

THE PEOPLE'S BUDGET PA

WE THE PEOPLE



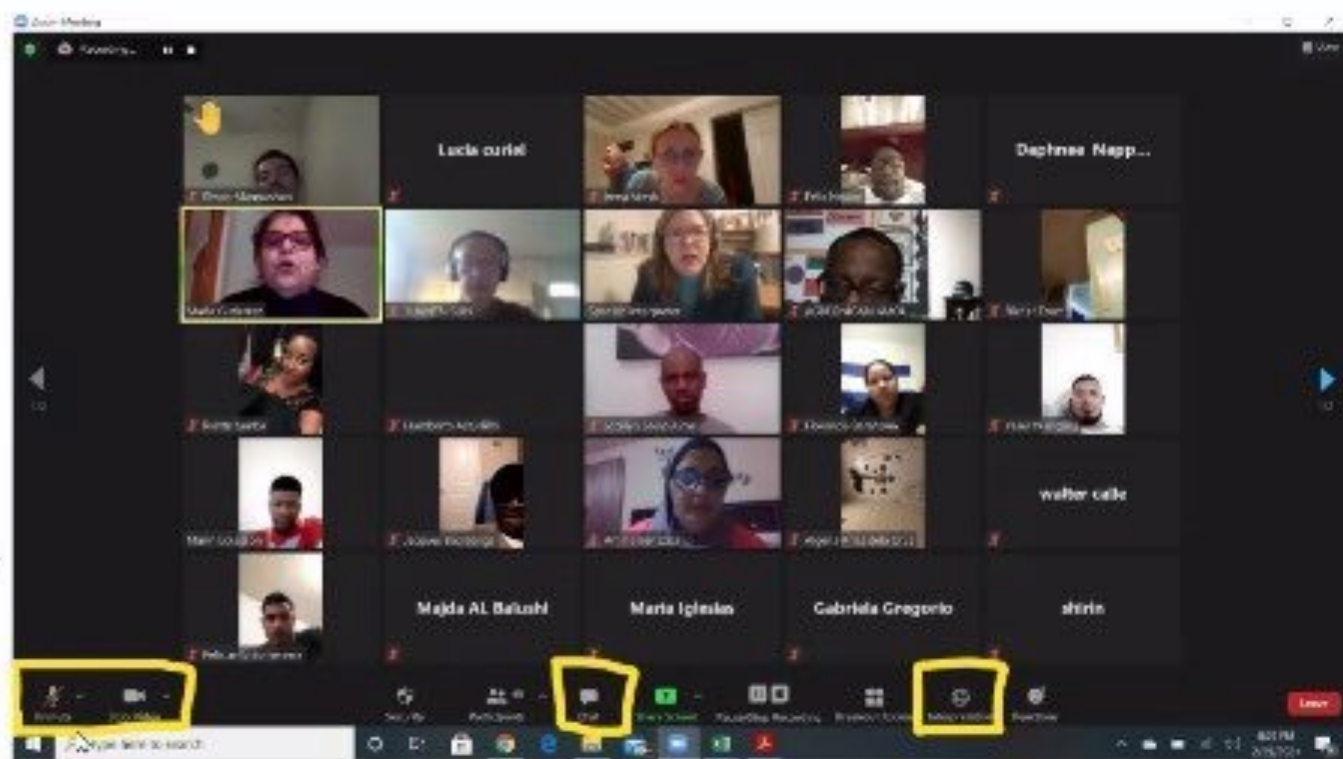
USING ZOOM ON A PHONE

- Option to **MUTE/UNMUTE** your sound
- Option to **START/STOP VIDEO**
- Choose the **MORE** button for more options:
 - **INTERPRETATIONS**; If you need language translation and it is available, select the language you need.
 - Select **"MUTE ORIGINAL AUDIO"** option to silence the original language
 - **CHAT**; Here you can put questions or comments for the presenters to read



USING ZOOM ON A COMPUTER

- Option to **MUTE/UNMUTE** your sound
- Option to **START/STOP VIDEO**
- **CHAT**; Here you can put questions or comments for the presenters to read
- **INTERPRETATION**; If you need language translation, select the language you need
- Select **“MUTE ORIGINAL AUDIO”** option to silence the original language



OUR GOALS TODAY

- **LOOK AT CRITICAL BUDGET DECISIONS THAT NEED TO BE MADE BY THE END OF JUNE.**
- **TAKE A DEEP DIVE INTO A FEW LONG-TERM BUDGET ISSUES.**

HERE'S WHAT WE KNOW

THE PANDEMIC HAS EXPOSED THE DEEP INEQUITIES IN OUR SOCIETY. *THE AMERICAN RESCUE PLAN (ARP)* IS AN UNPRECEDENTED OPPORTUNITY TO USE \$7.3 BILLION TO REBUILD OUR COMMUNITIES AND PUT US ON A PATH TO A JUST ECONOMY.

PA MUST TAKE ADVANTAGE OF THE OPPORTUNITY IT PROVIDES.

THE ARP AND THE 2021-22 BUDGET

- **BILLIONS FOR DEDICATED RELIEF: SCHOOLS, SMALL BUSINESS, RENTERS AND HOMEOWNERS, CHILDCARE, ETC.**
- **\$7.3 BILLION (AND \$1 BILLION IN OTHER FUNDS) TO:**
 - **MAKE UP FOR LOST REVENUES.**
 - **RESPOND TO THE CRISIS.**
 - **ADDRESS LONG-TERM PROBLEMS.**

A CRITICAL CHOICE ABOUT \$8.3 BILLION

- **OPTION 1: CLOSE DEFICITS DUE TO THE IMPACT OF THE PANDEMIC ON STATE REVENUES (\$3.8 BILLION) AND INVEST IN PA WITH THE REST (\$4.5 BILLION).**
- **OPTION 2: USE ALL \$8.3 BILLION TO CLOSE NOT ONLY PANDEMIC-RELATED DEFICITS BUT THOSE CREATED BY IRRESPONSIBLE BUDGET DECISIONS.**
 - **CORPORATE TAX CUTS THAT HAVE LED TO \$4 BILLION IN LOST REVENUES PER YEAR**
 - **ONE-TIME REVENUES AND BUDGET GIMMICKS TO “BALANCE” THE BUDGET**

HERE'S WHAT WE BELIEVE PA SHOULD DO

- RAISE WAGES AND PROVIDE HAZARD PAY.
- EXPAND THE SAFETY NET.
- REDUCE INEQUITY IN K-12 EDUCATION AND MAKE COLLEGE AFFORDABLE.
- REFORM TAXES WITH A RECOVERY GRANT FOR LOW-INCOME PENNSYLVANIANS.
- SUPPORT LOCAL BUSINESSES AND START AND SUSTAIN NEW BUSINESSES.
- EXPAND RENTAL-ASSISTANCE PROGRAMS.
- RAISE TAXES ON THE WEALTHIEST 1% AND ON PA CORPORATIONS THAT PAY NO TAXES TO FUND THESE PROGRAMS WHEN ARP MONEY RUNS OUT.
- OPEN ALL PROGRAMS TO IMMIGRANTS, DOCUMENTED AND UNDOCUMENTED.



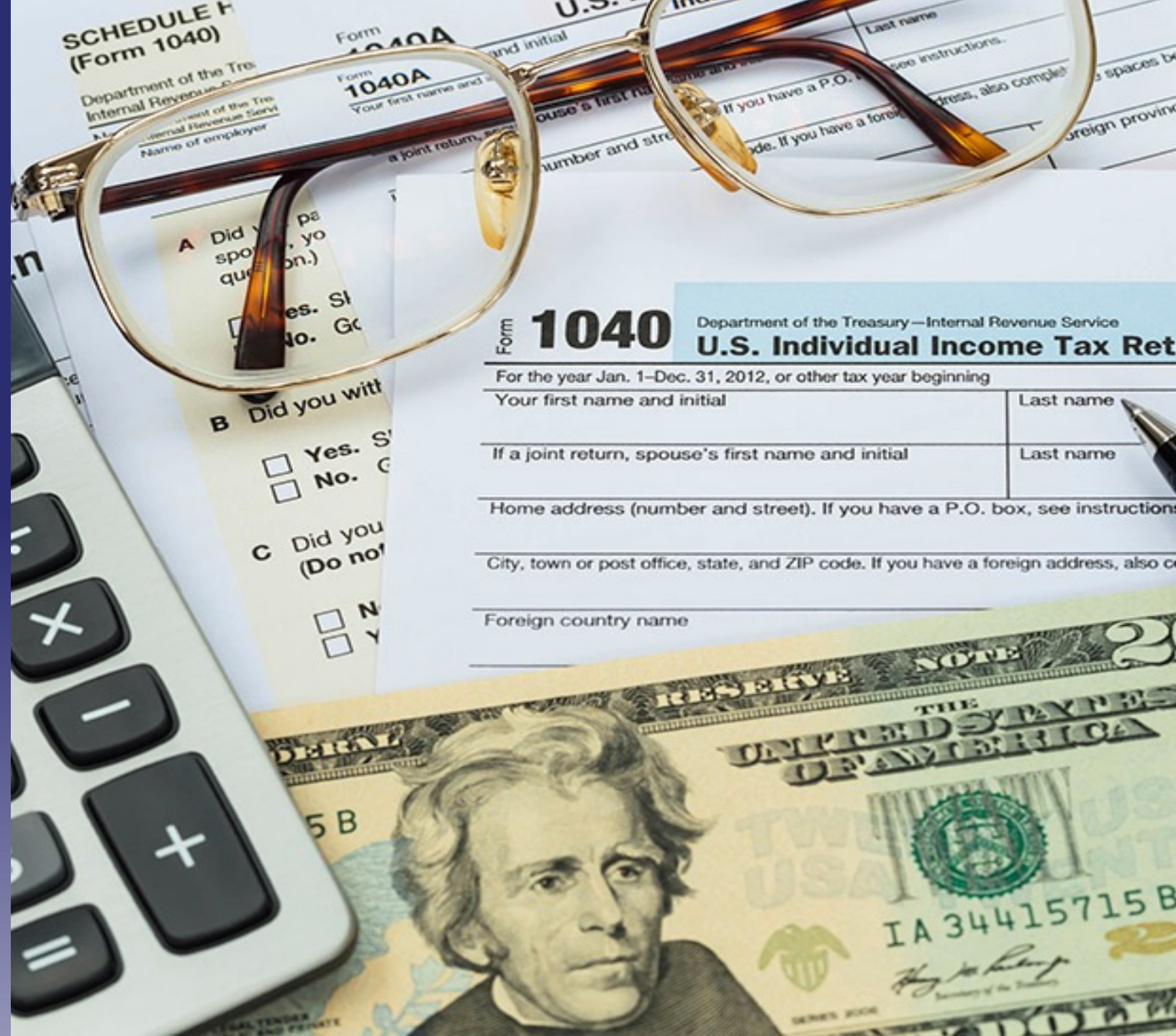
HERE'S WHAT YOU CAN DO!

