

**Sheri Phillips, Secretary
Department of General Services
Opening Statement
House Appropriations Hearing
February 29, 2012**

Good afternoon Chairman Adolph, Chairman Markosek and members of the House Appropriations Committee. I am Sheri Phillips, Secretary for the Department of General Services. Beside me is James Henning, Deputy Secretary for Administration.

Thank you for the honor of appearing before you today to discuss the Department's proposed 2012-2013 budget.

As Governor Corbett illustrated in his budget address, "This budget proposal is grounded in difficult realities, but framed in the optimism that we are solving our problems." General Services' budget is also lean and demanding.

While these continue to be difficult times, we've been able to deliver high-quality services and innovative solutions to support cost-effective operations and sensible, sustainable and transparent government.

Reforming the state's vehicle policies has been Governor Corbett's priority since Day 1. It has been a monumental undertaking. We've made great progress, but we still have further to go. To date, over 1,200 state-owned passenger vehicles have been cut.

We've adopted the practice of real estate portfolio management to better utilize owned facilities, reduce leased space and sell excess property.

Governor Corbett has tasked agencies to find ways to grow revenue without raising taxes on an already overburdened public. We are looking at increasing traditional sources of revenue and developing new sources.

The Department has 29 properties with an estimated value of \$29.5M declared as surplus by state agencies and waiting to be sold. Carrying these properties is costly, and selling them can take years. However, the General Assembly is our partner in this process. You can save the Commonwealth millions of dollars in maintenance costs if you approve the annual Surplus Property Disposition Plans in a timely fashion. Your support of our Surplus Plan will ensure that properties are sold at the best value to the Commonwealth through an open, competitive bidding process.

If the General Assembly passes SB367 authorizing DGS to sell or lease oil, gas and mineral rights held by the Commonwealth and the State System of Higher Education, the department will be able to tap into a revenue source that General Services has not had previously.

As Governor Corbett said, "This budget is built on the decisions of last year and ...It lays the groundwork for the prosperity of tomorrow." It forces us to change the way we look at the functions in state government and how we can best serve the citizens of the Commonwealth. General Services is well-aware of the difficult road ahead, but we are excited about the opportunities awaiting us as well.

Thank you.