

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
HOUSE INTERGOVERNMENTAL AFFAIRS COMMITTEE

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IN RE: AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
(ARRA)

PUBLIC HEARING

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BEFORE: REP. W. CURTIS THOMAS, Chair
Rep. Eddie Day Pashinski, Member
Rep. Kenneth Smith, Member
Rep. Jerry Knowles, Member
Rep. Duane Milne, Member

HEARING: Thursday, October 29, 2009
10:00 a.m.

LOCATION: Scranton City Hall
340 North Washington Avenue
Scranton, PA 18503

WITNESSES: Linda Aebli, James Phillips, Marvin G.
Meteer, Judy Borger, Mary Ann Harris, Kurt Masser

Reporter: Kenneth D. O'Hearn
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CHAIR:

Let me thank each and every one of you for coming out this morning on behalf of my colleagues and the Pennsylvania House of Representatives. Let me welcome you to City Hall. We certainly appreciate your attendance at this very important public hearing.

I am W. Curtis Thomas. And I am Chairman of the House Intergovernmental Affairs Committee. We have with us a number of members of the Intergovernmental Affairs Committee. I would like to take this time to have those members introduce themselves. And to my left, Representative Smith?

REPRESENTATIVE SMITH:

Thank you, Mr. Chairman. Although I'm not a member of the Intergovernmental Committee, I am Representative Ken Smith from the 112th District to which you assist. And I want to welcome each and every one of you to the City of Scranton, to the 112th District. And I want to thank you for taking your time. And I appreciate all of your input during these most trying and difficult times. To have the responsibilities which you have been given is remarkable.

1 They say as far as Chairman Thomas goes,
2 you can tell by his voice he's a very forceful man.
3 And I can assure you, when he speaks, I'll listen. So
4 thank you very much. And I look forward to hearing
5 your testimony.

6 CHAIR:

7 Thank you. Representative Knowles?

8 REPRESENTATIVE KNOWLES:

9 Thank you, Mr. Chairman. It certainly is
10 always nice to be in the City of Scranton. My name's
11 Jerry Knowles. I am a State Representative, and I
12 represent the 124th Legislative District, which
13 encompasses a portion of Schuylkill as well as a
14 portion of Berks County. So I had a nice ride on 81.
15 It's about an hour.

16 And I will tell you that as a --- I was a
17 local councilman, a local mayor, as well as a county
18 commissioner before I became a state legislator. And
19 I'm pretty new and just elected about four months ago.
20 But I am certainly excited to be here, and I'm looking
21 forward to hearing your testimony.

22 I thank you all for giving up part of
23 your day to be with us. Thank you. Mr. Chairman,
24 thank you.

25 CHAIR:

1 Thank you. Let me also acknowledge Kelly
2 O'Connor, who's the Director of the Northeast
3 Delegation and is here on behalf of Chairman Neal
4 Goodman. Thanks for coming.

5 MS. O'CONNOR:

6 He's not here yet.

7 CHAIR:

8 He's not here yet?

9 MS. O'CONNOR:

10 No.

11 CHAIR:

12 Let me also acknowledge Destiny Zeiders,
13 who is here on behalf of Representative Peter Daley,
14 who's the majority chairman of the House Committee on
15 Commerce and Economic Development. And, again, let me
16 extend my personal thanks and appreciation to
17 Representative Ken Smith for opening the doors of this
18 great city for this hearing. As we say sometimes in
19 the southeast, we're here in the 112th Legislative
20 District, the best legislative district in the
21 Commonwealth of Pennsylvania, second only to the one
22 where you come from. Glad to be here.

23 REPRESENTATIVE SMITH:

24 Welcome, Mr. Chairman.

25 CHAIR:

1 Once again, let me thank you for your
2 interest in this topic. I am pleased that you have
3 joined us for this conversation. We are here today to
4 discuss a very important subject, which some argue has
5 not received enough attention. As you are aware, the
6 current economic downturn has created a ripple effect
7 throughout all aspects of society. It is estimated
8 that, by the end of this year, there will be 13,000
9 families who will be facing foreclosure in the
10 Commonwealth of Pennsylvania.

11 Families have lost their homes.
12 Individuals have lost their jobs. And small
13 businesses have been denied access to the capital
14 necessary to remain afloat. In response to this
15 widespread hardship, the federal government enacted an
16 ambitious and comprehensive recovery plan, the likes
17 of which has not been seen since the New Deal. The
18 plan known as the American Recovery and Reinvestment
19 Act of 2009, or ARRA, is able to, among other things,
20 create jobs, spur economic activity, and invest in
21 long-term economic growth and foster unprecedented
22 levels of accountability and transplant our severe
23 government spending.

24 The federal government appropriated \$787
25 billion to ARRA for various recovery activities.

1 Pennsylvania is expected to receive nearly \$16 billion
2 in recovery funds. The majority of these funds are to
3 be allocated for targeted investments in healthcare,
4 education, energy, transportation, and infrastructure
5 primarily. Additionally, nearly \$750 million have
6 been dedicated towards enhancing the Commonwealth's
7 broadband technology capabilities.

8 According to the Pennsylvania Stimulus
9 Oversight Commission, a commission created by Governor
10 Rendell to monitor and track recovery dollars coming
11 into the Commonwealth of Pennsylvania, nearly one
12 third of Pennsylvania's recovery appropriation has
13 already been sent. Through the Commonwealth website,
14 recovering.pennsylvania.gov, ordinary residents have
15 been provided unprecedented access to monitor and
16 track government spending as well. On Pennsylvania's
17 recovery website, you will find an in-depth account
18 about how stimulus dollars are being sent. Data for
19 various state agencies gives visitors to the site a
20 dollar-by-dollar overview of where and how your tax
21 dollars are being utilized.

22 I would also like to refer you to your
23 hearing package which contains a report by
24 Pennsylvania's Legislative Office for Research, which
25 provides a detailed listing of Pennsylvania stimulus

1 funds broken down by county. However, these numbers
2 do not tell the whole story. And the real impacts of
3 recovery dollars distributed throughout the
4 Commonwealth, the story behind the numbers, if you
5 will, is are these funds reaching their goals? If so,
6 how are the funds being spent? Are dollars being
7 spent efficiently? Have jobs been created? Have our
8 Commonwealth counties been strengthened as a result of
9 our investment? And what are some measures that we
10 can take as members of the state legislature to
11 enhance access and strengthen the line of
12 communications with our municipalities?

13 To help answer some of these questions
14 and a few others, we have assembled a group of fine
15 local officials who have graciously agreed to come
16 before the committee and provide their respective
17 accounts on the effects of our funds in this
18 particular region.

19 With that being said, we will proceed to
20 our scheduled agenda and hear from our local
21 officials. Our first presenter was going to be
22 Maryanne Petrilla, who is the chair of the Luzerne
23 County Commissioners. We're hoping that she will be
24 able to join us later on as we go forward. But to
25 start us off, we will be hearing from Ms. Linda B.

1 Aebli, who is the Executive Director of the Scranton
2 Office of Economic and Community Development.

3 And I should point out before we get
4 started, if you've been watching our conversations,
5 then you know that there is no uniform model which
6 determines distribution and tracking. Some states are
7 using an executive model, such as Pennsylvania.
8 However, other states have other means of obtaining
9 this information. And we happen to have Secretary of
10 General Services to act as the stimulus czar for the
11 Commonwealth of Pennsylvania. Other states are using
12 a legislative model for determining distribution and
13 tracking impacts. So there is no uniform way to reach
14 out to local communities.

15 So as you make your recommendations, I
16 want you to at least keep in mind that the model which
17 is currently in Pennsylvania is not a model we have to
18 continue to deal with, because there are other models.
19 And I am sure that there is a willingness on the part
20 of the Government to find the best way to move
21 stimulus dollars into local communities and find the
22 best way to make sure that these dollars ultimately
23 create jobs and put revenue back into local
24 communities.

25 So at this particular time, we'll hear

1 from the distinguished executive director of the
2 Office of Economic and Community Development, Ms.
3 Aebli.

4 MS. AEBLI:

5 Thank you. First of all, I'd like to
6 thank --- welcome you to the City of Scranton on
7 behalf of Mayor Chris Doherty and the City of
8 Scranton. As you said, I am Linda Aebli. I am the
9 Executive Director of the Office of Economic and
10 Community Development for the City of Scranton. The
11 federal funding of the American Recovery and
12 Reinvestment Act funding comes through my office. And
13 I'd like to just point out the funding that we had
14 received and what we are going to be using it for.

15 So I'll start off with the Community
16 Development Block Grant - Recovery Funding. The City
17 of Scranton received \$916,485. Right now we are
18 currently ---. We had picked out projects that were
19 shovel-ready. So we just bid out --- we designated
20 \$300,000 for paving of streets in low-mod areas in the
21 City of Scranton. And right now that is at the
22 contract stage with the contractor. The Crisp Avenue
23 Bridge we designated \$150,000. That was under urgent
24 need in the ---. There's a flood area in Scranton.
25 And we're working with FEMA. So they are providing

1 \$150,000, and we're using CDBG-R money for the
2 additional \$150,000 to create a new bridge ---
3 construct a new bridge.

4 \$250,000 is going for Mount Pleasant
5 Corporate Center. This is a nine-acre piece of
6 property that the Scranton-Lackawanna Industrial
7 Building Company, that's an arm of the Chamber of
8 Commerce, they're building a corporate center that
9 will --- in the end, may have four or five office
10 buildings there. And we are doing the infrastructure.
11 We're providing the \$250,000 that will create jobs.

12 And we are going to do two economic
13 develop activities that will total \$150,000. One will
14 be \$100,000. The other one will be \$50,000. So
15 that's the Community Development Block Grant - R
16 Funding.

17 The city's also thrilled that we received
18 a \$3 million grant from the Pennsylvania Department of
19 Community and Economic Development through the
20 Neighborhood Stabilization Program. One of the things
21 that we had a score for, they wanted you to designate
22 an area to use this funding in. And the city recently
23 was --- the south side area of Scranton was just
24 designated in Ellen Street. So we are using the
25 \$3 million there. We're working with ---. We sat

1 down with a lot of non-profits that we work with ---
2 Lackawanna Neighbors, United Neighborhood Centers and
3 Neighborhood Housing Services, we all sat down, and we
4 picked out what we do best.

5 So what we are going to do is ---
6 Lackawanna Neighbors is fantastic at purchasing
7 foreclosed properties, rehabbing them. And then they
8 are going to sell them. And they make them energy-
9 efficient. And then they would be sold to our first-
10 time homebuyers through our Homebuyer Program. OECD
11 oversees the Homebuyer Program for the city. And with
12 this funding we could use up to 120 percent of the
13 median income for the City of Scranton. So I set
14 aside \$110,000 for that program for people purchasing
15 these homes after they are completed.

16 United Neighborhood Centers, they're
17 receiving \$1.5 million. They're going to land bank.
18 They're going to purchase foreclosed properties, and
19 condos are going to be built, apartments, and I
20 believe we're going to build four homes. And they
21 also applied for other state and federal funding that
22 will total about \$4 million for just this area.
23 Scranton itself is going to provide \$220,000 for
24 demolition in that area in order to build the new
25 condos and build apartments and homes. That's the

1 Neighborhood Stabilization Program.

2 We received \$716,000 for the Energy
3 Efficiency and Conservation Block Grant Program. Our
4 application through the Department of Energy was just
5 approved two weeks ago. So we have not received a
6 contract from the Department of Energy as I speak, but
7 we are going to make some public buildings energy-
8 efficient through that.