BE A PART OF CREATING THE PEOPLE'S BUDGET—A BUDGET THAT TAXES THE RICHEST PENNSYLVANIANS AND USES AMERICAN RESCUE PLAN FUNDS TO ADDRESS INEQUITIES IN OUR COMMONWEALTH.

- GO TO OUR ACTION PAGE TO SHOW SUPPORT FOR THE PEOPLE'S BUDGET. [HTTP://BIT.LY/2021](http://bit.ly/2021)
- SHARE WHAT YOU LEARNED WITH FRIENDS, FAMILY, AND NEIGHBORS.
- WANT TO HOST YOUR OWN EVENT? WE CAN HELP! JUST GIVE US YOUR NAME AND CONTACT INFO (PHONE, EMAIL, AFFILIATION).
- REGISTER TO VOTE—THEN VOTE!

TAXES

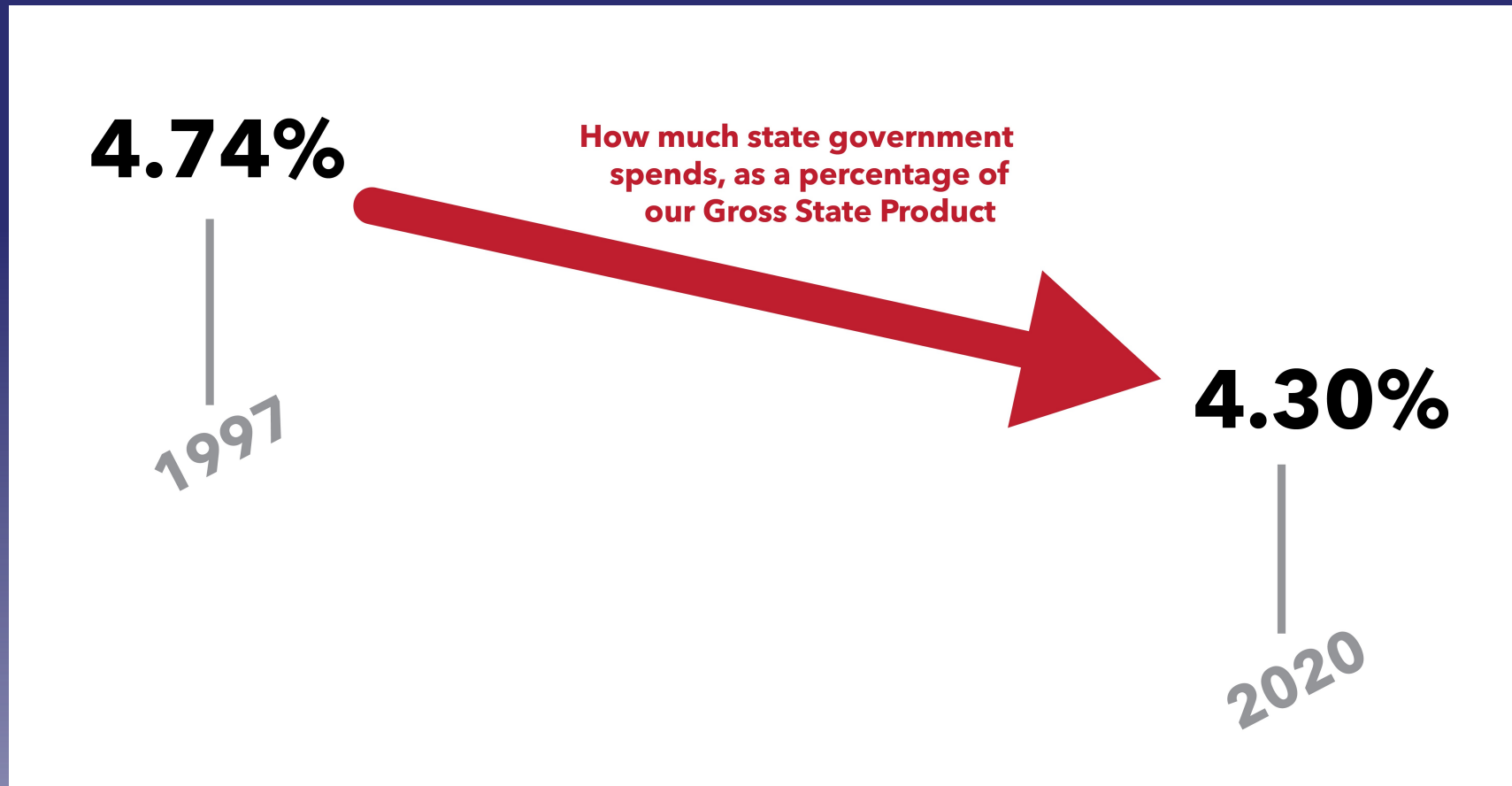
WE THE PEOPLE



TWO QUESTIONS ABOUT TAXES

- **ARE OUR TAXES FAIR?**
- **DO OUR TAXES RAISE THE MONEY WE NEED TO INVEST IN PEOPLE AND COMMUNITIES?**

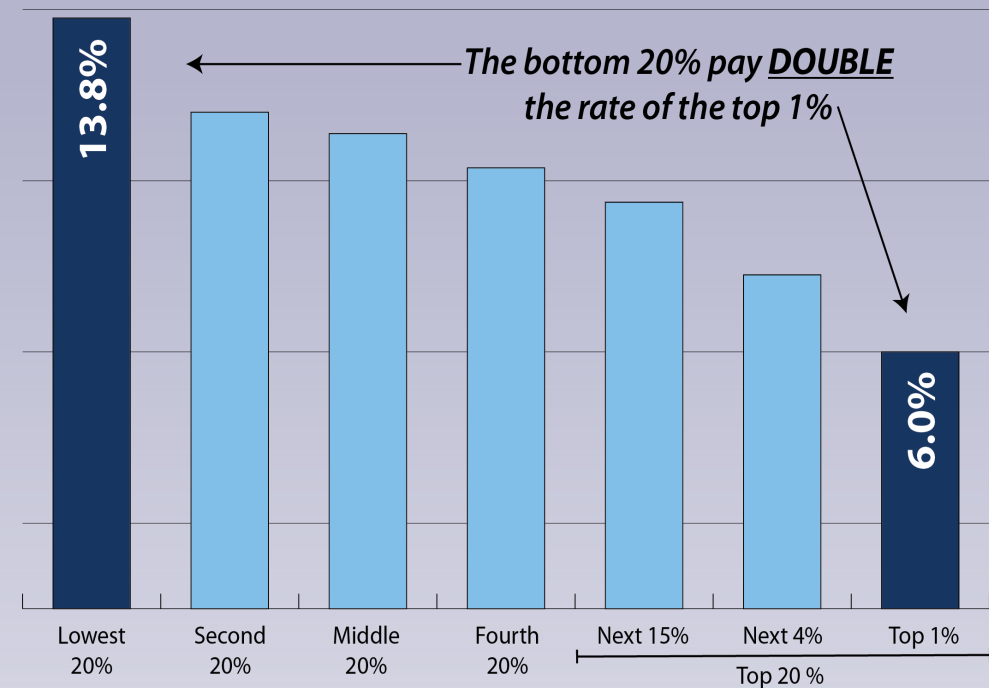
STATE GOVERNMENT SPENDING AND EMPLOYMENT HAS DECREASED OVER TIME



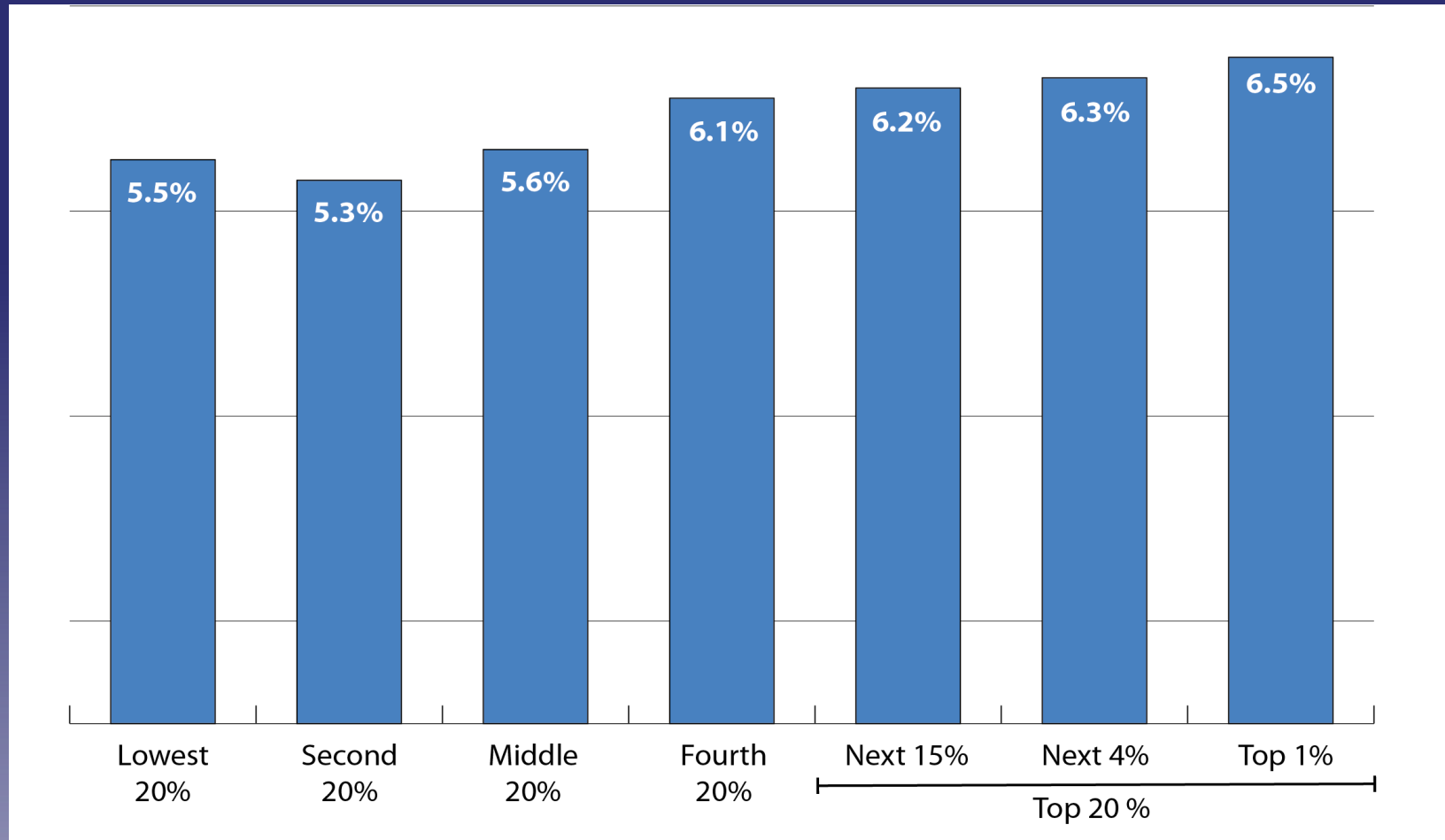
SHARE OF INCOME THAT DIFFERENT GROUPS PAY IN STATE AND LOCAL TAXES

- THE 20% OF PA FAMILIES WITH THE LOWEST INCOMES, AN AVERAGE OF \$13,000, PAY 13.8%.
- THE 20% OF PA FAMILIES WITH INCOMES IN THE MIDDLE RANGE, AN AVERAGE OF \$54,000, PAY 11.1%.
- THE 1% OF PA FAMILIES WITH THE HIGHEST INCOMES, AN AVERAGE OF \$1.6 MILLION, PAY 6%.

OUR UPSIDE-DOWN TAX SYSTEM



DELAWARE'S STATE AND LOCAL TAX SYSTEM IS RIGHT-SIDE UP



CORPORATE TAXATION

- OF ALL THE CORPORATIONS THAT OPERATE IN PA, 73% PAY *NO* CORPORATE TAXES—AND THEY ARE MOSTLY GIANT, MULTINATIONAL BUSINESSES BASED OUT OF STATE.
- GOVERNOR WOLF IS CALLING FOR CLOSING THE DELAWARE LOOPHOLE.

SOLUTION: FAIRER TAXES

WE THE PEOPLE



CORPORATE TAXATION

- IF WE CLOSE THE DELAWARE AND CAYMAN ISLANDS LOOPHOLES, WE CAN RAISE ALMOST \$700 MILLION IN NEW REVENUES.
- GOVERNOR WOLF IS CALLING FOR CLOSING THE DELAWARE LOOPHOLE, WHICH WOULD GENERATE ABOUT HALF THAT AMOUNT.

GOVERNOR WOLF'S TAX CHANGE PROPOSAL WOULD LOWER TAXES FOR 50% OF TAXPAYERS AND LEAVE THEM UNCHANGED FOR ANOTHER 27%

	CURRENT TAX AS % OF INCOME		UNDER GOV. WOLF'S PLAN	
LOWEST 20% OF EARNERS	13.5%	➔	12.6%	AVERAGE INCOME: \$13,000 SAVE \$161
MIDDLE 20% OF EARNERS	11.1%	➔	10.4%	AVERAGE INCOME: \$54,000 SAVE \$213
TOP 1% OF EARNERS	6%	➔	7.2%	AVERAGE INCOME: \$1.6 MILLION PAY \$18,366 MORE

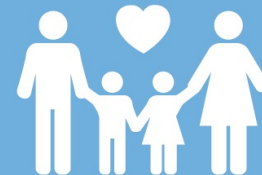
WHO WOULD SEE A TAX CUT UNDER THIS PLAN?

