

Public Testimony of Donna Cooper
President, Public Citizens for Children and Youth
Pennsylvania State Senate Local Government Committee
Harrisburg, October 17, 2017

I appreciate the opportunity to appear before the Local Government Committee of the Pennsylvania Senate. I understand that this Committee convened this hearing to find out what Philadelphians think about the sugary drink tax. You know better than most that imposing a tax is a difficult choice. What we learned through the extraordinary public debate on this tax in Philadelphia was that the research confirmed first, that taxing these beverages would cause our city to be healthier, second, that consumption would remain high enough to generate funds for urgently needed investments in our children and third, that those investments would have positive employment effects. Opponents made their case with a multi-million-dollar campaign that ultimately did not prevail in the court of public opinion, or, as you know, in our state courts.

Since the tax was enacted there is little evidence to the contrary. Those opponents are looking for a new venue to state their objections and scare the public with scenarios that suggest the sky is going to fall if this tax stays in place.

But, let me be very clear, the fact is that our nation's competitiveness is already declining. Not might decline --it has. Our only method of reversing that trend is to boost the number of children who are educated to compete with their peers around the world.

We can argue today about whether jobs have been lost in the soda industry or grocery stores. But, no one in this room can argue that Pennsylvania's workforce is up to international game standards.

Already, China and India have more children graduating high school and going to college than we do in the U.S. India is conferring three times more college degrees than the United States, annually. By 2030, China will have 200 million college graduates. That is more individuals with college degrees than the number of people with or without degrees in our entire U.S. workforce. These are the numbers that keep me up at night. This is what you could be calling hearings to discuss because when you do that every working family in this room, and across the state, wins.

In fact, how this discussion is framed today sounds a great deal like the President's rallies to save the 70,000 coal mining jobs in America while our clock is being cleaned by international competitors growing their solar and other alternative energy sectors.

Like a mirror image of those efforts, none of the 59 minority or women owned pre-k businesses are testifying today about their improved profitability, 14 of which are in Senator William's district alone.

None of the nearly 300 new pre-k employees are at this table sharing the impact of being employed and being paid a reasonable wage. There are no low-income families here today to tell you about how the expansion of pre-k for nearly 1,900 children already has made it possible for them to go to work or college and in either case has made it possible for them to support their families. Educators are not here to tell you their first-hand experience of the impact that 150 new pre-k classrooms will have on reducing long term learning challenges for children that make it possible for them to succeed in life. And, for all the talk about lowering the cost of government, no school finance professionals are here to

share the dramatic impact that this pre-k expansion is certain to have on reducing spending for special education. The absence of these voices speaks legions about the way Harrisburg works and the need for every state elected official to shift their focus to what it takes to win the long game.

And for the record, let me state unequivocally that every pre-k seat available to be funded with the sweetened beverage tax in Philadelphia is occupied by a young Philadelphian who only a few years from now will start school with the skills he or she needs to succeed in life .

Looking specifically at the tax, my view is that the best thing about this tax is that good policy and kids won! Kids have no lobbyists, they don't donate to elected officials, they don't go into smoke filled rooms to make deals. They don't have any of the sort of influence that drives the agenda in most state houses across this nation.

Children won because the policy was right. In spite of the industries' blatantly false claims and shameful marketing memes, Philadelphia's City Council and Mayor and the good citizens of the city used their powers under the Pennsylvania Constitution to put sound policy and our children first. I call that "refreshing".

Here's something else I'd like you to know. The citizens of Philadelphia are proud to be stepping forward to fund great pre-k for our young children and that we are digging into our pockets to rebuild our recreation centers, libraries and parks because they enrich our children. With this soda tax and all the other local tax increases over the last five years, we have provided more than \$460 million in new funds for our school district.

Isn't that the biggest complaint about Philadelphia in Harrisburg: that it always has its hand out to the state asking for more? This time Philly did it with its own money and now you question our authority to do all these great things for our kids. We didn't ask Harrisburg for a dime and somehow that doesn't sit well with the upper chamber.

