



THE INTELL
OPINION
THE INTELLIGENCER

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GUEST OPINION

CBO has 115 ways to cut federal spending or increase revenues

By **STEVE MARKOWITZ**

In a recent interview with CNBC, Warren Buffett said the federal deficit could be ended by simply making all members of Congress ineligible for re-election if there is a deficit of greater than 3 percent of the gross domestic product (GDP). This is a good idea but will not be passed, simply because members of Congress are not going to pass legislation that is not in their best interests. Although Congress was intended to be a body that serves the people, in today's environment the members tend to serve themselves.

Michael Wald, an independent public affairs professional, wrote on FedSmith.com that the Congressional Budget Office (CBO) listed 115 options to decrease federal spending or increase federal revenues between 2017 and 2026. Some of the CBO's recommendations include:

1) Impose a 5 percent value-added tax. The main idea of a value-added tax is that the value of any product increases as it moves along in its production. Under this system, a tax would be imposed on a product at each stage of production as its value increases. In effect, this would be a federal sales tax. This would be a regressive tax, in that people of lower incomes would tend to pay a

higher percentage of their income. We should be looking for progressive taxes, which tax higher percentages of income to those who can afford it.

2) Impose a tax on emissions of greenhouse gases. This would be a good idea in that it would discourage these emissions. It could make it more economic to continue to develop renewable sources of energy.

3) Increase the payroll tax rate for Medicare hospital insurance by 1 percent. This would increase the burden on workers. Like the value-added tax, it would be a regressive tax. As I stated above, we should be looking for progressive tax solutions.

4) Increase individual income tax rates. This would mean the wealthy would pay higher rates. Many would argue that this would cost jobs. However, the tax rates just after World War II were much higher, and the economy did just fine.

5) Impose caps on federal spending for Medicaid. This

would mean that Medicaid would pay less than it does now. Since providers would not be able to bill patients for amounts above these caps, they likely would write these amounts off. This would result in fewer providers willing to see Medicaid patients. Ultimately, it might result in more people of low income receiving no medical care.

6) Reduce the size of the military to satisfy caps under the Budget Control Act. Many people agree that our military is overgrown and wasteful. However, since the current

administration considers our military presence to be too small, this will probably be difficult to pass.

7) Reduce the annual across-the-board adjustment for federal civilian employees' pay. This would amount to a pay cut for every federal civilian employee. However, inflation hits these people in the same way it hits everyone else. Why penalize them for working for the government?

8) Reduce the size of the federal workforce through attrition. This

is a way to reduce the payroll without laying people off. However, the amount of work to be done would probably remain the same. How would all of this be done?

In addition, there are a few proposals that amount to different ways of cutting the salaries of federal employees. These would include: 1) Increase federal civilian employees' contributions to the Federal Employees Retirement System; 2) Adopt a voucher plan and slow the growth of federal contributions for the federal employees health benefits program; 3) Reduce pensions for federal employees.

The CBO has also proposed options that would affect the general population as well as federal employees. These would include: 1) Increase the payroll tax rate for Medicare hospital insurance (Part A) by 1 percent; 2) Increase premiums for Parts B and D of Medicare; 3) Raise the age of eligibility for Medicare to 67.

Of course, it would be up to the incoming administration and Congress to choose which proposals (if any) of the 115 to pursue. Many of these proposals may appeal to the current Republican majority.

Steve Markowitz, Holland, is retired and a member of the Northampton Democratic Committee.

“**Although Congress was intended to be a body that serves the people, in today's environment the members tend to serve themselves.**”

“**We are deeply disturbed that any Solebury student would have been the victim of sexual abuse, and we again apologize to those former students who became victims.**”

TOM WILSCHUTZ, HEAD OF SOLEBURY SCHOOL, FOLLOWING RELEASE OF A SCATHING GRAND JURY REPORT CITING INSTANCES OF SEXUAL ABUSE AT THE SCHOOL OVER A 50-YEAR PERIOD.



