

Maintaining Public Services* in Challenging Times

Education Policy Leadership Center

Education Finance Symposium

November 18, 2010

*Scary Movie 4



Recession Leads to State Budget Gaps

48 States Face Budget Shortfalls



Note: Includes states with shortfalls in fiscal 2010.

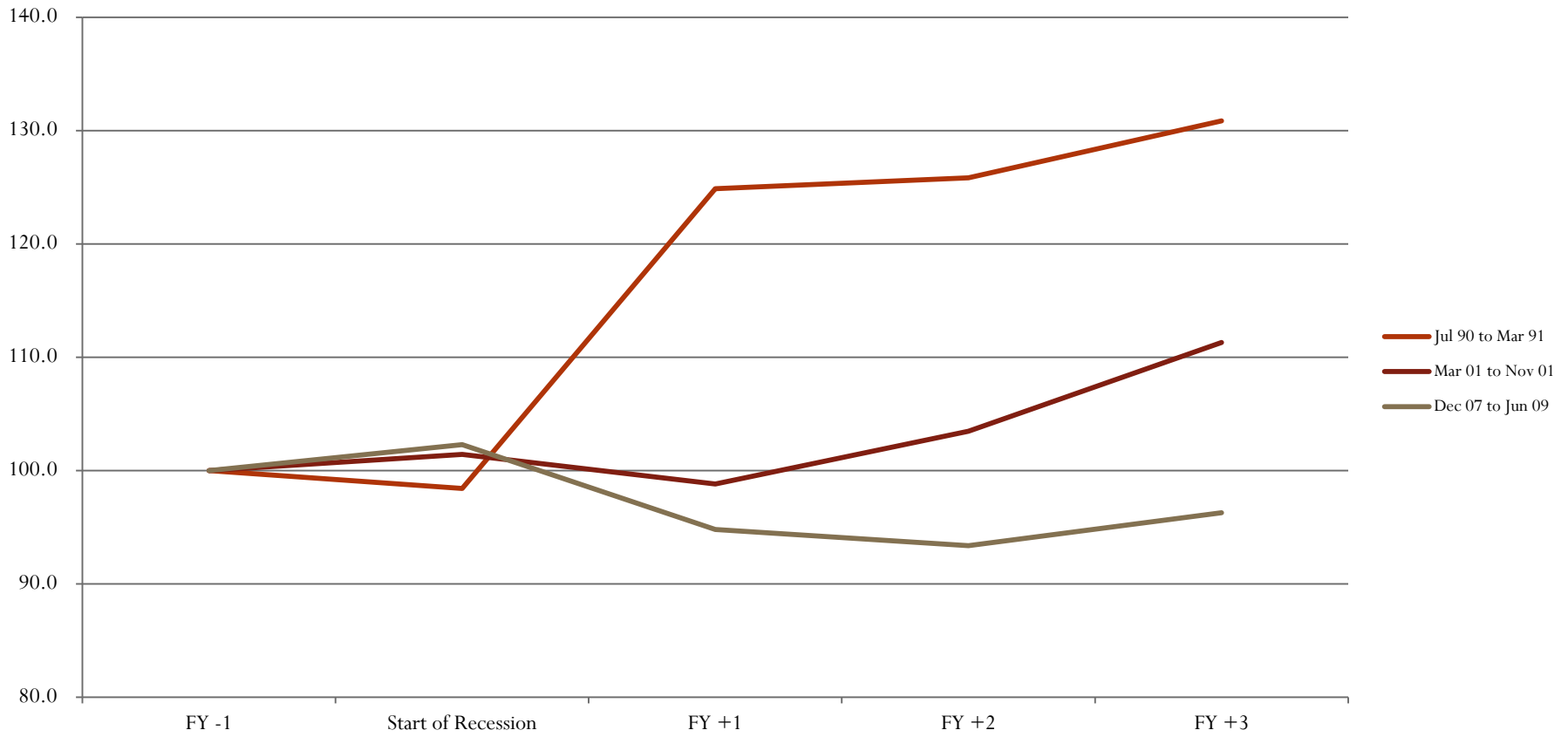
Source: Center on Budget and Policy Priorities

Recession Takes its Toll

Safety Net Program	Dec-07	Sep-07	Share of Population Receiving Benefits 2010	% Change in Enrollment Since 2007
Cash Assistance	264,925	291,641	2%	10%
Food Stamps (Households)	548,518	785,415	N/A	43%
Food Stamps (Individuals)	1,168,067	1,665,012	13%	43%
Medical Assistance	1,893,949	2,219,392	18%	17%
Medical Assistance (Children)	970,816	1,115,616	N/A	15%
CHIP	166,151	192,757	N/A	16%
Adultbasic Enrollment	51,056	43,373	N/A	-15%
Adultbasic Waiting List	95,649	448,515	N/A	369%

