



**Testimony to Philadelphia City Council, Committee on Health and Human Services
Christie Balka, Director of Advocacy
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My name is Christie Balka and I am Director of Advocacy at Public Citizens for Children and Youth (PCCY). As many of you know, PCCY works to improve the lives and life chances of children in Philadelphia and the surrounding four counties; the organization neither solicits nor accepts public funds.

We are grateful for this opportunity to testify on the impact of proposed state health and human services funding. If the Governor's proposed budget is enacted, it would be a disaster for Philadelphia's children, families and for the City itself. *But this is not inevitable; you all have an important role to play in preventing it.*

The Corbett administration proposes to establish a Human Services Block Grant with the ostensible purpose of giving communities more flexibility in terms of how they spend money. However, by combining seven line items into a single block grant and reducing overall funding by 20 percent, the only thing the HSBG does is give counties the freedom to decide which services to cut next. It's like passing the buck, without passing the bucks.

A 20 percent reduction to these human service line items would cut \$33 million from the Department of Behavioral Health/Intellectual disabilities Services. This money currently pays for outpatient mental health services for more than 4,000 people, case management services for more than 400 people with chronic, severe mental illness, and homeless outreach. It also provides substance abuse treatment for about 2,000 individuals. Deputy Mayor for Health and Opportunity Donald Schwarz has estimated Philadelphia would see a 50-75 percent increase in street homelessness and an increase in incarceration as a result of losing these funds. Gutting the City's mental health system would have an enormous ripple effect on children and youth, as more would enter the child welfare system and additional families would experience separation at greater cost to children, to the City and to taxpayers.

The Human Services Block Grant (HSBG) would also reduce support services for families who are caring for children with intellectual disabilities at home.

It would cut funds to the Department of Human Services and the Office of Supportive Housing, reducing the City's capacity to provide housing supports to youth who are aging out the child welfare system and case management services to homeless families.

It would also cut after-school programs provided by the Parks and Recreation Department, resulting in more children unsupervised between the crucial hours of three and nine pm, at precisely the same time that the other major sources of support, the School District's summer programs and child care subsidy for after-school programs, are being reduced.

These are all consequences of the proposed Human Services Development Block Grant. But the budget also proposes a \$6.5 million cut to the Health Department that would reduce prenatal care and lead poisoning prevention. It proposes a cut to the Free Library and it includes a cut to Community College of Philadelphia.

In addition to reducing funds for City agencies, the Corbett budget proposes at least two significant cuts in direct payments to Philadelphia residents: General Assistance cash grants would be eliminated at a cost of \$68 million; and Child Care Subsidies for TANF and low-income working families would be reduced at a cost of \$8 million to local residents. The loss of General Assistance would compound the increase in homelessness and likely result in additional children entering foster care. The cuts to Child Care would make it more difficult for parents to retain jobs without placing their children in potentially unsafe conditions while they work.

These cuts defy economic logic: a year of General Assistance costs \$2,460, while a year of foster care costs \$21,000. And Child Care Subsidy has an economic multiplier of \$2.17 for every dollar invested, which means the proposed cuts will result in a loss of \$17.8 million to the city.

Children have needs that cross agency boundaries and I would be remiss if I didn't mention proposed cuts to the School District of Philadelphia. Schools not only provide an education, but for many children they provide preventative health care, behavioral health and family support services, and exposure to the life lessons that arts and organized sports provide. With our School District still reeling from deep cuts to this year's budget, which rolled funding back to 2008-2009 levels, the Governor's budget would result in a \$21 million cut next year. And like Districts throughout Pennsylvania, state law requires the School District of Philadelphia to meet a long-deferred pension obligation with no additional financial support.

There are alternatives to this cuts-only approach to the state budget. Delaying the phase-out of the Capital Stock and Franchise Tax while Pennsylvanians struggle to recover from the recession would generate nearly \$248 million next year. Closing a number of corporate tax loopholes would also generate significant revenue.

The largest city in the Commonwealth has much to lose if this budget is adopted; more families would be homeless, more children would be left by themselves or in unsafe conditions when their parents went to work, and more would attend schools that are unable to meet their needs. We urge you to do everything you possibly can to oppose this budget and the damage it will cause.

Thank you.