

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE HEARING

STATE CAPITOL  
MAJORITY CAUCUS ROOM  
ROOM 140  
HARRISBURG, PENNSYLVANIA

FRIDAY, MAY 22, 2009  
10:38 A.M.

PRESENTATION ON SENATE BILL 850

VOLUME III OF IX

BEFORE:

HONORABLE DWIGHT EVANS, MAJORITY CHAIRMAN  
HONORABLE WILLIAM C. KORTZ III  
HONORABLE DEBERAH KULA  
HONORABLE TIM MAHONEY  
HONORABLE JOSH SHAPIRO  
HONORABLE MATTHEW SMITH  
HONORABLE MARIO J. CIVERA, JR., MINORITY CHAIRMAN  
HONORABLE GORDON DENLINGER  
HONORABLE JOHN R. EVANS  
HONORABLE MAUREE GINGRICH  
HONORABLE DAVID R. MILLARD  
HONORABLE RON MILLER  
HONORABLE DOUGLAS G. REICHLEY  
HONORABLE RICHARD R. STEVENSON

ALSO IN ATTENDANCE:

HONORABLE KEVIN P. MURPHY

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**JEAN DAVIS REPORTING**

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ALSO PRESENT:  
MIRIAM A. FOX  
MAJORITY EXECUTIVE DIRECTOR  
EDWARD J. NOLAN  
MINORITY EXECUTIVE DIRECTOR

HEATHER L. ARTZ, RMR, CRR  
REPORTER

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## 1 P R O C E E D I N G S

2 \* \* \*

3 MAJORITY CHAIRMAN EVANS: The next two  
4 people on the panel, Dave Patti and Lynne Mack.  
5 David, Lynne. Can you introduce yourself for the  
6 purpose of the record and then you can start your  
7 testimony, whoever wants to go first.

8 MS. COLLINS: My name is --

9 MAJORITY CHAIRMAN EVANS: Pull the mic a  
10 little closer to you.

11 MS. COLLINS: My name is Theresa Roberts  
12 Collins and I have a brother that's disabled.

13 MS. MACK: My name is Lynne Mack and I have  
14 a sister who has a disability.

15 MR. PATTI: David Patti, president of the  
16 Pennsylvania Business Council.

17 MAJORITY CHAIRMAN EVANS: So whoever wants  
18 to start, just.

19 MS. MACK: I also -- I'm also representing  
20 Vision For Equality, an advocate for the not profit  
21 organization.

22 MAJORITY CHAIRMAN EVANS: Are you --

23 MS. HEERY: I'm Diane Heery from Heery  
24 Casting.

25 MAJORITY CHAIRMAN EVANS: What are you,

1 11:00? A little early, but we don't mind, you want  
2 to sit there. You're early, but go ahead. Don't  
3 worry about it. Make yourself at home. I apologize.  
4 Start again.

5 MS. MACK: Okay. Well, Representative  
6 Evans, I'm glad to be here to speak with you. And  
7 not to diminish anybody else that's on the committee,  
8 but we've been trying to contact you, so.

9 MAJORITY CHAIRMAN EVANS: You got me right  
10 here.

11 MS. MACK: I'm glad we get to talk  
12 face-to-face.

13 I don't have any statistics to tell you. I  
14 can get statistics, of course, but I don't have any.  
15 What I want to tell you today is the personal story  
16 of mine. I have a 40-year old sister who has  
17 seizures and also has mental retardation. And when I  
18 was 18 years old I joined the military. I was Air  
19 Force and I moved to Miami. I thought that by moving  
20 so many miles away that that burden of taking care of  
21 her, I wouldn't have to take that burden on, being  
22 the only female, you know, in the family. I have  
23 three older brothers, but normally that  
24 responsibility falls on the female in the family.

25 And so I moved away and, you know, I was

1 gone for about five years. I lived in Miami. But I  
2 was called to come back to Philadelphia. And when I  
3 say called to come back, I mean spiritually, because  
4 they were in dire need of help. At that time, and  
5 we're talking about 25 years ago, 30 years ago, when  
6 my sister graduated, there was no services for her.  
7 So she graduated and just sat on the couch and did  
8 nothing. And at that time she could talk, walk, eat  
9 by herself. She was able to do a lot. But in those  
10 five years that I was gone, she regressed and she  
11 lost a lot of the abilities that she had. And for  
12 the next 11 years I was in Philadelphia. We, me and  
13 my mother, we both struggled to take care of her by  
14 ourselves, with no services from the city because  
15 we -- we didn't know about any waivers or anything  
16 like that.

