

State Rep. Mike Sturla
2012/13 Budget Testimony
March 8, 2012

The governor's 2012/13 budget proposal does more to create a crisis than it does to resolve one.

There is little doubt that times are tough, and our economy is still recovering. But it is also undeniable that policies implemented by the administration, and in some cases backed by the legislature, have contributed significantly to the Commonwealth's shortfall.

These policies include bonus depreciation, the elimination of adult Basic, reinstating the Capitol Stock and Franchise Tax phase out, the implementation of a Marcellus Shale tax that falls more than \$1 Billion shy of what it could have been had we adopted neighboring West Virginia's tax rate, and failure to close the Delaware Loophole -- all have contributed to the projected \$500 million shortfall according to the Independent Fiscal Office...or \$719 million if you trust the governor.

In this administration's first year, Pennsylvania -- which had been a leader in job creation in 2010 -- fell behind the national average. And despite the promises of the natural gas industry to employ tens of thousands of residents, other energy boom states created jobs at a rate three to five times faster than the Commonwealth, in spite of higher severance taxes in those states.

And the increase in unemployment for the four consecutive months following last year's budget passage has been well documented. Undisputedly, despite drops in unemployment, job growth slowed considerably in the second half of last year in our state.

Pennsylvanians, who have continued to work hard through these economically challenging times do not approve of the governor's relentless resolve to balance his budgets on the backs of our students, middle class families, the disabled and seniors, while favoring corporate friends and natural gas drillers.

School districts, local governments and middle class families have not yet recovered from last year's budget cuts. They simply cannot endure the cuts proposed for 2012.

After absorbing a \$900 million cut to funding last year, offering "level funding" to school districts in this budget contributes to the crisis. It is not "level funding" – it is a recurring \$900 million cut to education.

Under the 2012 budget proposal the fiscally distressed Chester Upland School District is reduced by an additional \$133 per student on top of last year's \$1144, for a total of \$1277 per student cut or nearly \$32,000 per classroom, while 16 miles away wealthy, Radnor Township would see a combined two year cut of \$47, or under \$1200 per classroom.

While Chester Upland's cuts have received national publicity, the Delaware County funding discrepancy is far from uncommon.

Travel west to Allegheny County, where Pittsburgh City and North Allegheny school districts are just 14 miles apart, but Pittsburgh's combined two year cut would be \$1004 per student or over \$25,000 per classroom, compared to North Allegheny's per student cut of \$155 over two years or \$2,900 per classroom.

In my district, students in Manheim Township School District would see a combined reduction over 2 years of \$136 per student or \$3400 per classroom, while Lancaster School District, serving city residents and under 6 miles away, would be cut by four times as much: \$82 in the

governor's 2012/13 proposal, \$534 over two years, or \$13,350 per classroom. Last year Lancaster eliminated elementary Spanish, most librarian positions and trimmed payroll by 100 employees.

This is just not an urban versus suburban problem; in fact over **250 districts** statewide have combined cuts **10 times** higher than that of Radnor Township. That includes **ALL** of the districts in Bedford, Bradford, Cameron, Clinton, Clearfield, Crawford, Fulton, Greene, Jefferson, Juniata, McKean, Mifflin, Northumberland, Perry; Philadelphia, Potter, Susquehanna, Tioga, Venango, and Warren counties.

It's time to get serious about the governor's commitment that "every child regardless of zip code or economic status, should have access to the best education possible."

A final note on education: tough economic times make fairness even more critical, Senate Bill 1115 would correct the widening disparities in special education funding.

One crisis that demands attention but is ignored in the proposed state spending plan is transportation funding. It is a very real problem that requires bold leadership.

I was pleased to learn that in his testimony before the Senate Appropriations Committee, Secretary Schoch explained to senators that contrary to many people's views, public transportation in rural communities is actually subsidized at a far higher rate than in urban areas.

I am confident that the Secretary is more than capable to begin addressing the transportation challenges our state faces if only he were provided the tools to act.

A suitable place to start would be the over \$565 million annually funneled from the Motor License Fund to the State Police, which could go to improving roads and bridges across the Commonwealth, but instead funds the routine patrols and responses in the over 1300 municipalities across the state which have disbanded their own local police departments.

Given more time, there would be several more concerns I'd address. Concerns with cuts to our social safety net, which are pennywise, pound foolish; cuts to environmental programs and staff, which are tasked with enforcing the regulations governing our still burgeoning drilling industry; and the inconceivable cuts to higher education, which will clearly have a harmful impact on our Commonwealth's middle class families as well as the communities surrounding our institutions of higher learning.

I thank you for your time.

Rep. Barbin.

1- REVENUE Projection.

2- VETERANS. → VETERANS HOME.

3- SENIORS → VOTER I.D.

4- Education ← Cybers/CHARTERS.

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