

MCA
Summary of Legislation
December 2010

Sen. Michael O’Pake, Longest Serving Senate Democrat, Dies

Berks County Sen. Michael O’Pake died December 27 of complications from heart bypass surgery he underwent on November 22.

O’Pake was first elected to the seat in 1972 after serving two terms in the Pennsylvania House of Representatives. At the time of his death, O’Pake was the longest-serving member of the state legislature. He had just been re-elected to the post of Minority Whip for the 2011-12 session at the time of his passing.

Republican and Democratic parties will each nominate a candidate to run for the seat in the special election, to be called by the President Pro Tempore of the Senate, Joe Scarnati.

Democratic leaders in Berks County will hold a closed-door meeting on January 22 to decide their party's candidate. That person must then be approved by the state party before officially being put on the ballot.

Several names have emerged as possible candidates by members of both parties, including former Berks County Commissioner Judy Schwank for the Democrats and former Pa. Rep. Sam Rohrer for the Republicans. Schwank is viewed as a heavy early favorite in this Democrat-dominated district.

Gov.-Elect Corbett Announces Senior Members of His Administration

Gov.-elect Tom Corbett announced four senior staff members to his administration this month. Corbett named **Brian Nutt**, Chief of Staff; **Annmarie Kaiser**, Secretary of Legislative Affairs; **Jennifer Branstetter**, Director of Policy and Planning and **Kevin Harley**, Director of Communications. They are each longtime Corbett aides who have worked with him in various capacities. Nutt later turned down the post, leaving the Administration for work with a top PA political consulting firm.

“I’m grateful that such an experienced and trusted group of professionals is joining my administration,” said Corbett. “They have worked closely with me on daily basis for years and I look forward to continuing to work with them as we tackle the challenges facing Pennsylvania.”

Secretary of Legislative Affairs: Annmarie Kaiser, 41, of West Hanover Township, is currently serving as Corbett’s Acting Chief of Staff in the Attorney General’s Office as well as his Director of Legislative Affairs. Prior to joining the Attorney General’s Office in 2005, Kaiser was the Executive Director of the Pennsylvania District Attorney’s Association for eight years. She began her legal career as an Assistant District Attorney in Dauphin County. She is a graduate of Loyola College in Baltimore and the Widener School of Law.

Director of Policy and Planning: Jennifer Branstetter, 38, of Camp Hill, is currently the Policy Director for the Corbett transition team; she also held the same position in Corbett’s gubernatorial campaign. She previously served in the Attorney General’s Office as the Director of Education and Outreach. Prior to joining the attorney general’s office, Branstetter was a communications manager for the Pennsylvania Bar Association and a deputy press secretary to Lt. Gov. Mark Schweiker. She is a graduate of Washington and Jefferson College and received a master’s degree from Duquesne University.

Director of Communications: Kevin Harley, 47, of East Petersburg, is currently the Communications Director for the Corbett transition team; he also held the same position for

Corbett's gubernatorial election. Harley also was the Communications Director and Press Secretary for Corbett in the Attorney General's Office. He also served as Press Secretary in Corbett's 2004 campaign for attorney general. He is a graduate of Millersville University.

Turzai, Dermody Name Committee Chairmen for New Session

On December 22, Incoming State **House Majority Leader Mike Turzai** (R-Allegheny County) announced the Republican committee chairs for the 2011-12 Legislative Session, which begins in January.

"House Republicans will work proactively with Governor Corbett as we deal with the very serious issues facing Pennsylvania, and our committees will proactively vet the issues with public," Turzai said. "We will have a productive legislative session with the committees leading the way to put Pennsylvania back on course for families and job creators."

There are two proposed changes to the committee structure: the elimination of the Intergovernmental Affairs Committee and splitting the existing Health and Human Services Committee into two separate committees. Committees are outlined in the House Rules which are enacted for each session.

Turzai made the following appointments, which are unofficial until announced on the Floor:
Aging and Older Adult Services - Tim Hennessey (Chester)

Agriculture and Rural Affairs - John Maher (Allegheny/Washington)

Appropriations – Bill Adolph (Delaware)

Children and Youth - Dennis M. O'Brien (Philadelphia)

Commerce - Dick L. Hess (Bedford/Fulton/Huntington)

Consumer Affairs - Robert W. Godshall, (Montgomery)

Education - Paul I. Clymer (Bucks)

Environmental Res & Energy - Scott Hutchinson (Butler/Venango)

Finance - Kerry A. Benninghoff, (Centre/Mifflin)

Game and Fisheries - John R. Evans (Erie)

Gaming Oversight - Curt Schroder, (Chester)

Health - Matt Baker (Bradford/Tioga)

Human Services - Gene DiGirolamo, (Bucks)

Insurance - Nicholas A. Micozzie (Delaware)

Judiciary - Ron Marsico (Dauphin)

Labor Relations - Ronald Miller (York)

Liquor Control - John Taylor (Philadelphia)

Local Government - Tom Creighton (Lancaster)

Professional Licensure - Julie Harhart (Lehigh/Northampton)

State Government - Daryl Metcalfe, (Butler)

Tourism and Recreational Development - Jerry Stern (Blair)

Transportation - Richard A. Geist (Blair)

Urban Affairs - Chris Ross (Chester)

Veterans Affairs & Emergency Preparedness - Stephen E. Barrar (Chester/Delaware)

Also on December 22, House Democratic Leader Frank Dermody announced the men and women who will chair 24 standing committees for the House during the 2011-12 legislative session. Under House rules, the caucus members with the longest service not holding a leadership position must be offered spots as committee chairmen. However, several members of that group voluntarily declined the privilege in order to allow other members to become chairmen.

