



Solutions for Pennsylvania

A Compilation of GOP Policy Proposals

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**PREPARED BY THE OFFICE OF THE REPUBLICAN POLICY CHAIRMAN
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Introduction

Pennsylvania is home to a diverse population of nearly 13 million residents. Our 2,566 municipalities, 500 school districts, and 67 counties are spread out over 46,000 square miles. Our largest city, Philadelphia, has a population of more than 1 million people, and our second largest, Pittsburgh, is home to nearly 300,000 people. Millions more live in the small cities, towns, boroughs, and townships which comprise the fabric of our Commonwealth.

As it has been since its founding in 1681, Pennsylvania's economy is driven by agriculture. Our nearly 8 million acres of farmland contribute almost \$45 billion to the Commonwealth's economy through production agriculture, agribusiness and support services such as food processing, marketing, transportation, and farm equipment.

There are more than 300,000 nonfarm employers in Pennsylvania employing more than 5 million people in industries ranging from tourism, to manufacturing, utilities, and health care. New opportunities are on the horizon for Pennsylvania. The potential economic benefits offered by harvesting natural gas from the Marcellus Shale could bring billions of dollars into the state economy and provide thousands of jobs to Pennsylvanians who currently cannot find work.

Despite these tremendous assets, Pennsylvania faces some difficult challenges. Although our Commonwealth and our nation are showing signs of recovery from the worst economic recession in generations, many Pennsylvanians are still waiting to feel the effects of that recovery in their own lives. Many have resigned themselves to receiving an unemployment check and many more continue to fear that they could be the next to lose their job. They see a state government that appears to have lost touch with Pennsylvanians' concerns. They see lawmakers failing to complete the state budget on time. They see state spending increasing as its citizens struggle to make ends meet. And they see a state government that for nearly a decade has failed to produce any significant, positive results which would make a real difference in their lives.

Pennsylvania can do better. We can do better than an unemployment rate that continues to hover near 10 percent. We can do better than a welfare system that is rife with fraud and abuse. We can do better than a state government that has lost the faith of the people it is supposed to serve. We can do better, and if we are to realize the tremendous potential our diverse economy and population represent, we must do better.

Our Vision

Pennsylvania is at a crossroads. One party wants Pennsylvania to stay on the path we have followed for the last eight years. They would have government continue spending money the taxpayers do not have, continue borrowing on the backs of our children and grandchildren, and continue rejecting the solutions that could turn Pennsylvania around. Our party has learned the lessons of those failed policies and has offered solutions that will lift Pennsylvania out of its current economic crisis.

This document outlines the vision and policy alternatives Pennsylvania House Republicans have crafted to move Pennsylvania forward. We have offered clear, sensible solutions for the most important issues for Pennsylvania including job creation, economic development, transportation, education, health care, energy, crime, families, and government reform. The solutions we offer are derived from basic Republican principles:

- Limited Government
- Fiscal Discipline
- Personal Responsibility

The goal of this document is not to provide a one-size-fits-all answer to all of Pennsylvania's problems, but rather, it is to start the long-overdue conversation about the challenges we face and how we can use our tremendous potential to overcome them.

Jobs

Keystone Jobs – The Key to Prosperity

At 9 percent, Pennsylvania's unemployment rate is at its highest level in over 25 years. More than a half-million Pennsylvanians are currently unemployed and more lost jobs are not out of the question. Faced with uncertain economic and political climates, Pennsylvania's employers are reluctant to begin hiring.

The fastest and most effective way to turn Pennsylvania's economy around and solve the problems with our unemployment system is to put Pennsylvanians back to work. House Republicans have developed a six-point legislative package designed to empower individuals to find employment and return to work. House Republicans remain committed to providing certainty to Pennsylvania employers so they can feel comfortable hiring again. Our plan includes reforming Pennsylvania's current business tax structure and opposing new taxes and regulations on employers in any economic climate, but particularly during the kind of economic recession we currently face.

The Shared Work Program

This legislation empowers employers to avoid layoffs by reducing hours and wages for a specific unit of employees while allowing those employees to collect a pro rata portion of unemployment compensation benefits.

- **HB 2152**: Provides for a shared work program.



The Keystone Works Program

This program removes barriers to employment by matching unemployed persons and cash assistance recipients with businesses seeking to hire on a conditional basis with no cost to employers unless the employer chooses to hire the claimant on a permanent basis. This program is a component of the U.S. House GOP's *No Cost Jobs Package* and is designed to help both short-term and long-term unemployed persons.

- **HB 2470**: Establishes the Keystone Works Program for individuals receiving unemployment benefits.
- **HB 2471**: Establishes the Keystone Works Program as a workfare program for individuals receiving welfare benefits or assistance.

Unemployment Training/Education Option

The Unemployment Compensation Law should allow unemployment claimants to enter into short-term career training/re-training while still collecting unemployment benefits. This allows a greater advantage in the job market for those claimants willing to undergo training.

- **HB 2472:** If an otherwise eligible claimant is enrolled in, and attending, a training, certification or diploma granting program to obtain skills which can lead to a reasonable expectation of employment within six months of enrollment they shall not be denied benefits.

Reauthorization and Restructuring of the Employment Incentive Payments Program

The Employment Incentive Payments Program has been successful in encouraging employers to hire individuals who are currently receiving public assistance in the form of welfare benefits. This program expired on December 31, 2009. To encourage employers to provide jobs for welfare and unemployment recipients, this program should be reauthorized and restructured by allowing a tax credit to employers who hire public assistance recipients. In addition, the program should be updated with applicability and pass-through provisions to mirror other tax credits.

- **HB 2473:** Reenacts and amends provisions relating to employment incentive payments.

