

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE HEARING

STATE CAPITOL
MAIN BUILDING
ROOM 140
HARRISBURG, PENNSYLVANIA

THURSDAY, MARCH 10, 2016

PRESENTATION FROM MEMBERS

BEFORE :

HONORABLE WILLIAM F. ADOLPH, JR., MAJORITY CHAIRMAN
HONORABLE JOSEPH MARKOSEK, MINORITY CHAIRMAN
HONORABLE KAREN BOBACK
HONORABLE GARY DAY
HONORABLE GEORGE DUNBAR
HONORABLE KEITH GREINER
HONORABLE SETH GROVE
HONORABLE SUE HELM
HONORABLE WARREN KAMPF
HONORABLE FRED KELLER
HONORABLE JIM MARSHALL
HONORABLE DAVID R. MILLARD
HONORABLE DUANE MILNE
HONORABLE MARK T. MUSTIO
HONORABLE MICHAEL PEIFER
HONORABLE JEFFREY P. PYLE
HONORABLE MARGUERITE QUINN
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BEFORE (cont.'d):

- HONORABLE MATTHEW D. BRADFORD
- HONORABLE TIM BRIGGS
- HONORABLE DONNA BULLOCK
- HONORABLE MARY JO DALEY
- HONORABLE MADELEINE DEAN
- HONORABLE MARIA DONATUCCI
- HONORABLE STEPHEN KINSEY
- HONORABLE MICHAEL H. O'BRIEN
- HONORABLE MARK ROZZI
- HONORABLE KEVIN SCHREIBER
- HONORABLE PETER SCHWEYER

ALSO IN ATTENDANCE:

- DAVID DONLEY, REPUBLICAN EXECUTIVE DIRECTOR
- RITCHIE LaFAVER, REPUBLICAN EXECUTIVE DIRECTOR
- CURT SCHRODER, REPUBLICAN CHIEF COUNSEL
- MIRIAM FOX, DEMOCRATIC EXECUTIVE DIRECTOR
- TARA TREES, DEMOCRATIC CHIEF COUNSEL
- HONORABLE VANESSA LOWERY BROWN
- HONORABLE BRYAN CUTLER
- HONORABLE PAM DeLISSIO
- HONORABLE CRIS DUSH
- HONORABLE THOMAS P. MURT
- HONORABLE DAVID PARKER
- HONORABLE SCOTT PETRI

JEAN M. DAVIS, REPORTER
NOTARY PUBLIC

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1 P R O C E E D I N G S

2 * * *

3 MAJORITY CHAIRMAN ADOLPH: Good afternoon,
4 everyone.

5 I'd like to reconvene the House Appropriations
6 Committee. This segment of the budget hearings is an
7 opportunity for the members of the General Assembly to
8 come before the Appropriations Committee, make
9 suggestions, make comments, make requests, what should
10 be included in the budget, what should not be included
11 in the budget, etc., etc. Chairman Markosek and I over
12 the years have found this information to be very
13 valuable.

14 With us today to start out the members'
15 statements is Representative Tom Murt. Representative
16 Tom Murt is from Montgomery County, also represents
17 sections of Philadelphia. His District is the 152nd.

18 Representative Murt, nice to see you.

19 REPRESENTATIVE MURT: Thank you, Mr. Chairman.

20 Chairman Adolph, Chairman Markosek, members of
21 the Appropriations Committee, and fellow members in
22 attendance, thank you for providing members the
23 opportunity to come before the Committee and offer
24 testimony.

25 It's no secret that I am an advocate for

1 intellectual disability and autism services among other
2 causes. I come before you today to testify on the grave
3 concern I have for the current well-being and outlook of
4 the intellectual disability and autism service system
5 and those served within it. I have no doubts that this
6 system is now in crisis.

7 Pennsylvania's intellectual disability and
8 autism services system was first established by an act
9 of the General Assembly in 1966 and signed into law by
10 Governor Leader. At that time, it was a national model
11 for transitioning individuals with disabilities from
12 institutional settings to community supports and
13 services.

14 When this law was enacted, 13,500 individuals
15 lived in nine different institutions across Pennsylvania
16 and tens of thousands more went unserved in our
17 communities. The system has come a long way since then.
18 Today less than 1,000 individuals are living in five
19 remaining institutions and there are more than 50,000
20 individuals being served by private-sector community
21 organizations.

22 Over the past eight years or so, the tremendous
23 progress we have made has been threatened due to our
24 collective neglect of the community-based service model
25 over the institutional model. I believe this has

1 occurred through an honest misunderstanding by this
2 General Assembly. We have appropriated more money each
3 year believing we are addressing urgent needs but the
4 intellectual disability and autism services system has
5 not seen a true rate increase for the services currently
6 being provided to 50,000 individuals since 2007 and
7 2008.

8 Just to give you a benchmark, Mr. Chairman, of
9 the population about which we're talking, we're talking
10 about individuals who are adults with special needs,
11 intellectual disabilities in autism, many of whom are
12 60, 65 years old and many of them who live with their
13 parents. And their parents might be 80 or 90 years old.

