Gov. Tom Corbett's commitment – without the need to privatize the Pennsylvania Lottery.

"Governor Corbett has been wrongly holding programs that benefit older Pennsylvanians hostage, claiming that privatizing the Pennsylvania Lottery and outsourcing its operations to the United Kingdom is necessary to increase funding for those programs," said House Democratic Leader Frank Dermody, D-Allegheny. "That is simply not true, and our plan proves it."

Under the House Democrats' proposal, state funding for senior programs would be guaranteed to increase in the next fiscal year, 2013-14, by at least the same amount funding increased this year – more than \$120 million in 2012-13, due to record growth in Pennsylvania Lottery profits under state-employee management.

Corbett last month announced an additional \$50 million for four specific senior programs in next year's budget: the Aging Waiver Program for in-home services to seniors; the OPTIONS program for care management, home-delivered meals, protective services and in-home services for seniors; the 52 Area Agencies on Aging; and a new Senior Center Modernization program.

The House Democrats' plan would retain the \$50 million proposed for those programs, while also adding more than \$70 million for other important programs that benefit seniors.

The \$70 million would be divided among the following programs according to the proportional share of funding the programs would receive under the governor's proposed 2013-14 budget: PennCARE (which includes the 52 Area Agencies on Aging and full- and part-time senior centers); family caregiver support; Alzheimer's outreach; grants to senior centers; home and community-based services; property tax and rent rebates; and free transit and reduced-fare shared rides.

The additional funding would be used entirely for senior programs and could not be used for administrative expenses for any agency or private contractor, including expenses such as: advertising, vendor transition fees, bonuses, commissions, prizes and general government operations.

The Pennsylvania Alliance for Retired Americans, a statewide advocacy group for seniors, has endorsed the House Democrats' proposal.

"We have watched with dismay as Governor Corbett attempted to claim that he has the support of Pennsylvania seniors for his plan to outsource the Pennsylvania Lottery to a private British firm," said Jean Friday, president of the Pennsylvania Alliance for Retired Americans. "In truth, many seniors are rightly skeptical and concerned about his privatization scheme. We don't think lottery privatization is necessary or right.

"We applaud the House Democrats for providing a common-sense plan to invest more money in programs for older Pennsylvanians without sacrificing the long-term health of those programs for the sake of overseas profits," Friday said.

The Democratic leaders noted that a private management agreement for the Pennsylvania Lottery is not needed to generate the additional funding for senior programs, because the Pennsylvania Lottery currently has a projected \$187 million surplus. The governor's proposed 2013-14 budget also projects that surplus to grow to \$200 million at the end of the next fiscal year.

The Democratic plan would still maintain a sizeable surplus for the lottery, while also keeping \$50 million in the Lottery Fund's reserve.

"We have the money available now to help Pennsylvania's seniors, and we can do it without Governor Corbett's scheme to hand over our beloved lottery to a British company for billions of dollars over 20 to 30 years," said Democratic Whip Mike Hanna, D-Clinton/Centre. "Governor Corbett needs to stop playing games with the public and our seniors. It's time for him to start dealing with Pennsylvanians honestly."

"This is a jackpot for Pennsylvania seniors and taxpayers," said Democratic Appropriations Committee Chairman Joe Markosek, D-Allegheny. "Our plan does not sacrifice senior programs for corporate profits overseas or cost Pennsylvania jobs."

"This proves that we don't need Governor Corbett's lottery outsourcing scheme to provide more money for senior programs. Let's keep our lottery in Pennsylvania hands."

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