9 And then, finally, Scranton received the
10 Homeless Prevention and Rapid Re-housing Program. We
11 met with our Continuum of Care of Lackawanna County,
12 and Scranton received \$1.4 million from that program.
13 And we again met with Catherine McAuley Center.
14 They're receiving \$240,141. Community Intervention
15 Center, they are receiving \$215,541. St. Joseph
16 Center, \$184,791. Catholic Social Services, \$215,541.
17 Women's Resource Center, \$215,541. And United
18 Neighborhood Centers, \$295,266. Our contracts are
19 currently being circulated for these sub-recipients.
20 Thank you.

21 CHAIR:

22 Thank you. Before we go to our
23 questions, we'd like for you to add onto your
24 testimony any recommendations that you have in
25 reference to how we can possibly strengthen.

1 MS. AEBLI:

2 As you know, during the last several
3 months since the American Recovery Act came into
4 existence, maybe in February --- I mean, state and
5 federal and city have been working very hard creating
6 all the regulations, and the amount of work and the
7 paperwork was enormous. And I have to give the state
8 and the feds ---. Any time I had questions, I'd pick
9 up the phone and I'd get a person immediately. So I
10 think we're all working together. My questions were
11 answered. I get e-mails constantly. You know,
12 anything that changes, I get my ---. There's a ---.
13 Online you can submit a question and, bingo, you get
14 the answer. So I think we're all working together to
15 make this work.

16 CHAIR:

17 Okay. And my colleagues have some
18 questions. And I'll come back after they're done.

19 MS. AEBLI:

20 Okay.

21 CHAIR:

22 Representative Smith?

23 REPRESENTATIVE SMITH:

24 I don't necessarily have any questions,
25 but I do have an observation. Linda, you've done a

1 tremendous job.

2 MS. AEBLI:

3 Thank you.

4 REPRESENTATIVE SMITH:

5 You're in a very difficult position. But
6 I say thank you for the job that you have done and
7 continue to do. Thank you for your time and testimony
8 today. But in respect to the block homes in South
9 Scranton neighborhoods, I have seen that time and time
10 and time again. And it works, and it works well. And
11 you take a single block of homes and you invest in the
12 structure and you rehab it and you put a family in
13 there, a first-time homeowner, and all of a sudden
14 it's like a flower blooms. And you know when this
15 flower blooms, then the next one blooms. And the next
16 one blooms. And then people start to believe in their
17 neighborhoods.

18 When people believe in their
19 neighborhoods, then they invest in their community.
20 And it's just an incredible process that I have had
21 the opportunity to watch over the last several years,
22 so thank you.

23 MS. AEBLI:

24 Thank you.

25 CHAIR:

1 Thank you.

2 REPRESENTATIVE KNOWLES:

3 Yes. And forgive me if I missed this,
4 but did you ---? The total number of jobs that have
5 been created, do you have a number for that?

6 MS. AEBLI:

7 Well, you create one full-time job for
8 every \$35,000, but we'll ---. You're going to create
9 jobs when there's paving. And it's just getting
10 underway now, you know. Nothing has actually started
11 yet. All the sub-recipient contracts are being
12 prepared. So jobs will be created, but right now
13 we're just at the contract stages with everyone.

14 REPRESENTATIVE KNOWLES:

15 Are there any other local projects that
16 are needed that you could spend this money on that
17 currently they're not eligible for or ---?

18 MS. AEBLI:

19 All the funding that ---. When we
20 submitted our application, HUD reviewed every activity
21 that we were going to do. And they had to approve
22 exactly what we were planning to do. And if there are
23 any changes, I have to go back to HUD and get --- they
24 have to make the change. But right now this has been
25 designated, what we are going to do with the funding.

1 You cannot change it without HUD's okay.

2 REPRESENTATIVE KNOWLES:

3 Thank you very much. Thank you, Mr.
4 Chairman.

5 CHAIR:

6 Thank you. And my colleague asked part
7 of the question that I wanted to ask, and that is how
8 many jobs are created, but the more important question
9 --- how many new jobs have been created?

10 MS. AEBLI:

11 Currently, with this funding no jobs have
12 been created yet because we are just at the contract
13 stage. But there will be the economic development.
14 The one --- especially the big one will be the Mount
15 Pleasant Center. Fifty-one (51) percent of the people
16 that they hire must be ---. They have to be ---. How
17 can I say it? Fifty-one (51) percent of the low ---.
18 They have to be offered to low-mod income people that
19 get hired through the Mount Pleasant Corporation
20 because we're using the \$250,000 for the whole
21 project.

22 CHAIR:

23 Right.

24 MS. AEBLI:

25 Okay? We just can't say, oh, you just

1 have to create eight new jobs. Because the
2 infrastructure --- the \$250,000 that we're using for
3 the complete project, it reflects on every building
4 that is going to be built.

5 CHAIR:

6 Okay. My next question would be, what is
7 the net impact on Luzerne County from what is going on
8 in Scranton?

9 MS. AEBLI:

10 Well, I think what's going on with
11 Luzerne County ---. It's just not Scranton, PA or
12 Lackawanna County. You know, you open up your eyes
13 and you know every T has to be crossed and every I has
14 to be dotted with this funding.

15 CHAIR:

16 Okay. Excuse me. I said Luzerne. It's
17 really Lackawanna.

18 MS. AEBLI:

19 Oh, okay.

20 CHAIR:

21 But there's real concern in terms of the
22 arm of the stimulus funding. And I think you may have
23 indicated how the funding is affecting the whole
24 community, and the larger concern is how is that local
25 community impacting the county itself?

1 MS. AEBLI:

2 Well, as you said before, you know, the
3 housing rehab, you start demolishing homes and
4 rebuilding new apartments and condos. If we'll just
5 carry on, the whole area will improve.

6 CHAIR:

7 Thank you.

8 MS. AEBLI:

9 Okay.

10 CHAIR:

11 So your conclusion is if it's not broken,
12 then it don't need to be fixed? Everything is going
13 well.

14 MS. AEBLI:

15 In Scranton, if you go down the 500 block
16 of Lackawanna Avenue you will see a whole new block
17 that is being ---. It's the biggest undertaking,
18 probably, Scranton has taken in several years. It's a
19 whole block of new buildings. There's going to be
20 condos, boutiques in the back. There's going to be a
21 national park ---. The city's going to have a new
22 park up above that the National Park Service owns.
23 And that will affect the economic development of
24 Scranton. And also, we're currently ---. The Connell
25 building is being rehabilitated. And that is going to

1 have 90 apartments, one, two, three bedrooms along
2 with storefronts. And the second and third floor will
3 be offices.

4 CHAIR:

5 Okay.

6 MS. AEBLI:

7 That will all create economic development
8 and jobs.

9 CHAIR:

10 My question is, is there a website or
11 anywhere a resident of Scranton or Lackawanna County
12 can go and, basically, take a look at all that you
13 have identified?

14 MS. AEBLI:

15 Yes, it's all on our ScrantonPA.gov
16 website.

17 CHAIR:

18 Okay.

19 MS. AEBLI:

20 I have our application, what we funded,
21 yes.

22 CHAIR:

23 Okay. Thank you.

24 MS. AEBLI:

25 Okay. Thank you.

1 CHAIR:

2 Let me welcome a member of the
3 Pennsylvania House Intergovernmental Affairs Committee
4 and, in fact, the Minority Chair of the Committee on
5 Federal State Relations. And that is the Honorable
6 Duane Milne. Come and say good morning.

7 REPRESENTATIVE MILNE:

8 Good morning. It's very nice to be a
9 part of your conversation.

10 CHAIR:

11 And let me also acknowledge that Ms.
12 Kelly O'Connor is now here. She is representing
13 Chairman Neal Goodman of the Northeast Delegation.
14 Ms. O'Connor, glad to have you.

15 Our next presenter will be Mr. James
16 Phillips, who's the borough manager for East
17 Stroudsburg, Monroe County.

18 MR. PHILLIPS:

19 Good morning.

20 CHAIR:

21 Good morning.

22 MR. PHILLIPS:

23 I wanted to thank the Committee for the
24 opportunity to provide remarks regarding the American
25 Recovery and Reinvestment Act of 2009, otherwise known

1 as the ARRA program, and its impact on communities in
2 Northeastern Pennsylvania. First of all, I must say
3 that my impression is that many, if not most, smaller
4 local governments are not receiving ARRA funds
5 directly. East Stroudsburg Borough is fortunate in
6 that it has been approved to receive ARRA monies in
7 two forms: one, through an additional grant via the
8 Community Development Block Grant Program. Under that
9 program the borough is to receive approximately
10 \$34,000, which is in addition to our regular CDBG
11 allocation as an entitlement community. Regular CD
12 allocation this year is approximately \$165,000. So
13 this \$34,000 will give us about 20 percent more in
14 funds to work with for 2009.

15 Second, our borough was successful in
16 applying for ARRA funds made available through the
17 Pennsylvania Infrastructure Investment Authority, or
18 PENNVEST. The borough applied for and was awarded
19 funding to replace and upgrade several old waterlines
20 within our public water distribution system. These
21 funds, approximately \$800,000, will be received in the
22 form of a low-interest loan to the Borough to be
23 repaid over a 20-year period. We have actually
24 started construction on that project, just after Labor
25 Day. And we should be done with most of the

1 construction work by the end of this year. I should
2 add that we have not yet actually received any funds
3 yet either from the PENNVEST loan or the CDBG
4 allocation, but we have contracts for them.

5 While we are certainly glad to be able to
6 receive ARRA funding, from our municipal perspective
7 it has been rather frustrating to deal with the extra
8 requirements that have been added on for use of these
9 monies. Both the CDBG-R program administered by the
10 Pennsylvania Department of Community and Economic
11 Development and the PENNVEST Program have made us jump
12 through additional hoops, so to speak, over and above
13 the normal requirements that we are always subject to
14 as a public agency. The CDBG-R funds were not to be
15 used to supplement existing programs, but we were
16 supposed to find new or separate project activities.
17 Now in our case, we're planning on using these funds
18 to completely repave streets within our main Public
19 Housing Authority project area, which is a low to
20 moderate-income area. So it's eligible for use of the
21 funds.

22 Regarding the PENNVEST monies, I'd always
23 been told prior to applying that the PENNVEST
24 application and disbursement process had become such a
25 detailed and drawn-out process that it wasn't really

1 worthwhile unless you were receiving a grant or unless
2 you were going after at least \$1 million. And I can
3 certainly see where that view comes from because our
4 project has required a major commitment of time and
5 our resources on behalf of the borough. Frankly, we
6 would not have been able to accomplish either the
7 application or administration of the loan funds
8 without the efforts of our consulting engineers. Of
9 course, we're paying for those services.

10 Smaller municipalities may be precluded
11 from even being considered for PENNVEST funds because
12 they don't have the staff or consultants to handle the
13 implementation. And as with the CDBG-R funds, there's
14 been a lot of --- I'll call it busywork that has added
15 to the administrative burden of handling the PENNVEST
16 loan.

17 I should mention one thing that PENNVEST
18 did with the round of funding where we were approved
19 that included the ARRA funds, and that is that they
20 ---. For that round only, they dropped their normal
21 requirement that applicants had to have all permits in
22 place before they even applied for funds. This was
23 done, presumably, in order to get the funds out sooner
24 to have the maximum positive impact on the economy.
25 Now, that was critical in our case because we needed

1 permits from both PennDOT and the local conservation
2 district to be able to do our waterline project. So
3 if the goal of the ARRA program is to provide stimulus
4 to our local and national economy, that's the type of
5 policy that needs to govern use of ARRA funds.

