



**TESTIMONY BY
THE PENNSYLVANIA STATE ASSOCIATION OF
TOWNSHIP SUPERVISORS**

**BEFORE THE
HOUSE INTERGOVERNMENTAL AFFAIRS COMMITTEE**

ON

THE AMERICAN REVITALIZATION AND REINVESTMENT ACT

PRESENTED BY

**BRIAN P. MCGRATH
PSATS BOARD MEMBER**

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ERIE, PA**

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Chairman Thomas and members of the House Intergovernmental Affairs Committee:

Good morning. My name is Brian McGrath, and I am an Executive Board member for the Pennsylvania State Association of Township Supervisors and a township supervisor in Millcreek Township, Erie County. Thank you for the opportunity to appear before you today.

PSATS was hopeful that townships would be able to receive a portion of the American Revitalization and Reinvestment Act funding designated for Pennsylvania and worked to provide information to townships about how this money would be distributed and where and how to apply.

However, from day one, township officials were told that projects seeking grant funding needed to be "shovel ready." While this is a nice thought for putting the money to work quickly, it seems that most projects that were "shovel ready" already had secured the needed funding and were truly ready to go.

To date, few townships have actually received any funds through the ARRA. In many counties, the only visible signs of the federal stimulus are the additional PennDOT work zones on state highways and bridges. In fact, PennDOT's share of the stimulus funds was primarily spent on paving projects because these are the types of projects that can be quickly made "shovel ready." Critical bridge projects or new road projects take more time to put together and are therefore less likely to be funded by stimulus funds.

The majority of townships, to our knowledge, did not apply. Either they did not look for funds because they did not believe that their project would qualify, they did not have a project ready to go, or they did not have the staff time required to aggressively search out opportunities.

Millcreek Township has experienced frustration in our application for the funding of several projects. The state's use of the PENNVEST process for scoring grant applications utilizes an existing system, however, the PENNVEST process gives priority to smaller municipalities and to projects that address long term environmental issues. So, larger municipalities that have invested millions of dollars in improving infrastructure, like Millcreek, are penalized for being responsible.

Our Water Authority applied for a \$1.3 million grant that would up-grade a water pump station that supplies water to the southern portion of Millcreek Township and sections of two other neighboring townships. The improvements were necessary for expanding commercial growth and fire protection.

On two separate occasions, the Water Authority applied for a \$400,000 grant that would fund a project providing water to a section of Millcreek whose residents have failing wells. Both projects had design work completed and were nearly ready for letting bids. However, both applications were denied.

Our Sewer Authority also made funding applications for two projects. One application for \$600,000 was to stabilize a stream bank adjacent to a sanitary sewer lift station and a 2.2

million gallon Overflow Retention Facility. Stream erosion is endangering these facilities and could cause serious environmental harm, should the erosion continue.

The Sewer Authority's second project, for \$700,000, was a sanitary sewer main extension project under Interstate 90. The project would provide Greene Township with badly needed access to public sewer.

Extensive engineering work had also been completed on these proposed sewer projects. Both projects were also rejected.

Applications for these grants require significant engineering, surveying, and in Millcreek's case, grant consultant costs. Each of these four project applications cost between \$5,000 and \$10,000. Fairview Township, Millcreek's neighbor to the west, spent nearly \$30,000 on one sewer project application.

Millcreek was fortunate to be included in the Energy Efficiency Community Block Grant program. Being part of the EECBG allowed Millcreek to apply directly to the federal government, by-passing the state's process. Millcreek applied for nearly \$492,000 for a roof replacement project that would provide substantial energy conservation, provide solar energy for multiple buildings in our municipal complex and offer a solar energy educational component for the public. The cost of the application was significant, about \$16,000 for a grant consultant plus extensive staff time, however in this case, the response to our application has been optimistic and we expect to receive notification very soon.

We believe that townships could have benefited from the stimulus funding if it had been distributed differently. A portion of the highway funding allocated to Pennsylvania could have been fairly distributed to municipalities across the state through the liquid fuels formula, which is based 50 percent on road mileage and 50 percent on population, and would have helped townships pave an extra mile of road or purchase road equipment. Instead, all of Pennsylvania's designated funding for road maintenance and construction was allocated to the Pennsylvania Department of Transportation.

It takes a good deal of effort to find and apply for an ARRA grant. The difficulty is that these programs have a short window of opportunity, usually only 30-60 days from the time that the program announcement is made to the time that applications must be received. This makes coordination difficult and requires a municipal official to have a project ready to go and to continuously seek out grant opportunities.

In closing, while the economic stimulus package offered a funding opportunity that could have benefited townships and their residents, few townships have actually received any funds due to difficulties in locating and applying for opportunities that fit a particular township's needs. A direct allocation or more flexible distribution process by state agencies would have produced greater benefits for townships.

Thank you for the opportunity to testify today on behalf of townships across the state.