But, your oath of office requires you to pledge your loyalty to the Pennsylvania Constitution. That wise framework for governance acknowledges and affirms the power of local governments to set policy on local matters. In fact, the Pennsylvania Constitution significantly limits the power of the Pennsylvania General Assembly to pass any law regulating the affairs of a county, city, township, ward, borough or school district.

That's why if I was a local official in any one of the nearly 3,000 local jurisdictions that have operated since 1971 under this constitutional framework, I would be very concerned about the intention of this hearing today. The fact that in June, you traveled one hundred miles from Harrisburg to Philadelphia to discuss how we choose to tax ourselves and today you make a second attempt to have that debate suggests to me that you think the General Assembly should be more heavily regulating our local affairs.

Ostensibly you called this hearing to discuss the sugary drink tax, but this hearing at its core is about the powers of local control in the Commonwealth, and what appears to be the desire by some in the Senate to usurp and subjugate our powers, plain and simple.

We recognize that the Pennsylvania Constitution does not permit local government entities to tax items already taxed by the state without state approval. Philadelphia knows that provision of the constitution intimately. In fact, Senator Williams put himself out to increase the amount of tax paid by

Philadelphians on cigarettes to fund the schools, for the obvious reason that we could not impose it ourselves. In that case we needed your approval and we are eternally grateful that you granted it to us.

But, our constitution also protects us from "Big Brother" government and gives you no power to interfere with our decision to tax soda unless you either impose a soda tax at the state level or you amend the constitution to take away our local powers.

Of course, there are other sections of the constitution that also seem to be relevant to this hearing, for instance, Section 14 which requires that the Commonwealth provide the resources for a thorough and efficient system of public education.

Believe me, you would be much more popular in our town, and most towns, if this esteemed Local Government Committee was seeking testimony on the impact to our local government of the Commonwealth's failure to meet its constitutional obligation to fund public education. It sure seems like a missed opportunity for you to learn more about an aspect of governing that is both fully in your power and is your most fundamental constitutional obligation to the children and families of this Commonwealth. If the state were meeting its requirement to fund the schools, it's very likely that our local revenues would have been sufficient to fund the critical services now supported by the soda tax.

In contrast, Philadelphia's local elected leaders carried out their home rule obligations to their residents and did so fully informed when they voted for the tax. Philadelphia's City Council and the Mayor listened to any citizen who wanted to speak, they met with experts from every affected industry and it is safe to say they listened and learned a lot.

All told, there were more than 43 hours of city council hearings where hundreds of experts and interested Philadelphians testified. Add to that hundreds upon hundreds of meetings that council members and the Mayor held individually with constituents and affected parties before taking a vote.

I checked but no one could recall any state elected official asking to be heard in this deliberative process. But there was an open mic and you could have been part of the process. I know our elected officials would have welcomed your input as they considered the issues.

I've been around the halls of power for nearly 30 years and I have never seen elected officials more appropriately discharge their duty as these Philadelphians did when deliberating and enacting the soda tax. Before coming here today, I thought long and hard and I simply cannot recall any piece of legislation in Harrisburg ever being subjected to as many open hearings, meetings and community discussions as the deliberative public process to impose the sugary drink tax. Let me remind you, Philadelphia is a Quaker town and we know how to "do process." I invite you to come to Philadelphia to listen and learn a thing or two about how to engage in real public debate.

In closing, I know that many members of this committee, especially Senator Wagner, are relentless in their pursuit of reducing the cost of government. So, with that public purpose in mind, please don't think of me as being impertinent when I suggest that rather than take our time for a redux of the extensive deliberative process we already paid for to enact the soda tax, just read the thousands of pages of transcripts yourself to find out why Philadelphians think the soda tax makes sense.

Thank you for considering my input.