6 Most of the projects that the
7 municipalities are undertaking with the ARRA funds, I
8 would presume, are maintenance or traditional
9 construction projects, like our paving and waterline
10 construction work. And I heard Scranton indicate that
11 they're using monies for paving. It's somewhat
12 difficult to gauge the job-creation results of those
13 types of projects because, in most cases, for smaller
14 projects, the contractors are using their existing
15 workforces. They're not doing new hiring. So the
16 benefit is probably in job retention as opposed to job
17 creation. Again, there's a lot of paperwork required
18 to be submitted by both the contractor and the
19 municipality, which seems to be superfluous at times.

20 I don't have the answers to what is the
21 correct balance between streamlining policies to help
22 administer the ARRA funds in a more timely and
23 efficient manner versus adding requirements for use of
24 the ARRA funds to accomplish other stated or implied
25 goals that were included in the legislation. But I do

1 want to again thank you for the opportunity to provide
2 comments on the ARRA program and for taking the time
3 to look at this program's impact on Northeastern
4 Pennsylvania. Thank you.

5 CHAIR:

6 Thank you. Representative Smith, any
7 questions?

8 REPRESENTATIVE SMITH:

9 Just dawned on me. You're in --- is it
10 East Stroudsburg or Stroudsburg?

11 MR. PHILLIPS:

12 East Stroudsburg, Monroe County.

13 REPRESENTATIVE SMITH:

14 Okay. And stay with me on this. Be
15 patient with me. Has gaming had a positive impact on
16 East Stroudsburg as far as restaurants, hotels,
17 community services, that type of thing? Have you seen
18 ---?

19 MR. PHILLIPS:

20 Not really. We're far enough away from
21 the Mount Airy casino --- you know, Mount Pocono, that
22 we don't see the direct --- those kind of direct
23 impacts.

24 REPRESENTATIVE SMITH:

25 Low-traffic ---?

1 MR. PHILLIPS:

2 Again, we're 15 miles, so probably no.
3 We don't ---. That hasn't impacted us, per se.

4 REPRESENTATIVE SMITH:

5 Thank you.

6 CHAIR:

7 Thank you, Representative Smith.
8 Representative Milne?

9 REPRESENTATIVE MILNE:

10 I just wanted to get a clearer
11 understanding in terms of the administrative
12 difficulties, implementations, obstacles that you
13 communicated which seem to be attached with the ARRA
14 funds. Has it been your experience that it is more
15 difficult than any normal activities with grant
16 conditions, conditions of aid, any normal type of
17 federal funding you ask for that's ---?

18 MR. PHILLIPS:

19 Well, we're subject to all the normal
20 requirements like for the Community Development Block
21 Grant Program. Those requirements have applied for
22 the use of the CDBG-R monies. And as far as the
23 PENNVEST loan, they've incorporated the ARRA
24 requirements. And I guess, certainly, a lot of it is
25 due to the fact that because of the relative quickness

1 that this program came about, they've been developing
2 the regulations as they've gone along. And I mean,
3 for example, just last week we got a notice that they
4 wanted contractor wage rate information to be
5 submitted separately by the contractor through the
6 borough. And that was all information that was
7 already in the wage determination for the wage rates
8 that we had to apply for before we even did the
9 project. So it seemed like extra work, frankly, that
10 ---. You know, again, they came out with the policy
11 or regulation, meanwhile, you know, after we had
12 already bid and been awarded the project. So I think
13 some of it's due just to the fact that they've been
14 developing it as they go. From my perspective, it
15 just seems like this has added additional hoops to
16 jump through, I mean, over and above the normal
17 requirements.

18 REPRESENTATIVE MILNE:

19 And you had indicated that your borough
20 seems to be a bit of an exception to receive funds
21 directly. You indicated that most boroughs are not
22 directly receiving funds. What accounts for your
23 borough being that exception to the rule? Do you do
24 something better or different than other boroughs or
25 ---?

1 MR. PHILLIPS:

2 Well, the CDBG-R monies we're receiving
3 because we are an entitlement community under the
4 Community Development Block Grant Program, concerning
5 the ARRA funds through PENNVEST, we went after those
6 funds as far as, you know, submitting an application
7 for that purpose. And again, the only thing I can say
8 there is that I could see very easily why small
9 municipalities might be discouraged from even applying
10 for those funds because it is quite a rigorous process
11 to go through, and expensive, you know, if you have to
12 use your consulting engineers. So I could see where
13 it would not be real conducive to a lot of smaller
14 communities with smaller projects to have to go
15 through all that to obtain those funds.

16 REPRESENTATIVE MILNE:

17 Thank you.

18 CHAIR:

19 A couple of questions. One, you seemed
20 to indicate that the limited amount of dollars
21 received by East Stroudsburg went more towards job
22 retention rather than job creation.

23 MR. PHILLIPS:

24 That's my impression because, again,
25 these --- for example, waterline project, I don't

1 believe they're going out and hiring new people.
2 They're keeping their crew busy where perhaps they
3 otherwise might not be doing. So I think it's more job
4 retention in that case.

5 CHAIR:

6 Okay. In your packet you should have a
7 stimulus report that we received from our Legislative
8 Office for Research. And it indicates that Lackawanna
9 County has received about \$15.5 million. And the
10 total funding to which probably includes state funding
11 is going to come out to about \$31.1 million. Do you
12 receive information regarding distribution of ARRA
13 funds to your county?

14 MR. PHILLIPS:

15 I don't believe we have, no.

16 CHAIR:

17 Okay. The other thing, I'm sorry, from
18 the Office of Economic Development had to leave and I
19 wanted to ask about workforce investment funding. It
20 is our understanding that states are going to receive
21 about \$5 million in the form of grants for adult
22 education and training, \$1.2 million for youth
23 activities including summer employment and education-
24 related opportunities, \$1.2 million for dislocated
25 worker employment, \$200 million for dislocated worker

1 national reserve, \$50 million for YouthBuild
2 activities. And as I asked you, I mean, have you been
3 able to identify any of those benefits to your county?

4 MR. PHILLIPS:

5 No, I really can't tell you because those
6 funds typically would not be coming directly to, say,
7 our municipality. So I don't have information as to
8 what is coming to Monroe County, no.

9 CHAIR:

10 Okay. As the borough manager, how do you
11 receive information regarding stimulus finance and
12 opportunities?

13 MR. PHILLIPS:

14 We have received information directly
15 from Congressman Kanjorski's office.

16 CHAIR:

17 Okay.

18 MR. PHILLIPS:

19 I think we have received information from
20 state agencies concerning different programs like I've
21 mentioned --- DCD and PENNVEST.

22 CHAIR:

23 Okay. Do you receive anything directly
24 from the Government's Oversight Commission on ARRA
25 funding?

1 MR. PHILLIPS:

2 I don't believe we have.

3 CHAIR:

4 Okay. Do you have any recommendations
5 for this Committee and for the Government's Oversight
6 Commission?

7 MR. PHILLIPS:

8 Again, I cited the example of PENNVEST
9 whereby they, in an attempt to speed up getting the
10 funds out into the economy, I'd say they had
11 eliminated the requirement for that particular round
12 of funding, for all permits to be in place before you
13 even applied for the funding. And I think that's an
14 example of doing something ---. If you're actually
15 trying to get the money out there sooner, that's the
16 way to do it. Cutting down on the red tape, if you
17 will.

18 CHAIR:

19 Okay. This is my last question then.
20 And these questions will probably be asked of the
21 other borough managers and those who are here. It's
22 my understanding that there is a sizeable amount of
23 stimulus dollars going into --- are available for
24 local municipalities around law enforcement. Has your
25 borough received and/or applied?

1 MR. PHILLIPS:

2 Actually, in our particular case, we have
3 a regional police department. And they did apply for
4 funds and, actually, have received a commitment for
5 funds to hire non-uniform staff. We have a fairly
6 large regional police department of 56 officers, and
7 this is for an evidence officer and for a court
8 liaison officer to be able to better track and control
9 overtime costs. Now, I'm not positive that that
10 funding source is actually ARRA monies, but I suspect
11 that it is. And I didn't mention that because, again,
12 it's not directly to the borough. But it is through
13 our police department, yes. So in that sense, we are
14 gaining advantage from that program in that sense
15 also.

16 CHAIR:

17 Okay. That's on one side. The other
18 side of stimulus dollars runs to victim assistance,
19 electronic surveillance, improving the safety of
20 residences because the Justice Department has two to
21 three streams of funding for local communities and
22 townships. On one side is to add more cops on the law
23 enforcement side. But there's also another side which
24 deals directly with residents and townships and
25 boroughs. Let me suggest that if you haven't been

1 receiving any information, you should reach out to
2 Pennsylvania State Police or even to the Justice
3 Department to get all of that information. Thank you.

4 MR. PHILLIPS:

5 Thank you.

6 CHAIR:

7 Our next presenter, Mr. Marvin G. Meteer,
8 who is a board member of the Pennsylvania State
9 Association of Township Supervisors. Good morning.

10 MR. METEER:

11 Good morning. Chairman Thomas and
12 members of the House Intergovernmental Affairs
13 Committee, good morning. My name is Marvin Meteer. I
14 am an Executive Board member for the Pennsylvania
15 State Association of Township Supervisors and a
16 township supervisor in Wyalusing Township up in
17 Bradford County.

18 I want to thank you for this opportunity
19 to appear here today on behalf of the 1,455 townships
20 in Pennsylvania that are represented by our
21 association. Townships across the Commonwealth
22 comprise 95 percent of our Commonwealth's land area.
23 We are home to more than 5.4 million Pennsylvanians,
24 which is nearly 42 percent of all the state residents.
25 These townships across the Commonwealth are very

1 diverse. They range from rural communities with fewer
2 than 200 residents to more urban communities with
3 populations approaching 70,000 residents.

4 The American Revitalization and
5 Reinvestment Act, or ARRA, was passed by Congress in
6 February to help the country recover from the
7 recession and to create jobs. The hundreds of
8 billions of dollars in funding were allocated through
9 28 different federal agencies which, in turn, awarded
10 grants to state or local governments or directly to
11 schools and other organizations. This funding was
12 awarded through approved allocation formulas,
13 competitive or discretionary grants to a federal or
14 state agency, or through entitlement programs such as
15 employment compensation. When originally passed, we
16 were hopeful that townships would be eligible to
17 receive a portion of the funding package designated
18 for Pennsylvania. Through special training sessions,
19 the PSATS website, and our publications, the
20 Association worked to provide information to townships
21 about how this money would be distributed and what
22 opportunities that they might want to take advantage
23 of.

24 However, as time has passed, very few
25 townships have actually received any funds through the

1 ARRA. In many counties the only visible signs of the
2 federal stimulus are the additional PennDOT work zones
3 on state highways and bridges. Those townships that
4 do report receiving funding to date appear to be
5 primarily for sewer or water projects. For example,
6 Findlay Township in Allegheny County was successful in
7 obtaining funding for a waterline distribution project
8 through its ---. They got that through the municipal
9 authority. And I might add that this particular
10 township did not have any specific complaints about
11 the application process for this \$2.4 million project
12 that will be funded by 75 percent in federal funds and
13 25 percent in local funds.

14 Other townships report submitting
15 applications for funding and are waiting for a
16 response, including several townships that applied for
17 Transportation Investment Generating Economic Recovery
18 grants, also known as the TIGER grants. These
19 particular projects have been in the planning stages
20 for some time and have been vetted by both PennDOT and
21 the appropriate planning organization. One township
22 official remarked that they spent a good deal of time
23 searching for grant opportunities from the ARRA but
24 that most of the grants appeared to be aimed towards
25 larger entities or simply did not match their

1 township's particular project needs. This appears to
2 be a common sentiment among township officials.
3 Several township officials remarked that the process
4 could have been improved if municipalities could have
5 received funds for road repairs and parks and
6 recreation improvements.

