

Dear UFCW Local 1776 member,

Pennsylvania Governor Tom Wolf gave a historic budget proposal on March 3, 2015. In his address, Governor Wolf provided a path that follows what he campaigned on: Schools that teach, jobs that pay and government that works. The Governor's address is ambitious and outlines changes that would affect every Pennsylvanian. Please take a moment to review the information in this piece so you are informed on what the Governor is proposing and what our legislators are discussing. UFCW Local 1776 endorses Governor Wolf's budget because it provides our state the resources it needs to educate future generations, employ workers fairly and lift the middle class.



(From left) Pennsylvania's First Lady Frances Wolf, Acme members Mary Owens and Charles Young and PA Governor Tom Wolf at the Governor's mansion after his Inauguration.

In solidarity,

Wendell W. Young, IV
President, UFCW Local 1776



Pennsylvania Governor Tom Wolf and UFCW Local 1776 President Wendell Young at Local 1776 Represented Brown's Cheltenham ShopRite.

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

March 3, 2015

To the People of Pennsylvania:

It's time to rebuild the middle class in Pennsylvania and that starts with three priorities: jobs that pay, schools that teach, and government that works.

We all know the challenges Pennsylvania faces. We are staring at a \$2.3 billion budget deficit, we are near the bottom of the country in job growth, our state's bond ratings have been in decline, and our schools are struggling.

I believe that Pennsylvania can have a bright future, but we cannot simply do the same things over and over and hope for different results. We need to think differently and do things differently. It's time for bold change.

My budget makes historic investments in education while eliminating the deficit and ending our commonwealth's seemingly endless year after year fiscal crises. I have proposed the Education Reinvestment Act that will restore funding for schools and make natural gas companies pay their fair share. My budget will cut school district property taxes by more than 50 percent for the average homeowner. It will lower corporate tax rates for business by 40 percent, while closing tax loopholes. And I will work with the General Assembly to create a fair funding formula so that all students are assured the same opportunities to receive a quality education.

Pennsylvania will not improve until we rebuild our middle class. My plan cuts taxes to spur the growth of jobs that pay and support a family, invests in education to prepare our kids for the economy of the future and reduces the total tax burden on middle-class homeowners. My plan makes government more efficient. It cuts costs, eliminates redundant programs, and does things smarter so that taxpayers feel confident their tax dollars are spent wisely.

This is my proposal, but I welcome ideas from everyone throughout Pennsylvania. I welcome ideas from my Republican and Democratic colleagues – in fact, my property and business tax cut plans have previously been championed by many members on both sides of the aisle. I don't expect everyone to agree with every piece of this budget, but more one-time fixes or Band-Aids will not rebuild our middle class and give us the Pennsylvania we all want and deserve. I want your plans, your ideas, your proposals, and I want you to seriously consider my budget because it is a clear roadmap to rebuilding our middle class.

I believe it is time to do big things in Pennsylvania. Doing nothing is not an option. I encourage all Pennsylvanians to come forward with ideas of your own. I said in my inaugural address that I would take ideas and policies from all comers, and now is the time.

I do not want to be part of the first generation of Pennsylvanians who have to tell our children that they have to go somewhere else to achieve success. No one does. But now we need to do big things to rebuild Pennsylvania's middle class and get Pennsylvania back on track.

My budget makes historic investments in education, focuses on creating good paying jobs, and makes government more efficient and effective. Jobs that pay. Schools that teach. Government that works. These are my priorities. These are our priorities. Now let's get to work.

Sincerely,

Tom Wolf

2015-16 Budget In B

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Property Tax Relief: A Closer Look

\$3.8 billion in local tax relief for homeowners, renters, individuals and businesses in the form of property tax relief.

- Results in a 50 percent reduction in property taxes for the average homeowner.
- Nearly 270,000 senior households would have their school property taxes eliminated.
- \$500 rebate for renters earning less than \$50,000.

BREAKDOWN
a look at what this means for four sample household incomes

FAMILIES OF FOUR THAT OWN A HOME

Income Level	Current Total	Proposed Total	Reduction	% Cut
\$36,000	\$3,277	\$978	\$2,299	70%
\$50,000	\$4,207	\$3,514	\$693	16%
\$75,000	\$5,246	\$4,818	\$428	8%
\$100,000	\$6,395	\$6,388	\$7	0.1%

Personal Income Tax Changes: A Closer Look

Wolf's budget proposes an increase of the personal income tax (PIT) from 3.07 percent to 3.70 percent. Most PIT increases will be offset by large reduction in property taxes for homeowners.

- For an individual making \$45,000 a year, this is an increase from \$1,381.50 a year in PIT to \$1,665.00 a year in PIT.
- \$3.6 billion in additional revenue to be transferred directly to the Property Tax Relief Fund.

Wolf's budget proposes tax forgiveness for low-income families to mitigate PTI increase.