Revenue Slow to Recover

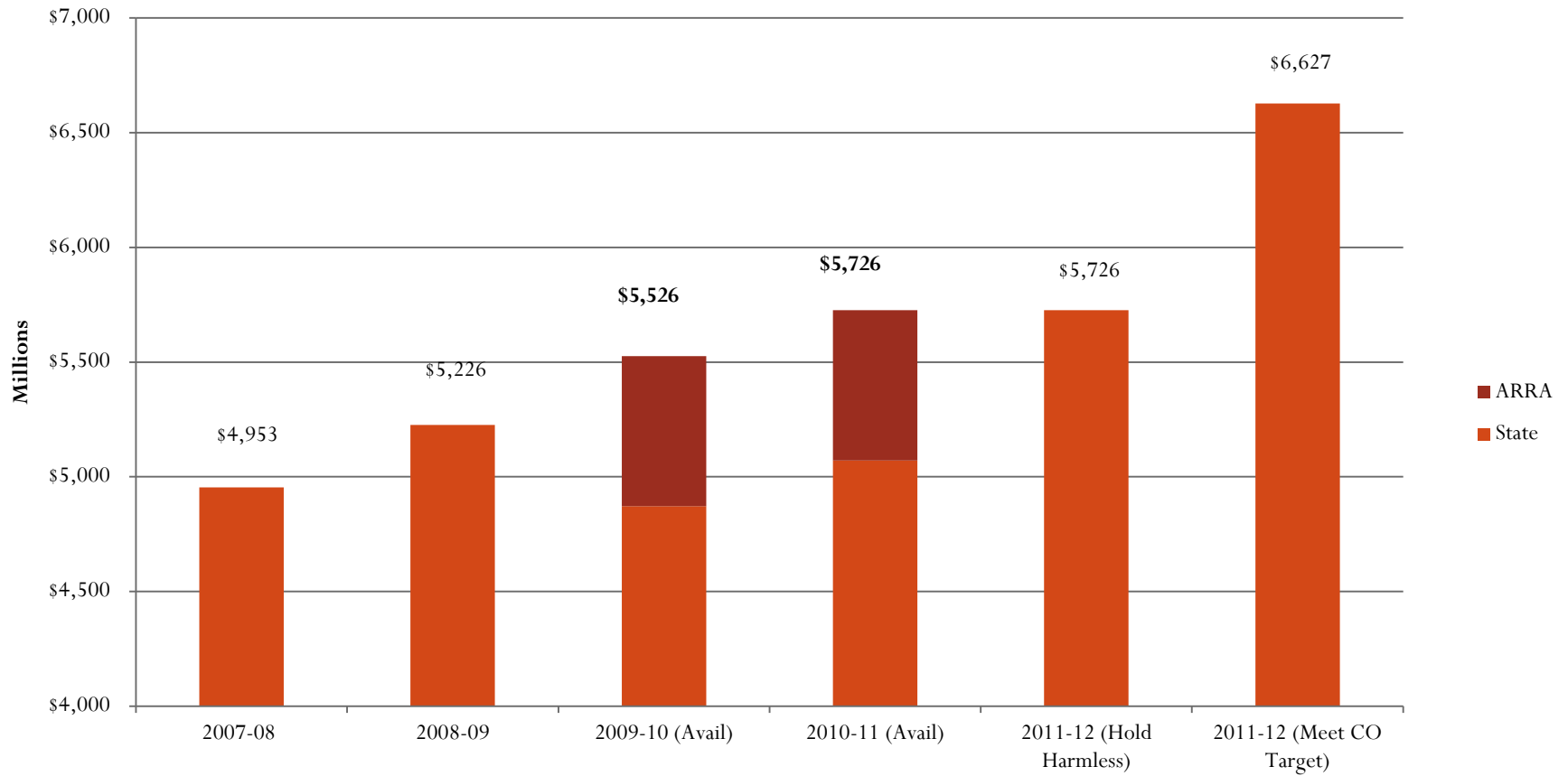
General Fund Tax Revenue



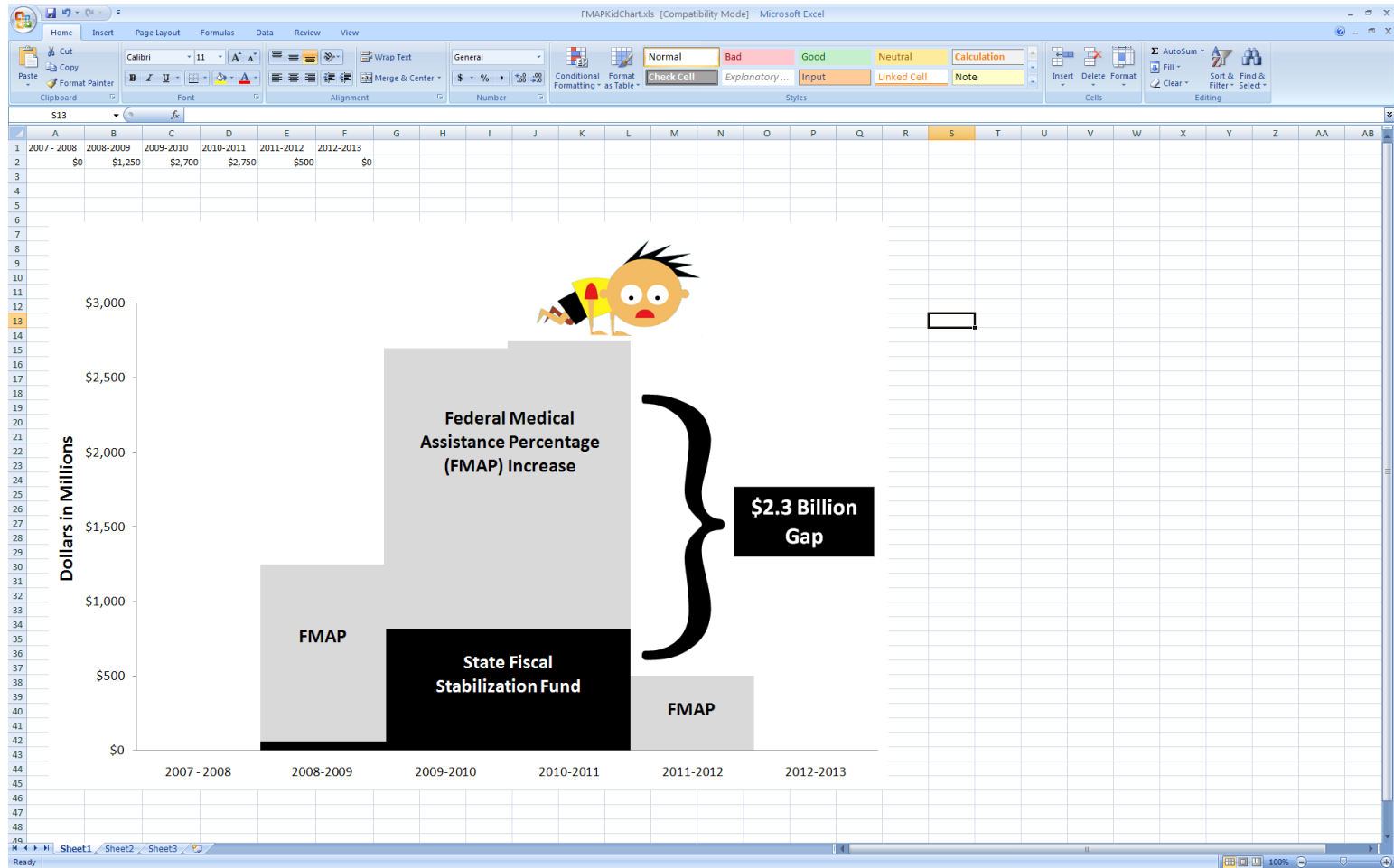
Four Years of Cuts

Agency	GF Budget 2010-11	Similar Fiscal Year
Agriculture	\$63 million	1998-99
Comm. & Econ. Development	\$327 million	1997-98
Conservation and Natural Resources	\$82 million	1995-96
Corrections	\$1.69 billion	2009-10
Education	\$10.3 billion	2007-08
Historical & Museum	\$18 million	2009-10
Labor & Industry	\$86 million	1998-99
Public Welfare	\$8.6 billion	2009-10
State Higher Education	\$465 million	2009-10
Treasury	\$1.0 billion	2009-10

Maintaining Education Funding



ARRA Cliff in 2011



Impact of the Tea Party

Republicans dating but will they marry?



Education Under Fire

Governor Chris Christie



Governor Andrew Cuomo



OPTIONS

- EVERY MAN FOR HIMSELF
 - Set priorities
 - Make tough choices
 - Tell us what we should cut