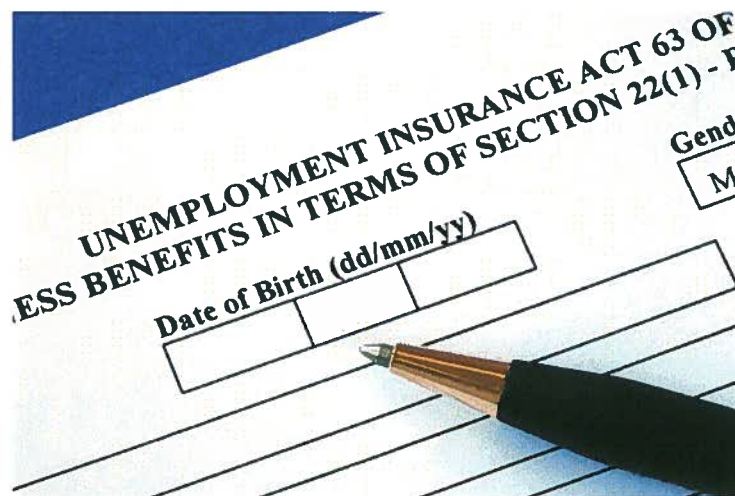
Revitalize and Reprioritize the Self-Employment Assistance Program

This program, which was enormously successful during the administration of former Gov. Tom Ridge, has been largely ignored by Gov. Ed Rendell's administration. The program provides a unique opportunity for unemployed individuals to enter into self-employment through entrepreneurial training and counseling while continuing to receive unemployment compensation.

Youth Employment Incentive Tax Credit

This initiative is designed to encourage employers to hire workers in their teens. A good, solid work ethic established early in life will lead to a strong work ethic throughout life. In addition, this tax credit will allow employers to hire more inexperienced workers at a reduced cost.

- **HB 2474:** Capped at \$15 million, this provides a tax credit for 50 percent of costs incurred for each job provided by a business to a teenager.



Economic Policy

Economic Prosperity through Fiscal Responsibility

The most significant component of the House Republican initiative going forward will be our budget and economic policy. While job creation is a major contributing factor in driving our economy, Pennsylvania's future hinges on the economic policies we develop today. Reforming the Commonwealth's business tax structure, and making strategic workforce developments will provide Pennsylvania workers with the opportunities they need to support themselves and their families. Pennsylvania businesses will have the ability to expand, possibly to new locations throughout the Commonwealth which will give workers more opportunities for jobs at a variety of locations.

Unlike the Rendell administration's budgets over the past eight years, which spent far too much, borrowed too much, and taxed too much, House Republicans understand government must live within its means. Pennsylvania cannot spend money it does not have and Harrisburg cannot continue to demand more from taxpayers in order to feed its appetite for spending.

Pennsylvania must adopt a renewed vision aimed restoring and protecting our economic stability. The recent economic collapse, and the current recession have had a detrimental impact on Pennsylvania employers. Existing businesses are going bankrupt, new businesses are finding it difficult to get started, and companies are reluctant to locate or expand in Pennsylvania. However, Pennsylvania's entrepreneurial spirit is not dead. Reasonable, business-friendly policies will bring both large and small employers back to the Commonwealth and create the job opportunities our eager workforce needs.

Solutions Through Innovation

Liquor Control Board Privatization

Pennsylvania has an opportunity to move into the 21st century by allowing the private sector to sell wine and spirits. Currently, only two states own and operate all wholesale and retail sales of wine and spirits: Pennsylvania and Utah. Privatizing liquor sales in the Commonwealth will result in better selection, cheaper prices, and more convenience for consumers. In addition, it will enhance revenues to help us overcome the looming fiscal crisis. The notion that the state's General Fund receives a massive annual contribution from the Liquor Control Board (LCB) is a myth. On average, the LCB transfers only \$90 million annually to the General Fund. In addition to this transfer, taxes on the sale of wine and spirits bring in about an annual \$376 million directly to the General Fund amounting to about \$466 million annually. These revenues will continue whether the sale of liquor is run by the state or private owners. This proposal could bring in at least \$2 billion up-front for the sale of licenses while maintaining annual tax revenues.

SSI Processing

In 2003, Pennsylvania began processing its own Supplemental Security Income (SSI) payments and became the only state to process SSI payments in-house, saving \$35 million. Nine states and Washington D.C. pay the Social Security Administration (SSA) more than \$300 million annually to process SSI payments. The SSA processes payments on the states' behalf for a fee of approximately \$12 per transaction. Pennsylvania can process those payments for a lower fee, saving those states money and generating millions of dollars annually.



P-Card Utilization

Make Purchase Cards (P-Cards), similar to debit cards, the preferred method of payment for most goods and services purchased in Pennsylvania. P-Cards are faster, more efficient, and easier for auditors to trace. In addition, they provide an opportunity for the Commonwealth to receive a rebate of 145 basis points, or almost 1.5 percent for every dollar spent.

Bank Bond Investment

The concept of issuing bank bonds as an investment can be rather complex. This initiative allows banks across the Commonwealth to issue bonds to private businesses in order to cover start-up or expansion costs, providing that those businesses utilize the Pennsylvania workforce. If a company remains in Pennsylvania, hires local employees, and thrives, then the local economy will grow as well.

Accelerated Government Debt Collections

The Debt Collection Improvement Act of 1996 allows the Federal Government to collect State/Commonwealth debts from Federal payments to contractors. However, before doing so, a State/Commonwealth must enter into a reciprocal agreement with the U.S. Treasury that would require the State/Commonwealth to collect unpaid Federal debts from the offset of State payments. Other states who have entered into such an agreement have realized significant budget savings. The Commonwealth of Pennsylvania should move toward such an agreement to realize similar budgetary benefits.

Eliminating Government Waste & Fraud

Department of Public Welfare

Recent audits by Democratic Auditor General Jack Wagner have uncovered hundreds of millions of dollars of fraud and abuse in the Department of Public Welfare. These findings were based mainly in the LIHEAP and Special Allowances programs. Republican policy hearings have also brought forth

evidence of fraud and abuse. By eliminating the “close your eyes and authorize” mentality within DPW, we will take a very important step toward reducing exorbitant spending by the department.

State Fleet

In 2008, the Commonwealth spent \$24 million on mileage reimbursement for state employees who used their personal vehicle for state travel. Republican legislation would require employees of the Commonwealth to use a rental vehicle for trips of more than 100 miles. By requiring state employees to use a rental vehicle for longer trips, we could save up to \$12 million annually. At least 18 other states have formed partnerships with rental car companies to fill some capacity of their fleet and travel needs.

This legislation would also require a mandatory one-third reduction in the state fleet within three years. According to a recent report from the Auditor General, there are 16,637 vehicles in the state fleet, not including vehicles in the Department of Transportation. With approximately 69,500 employees, there is more than one vehicle for every four employees. While there is certainly a need for the Commonwealth to own and operate some vehicles for some functions of government, this proposal would update the state fleet by eliminating excess vehicles that are not used on a daily basis.