17           So, you know, we struggled. And it was  
18 hard. I lost my job. I lost a lot. I can go on and  
19 tell you about all the things that I lost over those  
20 11 years, but I'm sure there's many people in this  
21 room and many people in this state and across the  
22 country who have lost a lot because of a disability  
23 in their family.

24           But when I was driving here today, I  
25 realized that I needed to stop saying that I lost, I

1 lost. For so many years I thought I lost this  
2 because of this disability in my family. I really  
3 realize now that I was called, that I'm called to be  
4 here today, that I'm called to do the work that I do  
5 at Vision For Equality for other people with  
6 disabilities, that I've been called to sit here  
7 before you today and tell you that we need these  
8 services. We need your help. We are dieing out  
9 there. When I say we, I'm talking about everybody.  
10 There's thousands of us. We are dieing waiting in  
11 the line for services that are never going to happen.

12 People graduate from high school, stand in a  
13 line, and they never get anything. It's -- it's just  
14 a line to nowhere.

15 And if these services are cut, which this  
16 SB -- Senate Bill 850 will do, which is cut services  
17 dramatically, and it won't even address people who  
18 are coming out of high school, they're going to die  
19 also. So we really have to support the Governor's  
20 budget. This is something that we heard about last  
21 year and we were excited about it. There were so  
22 many people that were going to be taken off the  
23 waiting list. There were so many children that were  
24 going to be helped as they come out of high school.  
25 So we really have to support this bill.

1           The only thing that I can say that I have  
2 now, because I've struggled. I've struggled to take  
3 care of her, and now my mother is sick. She is  
4 72 years old. She is going blind. She has glaucoma.  
5 My father has diabetes. He can possibly lose a leg.  
6 So, I mean, it's always something going on with  
7 everybody. Everybody has something going on with  
8 them. But the only thing that I can say that I have  
9 right now is my health. And that's all that I can  
10 say today because I might not have it tomorrow. And  
11 I think that's all we all can say. No matter how  
12 much money we have, no matter how many people we  
13 know, we have our health. Thank God we have our  
14 health.

15           We have an obligation to help those who  
16 don't have that. President Obama said, "We are the  
17 people we have been waiting for." We are. We are  
18 the people that they are waiting for. Thank you.

19           MS. COLLINS: Good morning, everyone. My  
20 name is Theresa Roberts Collins and I have a brother  
21 that's 37 years old. And I moved to Maryland. I was  
22 born and raised in Philadelphia but I moved to  
23 Maryland, but I come back and I come back each and  
24 every day. I still work in Philadelphia as an  
25 advocate, so I get up each and every day. I'm a



1 single mother that was born with a daughter with a  
2 disability, but I come back and forth every day to  
3 advocate for people that's less fortunate than  
4 myself.

5           Some years ago my mother, she's up in age,  
6 my father passed away two years ago, but my mother  
7 had to place my brother somewhere. And thank God  
8 he's able to live out into the community where he has  
9 the staff that come in and support him. They told us  
10 that my brother would never walk. At six years old  
11 my brother walked. They told us that my brother  
12 would never benefit from anything. I finally hooked  
13 up with Temple University. My brother has a  
14 communication device.

15           But if this fund is cut, where would that  
16 leave my brother? My mother is 72 years old. I  
17 would have to quit my job and helping other people  
18 like my brother along with helping my brother. So I  
19 ask you, please, to find it in your heart to help  
20 people that's less fortunate than ourselves. They  
21 didn't ask to be born this way. And we didn't ask to  
22 have them this way. So I just ask you all to please  
23 find it in your heart to do what's right. Thank you.

