

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
INTERGOVERNMENTAL AFFAIRS COMMITTEE

* * * * *

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

BEFORE: W. CURTIS THOMAS, Majority Committee
Chairman
Rep. Daniel Deasy, Allegheny County
Rep. Jaret Gibbons, Lawrence, Beaver,
Butler Counties
Ms. Patricia Custis, Committee Executive
Director

HEARING: Thursday, November 5, 2009
10:12 a.m.

LOCATION: Indiana County CareerLink Center
300 Indian Springs Road, Room 117
Indiana, PA 15701

WITNESSES: Commissioner James V. Scahill, David
Johnston, Commissioner Rodney Ruddock,
Lorna Vita, Larry W. Garner

REPORTER: Lacey C. Gray

Any reproduction of this transcript is
prohibited without authorization by the
certifying agency.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

OPENING REMARKS

By Chairman Thomas 3 - 8

TESTIMONY

By Commissioner Scahill 8 - 19

By David Johnston 27 - 31

By Commissioner Rodney Ruddock 36 - 54

By Lorna Vita 61 - 64

By Larry W. Garner 67 - 73

STATEMENT

By Representative Gibbons 83 - 87

CLOSING REMARKS

By Chairman Thomas 87 - 88

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRMAN:

On behalf of my colleagues, good morning and welcome. We certainly appreciate your attendance and participation in this very important discussion. We're expecting other members of the House and the Governmental Affairs Committee to join us as we move forward. On behalf of the Committee, I thank you for your interest in this topic, and I am pleased that you have joined us for this discussion.

As you are aware the current economic downturn has created a ripple effect throughout all aspects of society, families have lost their homes, individuals have lost their jobs, small businesses have been denied access to the capital necessary to remain afloat.

In response to this widespread hardship, the federal government has enacted an ambitious and comprehensive recovery plan. The likes of which has not been seen since the new deal. This plan known as the American Recovery and Reinvestment Act of 2009 or, ARRA, is designed to, among other things, to create jobs, save existing jobs, spur economic activity, invest in long-term economic

1 growth and foster unprecedented levels of
2 accountability and transparency in government
3 spending.

4 The federal government has appropriated
5 about \$787 billion, through ARRA, for various
6 recovery activities. Pennsylvania is expected to
7 receive nearly \$16 billion in recovery funds. The
8 majority of these funds are to be dedicated to
9 investments in healthcare, education, transportation
10 and infrastructure projects. Additionally, nearly
11 seven \$750 million in stimulus funds have been
12 dedicated to Commonwealth's broadband technology
13 focus.

14 According to the Pennsylvania Stimulus
15 Oversight Commission and --- states was pretty much
16 left to utilize one of two models in the
17 implementation and oversight of ARRA dollars. One
18 model is what we call the Executive Model, where the
19 governor and/or chief executive officer organizes an
20 oversight committee. And that oversight committee
21 has primary responsibility for the implementation and
22 oversight of ARRA dollars. Some states have used a
23 Legislative Model to provide implementation and
24 oversight. The Legislative Model provides statutory
25 authority to the designation of ARRA dollars.

1 According to the Pennsylvania Stimulus
2 Oversight Commission created by Governor Rendell,
3 nearly one third of Pennsylvania's recovery
4 appropriation has been spent. Go to the
5 Commonwealth's website, recovery.PA.gov. The general
6 public has been provided with unprecedented access to
7 monitor and track government spending as well.

8 I will leave to you the answer to that
9 question. On Pennsylvania's recovery site, you will
10 find an in-depth account about how stimulus dollars
11 are being spent. Data from various state agencies
12 gives visitors to the site a dollar by dollar
13 overview of where and how tax dollars are being
14 utilized. In addition to information found on the
15 Pennsylvania's recovery site, various agencies and
16 organizations have compiled additional data on
17 stimulus spending. This information includes a
18 report which can be found in your packet, published
19 by Pennsylvania's Legislative Office For Research
20 Liaison, provides a detail listing of Pennsylvania
21 stimulus dollars broken down by county.

22 We believe, however, that the numbers
23 don't tell the whole story, and that is what brings
24 us here today. Exactly one week ago, the Committee
25 traveled to northeastern Pennsylvania to hear

1 firsthand accounts about the effectiveness of
2 stimulus funds in that region of the state. From
3 that hearing, local officials including borough
4 managers, township supervisors, mayors officers and
5 county commissioners provided us with a candid
6 glimpse into the on-ground activities resulting from
7 stimulus spending.

8 As a Committee, we wish to continue
9 that conversation here in the southwest. We seek to
10 asses the real impacts of recovery dollars on local
11 communities throughout the Commonwealth. The story
12 behind the numbers, if you will. We are attempting
13 to examine some of the challenges with access to
14 these funds as well. Are these funds reaching local
15 communities? If so, how exactly are the funds being
16 spent? Are dollars being spent efficiently? Have
17 jobs been created? Have our Commonwealth's local
18 economies been strengthened as a result of ARRA
19 investments? And what are some measures that we can
20 take, as members of the state legislature, to enhance
21 access and strengthen the lines of communication with
22 our municipalities? To help answer some of these
23 questions and a few others, we have assembled a
24 collection of fine local officials who have
25 graciously agreed to come before the committee and

1 provide their respective account on the effects of
2 ARRA funds in this area.

3 With that being said, we will proceed
4 to our scheduled agenda and hear from local
5 officials. And I should point out, the package also
6 includes a mission statement of the Intergovernmental
7 Affairs Committee. And at the end of these hearings
8 --- upcoming hearings will take place in Pittsburgh,
9 Erie, Harrisburg, and we will probably be traveling
10 back to the southeast at some point. At the
11 conclusion of the hearings, a report will be
12 submitted to the House and to the Governor's Office
13 with your recommendations and recommendations of the
14 Committee.

15 You will also find in your package, the
16 stimulus funding report. And as I look at it,
17 Indiana County has received a total of \$13,496,392
18 directly. And the non-traceable impact of dollars to
19 Indiana County appears to be \$26.9 million that will
20 be coming into the county.

21 So with that in mind, let us start with
22 our first presenter, which is the Honorable George E.
23 Hood, Mayor Indiana Borough. Is he ---?

24 MS. CUSTIS:

25 He's not here yet.

1 CHAIRMAN:

2 Okay. We will move on to the Honorable
3 James V. Scahill, Armstrong County Board of
4 Commissions. Commissioner Scahill.

5 COMMISSIONER SCAHILL:

6 Good morning, Mr. Chairman.

7 CHAIRMAN:

8 Good morning.

9 COMMISSIONER SCAHILL:

10 Thank you for this opportunity. On
11 behalf of my fellow Commissioners, Patricia
12 Kirkpatrick and Richard Fink, we represent Armstrong
13 County, which consists of 659 square miles, roughly
14 the size of Allegheny County in geographic size. It
15 is comprised of 45 municipalities including one city,
16 16 boroughs and 28 townships, contains a population
17 of roughly 70,000 persons and is bisected by the
18 Allegheny River. We certainly thank you for this
19 opportunity and welcome you to the southwest to have
20 this discussion with the Intergovernmental Affairs
21 Committee on how the stimulus funding has affected
22 the various county-related agencies within Armstrong
23 County.

24 ARRA is being welcomed across America
25 precisely, as you mentioned, because it's the first

1 time that we can actually remember that --- people in
2 office, that as an extra avenue of funding never
3 offered to cash-starved programs. We believe that
4 the hearings being held by the IGAC concerning ARRA
5 are timely and necessary, and we welcome the chance
6 to give feedback with candor and honesty to our state
7 and federal partners this early in the process. In
8 fact, it might be extraordinary when compared to past
9 programs that have been put in place with no or
10 little ability to provide that vital feedback that
11 could improve the program, the process or both.

12 To prepare for today, we conducted a
13 survey of our agencies concerning ARRA funding. For
14 clarification, we did not request any information
15 from any state or federal agency that operates a unit
16 within Armstrong County, such as PennDOT or
17 Department of Health. Our survey was limited to
18 direct departments of the county in addition to
19 agencies that have a direct relationship with our
20 county, such as the local community action agency.
21 We asked whether the agency received funds. Those
22 that did not were also asked if any reason was given
23 why they did not qualify or if there was a second
24 chance to apply. Those who had applied were asked
25 several other questions, including what they thought

1 of the process, what they thought of the reporting
2 requirements, whether they believed transparency was
3 achieved by the process, what measures they took to
4 meet transparency requirements. They were asked to
5 describe the positive results achieved by the
6 funding, including employment or retention
7 stimulation with the economy, et cetera. They were
8 asked to describe any negative aspects of ARRA as it
9 relates to their projects. Finally, any suggestions
10 on how to present and operate any future ARRA should
11 they come down our way.

12 We had --- nine counties responded.
13 And the county --- and of those county and
14 county-related, and nine indicated that they had not
15 applied. Of the nine who applied, seven have been
16 notified they've been awarded funding in various
17 programs while still --- two are still pending action
18 or denial. So I might want to note on those two,
19 it's a very large number. We have partnered with
20 Indiana County in that sense of regionalism that we
21 try to promote in the southwest all the time on a
22 broadband project that would help our 911 systems.

23 We're concurrently under the gun, as
24 you might be aware, of the 2013 date in which
25 low-band radios will be basically phased out by the

1 federal government by not renewing licenses on those
2 low-band radios. This is kind of off the beaten path
3 here a minute, but I think this is worthy of
4 discussion. We would never have had the opportunity
5 to get as far as we have. We're at the federal level
6 at this point in time. We were not recommended by
7 the State of Pennsylvania. We found that rather
8 amazing, but we don't have to have that
9 recommendation to continue at the federal level for a
10 \$23 million broadband project that in the rural hills
11 and valleys that you have had the pleasure of
12 traveling or having your heart in your hand on some
13 of our hills coming over in the rain, believe me,
14 it's tough to have radio communication. And we're
15 trying to combine the benefits of both together
16 through the broadband application. If we achieve
17 that, we're going to be --- you'll hear us in
18 Harrisburg with a big shout.

19 In addition to the survey, we pulled
20 together all of the agencies after the surveys were
21 received and studied. It gave our agencies another
22 opportunity, our transparency, to discuss both the
23 positive and negative aspects of our agency. As
24 stated, ARRA gives our agencies this avenue of
25 funding projects that have languished for years, in

1 many cases, due to the lack of funding and the
2 ability to get heard. The general consensus of the
3 agency is ARRA is, indeed, timely and they're
4 extremely grateful at that opportunity to have it.
5 Some plunged headlong into the application process,
6 regardless of any associated costs that might be
7 linked to the program. Like anything new, it's also
8 generated caution among some of those who applied and
9 those that did not, especially as it pertains to
10 fiscal and program reporting costs. Overall, those
11 who applied are happy to have done so at this point
12 in time.

13 Agency programs directly funded by the
14 Commonwealth cited the budget impasse unfortunately
15 is as an implement or impediment that greatly
16 affected some of the programs that were applied for,
17 especially those that delivered human services.
18 Probably the number one job of counties and what we
19 do in our role as local government.