**PARENT W/ ONE CHILD
EARNING UNDER \$25,000**



PAY NO TAXES

**MARRIED COUPLE W/2 KIDS,
EARNING UNDER \$50,000**



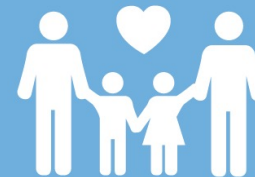
PAY NO TAXES

**PARENT W/ ONE CHILD
EARNING UNDER \$59K**



TAX CUT

**MARRIED COUPLE W/2 KIDS,
EARNING UNDER \$84K**



TAX CUT

**GOVERNOR WOLF'S PLAN RAISES MORE
THAN \$3 BILLION FROM THE MOST
WELL-OFF PENNSYLVANIANS TO FUND
THINGS WE ALL NEED.**

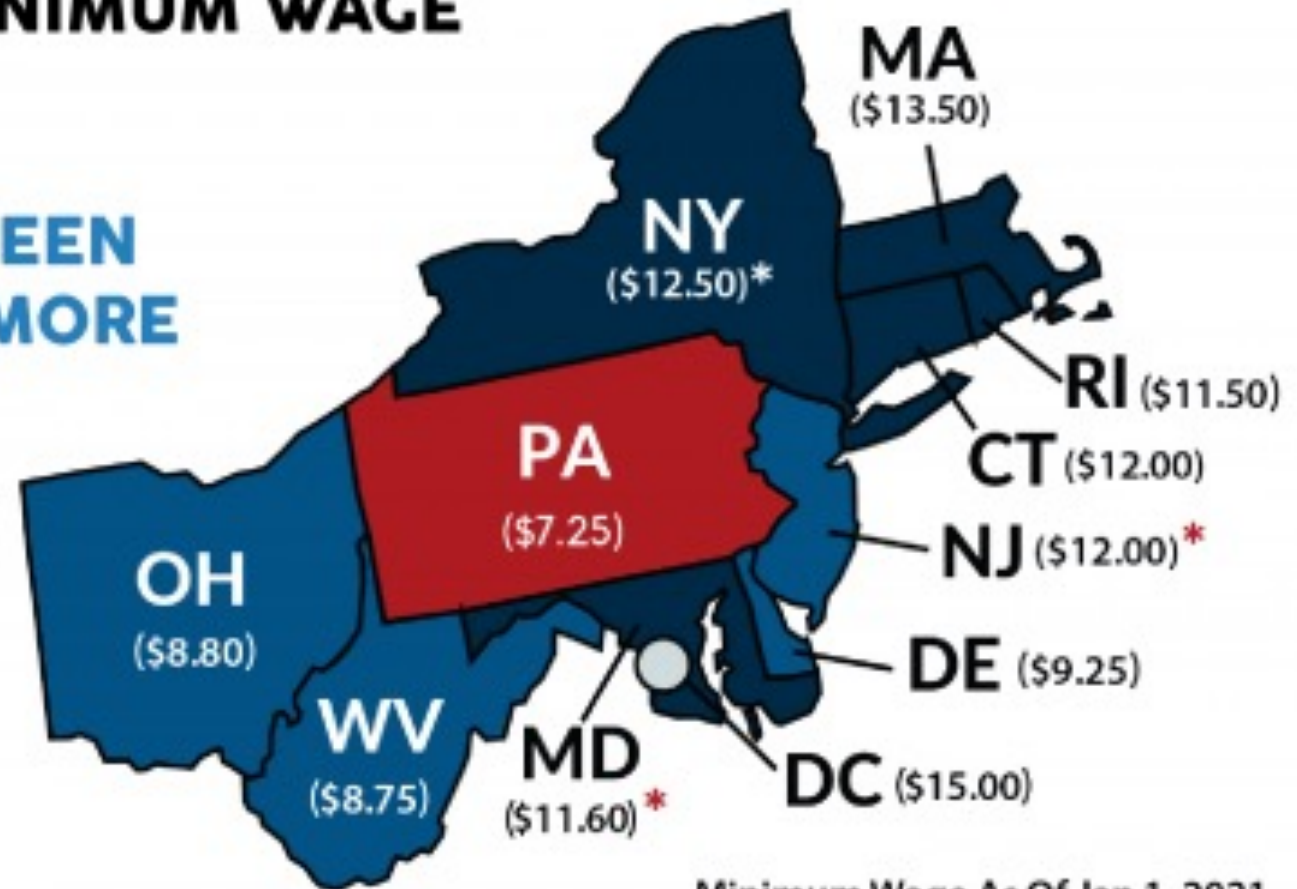
MINIMUM WAGE

WE THE PEOPLE



**EVERY STATE AROUND PENNSYLVANIA
HAS RAISED THEIR MINIMUM WAGE
MULTIPLE TIMES.**

**PENNSYLVANIA HAS BEEN
STUCK AT \$7.25 FOR MORE
THAN 10 YEARS!**



Minimum Wage As Of Jan 1, 2021

* ON THE PATH TO \$15/HR BY 2025

**IF THE MINIMUM WAGE GREW AS MUCH AS
OUR ECONOMY SINCE 1968, IT WOULD BE
\$23.53, *NOT* \$7.25.**



WHO BENEFITS FROM RAISING THE MINIMUM WAGE?

The stereotype

Teenager

**Works part time
after school**

Lives with parents

**Earning extra
spending money**



The reality

**83% aren't teens,
they're 20 or older**

32% are 40 or older

61% are women

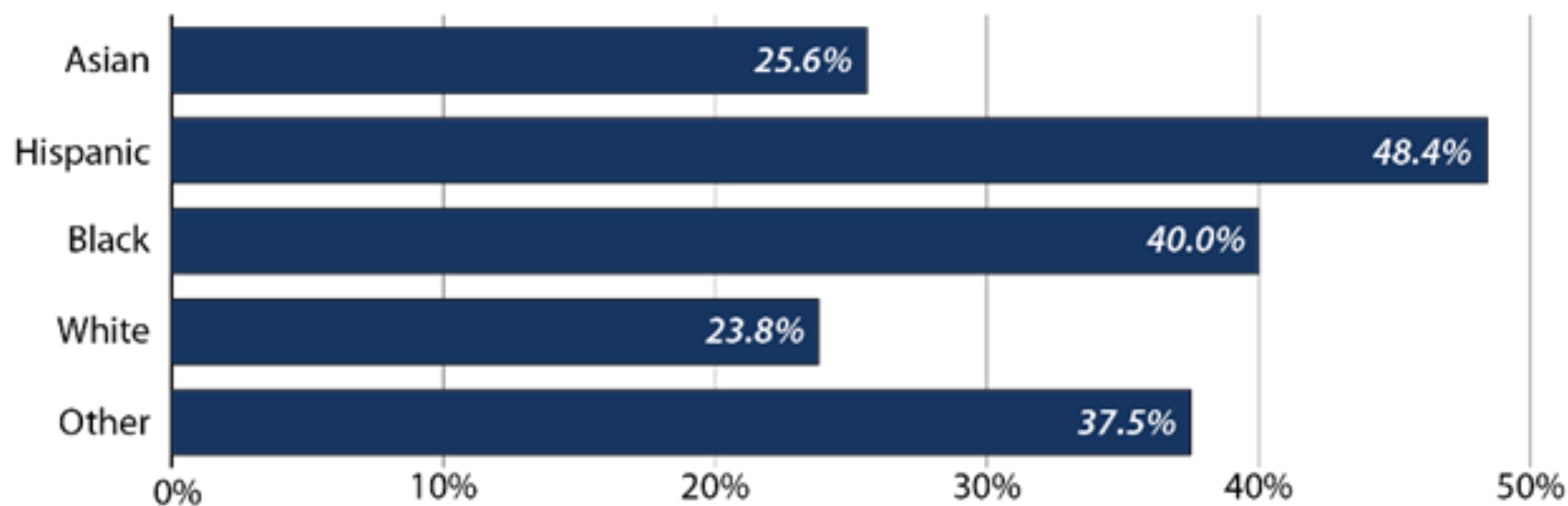
24% have children

65% are white

46% work full time

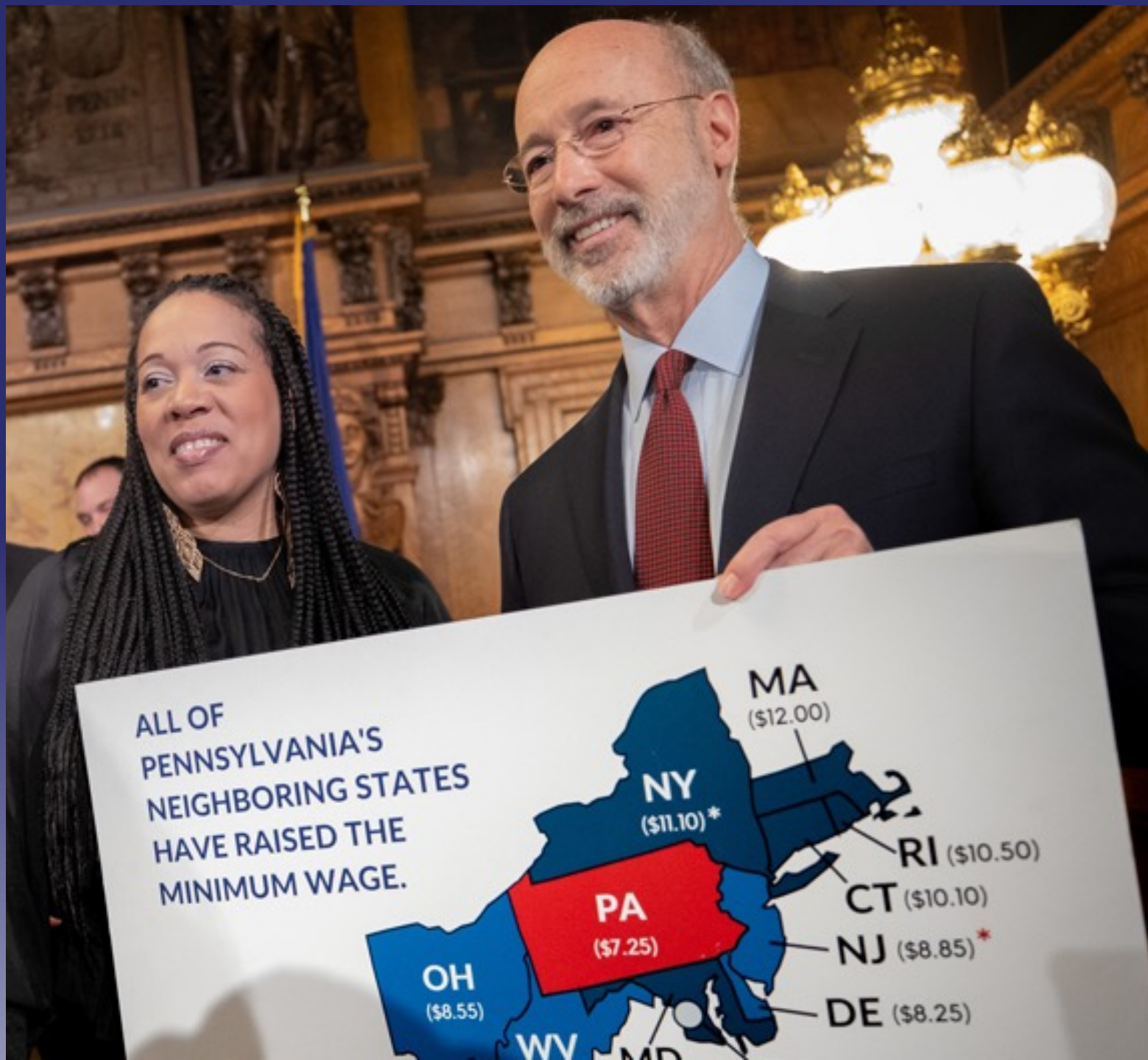
**75% work 20 hours
a week or more**

Share of Workers in Each Racial/Ethnic Group that Benefit From a \$15 Wage in 2027