Performance-Based Budgeting

One of the most interesting potential reforms in state government is related to how we budget. Pennsylvania budgets the same way it has for nearly 40 years. In the 21st century, we need to bring a new vision to the budget process. It is time for Pennsylvania to move toward performance based budgeting which would require every state program to justify its continued funding by demonstrating that it is serving its stated purpose. If a particular program fails to meet expectations, it would receive fewer funds the following year. If the program continues to fall short of expectations, it could eventually be eliminated.

- **HB 2563:** Provides for accountability in program performance and prescribing powers and duties.



Corporate Tax Reform

Corporate tax reform has been a priority for House Republicans for many years. Numerous, comprehensive reforms must be made to Pennsylvania’s business tax structure if we are going to retain existing businesses and attract new businesses into the Commonwealth. The Tax Foundation recently reported that Pennsylvania has the second worst aggregate corporate tax climate *in the world*. It is unrealistic to continue to expect businesses to locate here, remain here, and expand here if we do not make significant changes to our business tax climate.

We must create a tax structure that will allow existing businesses to grow and make Pennsylvania more attractive to outside business. In order for this to happen, the tax burden on businesses must be reduced. By remaining competitive, not only in the U.S. but also globally, Pennsylvania will be able to encourage its companies to remain within the Commonwealth. For example: Hershey Foods is a global company located in central Pennsylvania that is outsourcing jobs and production locations to other countries because the cost of doing business here is too high.

There is no single corporate tax change that will cure Pennsylvania of its ills. Business tax reform must be a multi-faceted approach focused on job creation that includes the following:

Reduce the Corporate Net Income Rate

Pennsylvania's current Corporate Net Income (CNI) tax is a burdensome barrier to job growth. Currently set at 9.99 percent, Pennsylvania's CNI tax is the second highest in the nation and the world. This places our employers at a significant disadvantage in relation to companies outside the Commonwealth.

The structure of the CNI tax is also a barrier to job creation. The CNI tax is currently derived by 70 percent of a company's sales and 15 percent of payroll and property. By taxing an employer's payroll, the state punishes the employer by raising taxes every time a new employee is hired.

By taxing an employer's property, the state deters business expansion and drives both current and potential employers from the Commonwealth. This property tax discourages outside companies from expanding into Pennsylvania.

Many lawmakers have been pushing for a "Single Sales Factor" (SSF) which would restructure the state CNI tax by calculating it based purely by a business' sales which would remove barriers to job creation and spur economic growth.

Move to "Single Sales Factor" Apportionment of Business Income

Moving toward a "single sales factor" apportionment (100 percent sales factor), which weighs the tax base on sales in Pennsylvania rather than presence in Pennsylvania, would help create a corporate tax structure that encourages businesses to operate in the Commonwealth. This change would remove any tax burden based on property expansion (property factor) or the hiring of new employees (payroll factor). In essence, this change would eliminate the "Pennsylvania corporate jobs tax."

Uncap the Net Operating Loss (NOL) Deduction

Capping the net operating loss deduction punishes both cyclical companies and start-up companies. Uncapping the net operating loss deduction would help these businesses become profitable. This change is especially important in the current economic climate because it would allow these businesses to overcome their current losses in order to forge forward to future years.

Transportation & Infrastructure

Paving our way to economic competitiveness

“Building excellent public infrastructure is an appropriate role for government...it enables the private sector to thrive.”

-Mitch Daniels, Governor-Indiana

An efficient transportation and infrastructure system is essential to a thriving economy. Unfortunately, Pennsylvania’s aging infrastructure continues to deteriorate even as the demands placed upon it continue to grow. Increasing numbers of cars, trucks and buses on our roads and bridges; old and crumbling water and sewer systems; correctional facilities bulging at the seams; and costly, inefficient public transportation systems place a huge burden on Pennsylvania taxpayers.

The State Transportation Advisory Committee estimates that \$3.5 billion is needed to fix Pennsylvania’s 5,646 structurally deficient bridges and 7,033 miles of poor road. Approximately \$484 million is needed annually just to keep pace with growing demands.

House Republicans are dedicated to understanding the magnitude of the problem and searching for solutions that do not demand even more from Pennsylvania’s already over-burdened taxpayers.

Public-Private Partnerships

Public-Private Partnerships (P3s) are collaborative efforts in which private industry teams with government in the operation, maintenance and/or construction of roads, bridges, transit systems, railroads, and airports. While the Commonwealth would maintain ownership control of the asset or facility, private sector capital would accelerate the maintenance, improvement and expansion of roads, bridges and other infrastructure. P3s can be used for water and sewage services, parks and recreation, and even correctional facilities.



Examples:

- **Public Water Systems- Poconos, PA**
 - \$25,000 Regionalization Grant
 - Funded by the state
 - Provided the foundation to consolidate several non-compliant systems
 - \$9 million PENNVEST Loan
 - Low-interest loan
 - Issued to investor-owned utilities under the Safe Drinking Water Act

- Results:
 - Regional system encompasses 21 water and 4 waste water systems
 - Systems previously plagued with water quality and quantity issues are now in compliance
- **Recreation, State Parks- Arizona**
 - Recreation Resource Management
 - Manages 3 of the top 10 public campgrounds in Arizona
 - Previously, Arizona State Parks did not make the list
 - Involved in whole park management
 - Parks, campground, wilderness area, and historic buildings
 - Can remove state parks from the budget tug-of-war
- **Prisons**
 - Prison privatization has been successful in Florida. A recent study conducted by Vanderbilt University shows that states can save up to \$15 million annually through public-private partnerships in prisons alone.
- **Transportation**
 - Transportation can utilize public private partnerships in a variety of ways. Virginia is a prime example of how states have used P3s with projects like the Dulles Toll Road, the Pocahontas Parkway and the Capital Beltway HOT Lanes.
 - I-496 Capital Beltway example:
 - 14 miles of two new lanes in each direction
 - First time introduction of High Occupancy Vehicles (HOV) lanes to the Capital Beltway and reliable transit options to the Beltway and Tysons Corner, Virginia
 - Congestion-free network for carpools, vanpools, transit, and toll-paying motorists
 - Replacement of more than \$260 million of aging infrastructure, including more than 50 bridges and overpasses
 - Construction of carpool ramps connecting I-95 with the Capital Beltway to create a seamless HOV network
 - HB 1510: Establishes public-private partnerships and the Public-Private Transportation Partnership Fund

Design-Build

Design-build is a construction project delivery system in which the design and construction aspects of a project are contracted with a single entity known as the design-builder or design-build contractor. This system minimizes the project risk for the Commonwealth and improves project delivery time. For example, PennDOT would contract with a private firm to design and build a project based on requirements established by PennDOT.