20 Process. Some felt the process
21 smoothly flowed and properly and another stated it
22 was primarily positive. We found that the agencies
23 most used to working with detailed reporting, with
24 detailed application processes, like our planning
25 department, thought it was easy. Agencies that do

1 not have that ability and don't do that on a regular
2 basis found it was complexed and hard and in some
3 cases were challenged by it.

4 To some the information provided to
5 complete the application was vague, at best, with one
6 calling them extremely cumbersome with too many
7 rules, restriction and regulations. Obviously
8 there's a disconnect that we need to get fixed,
9 perhaps on the process rather than --- the
10 application process, rather than on what we're trying
11 to achieve overall. The guidelines for acceptance,
12 to some of them, they quoted the fact that after the
13 guidelines were proposed, they went for financing,
14 upfront financing, bridge financing as they call it,
15 and the guidelines were changed from the time of
16 application, which resulted in problems with their
17 banks and et cetera. Reporting requirements, general
18 consensus, that they were prepared to provide
19 whatever information is necessary to achieve and
20 maintain funding of the ARRA funds. Five agency
21 indicated it was too early to determine how difficult
22 or easy it will be, of course because they haven't
23 not had a lot of reporting sections to do yet. Only
24 one agency categorized the reporting as not too bad
25 and that, of course, was our planning department.

1 The reporting requirements are
2 extremely detailed. The concern was expressed and
3 most agreed that requiring separate physical and
4 program reporting might be costly to the agency and
5 inefficient. And I would just paraphrase that to
6 what our normal reporting requirements are to the
7 state. We are very detailed in what we do already
8 and we felt that maybe that could be streamlined.

9 Transparency. Full transparency has
10 been trumpeted as a cornerstone of ARRA since it was
11 announced. Most of our agencies, it's too early to
12 tell if it can be fully achieved. All agencies
13 expressed doubt that it would occur. As an example,
14 one agency stated that the ARRA official website at
15 this point in time does not list all of the Armstrong
16 County projects we discussed as a group. And we're
17 trying to find out, make sure we get that plugged in.
18 The transparency occurred to some of them --- as one
19 was expressed, as we opened the door and found out
20 who had walked in, it was what --- we had some
21 agencies we were surprised that they had not applied.
22 It was felt that the application process appeared to
23 be open. And again as I mentioned, the guidelines
24 and vagueness to it needed to be fixed.

25 One agency that expressed

1 disappointment that was being asked for not an
2 accurate picture of spending on job creation and
3 retention. I've asked that agency to tell me with
4 specificity and I will follow through with comments
5 to your Committee further.

6 The designation of ARRA funding and how
7 much is allocated by who is a central question about
8 the transparency. As we all know, we've designated
9 --- the states were designated as the pass-through
10 government for most, if not all, the program funding.
11 How transparent was that process? Once received by
12 the states who decided what meeting and how much each
13 program was going to offer, how it was going to be
14 distributed. How transparent is that process? This
15 magical process was a lot of things, but it was not
16 transparent in some regards and some specific
17 programs. Decisions were made about the allocation
18 of the funding without a full airing of all the
19 partners. For the most part, this cannot be seen by
20 our agencies at their level. But again, our county
21 experienced it in the allocation on a regional level.
22 As we review the experiences of our agencies, some of
23 whom are still waiting for promised and awarded ARRA
24 funding, it is hard to believe that in February, the
25 transportation portion of Pennsylvania's ARRA funding

1 was already allocated at the PennDOT district level
2 with no input from a full partner in that process,
3 the Metropolitan Planning Organizations, there are 24
4 in Pennsylvania, the MPOs, under the federal ISTEA,
5 which is called LU TEA now, acts. The MPO, of which
6 Armstrong County is a member, through the Southwest
7 Planning Commission comprised of ten counties. In
8 transportation, very few or no local projects got
9 funded by ARRA.

10 I pointed this out in February and to
11 give you the example of basically the districts,
12 there are three districts in SPC. We have taken to
13 separate rooms and on a white board was \$41 million
14 in District 10 comprised of three counties that are
15 in SPC, but there's two more counties that aren't in
16 SPC, Jefferson and Clarion that were not included in
17 that particular number. Who decided that? And
18 that's a question of transparency if we're going to
19 talk transparency. Counties are full partners by
20 federal law with our PennDOT agency on where program
21 dollars go for transportation. Basically by the
22 shovel ready provision, the problem we have there is
23 none of the local bridges or the county projects ---
24 we have a couple slide areas could have used the
25 money. Basically, everything went into paving on

1 PennDOT roads in our district, at least in my county,
2 excuse me, for the most part.

3 The measures taken to meet
4 transparency. At the local level, it's very
5 difficult to have a lot of tools in your toolbox.
6 They have used --- the agencies have used the tools
7 that they have, news releases, report releases,
8 meeting with partners, briefings with limited press
9 existing in the rural area and reaching out at all
10 time to all parties on what that ARRA funding is
11 meeting. All will ensure compliance with the
12 Pennsylvania Right to No Law and Federal Freedom of
13 Information Act. It is suggested in webinars by the
14 state on the same would be useful to those agencies
15 and can be done on a county level very easily through
16 the Penn State extension. Achieving Dunn's numbers
17 are important and getting registered. Agencies were
18 urged to institute more internal tracking systems
19 that can be reported at our public meetings. Which
20 we offered our public meetings for any of our
21 agencies that have ARRA, to have a section of our
22 public meeting so we can keep people abreast of
23 what's going on.

24 The positive results were --- quite
25 frankly, the first is thank you. As Elvis would say,

1 thank you very much for all of this programming. In
2 a rural county that sits at the end of a process of
3 funding, we're very pleased and we're very grateful
4 to receive the funding we have at this point in time.
5 You're showing us with \$21 million directly to the
6 county agencies that we're talking about and another
7 \$21 million or so, too. And that's probably the
8 PennDOT-related state agencies that are impacting our
9 county.

10 We have some other comments that are in
11 there, but in the essence of time, I will tell you
12 the positive results far --- in our meetings have far
13 outweighed our negatives. There are some
14 improvements that we feel could happen. ARRA
15 training for people in the agencies is extremely
16 important, especially the fiscal people. There is a
17 disconnect there and there seems to be a push to have
18 the fiscal separate. As an accountant from old, old
19 days, a long time ago, most of our agencies at our
20 level don't have the luxury of having a fiscal
21 department either completely separate, but there's no
22 use of having two reporting systems streaming down
23 that are going to meet somewhere at the level that
24 we're at.

25 We feel that the traditional level

1 should be looked at and perhaps we could streamline
2 that process and help us, because the fear by some
3 agencies --- and most of them express that they would
4 probably have to hire people. Now that's stimulus,
5 but that takes money away from the programs and then
6 --- and our people are very, very dedicated.

7 Community Action, for example, has a two to three
8 cap, percent cap, on admin fees and they definitely
9 have said that they're going to have to spend more
10 than that just keeping up with reporting.

11 The other great fear and concern is
12 that --- with all programs with the state, with ARRA,
13 once it's finished, will those programs that are
14 initiated, will those jobs that were created, will
15 they just go away because the money's gone. That is
16 a concern we expressed. There were some other
17 concerns that are pretty much in the testimony.

18 I would certainly answer any questions
19 and sum up by saying it's too early. This is a
20 wonderful process. We thank you for it. And it's
21 --- we will work with you and work together to try to
22 find the answer to those questions that we need. And
23 as Paul Harvey used to say, stay tuned for page two.
24 Thank you. Is there any questions? I would answer.

25 CHAIRMAN:

1 Thank you, sir. Very good testimony.

2 COMMISSIONER SCAHILL:

3 Thank you.

4 CHAIRMAN:

5 I just have a few questions.

6 COMMISSIONER SCAHILL:

7 Yes.

8 CHAIRMAN:

9 One, you've acknowledged that Indiana
10 County has received some ARRA funding. Armstrong
11 County.

12 COMMISSIONER SCAHILL:

13 Yes, sir.

14 CHAIRMAN:

15 Armstrong County has received some ARRA
16 funding.

17 COMMISSIONER SCAHILL:

18 Uh-huh (yes).

19 CHAIRMAN:

20 And do you have any interaction with
21 the Executive ARRA Oversight Commission, ---

22 COMMISSIONER SCAHILL:

23 No.

24 CHAIRMAN:

25 --- either directly or in indirectly?

1 COMMISSIONER SCAHILL:

2 I don't. Our agencies might, but we
3 didn't ask that question. But we certainly --- the
4 county, per se, does not.

5 CHAIRMAN:

6 Okay. Have you had any interaction
7 with --- I know you mentioned broadband technology
8 and a need for support in Armstrong County. Have you
9 had any interaction with the Governor's Office of
10 Information Technology?

11 COMMISSIONER SCAHILL:

12 Yes.

13 CHAIRMAN:

14 Okay.

15 COMMISSIONER SCAHILL:

16 We've worked hard on our project. Our
17 project is 640 pages as submitted.

18 CHAIRMAN:

19 Okay. Because I know that all projects
20 had to go directly to the federal government, then
21 the federal government sent all projects back to
22 states and basically said the states prioritize them,
23 tell us just what's important to you. And we thought
24 that there was going to be some decision recently,
25 but I think the application period has been extended

1 for another 30 days. So you're in touch with OIT?

2 COMMISSIONER SCAHILL:

3 Uh-huh (yes).

4 CHAIRMAN:

5 And Armstrong County and OIT is on the
6 same page?

7 COMMISSIONER SCAHILL:

8 Armstrong and Indiana, through our
9 consultants and our grant writing team, have been
10 absolutely in touch with the governor's office. The
11 other quirk to this one is that of the approved
12 projects, and I'm not here --- I'm a
13 positive-oriented person, I just can't really like to
14 --- I find the amazement that the project is in the
15 top 12 that includes and cites Armstrong County in
16 particular with dark fiber that is ours in
17 Northpointe Industrial Park, owned by our industrial
18 board. It cites it as a project that was approved by
19 the state as a --- and we aren't. And yet nobody ---
20 we're supposed to be a partner, that partnership is
21 important whenever we look at it being --- if you're
22 going to ask me to be a partner, you should ask me.
23 And our county was not, nor Indiana's, nor Butler's
24 or anybody, in one of the projects that was approved
25 and is not shovel ready by any means. And we are

1 shovel ready. And we're pursuing the project at this
2 point in time as a non-recommended at the federal
3 level through our congressional delegation. So ---

4 CHAIRMAN:

5 Okay.

6 COMMISSIONER SCAHILL:

7 --- we're okay on that. If we don't
8 get the funding for anything that we apply for,
9 Representative, I can tell you that this is Armstrong
10 --- you're in Indiana. But Armstrong and Indiana
11 County is certainly used to not getting the funding,
12 you know, when we ask. So we just keep on moving on.

13 CHAIRMAN:

14 Okay. Now, the Office of Information
15 Technology acknowledges that Pennsylvania Department
16 of Education and the state system of higher education
17 also has submitted separate applications.

