

Legislative Budget and Finance Committee

Presentation by Philip Durgin, Executive Director to the Joint Hearing of the House and Senate Finance Committees Regarding the Independent Fiscal Office

(February 3, 2010)

Thank you for inviting me to speak with you today about the duties and responsibilities of the Legislative Budget and Finance Committee. The Legislative Budget and Finance Committee was created by statute (46 P.S. Sec. 70.1 et. seq.) in 1959. Under that act, our Committee is empowered to “request, receive, review, examine, study, ascertain and compare fiscal information concerning the budget, the revenues and expenditures of the Commonwealth and to make recommendations to the Legislature, when found advisable, directed to the elimination of unnecessary expenditures and to the promotion of economy in the government of the Commonwealth.” We are also charged to examine “whether or not ... appropriations are being currently expended for the purposes and within the statutory restrictions provided by the Legislature.”

In terms of the structure of our Committee, by law the Committee is comprised of 12 members; 6 Senators and 6 Representatives, evenly divided between the two parties. The Committee’s members are appointed by their respective chambers and caucuses. The Committee elects its own officers, and by tradition the Chair has been from the majority party in the Senate, with the other three officers coming from each of the other three caucuses. So we differ from many committees in that we are independent, bi-partisan, and bi-cameral.

Over the years, the purpose and function of our Committee has evolved from the “fiscal watchdog role” envisioned in the original legislation to much more of a program evaluation and performance audit role. This change began in the mid 1970s and was largely completed with the enactment of the Sunset Act of 1981. Although the Sunset Act had its own sunset date in December 1991 and was not reauthorized, virtually all our staff time is spent conducting other types of performance audits and studies.

As for how we currently get our assignments, almost all our reports are done in response to either a statutory charge—for example we are required by statute to do

a performance audit of the Department of Transportation every six years—or as the result of a House or Senate resolution. We occasionally receive projects through a concurrent resolution of both the House and Senate, but by far most of our resolutions are through a resolution passed by just one of the chambers.

The Committee can also initiate its own studies, but our current chairman prefers the resolution or bill process so that it's clear that the projects we undertake represent a broad consensus of the Legislature. But none of our projects are staff-initiated; they are all in response to some type of request by the members of the General Assembly.

I would say that the nature of the reports we do has also changed somewhat over the years, in that increasingly we are being asked to take on topics of a more technical or prospective analytic nature, rather than the more traditional work of reviewing the efficiency and effectiveness of existing state agencies and programs.

For example, in 2008 we were asked to assess the potential costs to wastewater treatment plants to comply with the Chesapeake Bay Tributary Strategy. While we have a qualified professional staff that is familiar with many key state and federal programs, we do not have civil engineers on staff, so we had to contract this project out to an engineering consulting firm. We had a similar situation recently when we were asked to assess the Pennsylvania Game Commission's deer management program, which of course requires expertise in forest and wildlife biology. The point being that we do have at least a limited ability to contract out for specialized help when necessary.

With regard to our in-house staff, we currently have 14 full-time and 2 part-time staff, all of whom are hired on a nonpartisan basis. Of those 16 positions, 3 are administrative/clerical. Of the 13 professional staff, we have two attorneys, one of whom doubles as a project manager; a para-legal; and 9 analytic staff with advanced degrees, mostly in public or business administration, including one with a doctorate.

The staff is organized into three units, with each unit typically working on between one and three projects at any given time. Of course projects vary in length and

complexity, but an average project typically takes us between 6 months and a year to complete.

Our reports are released at public meetings of the Legislative Budget and Finance Committee, where the project manager does a short presentation of the report, and the Committee members can then ask questions of either us or the audited agency. The audited agency is always in attendance when we release a report, and their comments on the report are always included in the final document. We provide copies of all our reports to the Legislative leadership, the chairs of the Appropriations committees, and members of the relevant standing committees. When we release a report, we also send order forms and a one-page summary of each report to every member of the General Assembly, the press, Executive branch officials, and other interested parties. All our reports and one-page summaries are also posted on our website (<http://lbfc.legis.state.pa.us/>) and are available upon request in hard copy.

I have handed out our most recent annual report, and at the very back it lists all the reports we've released since 1982. As you will see, while we have not looked at every program or agency where the state spends money, we have looked at quite a few of them. Currently, our staff is working on studies of Pennsylvania's property tax assessment system, the effectiveness of 18 different state tax credit programs, a statutorily required performance audit of the Fish and Boat Commission, the feasibility of a state registry for blighted properties, and several others. We will soon release reports on a study of the statewide complement level of state probation and parole officers, the Game Commission's deer management program, and the use of Growing Greener II funding, among others.

As of last week, 31 resolutions and 16 bills were pending before either the House or Senate requesting us to do various studies and projects. Plus there are several more I am aware of that have not yet been formally introduced. Some of those projects are relatively modest and others are, well, monumental.

Before I close, I would also like to say that, once a report is released, we are always available to the standing committees or to individual members of the General Assembly to present or further explain the findings and recommendations of our work. And while a study is on-going, we are also more than willing to hear any concerns members may have about a program or agency, and we will do what we can to address those issues or concerns in our report.

We feel honored and privileged to have had so many legislators trust us over the years to provide accurate and unbiased information on topics that often they feel quite passionate about. I hope that we will continue to earn that trust in the years ahead. I would be happy to answer any questions you may have about the Committee or how we conduct our studies. Thank you.