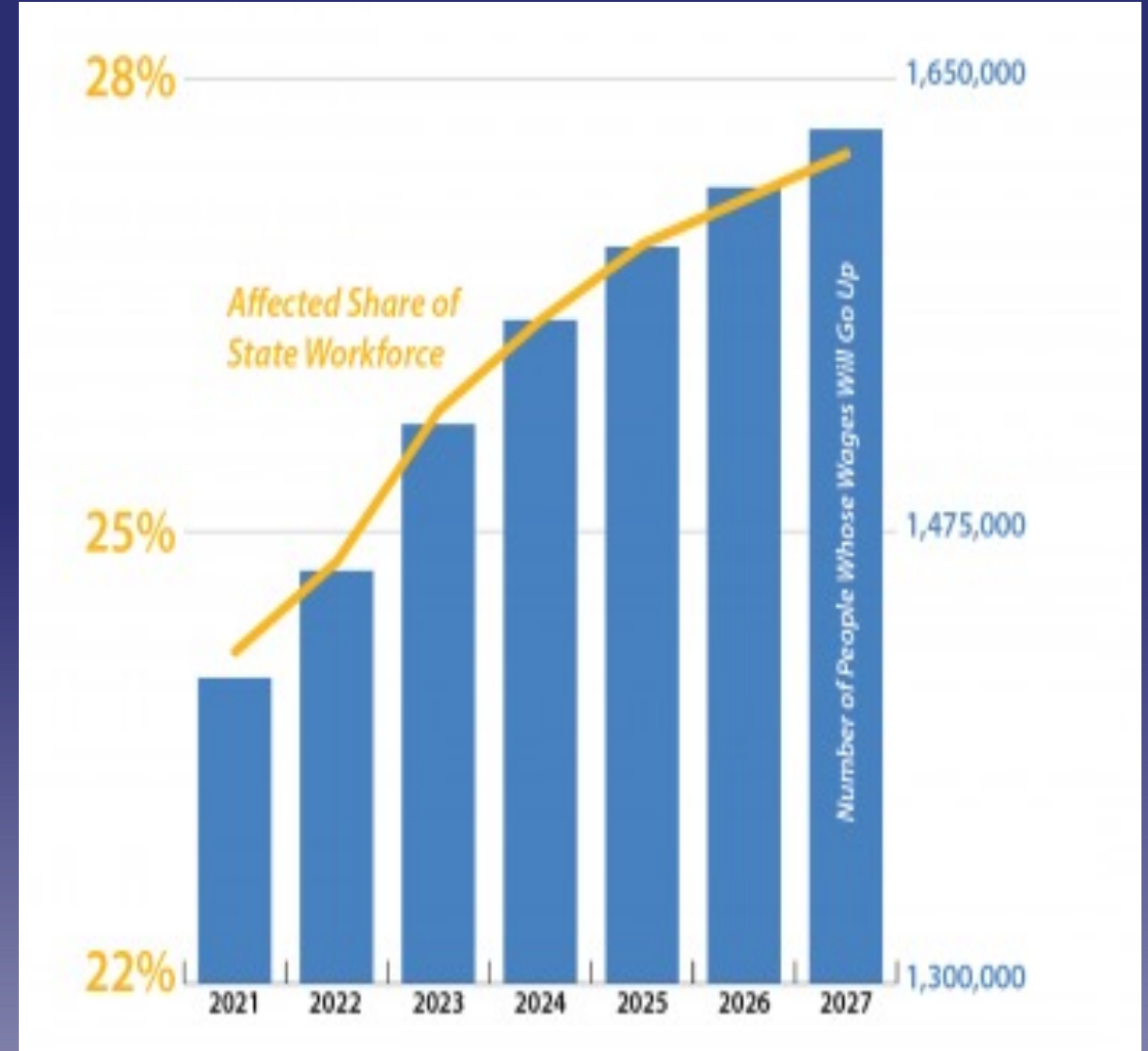
SOLUTION: RAISE THE WAGE

WE THE **PEOPLE**



RAISING THE MINIMUM WAGE TO \$15 IN PA WOULD:

- RAISE THE WAGES OF 1.6 MILLION PENNSYLVANIANS OR 27.5% OF THE PA WORKFORCE.
- ADD \$6 BILLION TO SPENDING, WHICH WOULD SUPPORT LOCAL BUSINESSES.



K-12 EDUCATION



THE FUNDING GAP IN K-12 EDUCATION

- THE FUNDING GAP IS THE DIFFERENCE BETWEEN HOW MUCH SCHOOL DISTRICTS SPEND PER STUDENT AND HOW MUCH THEY NEED TO SPEND TO PROVIDE AN ADEQUATE EDUCATION ACCORDING TO STATE STANDARDS.
- THE AMOUNT NEEDED TO PROVIDE AN ADEQUATE EDUCATION WAS DETERMINED BY A PANEL OF EXPERTS AS REQUIRED BY A STATE LAW PASSED BY A BIPARTISAN MAJORITY IN 2008, UPDATED FOR 2020.

THE PER-STUDENT FUNDING GAP BY INCOME

- SCHOOL DISTRICTS IN PREDOMINANTLY LOW-INCOME COMMUNITIES: \$3,167
- SCHOOL DISTRICTS IN PREDOMINANTLY HIGH-INCOME COMMUNITIES: \$305

THE PER-STUDENT FUNDING GAP BY RACE

- SCHOOL DISTRICTS WITH THE HIGHEST SHARE OF BLACK STUDENTS: \$2,646
- SCHOOL DISTRICTS WITH THE LOWEST SHARE OF BLACK STUDENTS: \$831

THE PER-STUDENT FUNDING GAP BY HISPANIC ETHNICITY

- SCHOOL DISTRICTS WITH THE HIGHEST SHARE OF HISPANIC STUDENTS: \$3,132
- SCHOOL DISTRICTS WITH THE LOWEST SHARE OF HISPANIC STUDENTS: \$935

