

Good afternoon.

Chairman Adolph, Chairman Markosek, members of the Appropriations Committee and staff, thank you for giving me the opportunity to address my concerns relative to the Governor's proposed budget for the 2014/15 fiscal year.

My constituents agree with me that the budget is the most important legislative event that occurs and learning as much as possible about the budget is a very important aspect of my job.

They believe that my time is well-spent understanding the budget details, because, as they say, the devil is in the details. These budget details affect the daily, if not hourly, lives of my constituents and all of the citizens in the Commonwealth.

This is the 4th year that I have testified on the Governor's proposed budget and I was prompted to look back over the testimony that I gave in the previous 3 years. It was somewhat startling to realize that I could title today's testimony What is Old is New Again.

In 2011 I testified:

What I have observed from attending some of these hearings is that--- it is clear that the proposed budget addresses the expense side.

4

However, there is little emphasis on growth, which will lead to revenue enhancement. One way to enhance revenue is to prepare both today and tomorrow's workforce for better paying jobs. Better jobs will result in higher payroll taxes. Better jobs will result in additional discretionary spending, and the affiliated sales and use taxes collected in conjunction with that additional spending will enhance revenue. A trained and educated workforce will be eligible for those better jobs.

I have a further concern that programmatic reductions in other areas of the budget will shift costs to local governments and create additional and unnecessary hardships. You and I both know that those shifts will ultimately be paid by the taxpayer. Those hardships will become a burden to those who are most vulnerable.

In 2012 I testified:

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

One response I have after listening carefully and reviewing budget-related materials is that the priorities I have heard include short-term money savings at potential greater costs in the mid- and long-term. These mid- and long-term costs do not even take into consideration what I refer to as soft costs. And the soft costs are the havoc wreaked in constituents' lives e.g. lost time, increased frustration, lost productivity, increased stress, etc. (**I was referring to the cuts in Human Services**)

In 2012 I further testified.

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

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

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

I think the citizens should help to determine the nice-to-haves versus the need-to-haves. And I would submit to you that the ultimate answer to determining must or nice is subject to opinion, and my opinion counts on behalf of my constituents and their opinion counts as far as I am concerned.

To remedy this, I will be holding a public hearing in the 194th for my constituents to provide the testimony on the budget. It is, after all, their tax dollars.

I will again for the 3rd time hold my Voices of the Community budget hearing in the 194th in June. It has been inspiring and encouraging listening to the voices of Jane and John Q. citizen as they discuss what they think the budget priorities should be and I am beyond Impressed with the level of detail and effort that my constituents put into their remarks.

In 2013 I testified

Our state budget must balance the needs of all citizens. We need to be cognizant of the fact that many of those citizens are the least able

to advocate for their own needs. They are not represented by PACS, nor do they have the capability to influence the process and outcome by writing campaign checks.

I find myself concerned when line items in the budget (not to mention legislation) appear to be influenced by special interests. **(I have learned to follow the money trail and it is almost always a troublesome journey.)**

We often consider public policy for the greater good but often deviate by diluting that policy based on the influence of special interests that are well financed.

I have witnessed budget decisions that have created chaos, harmed citizens and in the short and long run pursued dubious policy that cost the state more money than was saved. I find it interesting that often the state chooses not to track information that does not support their budget decisions.

The current mistake I hope we can avoid is failing to plan for Medicaid expansion in conjunction with the Affordable Care Act. Medicaid expansion is the quintessential opportunity to “do good and do well”. We can “do good” by expanding this program

and then the Commonwealth would be able to insure about 500,000 citizens that are currently uninsured, many of whom are steady members of our workforce. The “doing well” is represented by the significant economic impact that will be experienced as a result of the expansion.

Our taxpayers contributed to the federal dollars that will pay for Medicaid expansion in other states and deserve to have access to that same coverage in Pennsylvania. Instead, if we opt out of Medicaid expansion we could lose this critical health care coverage that will serve those most in need – a loss that could be the result of politics at play instead of public policy for the greater good.

The Governor’s budget assumes savings from pension reform by contemplating a payment significantly less than required by law. If pension reform does not happen at all, let alone happen timely, then there will be a significant budget shortfall. Also, the Governor’s proposed pension reform puts local school boards in an uncertain position because local school boards will need to make a decision as to whether or not they should revise next year’s budgets based on the Governor’s proposal.

I believe that the budget is the most important task for which the legislature is responsible. I discuss the budget in most of my Town Hall meetings (21 to date in the past 27 months) **(the count is now 32 town Halls in 39 months)** and will continue to include the budget on my Town Hall agendas.

Citizens need to understand how the budget process works and how to have their voices heard during budget debate.

I ask that the budget debates over the next several months keep in mind that the budget must address and balance the needs of all those who call the Commonwealth home and request a process whereby representatives from both parties are at the table throughout budget negotiations.

And testifying here today, I am disappointed that my testimony is the legislative version of the movie Ground Hog Day. Not much has changed and my concerns persist. I am particularly concerned with the money “left on the table” and I assure you that this does not translate to tax increases. This refers to policy and legislation that did not fairly balance the needs of citizens and the needs of business. I decided to embark on this 3rd career as an elected official to affect change and it is as clear as ever that the path to do that is to change

the process. The process must be ALL inclusive so that all voices are heard. I look forward to being part of the budget negotiations and reflecting my constituent's priorities in those discussions.

Chairman Adolph and Chairman Markosek, on behalf of my constituents, I thank you for the opportunity to provide this testimony.