14 That is not uncommon to have two parents living
15 together, 90 years old, caring for a son or daughter
16 that's 60 or 65 and they're on that waiting list for
17 services. So that kind of gives you an idea of the
18 population we're talking about.

19 The last time this system had a rate increase,
20 George W. Bush was still our President and President
21 Obama was just beginning his run for President.
22 Meanwhile, operating costs for health care, other
23 insurances, facilities and homes, services, and other
24 products have continued to climb.

25 The home health market basket index, the most

1 closely linked inflationary index for these services,
2 has risen 18 percent over this time and the General Fund
3 has grown nearly 19 percent over this time, but there
4 has been no recognition of this in the intellectual
5 disability and autism services rate settings.

6 To further compound this underfunding of this
7 system, midyear rate cuts were imposed in 2011 and 2012
8 through a negative rate adjustment, which took out over
9 \$100 million that has never been recovered and is
10 hurting the system today.

11 This is not the only component in the
12 intellectual disability and autism services crisis. The
13 other aspect of the intellectual disability and autism
14 services crisis is a workforce crisis. This workforce
15 crisis should alarm us all.

16 Right now, PAR, the largest state association of
17 intellectual disability and autism service providers,
18 estimates that there are in excess of 3,500 vacant
19 positions in the intellectual disability and autism
20 services workforce. That means that more than 10
21 percent of the positions for direct support
22 professionals who are required to provide services to
23 individuals with intellectual disabilities or autism are
24 vacant.

25 These are the caregivers that work in group

1 homes caring for adults with special needs. This
2 situation actually increases costs through the payment
3 of overtime and temporary staffing arrangements because
4 these staffing levels must be maintained to comply with
5 State regulations.

6 The workforce crisis is almost solely caused by
7 the lack of competitive wages being paid to these
8 employees which result in rapid turnover of staff as
9 they seek better wages. In most cases, these direct
10 support professionals have starting wages below that of
11 gas station, fast food, or department store workers and
12 they provide much more critical services.

13 Without competitive wages, the workforce is
14 never stable and staff turnover breaks critical
15 relationship bonds between these employees and the
16 individuals whom they serve, which is especially
17 difficult for the thousands of individuals with
18 intellectual disabilities or autism who have difficulty
19 communicating.

20 You can understand and empathize with the
21 families when there's a new caregiver every week in some
22 of these group homes.

23 The wages aren't competitive because our General
24 Assembly hasn't provided for any growth in rates for the
25 intellectual disability and autism services system in

1 eight years.

2 I do want to say, Mr. Chairman -- and I want to
3 thank you and your Committee and Chairman Markosek,
4 because even in the last six to eight years when we were
5 facing some very austere financial times in this
6 Commonwealth, you found a way to make sure that this
7 line item was never cut significantly. I don't think it
8 was ever cut, to be very honest with you.

9 And you were always very receptive to our
10 request on that area.

11 For people with intellectual disabilities or
12 autism, any quality of life depends on the competency
13 and stability of the workforce. Our collective lack of
14 attention to increased funding of this system and for
15 the workforce is an injustice to those who are being
16 served and inhibits further our ability to provide
17 services for those on the waiting list, the citizens in
18 our community who need support the most.

19 It is with these thoughts and critical points in
20 mind that I come before you humbly and ask you to
21 provide for a 4.7 rate increase for the intellectual
22 disability and autism services system in the 2016-2017
23 budget. Providing services to these individuals is
24 truly a core function of government and manifest
25 compassion.

1 For 50 years, Pennsylvania has provided these
2 services in the most cost-effective manner and in the
3 best manner of care for consumers by providing the
4 services through private providers throughout all of our
5 communities. This is Pennsylvania's longest running and
6 most successful public-private partnership.

7 Funding is entirely government's responsibility,
8 as there is no private insurance funding, and private
9 fundraising is minimal in comparison to the overall
10 funding in the system. We must tend to this system so
11 that it can thrive once again.

12 Mr. Chairman and members of the Committee, I
13 respectfully, but strongly, implore you to begin to
14 address these issues and rebuild the capacity of this
15 system by providing for this necessary rate increase for
16 intellectual disability and autism services in the
17 2016-2017 budget.

18 Thank you, Mr. Chairman. Thank you, Chairman
19 Markosek.

20 MAJORITY CHAIRMAN ADOLPH: Thank you,
21 Representative. And thank you for your advocacy.

22 Our next member will be Representative Pam
23 DeLissio. Pam represents sections of Philadelphia,
24 Montgomery County. And her District is 194.

25 Good afternoon, Representative.

1 REPRESENTATIVE DeLISSIO: Good afternoon, Mr.
2 Chairman. Thank you.

3 My remarks today address the 2015-2016 budget in
4 addition to the 2016-2017 budget. My comments do not
5 focus on any line items in particular. My remarks focus
6 on process. I discuss process at all of my Town Halls,
7 54 of them to date in the past 64 months that I've been
8 in office, because as I explain to constituents, you can
9 have the best legislative proposals in the world, but if
10 you cannot negotiate the process, it does not matter.