SOLUTION: K-12 EDUCATION

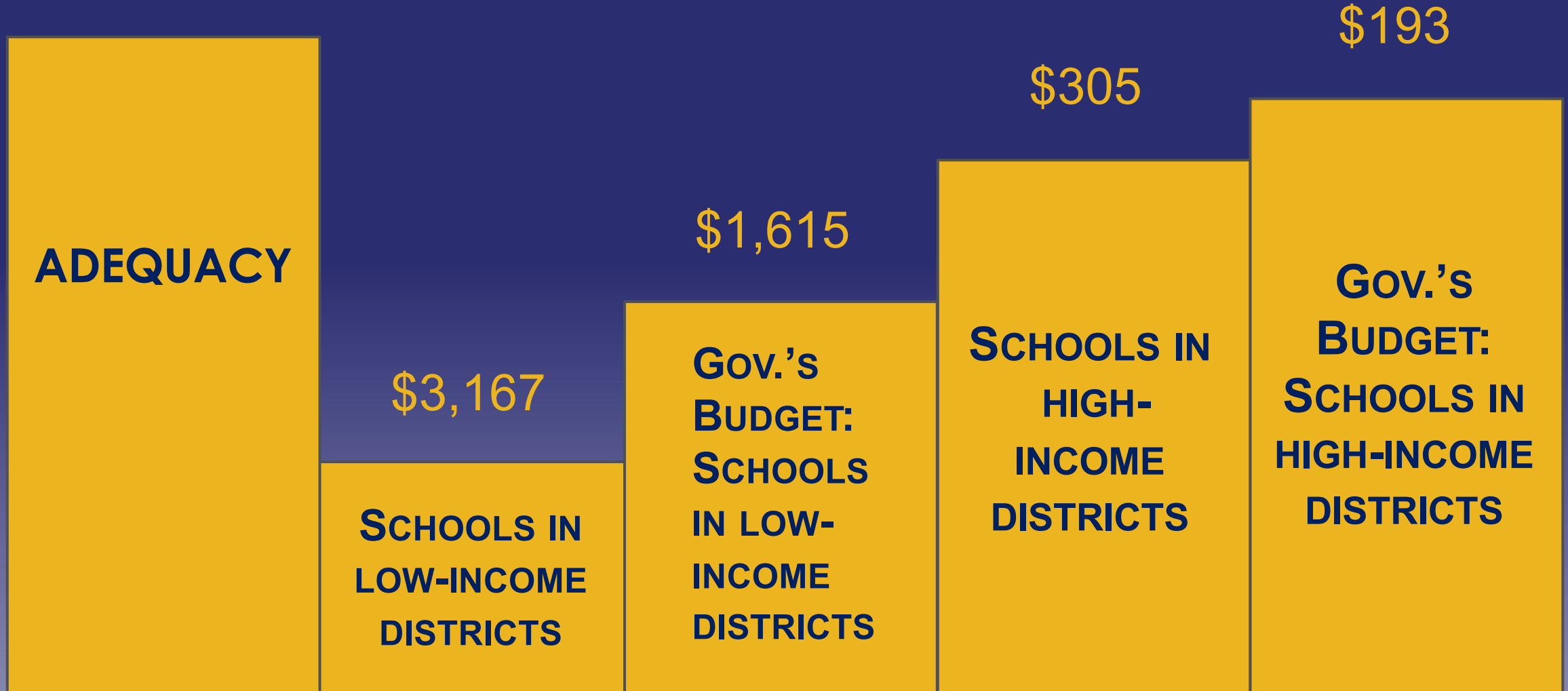


WE THE PEOPLE

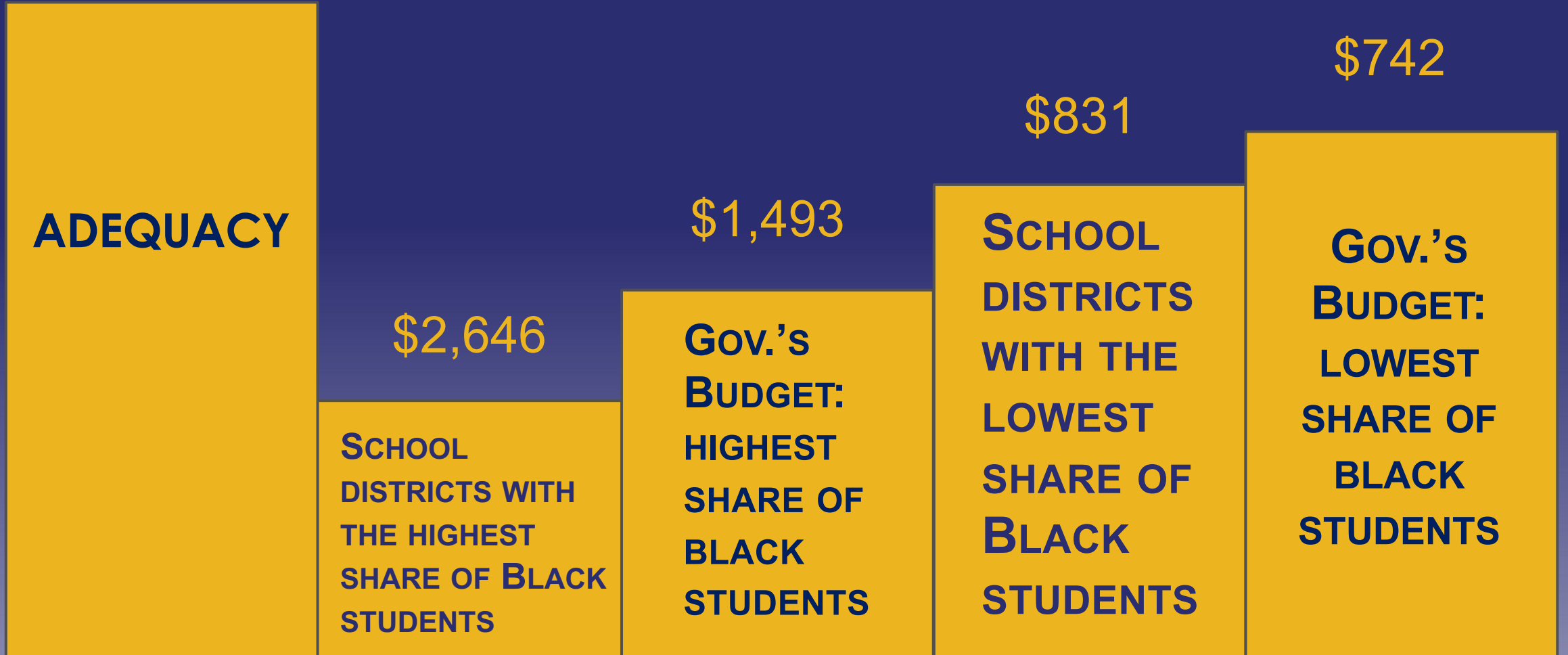
WHAT GOVERNOR WOLF'S PLAN DOES

- IT ADDS \$1.35 BILLION IN STATE AID TO SCHOOLS.
- IT RAISES THE PERCENTAGE OF STATE AID THAT GOES THROUGH THE FAIR FUNDING FORMULA FROM 11% TO 85%.