Contracting out highway maintenance

Allowing the Pennsylvania Department of Transportation to bid out operations of an entire maintenance district or even an entire interstate highway would save money and make PennDOT workers available for other assignments.

PennDOT and Pennsylvania Turnpike Commission Consolidation

Keeping the Pennsylvania Turnpike Commission separate from PennDOT is an unnecessary duplication of services that, in the past, has created an environment of corruption and waste. Moving oversight of the Turnpike to the Pennsylvania Department of Transportation would enable the Commonwealth to reduce bureaucracy and decrease administrative costs.

- **HB 2134**: Allows the PennDOT to assume the functions of the Pennsylvania Turnpike



Commission and establishes the Bureau of Toll Administration within PennDOT. Other options, including consolidating only administrative functions, could also be pursued.

Bidding on Public Contracts

Streamlining the bidding process for public contracts will save taxpayer dollars. Current practices can discourage many reputable companies from bidding on projects. Labor agreement reforms will remove discriminatory barriers and lead to an increased number of bidders per project thereby ensuring the lowest cost to Pennsylvania taxpayers.

Mass Transit

The timely and efficient movement of today's workforce is an important component of a robust economy. Adopting business and management practices from the private sector will provide a greater value for the tax dollar spent and will allow mass transit to better serve the community.

Phase Out of State Police from Motor License Fund

The Motor License Fund should be dedicated to its intended purpose: the maintenance and improvement of highways and bridges around the Commonwealth. The current operating budget of the Pennsylvania State Police takes approximately \$533 million from the Motor License Fund. Funding for the State Police should come entirely from the General Fund, which would free up more than a half-billion dollars for our roads and bridges.

Education

Investing in our Future

Education continues to be among House Republicans' highest priorities. A quality education is one of the most important factors influencing the future success of any child.

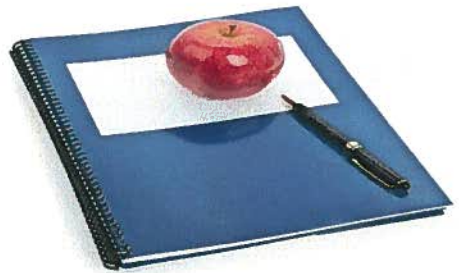
If we are to ensure that Pennsylvania's children have the skills they need to compete and succeed in the 21st century workplace, we must find ways to improve the quality of the education we provide to them and we must do so in a way that provides the best possible value for taxpayer dollars. Likewise, we must ensure that Pennsylvania's higher education system remains innovative and accessible.

Focus on Core Functions

We must strengthen our educational foundation and focus on the core principles of education. Reading, writing, math, and science must be our focus because failure to master these core subjects will lead to deficiencies in other subjects.

Local Choice/ Charter Schools

House Republicans support local choice and reject a one-size-fits-all approach to education. Local school districts know best what they need to improve the education of their students. We must give them the tools they need to succeed without dictating from Harrisburg how they must spend taxpayer dollars. We must allow local districts to control their spending so that they can better manage their local resources.



Block Grants

Create a "Tools of the Trade" block grant for school districts and vocational-technical schools to invest in the textbooks, computers, educational technology, equipment or other instructional materials they need to enhance the education of their students. The block grant concept directs money to meet state priorities while affording local school officials the discretion they need to meet local needs.

Restoration of the Educational Improvement Tax Credit (EITC)

The successful Educational Improvement Tax Credit (EITC) program provides businesses with tax credits when they donate money to approved scholarship organizations, educational improvement organizations, or pre-kindergarten scholarship organizations. Students may then apply to these organizations for the opportunity to receive scholarship funds to attend the school of their choice.

Accountability

Utilize Pennsylvania Value-Added Assessment System (PVAAS)

PVAAS is a relatively new type of system that offers a more precise and objective way to measure both student progress and the value schools and districts add to students' educational experiences. Pennsylvania is one of only three states providing this information to all school districts statewide.

Teacher Merit Pay/Raises

School districts should tie teacher pay raises to PVAAS results. In addition, if a school pays a teacher more for having a master's degree they should also expect more from the teacher.

Transparency

Report yearly on district performance as related to PVAAS and statewide testing. Demographically similar districts should be compared in order to further study the outliers and recommendations should be publicly reported.

STEM Initiative

The Pennsylvania STEM Initiative is a statewide effort designed to create the foundation for future competitiveness by establishing a network of partners and programs that support the growth and deployment of



science, technology, engineering, and mathematics education, and workforce development. STEM jobs are the fastest-growing in every industry and are predicted to outpace other occupations by more than 50 percent.

Early Childhood

A child's earliest years are the most important in terms of brain development, cognitive growth and social interaction. Pennsylvania's early education programs provide the quality early learning experiences that children need for brain development and to build the pre-academic and social skills they need to succeed.

Initiate a Career Awareness and Drop-Out Prevention Program

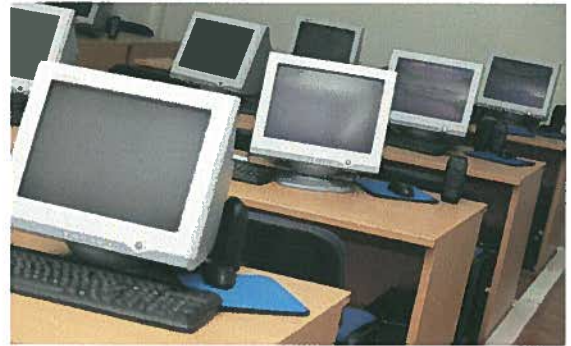
Initiating a pilot program will help eligible school entities enhance career awareness programs. Research has shown that connecting academics to real-life situations can positively impact student performance and reduce student drop-out rates while exposing young students to real job opportunities right here in Pennsylvania.