11 And frankly, in my five-plus years in office, I
12 have witnessed politics trumping policy with the greater
13 good of our citizens an afterthought, if that. So not
14 only are we dealing with the budget proposal, we are
15 dealing with politics and process, some would say all
16 tools of our trade.

17 There seems to be agreement that we are in
18 uncharted waters. Uncharted waters sound exciting and
19 adventurous. I like adventure and excitement in my
20 life. However, a budget, whether State, Local, or
21 Federal, should not be the source for adventure in the
22 lives of our citizens.

23 Thank you to all of my colleagues for their
24 collective efforts to date to negotiate a budget in good
25 faith. We have all expended a great deal of time and

1 energy.

2 In November of 2015, I wrote to the Governor and
3 to the House leaders asking them to consider mediation.

4 In early December, I shared that correspondence
5 and my call for mediation with all of my colleagues in
6 the House.

7 I had thoughtful and considerate conversations
8 with both Governor Wolf and Leader Reed about utilizing
9 this method to reach a budget resolution.

10 I offered the concept of mediation both then and
11 now because in my career experience, when a negotiation
12 has extended for this period of time and experienced the
13 ups and downs and twists and turns that have happened
14 over the past eight months and continued today, it is
15 time to take a different approach. In fact, in my
16 opinion, it is well past time.

17 And most unfortunately, it appears to me that
18 the 2016-2017 discussions will be a rinse and repeat of
19 the past eight months.

20 The Wikipedia website defines mediation as
21 follows: mediation is the attempt to help parties in a
22 disagreement to hear one another, to minimize the harm
23 that can come from disagreement, to maximize any area of
24 agreement, and to find a way of preventing the areas of
25 disagreement from interfering with the process of

1 seeking a compromise or mutually agreed outcome.

2 In the 194th, constituents continue to urge me
3 to find that necessary compromise that will address the
4 structural deficit and fairly and predictably fund
5 public basic education and our critical human services
6 programs.

7 As a rank and file member of the House, I have
8 had discussions with leadership on both sides of the
9 aisle, have talked to colleagues, some of whom I have
10 gotten to know even better in the Majority Party, and
11 convened with my gal pals, including gal pals from the
12 Majority Party, on many mornings from the end of October
13 through December as we tried our best to foster the
14 relationships that would permit dialogue that would
15 hopefully lead to a budget resolution.

16 And as I testify today, March 10th, it is clear
17 that we have not yet succeeded.

18 Mediation is not the admission of weakness or
19 deficiency. It is the recognition that we are in a
20 situation that is unique and without precedent.
21 Regardless of how we got here, it is imperative that we
22 find the path forward.

23 The Pennsylvania Council of Mediators is one
24 resource for identifying and helping members to
25 understand the benefits of mediation in this particular

1 instance.

2 As a result of legislation passed in the early
3 1990s, mediators have a confidentiality privilege
4 comparable to that enjoyed by social workers, clergy,
5 and psychiatrists. This was an important step in
6 protecting a cornerstone of the mediation process.
7 Confidentiality permits the participants in the
8 negotiation to be honest about their concerns, their
9 frustrations, and ultimately what they are willing to do
10 to reach consensus.

11 Chairman Adolph and Markosek, I am calling for
12 mediation because over the past eight months of the
13 2015-2016 budget negotiations and since the Governor's
14 budget address presenting the 2016-2017 budget program,
15 I am concerned that things have been said that cannot be
16 unsaid.

17 In fact, my concern goes back to the evening of
18 June 30th when the Governor vetoed the budget bill and
19 when the Majority Party held a press conference. By
20 nature, I'm an optimist, a glass-half-full kind of
21 person. However, everything I heard that night gave me
22 great pause for concern.

23 As a result of the remarks made that evening by
24 both the Governor and the Majority Party, I held a press
25 conference on July 10th with 11 human services agencies

1 that serve the 194th to talk about the impact that a
2 protracted negotiation would create. Also discussed was
3 the need for predictable and sustainable funding, as
4 these programs support our most vulnerable citizens and
5 the reduction of funding to these agencies has been well
6 documented.

7 On August 4th, I held a press conference with
8 students representing many of the public schools in the
9 194th. The students, ranging in age from 11 through 18,
10 were articulate and thoughtful in their remarks
11 regarding the need for equitable and fair funding and
12 what impact a protracted budget negotiation would have
13 on their education.

14 Sadly, these press conferences were prescient as
15 here we are on March 10th with the 2015-2016 School Tax
16 and Fiscal Code Bills yet to be passed by both chambers
17 and my strong concern after hearing some of the
18 testimony over the past three weeks that next year's
19 proposed budget will follow a similar process.

20 Thank you for your strong consideration of my
21 suggestion for mediation. It is past time to approach
22 these negotiations differently.

23 MAJORITY CHAIRMAN ADOLPH: Thank you very much,
24 Representative, for your suggestions regarding this
25 budget impasse.

