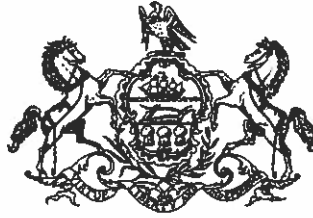


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## **Putting Children, Families and Communities First**

### **Press Conference on the FY11-12 Budget**

#### **Introduction**

Good morning and welcome. I am State Representative W. Curtis Thomas of the 181st Legislative District, Philadelphia County. I have called this press conference to respond to Governor Tom Corbett's proposed budget for the 2011 – 2012 Fiscal Year.

On March 8<sup>th</sup> Governor Corbett presented a \$27.3 billion proposed budget to the General Assembly. I am here today to offer an alternative to Governor Corbett's. The theme of my proposal is "Putting Children, Families and Communities First." It reorganizes our budgetary priorities to provide greater support for basic education, higher education, public safety, health care and community development that Governor Corbett has proposed. More importantly, it does this without raising taxes.

I am deeply concerned about many of the cuts that Governor Corbett is calling for. The short term pain they will inflict is evident in the slashed funding for programs ranging from education to public safety to community development. More worrisome, however, are the fundamental shifts in government priority that these cuts represent.

I do not accept cutting \$1.2 billion from general education and \$624 million from higher education are the facts of life. I do not accept that zeroing out over \$60 million in DCED programs targeted for local economic development is simply balancing the books. And I absolutely do not accept that in the face of these massive cuts, State Correctional Institutions are set to receive an additional \$185 million – especially when their current level of state funding is already \$74 million higher than it was when the recession began in December 2007.

Taken together, these priorities speak to a vision of state government that is disinterested in its municipalities, its citizens and its children. I disagree with this view and have developed a proposal that will help mitigate some of the most drastic cuts.

No department or agency of the Commonwealth has been immune from review and reallocation of funds. My budget proposal reallocated slightly more than \$1 billion in state funding. These changes allow the Commonwealth to continue providing the tools which families and communities need.

Since March 8<sup>th</sup> many people across the Commonwealth have voiced their concerns about the proposed budget. Many of my colleagues on both sides of the aisle have taken part in the discussion, but we must go further than that. Viable alternatives must be presented or the only proposal on the table will be Governor Corbett's. I am certain there will be many steps and many proposals still to come, and I welcome the opportunity for my plan to become part of the greater discussion.

### **Proposal in Brief**

To achieve the theme of “Putting Children Families and Communities First” my proposal looks at the \$27.3 billion that is available and finds ways to reallocate funding so vital programs can be preserved.

Making these changes requires balancing competing priorities. Here is a quick breakdown of where funds have been restored and where funds have been reallocated.

Restored funding falls into the following categories:

1. **Health care** – in these difficult times it is critical that the Commonwealth ensures access to health care. To address this need, and help our hospitals keep their doors open, overall funding for Uncompensated Care is increased by \$5.2 million. The new total of \$36.7 million represents a 17% increase above what Governor Corbett has proposed.

Uncompensated Care helps in that it subsidizes hospitals when they treat people without health coverage; but the other part of this puzzle is renewed access to health insurance for hard working Pennsylvanians. To that end, my proposal diverts 15% of Tobacco Settlement Funds (about \$48.1 million) to a new Adult Health Care line item in the Insurance Department. This line item will be used to re-fund the adultBasic program that Governor Corbett allowed to die back on March 1<sup>st</sup>.

2. **Education** – funding to education is a fundamental responsibility of our state government. Article III, Section 14 of the Constitution of the Commonwealth of Pennsylvania states:

**“The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth.”**

Based on this constitutional mandate, it is simply unacceptable that Governor Corbett wants to solve 45% of the budget deficit through cuts to public education.

My budget proposal restores over \$418 million to general education. The bulk of this comes from applying a temporary hold on \$387 million in Federal Education Jobs Fund money that has not yet been appropriated in FY10-11. Federal law requires that monies received from the Education Jobs Fund be appropriated by June 1, 2011, but authorizes the Commonwealth to use them in FY 11-12. <sup>1</sup>

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<sup>1</sup> Public Law No. 111-226, §101, August 10, 2010

My proposal restores a total of \$263 million to higher education. \$100 million of this goes directly to the Commonwealth Schools. The rest divided among the State Related Universities with \$75 million to Penn State, \$40 million to the University of Pittsburgh, \$41 million to Temple University, and \$7 million to Lincoln University.

Governor Corbett has proposed 50% cuts to higher education spending. My proposal will restore higher education up to around 75% of FY10-11 levels.

3. **Public Safety** – state funding for public safety programs sets the tone for the rest of the Commonwealth. Given his background in law enforcement, I was very surprised that Governor Corbett has proposed zeroing out Victims of Juvenile Crime, Weed and Seed, Safe Neighborhoods and Violence Reduction. By reallocated just \$2.5 million, my budget plan restores funding to each of these programs and provides additional funding for the Commission on Crime and Delinquency.
4. **Community & Economic Development** –Programs such as Business Retention & Expansion, Community Revitalization, Economic Growth & Development Assistance, Community Conservation & Employment, Minority Business Development and Cultural Preservation are zeroed-out in the Governor’s budget. These programs have benefitted urban, suburban and rural communities across the Commonwealth and my proposal restores funding to each of them. A total of \$18.7 million is appropriated to these line items. This funding will allow DCED to continue providing development assistance to communities and local governments.
5. **Housing** –We should make no mistake – there is still a foreclosure and housing stabilization crisis in Pennsylvania. It affects communities large and small. In light of this, it is critical that Pennsylvania continue to provide funding to keep people in their homes.

Governor Corbett has proposed zeroing-out funding for HEMAP, the Homeowners Emergency Mortgage Assistance Program run by the Pennsylvania Housing Finance Agency. My proposal restores about 50% of the funding and provides \$5 million to continue this lifeline.

Additionally, my budget provides \$10.5 million to reestablish Housing & Redevelopment Assistance as an independent line item. This program helps struggling homeowners maintain their properties and should be continued.

6. **Jobs Training** – Whether it’s the Education Jobs Fund (\$387 million), Jobs Training Programs (\$3.4 million), Urban and Minority Teacher Development (\$5 million) or Community Conservation and Employment (\$11.5 million), one of the common themes running through my budget proposal is access to jobs & training. In total my budget allocates over \$400 million in direct funding to job retention, creation and training programs.

One additional proposal I have on this is House Bill 85. This bill will amend Pennsylvania’s tax code to provide a Keystone Job Creation and Training Tax Credit. The budget currently authorizes \$22.5 million in Job Creation Tax Credits for FY 11-12.<sup>2</sup> House Bill 85 can expand this program to provide an additional incentive for companies to hire and train Pennsylvanians who are currently out of work.

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<sup>2</sup> 2011-12 Governor’s Executive Budget, page D7