Limit Property Tax Referendum Exemptions

This would allow registered voters to file signed petitions against a school district's preliminary budget, which can lead to requiring a referendum on the ballot.

Address School Costs

Over time, the Commonwealth of Pennsylvania has passed numerous unfunded mandates onto local school districts. Possible mandate waivers should be explored and pursued to reduce school costs and taxes. Any future mandates should be closely scrutinized and funded as appropriate.



Government Reform

A 21st Century Government of Trust

We have a unique opportunity to change how Harrisburg operates. We must take advantage of this pivotal time and restore the public's trust in their government.

Reform can cover a broad spectrum of internal and external government functions. Typically, the term "reform" in government conjures up proposals to cut waste, reduce spending, tighten ethical standards and create greater transparency. Reforming these *internal* functions of government is necessary to reflect positive reforms in *external* functions of government like the public pension systems and unemployment compensation reforms.

House Republicans have offered plans for reforming all of the above. PATH, Pennsylvania's Agenda for Trust in Harrisburg, is a collective effort of the House Republicans to address issues ranging from changing how contracts are awarded, to increasing transparency, to campaign reform. House Republicans have been on top of the pension reform issue for years, warning of what is to come if this issue is ignored. Likewise, a fundamental change in how the Commonwealth awards unemployment compensation must come soon. It is essential not only to ensure that only those who are connected to the work force and deserve unemployment compensation receive help, but also to address the formulas for how unemployment compensation is calculated.

Outlined below are more details of each plan House Republicans have proposed.

PATH

Pennsylvania's Agenda for Trust in Harrisburg

No Staff Allowed

Chapter B, Section 3, House Republican Employee Handbook: Staff cannot campaign for the organization for which they work during scheduled work-day hours. Using government-owned equipment would remain illegal, day or night.

No Start-ups

- **HB 92:** Public officials cannot start nonprofit organizations while in office.

Campaign/Election Modernization

It is time to bring Pennsylvania's election laws into the 21st century:

- **HB 1632:** Dollar 1 Reporting of campaign contributions and Real Time Reporting for lobby disclosure and ethics statements.
- **HB 1630:** Voter ID Required. Requires voters to present a valid photo ID at every election.
- **HB 1631:** Third Party Registration. Requires organizations that collect voter registrations to submit expense reports of their receipts and expenditures.

- **HB 1633: Felon Eligibility.** Requires sentencing judge to order the removal of convicted felons from the voter registration database.
- **HB 1634: Electioneering Clarification.** Clarifies the term “electioneer” within the PA Election Code to create uniformity across the state.
- **HB 1635: Overseas Military Voting.** Makes it easier for those serving our country overseas to obtain and submit their absentee ballot electronically.
- **HB 1636: Voter Registration and Government Services.** When an individual registers to vote with a new address, various agencies will be notified (DPW, PennDOT, etc.) to help reduce government bureaucracy for the average individual.



State Spending and Grant Accountability

- **HB 1460:** Fully enforce strict procedures for pre- and post-grant audits and strengthen parameters for public dollar usage. The state would create a searchable database for *all* state spending – called *PennWatch*. As part of the database, grants – including recipients, purpose and status reports would be part of *PennWatch*.

General Assembly Audits

- **HB 2502:** Audits of the General Assembly would be conducted by independent auditors chosen through an RFP with the lowest responsible bidder getting the work. The audits would follow Generally Accepted Auditing Principles set forth by the Federal Government Accountability Office. The audits would be available for public review.

Strengthening Whistleblower Protections for all State Employees

- **HB 1001:** For all three branches of government, a fully independent Office of Inspector General (taking the place of the current Inspector General’s office) will be available to the public and employees of all branches and levels of government.

End Pay-to-Play (HB 2167, 2168, 2169, & 2171)

- **State Contract Review.** A newly created *Board of Commissioners of Procurement, Public Grounds and Buildings* establishes new criteria for the use of emergency and sole source contract provisions.
- **Public review of contracts.** Makes the Right-to-Know Law applicable to public procurement and provides for public inspection of non-competitively awarded contracts prior to agreement being executed.

- ***Procurement Code Applicability:*** All Commonwealth agencies shall adhere to the state Procurement Code.
- ***Ban government contracts from campaign contributors.*** No non-bid government contract can be awarded to a person, partnership or corporation that donated to the campaign of the state official responsible for awarding the contract within one year of the date a contract is posted for public bidding.
- ***No lobby firms allowed.*** Firms registered as “lobbying firms” are disqualified from receiving General Assembly or governor’s office consulting contracts (does not include legal services contracts).

End Lobbying Compensation

- **HB 1490:** No public official shall receive compensation from a firm registered as a “Lobbying Firm.”

Ethical Code of Conduct for Executive Branch

- **HB 2503:** Creates an Ethical Code of Conduct for executive branch employees in state government. A Legislative Code of Ethics already exists in law; it prohibits, without exception, members of the General Assembly from using any information not publicly available and acquired by the member solely by virtue of their position for his or her own private pecuniary gain. Furthermore, no member shall disclose such information to others for purposes of their use or for private gain.

Stop the Revolving Doors at State Agencies

- **HB 385:** Any new executive branch employee would be prohibited from working in an area in which they lobbied the executive branch before working for the state for two years prior to state employment. This would also restrict executive branch employees leaving state employment from lobbying that same branch of government for two years. This is similar to the policy imposed by President Barack Obama on federal executive branch employees.

Strengthen the state Sunshine Law

- **HB 1324:** Increases penalties for sunshine law violations

Service Contractors to be subject to Ethics Act and Legislative Code of Ethics

- **HB 2501:** State service contractors cannot use information that is not available to the public at large which was obtained under their state contract for their private financial gain.

Unemployment Compensation

Our economy is slowly recovering from the worst economic recession most Pennsylvanians have ever experienced. Our Commonwealth is facing a budget deficit of historic proportions and unemployment is reaching an all-time high. With a high unemployment rate comes hundreds of millions of dollars in unemployment checks.

Further complicating these problems is the fact that Pennsylvania's Unemployment Trust Fund is empty. The demands on this fund will increase as our fiscal crisis continues, and it will not recover when the economy does. An empty trust fund will result in increased borrowing from the federal government. Because those funds will need to be repaid with interest, Pennsylvania's businesses and taxpayers may face higher taxes. The Department of Labor and Industry estimates that revenue through Unemployment Compensation taxes in 2010 will be \$2.5 billion. The estimated benefit payout for 2010 is \$4.3 billion. How can we expect our economy to grow and businesses to thrive when they are burdened with tax, after tax, after tax?