1 The next member will be Representative Bryan
2 Cutler from Lancaster County.

3 REPRESENTATIVE CUTLER: Good afternoon.

4 Thank you, Mr. Chairman. And thank you,
5 Representative DeLissio, for your comments. It's always
6 been a pleasure working with you on some of the issues
7 that we've been successful on. And I think that is a
8 good model as to how we should approach things.

9 Chairman Markosek, Chairman Adolph, I want to
10 thank both of you for the opportunity to come before
11 you.

12 And as is my custom, I want to come and talk
13 about the ALS line item as well as many of the other
14 disease-specific and healthcare-related line items
15 because of the importance that they have in the budget.

16 For those of you who may not know, I do believe
17 that we need to do things differently here in State
18 Government and specifically with how we take care of our
19 long-term and terminally ill individuals.

20 And when you look at how we need to approach
21 that, I would simply offer that all too often, State
22 Government wants to rush and say we simply need more
23 money to fix a problem, when in actuality I think that
24 there are some uniquely different ways that we can
25 approach things.

1 And I would offer that many of these line items
2 in the budget help to do that. And that's why I've
3 historically supported these line items.

4 On a personal level, obviously, ALS or Lou
5 Gehrig's Disease, is a very important issue for me. As
6 you know, both of my parents did have that disease. So
7 I saw firsthand the impacts that that had in terms of
8 long-term care, disruption to home life, and the impact
9 on social services and myself and my sister when we were
10 younger.

11 The good news is we had a strong network of
12 friends, family, neighbors, our church, and our
13 community that were able to help us. And we have always
14 been eternally grateful for that. And that is
15 truthfully one of the reasons why I ran for public
16 office, was an opportunity to say thank you to my
17 friends and neighbors who helped us.

18 And when you look at the budget, these costs
19 will continue to climb specific to Lou Gehrig's Disease.
20 We have consistently provided the highest number of
21 National Guard troops in the war on terror. And our
22 military veterans are twice as likely to come down with
23 Lou Gehrig's Disease.

24 For those of you unfamiliar with the disease,
25 it's a debilitating disease that has no known cause, no

1 known cure. And treatment is only successful at
2 lengthening life, not reversing the disease.

3 The good news is there's been an abundant amount
4 of research in this particular area because of most
5 notably the Ice Bucket Challenge recently. But the fact
6 remains that historically and then prospectively looking
7 forward, we will have a very large patient population
8 most likely directly linked to our veterans' population
9 for individuals who have a high likelihood of coming
10 down with this disease.

11 When you look at the health care line items that
12 are in the budget, I would offer that it's a different
13 approach on how to spend our State money. We can choose
14 to allow these individuals to end up in nursing home
15 facilities or on Medicaid. That could cost the
16 taxpayers as much as \$91,954 per person per year.

17 And yet with a minimal investment of State
18 dollars and a variety of unique programs -- and I give
19 the Governor credit in his approach to long-term care
20 specifically. He's obviously looking for a different
21 way to do this. And I would offer that these line items
22 are a supplement to that.

23 But we need to restore the cuts through his veto
24 from last year as well as look at it prospectively going
25 forward into the next budget year because on average, it

1 only costs \$470.95 per person to provide equipment for
2 home modifications or other items that allow individuals
3 to be cared for in place, in their homes, by their
4 family, or by, you know, workers who come into the home
5 for short periods of times.

6 I would offer that all of these not only are a
7 better approach in terms of outcomes but also for us as
8 policymakers as we look where to spend our scarce
9 resources and financial resources that we have, which
10 are ultimately always the taxpayers.

11 We need to be good stewards of those dollars.
12 And these programs give us that opportunity.

13 To broaden out to many of the research lines --
14 and you all have been very supportive of not just the
15 ALS line item -- and I thank you for that. But, you
16 know, there's the Lupus and the biotech and the research
17 and the cancer research line items, all of which play
18 similar roles.

19 But in addition to that, we have the critical
20 access hospital line items, the trauma center line
21 items, and the burn center line items. These are line
22 items in the budget that in terms of whole dollars don't
23 represent a very large percentage. But they do
24 represent a very large impact to those individuals who
25 need those services at that time.

1 So I would encourage us collectively to continue
2 to look at these line items as we move forward and have
3 budget discussions. I believe that it is truly a more
4 effective way to better utilize and more efficiently
5 utilize the tax dollars that we've been entrusted with.

6 So to the extent that the support has been there
7 previously, I thank you. And I wanted to thank you for
8 the opportunity to share that.

9 As always, I'll make myself available for
10 questions about any of the line items. You know,
11 obviously, this is the one that I am most intimately
12 involved with given my family history. But I think they
13 are all equally important and should be revisited very
14 soon.

15 Thank you for your time, Mr. Chairman.

16 MAJORITY CHAIRMAN ADOLPH: Thank you,
17 Representative, for your leadership and advocacy on
18 these issues. We're looking forward to working with
19 you.