18 COMMISSIONER SCAHILL:

19 Uh-huh (yes).

20 CHAIRMAN:

21 And so my question is whether or not
22 there's been any contact between Armstrong County PDE
23 or state system of higher education?

24 COMMISSIONER SCAHILL:

25 We treat our school districts as

1 separate, a separate taxing body of course, and
2 elected officials. We have a --- we do coordinate
3 through the superintendents of the schools normally.
4 We occasionally work with the school boards, but we
5 basically go through the superintendents. So from
6 that standpoint, we're not directly involved with
7 them, but we are very pro-educational. We have a lot
8 of interaction, so we're aware of what they've
9 applied for and what they've achieved. And at this
10 point in time in the --- we have eight school
11 districts in our county.

12 CHAIRMAN:

13 Okay. Have you established a website
14 for the receipt and expenditure of ARRA dollars?

15 COMMISSIONER SCAHILL:

16 That's in process at this point in
17 time. And we volunteered the county's website for
18 all of our agencies to have a --- to also have that
19 streaming of transparency, so our people can go to
20 the website and see exactly where --- you know, we
21 can download the state and go from there.

22 CHAIRMAN:

23 Okay. All right. I want to thank you.

24 COMMISSIONER SCAHILL:

25 Thank you.

1 CHAIRMAN:

2 And I definitely appreciate your
3 recommendations. I was surprised that it was through
4 the hearing last week and, again, this morning that I
5 learned that this office of --- this Executive
6 Oversight Commission does not have anybody from the
7 county commissioners or from the local municipal
8 planning committees. And I think that those are two
9 very critical pieces if you're going to really track
10 how well ARRA is doing. And if you're going to look
11 at sustainability, because I agree with you at some
12 point, the money runs out and where do we go once the
13 money runs out.

14 Now, most states have had to agree to
15 find a way to continue the unemployment --- extended
16 unemployment benefits that's been provided for under
17 ARRA. You could not receive extended benefits
18 without the Commonwealth deciding on to continue
19 those benefits. And then some other areas where the
20 Commonwealth has had to agree that it will continue.
21 But unless there's a comprehensive understanding of
22 what is going to constitute sustainability and how
23 we're going to achieve sustainability, especially if
24 some of these areas where investments have been made,
25 then you need to have a larger place where people

1 have input.

2 COMMISSIONER SCAHILL:

3 I would make the suggestion in
4 response, I'm on the Board of the --- State Board of
5 the Community Commissioners Association of
6 Pennsylvania. And I would carry that thought forward
7 for you. If I could work with your office, maybe we
8 could establish some of those linkages. It makes
9 sense for all of the municipalities and all of the
10 local governments, including the school districts,
11 that the various state associations be --- and we
12 work together to various degrees on various issues.
13 But I would suggest that the Township Supervisors
14 Association, the borough's association, League of
15 Cities and the County Commissioners Association, we
16 carry --- we'll carry that thought forward. And I'll
17 work with you subsequent to this meeting today, to
18 carry that message forward and maybe we can get
19 something done.

20 CHAIRMAN:

21 Thank you.

22 COMMISSIONER SCAHILL:

23 Thank you. I would stay, sir, but I
24 have to go to a ground breaking of a 19-year sewage
25 treatment plan being put in place.

1 CHAIRMAN:

2 All right.

3 COMMISSIONER SCAHILL:

4 And it's not ARRA funded, but we're
5 happy.

6 CHAIRMAN:

7 Thank you. Next we are going to hear
8 from Mr. David Johnston, who's the director of the
9 Butler County Planning Commission. Good morning.

10 MR. JOHNSTON:

11 Good morning, Mr. Chairman. Again as
12 Mr. Scahill mentioned, on behalf of Butler County, I
13 want to thank you for the opportunity to provide some
14 testimony on the American Recovery and Reinvestment
15 Act funding. Butler County is located, as you know,
16 in southwestern Pennsylvania. We consist of
17 789 square miles with a population of approximately
18 180,000. The chairman of the Butler County
19 Commissioners asked me to attend on his behalf.

20 And I would like to address the hearing
21 specifically taking a little bit of a narrow view,
22 but I would like to address it specifically to
23 transportation funding. As planning director, I have
24 been involved for the last 15 years in working with
25 our metropolitan planning organization, SPC, the

1 Southwest Pennsylvania Commission, PennDOT, our
2 District 10 office located here in Indiana, and the
3 member of counties on programming through the
4 Transportation Improvement Program, our
5 transportation priorities.

6 I sort of took a little bit of a change
7 in pace here in the beginning of my written
8 testimony, which is in the packets, to tell you that
9 I am very concerned in where we're heading as far as
10 the transportation funding. And I know that that's
11 not part of this discussion, but I think it's
12 something that is going to have to be addressed at
13 some point in time. We have so many transportation
14 needs and the money just isn't there to address them.
15 With the hard lesson that was learned through the
16 bridge collapse in Minnesota, PennDOT has taken a
17 very aggressive stance on trying to program state
18 deficient bridges, as they should. And our TIP, our
19 transportation improvement program, the last TIP,
20 probably 95 percent of the funds were aimed at
21 dealing with state deficient bridges.

22 We realize and recognize the importance
23 of maintenance first, which is the state's priority,
24 and --- but we also, as far as the county is
25 concerned, stress the importance of some new

1 capacity. We have some unparalleled growth and
2 development that has occurred in Butler County,
3 especially in the southwest section of the county
4 down in Cranberry Township and beyond. Recently we
5 were very excited to have Westinghouse Corporation
6 come in and establish their headquarters along the
7 Route 228 corridor.

8 So again, we have a lot of
9 transportation needs, not enough funding. And this
10 A-R-R-A funding came in and was just the type of shot
11 in the arm that we needed from the standpoint of
12 funding.

13 We were able --- first of all I'd like
14 to congratulate our District 10 office here at
15 PennDOT. They were on the ball and they were ready
16 with the design for state deficient bridges that were
17 necessary for the shovel-ready projects that the
18 state required. As a result, we were able to program
19 --- the state was, on our behalf, over \$16 million in
20 new or replacement bridges in Butler County. And I
21 list those in my testimony, and I'm not going to bore
22 you with those details at the present time. But as a
23 result of that, the importance of that is these
24 projects were going to have to come out of our TIP in
25 future years if it wasn't for the ARRA funding. As a

1 result, we're hoping that that replacement of taking
2 that \$16 million out will create some new capacity in
3 our transportation program over the next several
4 years.

5 Today is --- they're having a hearing
6 down in Pittsburgh for the State Transportation
7 Commission in Pittsburgh for our region. And I
8 typically am there with our PowerPoint presentation
9 identifying our priorities for transportation
10 improvements. I'm not there today because we're sort
11 of hoping and praying that we just sort of hold on to
12 the projects we have. I don't think that there's any
13 need to go down and testify on behalf of new projects
14 whenever we look at the funding that is --- you know,
15 that has been cut for transportation, as well as the
16 required increase in project costs, that it's just
17 going to --- essentially, for the time being at
18 least, we're hoping to just keep the projects that we
19 have on the TIP in place.

20 Again, in my testimony I list all of
21 the projects that were successful through PennDOT and
22 in the funding for the ARRA. And as Commissioner
23 Scahill mentioned, Butler County is very appreciative
24 of the efforts that were made for the creation of the
25 American Recovery and Reinvestment Act. We have

1 benefited greatly from it. And not only the
2 transportation end of it, but we have a lot of other
3 social service agencies and the like that are taking
4 advantage of these funds.

5 So on behalf of Butler County, again, I
6 would like to thank you for this opportunity to
7 provide this testimony.

8 CHAIRMAN:

9 Thank you, sir. Very good testimony.

10 MR. JOHNSTON:

11 Thank you.

12 CHAIRMAN:

13 Has any jobs been created?

14 MR. JOHNSTON:

15 Yes. There have been jobs. A lot of
16 construction jobs on the short order. And along with
17 that, I think that there are some permanent jobs. We
18 had funding that was utilized for a senior citizen
19 project. We had --- these are other fundings besides
20 the transportation. Through our Community
21 Development Block Grant Program, we have funding that
22 was recently awarded for, I believe, another bridge
23 project. So there are a lot of not only the
24 temporary jobs, but I think that there will be some
25 long-term jobs created also.

1 CHAIRMAN:

2 Question, one of these nagging
3 questions in the southeast, going back to roads and
4 bridges, transportation, that if the project is in
5 Butler County, are the jobs being created include
6 Butler residents?

7 MR. JOHNSTON:

8 Yes. Again, as commissioner Scahill
9 mentioned, we support the idea of regionalism. And
10 the southwest area encompasses a large number of
11 counties, different counties. We see, at least on
12 the short term, the construction jobs for all these
13 new bridges and everything. Not only are they Butler
14 County residents that are taking advantage of these
15 but we see a lot of --- because we do have some
16 construction companies that are really benefiting
17 greatly, that are located in Butler County, from this
18 program. But we also see an influx of other
19 construction jobs coming in from the region.

20 CHAIRMAN:

21 How do you feel about the model that
22 has been put in place for receipt and distribution of
23 ARRA dollars? And that model, the Executive
24 Oversight Commission with an ARRA czar, Secretary ---
25 or the Secretary of Department of General Services,

1 is the ARRA czar for the Commonwealth of
2 Pennsylvania. And the Commission is like the think
3 tank for receipt and distribution of ARRA dollars.
4 How do you feel about that model?

5 MR. JOHNSTON:

6 I'm not familiar enough with the model
7 to really to comment on that, so ---.

8 CHAIRMAN:

9 So you've had no interaction with that
10 Commission?

11 MR. JOHNSTON:

12 No, I have not. Yeah.

13 CHAIRMAN:

14 Have you had any interaction with the
15 Secretary of Transportation ---

16 MR. JOHNSTON:

17 Yes, I have.

18 CHAIRMAN:

19 --- around ARRA, use of ARRA dollars?

20 MR. JOHNSTON:

21 Yes, we have.

22 CHAIRMAN:

23 Okay. And I guess my last question
24 would be, you have seen the \$23.2 million that has
25 come into Butler County.

1 MR. JOHNSTON:

2 Uh-huh (yes).

3 CHAIRMAN:

4 And you know that at some point, the
5 statewide impact on Butler County will be about \$46.5
6 million?

7 A. Yes.

8 CHAIRMAN:

9 Okay. Thank you.

10 MR. JOHNSTON:

11 Thank you very much.

12 CHAIRMAN:

13 All right. Next, we will --- is there
14 anybody here from Community Action Program of Indiana
15 County? Is there anybody here from White Township?
16 Indiana County Board of Commissioners? Okay. So
17 they are expected between 11:00 and 11:30. So while
18 we wait, let me ask the people here, does anybody
19 have any questions or comments regarding this
20 American Recovery and Reinvestment Act? And please,
21 don't everybody speak at once. Any questions or
22 comments? Okay.

23 MS. NEILSON:

24 Are you going to have a hearing --- you
25 said you're going to have one in Pittsburgh --- in

1 the Pittsburgh area?