7 The majority of townships, to our
8 knowledge, did not apply for a variety of reasons.
9 Either they did not look for funds because they did
10 not believe that their project would qualify, they did
11 not have a project ready to go, or they did not have
12 the staff time required to aggressively search out the
13 opportunities. While we have heard that the ARRA has
14 onerous reporting requirements and substantial
15 penalties for failure to comply with these
16 requirements, this was not specifically cited as a
17 reason for not applying. One township noted that they
18 used a consultant when applying for an energy grant
19 because the application was much too complicated for
20 the average township staff, and a certified energy
21 consultant was required. Another township received a
22 small grant towards the purchase of a new truck
23 because a non-profit association that reached out to
24 the township wrote that application on the township's
25 behalf.

1 We believe the townships could have
2 benefited from the stimulus funding if it had been
3 distributed differently. A portion of the highway
4 funding allocated to Pennsylvania could have been
5 fairly distributed to municipalities across the state
6 through the liquid fuels formula, which is based 50
7 percent on road mileage and 50 percent on population.
8 And this, too, would've helped townships, then, pave
9 an extra mile or more of road or purchase the needed
10 equipment. In fact, such a distribution this way
11 could have helped to restore local government's fair
12 share of 20 percent of Pennsylvania's transportation
13 dollars as the local share of the gas tax dollars
14 decreased over the years to less than 14 percent.
15 Instead, all of Pennsylvania's designated funding for
16 road maintenance and construction was allocated to the
17 Pennsylvania Department of Transportation for projects
18 on the 12-year plan.

19 From the Association's perspective, it
20 took a good deal of effort on the part of townships to
21 go after these grant opportunities. As mentioned
22 earlier, the Association provided information about
23 the ARRA and continues to promote through our website
24 and our regular publications any grant opportunities
25 as they arise. However, the difficulty is that these

1 programs have a short window of opportunity, usually
2 only 30 to 60 days from the time the program
3 announcement is made to the time that applications
4 must be received. In some cases, the anticipated
5 application time frame was pushed back weeks or months
6 as the agency worked to complete program guidelines.
7 This makes coordination difficult and requires a
8 municipal official to have a project ready to go and
9 aggressively seek out and track new grant
10 opportunities since the time frames are generally
11 unforgiving.

12 The application process can be
13 cumbersome. And we have also heard from townships
14 that they missed an application deadline for a state
15 grant funded by ARRA because they did not have a DUNS
16 number and ran out of time to obtain one. These DUNS
17 numbers are unique nine-digit sequences recognized as
18 the universal standard for identifying and tracking
19 businesses and appeared to be required for most, if
20 not all, ARRA grant applications. While the
21 turnaround time for obtaining a DUNS number is usually
22 very short, most townships do not have a DUNS number.
23 And this was one additional step in a compressed
24 application schedule.

25 In closing, while the economic stimulus

1 package did offer a funding opportunity that could
2 have benefited townships and their residents, few
3 townships have actually received any funds due to
4 difficulties in locating and applying for
5 opportunities that fit a particular township's needs
6 or the lack of shovel-ready projects where appropriate
7 engineering had already been completed. A direct
8 allocation or a more flexible distribution process by
9 state agencies, we believe, would have produced
10 greater benefits for townships.

11 So once again, I want to thank you for
12 this opportunity to testify today on behalf of
13 townships across the state. Thank you.

14 CHAIR:

15 Thank you, sir. Representative Smith?

16 REPRESENTATIVE SMITH:

17 Thank you, Mr. Chairman. I don't have
18 anything right now, but as I said earlier, I have an
19 appointment in about ten minutes. And I have to run
20 out. But I will be back as soon as I finish that.
21 Thank you.

22 CHAIR:

23 Representative Milne?

24 REPRESENTATIVE MILNE:

25 Thank you. Could you maybe elaborate on

1 the role of PSATS in the process of trying to help
2 townships be versed and educated about ARRA and some
3 of the opportunities? What kind of role did your
4 association try to play in facilitating the
5 information out or help the townships, perhaps, with
6 difficulties and having the expertise needed to locate
7 the grants?

8 MR. METEER:

9 We would use, mainly, our township news
10 magazine as a means to explain the process. We have a
11 PSATS alert system that goes out that pertains to
12 legislation and so forth. Information was included in
13 that. There had been, I believe, some workshops in
14 various places across the state on this.
15 Unfortunately, most of those workshops were held in
16 the southern part of the state. And of course, our
17 staff is always there on-call to answer any questions
18 by any of our members.

19 REPRESENTATIVE MILNE:

20 Sure. What was your experience with the
21 main website for Recovery.gov and any feedback about
22 how effective that was or not?

23 MR. METEER:

24 Well, my personal experience is that, you
25 know, you need to be a little familiar with it in

1 order to use it. You need to be familiar with what
2 ARRA is. Unfortunately, I think for many of our
3 townships, which are rural townships, some of them,
4 many of them, do not have access to the internet. So
5 in that case, it didn't really help much. And many of
6 our townships do not have a full-time staff, which
7 would be a disadvantage in making any applications.
8 It's always good to have staff that you can dedicate
9 to that application process or that particular
10 program, whatever it may be.

11 REPRESENTATIVE MILNE:

12 Sure. Thank you.

13 CHAIR:

14 Representative Knowles?

15 REPRESENTATIVE KNOWLES:

16 Thank you, Mr. Chairman. And thank you
17 for your very frank and candid comments. It's greatly
18 appreciated. I think that we would all agree that
19 public input is very important any time that we're
20 talking about planning or making decisions on a
21 process of any sort, but I was wondering, was PSATS
22 ever contacted by the state to provide any input on
23 setting priorities for stimulus projects? Did anybody
24 ever contact you as an organization and get any input
25 from you?

1 MR. METEER:

2 I'm not exactly sure what you mean, but
3 in the very beginning, the PSATS Executive Board had
4 been invited to the Governor's mansion when he
5 announced this program and was getting the package
6 that had been prepared for that purpose. Other than
7 that, I guess I can't really answer your question. I
8 would have to go back to the staff and find out at the
9 office if there had been any contact along the line
10 that you're talking about.

11 REPRESENTATIVE KNOWLES:

12 Yes, I would be curious to know that. I
13 would be curious to know if you recall, did they
14 solicit you for ideas in terms of the way the project
15 should be administrated. If you could get back to us
16 on that, I'd be really interested.

17 MR. METEER:

18 Sure.

19 REPRESENTATIVE KNOWLES:

20 Thank you, Mr. Chairman.

21 CHAIR:

22 Thank you, Representative. Couple
23 questions.

24 MR. METEER:

25 Sure.

1 CHAIR:

2 Number one, did you ever get an
3 invitation to become a part of the Government's
4 Oversight Committee?

5 MR. METEER:

6 I don't believe so, but again, perhaps I
7 need to check to make sure on that.

8 CHAIR:

9 Okay. 'Cause I'm sure if you did, you'd
10 probably know. My second concern is, acknowledging
11 that the Secretary of General Services is the stimulus
12 czar, does PSATS get quarterly or regular reports?

13 MR. METEER:

14 I believe they do. Again, I'll have to
15 go back to the staff to find out specifically.

16 CHAIR:

17 You provided some good recommendations.
18 Are there any additional recommendations that you
19 would like to make?

20 MR. METEER:

21 I think probably the number one
22 recommendation that I would make was included in my
23 testimony, which was to distribute the funds fairly.
24 There's a formula in place that's used for liquid
25 fuels funds based on mileage and population. That

1 would have eliminated much of the application process.
2 I believe it could have been tracked through the
3 regular auditing process. And I think that would be
4 my main recommendation.

5 CHAIR:

6 Okay. But that would only relate to
7 roads and bridges; right?

8 MR. METEER:

9 True, roads and bridges. And I think
10 some of those other projects, to be honest, that would
11 deal with infrastructure and so forth probably apply
12 mostly to the larger townships that do have a staff
13 that they could dedicate to the application process.
14 So perhaps that would be taken care of anyway.

15 CHAIR:

16 Okay. Did you receive any information
17 from the Commonwealth regarding stimulus-related
18 opportunities other than roads and bridges? For
19 example, Justice Department opportunities, law
20 enforcement opportunities, workforce opportunities,
21 education opportunities?

22 MR. METEER:

23 Are you talking about as a township?

24 CHAIR:

25 On behalf of PSATS.

1 MR. METEER:

2 I imagine they did. It was part of ---.
3 Those opportunities were a part of that original
4 package that was introduced the day of the governor's
5 meeting with us.

6 CHAIR:

7 Okay. But you acknowledge you have not
8 heard anything ---?

9 MR. METEER:

10 No.

11 CHAIR:

12 Okay. Thank you. And we welcome an
13 opportunity to keep the lines of communications open
14 between IGA and PSATS. And I don't know how many
15 people are aware of it, but we are a governmental
16 committee of the House that primarily focuses on
17 intra- and intergovernmental relations between
18 townships, towns, state, and federal government. We
19 try to meet with the Pennsylvania Congressional
20 Delegation at least once or twice, you know, so that
21 we can kind of be in sync on some of these federal
22 issues, such as these mandates and some of these other
23 things that the state is required to implement without
24 any money.

25 So we are your voice. We are your

1 password in addressing some of them
2 interstate/intrastate relations. Okay? Thank you.

3 MR. METEER:

4 Thank you for that.

5 REPRESENTATIVE KNOWLES:

6 Pardon me. I just have to ask this
7 question. And I want you to be brutally honest. If
8 you were to grade us on the way that we are
9 administering this program ---. If you were to grade
10 us, that is the state, what would our grade be? And I
11 ask you to be brutally honest.

12 MR. METEER:

13 I was a high school teacher for 31 years,
14 and I passed out a lot of grades. As far as townships
15 go and my own experience, I wouldn't give you a
16 failure, but --- I saw that. Our own experience in
17 the northern tier and in our rural counties, it would
18 have to be a D.

19 REPRESENTATIVE KNOWLES:

20 Thank you, Mr. Meteer.

21 MR. METEER:

22 If I could just add one thing. And
23 oftentimes our townships, which I've mentioned, do not
24 have staff to carry out the application process. We
25 rely upon agencies such as, in our area, the Northern

1 Tier Regional Planning and Development Commission who
2 had a person who had helped us in the past with our
3 grant applications. At this particular time it was
4 one of the worst times it could have happened.
5 Because of the lack of a state budget, that person was
6 laid off from that agency. And that was our only real
7 opportunity for somebody who had expertise in
8 preparing grant applications. So it was kind of a
9 double whammy.

10 REPRESENTATIVE KNOWLES:

11 I think I heard D as in dumb, not B as in
12 boy.

13 MR. METEER:

14 Right.

15 REPRESENTATIVE KNOWLES:

16 Thank you, sir.

17 MR. METEER:

18 Thank you.

19 REPRESENTATIVE SMITH:

20 Thank you, sir.

21 CHAIR:

22 Representative Milne? He's got a
23 question.

24 MR. METEER:

25 Oh, I'm sorry.

1 REPRESENTATIVE MILNE:

2 I'm not challenging your grade. I'm an
3 educator myself. A grade's a grade. But actually,
4 I'm just curious. Except I'm very sensitive to the
5 sad realities of townships and particularly smaller
6 boroughs. And in part, my earlier question about the
7 role of the Association was --- what I'm wondering is
8 --- I'm trying to figure out ways to improve us.
9 Again, it's not to challenge anything the township has
10 or hasn't done --- this one individual unit. I concur
11 with you wholeheartedly. I think it's very
12 unrealistic for one part-time employee or one township
13 manager to be a grant officer at the same time. But
14 what is the potential for more joint efforts by
15 individual townships to try to find some of these
16 opportunities --- to be able to somehow pool some
17 resources?

