

Representative Rick Mirabito, 83rd Legislative District
Testimony House Committee on Appropriations
February 27, 2014

Good afternoon Chairman Adolph, Chairman Markosek, and members of the House Committee on Appropriations.

Thank you for providing me the opportunity today to speak to you on behalf of the people of the 83rd Legislative District. Approximately one-half of the population of the 83rd District lives in Williamsport, a third-class city located in Lycoming County in north central Pennsylvania, and the rest live in nine other townships and boroughs surrounding Williamsport in rural Pennsylvania.

We know from research done by the Center for Rural Pennsylvania that with 3.4 million rural residents --- that is 27% of the state's total population --- Pennsylvania is home to the **third largest** rural population in the United States. Forty-eight of the sixty-seven counties in this Commonwealth are predominantly rural; five counties are completely rural. The only two counties which have no rural population are Delaware and Philadelphia. The 27% of the State's rural population occupies or lives in 75% of the State's landmass.

Issues that we face in rural Pennsylvania are often exacerbated by the demographic, economic and geographic characteristics of our communities. Because rural Pennsylvania differs from other regions of the state, state budget cuts

to rural communities have more detrimental impacts than on other more affluent areas of the state for several reasons.

First, rural communities are fundamentally different in their economic structure because they are poorer and less able to sustain massive cuts in state funding than affluent communities. They share many of the problems and economic struggles of our urban areas.

While the statewide median household income is approximately \$52,267, Lycoming County's median household income is \$44,557 --- a full 14.7% lower. In Williamsport, one-half of our households live on less than \$33,147, the median household income.

Statewide we have 13.1% of the population living below the poverty level, but in Williamsport we have 26.8% living below the poverty level. Other rural areas have similar or worse numbers of people living below the poverty level and lower median household incomes.

Second, although we may try to reduce **state** spending, the problems in our communities do not go away.

Third, reductions in state spending are a form of tax shifting which burdens rural communities in devastating ways by shifting tax burdens onto those who are least able to sustain them. In 2011 – 2012, sources of rural school district revenues were 48% from local revenues; 46% from state revenue; and 6% from federal

revenue and other sources. We know that many rural communities were forced to raise local property taxes to deal with reduced state spending on education.

RETURN THE PENNSYLVANIA STATE POLICE HELICOPTER UNIT

A very important issue to the constituents of the 83rd Legislative District that remains unresolved from the last budget cycle is the return of the State Police Helicopter Aviation Unit.

The budget cuts of the past three years have affected the public safety of residents in rural Pennsylvania. I appeared before this Committee for the last two years and asked that funds be appropriated to restore the Pennsylvania State Police Aviation Unit to the Montoursville Airport. The unit served a broad area of rural Pennsylvania, including ten counties: Bradford, Cameron, Clinton, Lycoming, Montour, Northumberland, Potter, Snyder, Sullivan, and Tioga.

The aviation unit provided services to federal, state and local law enforcement agencies by conducting searches, criminal surveillance, homeland security missions, aerial photography, flood rescue missions, and other emergency transports. In this budget, I urge the Committee to restore funding and require the Pennsylvania State Police to post an aviation unit in Montoursville.

ENACT MEDICAID EXPANSION

A second issue that remains unresolved from the last budget cycle is Medicaid Expansion. The Pennsylvania Health Law Project and the Pennsylvania

Office of Rural Health released a report entitled "Medicaid Expansion: A Benefit for Rural Pennsylvania" which shows that in 2011, 12% of the rural population in Pennsylvania --- about 411,919 people --- did not have health insurance.

The report documents that Medicaid often is the health insurance program for the working poor --- families, with children, who work but are in low-income jobs without employer-sponsored health insurance. As a result, rural residents are often uninsured for longer periods of time than urban residents.

The report also shows that rural Pennsylvanians, in comparison to urban counterparts, are more likely to have serious health care needs and chronic diseases, such as hypertension, diabetes, heart disease and arthritis.