“Although our numbers are down, in this new session House Democrats will play a vital role in the minority,” Dermody said. “We will work to find common ground with the majority party when possible, but we will not sacrifice our principles. Democrats will continue to fight for the middle class, the needy, those in search of jobs or health care, and all those families who are struggling to make ends meet. Democratic chairmen and members see these committees as a forum to fight for fairness and justice,” Dermody said.

The House Democratic chairmen are:

Aging and Older Adult Services – Rep. Lawrence Curry (Montgomery/Philadelphia)

Agriculture and Rural Affairs – Rep. Joseph Petrarca (Armstrong/Westmoreland)

Appropriations – Rep. Joseph Markosek (Allegheny)

Children and Youth – Rep. Louise Williams Bishop (Philadelphia)

Commerce – Rep. Peter Daley (Fayette/Washington)

Consumer Affairs – Rep. Joseph Preston (Allegheny)

Education – Rep. James Roebuck (Philadelphia)

Environmental Resources and Energy – Rep. Camille “Bud” George (Clearfield)

Finance – Rep. Phyllis Mundy (Luzerne)

Game and Fisheries – Rep. Edward Staback (Lackawanna)

Gaming Oversight – Rep. Rosita Youngblood (Philadelphia)

Health – Rep. John Myers (Philadelphia)

Human Services – Rep. Mark Cohen (Philadelphia)

Insurance – Rep. Anthony DeLuca (Allegheny)

Judiciary – Rep. Thomas Caltagirone (Berks)

Labor Relations – Rep. William Keller (Philadelphia)

Liquor Control – Rep. Dante Santoni (berks)

Local Government – Rep. Robert Freeman (Northampton)

Professional Licensure – Rep. Harry Readshaw (Allegheny)

State Government – Rep. Babette Josephs (Philadelphia)

Tourism and Recreational Development – Rep. Thaddeus Kirkland

Transportation – Rep. Michael McGeehan (Philadelphia)

Urban Affairs – Rep. W. Curtis Thomas (Philadelphia)

Veterans Affairs and Emergency Preparedness – Rep. Chris Sainato (Beaver/Lawrence)

Rendell Administration Releases Mid-Year Budget Review, Anticipates \$63 Million Year-End Deficit

Governor Rendell this month announced details on the status of the budget as it stands midway through the year. He revealed at this point the administration expects the state to end fiscal year 2010-11 with a \$63 million deficit.

The governor blamed the likelihood of a deficit on the failure of the General Assembly to pass a severance tax on Marcellus Shale gas drilling; a tax he contended would have left the commonwealth with a year-end surplus "regardless." The tax, along with spending cuts, was proposed to offset the receipt of an FMAP allocation in July that came in at \$280 million less than anticipated.

Governor Rendell noted that his request for the state's independent agencies to voluntarily enact a spending freeze was heeded by every group except the legislature, the courts, and the office of Auditor General. He said the failure of these entities to comply resulted in a shortfall of \$12 million from the \$212 million expected in total savings.

Nevertheless, according to the governor the revenue estimates from Budget Secretary Mary Soderberg remain within one tenth of one percent of original predictions. With both corporate and sales tax revenues up for the year, Governor Rendell reported the deficit could still easily be erased by improved personal income tax revenues, which will begin to coalesce around April.

The governor highlighted the efforts to cut the administration of state spending, and said the administrative line item in the budget is down 14 percent from what it was in 2002-03 when he entered office. **He also noted there are 4,875 fewer employees in state government than there were at that time.**

Previewing what faces the incoming Corbett administration, Governor Rendell noted **\$2.6 billion in stimulus funding will expire next year**, while mandatory costs for healthcare, prisons and contractual salary adjustments will continue to rise. He reported his administration will meet with Governor-Elect Corbett and his team privately to discuss the mid-year review. Budget Secretary Soderberg estimated there will need to be between \$3.2 and \$3.8 billion dollars to make up next year just to get back to 2010-11 figures.

Governor Rendell also announced that Pennsylvania's unemployment rate for November fell to 8.6 percent, more than a full percentage point lower than the national average. While he acknowledged the commonwealth's economy remains shaky, the governor said it is the first time since December of 2007 that Pennsylvania will see a drop in unemployment over the course of a year.

"None of us stand here today to say the Pennsylvania economy is in good shape," he said. "It isn't. There are too many people that are hurting, people that are looking for work."