18 In other words, the ability to hire one
19 contract administrator, one grant consultant or
20 independent contractor to try to leverage that
21 person's expertise for eight, ten, whatever, townships
22 at a time? Is there ---? Are these projects ---? Do
23 they have that kind of expanse? Would it be feasible
24 enough that someone in one quadrant, your county or
25 something like that ---?

1 MR. METEER:

2 I guess there's ---. The potential is
3 there. I think that's a possibility. I'm sure all of
4 you have worked at some time in your community with
5 committees and so forth. And you know that you're
6 working with volunteers with limited time and
7 differences of opinion and expertise and so forth.
8 And it takes somebody as a leader to step up to begin
9 with and to do that. The initiative has to be there.
10 And I guess, in answer to your question, I think
11 there's some potential to that. And there's, you
12 know, very good possibilities, but it has to be
13 structured and organized. Perhaps our association
14 could help in that. I'm not sure.

15 REPRESENTATIVE MILNE:

16 Thank you.

17 CHAIR:

18 Thank you. Just to kind of add to the
19 conversation, you said that you would grade us a D.
20 And a couple of my colleagues kind of reacted to that.
21 I didn't react to it, primarily because the
22 organization, administration and distribution of
23 stimulus dollars in the Commonwealth of Pennsylvania
24 has been driven by the executive branch. The
25 executive branch created an American Recovery and

1 Reinvestment Act Oversight Committee and some people
2 from different places were designated as czar. And
3 that's the thing. Keep in mind we ---. It's my
4 understanding that we might have spent about one third
5 of the dollars designated to Pennsylvania.

6 We will be electing our new governor next
7 year. The model that is currently in place might not
8 be by then because each chief executive officer, as
9 long as it remains in the executive branch, will be
10 empowered to create whatever structure they deem as
11 appropriate for dealing with the stimulus dollars.
12 We're at a very good crossroads in all of this because
13 we have an opportunity to say something about how this
14 process works at the bottom without having to beat up
15 on anybody or without having to become over-
16 reactionary.

17 We are at a good point. And that's why I
18 need each and every one of you to, if you did not
19 provide recommendations in your testimony, submit
20 written recommendations to us because we have a real
21 interest in strengthening this benefit so that it
22 does, in fact, create jobs and put money, revenue,
23 back into the local economy. We have a real interest
24 in that.

25 Our next presenter, Ms. Judy Borger, who

1 is a Director of the Carbon County Office of Planning
2 and Development. Ms. Borger?

3 MS. BORGER:

4 I'll try to keep my voice up because of
5 the acoustics in here.

6 OFF RECORD DISCUSSION

7 CHAIR:

8 We are back with Ms. Borger.

9 MS. BORGER:

10 Thank you, Chairman Thomas, other members
11 of the House Intergovernmental Affairs Committee, for
12 the opportunity to testify today regarding ARRA and
13 how the federal stimulus funding has affected
14 communities throughout the Commonwealth. I will focus
15 my comments today on the impact on Carbon County.

16 I'm Judy Borger, Director of Carbon
17 County's Office of Planning and Development. I'm here
18 today representing Carbon County Commissioners.
19 Commissioners O'Gurek, Getz and Nothstein could not be
20 here today because, as we speak, they're having a
21 Commission meeting to conduct county business. I was
22 asked to substitute for them since I am the person the
23 Commissioners designated to coordinate the ARRA
24 program and funding activities for the county. In
25 large part, I was asked to do this because of my

1 legislative background. I have 12 years of service as
2 a staff person in the Pennsylvania
3 Legislature/Administration and 12 years of service in
4 the U.S. House of Representatives.

5 First, let me tell you a bit about Carbon
6 County. We are a Sixth Class County with a 2000
7 population of 58,802. We are still very rural, and we
8 like it like that way. The county is comprised of 23
9 municipalities, 12 boroughs and 11 townships, with
10 populations ranging from 218 people in Lausanne
11 Township to 5,537 people in Lehighon Borough. The
12 latest July 1st, 2008 Federal Census Bureau estimates
13 an eight percent increase in population for the
14 county. So the county is experiencing growth. The
15 county is also experiencing an unemployment rate that
16 is slightly higher than the state average and a
17 sagging economy. The possibilities of assistance
18 through ARRA are very welcomed.

19 As you know, the American Recovery and
20 Reinvestment Act of 2009 is very long and very
21 complex. The first challenge was to get good
22 information about the elements of this complicated
23 piece of legislation so we could make sure we could
24 take proper advantage of funding opportunities it
25 presented for our county and municipalities. Even

1 with my legislative experience, I could not have made
2 my way through the more than 1,100 pages of the
3 legislation and made sense of what opportunities it
4 presented for us. Fortunately, U.S. Congressman
5 Kanjorski and U.S. Senator Casey came to their
6 constituents' rescue. Each of them prepared and
7 distributed guidebooks which served as a starting
8 point in providing information about what resources
9 were available to individuals, businesses, community
10 organizations and local governments. The guidebooks
11 provided information about what programs would be
12 receiving recovery funds, what programs the
13 Commonwealth of Pennsylvania would administer, and
14 what programs the respective federal agencies would
15 administer. Contact information was provided for each
16 program.

17 Now, I had a starting point to work from
18 that was manageable. I would have been lost without
19 these guidebooks, and I commend Congressman Kanjorski
20 and Senator Casey for having the foresight to prepare
21 and distribute these documents, as well as make the
22 information available on their websites. Each of our
23 municipalities received the same guidebooks I
24 received, but I knew that most of them would still be
25 overwhelmed at the prospect of reviewing the

1 information. The municipalities are all working with
2 limited staff who all seem to be overworked.

3 To assist our municipalities, I reviewed
4 the guidebooks, did an analysis of which of the
5 programs the county and our municipalities could more
6 likely take advantage of, and disseminated the
7 information to them. I focused initially on
8 transportation, PEENVEST, the Community Development
9 Block Grant, or CDBG program, the Community Oriented
10 Policing Services or COPS program, and USDA Rural
11 Development programs.

12 In our region, the transportation funding
13 was channeled through the Northeast Pennsylvania
14 Alliance. PennDOT District 5-0 presented a list of
15 projects to be completed with stimulus funding to
16 NEPA. One project is targeted for Carbon County, the
17 resurfacing of State Route 209 from the McCall Bridge
18 through Lehighton Borough to Jim Thorpe. The total
19 estimated cost of the project is \$2.2 million, and the
20 estimated jobs created or retained is 13. The project
21 is scheduled to begin in 2010.

22 The stimulus funding targeted for
23 drinking and wastewater system improvements in the
24 Commonwealth are managed by PENNVEST. Several of our
25 municipalities were successful in securing

1 infrastructure funding. East Penn Township was
2 awarded \$2.9 million for a sanitary sewer collection
3 system. And construction has begun on this project.
4 Jim Thorpe Borough was awarded \$1.2 million for
5 drinking water infrastructure. And the Hazleton City
6 Authority, which is not in Carbon County, was awarded
7 a \$12.5 million funding package for drinking water
8 infrastructure in Luzerne and Schuylkill Counties and
9 four municipalities in Carbon County; Banks, Lausanne
10 and Packer Townships, and Beaver Meadows Borough.

11 The CDBG program received additional
12 funding through ARRA. These funds are administered by
13 the Department of Community and Economic Development
14 and are formula-driven to the counties. Each of
15 Carbon County's five entitlement communities will
16 receive about \$33,000, and the county will receive
17 \$80,000 to distribute to non-entitlement communities
18 throughout the county. The county has not yet
19 received the contract for this funding, yet it must
20 obligate the funds by January 26, 2010.

21 A number of our municipalities submitted
22 grant applications to the COPS program to address
23 their need to hire additional local law enforcement
24 officers. ARRA provided an additional \$1 million to
25 support this program nationwide. None of our

1 municipalities were successful in securing any of the
2 funding. Two of our municipalities, Palmerton Borough
3 and Mahoning Township, were deemed eligible for
4 Justice Assistance Grants, or the JAG program. JAG
5 funds are also allocated pursuant to a formula based
6 on population and crime statistics through the U.S.
7 Department of Justice. Application was made by
8 Palmerton Borough on behalf of both municipalities
9 directly to the U.S. Department of Justice. The
10 funding, totaling about \$37,000, is anticipated but
11 has not yet been received.

12 The county was notified that it was
13 eligible to receive additional ARRA funding through
14 the Homelessness Prevention and Rapid Re-housing
15 Program. The Pennsylvania Department of Community and
16 Economic Development also administers this program and
17 awards these funds through a formula allocation
18 process. The county had to first submit a Notice of
19 Intent to apply for the funding, then submit a
20 separate application. The Carbon County Action
21 Committee for Human Services is the county's
22 designated administering agency for this program and
23 submitted the application on behalf of the county.
24 The county's allocation will be \$344,447. It's
25 anticipated that this homelessness prevention program

1 will assist at least 35 families. Funding must be
2 expended by August 2012. The Action Committee is also
3 anticipating receiving \$2,336,403 through the
4 Weatherization Program to weatherize 482 homes by
5 March of 2012 and \$449,664 through the Community
6 Services Block Grant Program to hire and train
7 individuals to help low-income residents with their
8 tax preparations to assure they take advantage of the
9 various tax breaks they are eligible for. The Action
10 Committee has not received contracts for any of these
11 programs and is concerned about how this will impact
12 their ability to meet the dates to expend the
13 anticipated funding as specified in the contracts.

14 All of the county's 23 municipalities are
15 eligible for the various programs offered through the
16 USDA's Rural Development. But municipalities have a
17 limited knowledge about the programs and how to apply
18 for them. Jack Kauffman, the Area Director for the
19 region that includes Carbon County, agreed to travel
20 to Carbon County to conduct an informational meeting
21 to provide information to interested municipal
22 officials about the various rural development
23 programs. While the meeting was well attended and
24 Rural Development received a number of follow-up
25 inquiries, no municipality has applied for rural

1 development funding. Most municipalities are looking
2 for grants, not loans. And Rural Development has a
3 limited number of grant programs available.

4 ARRA is assisting thousands of families
5 in Carbon County through a number of federal and state
6 programs. Estimates are that the stimulus funds
7 directly benefiting hard-hit families in the county
8 include 29 individuals and households that are already
9 receiving tax rebates. With the correction of the
10 federal AMT calculation, families will have more
11 dispensable income because they'll pay less in federal
12 taxes. And families will get extra help from the
13 American Opportunity Tax Credit to pay for college.
14 1,600 jobless adults will receive a boost in
15 Unemployment Compensation and an extension of
16 Unemployment Compensation payments.

17 2,700 unemployed persons qualify for
18 additional help purchasing health insurance. 8,900
19 low-income children and adults will continue to have
20 access to healthcare through the Medical Assistance
21 Program. 1,000 children and teenagers will continue
22 to receive their healthcare through Pennsylvania's
23 CHIP and Cover All Kids programs. And 5,500 children
24 and adults will receive more help through the
25 Supplemental Nutrition Assistance Program. This food

1 stamp benefit is approximately \$32 more per month per
2 household.

