

**State Rep. Maria Donatucci
Budget hearing testimony
Thursday, February 27, 2014**

Good afternoon Chairmen Adolph and Markosek and the other members of the House Committee on Appropriations.

Thank you again for providing the opportunity for me to speak to you on behalf of the people of the 185th legislative district. I will be brief.

In Delaware and Philadelphia Counties where I draw my constituency, people are looking for real leadership to help fix public education funding, slow rising property taxes, create a living wage for all full-time employees and move Pennsylvania towards economic prosperity.

While states surrounding Pennsylvania are showing budget surpluses and recovering economies, Pennsylvania faces a \$1.4 billion budget deficit, and my constituents, knowing this, are asking why?

Why does the governor continue to leave revenue on the table year after year?

A 5 percent severance tax on natural gas drilling would generate \$334 million for the state. Closing the Delaware Loophole by enacting Combined Reporting would generate \$165 million. Capping the sales tax vendor discount at \$250 a month would generate \$44 million. Taxing smokeless tobacco and cigars would bring in \$56 million.

Why does our state rank a measly 41st nationwide in job creation after the governor has cut business taxes by \$1.2 billion?

Why is the governor risking lives by rejecting traditional Medicaid expansion in favor of an untested, unapproved alternative?

True Medicaid expansion would give an estimated 500,000 Pennsylvanians in the coverage gap access to Medicaid IMMEDIATELY with the federal government paying 100 percent of the cost for the first three years and no less than 90 percent of the cost after that.

While millions in other states have been able to finally access the health care coverage they couldn't access before, hundreds of thousands of people in Pennsylvania remain cut off.

Yet, the governor still has his eyes set on privatizing liquor sales and dismantling the PLCB — which, by the way has contributed over four-billion dollars to the Pennsylvania Treasury, nearly two-hundred-million dollars to the Pennsylvania State Police, over eighteen-million dollars to the Department of Health and fifty-million plus to local communities since the year 2000.

I was pleased to hear that the governor's lottery privatization plan fell through, but \$5-million was shelled out in fees, and seniors in my district have expressed concern that future lottery privatization would diminish funds for senior programs.

Furthermore, the governor's suggestion of reducing the state's required pension payment only adds to the state's \$50 billion debt for pension.

If education funding had not been cut by \$1 billion, our schools could make their pension contribution; if business taxes had not been cut by \$1.2 billion; the state could make its payment.

For my constituents, the issues are real, and these issues are greatly affecting their ability to live out the American dream and pass lasting legacies on to their children.

Behind only Bridgeport, Connecticut, Philadelphia is the city with the second highest tax rates in the country. It is estimated that a family whose earnings fell into the \$100,000 tax bracket, paid more than \$11,806 in property taxes last year, which is second-most among large cities, and many citizens saw their tax assessments triple after the AVI was implemented.

Any budget that is passed this year MUST help to alleviate the property tax burden.

We must continue to work efficiently and in good faith to achieve the best desired results for Pennsylvania citizens, and this budget, like all future budgets, should reflect our commitment to do just that.

Thank you!

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