2 CHAIRMAN:

3 Well, no. I've been instructed that it
4 will be in Erie, Pennsylvania.

5 MS. NEILSON:

6 Oh, it will be in Erie. So there won't
7 be one in Pittsburgh?

8 CHAIRMAN:

9 Right. It will be in Erie and there
10 will be one in Harrisburg and one in the southeast.

11 MS. NEILSON:

12 Okay.

13 CHAIRMAN:

14 Any other question or comments? If
15 not, we're going to take a 10, 15-minute break as
16 soon as our guests arrive. One of the things that's
17 going on this morning, there's a transportation
18 hearing around some infrastructure projects that's
19 going to impact southwest counties. And a number of
20 other meetings going on, so we're going to take a
21 break and we will be back in about 15 minutes.

22 SHORT BREAK TAKEN

23 CHAIRMAN:

24 Okay. We're going to resume our public
25 hearing. Let me say good morning to everyone. My

1 name is W. Curtis Thomas. I am the Chairman, the
2 Majority Chairman, of the House Intergovernmental
3 Affairs Committee. And I am excited to be joined by
4 my colleague, Representative Deasy from Allegheny
5 County, part of this great southwest delegation. So
6 we're glad to have him here. And we are going to get
7 a rousing good morning from him before we go right
8 into our agenda. Representative Deasy.

9 REPRESENTATIVE DEASY:

10 Thank you, Mr. Chairman. And I want to
11 first publicly thank you for coming out to western
12 Pennsylvania and letting our local elected officials
13 take the opportunity to talk about the ARRA funding
14 and how it's affecting their counties and
15 municipalities.

16 As a new member to the legislature,
17 this is my first term, I was excited to be on this
18 committee when we found out about the stimulus money
19 coming through Pennsylvania and part of our role on
20 this committee would be to see how that funding is
21 spent throughout the municipalities and also to make
22 sure there's transparency and accountability.

23 Chairman Thomas had mentioned that
24 early in our first meeting, that we were going to
25 make sure there was accountability and transparency,

1 because that's what the public's looking for these
2 days in government. So this is an important
3 opportunity for us to hear from our local officials,
4 and I look forward to that. Once again, I thank
5 Chairman Thomas for coming to our part of the state
6 to hear and taking the opportunity to spend some time
7 with our local officials and hear how that federal
8 money is impacting their neighborhoods. With that,
9 thank you for coming and good morning.

10 CHAIRMAN:

11 Thank you, sir. So far this morning
12 we've heard from Armstrong County Board of
13 Commissioners. We've heard from the Butler County
14 Planning Commission. And now we will be hearing from
15 the great county of Indiana County. And I understand
16 that all three commissioners are with us this
17 morning. So let us start with the Honorable Rodney
18 Ruddock, who is chair of Indiana County Board of
19 Commissioners. Good morning, sir.

20 COMMISSIONER RUDDOCK:

21 Good morning, Chairman. How are you
22 this morning?

23 CHAIRMAN:

24 Okay.

25 COMMISSIONER RUDDOCK:

1 Yes. Good to see you. Am I allowed to
2 do this? I guess I can. Good to see you this
3 morning. You're the person who takes all the notes I
4 guess. I apologize that you --- you will have before
5 I'm done with testimony, I'm sure, copies of my
6 testimony. We've had a busy couple of days, and my
7 father-in-law is in the hospital. So this morning I
8 was editing my final comments today and my planning
9 director is in the process of making copies of that
10 as I testify, and he should have them in here
11 probably within the next half hour. So it will make
12 --- I think that will help all of us.

13 First of all, I want to make sure that
14 you have met my colleagues, Dave Frick from Indiana
15 County and also Patty Evanko.

16 CHAIRMAN:

17 Good morning.

18 COMMISSIONER RUDDOCK:

19 And they are here, when we get into any
20 questions you might have, to offer any kind of
21 support that we might need. So let me begin. Again,
22 good morning, Chairman Curtis (sic), members of the
23 House Intergovernmental Affairs Committee, welcome to
24 Indiana County. We are the Christmas tree capital of
25 the world. Just make sure you take that with you.

1 And also the proud home of Indiana University of
2 Pennsylvania. I'm Rod Ruddock. I chair the County
3 Commissioners in Indiana. I am also on the SPC Board
4 serving as secretary/treasurer, so I work with Dan
5 Onorato very closely from the SPC delegation.

6 I would like to extend my appreciation
7 to the House of Representatives, first of all. The
8 Intergovernmental Affairs Committee really
9 represents, I think, a strength of this particular
10 process and I am anxious to present testimony on the
11 American Recovery and Reinvestment Act.

12 My testimony this morning is on behalf
13 of nearly 90,000 Indiana County residents and on
14 behalf of 38 municipalities, that's 14 boroughs and
15 24 townships, 7 school districts and many other
16 anchored institutions that are tirelessly crunching
17 budgets and looking for resources simply to survive.
18 About this time last year, the nation spoke and it
19 spoke loud and clear, people wanted change. A new
20 direction. The Economy was extremely poor and we
21 were in the midst of a worldwide financial meltdown.
22 Something had to be done.

23 First, we needed some leveling off, a
24 plateau and some may say just hitting bottom. Byron
25 Stauffer, my planning director is here. Would you

1 like to bring copies of the testimony forward so they
2 have copies of that?

3 OFF RECORD DISCUSSION

4 CHAIRMAN:

5 Thank you.

6 COMMISSIONER RUDDOCK:

7 Here, you can take this one. I'll read
8 from my notes as best as I can. President Obama
9 provided direction to move the nation forward. Some
10 argue that the plan would cost too much and the
11 nation could not afford it. Others said the plan was
12 not ambitious enough. Indiana County was excited to
13 hear of the plans, which were initially introduced as
14 part of the federal plan.

15 Looking locally at the end of 2008 and
16 into early 2009, Indiana County was in the final
17 stages of constructing a \$28 million jail facility.
18 We did not have \$28 million in the bank. We had no
19 money in the bank. But we planned for this major
20 undertaking and successfully completed the jail
21 project in February of 2009. And knowing that we had
22 a number of other capital projects to follow, this
23 included a federally mandated FCC emergency radio
24 communications plan estimated at about \$16 million,
25 which is required to be in place by 2012. We were

1 optimistic that we would begin to rebound. I mean,
2 when you think about those two tallies of dollars,
3 those are taxpayer monies that are really spent for
4 projects that are mandated by either the state or
5 federal government. So the excitement was here comes
6 some money through stimulus dollars, ARRA dollars,
7 that would help us overcome some of those issues.
8 And I will talk in more detail about that as we move
9 through my testimony.

10 We are also concerned, as you are, what
11 the national debt will do to our grandchildren and
12 great-grandchildren. That's always a concern that we
13 share. But again, I was admittedly very excited
14 about the projects and programs an economic stimulus
15 plan would bring or provide to the Commonwealth. We
16 have all experienced dramatic revenue reductions, not
17 only in Indiana County, but our local municipalities,
18 our libraries, our authorities, our police
19 organizations, our emergency management
20 organizations, our fire departments and community
21 agencies. And soon today, we will hear from Lorna
22 Vita, who is the director for ICCAP for Indiana
23 County. And I think she has a story to tell as well.

24 It's our understanding about one-third
25 of the ARRA funding has been spent. At this time, I

1 have mixed emotions about the impact of ARRA funding
2 to date, as I will attempt to explain.

3 I currently serve on the Southwestern
4 Pennsylvania Commission, SPC, which is our MPO, our
5 Metropolitan Planning Office. And that assists in
6 the planning of regional transportation dollars where
7 SPC is comprised of ten county regions and the City
8 of Pittsburgh. SPC coordinates the planning
9 activities with the Pennsylvania Department of
10 PennDOT, specifically with the three PennDOT offices,
11 District 10, 11 and 12. Indiana County is part of
12 District 10. As we began discussions at the
13 beginning of the year and through February of 2009, I
14 was very encouraged with the preparation and
15 coordination among all the entities to prioritize
16 transportation projects in the region with the SPC
17 staff, along with PennDOT executive directors. This
18 was quite an impressive feat. And I think you need
19 to hear the good. PennDOT really needs to be
20 commended. They had a plan in place well in advance
21 of the release of any federal dollars. And it's
22 through their vision and their advanced planning that
23 allowed us, I think, to wisely invest in priorities
24 of bridges and roads for Indiana County, although we
25 knew that there were tight deadline to follow. But

1 what I can tell you is that we were able to take
2 advantage of nearly \$18,500,000 in ARRA funds for
3 those projects.

4 They have been committed to various
5 road and bridge improvements in Indiana County. And
6 without going into a lot of individual detail, they
7 include Luzerne Road, Chestnut Ridge, two bridges,
8 422 section, and now, when monies became loosened up
9 because of other areas not spending their stimulus
10 dollars, we were able to take advantage of some
11 excess dollars --- excess is not the right word. To
12 take advantage of some dollars that were applied to
13 the Clymer Bridge, which right now is going to be
14 about a \$7 million project. That would not happen
15 with (sic) ARRA dollars --- would not happen.

16 It has been reported that 146
17 construction-related jobs have been created and/or
18 retained as a result of the above projects, and
19 that's what ARRA was all about. With some projects
20 still being completed or yet being formally under
21 way, I cannot thank PennDOT and SPC enough for their
22 continued leadership through the ARRA process, as
23 well as delivering needed projects for our community.

24 I must also applaud another
25 organization, which I think has been critical to

1 success of our region and our state, and that is
2 PENNVEST. Indiana County has been fortunate over the
3 years to obtain funding through a number of our
4 authorities to implement clean water and wastewater,
5 sewage projects. And one of our priority projects
6 over the last couple of years has been in southern
7 Indiana County. And it's a sewage treatment plant
8 project, which is owned by the Blairsville Municipal
9 Authority, BMA. But it also encompasses a large part
10 of Burrell Township. And the reason why I'm giving
11 you this information is because these are
12 partnerships that have begun to flourish and prosper
13 because with monies that become available, the
14 regionalism that has occurred as a result of that is
15 very inviting to growth. And we have seen that in
16 our southern part of Indiana County.

17 This has also been, I think, a great
18 opportunity for southern Indiana County, because of
19 what it does with business expansion, specifically
20 when you apply to KOEZ, KOIZ and KIZ designations.
21 You can't ignore that. That's an important part of
22 this whole process. Commercial and retail
23 developments, a new medical center, a new hotel and a
24 new housing site along with the Route 22 corridor has
25 been invigorated because of these dollars. The BMA

1 submitted an application to PENNVEST earlier this
2 year and has been awarded funding totaling more than
3 \$13.4 million, which is nearly \$10.5 as a grant from
4 ARRA funding. That is impressive. We're ready to
5 break ground actually on that project as we speak.

6 The BMA is also going to do something
7 else because of that money. It's going to address a
8 longstanding issue with its combined sewer overflows
9 or CSOs. Our water in Indiana County runs right
10 through Allegheny County, and so it's imperative that
11 our water is clean, pure and makes it way down to the
12 Ohio in a clean fashion. And that's exactly what's
13 going to happen when we get these CSOs clarified.