20 REPRESENTATIVE CUTLER: Thank you.

21 MAJORITY CHAIRMAN ADOLPH: The next member of
22 the General Assembly is Representative Chris Dush.
23 Representative Dush represents the counties of Jefferson
24 and Indiana, I believe. And his District is 66.

25 Good afternoon.

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REPRESENTATIVE DUSH: Good afternoon.

Thank you, Chairmen, both Chairman Adolph and Chairman Markosek. Also thank you to the members of the Appropriations Committee and the Appropriations Committee staff.

You've all worked long hours over the past year and been diligent to produce the information that's been asked of you in order to help us make decisions that affect the lives and livelihoods of every Pennsylvanian.

I want both members and staff to know that I truly do appreciate the work that has been done because I know that what is to follow could be misinterpreted and taken as a personal attack rather than a wake-up call for all of us.

During the investigation conducted by Representative Grove and me, it has become obvious that the Executive Branch has the ability to maneuver funds through a number of accounts and make it virtually impossible for anyone without the skills and training of a forensic accountant to decipher.

As the impasse went on, I was trying to find out where the money the Governor was spending was coming from. Again and again I heard the term ledger five. When I inquired as to where this ledger was and who controlled the money, I was told to think slush fund.

1 Okay. But who has it? Where did the money come
2 from and how much is in it? No one seemed to know.

3 After months of asking, Treasury tells us in a
4 meeting with Senators and the Auditor General that it is
5 not a fund but it is a list of rules on how to raid
6 funds for money during an impasse.

7 It was the first time most of us in the room
8 either learned of its existence or became aware that it
9 is not actually a ledger of credits and debits as one
10 would normally consider to an account but rather an
11 operating manual for raiding funds.

12 It has become painfully obvious to me that there
13 is a lot that this body does not know. For the sake of
14 the people we serve, we need to know. For the sake of
15 our constituents, we need to be seeking the facts in
16 order to gain understanding.

17 Again, my comments are not meant to degrade
18 anyone. The Legislature has been relying on prior
19 practices of simply trusting the Executive Branch to
20 provide complete and accurate information for years.

21 This goes across party lines. It doesn't matter
22 who's been in power in the Executive, but it is a
23 practice that we've come to accept. But the events of
24 the past year have proven that we need to make some
25 changes.

1 I do not know the resumes of everyone on the
2 team; but to the degree I have been able to detect to
3 date, this body does not possess the ability to conduct
4 a complete and accurate accounting of income and
5 expenditures to the level of a trained forensic
6 accounting team.

7 Total revenues, State, and Federal for the
8 Commonwealth puts us on par with Fortune 25 Company
9 Marathon Petroleum at \$91.4 billion. Shareholders of
10 Marathon would consider it a complete abrogation of the
11 corporate Board's responsibilities not to have qualified
12 accountants reporting directly to the Board and
13 accountable to it nor providing accurate data on where
14 the money is going.

15 They would demand as well the ability of the
16 Board members to quickly gain access to information as
17 to the purpose of both expenditures and the shifting of
18 funds from one account to another. So far we have not
19 been able to get that information.

20 Corporate Boards, either on their own or at the
21 direction of a majority of their shareholders, will hire
22 an outside team of forensic accountants to conduct a
23 complete review looking for fraud, waste, abuse, or
24 misuse of corporate assets when there appears to be a
25 breakdown in accounting and reporting methods such as

1 we've seen over the past year.

2 Although we have a team of accountants managing
3 the over 150 accounts the Commonwealth maintains, I have
4 serious questions as to whether their responsibilities
5 individually include more than a couple of funds or to
6 monitor how those funds are shifted from one account to
7 another under the nebulous ledger five rules and to what
8 purpose.

9 I've been told that within the past ten years a
10 commission or other body has recommended a forensic
11 accounting review of the State's spending. It is
12 further my understanding that such a review was never
13 accomplished.

14 Last year I observed the budget hearings via PCN
15 and was dismayed at what I observed that seemed to be
16 merely a scratching at the veneer of the Executive
17 Branch's reporting of its spending.

18 This year I've attended as many as possible.
19 While I've seen increased probing this year of the
20 particulars, these hearings lack the definitive
21 resources for in-depth review of expenditures of our
22 citizens' money.

23 Because of these issues and those that were
24 brought to light during the course of the investigative
25 work Representative Grove and I conducted, as well as

1 the Senate Joint Appropriations and Finance Committee
2 hearing the day preceding the Governor's budget address,
3 I respectfully call on the leadership of the House to
4 initiate a forensic accounting of the Commonwealth's
5 spending for the past 32 months from the beginning of
6 the 2014-2015 budget.

7 My recommendation as to who should be hired is
8 only that it be a firm with a reputation for rooting out
9 fraud, waste, abuse, and misdirection of funds in
10 corporations within the Fortune 100 Level. Publix
11 Supermarket chain is at the 101 Level and has revenues
12 similar to the Commonwealth's State revenues at just
13 over \$30 billion.

14 Our shareholders, the citizens of the Commonweal
15 or Commonwealth of Pennsylvania, deserve to know the
16 money that is taken from them is being spent wisely and
17 that the people they hire are obtaining complete and
18 accurate information in order to make wise decisions.