OUR VIEW

Wolf prepares to talk budget

On Tuesday, Democratic Gov. Tom Wolf will deliver what we'd guess is one of his least favorite speeches: his annual budget proposal to the heavily Republican state Legislature.

Recall Wolf's first budget address two years ago, when the then-freshman governor called for broad tax increases to pay for significant new expenditures for education and address a budget shortfall. Republican lawmakers categorically rejected higher taxes, and they and the governor locked in a battle of wills that delayed passage of a budget for nine months. The stalemate ended only when Wolf relented on higher taxes.

A year later, the 2016-17 budget was passed on time. Again, income and sales tax increases were not part of the mix. But neither was the budget balanced, as the Republican-crafted spending plan counted on overly optimistic revenue projections, a fair amount of sleight of hand and, incredibly, \$100 million in licensing fees from expanded gambling legislation that was never enacted.

Recent projections from the state's Independent Fiscal Office show the commonwealth could now be facing a two-year budget shortfall approaching \$3 billion.

The governor has already indicated he won't ask for higher income and sales taxes when he presents his 2017-18 budget plan on Tuesday. It wouldn't do him any good if he did, since Republicans have made it clear they will not accept any such proposals. So the question is, what options does Wolf have for getting the state's finances back on something resembling sound footing while maintaining Pennsylvania's obligations in the areas of education, infrastructure, and social services? (Late last year he took the unusual step of hiring a private consultant, for \$1.8 million, to help him find both savings and new revenues.)

One idea Wolf has already pitched involves consolidating four state agencies that oversee health and public welfare — the Departments of Aging, Health, Human Services and Drug and Alcohol Programs — into a single department to improve efficiencies and, of course, save money. How much money? The governor hasn't said. Nor do we know any details about how many jobs might be lost. The Legislature would have to approve any such merger. If the savings are substantial, the Republicans might just go for it.

Beyond that, Wolf could resurrect the often-debated, never-passed severance tax on Marcellus Shale gas. This tax has always enjoyed some bipartisan support. Some, but not enough to enable legislative passage.

Gambling expansion to the internet is another potential revenue source — as we noted earlier, one that was counted on in the current budget but which never materialized. This idea, too, has its proponents. But opposition to expanded gambling remains strong.

Wolf may also choose to push for new or higher taxes or fees that don't get the attention of most people and which lawmakers might be willing to consider.

Any way you look at it, however, balancing the budget can only be achieved in two ways: cutting services (costs) or raising revenues (taxes and fees). Gov. Wolf and the Legislature have their work cut out for them.

LETTERS TO THE EDITOR

Super Bowl pools can be hazardous to your health

Super Bowl pools can be very hazardous to your health and well-being. At Super Bowl parties, people high-five, dip into food bowls, and cough and sneeze all over everything. This can spread the flu and other contagious illnesses. But this is just one type of hazard.

From a gambling perspective, people who participate in pools often get angry at each other for winning. There are a lot of friendships that unravel as a result of gambling in these pools. Also, a lot of individuals will bet even though they can't afford to do so. Often, there is pressure put on people by their coworkers and peers to participate in office pools or "friendly" neighborhood pools. When you see a group involved in sports betting, it makes you feel like an outcast if you don't participate. This can stimulate your gambling juices. Most people begin serious gambling from a friendly wager. This can lead to bigger and more serious issues.

There are many people who wager via organized crime pools, frequently with bigger stakes than the friendly bets. This can cause a great deal of economic stress. "Bookies" are usually not nice guys when it comes to owing them money. Oftentimes, they don't pay you when you win. This can cause a great deal of family stress. The same need for that big jackpot fuels someone to play a Super Bowl pool. And betting in pools can lead to betting on many other things. If you don't go to a brick-and-mortar casino, there are many online casinos springing up. The habit can continue to grow out of control.