3 Stimulus funding is also coming to school
4 districts based on the state's formula and the State
5 Stabilization Fund. Additional funds will go directly
6 to school districts from the federal government via
7 the Title I and Individuals with Disabilities Act
8 formulas. More education technology funding is also
9 available to school districts. Carbon County's five
10 school districts are targeted to receive approximately
11 7.7 million additional dollars through the stimulus
12 program.

13 I've given you a rundown on the ARRA
14 funding the county anticipates receiving and some of
15 our experiences, but I know you're interested in
16 hearing about oversight evaluation and reporting. The
17 county's not received any contracts or funding for the
18 various programs. So there's little to report at this
19 point.

20 There's no question that ARRA's making a
21 difference in Carbon County, but there are challenges.
22 It takes time to get contracts in place, but there are
23 still deadlines to meet. It isn't easy to navigate
24 the maze of funding opportunities provided in ARRA,
25 and federal rules and regulations are still in the

1 process of being created. Organizations like the
2 National Association of Counties, its Pennsylvania
3 partner organization, the Pennsylvania Association of
4 Township Supervisors, have provided valuable
5 assistance through their websites, workshops and
6 webinars.

7 I do think that both the federal
8 government and the Commonwealth are making good
9 attempt to provide transparency about the ARRA funding
10 through their websites. The process will continue to
11 develop and improve. Lots of data is generated
12 through ARRA. And I'm sure managing that data is a
13 constant challenge.

14 Thank you again for the opportunity to
15 testify today. And I'd be happy to answer any
16 questions you may have.

17 CHAIR:

18 Thank you. Very good.

19 MS. BORGER:

20 Thank you.

21 CHAIR:

22 Representative Pashinski, any questions?

23 REPRESENTATIVE PASHINSKI:

24 Mr. Chairman, thank you. I'm just trying
25 to get my arms around everything. The most important

1 aspect is that the ARRA funds are definitely impacting
2 your particular county from the services that are
3 needed. In the short time that you've been working on
4 this, do you have any suggestions that could make the
5 process more efficient? And if you had the ability to
6 divert funds, would you direct them in a different
7 area?

8 MS. BORGER:

9 I'm going to take the first part of that
10 first. I think that what we all need to appreciate
11 --- and my having worked at both the federal and state
12 level --- while many of us have concerns with, say, in
13 Carbon County's instance, the amount of time that it's
14 taken to get contracts in place, but the funding can
15 come to us. We also have to appreciate that they also
16 are having to deal with the federal government that is
17 still developing regulations for many of those
18 programs. And so that's part of, I think, what's
19 complicating that process. I think, also, that the
20 state budget and that that lag time also impacted the
21 staff at the various agencies and the ability that
22 they had to process the paperwork that's needed to
23 sort of get down to our level.

24 So I think we just all need to have an
25 appreciation for what that whole system is and that

1 we'd all like for it to work faster and smoother and
2 simpler. But I think, all things considered, when
3 we're talking about the magnitude of dollars that have
4 been moving around, I do have an appreciation for the
5 transparency to the process that's been provided, both
6 at the federal level and the state level.

7 In Carbon County, a lot of the
8 information that I receive actually comes through the
9 County Commissioner's Association. I don't get the
10 direct communications other than the newsletters that
11 I've signed up to receive that come out of the
12 Governor's Office or the other agencies unless we're
13 communicating directly about whatever Carbon County's
14 allocation is. However, you know, if you take the
15 initiative, there's lots of information that's out
16 there and available on the various websites. But as
17 was mentioned previously, it does help to have a basic
18 understanding of what those programs are in order to
19 be able to maneuver around those websites as well.

20 As far as would I direct funding any
21 differently, again, having many small boroughs and
22 small townships in our county and with the economic
23 situation as it is right now, I think one of the basic
24 needs that municipalities and townships have is for
25 infrastructure development. Whether that's water,

1 whether that's sewer, whether that's roads, whether
2 that's highways, you know, all of that is so
3 interconnected with the ability to proceed with
4 economic development. And if I had my druthers, I
5 would direct additional funding in that direction.

6 REPRESENTATIVE PASHINSKI:

7 And I appreciate your candor. Coming
8 back to the first question I asked, do you think that
9 an extension --- a request for an extension may be
10 necessary in order to comply with the time frame that
11 people have to deal with?

12 MS. BORGER:

13 Well, I am not there yet. I'll give you
14 one example of the concern that I had. My office
15 actually implements the Community Development Block
16 Grant Program for the county and all the
17 municipalities in the county. When we received notice
18 that our CDBG-R, meaning stimulus monies, had been
19 approved, we received it actually almost a week after
20 the contract or the clock started ticking for the
21 amount of time that the county had to get the
22 contracts in place. Now, we can't really go out to
23 bid until we have a contract. I mean, we have a
24 fiduciary responsibility, I think, to everybody that
25 we know what's in place before we do that.

1 So we have, you know, 120 days to get
2 that money under contract. We're not up against the
3 wall yet, but we do hope that those contracts get in
4 place soon.

5 REPRESENTATIVE PASHINSKI:

6 And have you had communication with your
7 representative or senator to help you through this
8 maze?

9 MS. BORGER:

10 Definitely. We speak, yes, with
11 Congressman Kanjorski's office. Yes.

12 REPRESENTATIVE PASHINSKI:

13 Thank you very much for your testimony
14 and thank you for your good work.

15 MS. BORGER:

16 Thank you.

17 REPRESENTATIVE PASHINSKI:

18 Thank you.

19 CHAIR:

20 Thank you. Quick question. You didn't
21 have any interaction with the Government's Oversight
22 Committee?

23 MS. BORGER:

24 Have what?

25 CHAIR:

1 Or with the secretary ---?

2 MS. BORGER:

3 No, have not.

4 CHAIR:

5 But mostly you contact a councilman or
6 senator and sometimes from the agencies?

7 MS. BORGER:

8 From the agencies, yes, that we're
9 working with. We certainly have contact with them.

10 CHAIR:

11 And they've been pretty responsible?

12 MS. BORGER:

13 Yes, they have.

14 CHAIR:

15 Is this stimulus report that you related
16 --- how were these figures arrived at?

17 MS. BORGER:

18 Well, you have in my testimony the
19 figures that I have so far. I'm not quite sure what
20 the time frame is that they're working with and what
21 they generated or how they generated theirs. And I
22 actually haven't added up all the various categories
23 for Carbon County.

24 CHAIR:

25 This report is monies you received as of

1 July 20th, 2009.

2 MS. BORGER:

3 See, the county hasn't actually ---.
4 Well, this is when the whole data gets complicated
5 because programs --- monies are coming through a
6 number of different programs; through the food stamp
7 program, through the CHIP program. So some of those
8 monies may be coming into Carbon County. As far as
9 funding for CDBG, you know, for the homelessness
10 prevention program, we have not yet received any of
11 those funds because contracts aren't in place yet.

12 CHAIR:

13 Thank you. Representative Knowles?

14 REPRESENTATIVE KNOWLES:

15 Thank you, Mr. Chairman. It sounds to me
16 like Carbon County is very lucky to have you, Judy. I
17 mean that sincerely.

18 MS. BORGER:

19 As a matter of fact, ---

20 REPRESENTATIVE KNOWLES:

21 I'm sorry?

22 MS. BORGER:

23 --- your predecessor and I actually
24 worked together when I worked in the State House.

25 REPRESENTATIVE KNOWLES:

1 I didn't ---.

2 MS. BORGER:

3 Senator Argall and I actually worked
4 together on the staff in the State House many, many
5 years ago.

6 REPRESENTATIVE KNOWLES:

7 Well, I mean that sincerely. It seems to
8 me like you really have a good understanding and a
9 good grasp of this whole program. And it sounds to me
10 like Carbon County is really taking advantage of the
11 things you've mentioned, as they should. And you had
12 mentioned your senator. And you had mentioned your
13 congressman. And I would ask you what --- besides
14 yourself, the senator, and congressman, what other
15 factors or factor would you attribute that you could
16 get a grasp of this and fully understand it and take
17 advantage of it? Because certain counties and certain
18 communities that I talked to aren't experiencing the
19 same experience as you.

20 MS. BORGER:

21 Well, lots of people tell me that I did
22 this all backwards now, working at local government
23 level. But actually, I attribute that to my
24 experience both at the state level and at the federal
25 level. I'm very familiar with most of the programs.

1 I still know many of the people who are there. I know
2 how to maneuver myself around those systems. And I
3 know who to call and who to ask the right questions
4 of. And frankly, I think that's three fourths of the
5 battle when you're working with these kinds of
6 programs. It's impossible to know everything about
7 everything. But if you know where to go to get the
8 answers, that's really what you need.

9 And the other is reaching out to our
10 municipalities. What you say is very true. And we
11 all know. These townships are very, very understaffed
12 and very overworked, and just too overwhelmed to
13 actually sit down and take a look at what they should
14 or shouldn't be applying for. So to the extent that
15 the county can assist by doing outreach to them, I
16 think that's attributed to some of the success that
17 we've had.

18 REPRESENTATIVE KNOWLES:

19 Well, it would almost seem to me that you
20 you're the poster-child for organization that we
21 should be pointing to. I know your commissioners
22 well. And when I see them again, I'll tell them how
23 lucky they are to have you.

24 MS. BORGER:

25 Thank you.

1 REPRESENTATIVE KNOWLES:

2 Thank you so much for your testimony.

3 MS. BORGER:

4 Thank you.

5 CHAIR:

6 Thank you. Representative Milne?

7 REPRESENTATIVE MILNE:

8 You have experiences that all of the
9 other local governments and municipalities often need
10 a perspective on on a number of issues, including this
11 one. And similar to other presenters, you've
12 identified some of the administrative challenges of
13 trying to get a handle on these programs. Can you
14 give us an assessment of how our --- in terms of
15 requirements, administrative conditions, so forth and
16 so on, how your experience kind of compares to our
17 regular federal programs, federal activities. Is it
18 roughly comparable or is the difficulty greater?

19 MS. BORGER:

20 No, I think it's roughly comparable. I
21 think, frankly, one of the biggest challenges was, at
22 the federal level, you don't want to create any new
23 bureaucracy. If you want to try to channel the
24 funding through existing programs and then drive the
25 dollars out to those municipalities that are eligible

1 for funding directly from the federal government or in
2 the case of, you know, Carbon County, because of our
3 size, our funding doesn't come directly from federal
4 government. It gets channeled through the state and
5 then through the various programs and then channeled
6 to us. You know, I think it was a challenge. And
7 part of this, too, I think was a change in
8 administration. And so you had, you know, new staff
9 that weren't familiar, maybe, with how the whole ---
10 the federal government operates. I really think a lot
11 of the challenge was just, time-wise, trying to
12 develop the guidelines, trying to get it approved
13 through what the processes established --- whether
14 it's through, you know, your various agencies, through
15 OMB, you know, through the White House, whatever their
16 check and balance system is. I think that was really
17 one of the major challenges at the federal level.

18 And then, you know, the state, I think in
19 many instances, was ready and willing to move forward
20 but couldn't because they needed the guidance from the
21 federal government before they could move forward with
22 the program. So really, it is very much a domino
23 effect in how it all works. Is it anything new or
24 different? No, I don't think it was.

25 You know, I think that the amount of

1 money that was being driven, I think that piece of it
2 was a challenge. But we really haven't created a lot
3 of new programs here.

4 REPRESENTATIVE MILNE:

5 You have done, certainly, an exceptional
6 job in Carbon County and were really a critical
7 variable in the success of making this program work
8 for your jurisdiction. So that brings me to the
9 question of, where does a county go, or a borough or
10 municipality go, that doesn't have a Judy like you at
11 its disposal? What would you recommend to them?

