

Action Alert: Focusing on the state budget
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I always learn a lot from the legislative calls Cindy Daley from the Housing Alliance of Pennsylvania organizes monthly. Cindy is powerhouse of information and energy about federal and state policies and funding in regards to housing and housing related issues. My next step is to take all this great information and translate it into workable and fundable opportunities for our agency and the people we serve. SDHP's mission is to promote self-determination and control in housing for people with disabilities and older adults in the Commonwealth of Pennsylvania. We are like every other not for profit and social service agency today—seeing tremendous need and scrounging around for resources to meet the need.

This month's legislative call focused on the upcoming 2012-2013 state budget Governor Corbett will soon be unveiling. This past fall there was a lot of talk about finding millions of "fraud, waste, and abuse" in publicly funded state programs. Apparently these "found" millions were suppose to be put back into essential human services. Since many people are anticipating further cuts in the new budget, I am guessing the "found" millions in waste, fraud, and abuse have not quite come to fruition yet. So, this means another painful round of cuts to important and much needed programs.

Ask anyone on the street and he/she will most adamantly say, "I don't want to pay more in taxes! I am struggling enough right now!" And this person is struggling more than enough right now. Many public officials ran their campaigns on a "no new taxes or increase in existing taxes" or the "Taxpayer Protection Act" and signed off on it also with the Americans for Tax Reform group. However, what many voters failed to recognize is this: without new revenue coming in from somewhere by taxes or fees—there will be a drastic reduction in services and programs. The Pennsylvania Budget and Policy Center gives the following increases to Pennsylvania's public health and human service programs:

Since the beginning of the Recession in December 2007, cash assistance has increased by 9.1 %, food stamps 56.1%, medical assistance 16.0% and the Children's Health Insurance Program (CHIP) 17.0%. Before your eyes become glazed over with numbers like my mind tends to do, let me just state, more people are using Pennsylvania's network of essential human services! So now we have a lot of elected officials steadfast on not increasing taxes or imposing fees and a lot more Pennsylvanians needing help. As my one son would say," this is totally epic!" I call it a terrible injustice and disservice to the residents of Pennsylvania.

But, before you stop reading this because you think all I want to do is charge individuals more in a time when individuals can not give more--that is not the case. Let's get more selective and effective with tax and fee increases. Pennsylvania has several options in obtaining more revenue. More revenue is good. More revenue, less taxes and less program cuts. Less taxes? Less taxes on the people and small businesses that really do not need tax increases.

Almost everyone has heard about the Marcellus Shale natural gas drilling going on in a large part of Pennsylvania. According to the Pennsylvania Budget and Policy Center, "a well-structured tax on natural gas drilling will provide Pennsylvania with a stable source of revenue for **critical services, including education and health care, as well as for the environmental and local costs that come with increased drilling**. Across the country, 96% of natural gas is produced in states that have drilling, or severance, taxes. **Pennsylvania, however, remains one of the only energy-producing states without one.**

While some policymakers in Pennsylvania worry about the impact of a drilling tax, studies in Wyoming, Utah and other states have shown that tax rates have little effect on natural gas

production. Rather, drilling decisions are made based on the location of reserves and the expected price of natural gas.” This is an example of implementing a new tax on a large company, who can afford the tax, in order to provide Pennsylvanians with essential human services

Now, back to Cindy Daley and her legislative call today. The Housing Alliance of Pennsylvania is a huge advocate for affordable housing in Pennsylvania. Liz Hersh, the Executive Director, and Cindy Daley the Policy Director are incredibly intelligent people on a mission to ensure affordable housing for every Pennsylvanian. They are great at approaching local legislators about their mission. Me? Not so much. However, I do want to share with you several very good responses if you are planning a legislative visit or call. According to Cindy, go into any legislator’s office and he/she or the staff of he/she will immediately tell you, “there is no money!!” Do not argue about the lack of money instead emphasize the fact there are **OPTIONS**.

√ There are options because there is a budget surplus. According to the Pennsylvania Budget and Policy Center, “Pennsylvania ended the 2010-2011 fiscal year with a \$785.5 million revenue surplus because of better than expected collections in major tax categories.” A surplus alone can generate revenue for the state.

√ Another option: a tax on smokeless tobacco and cigars. Pennsylvania is only one of two states **without an excise tax on smokeless tobacco and cigars**. And Pennsylvania is not even one of the top five states growing tobacco!

√ Another option: closing tax loopholes for corporations. According to the Pennsylvania Budget and Policy Center they have identified 1.8 billion in tax loopholes, special tax breaks, and corporate giveaways.

√ Another option: taking a closer look at Pennsylvania’s crazy sales tax which is riddled with tax inconsistencies. For example, popcorn and soda is taxed at a movie theatre but gum and candy is not. What? Deodorant is taxed but toothpaste is not. Why?

Pennsylvania, like the rest of country, is attempting to bounce back from this economic recession; however, Pennsylvania has some very viable alternatives to just reducing or cutting out altogether essential human services.