24           MR. PATTI: Good morning, Chairman Evans,  
25 Chairman Civera, members of the committee. My name

1 is David Patti. I'm the president and CEO of  
2 Pennsylvania Business Council. Collectively through  
3 our member firms and the affiliated chambers of  
4 commerce and state business associations we work for  
5 millions of private sector employees in the  
6 Commonwealth. Members of our policy roundtable are  
7 the senior executives state's largest employers.  
8 Given the brief format, I'll dispense with many of  
9 the customary formalities and niceties and get right  
10 to the point.

11 I condemn any kneejerk opposition to Senate  
12 Bill 850 simply on the grounds that it is the product  
13 of Senate Republican leadership, just as I will  
14 condemn any kneejerk opposition to a bill that was  
15 the product of House Democratic leadership or the  
16 Rendell administration. Similarly, I reject out of  
17 hand the assertion that the budget which spends less  
18 money on any particular program or in the aggregate  
19 is by definition cruel, heartless, or wrong.

20 The entire world is in a recession. Nearly  
21 every unit of government has fewer revenues from  
22 existing taxes and fees. We're in a hole. We have  
23 to stop digging.

24 If there's any one thing that the job  
25 creators in the Commonwealth of Pennsylvania fear

1 it's that we will relive 1991 when, as both chairman  
2 well know, we spent \$3 million to fund a \$1 billion  
3 budget deficit, and nearly the entire tax burden fell  
4 upon the business community.

5 Those decisions have hampered the state's  
6 economic development efforts to this day. And it  
7 cannot be allowed to be happening again.

8 Now, if my members and I have been writing  
9 Senate Bill 850, I can't say that we would have made  
10 exactly the same line-item-by-line-item decisions.  
11 But we congratulate the Senate for understanding the  
12 need to reduce spending and to limit the use of  
13 federal stimulus funds, to keeping programs whole  
14 without building new funding expectations that we  
15 won't be able to honor in the future.

16 We believe Senate Bill 850 represents a very  
17 honest effort to meet the most fundamental goal,  
18 craft a balanced budget that provides adequately for  
19 state government's core missions without a tax  
20 increase.

21 Everyone in this room understands what we're  
22 doing is pure political theory. The budget process  
23 is a play with multiple acts. In Act I, Governor  
24 Rendell made a proposal. In Act II, the Senate  
25 responded. This is not the final act of the play and

1 Senate Bill 850 is not the final budget product.

2 The pendulum and the plot will swing back  
3 and forth across this building until we settle our  
4 policy decisions and come to agreement that will work  
5 for the majority of lawmakers and hopefully the  
6 majority of Pennsylvanians.

7 When we reach the last act, however, it is  
8 absolutely essential that Pennsylvania is not in a  
9 worse competitive position than when we entered the  
10 recession. The economy will begin to grow again.  
11 And when it does, Pennsylvania cannot be left behind.

12 You may well be persuaded by some who  
13 appeared here today that the Commonwealth is better  
14 served, there's some programs funded at levels that  
15 exceed those in Senate Bill 850. The business  
16 community will not argue with those decisions. We  
17 only ask that you make corresponding cuts elsewhere  
18 so that we have a balanced budget that does not raise  
19 taxes or make Pennsylvania less competitive.

20 Now, both democrats and republicans have  
21 levelled a charge of hypocrisy at the business  
22 community. I've often been told, you know, you call  
23 for lower taxes and less spending, and then one of  
24 your CEOs send a letter to us asking us to fund the  
25 opera or the symphony or the zoo or cancer research

1 at their favorite university. I'd like to address  
2 that charge of hypocrisy today by saying this: It's  
3 absolutely true and it's inexcusable.

4 Our organization in the united business  
5 community does indeed want a competitive business  
6 climate in which taxes are comparable to other  
7 states, and we think this is best achieved through  
8 fiscal discipline. I have no doubt that you will be  
9 able to wave in front of you some of those letters or  
10 phone calls that you received from my members.  
11 Please tell them no, and feel free to tell them that  
12 Gene Barr and I said so. Tell them to call us if  
13 they have a complaint. But we'd ask that you stand  
14 with us.

15 Ladies and gentlemen of the Appropriations  
16 Committee, I understand these are difficult times.  
17 And I truly understand that every government program  
18 is created with a laudable intent. I understand that  
19 the people who depend on various types of government  
20 assistance do so not because they want to, but  
21 because they have to. And as I said before, though,  
22 we're in a hole. We have to stop digging.