Our unemployment system needs an overhaul. It is time to rethink how unemployment compensation is provided. A fundamental change is needed. Legislation has been developed that will deal with the waste and help close the loopholes that allow many people to take advantage of the system.

Reforming Unemployment Compensation in Pennsylvania

- **HB 2577:**
 - Provides relief from charges if claimant refuses offer of work by employer,
 - Requires more active job search activities, increases earnings requirement before reapplying for benefits,
 - Tightens eligibility for individuals who voluntarily quit,
 - Establishes definitive standards of willful misconduct,
 - Creates an offset for receipt of severance pay,
 - Changes the total amount of benefits,
 - Changes the calculation of the weekly benefit rate,
 - Provides a new calculation for the maximum weekly benefit rate.



Pension Reform

Pennsylvania is currently facing a multi-billion-dollar unfunded liability in its pension systems. Ignoring the problem will have devastating effects on the Commonwealth's residents and until the issue is resolved, our fiscal house will remain unstable.

There are two competing perspectives to the pension issue: the taxpayer and the public employee. The taxpayer, who is already cash strapped, is asked to fund someone else's (the public employee) defined benefit retirement plan while their own retirement fund has dramatically declined within the last year. Reconciling these opposite perspectives is dependent on fundamentally changing the way public pensions are funded in Pennsylvania.

- **HB 2497**: Recently passed the House. While this legislation is a step forward in reforming the system, all options must be considered to ensure fiscally responsible solutions in future years. For several years, House Republicans have called for changes to the state's pension systems and have proposed significant reforms. This measure makes reforms to the state's two pension systems – SERS (state employees) and PSERS (school employees) by changing benefits for new employees.
- **HB 1174**: Shifts future hires to defined contribution plans. Municipal, state, legislators and teachers are all included.
- **HB 2135**: Hybrid Plan. Retains the qualities of the current plan even for future employees, but at a lower benefit level than currently provided. A defined contribution provision would be created to allow members to have greater control over a portion of their contributions by permitting them to invest in one or more investment options created by PSERS.
- **HB 1612**: Creates a defined contribution plan, "Public School Employee's Optional Retirement Program."
- **HB 1613**: Creates a defined contribution plan, "State Employee's Optional Retirement Program."

Energy

Home Grown Energy, Home Grown Jobs

Pennsylvania has been blessed with a variety of natural energy resources which can bring energy independence to the Commonwealth while creating sustainable jobs and improving the economy. Natural gas, clean coal, and nuclear energy are examples of alternative energy that we can use without drastically raising the cost to consumers. However, we must ensure that the increased production of these energy sources in Pennsylvania is done in an environmentally responsible manner.

Marcellus Shale

The Marcellus Shale is a rock formation underlying approximately 60 percent of the Commonwealth. This formation, which lies between 4,000 and 8,000 feet underground is estimated to hold as much as 150 trillion cubic feet of recoverable natural gas. To put that into perspective, consider that the United States consumes 23 billion cubic feet of natural gas per year. The interest in Marcellus Shale has led to an explosion of development throughout Pennsylvania, which has, in turn, created a conflict between concerns over the environmental impacts of these operations and the economic development potential associated with the increased level of drilling.

The potential economic impact of Marcellus Shale exploration is astounding. Developing a natural gas source in Pennsylvania would provide for tens of thousands of jobs and support locally owned businesses. Furthermore, landowners contracted with drilling companies across the Marcellus Shale region will have an additional source of income (royalty monies) to inject into their local economies.

Pennsylvania currently imports about 75 percent of the natural gas it uses every day. By developing our own source of natural gas, we will be able to satisfy the needs of the Commonwealth while simultaneously giving ourselves the opportunity for further economic benefits from exporting natural gas to other states.

Possibly the biggest challenge the Marcellus Shale gas industry faces is the Pennsylvania government. We cannot allow this industry to die before it even has a chance to develop by placing unnecessary regulations and restrictions upon it. Likewise, we cannot impose new taxes, such as the severance tax, which will force the industry to go to the other states. We cannot impose levels of taxation, such as the proposed severance tax, that will force them away from Pennsylvania.

Coal

Nearly all of the United States' anthracite coal, which burns cleanly with little soot, is produced in Pennsylvania. Pennsylvania currently has enough coal to last for up to 250 years. The Northeastern "coal region" holds the nation's largest remaining reserves of anthracite coal. It is primarily used as a domestic fuel in either hand-fired stoves or automatic stoker furnaces. Although Pennsylvania supplies virtually all of the nation's anthracite, most of its coal production consists of bituminous coal, also called soft coal, mined in western Pennsylvania, where several of the nation's largest underground coal mines are located. In fact, bituminous coal underlies more than 14,000

square miles and parts of 33 counties in western Pennsylvania. Pennsylvania is also one of the highest coal consuming states in the union. It is estimated that coal accounts for one half of the Commonwealth's net electricity production.

House Republicans have historically been leaders on prioritizing and funding abandoned mine reclamation efforts. These efforts are best exemplified through including grant funding for abandoned mine reclamation in the Commonwealth's Growing Greener program. Recent Congressional action will dedicate approximately \$1.4 billion to Pennsylvania for abandoned mine reclamation over the next 15 years. House Republicans will continue to prioritize this issue and ensure federal funding is spend appropriately and efficiently.

Other

Wind and solar power provide additional sources of renewable energy in Pennsylvania. Although both of these can be highly effective and provide some economic benefit when used properly, they are initially very costly. Given the current economic situation and Pennsylvania's limited budgetary resources, careful consideration must be given to alternative energy investments to ensure that they are done in a cost effective manner.

Health Care

Freedom of Choice - Reduced Costs, Increased Access, Increased Quality

Pennsylvanians want a step-by-step, commonsense approach to health care reform, not the federal government's massive takeover of our nation's health care system. The Pennsylvania House Republican alternative solutions focus on lowering health care premiums for families and small businesses and increasing access to affordable high-quality care. We are fighting to protect Pennsylvanians' right to make their own health care decisions. We believe that health care reform must be patient-centered with doctors and patients, not a government bureaucracy, making health care decisions.

