



Budget Talking Points

Taking a Balanced Approach

Pennsylvania's budget shortfall is a result of the bad economy:

- Pennsylvania's budget challenges are a result of the recession, not spending levels.
- 47 other states have faced similar challenges as a result of the economic downturn.
- The recession has increased demand for health care, unemployment, job training and libraries.
- We have to help struggling families, not turn our back on them.

We need a fiscally responsible budget:

- Pennsylvania is facing serious future fiscal challenges that must be addressed today.
- We want to maintain investments that make Pennsylvania a great place to live and help our economy thrive.

Lawmakers should take a balanced approach to the budget:

- The General Assembly has already made deep cuts to job training, community colleges, environmental protection, libraries, and services for children and vulnerable adults.
- Pennsylvania lawmakers can protect working families by taking a balanced approach to the budget that includes finding efficiencies and raising revenues.
- We are past the point of "either-or" options. Now we need a balanced approach.

We can't afford a cuts-only approach. It's bad for working families:

- More cuts will hurt people who are already struggling because of the economy.
- More cuts will hurt vulnerable seniors, children and families.
- Lawmakers promised that budget cuts wouldn't hurt people or the economy, but they broke that promise:
 - (1) adultBasic premiums were hiked 80% - nearly \$300 more a month;
 - (2) Tiny state benefits were cut for vulnerable seniors, the blind and people with disabilities;
 - (3) Job training programs were closed just when they were needed most.

A cuts-only approach is bad for the economy:

- More cuts will slow the economic recovery and cost jobs.
- More cuts will undermine Pennsylvania schools, universities, hospitals, and infrastructure, which are important for our state's economy.

We need to plan for the future:

- Investments in job training, quality health care, roads and bridges, and strong local communities will make Pennsylvania competitive in a global market.
- Schools don't stop for the recession, and we can't stop investing in our kids' education. We want our kids to succeed.
- We need to give Pennsylvania workers the skills they need to compete for a job that pays a family-sustaining wage.



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Talking About Revenue

Broad Revenue Message:

- New revenue is part of a balanced approach. A cuts-only approach won't solve the problem and will hurt Pennsylvania families.
- Revenue changes proposed in the Governor's budget make the tax system more fair by eliminating tax breaks and closing loopholes.
- Lawmakers should stop giving special tax treatment to certain businesses and industries, like oil and tobacco companies. They should protect the public interest above special interests.

Pennsylvania needs to address the loss of stimulus funding:

- We can't set ourselves up for a big hole in the next budget or another budget impasse.
- Waiting until next year will be too late. We need to avoid a crisis, not create one.
- Lawmakers should act responsibly and not put off the hard decisions to another day.

We need the Stimulus Transition Reserve Fund:

- The Stimulus Transition Reserve Fund will help us prepare for the loss of stimulus funding.
- Without the fund, we will be forced to make billions in cuts to health care, education and other essential services.
- We have to take action now to avoid cuts that will hurt working families and the economy.

Specific Revenue Measures

Severance Tax on Natural Gas:

- Big out-of-state companies like Exxon Mobil and Range Resources are coming to Pennsylvania to exploit the rich natural gas reserve in the Marcellus Shale.
- A natural gas severance tax will ensure that gas companies, not taxpayers, pay the environmental and public costs of increased drilling.

Closing Corporate Tax Loopholes:

- Major corporations enjoy an unfair tax advantage over Pennsylvania's small businesses because of loopholes in the law.
- The Governor's revenue plan will cut the corporate tax rate by 10% for those small companies, while closing loopholes for Walmart, Home Depot and other major corporations that game the system.

Tax on Cigars and Smokeless Tobacco

- This tax will save lives by discouraging young people from starting to use these products.
- It just makes sense. Pennsylvania is the only state in the nation without a smokeless tobacco tax and one of two states without a cigar tax.

Modernizing the Sales Tax:

- The sales tax is desperately in need of an update to reflect our 21st Century service economy.



Budget Talking Points

Dos & Don'ts

Dos

- Define the problem and cost of inaction
- Talk about human impact (education, health care, children and seniors)
- Talk about protecting working families
- Explain need for fiscal responsibility
- Make your soundbite: "We need a balanced approach."

Don'ts

- Use a lot of numbers
- Use terms like "program cuts" and "budget cuts" (without the human impact)
- Argue the pros and cons of government
- Explain why taxes are good
- Make your soundbite "We need more taxes."