12 MS. BORGER:

13 It's difficult. I mean, you asked the
14 question before about the ability to do maybe some
15 regional types of proposals. We'd have to think about
16 ---. The programs, not all of them lend themselves to
17 doing that kind of thing. You know, our
18 municipalities, our townships, boroughs don't have the
19 capability of doing applications, for the most part,
20 on their own. There are few that do. But they rely
21 on their engineers to do the work. And what's
22 unfortunate is that if the engineering cost isn't
23 included in the grant that they're applying for, many
24 of them can't even afford to hire the engineer to pay
25 for the preparation of the grant. And then if they're

1 not successful with the grant, they're out the money
2 of the cost of the engineer to prepare it. So it is
3 very difficult. Certainly the Township Supervisor
4 Association, you know, does provide --- will supply
5 assistance that they offered considering the ARRA
6 program. They are there, I think, to offer guidance
7 about what to do and how to do it. But again, you're
8 assuming that your townships and boroughs can --- or
9 in this case can actually afford the time, you know,
10 away from the office to do what they need to be doing.
11 And also, there is travel involved to get to those
12 kinds of facilities. That is a challenge. That is a
13 challenge.

14 REPRESENTATIVE MILNE:

15 Thank you. That's all.

16 CHAIR:

17 Representative Pashinski?

18 REPRESENTATIVE PASHINSKI:

19 Following up on what Representative Milne
20 was talking about, your state organizations,
21 obviously, have heavily investigated the process and
22 have the wherewithal and the resources in order to
23 guide you through this process. Would that be fair to
24 say?

25 MS. BORGER:

1 I think that's a fair statement. Matter
2 of fact, the Township Supervisors Association put
3 together a document very similar to the one that I was
4 referring to that Congressman Kanjorski and Senator
5 Casey put together that actually listed all the
6 various programs and contacts and that kind of
7 information. So yeah, I think that's a fair, accurate
8 statement.

9 REPRESENTATIVE PASHINSKI:

10 I was wondering if you ever sat in on
11 board meetings or if there's communication through
12 your Supervisors Association and whatnot?

13 MS. BORGER:

14 I think they do communicate a good bit.
15 Many times you will see them together, you know, even
16 to testify or they attend each other's workshops,
17 meetings. So I really do believe that there is a good
18 bit of communication that occurs between the
19 organizations.

20 REPRESENTATIVE PASHINSKI:

21 Is there a way we state representatives
22 or the state senators can help make everyone aware of
23 funds? I'm just looking to see if there's any way we
24 can help mitigate the process.

25 MS. BORGER:

1 Well, again, I mean, it's all about
2 communication. To the extent that information, you
3 know, that's timely and accurate can always be
4 exchanged, I think that's always the good thing.

5 REPRESENTATIVE PASHINSKI:

6 Thank you.

7 CHAIR:

8 Yes, Representative Knowles?

9 REPRESENTATIVE KNOWLES:

10 Thank you, Mr. Chairman. It all seems to
11 me that if we were to have a Judy in every county
12 that, you know, that Judy could be the person who
13 could carry them all. And based on what the gentleman
14 from PSATS said, I certainly understand the problem
15 with this. But it all seems to me that the whole ---
16 the group that can bring this together or the group
17 that would be the most helpful, even the CCAP, County
18 Commissioners Association of PA, would need someone
19 like you and some other people, someone from within
20 the county structure that could get educated and learn
21 the ins and outs of these programs. Is that an idea
22 that we should pursue? Does that make any sense to
23 you from your experience?

24 MS. BORGER:

25 Well, I mean, it certainly does to me.

1 To the extent that the legislature could assist by
2 funding PSATS and CCAP to provide an opportunity to
3 provide education at the local level so that they
4 could do more of it so that they don't have to travel
5 to the extent that they currently do to get that
6 information, I think that would be helpful.

7 REPRESENTATIVE KNOWLES:

8 See, I think there is some serious
9 conversation about it, which would determine --- they
10 just had their annual conference. And in that
11 conference, I believe if they had some kind of
12 breakout session on any kind of program, I think that
13 would help if someone like you would attend it. Thank
14 you very much, Mr. Chairman. Thank you, ma'am.

15 CHAIR:

16 Thank you, Representative Knowles. Quick
17 question. Suppose you were on the Governor's
18 Oversight Committee, would things be a little bit
19 better?

20 REPRESENTATIVE KNOWLES:

21 You got a new job.

22 MS. BORGER:

23 I don't need a new job.

24 CHAIR:

25 Well, my next question is, what about an

1 Advisory Committee as opposed to the Oversight
2 Committee, 'cause you mentioned --- my colleague
3 mentioned about funding going to PSATS. The next time
4 we get an opportunity to fund PSATS is going to make
5 for a much better process. There's a lot that is
6 going to happen between now and then. And I am
7 reminding you that you created some ways in which we
8 can strengthen this relationship now. And some of us
9 have suggested putting PSATS on the Government's
10 Oversight Committee or creating a Regional Oversight
11 Committee Advisory Council because the Oversight
12 Committee by and through the secretary of DGS can
13 provide resources for local workshops or education,
14 and for --- and could possibly at some point join with
15 us to provide some of their capacity for technical
16 assistance that some boroughs and townships need. I'm
17 just curious as to how you feel about that.

18 MS. BORGER:

19 I think that's an excellent suggestion,
20 actually. To the extent that technical assistance
21 could be provided to these small townships and
22 boroughs, I definitely think that that would be
23 something that would be most welcomed by the ---. An
24 excellent suggestion.

25 CHAIR:

1 Any other comments? Thank you, Ms.
2 Borger. I was excited and very informed by your
3 testimony.

4 MS. BORGER:

5 Thank you.

6 CHAIR:

7 Our next presenter will be Ms. Mary Ann
8 Harris on behalf of Thomas Fairchild, Jr., borough
9 manager for Towanda Borough, Bradford County. Ms.
10 Mary Ann Harris?

11 MS. HARRIS:

12 Thank you. First of all, I want to thank
13 Chairman Thomas and the Committee for this opportunity
14 today. I am here representing Towanda Borough, and
15 the borough manager is Thomas Fairchild, Jr. He could
16 not be here today, so I am here in his place. Thank
17 you.

18 Towanda Borough is a small borough of 1.2
19 square miles in size with a little over 3,000
20 residents located in the center of Bradford County.
21 The borough, in addition to providing municipal
22 services within its boundaries, also provides
23 operating services to the Towanda Municipal Authority,
24 a non-profit sewer and water utility that serves seven
25 municipalities in the central Bradford region.

1 The borough was first settled in 1786,
2 made a county seat in 1812 and incorporated in 1828.
3 Most of its homes, public and private buildings,
4 streets, public sewers and waterlines and limited
5 storm water facilities were built during the 19th
6 century. Since the early 1980s the borough has been
7 pursuing a fairly aggressive redevelopment strategy of
8 affordably rebuilding and improving its infrastructure
9 while retaining its historic character. Despite a
10 real estate tax-exempt rate of 26 percent within the
11 borough, some remarkable progress has been made with
12 the help of our state and federal representatives.
13 However, much remains to be done. Seemingly, Towanda
14 Borough and Towanda Municipal Authority should be
15 ideal candidates for the ARRA funds.

16 To date, the Towanda Municipal Authority
17 has submitted one application for funds for an energy
18 efficiency project. The application, which was very
19 rigorous and technical, cost \$25,000 in consultant
20 fees plus our time and, if successful, will require
21 over \$100,000 in local match money. Submitted over
22 two months ago, we've yet to hear if our request is
23 approved or not.

24 Towanda Borough has submitted one request
25 for a COPS Hiring Recovery Program grant to put an

1 additional police officer on its force but was turned
2 down. From our perspective, the bulk of ARRA monies
3 has gone or is going either directly to entitlement
4 communities or to those with paid community
5 development specialists on staff or on retainer.

6 Those of us with limited resources, be it
7 staff or funds, are losing out. The procurement and
8 delivery process needs to be streamlined and made less
9 onerous in terms of difficulty and bureaucratic red
10 tape. Thank you for this opportunity.

11 CHAIR:

12 Thank you. Representative Pashinski?

13 REPRESENTATIVE PASHINSKI:

14 Thank you very much. I appreciate your
15 testimony, Ms. Harris. Your point about paid
16 community development staff as opposed to small
17 communities that don't have that --- I represent a
18 small borough with a similar situation. And I was
19 wondering if there could be any kind of collaboration
20 with respect to some degree to share that specialist?

21 MS. HARRIS:

22 In our area we ---. Well, actually, with
23 our application we submitted for the energy assistance
24 project it's actually done through our Municipal
25 Authority within our area. So we do try to work

1 together as much as possible. As the representative
2 from PSATS said, in our area we have the Northern Tier
3 Regional Planning and Development Commission, which is
4 very helpful, being a small borough or township, with
5 projects like this. And as you stated, with the state
6 budget the way it was, we lost a very key person who
7 helped local communities with this type of application
8 and so forth. So that would be, you know ---. We
9 didn't rely on one entity to do it, but we've had an
10 array of resources, which we use as much as we can to
11 help us be able to make the best of our situation.

12 REPRESENTATIVE PASHINSKI:

13 Okay. I would strongly recommend that
14 you write a letter to your state representative, your
15 senators identifying what the loss to your community
16 was because of the services that you lost. And I
17 think ---. It seems like that's a lot of money just
18 in consulting fees, upwards of \$25,000.

19 MS. HARRIS:

20 Yes, it was. And like I said, it was
21 onerous and a very time-consuming application. And of
22 course, there was a deadline. It had to be in by ---
23 you know, we only had a few weeks to complete the
24 work. It had to be in by August, you know. And
25 because we couldn't use it, we never had any ---. You

1 know, we couldn't afford to hire the, you know, the
2 consultant and do the energy report.

3 REPRESENTATIVE PASHINSKI:

4 Right. And is this a \$400,000 grant that
5 you were ---?

6 MS. HARRIS:

7 Uh-huh (yes).

8 REPRESENTATIVE PASHINSKI:

9 Okay. All right. Thank you very much.

10 MS. HARRIS:

11 Thank you.

12 CHAIR:

13 Thank you. Representative Milne.

14 Representative Knowles?

15 REPRESENTATIVE KNOWLES:

16 No questions.

17 CHAIR:

18 Thank you.

19 MS. HARRIS:

20 Thank you.

21 CHAIR:

22 And I have no questions, ---

23 MS. HARRIS:

24 Okay.

25 CHAIR:

1 --- though I have a comment. Keep up the
2 good work.

3 MS. HARRIS:

4 Thank you. Thank you for this
5 opportunity.

6 CHAIR:

7 Is Ms. Petrilla around? I don't believe
8 it. We're closing out early. Let me thank each and
9 every one of you.

10 Okay. They say that there's a Mr. Masser
11 here from Northumberland County who would like to
12 share some recommendations. Do we have written
13 testimony?

14 MR. MASSER:

15 I'm sorry. I was planning on not sharing
16 any. I just wanted to be an observer here today, but
17 I think it's important that we ---. I wanted to share
18 from a county's point of view.

19 CHAIR:

20 Okay. Make sure that you forward to the
21 Committee ---

22 MR. MASSER:

23 I sure will.

24 CHAIR:

25 --- a written testimony later on, and we

1 will make sure that each and every one in attendance
2 today will receive one.