To drive down health care costs, we need to increase patients' choice, provide transparent pricing and better educate consumers. Marketplace competition will force health care providers to improve the quality of care. Reform must rely on a market solution rather than moving people into a state-sponsored program, which we have heard first-hand often leads to inefficient care, denials of life-saving medical procedures, and long waiting periods.

House Republicans have examined ways to make quality health care more affordable and accessible. As a result of hearing from stakeholders across the state, we have unveiled a package of legislation which:

- Lowers health care costs.
- Covers more of the uninsured.
- Gives consumers flexibility and transparency.
- Improves quality.
- Does not raise taxes.
- Keeps health care services in the private sector, thereby increasing competition.

Opt-out of Federal Health Care: *Health Care Freedom Act*

Pennsylvania has joined 42 other states by introducing the Health Care Freedom Act, which protects our 10th amendment rights. The Health Care Freedom Act will preserve and protect an individual's right to make his or her own health care and health insurance choices. Specifically, it would protect a citizen's right to pay directly for medical services, and it would prohibit consumers from being penalized for not purchasing bureaucrat-approved health insurance.

- **HB 2053**: Allows individuals to purchase private health care insurance.
- **HB 2179**: Constitutionally prohibits the enactment of any law or program requiring citizens of this Commonwealth to participate in a health care system.

AFFORDABILITY

PA BasicCare

Provides an affordable, low-cost insurance product.

- **HB 134**: Offers an affordable coverage option in the private insurance market for individuals and employers with no waiting list or deductible.

Individual Tax Credits

Provides a \$1,000 tax credit to individuals who purchase their own health insurance coverage if their employer does not provide health insurance coverage.

- **HB 2568**: Establishes an individual health insurance tax credit.

Employer Tax Credits

Provides tax credits to small businesses (50 employees or less) which provide health insurance coverage. These tax credits encourage employers to provide health care for their employees and prevent crowd-out, whereby employers stop providing health insurance to employees.

Disease Management Tax Credits

Provides per employee tax credits for employers with fewer than 50 employees who offer health care policies which include “disease management” protocols. Encourages consumers to have a stake in their health care and lowers costs by reducing hospital use.

- **HB 2487**: Provides for a disease management tax credit.



Cost Transparency

Re-enacts the Pennsylvania Health Care Cost Containment Council and requires the Council to publish health care costs. Requires medical charges and reimbursement rates for Medicaid, CHIP and adultBasic to be posted electronically. Cost transparency allows consumers to make informed decisions regarding their health care, which keeps the market competitive and reigns in the cost of health care.

ACCESSIBILITY

AdultBasic Retool

Helps lower the cost of care and decrease emergency room use by removing barriers for eligible adults to enroll in adultBasic.

- HB 266: Allows more Pennsylvanians access to the adultBasic program by establishing a sliding scale premium based on income and requires the Insurance Department to verify eligibility every six months.

Expansion of Federally Qualified Health Centers/Medical Homes

Provides a medical and dental home, increases access to primary health care, and helps lower the cost of care by decreasing emergency room use.

- HB 1626: Invests \$25 million for the expansion of Federally Qualified Health Centers, hospital-based clinics and similar primary health care settings to increase access to primary and prenatal care.



Loan Forgiveness Program.

Allied Health Professional Loan Forgiveness

The Physician Retention Loan Forgiveness Program allows allied health professionals who complete training in the Commonwealth and agree to practice medicine in medically underserved areas to have a portion of their school loan paid by the Commonwealth. This plan encourages allied health professionals who graduate in Pennsylvania to stay in Pennsylvania and it provides needed medical care to underserved areas.

- HB 0891: Establishes the Physician Retention

Dental Provider Incentive

The dental provider incentive program improves dental access for Medical Assistance (MA) patients by establishing a contracted annual supplemental salary to recent dental graduates who dedicate a certain portion of their practice to serving MA clients. This would bring dentists into communities where they are needed, provide incentives to students to pursue higher education and training in dentistry, establish quality oral health care services across Pennsylvania, and improve health care to MA patients.

- HB 1046: Establishes the Dentists for Medical Assistance Patients Program in the Department of Public Welfare.

QUALITY

Expansion of Health Information Technology

Proposes a public/private partnership to share costs of bringing technology online for the prevention of medical errors and greater efficiency. This would provide better quality health care services as well as seamless access to medical records.

- HB 1553: Establishes the Medical Safety Automaton Program.

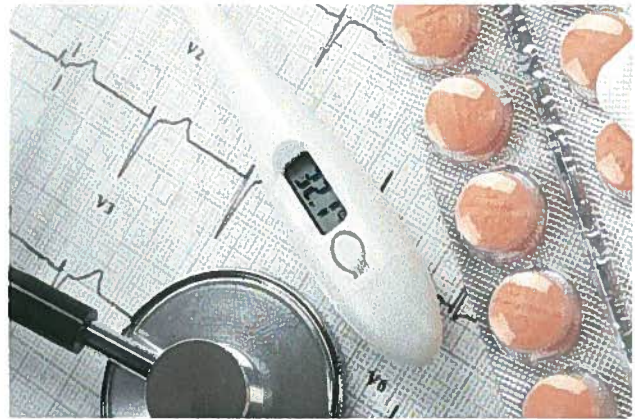
Medical Credentialing

Medical credentialing and oversight of health care professionals improves the quality of care by keeping bad doctors out of the system.

Benevolent Gesture

Makes any benevolent gesture made by a health care provider prior to the start of a medical liability action inadmissible as evidence of a liability or an admission of guilt.

- By sharing what they learn from medical errors, providers will improve patient safety resulting in higher quality care.
- Reduces medical liability lawsuits.
- HB 1843: Provides for benevolent gesture or admission by health care provider.



Crime

Keeping Pennsylvania Families Safe

Few responsibilities are as fundamental to the government as ensuring the safety of its citizens. To that end, we must strike a balance between an affordable and responsible public safety system.

Central to the challenge of policing Pennsylvania's communities, streets, and highways is keeping repeat offenders in prison and making sure the men and women on the front lines have our complete support.

Parole Reform

The simplest way to limit the problem of repeat offenders is to reform the way convicted felons are paroled. Currently, an inmate needs only the affirmative vote of two members of the parole board for release. This should be changed to require all inmates to receive an affirmative vote by a majority of the nine members of the parole board in order to be paroled.

