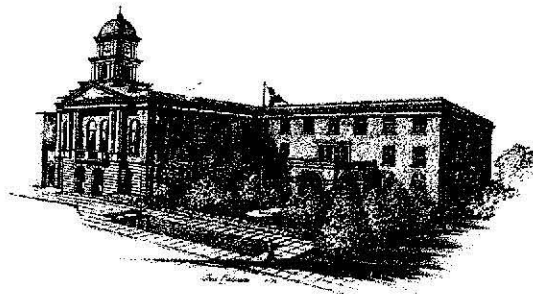


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December 10, 2009

PA House of Representatives
Intergovernmental Affairs Committee
Majority Chair, Rep. W. Curtis Thomas
302 Irvis Office Building
Harrisburg, PA 17120

Dear Intergovernmental Affairs Committee,

First of all, I'd like to thank you for asking the Commissioners of Snyder County to share our thoughts on the American Recovery and Reinvestment Act and how it has affected our county.

In preparing my comments for today's hearing I was reflecting on the previous year's economic climate in our county. Snyder County sits in the beautiful Susquehanna River Valley with Routes 11 & 15 as its economic life blood. So far in 2009, Snyder County has had 445 new participants in our local Career link System. We currently have 2,441 people actively enrolled in our Career link system who are seeking employment. We've seen ~~300~~ ⁶⁹⁴ people hired through the Career link system in 2009 (Jan.-Jun.).

ARRA funds that have come into our county recently include \$660,000 to our Union-Snyder Community Action Agency. These funds are being used to fund existing entitlement programs for low income people who meet certain criteria. An example of one of these entitlement programs would be the home heating assistance program. These funds have not created any necessary jobs in our county.

ARRA funds have been given to our Regional Central Pennsylvania Workforce Development Corporation. These funds were made available from the federal government to expand the Adult, Dislocated Worker and Youth programs that are geared toward stimulating the economy and preparing the workforce for current and future employment opportunities. While this may prepare dislocated workers for the future workforce it has not created any substantial new jobs. The Central Pennsylvania Workforce Development Corporation has received special funds through the ARRA to train our unemployed, under-employed and dislocated workers in 24 specialized fields that have and are expected to have a high demand now and in the near future. Because of cuts in the this year's state funding streams for workforce development boards, the ARRA funds merely helped to offset the decrease in normal funding streams. This would make it nearly impossible for the Recovery funds to provide for a net increase in job creation.

The one constant need in the Central Susquehanna River Valley is the vital need for the Central Susquehanna Valley Thruway. This major improvement to our highway system was estimated to cost approximately \$300 million dollars ten years ago and today's estimates have surpassed \$500 million dollars. It only takes common sense to realize that substantial job growth will only come when government gives the private sector the opportunity to succeed instead of setting them up for failure. The hardworking citizens of Snyder, Union, Northumberland, Montour and Lycoming counties deserve the opportunity to succeed by having the state provide the infrastructure they need to create hundreds, even thousands, of new jobs.

The amount of ARRA money the state has put into place in the counties I just mentioned would have gone a long way toward moving ground and make the Central Susquehanna Valley Thruway a reality. This highway project has been needed and has held our economic growth back my entire lifetime. I only hope that my children and grand children can one day benefit from the opportunities this highway project will afford the entire central part of this great state of Pennsylvania.

If job creation is the number one goal of the American Recovery and Reinvestment Act, there would be no greater job creation success story than the funding and subsequent building of the Central Susquehanna Valley Thruway. This one project would not only create hundreds of construction jobs during the building phase but would almost definitely lay the foundation for the creation of thousands of long term jobs throughout the entire Susquehanna River Valley from Tioga County to York and Lancaster Counties.

An example of the jobs this would create is in our nearby Union County. The Target Corporation began building a massive distribution warehouse that would employ 800 people. Of course this project was put on hold due to the state's poor decision to toll Route 80. One could argue that ARRA money would also be well spent in offsetting the funds expected to come from the tolling of Route 80 so that our hundreds of businesses along this well traveled east to west corridor would not be driven out of state or completely out of business.

Just yesterday I was speaking to a local small business owner who just opened a new store last year. He is very concerned about the future of his business. He wants to hire more staff because of his continued growth but hesitates due to the federal government's potential massive tax increases in the way of the health care reform bill and cap and trade legislation. This type of legislation is stunting the growth of business and causing more job reduction instead of job creation. As Commissioner, I would like to see our state government put more energy into allowing businesses to grow. This will create more new jobs than any stimulus package could ever create. It seems the vast majority of the jobs created in the ARRA were the jobs of the bureaucrats needed to carry out the project.

I would now like to yield to my colleague, Commissioner Malcolm Derk and ask him to share some successes from the ARRA.

Smaller Pennsylvania communities, those not eligible to receive direct federal EECBG funds, were badly shortchanged on many levels by PADEP's Conservation Works! grant program for "ineligible communities. The federal EECBG program's intent was to offer a menu of opportunities for municipalities and non-profits to invest in energy conservation. The federal guidelines placed particular emphasis on the important pre-development activities of energy audits and development of comprehensive energy conservation strategies and plans. The communities that received direct federal EECBG allocations were able to use their funds for these important information gathering and planning purposes that are the first steps any organization should take to cost-effectively pursue energy conservation or renewable energy projects.