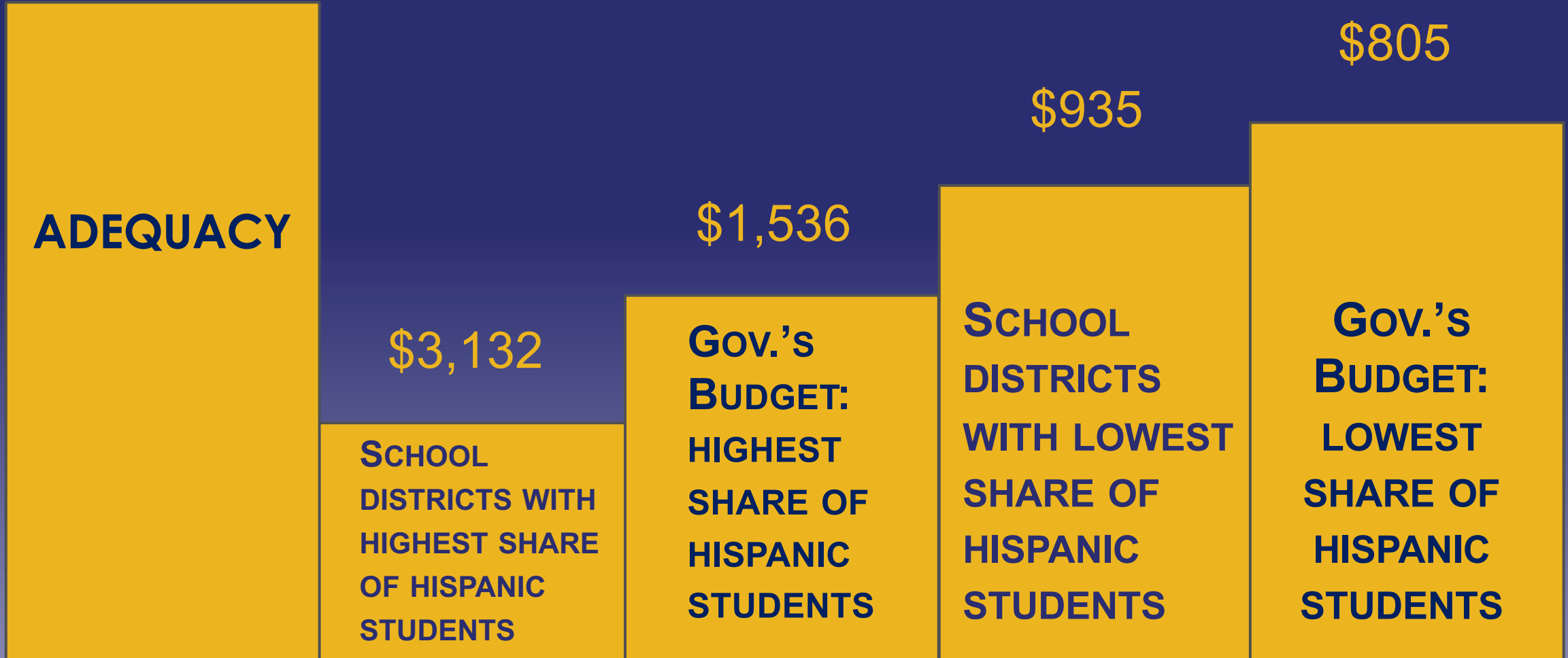
THE PER-STUDENT FUNDING GAP BY INCOME



THE PER-STUDENT FUNDING GAP BY RACE



THE PER-STUDENT FUNDING GAP BY HISPANIC ETHNICITY



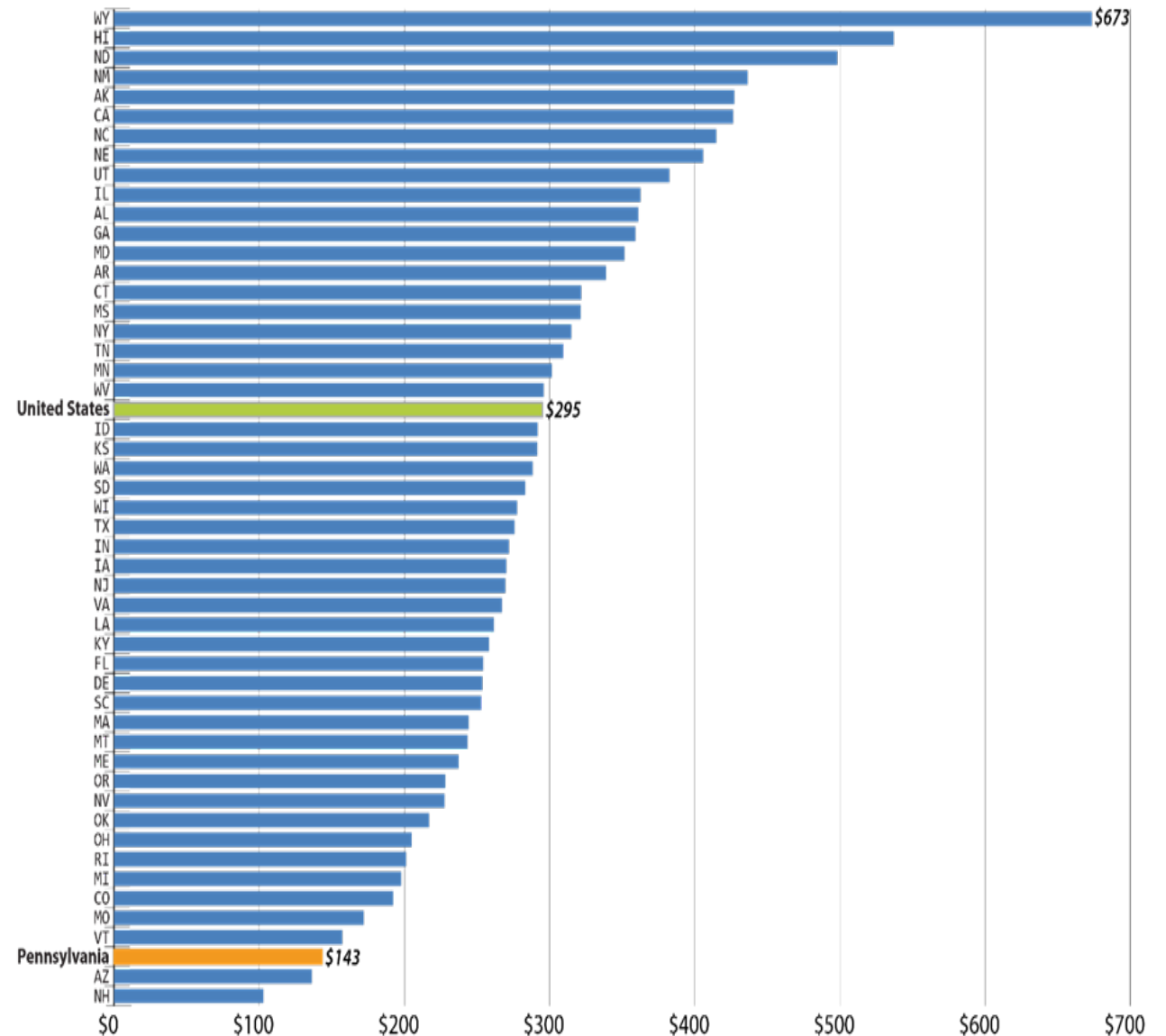
HIGHER EDUCATION

WE THE PEOPLE



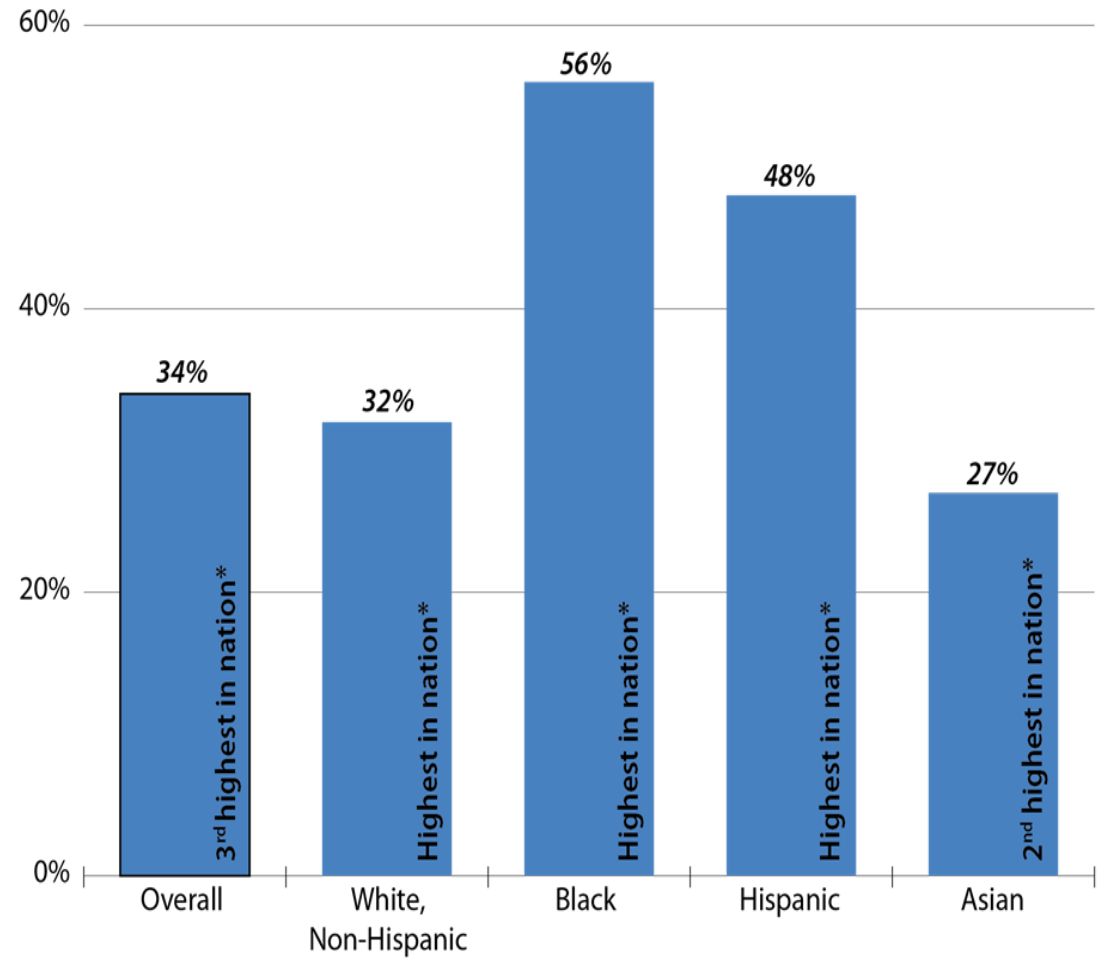
- ON A PER-PERSON BASIS, OF ALL THE STATES **IN THE COUNTRY**, PA'S FUNDING FOR HIGHER EDUCATION RANKS 4TH FROM THE BOTTOM.