14 The key here is that we're pleased to
15 learn that ARRA funding would also be distributed to
16 communities through CBDG --- CDBG monies. And this
17 is really an area we're very happy that we're getting
18 additional dollars. The recovery of our
19 municipalities depend heavily on these monies and
20 they're driven by formula. Indiana County averages
21 about \$350,000 annually in CDBG funding. It's not a
22 lot of money when you think about the number of
23 municipalities I talked about. What we are
24 anticipating is to receive about \$80,322 through ARRA
25 funding. Now that sounds like a nice chunk of money,

1 but when you take --- two of our townships
2 communities actually have their own entitlement. Of
3 38, 36 then are going to share \$80,000. That's not a
4 lot of money. And so there's an area where, I think,
5 we were hopeful that the investment of stimulus
6 dollars would relook at those prior formulas and
7 maybe look at the needs of those communities, so that
8 we could address those as individual concerns which
9 we didn't have a chance to do.

10 Requirements also in CDBG planning are
11 now layered with ARRA rules and procedures. And this
12 makes it extremely challenging to develop projects
13 and budgets that are compatible, particularly when
14 you're trying to move one community with another in
15 moving forward. Although we have these challenges
16 and issues, we will find a way to be successful in
17 the end. That's why we're here, and that's why you
18 do what you do.

19 Earlier in my remarks --- and I had a
20 chance to over here a couple of comments, Chairman,
21 that you made regarding broadband. I'm going to
22 speak a little bit more detail about that. I can't
23 tell you how excited we were. I'm going to use the
24 word I here for just a minute. So I was when I heard
25 of the monies that were being released by the federal

1 government to be earmarked for broadband at the
2 federal level. And the excitement was that we began
3 to develop a regional initiative to secure these
4 dollars.

5 Indiana joined in partnership with
6 Armstrong County to provide a municipal-owned
7 multi-service carrier grade communications network,
8 being referred to as the RBA, which is the Regional
9 Broadband Alliance. This alliance and effort put
10 together a concept plan, which submitted a grant
11 application through the state to the National
12 Telecommunications & Information Administration,
13 NTIA. This grant was in the amount of \$18,000,742
14 (sic) and \$1,000. And this was done --- and I know
15 you understand this because you were talking about
16 it, on the middle-mile concept through the BTOP.

17 And the excitement was finally,
18 finally, the government is stepping to the plate both
19 federally and locally, state-wide, to recognize that
20 there are individuals in parts of our county who
21 don't get serviced through broadband. We have parts
22 of our county that don't get serviced through cell
23 phone service. I don't think people realize that in
24 remote areas of counties, like Indiana or Jefferson
25 County or Armstrong County or Cambria County, there

1 are people out there that are probably about 20 years
2 behind the ability to be connected to the world of
3 technology. And we need to bring them onboard.

4 So we spent a lot of time in putting
5 this project together. We actually agreed between
6 the two counties to cough up 20 percent matching
7 dollars in addition to the \$18 million which then
8 would bring the total cost of the project to
9 \$23,428,000. So we were interested. I mean, we had
10 gone through and said we're going to make this thing
11 work. We had the RBA application. We submitted it
12 to the SPC. Got the highest ranking of any that they
13 saw. Went to the state. The Board looked at it at
14 the state, and we found that we were a little bit
15 concerned because we thought it really served the
16 underserved and unserved regions of the county. But
17 unfortunately, that particular application did not
18 receive high priority or priority recommendation from
19 the state. I'm not --- they do what they do. That's
20 a process. I'm okay with the process.

21 I can tell you that the Commissioners
22 from the two counties went down to Washington DC the
23 next day when we got that let and met with our
24 federal delegation. And told them about, please,
25 make sure that our application is heard loud and

1 clear in Washington. And we understand that it made
2 the first passings down there, so we're very, very
3 excited that even though the recommendation didn't
4 come from the state, it's going to receive some
5 recommendation from the federal government.

6 But the key here is that we need to
7 have affordable, accessible, reliable broadband
8 service by multiple carriers to carry this
9 requirement to our two-county region. To our anchor
10 institutions, like IUP and our public safety
11 responders, the RBA will spur economic growth,
12 innovation and job creation through this and adjacent
13 areas of the Commonwealth. The proliferation of
14 affordable and reliable broadband access will impact
15 our communities in a variety of positive ways,
16 changing from the development of a world class
17 workforce in the area to providing to the
18 communications platform reshaping how healthcare and
19 education are delivered.

20 The RBA, our project, is shovel ready
21 and will provide reliable, affordable and sustainable
22 broadband service to more than 75 government units,
23 4,486 businesses, 63 households and 47 educational
24 institutions in the two-area county area.

25 I'm getting a little bit emotional on

1 this because this is an important part. We need
2 those monies to make this work. This is our last ---
3 companies not going to come in. If they would have
4 come in before and set it up, it would have been done
5 long ago. But they can't afford to do it. This is a
6 chance to use a public-private partnership to get the
7 job done. It's really the way to do business. The
8 RBA creates a bridge to the digital vibe within
9 Pennsylvania. And we are hopeful that it will
10 happen. I'm going to skip a little bit because I
11 think I went into that in enough detail.

12 Let's talk about some of the
13 people-oriented aspects of the ARRA funding. These
14 are good things to hear. You know, as much as we
15 talk about funding in some way, let's talk about
16 people that are affected. We think that children and
17 families are positively influenced by this funding
18 apparatus. Through tax relief, we think that over
19 36,000 families are, in some ways, probably affected.
20 Unemployment compensation, that's been a big change
21 for us. Health insurance for unemployed through
22 COBRA, that's been a change. Health insurance for
23 low-income children and adults through medical
24 assistance, about 12,800 affected. So when you talk
25 about that and you talk about food assistance, food

1 stamps, recoveries for people in need, Lorna Vita has
2 the expertise, she knows all those numbers in much
3 more detail than I have.

4 These reported numbers are only
5 estimates, but they are staggering nonetheless. With
6 the assistance of ARRA funding, Indiana County will
7 be administering a Homelessness Prevention and Rapid
8 Re-Housing Program. And I was a little bit dismayed
9 in this, by the way, when I saw the state budget,
10 only because we have about 100 people in Indiana
11 County right now that are homeless, unbelievable, in
12 Indiana County, that don't have a place to stay, yet
13 the funding was cut. So we're very hopeful that the
14 ARRA funding will help to stimulate opportunities for
15 us to support those families. Soon you will hear
16 from Lorna Vita, and she'll talk about those, I'm
17 sure, in more detail.

18 One issue of common that I would say
19 that she will probably tell you that we have seen in
20 our limited work with ARRA is the fact that state
21 suspense dates need to be a little bit more
22 reasonable back to the user. We just received an
23 e-mail from Governor Rendell's office, I think,
24 talking about workforce dollars that came out on
25 October 26th. And our requirement is to have a plan

1 back in by November 13th. That turn around time is
2 just too tight to do it well. And oftentimes, that's
3 overlooked. Sometimes we think we can just turn that
4 around in a day's time hear. It doesn't work that
5 way.

6 But we are very excited that the
7 Tri-County Workforce Investment Board, which helps
8 with our labor needs has been invested very nicely by
9 the --- by WIA and also the ARRA funding apparatus.
10 In fact, all of this funding has been targeted to
11 eligible adult and dislocated workers and youth
12 recipients through as recent as October 2nd. So
13 we're excited about that. The WIA Eligible
14 Dislocated Worker Program has been awarded actually
15 over \$746,000 and has established 55 individual
16 training accounts. So we know that it's being
17 applied and it's being used effectively and
18 efficiently. And I can tell you as a former high
19 school principal, it's very rewarding to see that
20 young people are finding their area of interest and
21 explore possibilities to continue their education,
22 whether it be four-year or a two-year Associate
23 degree program.

24 This is not an all doom and gloom kind
25 of operation. And I'm glad that you're here

1 understanding that we are not here to bring any kind
2 of discredit to any program. In fact, I hope that
3 you see this as a positive kind of opportunity for
4 us, and that's the way we see this.

5 I think what the challenge is for us
6 now is that we work continually together to increase
7 opportunity for growth, not only for this region but
8 for the Commonwealth. Everyone's affected by, I
9 think, all the effort that we put in to each of these
10 particular activities. You've heard about some
11 growth elements that are occurring in the area of
12 Marcellus region. We're the epicenter for Marcellus
13 right here, but we have not seen any purified growth
14 as we would hope. But within the next couple of
15 months, I'm sure some things will begin to start.

16 But I wanted to finalize my comments by
17 thanking you, the Intergovernmental Affairs
18 Committee, for the opportunity to present this
19 testimony along with my fellow Commissioners. And I
20 look forward to working with our local community,
21 municipal leaders, our county partners, PennDOT, our
22 state and federal delegations, in order to build a
23 rich history and continue moving forward as a county
24 and a region and our Commonwealth to be a better
25 place to live, to work and play and invest, and

1 that's what this is all about. So I thank you for
2 hearing my testimony.

3 CHAIRMAN:

4 Thank you, sir.

5 COMMISSIONER RUDDOCK:

6 Are there any questions at all that I
7 can be of assistance to you?

8 CHAIRMAN:

9 Representative Deasy, do you have any
10 questions.

11 REPRESENTATIVE DEASY:

12 No, I'm good. Thank you.

13 CHAIRMAN:

14 A couple questions I have.

15 COMMISSIONER RUDDOCK:

16 Okay. Yes, sir.

17 CHAIRMAN:

18 One, you would acknowledge that Indiana
19 County has received \$13.4 million.

20 COMMISSIONER RUDDOCK:

21 In what capacity, Chairman?

22 CHAIRMAN:

23 Directly.

24 COMMISSIONER RUDDOCK:

25 Indiana County, would that be through

1 PennDOT?

2 CHAIRMAN:

3 PennDOT or either through DC,
4 department of Community Economic Development, or
5 through Labor & Industry. But according to our
6 legislative research office, Indiana County has
7 received \$13.4 million and of statewide resources
8 that we cannot track at this time, the net impact is
9 \$26.9 million.

10 COMMISSIONER RUDDOCK:

11 Well, that could be right, Chairman.
12 And this is an interesting point, because we were
13 discussing this. When the monies come to Indiana
14 County, sometimes we don't see the monies directly.
15 They flow into like the Indiana Community Action
16 Program and ---.

17 MR. STAUFFER:

18 The BMA is \$13.4.

19 COMMISSIONER RUDDOCK:

20 What's that?

21 MR. STAUFFER:

22 The BMA is \$13.4.

23 COMMISSIONER RUDDOCK:

24 Yeah, that was the PENNVEST that you're
25 talking about.

1 CHAIRMAN:

2 Right.

3 COMMISSIONER RUDDOCK:

4 I think that's the one we're talking
5 about. But the PENNVEST, \$13.4, the monies that come
6 in for the PennDOT program, which is about \$14
7 million, plus what's coming into ICCAP, there's a lot
8 of money that's coming in. And the real challenge is
9 how do we manage that money and how do we account for
10 that money. I think that's another issue that we're
11 all real concerned about.

