

CLEAR COALITION

COALITION FOR LABOR ENGAGEMENT AND ACCOUNTABLE REVENUES



PA CLEAR COALITION STUDY IDENTIFIES \$2.3 BILLION IN STATE REVENUE & SAVINGS

A Better Way for PA: Restoring Pennsylvania's Fiscal Health through Fairness, Efficiency and Innovation



HARRISBURG – (Feb. 2, 2012) Lawmakers can balance the state budget without more draconian spending cuts that hurt children and families, according to a report released today by the CLEAR Coalition.

A Better Way for PA: Restoring Pennsylvania's Fiscal Health through Fairness, Efficiency and Innovation identifies \$2.3 billion in specific recommendations to close corporate tax loopholes, cut waste and abuse, and demand greater efficiency in how government delivers services. Improving government operations would generate a total savings of approximately \$800 million. Changes to the tax code, including a proposal to ensure that Main Street businesses are not subsidizing Wall Street giants, would generate an estimated \$872 million a year.

“There is a better way for the state to work its way toward a balanced budget that ensures long-term investment in vital programs. We don't have to slash public school funding and we don't have to force colleges to raise tuitions so high that middle class families can't afford to pay the bills,” said David Fillman, Chairman of CLEAR.

CLEAR, a coalition of eight public employee unions representing more than 1.1 million working Pennsylvanians, released the report at a Capitol news conference today.

“We've identified a series of common sense steps that the state can take to save hundreds of millions of dollars each year,” said Rick Bloomingdale, President of the PA AFL-CIO. “These are proposals that the Corbett administration and lawmakers on both sides of the aisle can support. These proposals can help the state achieve some real savings and make sure that students and seniors and vulnerable Pennsylvanians don't pay the price of another round of draconian budget cuts.”

The study offers a stark alternative to the painful budget cuts that the Corbett administration pushed through the legislature in its first year. School children, seniors in nursing homes, families struggling to pay

college tuition, and vulnerable Pennsylvanians who rely on food stamps are paying the price for the Corbett administration's draconian budget cuts.

Among the specific recommendations:

- Establish management-staff ratio levels for state agencies that would bring the state into line with other states: 5.58 workers to 1 manager would result in \$214 million in annual savings. A ratio of 9.58 workers to 1 manager would result in \$625 million in annual savings.
- Reduce state contracting of services and supplies by 5% within one year and 10% over three years, with projected annual savings of \$200 million to \$400 million.
- Consolidate prescription drug purchases across state government: \$25 million to \$50 million.
- Modernize the PA Liquor Control Board to maximize revenue: \$75 million.
- Expand home- and community based settings for elderly Pennsylvanians (as opposed to Long term care facilities); \$200 million to \$248 million in annual savings.
- Better manage the state vehicle fleet; \$11 million to \$36 million in annual savings.
- Streamline state government purchases with greater use of electronic purchases, \$50 million to \$60 million.
- Pursue Medicaid Provider Fraud and Abuse, \$60 million
- Stop overpaying charter and cyber schools, \$225 million

Fillman pointed out that the report includes recommendations from both Democrats and Republicans. Other states have enacted or are implementing many of the reforms identified in the study as well.

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