19 I thank the committee for its time, its efforts.
20 And again, like I said, this has not been a criticism of
21 the team, because we have been relying for many years on
22 a method of just accepting what the Executive Branch
23 does. It wouldn't be accepted in corporate America. It
24 shouldn't be accepted as our corporate responsibilities
25 within the House.

1 Thank you again.

2 MAJORITY CHAIRMAN ADOLPH: Thank you,
3 Representative. I'm not going to comment on it. But I
4 certainly will take your statements and we'll look into
5 it.

6 REPRESENTATIVE DUSH: Thank you very much.

7 MAJORITY CHAIRMAN ADOLPH: Thank you.

8 The next member of the General Assembly is
9 Representative Vanessa Lowery Brown.

10 Good afternoon.

11 REPRESENTATIVE LOWERY BROWN: Good afternoon.

12 MAJORITY CHAIRMAN ADOLPH: I'd like to welcome
13 Representative Brown who represents the residents of
14 Philadelphia in the 190th Legislative District.

15 REPRESENTATIVE LOWERY BROWN: Thank you so much.

16 And I appreciate the time of the Committee to
17 let me be selfish in my indulgence today.

18 As the Chairwoman of the Pennsylvania
19 Legislative Black Caucus, I would like to take an
20 opportunity to bring several specific line items of the
21 Governor's proposed 2016-2017 Budget to the Committee's
22 attention.

23 The first proposed line item of importance to me
24 is Line Item No. 13, which involves the Pennsylvania
25 Human Relations Commission. Specifically, the

1 Governor's proposed budget seeks to allocate a total
2 amount of \$10,148,000, which represents an increase this
3 year of \$498,000.

4 As an entity that has been created to serve as
5 our Commonwealth's foremost agency for rooting out
6 racism and discrimination within the workplace and in
7 our academic institutions, a priority definitely needs
8 to be given to the agency, as over the course of the
9 last five budgetary cycles, the Human Relations
10 Commission has either seen its funding cut or has been
11 flat funded.

12 It is worth noting that the Commission has
13 experienced these longstanding funding woes despite a
14 spike in the overall number of cases brought before the
15 Commission over this same time period.

16 As Chairwoman of the Pennsylvania Legislative
17 Black Caucus, I and my staff have witnessed firsthand
18 the large volume of allegedly aggrieved employees that
19 contact our office only to be subsequently redirected
20 back to the Human Relations Commission for redress.

21 In summary, this is an agency whose existence is
22 not only absolutely necessary, but an agency of which we
23 can rest assured in the fact that our investment in it
24 directly contributes to the overall betterment of our
25 Commonwealth.

1 And I just want to say we've been working with
2 the Commission staff. And they have exemplary staff
3 that are committed to making sure that the claims that
4 people are filing on racism and discrimination are
5 thoroughly investigated and if they find that it is
6 founded that they helped these people get resolution.

7 They are doing it under distress because they
8 don't have enough staff to do so. And that's why I'm
9 here today, to ask that you please consider that line
10 item in making sure that it stays where it is today.

11 The second proposed line item of significance to
12 me is Line Item No. 28, which involves the Pennsylvania
13 Board of Pardons. Specifically, the Governor's proposed
14 budget seeks to allocate a total amount of \$668,000,
15 which represents an increase of only \$25,000.

16 As the members of this Committee are probably
17 well aware, the clemency process is currently the only
18 form of legal recourse in Pennsylvania for an individual
19 convicted of certain misdemeanors or any felony that
20 seek to officially put their past indirection behind
21 them.

22 At this writing, the Board of Pardons has a
23 backlog of nearly 1,000 clemency applications that need
24 to be reviewed and processed. However, in order for the
25 clemency process to be a viable one, the Board has to

1 have the resources necessary to execute its
2 administrative duties. It is my belief that the
3 proposed increase of \$25,000 would go a long way towards
4 enabling the Agency to function in a fair and efficient
5 manner.

6 This year, we were successful as a legislative
7 body in expanding the scope of expungement rights for
8 all citizens. And I want to congratulate all of our
9 members for doing that.

10 One way that we can continue to ride this
11 momentum of providing a pathway towards redemption for
12 our returning citizens is by making Pennsylvania's
13 clemency process more efficient. Therefore, I would
14 like to request that the Governor's proposed 2016-2017
15 line item for the Board of Pardons be preserved.

16 The third set of proposed line items I would
17 like to highlight my support for are Line Items 142,
18 143, and 144. These line items involve basic education
19 funding, Pre-K Counts, and Head Start Supplemental
20 Assistance.

21 While I can certainly eloquently state the
22 general merits of increasing education funding in our
23 Commonwealth, I instead would like to take this
24 opportunity to cite a recent article by our current
25 Secretary of the Department of Corrections, Mr. John

1 Wetzel.

2 Specifically, Secretary Wetzel has highlighted
3 on numerous occasions the link that exists between
4 education and incarceration and our need to make an
5 investment in our children to prevent them from entering
6 into the criminal justice system.