Parole and early release programs should be eliminated for violent offenders convicted of rape, robbery, murder, aggravated, assault, or any crime using a firearm.

- **HB 2491:** No person shall be paroled, re-paroled, or discharged from parole or have his parole revoked, except by a majority vote of the entire membership of the board.



Guns

Many high-profile crimes committed with a gun are greeted with calls for new restrictions on gun purchases. Unfortunately, many of these proposed laws violate the 2nd Amendment rights of law-abiding citizens to protect themselves.

We do not need to pass new gun laws. We need to enforce existing gun laws. We must require that the state's mandatory five-year sentences for gun offenses be served consecutively and not concurrently with sentences for other crimes.

Drugs

We cannot solve the drug abuse problem solely by increasing prison sentences for those addicted to illegal narcotics. Drug treatment must play a crucial role. That includes expanding the use of special drug courts to track offenders from arrest through rehabilitation.

Drug courts reduce the burden on criminal courts and are run by judicial officials who are experts in the problems of the addicted. Utilizing drug courts allows our court system to focus on locking up drug suppliers.

- **HB 1664:** Drug Courts, Special Criminal Docket, established by court of common pleas of a judicial district and Municipal Court of Philadelphia, individualized treatment program; "drug or alcohol-related offense."
- **HB 2469:** Drug delivery resulting in death; A person commits (murder of the third degree) or a felony of the first degree if the person intentionally administers, dispenses, delivers, gives, prescribes, sells or distributes any controlled substance or counterfeit controlled substance in violation of The Controlled Substance, Drug, Device and Cosmetic Act, and another person dies as a result.

Strengthen State's Internet Registry for Sex Offenders

The current Megan's Law website does not provide the public with useful, accurate and easily accessible information. Republicans support Auditor General Jack Wagner's report on website deficiencies and have introduced legislation to fix them including:

- ***Improving photographs.*** The website should post multiple photographs, which are clear and in color. There should be photographs of all offenders and the dates the photos were taken.
- ***Providing more information.*** The web site should include a listing of all sex offenses for which each offender was convicted as well as clear and consistent terminology.
- ***Increasing search functions and tools.*** State Police should implement routine procedures to identify and correct web site data entry errors and inconsistencies. The web site should include a mapping tool as well as an e-mail notification option. Finally, it should offer more information on crime prevention and family safety.

Hiring police

The first step to effective crime-fighting is a properly-trained, fully-funded police force. We must encourage local communities to find ways to maintain their police forces. When possible, we should offer financial incentives.

We must support those who put their lives on the line to protect our communities. In the past, lawmakers have sponsored legislation to create a state funding stream to help communities fund additional officers for high-crime areas.

- **HB 1189 of 2007-2008:** 10,000 police by 2011; this bill is a freestanding act which sets up a grant program to be administered by the Attorney General's Office and makes an appropriation for the hiring of up to 10,000 new police officers by municipal police departments by the year 2011.

Pennsylvania Families

The Fabric of Pennsylvania

Strong families are the keystone of a healthy society. House Republicans are working to enact family-oriented laws that strengthen family units and support systems. We are committed to policies and domestic programs to improve the quality of life for all Pennsylvanians.



Seniors

Pennsylvania is the third oldest state in the nation. We must make sure our aging population is being properly cared for. Our seniors deserve access to the medications, health care and support they need to live their lives with dignity. We must continue to ensure safety at long-term care facilities, make long-term care facilities and workers more accountable, and preserve PACE and PACENET for affordable prescription drugs.

- HB 310: Creates a Long-Term Care Quality Improvement Council
- HB 311: Facilitates professional training for long-term care workers.
- HB 313: Ensures the health and safety of care-dependent Pennsylvanians choosing to remain in their homes.
- HB 316: Preserves the Lottery Fund for seniors.

Children & Youth

Every child has the right to grow up in a home in which he or she feels safe and part of a loving and nurturing family. The cornerstones of this include: permanency, safety, and well-being.

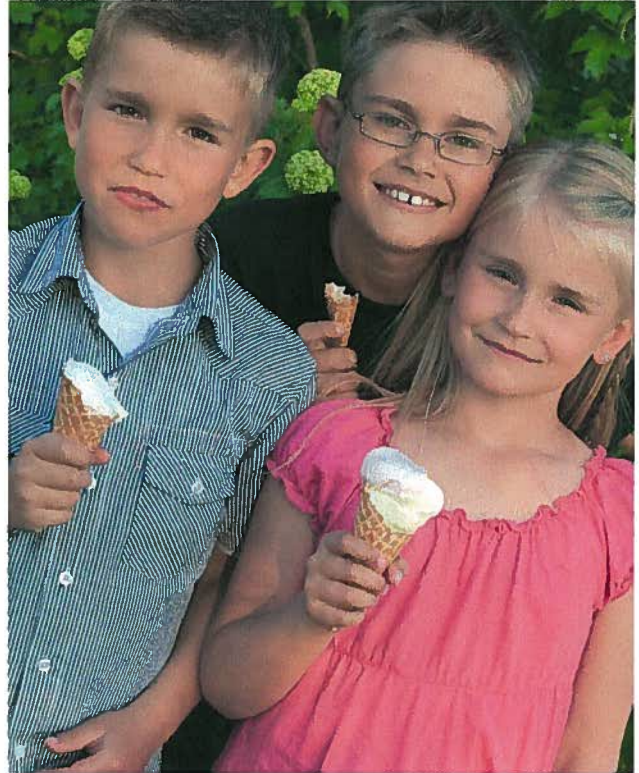
Encourage Child Permanency Placement

We must reduce the number of children in our foster care system and increase available options for home permanency including adoption.

Establish an Office of Children's Ombudsman

This office would promote the safety and well-being of Pennsylvania's children and serve as an independent watchdog of the child welfare system. It would receive, investigate and act on complaints of child abuse and neglect.

- **HB 788**: Provides for a children's ombudsman and remedial powers.



Ensure Safety of Children in Day Care Facilities

Prescheduled inspections of day care facilities allow the facility operator to prepare for the inspection and 'clean up its act.' Unannounced inspections would ensure a safer environment for children in those facilities.

- **HB 187**: Provides for unannounced inspections of day care facilities.



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