12 CHAIRMAN:

13 Does Indiana County have a website ---

14 COMMISSIONER RUDDOCK:

15 Yes.

16 CHAIRMAN:

17 --- that people can go to and track
18 receipt and expenditure of ARRA dollars?

19 COMMISSIONER RUDDOCK:

20 I don't know that it is that
21 sophisticated to do that right now. I'm not sure
22 that even our accounting team is on top of that right
23 now. But obviously, that's something that we can
24 take a look at, Mr. Chairman.

25 CHAIRMAN:

1 My next question, is there an open line
2 of communications between the County and, say, the
3 Department of Labor & Industry, which I think just
4 announced that there's going to be \$8 million for
5 workforce development-related activities?

6 COMMISSIONER RUDDOCK:

7 Yeah, we work very closely through our
8 WIA partners in both Armstrong and Butler Counties
9 and work with our CareerLink and CareerTrack, which
10 is right here of course, to make sure those monies
11 are wisely invested. That was the point I was
12 making. That \$8 million came out on October 26th,
13 and we have to get a plan back by November 13th. I'm
14 sure we're working on a plan, I just haven't seen it
15 or have not been part of the decisionary process to
16 implement those dollars.

17 CHAIRMAN:

18 Okay. And I think you did mention that
19 you're in touch with the Office of Information
20 Technology ---

21 COMMISSIONER RUDDOCK:

22 Oh, yes.

23 CHAIRMAN:

24 --- for the broadband?

25 COMMISSIONER RUDDOCK:

1 Yes, I am.

2 CHAIRMAN:

3 Excellent. All right. Any specific
4 recommendation? I mean, we have --- we've received
5 about one-third of \$16 billion. Probably by the time
6 we get through the remaining two-thirds, we will have
7 a new government, and we will have probably a
8 different apparatus. And I know at least in the
9 legislature, we have seen almost 70 new people in
10 just one term. Are you satisfied with the oversight
11 structure that is currently in place or do you think
12 we should follow the path of some other states and do
13 this legislatively?

14 COMMISSIONER RUDDOCK:

15 I'm not sure that I'm sophisticated
16 enough to give you a good response to that. I don't
17 know if my colleagues would give a response. When
18 you say oversight, I think we're starting to get a
19 handle on that right now. We had a lengthy meeting
20 this morning talking about how do we provide better
21 oversight of the monies that come our way. I guess I
22 was hopeful that counties and municipalities would
23 have an opportunity to create a need that needed to
24 be prioritized in terms of financial requirements
25 that could be supplied and supported through the ARRA

1 dollars.

2 In fact, I had an article that was put
3 in to the Indiana Gazette and I had a --- my vision
4 earlier was, you know, for us, as County leaders, we
5 know what our shortfall is. The shortfall is we
6 spend an awful lot of money, as I talked earlier, to
7 build jails, to put in communication systems that are
8 mandated. If you add \$28 million to our radio,
9 that's \$44 million. The only way to pay that money
10 is out of the taxpayers' pocket. You give us
11 \$44 million out of stimulus dollars, we'll pay that
12 off and that's \$44 million that don't have to come
13 out of our taxpayers' pockets, and then they can
14 reinvest the money that they can have into the
15 Economy. It just makes so much more sense to do
16 that. But obviously, that's a very simplified
17 version of how it probably may not work well. But
18 from my point of view, that's how I was hopeful that
19 we would be able to see some of those monies secured.

20 And I'm not saying to use it for
21 projects that would not be recognized as essential.
22 But when we're talking about jails and we're talking
23 about communications, lifesaving kind of
24 opportunities, these are things we have no control
25 over. And I hate to see taxpayers pay that kind of

1 money when there are other things we need in our
2 county.

3 CHAIRMAN:

4 So my last question is how many jobs
5 have been created since ARRA?

6 COMMISSIONER RUDDOCK:

7 In Indiana County? Byron, do you have
8 a ---?

9 MR. STAUFFER:

10 With the PennDOT work, it was estimated
11 roughly 150 --- 150 jobs. The BMA hasn't started
12 yet, there will be some jobs there. That's the
13 sewage treatment plant project. I think Ms. Vita
14 will maybe comment on some of the organizations, some
15 direct jobs maybe that ICCAP would create as a result
16 of some of the ARRA dollars. So I think at this
17 point, we have been tracking it on the website, you
18 know, using the recovery PA site. But most of the
19 dollars to date really have come through the state
20 sources and the state projects, not a lot of money
21 has reached at least the county level yet, except in
22 ICCAP.

23 COMMISSIONER RUDDOCK:

24 200 jobs were student-oriented jobs in
25 the summer when we were doing some work related to

1 Workforce Investment. But so little of that money
2 flows through the county, just like Byron's saying,
3 so it's hard for us to put a finger on exactly the
4 jobs in the county.

5 CHAIRMAN:

6 Okay. Thank you.

7 COMMISSIONER RUDDOCK:

8 Thank you very much.

9 CHAIRMAN:

10 Ms. Lorna Vita, the executive director
11 of the Community Action Program of Indiana County.
12 Welcome.

13 MS. VITA:

14 Thank you.

15 CHAIRMAN:

16 Still good morning.

17 MS. VITA:

18 Good morning. My name is Lorna Vita.
19 And I am the executive director of Indiana County
20 Community Action Program, well known in the county as
21 ICCAP. We are a private nonprofit community service
22 agency which provides a variety of services to
23 low-income citizens of Indiana County. Some of these
24 services are food distribution, energy assistance,
25 housing needs, home weatherization, payee services

1 for mental health consumers and asset building
2 programs. ICCAP has been approved to receive ARRA
3 funds in the following areas, the Emergency Food
4 Assistance Program, TEFAP. We have received
5 additional food, which is delivered directly to our
6 food bank warehouse and from there, it's distributed
7 to approximately 1,700 households in Indiana County
8 through ICCAP's network of 22 food pantries.

9 The Community Services Block Grant ARRA
10 funds, Regular CSBG has been the glue money for
11 community action agencies since 1965, and is critical
12 in the continuing of care for low-income individuals
13 and families. The ARRA funds are administered by the
14 Department of Community and Economic Development.
15 And we will use the additional ARRA funds to fill the
16 gaps in support of services experienced by newly
17 unemployed and underemployed individuals. These
18 services and programs address employment,
19 transportation, better use of available income
20 through financial skills and asset building training
21 and outreach for people at or below 200 percent of
22 the federal poverty level.

23 Homeless Prevention and Rapid
24 Re-Housing Program, DCED, is administering these
25 funds, which will flow through the County and we will

1 be using those to make permanent reduction in
2 homelessness by moving newly homeless directly into
3 permanent housing and by keeping working clients in
4 subsidized housing who are affected by loss of hours
5 or layoffs.

6 The Weatherization Assistance Program,
7 Regular Weatherization is also administered by DCED
8 and for many years ICCAP has provided free
9 installation of energy-conservation measures to
10 income-eligible households. These can include
11 weather stripping, installing insulation, furnace
12 tuneups, updating or replacements. This service is
13 available to low-income homeowners and renters.
14 Goals of the program include decreased utility bills
15 for families, to provide jobs for workers and to make
16 the nation more energy efficient.

17 Over the past few months, we have
18 increased staffing, training for crew members,
19 increased work to increase equipment, engaged
20 subcontractors and clients for our weatherization
21 with the anticipated increase in production.

22 Within ICCAP, as a result of the
23 funding, we have currently created 16 jobs within the
24 agency. But with delays, we are just now hiring in
25 those positions.

1 Providing these services to the
2 neediest of our county residents has been delayed due
3 to many factors, including the state budget impasse,
4 lack of training opportunities and changes in program
5 requirements. To date, we have not received any of
6 the approved ARRA funds. And when we are permitted
7 to start the program, I believe we will make a
8 significant impact in the county.

9 As an agency, we are striving to meet
10 the rigorous timeline required to spend these funds,
11 even though we face these unforeseen circumstances
12 with the state budget impasse. At this time, we do
13 not even know when the contracts are starting. I
14 would ask that the strict timeline for the
15 expenditure of the ARRA funds be reviewed and
16 consideration be made for an extension. The ARRA
17 funds will afford us the opportunity to better serve
18 the homeless, unemployed and low-income population of
19 Indiana County. Thank you for having me here today,
20 and I'd be happy to answer any questions.

21 CHAIRMAN:

22 Thank you. Madam Director, Executive
23 Director, I think we need to, you know, try to look
24 into why these contracts are not moving for ARRA or
25 for state dollars. As it was our understanding ---

1 even though we went 101 days past the statutory
2 deadline, it was our understanding that right after
3 the budget was signed into law, departments were
4 ready to get checks and/or contracts out to counties
5 and agencies.

6 MS. VITA:

7 Well, our regular state funding has
8 been --- we have been receiving that. And it has
9 gotten back into a regular flow. The ARRA funds, we
10 are --- have not received those yet. We received
11 contracts, signed at our side, back to DCED and
12 haven't received those back yet. So ---.

13 CHAIRMAN:

14 ARRA dollars was a part of the state
15 budget. You know, when we did the operating budget,
16 there were ARRA line items we knew where certain
17 money was going. So unless departments was not ready
18 with contract guidelines --- but they should have ben
19 ready. So we're going to look into that.

20 MS. VITA:

21 Thank you.

22 CHAIRMAN:

23 But I thank you for your testimony.
24 Representative Deasy?

25 REPRESENTATIVE DEASY:

1 I think another point she brought up,
2 it's the second time we heard about deadlines and
3 extensions. Maybe we need to possibly see to make
4 sure everybody takes advantage of the opportunity to
5 apply for these dollars. So maybe we need to look at
6 those deadlined and see if there is any opportunity
7 to extend.

8 CHAIRMAN:

9 Right. Because I know with the
10 broadband money, I don't know whether there's even
11 been a public announcement that that deadline has
12 been extended 30 days. So what people thought that
13 they had to have their applications in was
14 October 26th or 28th, they now have another month.

15 MS. VITA:

16 Okay.

17 CHAIRMAN:

18 But thank you.

19 MS. VITA:

20 Thank you.

21 CHAIRMAN:

22 Okay. Last but not least, we have Mr.
23 Larry Garner, who is the manager of White Township,
24 Indiana County. Good morning, sir.

25 MR. GARNER:

1 Good morning. How are you today?

2 CHAIRMAN:

3 How are you doing?

4 MR. GARNER:

5 Good. I am last on your list. So
6 you'll have a good lunch and return home. My name is
7 Larry Garner. I am the manager in White Township.
8 And I'd like to welcome you to White Township since
9 this is the location that you are in at this point.
10 I'm sure Mayor Hood --- I understand he spoke
11 earlier, he probably welcomed you to Indiana. And I
12 just wanted to be technically correct, we are in
13 White Township.