7 I know this personally because my District is
8 the 190th District. It resides in west and north
9 Philadelphia. When I asked the Department of
10 Corrections for the number of people from my District
11 that were incarcerated within the State system, the
12 number that I received was astounding. It was over
13 3,000 people from my District that were incarcerated in
14 the system.

15 So that is why it is vitally important that I'm
16 here fighting for education for our young people so that
17 we can redirect them from the prison pipeline to a
18 better life in getting their education.

19 Not only is it Secretary Wetzel that is making
20 this assertion, this narrative is supported by reputable
21 studies commissioned by the Massachusetts Institute of
22 Technology, MIT, and the Correctional Education
23 Association, just to name a few.

24 Each budgetary cycle the members of our General
25 Assembly express their collective frustration over the

1 level of funding that we allocate to our Department of
2 Corrections. This budgetary cycle presents us with the
3 perfect opportunity to take a direct and active role in
4 curbing the overall incidence of crime and ultimately
5 reducing the Commonwealth's prison population. As such,
6 I would like to request that the Governor's proposed
7 2016-2017 line item be preserved.

8 The next proposed line item that I would like to
9 bring to the committee's attention is Line Item No. 206,
10 which involves higher education for the disadvantaged,
11 of which I talked about last time I was here. And you
12 currently know this program is the Act 101 Program.

13 For those of you who may be unfamiliar with the
14 Act 101 Program, the purpose of the program is to
15 support undergraduate students whose cultural and
16 economic and educational experiences places them at risk
17 for degree access and completion.

18 I'd like you to know that I myself was a
19 recipient of the Act 101 Program when I was in college
20 and in high school. And I was very grateful for that.
21 And I think that is what helped me to be who I am today.

22 While I recognize that this line item is being
23 level funded from the previous budgetary cycle, it is
24 important to recognize that over the last decade this
25 program has been seeing a funding cut by more than \$7

1 million.

2 This program has essentially been gutted,
3 despite data clearly exhibiting that Act 101
4 participants consistently earn a higher GPA than their
5 non-participating student peers in remedial courses and
6 that first-year retention rates for the Act 101 students
7 exceed the national average.

8 In other words, the Act 101 Program plays a very
9 integral role in supporting our students who desire to
10 pursue postsecondary education and is often rivaled by
11 the difficult societal circumstances from which they
12 emerge.

13 I mentioned earlier in my testimony about how
14 early investment in education of our youth yields a
15 considerable and lucrative return. That exact same
16 thing can be said about ensuring those that wish to
17 pursue postsecondary education as a means of lifting
18 themselves out of poverty are provided with the support
19 and resources to do so.

20 Therefore, I would like to also request that
21 Line Item 206 be increased by at least 5 percent from
22 \$2,246,000 to \$2,358,300.

23 My last proposed line item -- and I know you'll
24 be glad to hear it's my last because this has been a
25 very difficult budget cycle this time, budget hearings.

1 The last proposed item of great concern to me is Line
2 Item 262 relating to Sickle Cell funding. As most of
3 you may remember, the last two budgetary cycles, both I
4 and the members of the Pennsylvania Legislative Black
5 Caucus had been briefed on a drug treatment called
6 Hydroxyurea, which dramatically reduces the severity of
7 Sickle Cell Disease by stimulating the production of
8 HbF, also known as fetal hemoglobin.

9 As a result of this phenomenon, we have appealed
10 to both this Committee and our fellow legislators to
11 allocate an additional \$60,000 towards the line item for
12 the purpose of providing greater outreach and education
13 on groundbreaking treatment.

14 And I would like to say thank you for continuing
15 to put that in. But this year that line item is not --
16 it hasn't been appropriated.

17 I am proud to say that over the last two
18 budgetary cycles this Committee and our General Assembly
19 has responded favorably in allocating this much-needed
20 funding. However, we are now at a juncture where both
21 our Caucus and our Commonwealth's Sickle Cell advocates
22 are attempting to find a clearer and more effective
23 means of ensuring that the additional allocation is
24 disbursed for its intended purpose.

25 What I mean by that is that even though we've

1 allocated the \$60,000, it's been hard to find out how to
2 disburse the money, which is so desperately needed.

3 At this moment, neither I nor our affiliates
4 thoroughly believe that we can say that we have yet to
5 meet this task. It is for this reason that I would like
6 to urge this Committee to sincerely consider restoring
7 that \$60,000 that was initially added to the 2013-2014
8 budget and is presently absent from the 2016-2017
9 budget.

10 This would increase the Sickle Cell line item in
11 the Governor's proposed 2016-2017 budget from \$1,200,000
12 to \$1,260,000.

13 In closing, again, I would like to thank
14 Chairman Adolph, Chairman Markosek, and the House
15 Appropriations Committee for this afternoon. It is my
16 sincere hope that the members of this Committee find
17 merit in all of the items that I've mentioned today. I
18 would love to work with you to see a success.