I have worked with many

people who had gambling addictions. The common denominator for all of these people was the same: They all had a quest for money. They needed more than they had. Their thought was that they would hit that big jackpot and all of their troubles would be over. Along the way, they hit small jackpots. That's the worst. It only made them want to do more gambling.

How can people regain control? They must learn to feel better about themselves and build self-confidence to learn self-control. This can be done in 12-step programs and through private therapy. Learning meditation can help with this huge problem.

Billions and billions of dollars will be wagered on Super Bowl Sunday. Work on that self-control. **Steven Rosenberg**
Huntingdon Valley

Steven Rosenberg, Ph.D., is a psychotherapist and behavioral specialist practicing in Elkins Park.

Trump's immigration order disgraces America

There is one thing that Trump has accomplished with his executive order banning immigration and refugees from seven countries. But first, what he has not done is to make us safer. Does anyone, for a moment, believe that terrorists are not capable of obtaining forged passports or visas from, say, Saudi Arabia (the home of 15 of the 19 9/11 terrorists)? Or from Indonesia, or Turkey, or the United Arab Emirates?

Interestingly enough, Trump has business interests in all of those countries, but not in any of the countries included in the ban. What a coincidence. But I digress. No, what Trump has succeeded

in doing is disgracing the U.S. in the eyes of the world. I can already hear our enemies offering up Trump's action as proof that the United States (where we preach freedom of religion) is, in fact, at war with Islam. I can hear them mocking us with our own words inscribed on a bronze plaque in the base of the Statue of Liberty.

If Trump's action is allowed to stand, the plaque bearing those words about freedom should be removed. In fact, the light in the statue's lamp should be turned off, and the entire statue covered with a black tarp.

Just prior to the outbreak of World War I, Sir Edward Grey, Britain's foreign secretary, wrote: "The lamps are going out all over Europe; we shall not see them lit again in our life-time." I believe that is true again. But this time, the U.S. will not escape the ensuing darkness.

Don Crouthamel
Sellersville

EPA plays critical role in water cleanup

EPA, protector or bystander? A close friend of mine was recently diagnosed with kidney cancer. He is a 30-year resident of Warrington. The elephant in the room is whether drinking water caused the cancer. Our community is learning about the long-term water contamination caused by the local military facilities. The EPA's handling of this nationwide contamination is important to all of us for health and quality of life. EPA leadership is a crucial component to the remedy and cleanup across our country.

We can only hope that Congress will keep our future health in mind when vetting a controversial

THE VENT

Send your short comments to intell_letters@calkins.com, with INTELL-VENT on the subject line. Comments may also be submitted by mail. Full name and hometown required.

The sky's falling, all right. No more school board administrations' out-of-control spending. They would have to answer to the state and finally a voter referendum on why they need to raise our taxes. Superintendents should worry about Education Secretary DeVos and her charter school tendencies before she screws it up big time.

Anton Iffrig, Quakertown

The petulant infantilism of Democratic leaders was on full display Monday

as they declined to attend a reception for Supreme Court nominee Neil Gorsuch. Aside from their lack of manners, it's also good to remember before the election how vital they said it was to have a ninth jurist. Apparently now, not so much.

Stephen Hanover, Plumstead

Great idea from the Buckingham Voices — truth in government. After the last eight years of constant lies, race-baiting, and hateful, divisive rhetoric, it will be refreshing. Too bad you didn't come up with this years ago.

Stephanie Reilly, Warrington

HOW TO GET A LETTER PUBLISHED

The newspaper welcomes letters. Address them to "Your Turn," The Intelligencer, 333 N. Broad St., Doylestown, PA 18901, or FAX them to 215-345-3150.

Letters can also be sent via email to: intell_letters@calkins.com

Letters must be signed and include a home address and telephone number. Short letters are encouraged. No unsigned letters will be published. The editor reserves the right to reject, condense and edit all letters.

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