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**HOUSE DEMOCRATIC POLICY COMMITTEE**

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**HOUSE OF REPRESENTATIVES**  
COMMONWEALTH *of* PENNSYLVANIA

*House Democratic Policy Committee Hearing*

How Radical Conservative Policies are Crushing the Middle Class

Monday, June 13, 2022 | 9:00 a.m.

Representative Ryan Bizzarro

**OPENING REMARKS**

9:00A.M. Rep. Ryan Bizzarro, D-Erie

**PANEL ONE**

9:05a.m. Marc Stier, Executive Director  
*Pennsylvania Budget and Policy Center*

*Q & A with Legislators*

Remarks and Testimony can be found by scanning the QR Code below:

For more than a decade, the Republican majority in the General Assembly has called for austerity. And it appears that a huge state budget surplus—*without counting one-time ARP funds*—of more than \$5 billion isn't stopping them from doing so again.

So, the question Pennsylvanians need to ask themselves is this: If not now, when?

The results of a decade of austerity are easy to see. We are not a poor state. Our economy ranks sixth in the nation in total GDP. And yet:

- we rank in the bottom seven states for support for [higher education](#).
- we rank in the bottom seven in state funding of [K-12 education](#) and thus have the most inequitably funded schools in the country.
- we are falling behind neighboring states in the [percentage of 3- and 4-year-olds in pre-K education](#).
- we rank in the bottom seven states for the quality of our [infrastructure](#).
- and we rank in the bottom seven states for [public health spending](#) per capita.

Leaving aside emergency spending on health care, the state budget has been shrinking as a share of gross state product for over a decade.

Where do we do lead the nation? We are in the top ten states for [opioid deaths per capita](#). And we are in the top five of all states for [student debt per resident](#).

Austerity is literally killing Pennsylvanians and leaving our young people in debt.

And our failure to invest in the things that businesses need the most to succeed—an educated workforce and an effective transportation and communication infrastructure—is strangling our economic future. In the last 24 years, our [average rate of economic growth](#) puts us in the bottom 12 states, despite the large and vibrant economy the state had in 1997.

Yet, according to Republicans this is still not the time to invest in the public goods critical to providing economic opportunity for our children, a comfortable life for working people, and a growing economy.

Of course, cutting corporate taxes is always the exception. It is always the time to cut corporate taxes, even though our forthcoming study shows that a 2-point cut in the corporate tax rate would generate only 20,000 jobs over 10 years and cost Pennsylvania an astonishing \$6 billion or more in state revenues.

For a decade, Pennsylvania struggled with budget deficits. Every June the talk in Harrisburg was about how we would close gaping budget deficit. Every year, the General Assembly would enact a budget that was tenuously balanced with gimmicks and one-time funds and that barely kept pace with inflation. Leaving aside health care spending connected to the COVID emergency, state expenditures have been falling relative to the gross state product.

These deficits were not a fact of nature. They were a product of policy—of deep cuts in corporate taxes that to this day costs the state [more than \\$4 billion a year](#).

And now, when the state is flush with cash—with a likely accumulated surplus of [almost \\$14 billion by the end of this month](#)—Republicans are still crying austerity. They still resist spending to equitably provide an education to every kid, to make college and post-secondary education affordable, and to help small businesses that are still trying to overcome the effects of the pandemic.

They decry higher prices—but won't lift a finger to provide opportunity grants to struggling, working families; to help make the cost of housing and child care more affordable; or to help Pennsylvanians cope with higher gas prices.

They say that we'll be facing a fiscal cliff when the federal money runs out. But even if we don't consider federal ARP funds, the state budget will run about a \$5.2 billion surplus in the current fiscal year. Even if Governor Wolf's budget of February were *adopted in whole*, the state would have a \$3 billion surplus in the fiscal year beginning July 1, 2022. And that is using the [IFO's current revenue projections](#), which are extremely conservative.

And there are about \$2 billion in ARP funds that remain available to address Pennsylvania families' current problems. (It appears, however, that Republicans intend to launder ARP funds by adding budget surpluses created by those funds to the Rainy Day Fund, thereby violating federal regulations.)

So, I come back to the question with which I started.

If this isn't the time to ensure that every child in our K-12 schools has access to a quality education, when will that time come?

If huge surpluses don't give us reason to ensure our high school graduates can secure post-secondary education or training that leads to a good job, when would we have a reason to do so?

If federal funds specifically enacted to help Pennsylvanians deal with the impact of COVID doesn't justify spending to help small businesses recover and families deal with the high costs of housing, child care and gas, what would justify it?

If not now, when?