3 MR. MASSER:

4 I sure will. My name is Kurt Masser,
5 K-U-R-T, M-A-S-S-E-R. I'm from Northumberland County.
6 I heard a lot of testimony today concerning the
7 program and how it is working and how it isn't
8 working. And I want to just share my standpoint from
9 a county perspective. Early on in the process ---.

10 First of all, I want to thank you,
11 Chairman, and thank you for giving me this time.
12 Again, I wasn't scheduled to speak. I just wanted to
13 observe.

14 But concerning ARRA, early in the
15 process, from a County Commissioner standpoint, it
16 seemed very confusing when this all rolled out. And
17 even people that I spoke to on the federal level and
18 the state level were not exactly sure on how this
19 program was going to be rolled out and where the
20 dollars were, for sure, going to go. And even of the
21 dollars that were sent out, there weren't regulations
22 in how it was going to be laid out for sure.

23 Not everything was in place, yet the
24 deadlines --- the clock was ticking already when those
25 dollars were rolled out. That put a number of

1 counties certainly ---. In our respect, we don't have
2 a huge planning department. We don't have a huge ---.
3 We have one person in grants. We have one person, our
4 planning director, who basically --- those two people
5 work together to see that we can get what we can for
6 Northumberland County.

7 We met with a lot of municipalities
8 throughout Northumberland County. And what we heard
9 from a lot of our municipalities were, you know, this
10 is going to help municipalities who may already have
11 projects in place. They may already be funded. So
12 it's going to help municipalities who already have
13 things, more or less, in the pipeline. And it's not
14 going to help the smaller municipalities that don't
15 have the staff, that don't have the resources to
16 gamble on engineering or planning costs for a project
17 that may very well be beneficial to the smaller
18 municipalities. While the projects that did come out
19 were absolutely fantastic, I think, you know, we
20 certainly did receive ---. Throughout the county
21 we've done --- we got some sewer project work, some
22 housing and Homeless Prevention Programs, increases in
23 CDBG, and certainly a lot of PennDOT money I'm seeing
24 coming into Northumberland County. And I'm very
25 appreciative of that. We have an absolutely fantastic

1 PennDOT crew in our region, and I'm always thankful
2 for the work that they do.

3 But I have real concerns that --- are we
4 doing true stimulus, and can we do this in a better
5 way? In other words, are we building infrastructure?
6 Are we building homes for people that don't have or
7 rehabbing homes for people that won't have jobs to
8 keep these homes? Are we building infrastructure and
9 roads for the people who --- these companies that are
10 still there so they don't have a bumpy ride out of
11 town when they're leaving, like some of our companies
12 have? We've had tremendous job loss in Northumberland
13 County.

14 I guess I'm just asking the Committee,
15 are other states doing anything to truly
16 stimulate/create jobs with some of this money? And if
17 there has been talk, I'd just certainly like to talk
18 to you folks sometime in the future about that because
19 that's my true concern, that we need to wisely use
20 this money and not create jobs and infrastructure ---
21 or temporary jobs, as I see it, paving these roads,
22 building these waterlines. And we need some true
23 employment to keep these things viable --- and in
24 fact, our business dollars and tax dollars keep
25 replenishing it.

1 Again, I thank you for your time. I will
2 make a written statement to the Committee. And I
3 would welcome any questions that you might have.

4 CHAIR:

5 Representative Pashinski?

6 REPRESENTATIVE PASHINSKI:

7 Thank you, Mr. Masser, for sharing that
8 with us. I still hear that there was great ambiguity
9 in how this process should take place and yet
10 deadlines were set. That's why I'm asking you again.
11 Do you feel as though extensions are needed in order
12 for you to have enough time to complete your projects?
13 So that's the first question I have for you.

14 MR. MASSER:

15 I would have to talk to my planning
16 director. And I know a number of the projects we felt
17 we couldn't pull off because, A, we didn't have all
18 the information that we truly needed and all the
19 regulations weren't in place, but yet the clock was
20 ticking. So with the limited resources that we have,
21 we certainly have to prioritize what projects we're
22 looking at. And if we weren't sure we were going to
23 be going forward with that project, we just more or
24 less put it off to the side and we didn't pursue the
25 dollars.

1 REPRESENTATIVE PASHINSKI:

2 I think you would agree, because of the
3 emergency nature that our country experienced, they
4 had to go with what appeared to be the best idea,
5 which was shovel-ready projects that would determine
6 the use of the money, more often than not. And the
7 idea was that you already had the planning done, the
8 architectural engineering studies were done, and all
9 you needed was the money. That was sort of the first
10 initial concept that went out there.

11 You indicated you were looking for more
12 things that would create those jobs --- more
13 sustaining jobs. And I realize that roads, the
14 infrastructure of roads and bridges and sewer and
15 water is a limited amount. What area would you say
16 --- for example, like housing --- is there a better
17 idea of how you would like to use this money to get
18 more people employed and another task in which you
19 could have more sustainable employment?

20 MR. MASSER:

21 I certainly don't pretend to come here
22 with all the answers. I mean, that was a concern that
23 I have, that we are rehabbing and ---. One of the
24 projects that we did apply for, and I'm thinking that
25 it was through ARRA, was the Neighborhood

1 Stabilization Program. Was that through ARRA? It is?
2 And we were denied that grant. And we certainly fit
3 the bill for that grant to a T. We were one of the
4 highest in foreclosures in the Commonwealth, in
5 Northumberland County. And we were denied that. And
6 we reviewed that.

7 But I certainly was disappointed.
8 Certainly that played a part in it. I appreciate
9 those efforts. I'm just asking that for future rounds
10 that we look more in terms of lasting employment.

11 REPRESENTATIVE PASHINSKI:

12 Well, I was about to encourage you. I
13 don't think you should be dissuaded by, you know,
14 being turned down the first time. And I'm sure you
15 realize that the number of applications that come in
16 are three or four times the amount of money that you
17 would have.

18 MR. MASSER:

19 Oh, sure.

20 REPRESENTATIVE PASHINSKI:

21 You know, there's that pecking order. I
22 encourage you to continue to march forward and, you
23 know, continue your efforts. Thank you for your
24 comments.

25 MR. MASSER:

1 Thank you.

2 CHAIR:

3 Thank you. Thank you for your comments.
4 Representative Milne?

5 REPRESENTATIVE MILNE:

6 Mr. Chairman, if I may, I certainly have
7 had serious concerns about stimulus money bringing
8 jobs in, and I guess my own personal feelings in terms
9 of stimulus dollars if I were the mayor or if I were
10 still a county commissioner, I would be directing
11 those dollars towards roads, bridges, highways because
12 that, to me, is why we are in government. I guess, I
13 think it was Judy that mentioned the COPS program. If
14 I were in a position where I were working to bring
15 additional police officers on, I would be concerned
16 about that in terms of using that program because
17 we've seen it before where we provided money for local
18 governments to hire more cops, and then when that
19 program is done --- well, who's going to continue to
20 pay for those police officers? So eventually it's
21 going to fall back on the local governments that
22 they're going to have to come up with the dollars some
23 way or another.

24 So I guess my question is do you agree
25 that, you know, the one-time spending where you can do

1 roads and do bridges, is that the way to go? Or the
2 other programs where we're using money for housing,
3 where we're using the money for cops. What's your
4 feeling? How do you feel about that?

5 MR. MASSER:

6 Well, certainly I'm, again, in contact
7 with the municipalities. We don't have a county
8 police force. So we don't have ---. We've never used
9 those. We're leery, at the county level, when there
10 are grant opportunities, where you're committed to a
11 position that that position has to continue past the
12 grant funding. We're very, very leery. And
13 oftentimes we deny it because we have to look at the
14 reality of funding that beyond the grant timeline. So
15 I can see where a lot of municipalities would not
16 because we're ---. Just like the Commonwealth, we're
17 in the same predicament. We worry and grapple with
18 this budget every single year and try to wrap our
19 hands around it and decide who we're going to serve
20 and who we're not going to serve.

21 I think the roads and the bridges are
22 certainly a part of the economic turnaround for the
23 Commonwealth of Pennsylvania. I just want to be a
24 part of anything we can do from the county level to
25 position ourselves, once this recovery does happen,

1 that the Commonwealth is ready and is a good place for
2 businesses to look to locate. We lost thousands of
3 jobs in Northumberland County. We had a major
4 recreational vehicle manufacturer move out. We had a
5 major modular housing firm move out. We've lost, I'm
6 thinking, 5,000 jobs in the past two years. And for a
7 county of 91,000 people, that's significant. We are
8 one of the highest unemployment rates in the
9 Commonwealth.

10 REPRESENTATIVE MILNE:

11 To the best of your knowledge --- I
12 understand you are a commissioner?

13 MR. MASSER:

14 Yes, sir.

15 REPRESENTATIVE MILNE:

16 And weren't there any breakout sessions
17 or any presentations at the recent conference dealing
18 with the stimulus dollars and how ---?

19 MR. MASSER:

20 There have been ARRA breakout sessions at
21 the last two, for sure, County Commissioners
22 Association conventions.

23 REPRESENTATIVE MILNE:

24 Did you have the opportunity to attend
25 any of those breakout sessions?

1 MR. MASSER:

2 I did not. My fellow commissioner did.

3 REPRESENTATIVE MILNE:

4 Okay. Did you get any feedback from them
5 on, you know, was it a valuable tool? Did they use
6 people like Judy from Carbon County to help him in
7 working with the ---?

8 MR. MASSER:

9 I did not get any feedback from him. I'm
10 sure ---. When CCAP usually puts a breakout session,
11 I'm always impressed with the value of their content,
12 but I did not get feedback from our chairman.

13 REPRESENTATIVE MILNE:

14 I would agree with you about CCAP. They
15 do a great job. Thank you very much, sir. Thank you
16 very much, Mr. Chairman.

17 CHAIR:

18 Thank you. Once again, we thank our
19 presenters and we thank our colleagues, and we thank
20 our guests for coming to this hearing. Next week,
21 November the 5th, we will be holding a similar hearing
22 in Southwestern Pennsylvania, Indiana County. We will
23 be in the Indiana, Pennsylvania CareerLink Center.
24 Please feel free to call the office if you want to
25 participate and/or make any recommendations.

1 Be assured that we are not just meeting
2 to be meeting. We are very interested in ARRA,
3 creating jobs that were intended to be created. We're
4 very much interested in putting revenue back into our
5 local communities. And we're very much interested in
6 making sure that each and every one of you play a
7 role, a positive role, in making sure that happens. I
8 was just talking with Representative Pashinski. And
9 in response to this hearing today, there are some
10 things that we're going to put our heads together on
11 when we return to Harrisburg because some very good
12 recommendations came out with respect to how we can,
13 one, improve communications between the people making
14 the decisions and the counties and municipalities who
15 would have been beneficiaries of those decisions, and,
16 two, strengthen the distribution pipeline so that
17 people know just what's going on and how it's
18 benefiting their local municipality.

19 So we're going to put our heads together
20 and I'm confident that Representative Knowles and
21 Representative Milne will be joining us in making some
22 recommendations to the current Oversight Committee.
23 And no further questions or comments? No? Now, we
24 arrived in this great city early this morning. We did
25 not have breakfast. I'm looking for somewhere to have

1 brunch in the City of Scranton. Off the record.

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PUBLIC HEARING CONCLUDED AT 12:05 P.M.

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CERTIFICATE

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I hereby certify that the foregoing

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proceedings, hearing held before Chair Thomas was

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reported by me on 10/29/2009 and that I Kenneth

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Dominic O'Hearn read this transcript and that I attest

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that this transcript is a true and accurate record of

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the proceeding.

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Court Reporter

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