The governor urged congress to pass the tax cut deal agreed to by President Obama and Republican leaders in order to help the economy continue to improve.

The governor also offered an update on the state's latest bond sale, which tallied a combined interest rate of 3.44 percent on the combined \$650 million offering. Making up that total are \$466 million in federally taxable Building America bonds and \$183 million in tax-exempt bonds. Barclays and Citibank won the bidding on the two categories of bonds, respectively.

Originally Governor Rendell had wanted a \$1 billion bond offering, but agreed to the lesser sum after Auditor General Wagner and Treasurer Rob McCord expressed concerns over the original sum. The governor admitted he does not understand why the pair would now be "squeamish" given that they have signed off on bond issues in similar amounts previously.

On the Auditor General's role as "referee" with regard to state contracts, Governor Rendell said "that's his job." He cautioned however, "he should try and be correct."

Later that day, new **Senate Minority Leader Jay Costa (D-Allegheny) and Senate Appropriations Chairman Vincent Hughes (D-Philadelphia)** met with the media to respond to the governor's mid-year budget briefing and discuss the challenges they feel must be overcome in the upcoming budget. Sen. Costa explained the governor briefed legislators that morning at his mansion and reported good news on the job front, as Pennsylvania's unemployment level remains below the national average. However, he cautioned, 500,000 Pennsylvanians remain unemployed. He emphasized the importance of including job creation policies in the fiscal year 2011-12 budget.

Sen. Costa reported the estimate of 3.2 percent growth in the current budget thus far is holding true, and he estimated next year growth could be as high as 3.4 percent. However, he continued, a \$4.5 billion shortfall is expected in next year's budget. He said cost drivers include the loss of federal stimulus money, the new pension legislation, and a projected case load increase of three to five percent at the Department of Public Welfare. Sen. Costa noted revenue growth estimates will offset the deficit by \$750 to 800 million.

Sen. Hughes spoke on the budget deficit, stating he will work to ensure that the state meets its responsibilities while making needed investments to put people to work. He said the fact that Pennsylvania's unemployment rate remains below the national average is proof that the current policies are working and said he will continue to push these policies despite the "troubling economic picture."

Sen. Hughes noted the caucus is waiting for the governor's budget address in March before offering suggestions, but in the meantime the caucus is sifting through various ideas.

Addressing Governor-elect Corbett's no-tax increase pledge, Sen. Costa said it will be a challenge to achieve a balanced budget that reflects the Democrats' priorities, explaining he has not seen a deficit this big in years. He noted Governor Rendell's past budgets already reduced state expenditures significantly. The senator also opined that taxing Marcellus Shale extractions should be a part of the conversation, noting the public supports the issue and the industry has indicated it too would be receptive. However, Senator Costa continued, even such a tax would put Pennsylvania "woefully short of where we need to be." Sen. Costa added even selling the state liquor stores, as has recently been discussed, will not bring in enough revenue. He noted the revenue would have to be spread out over several years, or the state will be faced with the same shortfall concerns the next year. He commented he does not support this idea.

Sen. Costa declined to speculate what will be cut in FY 2011-12 budget or if the state workforce will be affected, but suggested eligibility or benefits in Medical Assistance may be affected. He noted the state workforce has already been cut by 5,000 over the past eight years and Sen. Hughes said Pennsylvania has one of the lowest per capita state workforces in the country. Sen. Hughes added that Medical Assistance programs are facing increased pressure due to the high unemployment rate and he said any cuts will need to be approached cautiously. He urged congress to act quickly on unemployment compensation so Pennsylvania's unemployed have an income they can depend on and the money is added to Pennsylvania's economy.

Both senators pledged their willingness to work closely with Republicans in crafting the new budget, but emphasized that some of the pledges made during the governor-elect's campaign may not "bear out in reality." Sen. Costa reiterated the importance of ensure the new budget creates jobs and further reduces Pennsylvania's unemployment rate.

In conclusion, Sen. Hughes said the caucus will work in budget negotiations to increase efficiency and maximize benefits. He said he will be looking for creative thoughts, adding that "heat and rhetoric" need to come out of the conversation. Sen. Costa noted the benefits of a line by line review of the budget.

Legislative Activity

No bills of interest were acted on by the General Assembly in December. The session ended November 30. All bills not signed by the Governor now die, and may reintroduced next session. They will then start the process over, regardless of how far they advanced this session.

Upcoming meetings of Interest

Partial 2011 SENATE SESSION SCHEDULE

January 4 (Swearing-in Day), 18 (Governor/Lt. Governor Swearing-in), 19, 24, 25, 26

February 7, 8, 9, 14, 15, 16, 28

March 1, 2

2011 HOUSE SESSION SCHEDULE

January 4, 18, 19, 24, 25, 26

February 7, 8, 9, 14, 15, 16, 28

March 1, 2

A proposed Session schedule beyond the first week of March is pending notices of a date for the Governor's Budget Address.

Copies of all bills of interest can be accessed via the Internet at:

<http://www.legis.state.pa.us/WU01/LI/BI/billroom.htm>