14 I was alerted to this meeting --- to
15 this hearing by PSATS. And they asked if I could
16 respond to a couple of questions which were asked at
17 the Scranton hearing. The representative wasn't
18 aware of the answers, so they asked me to respond.
19 One question that was asked was whether or not PSATS
20 was invited to be part of the state's Oversight
21 Committee for the American --- or for the ARRA. And
22 PSATS has not received an invitation to participate
23 in the state's Oversight Committee.

24 The second question they wanted me to
25 respond to was whether or not PSATS was included in

1 any of the state training programs. The association
2 was not included in any state training program
3 specifically. PSATS did partner with the Ferguson
4 Group out of Washington DC to offer four workshops
5 for local government officials in the late winter and
6 early spring of this year. These workshops help
7 explain ARRA and how the money would be distributed
8 and how to apply.

9 A final question involved whether PSATS
10 or how --- what involvement PSATS had with the ARRA
11 Program? And the answer is PSATS does not have any
12 role in ARRA. The National Association of Towns and
13 Townships, which PSATS is a member of, actively
14 lobbied for the inclusion of local government in a
15 distribution of stimulus funds during the legislative
16 process and has worked to influence federal program
17 guidelines for programs that townships might apply.
18 PSATS has attempted to influence program guidelines
19 at the state level. So that kind of is a follow-up
20 to some of the comments that apparently were asked at
21 the Scranton hearing.

22 CHAIRMAN:

23 Excellent.

24 MR. GARNER:

25 Now as a local governmental official,

1 I'd like to respond in terms of townships and
2 basically rural Pennsylvania. In Indiana County,
3 there are 24 townships, White Township being the
4 largest with about 14,000 people. If you take the
5 other 23 and average them all together, you end up
6 with 23 municipalities that have about 2,200 people
7 in each, so this is a very rural area. We're kind of
8 an anomaly being the larger, being in the central
9 part of the county, around the county seat. The
10 point being that the county is mostly rural area and
11 the townships are relatively small in size.

12 The primary function of most townships,
13 regardless of their size, is the care and maintenance
14 of local roads. This year White Township budgeted
15 about a million and a half dollars to maintain our
16 80 miles of road. We bought a plow truck last year
17 that cost us \$150,000, the traffic signals we're
18 currently installing is \$125,000. Annually we spend
19 about \$300, \$350,000 paving and seal coating roads.
20 We have wages and overhead that costs us about
21 another half a million dollars. If you consider our
22 general fund and our liquid fuel funds together,
23 43 percent of that is spent on roads in White
24 Township. In smaller townships, almost all of their
25 money is spent on roads.

1 In recent years, funds to maintain
2 roads have been dwindling, the State Liquids Fuel
3 Program provides annual money to municipalities to
4 help maintain in the cost of maintaining local roads.
5 This program is funded through gas tax revenues. And
6 in the past two years, White Township's receipt of
7 these funds been reduced by eight percent mainly
8 because people are not driving like they used to and
9 we aren't getting the gas tax receipts.

10 Additionally, over the years since the
11 beginning of the program, initially there was a
12 20-percent referred to by PSATS as a fair share
13 amount that went from the Liquid Fuels Fund into the
14 local municipalities. That amount over the years has
15 been reduced down to 14 percent, along with this
16 year, the price increases in petroleum products,
17 which leads to the asphalt and the fuel that you use
18 in your trucks. You know, the bottom line is we are
19 constantly being asked to do more with less money in
20 the township level.

21 Regarding the economic stimulus
22 program, it's my understanding that all of the
23 highway-related stimulus money was used by PennDOT to
24 supplement their construction contract. And local
25 governments received none of that, at least directly.

1 In Indiana County, PennDOT, I understand, had four
2 projects under the economic stimulus program and
3 three of them were bridge repair projects and there
4 was one resurfacing project and my numbers show that
5 that was for a total of \$15.2 million.

6 The total amount of Liquid Fuels money
7 received by townships in Indiana County this past
8 year was \$3 million. It would have been nice if some
9 of that money could have been distributed to local
10 municipalities to supplement their reduced amount of
11 money on road repair concerns.

12 In addition to roads, White Township
13 had concerns and needs for sewer projects. We had
14 some sewer lines that needed to be extended and
15 improved. And fortunately, we did have a couple
16 shovel-ready projects, or almost-shovel-ready
17 projects, because that appeared to be a requirement
18 at that point in time. We did pursue --- it should
19 be noted that most municipalities in Indiana County
20 probably would not have shovel-ready projects. Being
21 as small as they are, their financial base is not
22 large enough to project ahead these kind of costs.
23 So that probably was a constraint to a lot of those
24 kinds of small municipalities. White Township sewer
25 projects were for line extensions and replacements.

1 And the money was channeled through, I think,
2 PENNVEST to be able to do that.

3 At about the same, the Commonwealth
4 Finance Authority had issued application and
5 opportunities for funds that they were releasing.
6 And when we looked at those two programs, it was
7 clear that the --- what they call the H2O Program
8 under the CFA, it was just a much better program to
9 deal with. White Township is not a good candidate
10 for PENNVEST monies for various reasons, our user
11 rates. And you know, you, of course, try to chase
12 the grants, the loans are not as attractive to get
13 the grants. It's a much more difficult project, and
14 we just don't meet that category. So we ended up
15 going with a CFA, although we did become familiar
16 with the PENNVEST funding and the fact that they
17 received the stimulus monies. We submitted a joint
18 application with Indiana Borough for the sewer
19 projects through the CFA. That joint application
20 totaled over \$10 million. Word was, and we haven't
21 been officially notified yet, but word is that we're
22 going to get a million dollars. That money obviously
23 was very competitive. There were a lot of
24 applications. They tried to spread it around as best
25 they could. We understand that. But there just

1 wasn't enough money in that pot to satisfy all of the
2 sewer needs. And certainly many of the communities
3 that are eligible and would be able to receive monies
4 through PENNVEST are going to follow that channel.
5 We probably are not. We would be at the bottom of
6 the list.

7 In preparing for this, we did receive
8 very good support from our local Senator, Don White.
9 He held a couple meetings, three or four meetings, to
10 organize people to get information out, to assist in
11 organizing application stuff. The County Planning
12 Office and the County Commissioners were extremely
13 helpful in trying to pursue this stuff. But the
14 bottom line, to us anyhow, was that there just wasn't
15 a lot of opportunity for us to directly benefit from
16 these monies. It just wasn't there.

17 So you know, if the question is what
18 impact did the federal economic stimulus have on
19 White Township? The answer basically is none. And
20 that's what I'm here to say. I'd be happy to answer
21 any questions you would have.

22 CHAIRMAN:

23 Representative Deasy?

24 REPRESENTATIVE DEASY:

25 I just have a few comments. I can tell

1 you this, talking about local road maintenance and
2 stuff like that, prior to becoming a legislator, I
3 was a member of Pittsburgh City Council for a few
4 years. We had a list of streets we were going to
5 pave and obviously, the price of fuel went up and
6 that list had to be cut in half. It was the price of
7 asphalt from April to --- I believe it was April to
8 August of that year tripled. And it was unfortunate
9 because we had an aggressive plan to pave streets and
10 you invest those kinds of dollars. And if you're not
11 able to keep up with that maintenance every year,
12 down the road you're going to pay for it.

13 MR. GARNER:

14 Exactly.

15 REPRESENTATIVE DEASY:

16 And I think maybe the regionalism is a
17 good word. We need to work together with different
18 municipalities, purchasing, paving, those kinds of
19 things. As elected officials, we need to make sure
20 we try to get more dollars. This morning I was with
21 elected officials in McKees Rocks, a suburb of
22 Pittsburgh. And we talked about their local streets
23 in disrepair and the money needed to invest in those
24 roads. So we do need to make sure we find a way for
25 the local municipalities to share in some of this

1 funding. Because as I said, the price of fuel and
2 the price of paving those roads went up so
3 dramatically. And if we don't keep them on a
4 schedule, down the road we really will be in
5 disrepair for that infrastructure.

6 MR. GARNER:

7 Absolutely. We've changed our
8 routines. We used to think we'd go out and pave a
9 road and we're now going out and just sealing the
10 cracks.

11 REPRESENTATIVE DEASY:

12 You have to seal them and ---.

13 MR. GARNER:

14 We're hoping to get a couple mores of
15 years of use out of the surface. But all you're
16 doing is delaying.

17 REPRESENTATIVE DEASY:

18 You're putting a Band-Aid on it, and we
19 need to invest. So I do agree with you there. Thank
20 you.

21 CHAIRMAN:

22 Thank you, Representative. A couple
23 questions. Has White Township made any applications
24 directly to federal or state agencies regarding ARRA
25 funding?

1 MR. GARNER:

2 No.

3 CHAIRMAN:

4 So you have not made an application to
5 the COPS program? Are you familiar with the COPS
6 program?

7 MR. GARNER:

8 Not particularly, no. We do not have a
9 police force. I assume that refers to police
10 department funding?

11 CHAIRMAN:

12 Well, that's one side of it. The other
13 side of it is victim assistance, education and
14 providing direct assistance to families and or
15 individual who might have been victims of crime. So
16 it is both a law enforcement and a direct assistance.
17 The other thing is workforce development, what is
18 unemployment like in White Township?

19 MR. GARNER:

20 Unemployment is probably around state
21 average in White Township. They don't break those
22 numbers down on a municipal basis. On a county level
23 they do. But you got to understand that most local
24 governments don't deal in that level of support for
25 the community. We're more of a bricks and mortar

1 operation, at least in this area. You deal with
2 roads, you deal with sewer and water, you deal with
3 recreation and parks, and you don't get into the more
4 social end of supporting the community. So you know,
5 they may have been out there, but there's not going
6 to be many local jurisdictions that are going to
7 chase that type of money, because that's not what
8 they do.

9 CHAIRMAN:

10 Question, do you think county or
11 regional workshops to share information regarding
12 expanded state and or federal opportunities would be
13 helpful?

14 MR. GARNER:

15 Yes, that's always helpful. Like I
16 said, the meetings we had with our state senator and
17 the County Planning Office, without that we wouldn't
18 even --- I wouldn't be here because I wouldn't have
19 any understanding what the program's for. So
20 certainly --- and I did attend a couple seminars, one
21 sponsored by PSATS and another, I think, by the
22 League of Cities, to try to get background on this.
23 But it was clear when you saw the numbers of how much
24 money was coming into the state, there was such a
25 small pot of it that was really available to local

1 governments. Like I said, the bricks and mortar
2 stuff just wasn't the highlight of that program.

3 CHAIRMAN:

4 Okay. Thank you.

5 MR. GARNER:

6 Thank you very much.

7 CHAIRMAN:

8 Okay. Are there any other questions or
9 comments while we wait for Representative Gibbons,
10 who represents Lawrence, Beaver and Butler County?
11 Any questions or comments? Okay. I want to thank
12 each and every one of you for coming out this
13 morning. Be assured that we did not just come just
14 to have a meeting. We believe that it's in all of
15 our interests to do all that we can to make sure that
16 the remaining two-thirds of ARRA dollars does in fact
17 create jobs in our local community, does in fact put
18 money into our local community, does in fact help our
19 local communities deal with some of the challenges
20 that we face. The Pennsylvania Department of ---
21 Pennsylvania Housing Finance Agency estimates that
22 13,000 people will be facing mortgage foreclosure in
23 Pennsylvania in both rural, urban and suburban
24 Pennsylvania. There are housing stimulus dollars
25 which can help prevent, if not prevent families from

1 going into foreclosure or assist families in coming
2 out of foreclosure.