- PA HAS CUT HIGHER EDUCATION FUNDING PER STUDENT BY 33.4% SINCE 2008, THE 6TH GREATEST CUT OF ANY STATE **IN THE COUNTRY**.
- TUITION AT PA STATE COLLEGES HAS GONE UP BY \$2,521 SINCE 2008.

State Higher Education Investment Per Capita, Fiscal Year 2020



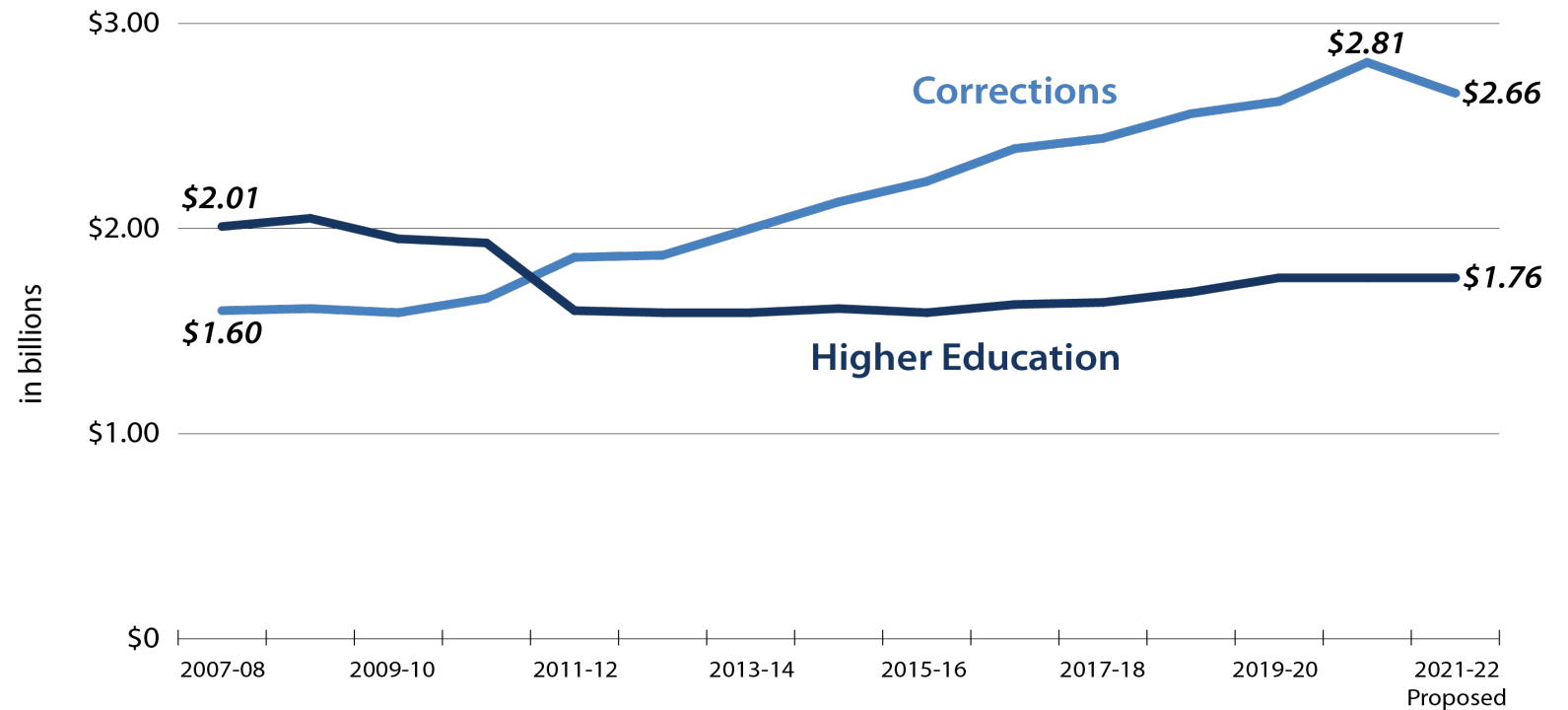
- PENNSYLVANIA HAS THE WORST COLLEGE EXPENSE BURDEN **IN THE COUNTRY**, RELATIVE TO INCOME, FOR WHITE, BLACK, AND HISPANIC STUDENTS.
- COLLEGE COSTS ARE 34% OF THE MEDIAN INCOME OF ALL FAMILIES IN THE STATE.