23 We also understand that many of the  
24 executive agencies feel hampered by Senate Bill 850.  
25 I would observe that our private sector employers, by

1 the way, are cutting costs and personnel by far  
2 larger proportions than Senate Bill 850 would  
3 necessitate.

4 Frankly, the recession has given us an  
5 opportunity and incentive to make difficult, painful  
6 decisions that are long overdue. Many of our firms  
7 will be leaner and better after the recession.  
8 Government might see this as an opportunity for  
9 reorganization and improvement as well. Individual  
10 programs may be warranted and useful. Many do  
11 achieve notable results. But no privilege are  
12 sacrosanct.

13 I don't know how this proposal will be  
14 received by the General Assembly, but let me suggest  
15 the following. We have many government programs with  
16 related goals in the areas of economic development,  
17 job training, environmental protection, and other  
18 policy areas. Many of these programs overlap. Over  
19 time, certainly the business community would like to  
20 see some study and some move to consolidate programs,  
21 but maybe now it's time for something creative. Give  
22 essentially block grants to cabinet officers to spend  
23 as they see fit on specified array of programs. Let  
24 them be accountable for the outcomes, but empower  
25 them with resources among programs. They know which

1 programs work better than others and which are more  
2 required in these current economic times. Let's be  
3 creative. And let's be mindful that Pennsylvania has  
4 more years ahead of it than just this budget year.  
5 We don't want to dampen our future.

6 I appreciate the time. Attached is a list  
7 of long-term recommendations made by a united group  
8 of nearly 20 business organizations back in January.  
9 I've provided it again to you for the record. Thank  
10 you very much.

11 MS. HEERY: Good morning.

12 MAJORITY CHAIRMAN EVANS: Good morning.

13 MS. HEERY: Thank you very much for letting  
14 me come speak with you all today. My name is Diane  
15 Heery. I'm president of Heery Casting. We are a  
16 Pennsylvania company that casts the actors in feature  
17 films, movies, commercials, live events, wherever you  
18 might need an actor.

19 I'm also here as a representative of the  
20 Pennsylvania Film Industry Alliance, which is a  
21 coalition of Pennsylvania businesses -- business  
22 owners that are a part of the growing film industry  
23 here in the state. Our members include Shooters  
24 Posting Transfer, Dive Editing, Bowers Consulting,  
25 Enterprise Rent-a-Car, CORT Furniture Rental, Tax

1 Credits, LLC; the Sun Center; MVM Grants; and the  
2 Studio Center in Norristown.

3 Now, we're just some of the people who help  
4 create economic development here by supporting those  
5 who produce screen content in Pennsylvania. Also,  
6 there are many others in the industry in  
7 Pennsylvania, over 2,000 professional actors, 10,000  
8 extras, 120,000 crew members who are union members in  
9 this state, plus hundreds of other related businesses  
10 in this state.

11 Now, I want to express why the Pennsylvania  
12 film tax incentives are so important to the economy  
13 of Pennsylvania. First and foremost, our industry is  
14 a business. That's why it's called show business.  
15 It's called that for a reason. A movie production  
16 chooses to shoot in our state because it is good  
17 business. When the producers are making that  
18 decision, they always look first at the state's that  
19 have tax credit. We're competing on a national and  
20 global stage and our record shows that Pennsylvania  
21 can compete successfully.

22 Since the inception of the Pennsylvania tax  
23 credit program we've grown. We've nurtured new jobs,  
24 new businesses, new opportunities. Pennsylvania now  
25 ranks among the top five places to film in the United



1 States. With an investment of \$32 million from the  
2 state, the tax credit created 2,657 new manufacturing  
3 jobs, plus a direct local spend of \$210 million  
4 resulting in a \$430 million statewide economic  
5 impact.

6 And because our industry is countercyclical,  
7 this gives us a strong base of good jobs in these  
8 troubled economic times. The film projects are  
9 shovel ready projects.

10 Filmmaking strongly supports educational  
11 opportunities. At any given time there are over  
12 8,500 students in the Commonwealth who are studying  
13 film, video design, and other related areas. That's  
14 an increase of 71 percent in the last 10 years.