3 There are projects --- programs within
4 the Justice Department that can be very helpful in
5 dealing with public safety issues in local
6 municipalities. One of the public safety issues
7 which we're finding a lot of counties begin to
8 address, and that is electronic surveillance.
9 Electronic surveillance helps cut down on manpower,
10 but also expand the, you know, opportunity to see
11 just what's going on. Through the Department of
12 Justice, there is help that local municipalities can
13 get for electronic surveillance. And so I can go on
14 and on. Transportation, infrastructure, sewer and
15 water treatment. These are all opportunities that
16 ARRA can present.

17 And to just add something that we'll be
18 facing, all of us, very shortly. Some of you
19 remember the REAL ID Act. The REAL ID Act was a
20 federal --- congress enacted it several terms ago.
21 Which basically says that between 2007 and 2013, that
22 all states needed to come up with a uniform
23 standardized driver's license and nondriver's ID.
24 And that by 2013 or some date right around the
25 corner, if you didn't have this uniform ID, that you

1 would not be able to board commercial airlines,
2 possibly could not enter federal buildings and
3 probably could not engage in interstate travel
4 without that uniform ID. We held hearings around the
5 state. As a result of those hearings --- I like to
6 think as a result of those hearings, the Secretary of
7 Transportation requested that a waiver from
8 implementation of REAL ID. And the waiver was
9 predicated on a couple of things. One, people didn't
10 know a whole lot about it. The second part of the
11 waiver was predicated --- or the request for the
12 waiver was predicated on REAL ID represented a major
13 unfunded mandate on the Commonwealth of Pennsylvania,
14 because the federal government did not provide the
15 resources necessary for Pennsylvania to develop that
16 uniformity with driver's licenses and with nondriver
17 ID. The waiver was granted until December 31st of
18 this year. By December 31st of this year, unless
19 Congress does something drastic, Pennsylvania must
20 begin implement the REAL ID Act. And that's going to
21 be --- that's really going to come in back to our
22 counties and our municipalities, because we ---
23 PennDOT estimates that it might --- we might have to
24 open 187 additional photo ID centers in order to
25 accomplish the uniformity that is needed. But you

1 will be hearing more of that. And I ask our county
2 and borough officers to keep the lines of
3 communication with PennDOT open, so that you will be
4 able to stay on top of that issue. Yes?

5 MR. FRICK:

6 I do have a question now that you've
7 veered off the main topic of discussion.

8 CHAIRMAN:

9 Yes, I did.

10 MR. FRINK:

11 Reassessment, we've had a major concern
12 about reassessment locally because Pittsburgh has had
13 so many complications in trying to do a reassessment.
14 We know that we need to do one and the talk that
15 intrigues us is that the state may end up bringing
16 about the mandate to reassess and very possibly
17 provide the funding for reassessment. I'm not sure
18 you're aware of any of those discussions or not. But
19 we in Indiana would be very, very interested in
20 seeing it move in some direction that will not result
21 in our cost in order to do it right. And I'm not
22 sure, based on Allegheny County, that there is a
23 clear understanding of what is right.

24 CHAIRMAN:

25 Are we talking about reassessment of

1 property?

2 MR. FRINK:

3 Yes.

4 CHAIRMAN:

5 I think that's a challenge that
6 Allegheny County is facing. I think you're facing
7 it. We're clearly facing it in Philadelphia County.
8 And I have heard some conversation about not only
9 developing some uniform formula, but also mandating
10 the application of that uniform formula. To the best
11 of my knowledge. I have not seen an affirmative
12 proposal to move the ball on either one of those
13 issues. But there is some conversation going on.
14 That's one of the issues that I think the
15 Intergovernmental Affairs Committee will probably
16 have to take a look at. And I guess I also might say
17 that in the Governor's budget last --- for '09, some
18 of you might remember, that there's a proposal to
19 consolidate school districts and reduce --- possibly
20 reduce the 501 districts that we have in the
21 Commonwealth of Pennsylvania. Electric caps come off
22 end of this year, and that's going to create some
23 real problems. So we have some issues, some
24 challenges. But I think by keeping the lines of
25 communication open and continuing to work together,

1 we can work through those challenges in a way that
2 makes life better for the people that we represent.

3 Any other comments?

4 If not, before we close out, we're
5 going to hear from our good friend, one of the
6 stellar members of Pennsylvania House, along with
7 Representative Deasy, and that is Representative
8 Gibbons, who represents Lawrence, Beaver and Butler
9 Counties. So we're going to ask Representative
10 Gibbons for a few comments and ask if he would close
11 us out.

12 REPRESENTATIVE GIBBONS:

13 Thank you, Mr. Chairman. Sorry I was
14 not available to be here earlier this morning, but I
15 had an event back in Lawrence County and I expected
16 you to be a few hours longer. So I was hoping ---
17 not that that's not a good thing that we can get done
18 a little early, but I'm sorry that I missed all of
19 the testimony, but I've been trying to read through
20 some of this as quickly as possible. And certainly
21 the recovery funds have been very important. I've
22 been skimming through some of the Butler County
23 needs.

24 I represent three counties, so I deal
25 with three different planning directors. I deal with

1 two different regional bodies, the northwest and the
2 southwest commissions. I deal with a number of
3 groups. And my general feelings is --- I'm looking
4 through much of this, is that it seems that these
5 funds have been helpful but as, you know, kind of
6 expected, not the --- as I would expect to hear, and
7 as I've heard from people locally involved with the
8 utilization of the funds, kind of they were not the
9 be all-end all of getting things done, especially as
10 it relates to the transportation money, which I know
11 --- I know that Mr. Johnston presented for Butler
12 County about how they've used their --- some of their
13 transportation dollars. It's certainly important.
14 But I know --- especially Butler County has some very
15 big needs for growth. And as his testimony
16 indicates, you know, maintenance has been their top
17 priority, but there are some key projects, especially
18 down in the Cranberry area, the 228 project that my
19 staff's been in revolved somewhat with that we could
20 --- you know, that needs additional funding from
21 either the state or the federal government to expand
22 that growth that's going on in that corridor. That's
23 is not inside my district. It's actually
24 Representative Metcalfe's district, but it's really
25 an asset for us in that kind of whole

1 Beaver/Butler/Allegheny region, which is where the
2 three kind of intersect right there, around
3 Cranberry.

4 I think that we've --- you know, as I
5 said, it's been a help. But Mr. Chairman, my feeling
6 would be that there's still a lot more that needs to
7 be done, along these lines as it relates to the
8 transportation infrastructure. And in looking at
9 what we're facing at the state level with possible
10 loss of transportation funds, depending on what
11 happens with Act 44 and Interstate 80, which of
12 course affects this region as well, we need to figure
13 out what we're going to do, because I'd hate to see
14 all of the improvements in transportation that have
15 come from Interstate --- I'm sorry, come from the
16 stimulus and recovery money going to waste because
17 now we're not going to be able to maintain it into
18 the future if we don't have the funds. And I think
19 that's a key thought as we're looking at
20 transportation is that, you know, making sure that we
21 have the money to maintain these projects that we're
22 finally getting around to fixing. You know, as the
23 studies showed from the transportation study a couple
24 years ago, we don't put enough money into that in
25 Commonwealth. I believe it's only about \$1.7 billion

1 that we're doing a year. This was a help to get
2 through some of the projects that have been on the
3 shelf, but we need to do more. And you know, I'm
4 thankful for the federal money, but I think we have a
5 lot of projects that we have to look at and figure
6 out how to fund on those lines.

7 Going just real briefly beyond the
8 transportation money, I did see that in Indiana, the
9 Indiana County --- Lorna Vita was talking about the
10 money for the block grants and for the housing rehab.
11 I think those are fantastic programs. We've had some
12 issues with that program in Lawrence County with some
13 misuse, and I think we have to be very cautious with
14 how we --- you know, how the funds are maintained,
15 how they're tracked, because we don't want to see
16 misuse of the funds. But I think they're great
17 programs that we have to continue to build upon,
18 because they do good things for especially low-income
19 persons in the community. So I'm glad to see that
20 that program really was saved and grown upon this
21 year because it is --- especially weatherization,
22 because it is important.

23 And I think in the future we, as a
24 state, Mr. Chairman, need to look at ways that we can
25 continue growing these programs because as we all

1 know, this federal money is short term and now we
2 have to look at the future. So I hope that as we go
3 forward, all of our committees will be looking at how
4 we are going to continue the growth that this federal
5 recovery money has helped us kind of start right now.
6 I thank you.

7 CHAIRMAN:

8 Thank you, sir. Thank you. You raised
9 some good comments. And once we complete these
10 hearings a week after next Thursday --- after next,
11 we will be in Erie, Pennsylvania and then we will
12 come back to Harrisburg, Dauphin County, central
13 Pennsylvania. And from central Pennsylvania, we will
14 probably do one more hearing in southeastern
15 Pennsylvania. Following the hearings, there will be
16 a report. If you signed in or made --- provided
17 testimony, you will be getting a copy of that report.
18 Between now and then, we will be making some
19 recommendations to the Governor's Oversight Committee
20 and to the secretary of DGS, who is the American
21 Recovery and Reinvestment Act czar, because I tell
22 you last week and this week, we've heard some
23 comments that I think we have to act on right away.
24 And one of those comments is we got to open up the
25 lines of communication between the Oversight

1 Committee and the County Commissioners.

2 Secondly, we got to find a way to
3 assist local municipalities in setting up a website
4 or creating some system of where residents can follow
5 receipt and expenditure of ARRA dollars. So those
6 are a couple things that we're going to go to work
7 on, as a committee, right away. And then once this
8 is over with, we will be making some recommendations.

9 And feel free at any time to send ---
10 either speak to Representative Deasy or
11 Representative Gibbons or contact Patricia Custis,
12 Executive Director of the Committee, because I close
13 with this last comment, Pennsylvania has spent ---
14 received one-third of \$16 billion, two-thirds are
15 still remaining. The only mechanism that is in place
16 is an Executive Oversight Committee along with the
17 Secretary of Department of General Services, who is
18 the point person on American Recovery and
19 Reinvestment Act dollars. Next year we will be going
20 through some period of transition. Should we
21 continue this model or should we look at another way
22 of providing oversight to the receipt and expenditure
23 of ARRA dollars? So feel free to respond to that
24 question at any time. Thank you.

25 HEARING CONCLUDED AT 12:21 P.M.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

I hereby certify, as the stenographic reporter,
that the foregoing proceedings were taken
stenographically by me, and thereafter reduced to
typewriting by me or under my direction; and that
this transcript is a true and accurate record to the
best of my ability.



Court Reporter