However, energy audits and conservation strategic planning were ineligible activities for funding under the PADEP Conservation Works! grant program that allocated EECBG funds to smaller communities. And yet it is just these activities that the smaller, especially more rural municipalities need. Unlike schools or businesses, municipalities use energy in a myriad of ways: streetlights, traffic lights, office buildings, water treatment and wastewater treatment facilities. It is not unusual for even a small municipality to have 40 utility bills to pay each month, all using energy differently. A utility bill analysis and energy audit provides the information needed to take the politics out of decision making for governments by providing the information that explains how they are using energy and identifies the energy conservation or integrated renewable energy opportunities that could reduce a municipality's energy-related energy costs based on payback. Many of these energy reduction measures can be undertaken by municipal employees for minimal costs—if they are identified and understood. PADEP severely shortchanged smaller communities by disallowing energy audits and energy conservation strategic planning to be eligible activities to receive federal EECBG funds.

Rather than restrict the Conservation Works! grant program to local governments and non-profits, as PADEP's draft guidelines had proposed, the grant program, funded at only \$22 million for which 99% of PA's municipalities qualified, was expanded to allow universities and hospitals to compete. While universities and hospitals may need energy conservation or renewable energy funding, PA Conservation Works! hospitals and universities have far more resources to provide polished, competitive grant applications than smaller municipalities that have part-time administrative staff and antiquated computers. We are very much looking forward to obtaining the list of 500 Conservation Works! grant applicants and their project descriptions to assess just how competitive the small municipalities' applications were compared to the more polished applications submitted by hospitals and universities.

The PA Conservation Works! applications could only be filed on-line. 500 PA Conservation Works! grants were filed on-line. Hundreds more were not for the simple reason that it was not technologically possible. Broadband is not available in many parts of Pennsylvania, particularly rural PA. Filing an application on-line using slow dial-up internet services is all but impossible. And yet, these funds were to be allocated to

smaller communities, most of which are located in rural areas. This on-line filing requirement alone made the playing field very uneven. Requiring every applicant—not every grant awardee, but every grant applicant—to complete on-line Portfolio Manager relative to its proposed project only made the playing field that much more uneven.

Currently no grant or loan program exist solely for PA's municipalities. For more than ten years, energy-related grants and loans have been available to small businesses and manufacturers of all sizes. These restricted financial programs were created for a purpose: to enable smaller organizations to obtain needed financing. Free pollution prevention and energy conservation technical assistance is also available to small businesses and manufacturing firms. However, all grants and loan programs offered by the Commonwealth of Pennsylvania require municipalities and non-profits to compete with more sophisticated colleges and universities, corporations, and others. And no free energy-related conservation technical assistance is available to municipalities, with the exception of greatly underfunded technical assistance provided by the federal Appalachian Regional Commission's network of seven local development districts.

The PA Conservation Works! grants have been awarded. There is no correcting the flaws in this program so important to smaller communities. However, we respectfully request that the Commonwealth establish a grant program solely for municipalities that includes the ability to finance utility bill analyses, energy audits, and energy conservation measures of scalable size to fit smaller communities' needs. In this way, smaller communities can identify energy conservation measures based on payback and energy use reductions, and procure financing to take advantage of the energy conservation incentives being offered over the next two years by the major electric distribution companies under Act 129. Both technical assistance to provide utility bill analyses and energy audits existing within the 7 local development districts of the federal Appalachian Regional Commission. Each of the seven LDDs has energy specialists that provide utility bill analyses and facilitate the procurement of energy assessments. Each of the LDDs also manages revolving loan funds that could be seeded with funding for local governments to finance energy conservation or distributed renewable energy measures. The LDDs would be responsible to the Commonwealth agencies for appropriately distributing funds and providing technical assistance. Currently, each of these LDDs' energy programs receives \$50,000 to provide technical assistance to municipalities, schools and hospitals. This is a woefully inadequate level of funding for such greatly needed technical and financial assistance.

We recognize that both the federal government and the Commonwealth of Pennsylvania want "bang for the buck." We know that there are exciting, cutting edge technologies to be deployed. But a large portion of America's population is being left behind by current state and federal policies.

Taxpayers pay a municipality's bills, including energy-related operating costs. Technical and financial assistance to municipalities of all sizes leverage hundreds of millions of taxpayer dollars when the funds are spent to reduce on-going energy-related operating costs and pursuit by local governments of greater energy independence. We submit that

it is neither democratic nor fiscally sound policy to continue to ignore the needs of smaller local governments. As the Center for American Progress and the Institute for Local Self-Reliance noted in their recent *Energizing Rural America* joint report, "...public policy has focused principally on simply achieving the quantitative goal of expanding renewable energy production. Qualitative goals such as maximizing economic development in rural communities through the promotion of renewable energy have been largely overlooked." We agree with the report's observation, and suggest that maximizing economic development in rural communities through the promotion of energy conservation has also been overlooked. A place to start is the investment in energy-related technical assistance and financing to smaller local governments.