15 Having this healthy industry here in our  
16 state allows employment opportunities for our  
17 graduates. There are very quantifiable and tangible  
18 results of the success of the incentives in  
19 Pennsylvania. Along with the creation of almost  
20 3,000 permanent jobs, each production employs an  
21 average of 300 crew members, 50 actors, 1,500 extras,  
22 and that's on an average. Right now M. Night  
23 Shyamalan's *The Last Airbender* is averaging 7,000  
24 extras.

25 The project spends money in Pennsylvania.

1 They need hotel rooms. They buy lumber, paint,  
2 tools, office supplies, food, telephones. They buy  
3 supplies from all of our vendors. They eat in our  
4 restaurants. They shop in all of our stores. They  
5 rent our cars. They pay state and local taxes.

6 Right now my company alone is working on  
7 five feature film projects spread throughout the  
8 state. We have one in Philadelphia County, a  
9 Montgomery County, some shooting in Delaware County,  
10 Monroe County, and Wayne County.

11 Businesses have expanded. New ones have  
12 opened. Shooters Post and Transfer now employs 95  
13 full-timers. Dive Editing, a new facility, is a new  
14 \$4 million state-of-the-art editing facility. And  
15 next month the Studio Center project in Norristown in  
16 Montgomery County will be breaking ground.

17 And I think Studio Center is a real good  
18 example of how filmmaking is attracting new  
19 industries. That's \$120 million complex which will  
20 be bringing a supermarket into Norristown where  
21 Norristown had none. There U.S. Maintenance has  
22 committed to moving their national headquarters to  
23 the complex, bringing with them their 500 employees.  
24 Now, I mean, there's the actual film production  
25 facility, which will have five sound stages totalling

1 89,000 square feet, and then supported office space  
2 of another 120,000 square feet. This is a bricks and  
3 mortar investment in the infrastructure of our state.  
4 And this is just one of the studio complexes planned  
5 for the Commonwealth. Four sound stages are planned  
6 for Delaware County, nine more in development in the  
7 Pittsburgh area.

8 Right now there are eight to ten projects  
9 that are waiting on Pennsylvania to make a decision  
10 of the tax incentives for their future. They have to  
11 start preplanning now for what's coming into the  
12 state next. And they are just waiting in the wings  
13 for the decisions to be made.

14 Where other industries are failing, the film  
15 production industry in Pennsylvania is stable and  
16 it's growing. Pennsylvania deservedly has earned  
17 that place in the top film production states in the  
18 country. In essence, the state legislature two years  
19 ago really showed good foresight in proving those  
20 incentives. We planted the seed. We now have a very  
21 healthy sapling here. We want to ensure its  
22 continuing growth and allow it to fully blossom.  
23 And, of course, it's going to continue with full  
24 economic growth for the state of Pennsylvania. Thank  
25 you.

1 MAJORITY CHAIRMAN EVANS: Any questions of  
2 any of the members? One, I want to thank all of you  
3 for testifying before us. The word testify, trying  
4 to conduct this as a conversation with all of the  
5 people. And it's been opened to everybody. We  
6 haven't left anybody out. We've tried to get this  
7 testimony. As you know, it will be a challenge.  
8 We'll work together. We especially appreciate your  
9 input and your thoughts that you've come before us.  
10 So, again, I like to thank you for testifying and I  
11 know that my staff should have your testimony, right?  
12 You have provided that to them. Okay. Thank you.

13 What I'd like to do is get the next panel  
14 and give the stenographer a couple minutes break, but  
15 I want to call the panel up first. This is in the  
16 agriculture area. Is Rod here, Dairy Manager  
17 Association? Is he here? Come up. Lolly Leshner, a  
18 dairy farmer, come up; Erick, a dairy farmer from  
19 Dairy Task Force; and Dennis, Lancaster Farm  
20 Automation. We'll give a five minute break to the  
21 stenographer. And all of you can grab your seats  
22 there.

23 (The panel concluded at 11:02 a.m.)

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1 I hereby certify that the proceedings and  
2 evidence are contained fully and accurately in the  
3 notes taken by me on the within proceedings and that  
4 this is a correct transcript of the same.

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Heather L. Artz, RMR, CRR  
Reporter

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