- A family of four earning up to 150 percent of the poverty level (approx. \$36,000) would pay no state income taxes.

Local 1776 members traveled to Harrisburg to show UFCW support for Governor Wolf's budget address in the Capitol Rotunda.



Governor Wolf’s 2015 Budget Proposal Key Highlights:

- \$1 billion restoration in education funding for grades K through 12, including restoring higher education cuts from Corbett
- A five percent tax on shale extraction (known as the Marcellus Shale Tax), as well as a per-cubic-foot fee on gas
- Significant property tax relief for PA homeowners/renters
- Competitive business environment by reducing Corporate Net Income Tax and closing the Delaware Loophole
- Raise the minimum wage to \$10.10 an hour
- \$1.75 billion worth of investments in job growth plans
- Improving government efficiency to save \$150 million in costs
- Pension Funding - \$10 billion in savings, including servicing a \$3 billion bond
- Modernization of the PA Wine and Spirits Stores — using the increased revenues to pay debt service to \$3 billion pension bond
- True Medicaid expansion

PA Wine and Spirits Store Modernization

Wolf proposes modernization of the PA’s Wine and Spirits Stores, where 3,500 UFCW members work.

Modernization would:

- Expand the number of Sunday stores and hours of operation on Sundays;
- Allow for more stores inside of or adjacent to grocery stores and family-owned Main Street beer distributors;
- Allow for direct shipment of wine to consumers;
- Allow the agency more flexibility in setting prices;
- Allow for the sale of lottery tickets in Wine and Spirits Stores.

These new conveniences would generate \$80 million in additional revenue in 2016-17, and \$185 million in additional revenue in 2017-18.



Local 1776 President Wendell Young stopped by the Germantown Avenue Wine and Spirits Store (#5121) to speak with members. Here he is discussing the latest in privatization efforts with member Margaret Gliwa.

New Proposed Pennsylvania Sales Tax

Wolf proposes increasing the state sales tax from six percent to 6.6 percent. Here’s what you need to know:

The following items and services would **remain exempt** from Pennsylvania’s sales tax law under Wolf’s budget proposal:

Food	Residential Utilities: Telephone, Electricity, Fuel Oil
Clothing and Footwear	and Natural Gas
Prescription Drugs and Orthopedic Equipment	Water and Sewage Services
Gasoline and Motor Fuels	Trade-in Value
Physician and Dental Services	Purely Public Charities
Manufacturing and Processing Equipment	Liquor or Malt Beverages Purchased from Bars and
Hospitals	Restaurants
Tuition (college, vocational training and instruction)	Common Carriers
Exempt Governmental Units	

The following items and services were previously exempt from Pennsylvania’s sales tax law, but **would be** subject to it under Wolf’s budget proposal:

Candy and Gum	Airline Catering
Personal Hygiene Products	Commission
Newspapers	Horses
Magazines	Construction of Memorials
Non-Prescription Drugs	Uniform Commercial Code Filing Fees
Caskets and Burial Vaults	Investment Metal Bullion
Flags	Investment Coins
Textbooks	Cable Television
Catalogs and Direct Mail Advertising	

Many Business-to-business purchases of services will **remain exempt** from sales tax, in the interest of helping businesses grow. Some include:

- Transportation
- Accounting Services
- Specialized Design Services
- Scientific Research and Development Services
- Advertising Services
- Employment Services
- Business Support Services
- Higher Education

Medicaid Expansion

Wolf’s budget expands Medicaid into a single consolidated system, closing the coverage gap for hundreds of thousands of Pennsylvanians.

- \$500 million in savings to the Commonwealth in the first fiscal year.
- Consolidation plan to ensure no loss of coverage.

**GOVERNOR TOM WOLF JUST ANNOUNCED
FULL MEDICAID EXPANSION**

500,000

PENNSYLVANIANS WILL HAVE ACCESS TO COVERAGE



THAT’S AFFORDABLE AND EASY TO GET

WWW.WOLFFORPA.COM

Behind the bakery counter, Brown’s ShopRite member Jon Vecchione bumped elbows with Governor Tom Wolf during one of his visits to the store! This photo was used in many of Wolf’s pieces!

Education Funding: A Closer Look

\$1 billion restoration to education cuts under Former Governor Corbett, including a four-year goal to increase overall Pre-K to grade 12 investments by \$2 billion.

Year one increases include:

- \$400 million (7 percent) increase in the Basic Education Subsidy
- \$100 million (9.6 percent) increase in the Special Education Subsidy
- \$120 million (87.9 percent) increase in high-quality early childhood education

Higher education increases:

- \$15 million (7 percent) increase to community colleges
- \$45.3 million increase to Pennsylvania State System of Higher Education
- \$80.9 million increase (over the next two years) to State-Related Universities — Penn State University, University of Pittsburgh, Temple University and Lincoln University

The budget calls on community colleges and State System Universities to freeze tuition for the next academic year.