Play Defense

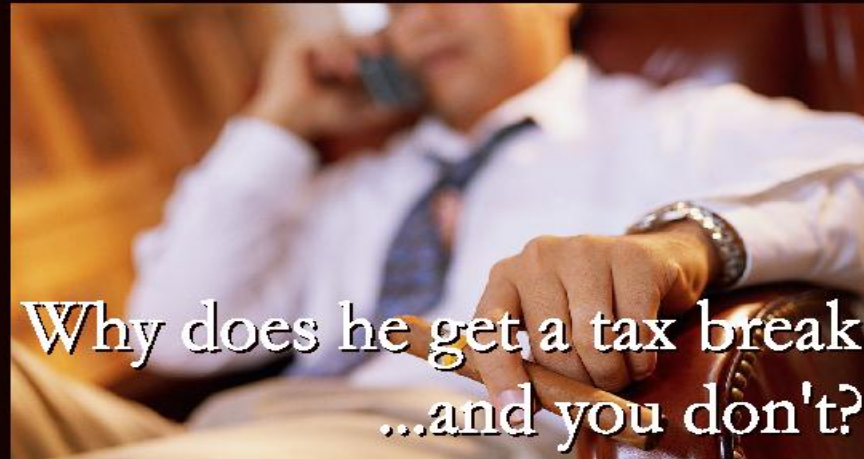


TAKING A BALANCED APPROACH



Making the Choices Clear

BCPA



Pennsylvania is only one of two states in the union without an excise tax on cigars and the only one without a tax on other products like snuff and chewing tobacco. Even North Carolina, South Carolina, Kentucky and Tennessee – the major tobacco producing states – tax the stuff.

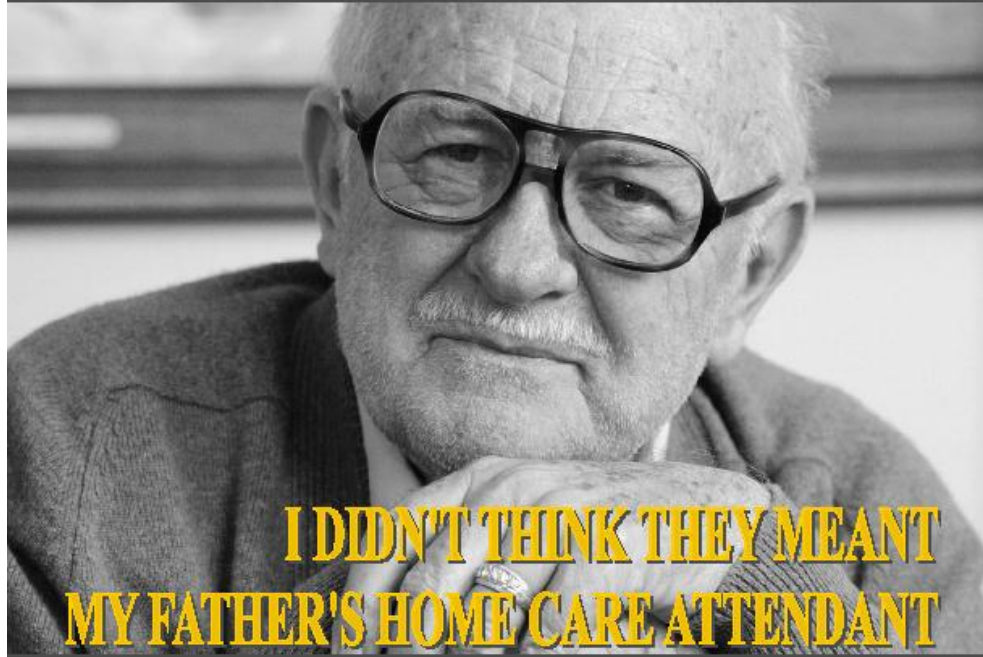
Pennsylvania's reluctance to assess this tax is not about protecting Pennsylvania tobacco farmers. Five states account for 93 percent of the tobacco production in the country, and Pennsylvania is not one of them. Furthermore, the Congressional Research Service estimates that 94 percent of U.S. tobacco is used in cigarettes, which already are taxed in Pennsylvania. And an excise tax on other tobacco products would have no impact on the state's 30 tobacco manufacturers, since the tax is already assessed in most other states.

In the final analysis, opposition to the tobacco tax is not about jobs since further cuts in the state budget will require significant reductions in the state workforce and likely spur layoffs in related industries.

And, the best news is that a tax on smokeless tobacco and cigars will reduce consumption by younger Pennsylvanians, lowering long term health risks and potentially saving lives.

A tax on cigars and smokeless tobacco products – time to close the loophole.

WHEN THEY WERE TALKING ABOUT BUDGET CUTS



**I DIDN'T THINK THEY MEANT
MY FATHER'S HOME CARE ATTENDANT**

RALLY AGAINST THE BUDGET CUTS

**Thursday, June 17 at 11am
Delaware County Courthouse
201 West Front Street, Media, PA**

Tell Harrisburg we care more about home care attendants for seniors, suicide hotlines, child care centers, schools, parks, and support for kids with autism than we do about giving tax breaks to big oil and tobacco.

Rally sponsored by the Southeastern PA Budget Coalition: www.pabudgetnow.wordpress.com
Please RSVP to Kate Atkins at sepabudget@gmail.com or (215) 563-5848 x 16.

Better Choices for Pennsylvania

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