For these reasons, we need to pursue Medicaid Expansion.

EPIDEMIC OF PRESCRIPTION DRUG AND HEROIN ABUSE

A problem that rural communities share with all regions of Pennsylvania and which we need to address in this budget is the epidemic of addiction and death from the misuse of opioid prescription drugs and heroin across our Commonwealth. Between 1999 and 2007, the number of overdose deaths from opioids has quadrupled.

We know that changes in federal regulations have resulted in increased advertising for the sale of prescription drugs. In 1999, the Food and Drug Administration began permitting pharmaceutical companies to advertise

prescription drugs on television in what is known as direct to consumer advertising. The United States and New Zealand are the only two countries where direct to consumer advertising of prescription drugs is legal.

It is estimated that in 2007, the pharmaceutical industry spent \$4.8 billion on advertising the sale of prescription drugs directly to consumers. Obviously these ads are not telling our youth to take prescription drugs illegally. But the message our nation has received from this advertising is that if you want to feel better, take a prescription drug.

At a recent presentation by the District Attorney in our county, we learned that while 89% of surveyed teenagers disapproved of heroin use, one in five teenagers said that prescription painkillers are not addictive. Clearly, we need to work fast on educating our youth.

Across our state --- and especially in small, rural communities --- prescription drugs have become the pathway to the use of heroin. We need resources not only for prevention, education, rehabilitation, and treatment, but also for prosecution of those who illegally distribute prescription drugs.

CRISIS IN RISING FLOOD INSURANCE PREMIUMS

The second problem that I would like to bring to the Committee's attention is the huge increase in flood insurance premiums resulting from the federal Biggert-Waters Act of 2012. We have learned from public hearings in the House

and Senate the devastating effects not only in rural Pennsylvania, but across our Commonwealth, from this federal legislation.

While we have seen attempts at the federal level to rectify the situation, there is no guarantee that the federal government will provide the assistance our communities need. We should plan in this budget to provide resources to assist our communities until the federal government acts. One source for assistance is the Johnston Flood Tax --- the 18% tax on alcohol which raised \$311 million last year and which was passed to deal with flood related issues.

Although approximately six out of every 1,000 properties in Pennsylvania currently has a flood insurance policy, as many as 30 out of 1,000 parcels sit in a flood zone. While residents and businesses located in a flood zone are directly impacted, communities are at risk of having this crisis destabilize their real estate markets.

For example, in Lycoming County there are approximately 53,000 real estate parcels. About 10% or 5,300 parcels are located in the flood plain. In some communities such as Jersey Shore and Muncy, almost 50% and 40% of the parcels, respectively, are in the flood plain. Many of these homes are in old communities when houses were built to be close to water sources.

Because homeowners are faced with huge increases in premiums, houses in the flood plain are not selling. According to Lycoming County staff, since the

passage of the Biggert-Waters Act, 17 homes have sold in the flood plain while normally 60 to 70 homes would have sold during the same time period prior to the passage of the Biggert-Waters Act.

If homeowners are unable to pay the increased flood insurance premiums, and the properties go into foreclosure and are deemed to be worthless, the tax base currently paid by those homeowners will be shifted to other residents of the community. Similarly, if premiums make a business uncompetitive, that business may close and result in lost jobs.

The testimony at the public hearings showed that this problem faces all of our communities and is not the typical problem seen on national television of the expensive vacation home. In fact, homes in the flood plain are typically of lower average value and may be occupied by residents who are least able to afford to pay increased premiums.

There may not be a “one size fits all” solution to this problem. Possible solutions include loan and grant programs for flood mitigation assistance; funds for short-term premium assistance; and funds to assist communities with buy-outs and elevation study grants.

I urge this committee to recognize the seriousness of this problem and to make resources available to fund legislation to help our communities. We may not have all the answers now, but we do know that our communities will need help.