Average Net Price at Public 4-yr University as Share of Median Household Income, Pennsylvania, 2018



HIGHER ED & CRIMINAL JUSTICE

State Funding for Criminal Justice Surpassed Funding for Higher Education in 2011-12 and Has Been Steadily Growing



SOLUTION: HIGHER ED

WE THE **PEOPLE**



NELLIE BLY SCHOLARSHIP PROGRAM

- A \$200-MILLION PROGRAM TO HELP AT LEAST 44,000 PA STUDENTS AFFORD STATE COLLEGE
- FUNDING TO COME FROM THE RACE HORSE DEVELOPMENT FUND

PENNSYLVANIA PROMISE

WHAT IT DOES:

Covers **two years of tuition/fees** for any recent HS grad enrolled full-time at one of PA's 14 public community colleges;

Covers **four years of tuition/fees** for recent HS grads with a family income less than \$110,000/year accepted at a **State System of Higher Education school**;

Provides an additional **four years of grants from \$2,000 up to \$11,000**, depending on family income, for students accepted into a **state-related university**;

Provides **grants to adults without a college degree**, with priority given to those seeking in-demand skills and industry-recognized credentials.

HOUSING

WE THE PEOPLE



STATE BUDGET FOR HOUSING IN PENNSYLVANIA

FUNDING FOR HOUSING AND HOMELESS ASSISTANCE IN PA BUDGET

- PHARE: major fund for affordable housing, capped at \$40 million¹
- Homeless assistance: \$18,496,000²
- Human Services Development Fund: \$13,460,000³
- Keystone Communities⁴: \$24,225,000⁵

TOTAL: UP TO \$96.18 MILLION

THE RACE HORSE DEVELOPMENT FUND is a fund that helps to support the racehorse industry and primarily pays prize money to rich horse owners.

MORE THAN \$200 MILLION⁶

WHAT DOES IT MEAN TO HAVE AN EXTREMELY LOW INCOME IN PENNSYLVANIA?

EXTREMELY LOW INCOME (ELI): HOUSEHOLDS ARE CONSIDERED “EXTREMELY LOW INCOME” WHEN MEMBERS MAKE 30% OR LESS OF THE AREA MEDIAN INCOME (AMI).

FOR EXAMPLE, HERE ARE 3 COUNTIES IN PA.*

COUNTY	AMI	ELI (FAMILY OF 4)
MIFFLIN (RURAL)	\$56,200	\$26,200
MONTGOMERY (SUBURBAN)	\$96,600	\$29,000
ALLEGHENY (URBAN)	\$83,000	\$26,200

AFFORDABLE HOUSING CHALLENGES IN PA

Pennsylvania

443,205

Number of extremely low income
renter households

38

Number of affordable and available
rental homes per 100 extremely low
income renter households

THE RENT IS TOO DARN HIGH

**OF EXTREMELY LOW-INCOME
RENTER HOUSEHOLDS, 70% PAY MORE
THAN HALF OF THEIR INCOME ON RENT.**

HOW MUCH DO YOU NEED TO WORK TO AFFORD RENT IN PA?



Working at
minimum wage

\$7.25/hr



Each week you
have to work

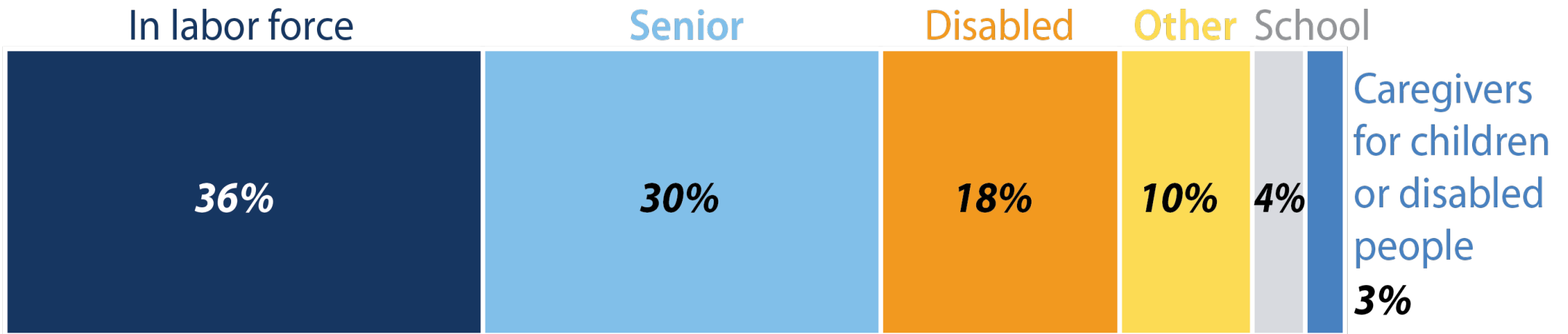
**86
HOURS!**



To afford a modest
1 bedroom
rental home at
Fair Market Rent

YOU WOULD HAVE
TO MAKE \$19.23
PER HOUR FOR
A 40-HOUR WORK
WEEK TO AFFORD
A 2-BEDROOM
APARTMENT IN
PENNSYLVANIA.

WHO IS IN EXTREMELY LOW-INCOME HOUSEHOLDS?



SOLUTION: HOUSING

WE THE **PEOPLE**



SOLUTION: MAKE HOUSING A PRIORITY

- PRIORITY RENTER SUBSIDIES: THE AMERICAN RESCUE PLAN HAS RENTER SUBSIDIES, BUT WE NEED TO ADVOCATE FOR THAT MONEY TO GET OUT TO RENTERS EQUITABLY AND EFFICIENTLY AND THAT FUNDING CONTINUE WHEN THE ARP ENDS.
- PROVIDE MORE FUNDING TO REHAB OLDER, DETERIORATED HOMES FOR HOMEOWNERS AND SMALL LANDLORDS.
- PROVIDE HELP WITH PAYING FOR UTILITIES.
- RAISE THE MINIMUM WAGE.

HERE'S WHAT WE KNOW

THE PANDEMIC HAS EXPOSED THE DEEP INEQUITIES IN OUR SOCIETY. THE AMERICAN RESCUE PLAN (ARP) IS AN UNPRECEDENTED OPPORTUNITY TO USE \$7.4 BILLION REBUILD OUR COMMUNITIES AND CREATE AN INFRASTRUCTURE FOR JUSTICE.

PA MUST TAKE ADVANTAGE OF THE OPPORTUNITY IT PROVIDES.

HERE'S WHAT WE BELIEVE PA SHOULD DO

- RAISE WAGES AND PROVIDE HAZARD PAY.
- EXPAND THE SAFETY NET.
- REDUCE INEQUITY IN K-12 EDUCATION AND MAKE COLLEGE AFFORDABLE.
- REFORM TAXES WITH A RECOVERY GRANT TO LOW-INCOME PENNSYLVANIANS.
- SUPPORT LOCAL BUSINESSES AND START AND SUSTAIN NEW BUSINESSES.
- EXPAND RENTAL-ASSISTANCE PROGRAMS.
- RAISE TAXES ON THE TOP 1% AND PA CORPORATIONS THAT PAY NO TAXES TO FUND THESE PROGRAMS WHEN ARP MONEY RUNS OUT.
- OPEN ALL PROGRAMS TO IMMIGRANTS, DOCUMENTED AND UNDOCUMENTED.



HERE'S WHAT YOU CAN DO!

BE A PART OF CREATING THE PEOPLE'S BUDGET—A BUDGET THAT TAXES THE RICHEST PENNSYLVANIANS AND USES AMERICAN RESCUE PLAN FUNDS TO ADDRESS INEQUITIES IN OUR COMMONWEALTH.

- GO TO OUR ACTION PAGE TO SHOW SUPPORT FOR THE PEOPLE'S BUDGET. [HTTP://BIT.LY/2021](http://bit.ly/2021)
- SHARE WHAT YOU LEARNED WITH FRIENDS, FAMILY, AND NEIGHBORS.
- WANT TO HOST YOUR OWN EVENT? WE CAN HELP! JUST GIVE US YOUR NAME AND CONTACT INFO (PHONE, EMAIL, AFFILIATION).
- REGISTER TO VOTE—THEN VOTE!