

**TESTIMONY SUBMITTED TO THE  
HOUSE STATE GOVERNMENT COMMITTEE  
AUGUST 19, 2008**

**SUBMITTED BY SHEILA STERRETT  
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MANUFACTURER & BUSINESS ASSOCIATION**

Chairman Josephs, Minority Chairman Baker and members of the House State Government Committee, thank you for providing this opportunity for us to share our views on the issue of whether or not Pennsylvania should reduce the size of its legislature.

My name is Sheila Sterrett. I am the Director of Government Affairs for the Manufacturer & Business Association, a regional association with more than 4,600 member companies with a focus of improving Pennsylvania's economy and business climate.

Keeping with this focus, it is the opinion of the Manufacturer & Business Association that the enactment of House Bill 55 would be a benefit to Pennsylvania's residents and businesses. In coming to our opinion, we have analyzed data on all state legislatures, as well as the merits of this proposal and after a through review, we have determined that reducing the size of the Pennsylvania state legislature would save Pennsylvania's taxpayers money and could lead to a more vibrant economy.

First and foremost, let us examine the overall size of the legislature. Throughout the United States there is a great deal of variation in the size of state legislative chambers. Houses of Representatives range from 400 in New Hampshire to 40 in Alaska. Minnesota has the largest senate with 67 members and Alaska the smallest with 20. Likewise, legislative district populations vary greatly. Leaving aside California's giant districts, state Houses of Representatives range from a low of about 3,100 people in New Hampshire House districts to a high of 210,000 in New Jersey. The smallest Senate districts are in North Dakota (13,000) and the largest (672,000) are in Texas.

Unfortunately for the residents of Pennsylvania, the Commonwealth is among the top of both of these lists. In fact, at 203 House members and 50 Senators, Pennsylvania has the second largest state legislature, trailing only New Hampshire, which has 424 members. However, New Hampshire is a part-time citizen legislature in which members receive only \$100 per year for their service. Among Pennsylvania's peers (the 11 largest states plus Maryland), Pennsylvania not only has the most legislators, but it also has the highest number of legislators per 100,000 residents.

Similarly, according to the National Conference of State Legislatures, Pennsylvania's legislative support staff – 2,947 – was the second largest in the nation in 2003, trailing only New York. That said, one might argue that Pennsylvania's large population would merit such a large staff; however, Pennsylvania's staff-to-population and staff-to-legislator ratios are among the highest when compared to those of its peers. In fact, when compared to the state's population, Pennsylvania has the highest ratio of the 13 biggest states, and when looking at the number of staff per legislator, Pennsylvania comes in third trailing only California and New York. However, what is most disturbing is that the size of the legislative staff has increased by 106 percent over the past 30 years. During this same period, the state's population has only risen 4.8 percent.

Finally, in analyzing the merits of HB 55, we examined the compensation of state legislators throughout the United States and have found that as of 2005, Pennsylvania legislators were the fourth highest paid among the 50 states, trailing only California, Michigan and New York. It is important to note that this does not factor in per diems or the lucrative state defined-benefit pension given to lawmakers.

When combined, these three factors make the Pennsylvania state legislature the most expensive state legislature in the United States at a cost of \$341 million annually. However, if the state were to enact HB 55, Pennsylvania taxpayers could see this number drastically reduced and as a result, the state legislature would be able to focus this funding on improving Pennsylvania's failing economy.

For example, under HB 55 the operational budget of the General Assembly would be reduced by 20 percent. This alone would result in a savings of \$68 million per year. Additionally, HB 55 calls for reducing the size of the General Assembly to 161 Representatives and 40 Senators. This reduction represents an overall reduction of approximately 26 percent. With such a reduction of legislators, one could assume that a similar reduction in staff and legislative initiative grants would also occur, which could result in additional savings above and beyond the required \$68 million.

Such savings could be returned to the taxpayers through various tax cuts as a way to stimulate the economy and spur economic growth. For example, for over two years the business community has been lobbying for changes to the Corporate Net Income tax. Specifically, we have been seeking changes to the formula and the restrictions to the net operating loss carryovers. Combined, these changes would cost the Commonwealth approximately \$40 million and would lead to a more competitive business climate, and ultimately lead to more jobs and more businesses relocating to Pennsylvania as opposed to out of the Commonwealth.

In summary, we at the Manufacturer & Business Association feel that reducing the size of the legislature is the right decision for Pennsylvania's residents, business community and economy and would encourage you to support HB 55.