19 And I just want to say thank you and commend you
20 again for another successful budget hearing cycle.

21 MAJORITY CHAIRMAN ADOLPH: Thank you,
22 Representative, for your advocacy. And we certainly
23 take your request under consideration.

24 REPRESENTATIVE LOWERY BROWN: Thank you.

25 MAJORITY CHAIRMAN ADOLPH: Thank you so much.

1 The next member of the General Assembly to
2 testify before the House Appropriations Committee will
3 be Representative David Parker.

4 David represents the 115th District in the House
5 of Representatives and is from Northeast Pennsylvania.

6 REPRESENTATIVE PARKER: Thank you, Mr. Chairman.

7 It's Monroe County, too, just so I make you
8 aware.

9 And I want to thank Representative Brown for her
10 comments on education funding, which is what my remarks
11 will be primarily about.

12 Chairman Adolph, Chairman Markosek, and
13 Committee members, thank you for the opportunity to
14 testify today. And thank you for the excellent
15 questions you asked of the Secretary of Education on
16 Tuesday.

17 In the interest of time today, I will quickly
18 provide a summary of my testimony and submit more
19 detailed testimony in writing to the Committee.

20 Mr. Chairman, the education questions on Tuesday
21 validated my concerns about the funding allocations
22 announced in January by the Department of Education.
23 Despite the fact that we now have a bipartisan
24 unanimously recommended Basic Education Funding Formula,
25 the Department instead chose to extend bad policy

1 another 24 years by picking winners and losers based on
2 politics and political expediency.

3 Mr. Chairman, with the new Basic Education
4 Funding Commission Report and its recommended formula,
5 we have the opportunity to fix 24 years of rotten
6 injustice. The BEF Commission identified 180 school
7 districts have been unfunded by \$937 million annually.

8 Mr. Chairman, I want to be very clear because
9 this is nearly a billion-dollar problem here. In June
10 2015, after the bipartisan BEF Commission received
11 thousands of pages of testimony from hundreds of
12 education advocates and leaders, and reviewed all the
13 data, the Commission determined 180 school districts
14 were unfunded by more than \$937 million. Now is the
15 time to fix this problem.

16 If we do not address the 180 underfunded schools
17 first, these 180 schools will be doomed to remain
18 underfunded for another 24 years and beyond. And that
19 is devastatingly wrong. It's dreadful.

20 The State's poorest school district, Reading
21 School District, is underfunded by \$95 million.
22 Literally, Reading taxpayers, students, and educators
23 have been shortchanged \$1 billion over the last ten
24 years.

25 No one in the Equity First Coalition is

1 demanding that the 320 over-funded school districts
2 refund their overpayments. In fact, Equity First simply
3 wants underfunded school districts to be made whole and
4 brought up to their rightful level of funding ASAP.

5 Then, when equity is reached, all dollars would flow
6 through the new BEF Commission formula to all districts.

7 Citizens can support Equity First by visiting
8 supportequityfirst.org.

9 Mr. Chairman, our time is short, but this year
10 we can start to fix 24 years of injustice. All new
11 education funding should go first to the 180 underfunded
12 school districts until they reach equity. And then all
13 funds should be distributed via the June 2015 bipartisan
14 Basic Education Funding Formula.

15 My written testimony amplifies the many reasons
16 we need equity first, school consolidation,
17 benchmarking, and performance metrics as well. And the
18 rest of it will be in the testimony that you receive.

19 So thank you for the opportunity to share my
20 thoughts. I hope you continue to push for equity first
21 in school funding.

22 MAJORITY CHAIRMAN ADOLPH: Thank you,
23 Representative Parker. And thank you for your
24 leadership in this education funding issue.

25 REPRESENTATIVE PARKER: Thank you.

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MAJORITY CHAIRMAN ADOLPH: Thank you.

Seeing no other members of the General Assembly present, I'd like to adjourn the 2016-2017 budget hearing for the House Appropriations Committee.

(Whereupon, the hearing concluded.)

1 (The following written testimony was submitted
2 by State Representative Katherine Watson, Chairman,
3 House Children and Youth Committee.)

4 REPRESENTATIVE WATSON: Good afternoon, Chairman
5 Adolph, Chairman Markosek, and members of the State
6 House Appropriations Committee. My name is Katherine
7 Watson, State Representative of the 144th Legislative
8 District located in Bucks County.

9 In addition to having the privilege of serving
10 the 144th for the past 16 years, I also have the
11 distinct honor of serving as Majority Chairman of the
12 House Children and Youth Committee for a second
13 consecutive legislative session.

14 As you know, during my tenure as Chairman, the
15 House Children and Youth Committee has been as
16 productive as it has in the recent history. The
17 Committee played a key role in developing and
18 shepherding to enact the first comprehensive update and
19 improvement of Pennsylvania's child abuse and child
20 welfare laws in nearly two decades.

21 Enacting landmark legislation to better protect
22 Pennsylvania's children was a major accomplishment, and
23 I am very proud of the Legislature's actions. However,
24 the real work began after enactment of those 23 bills,
25 and it continues today.

1 The formidable challenge of implementing the
2 sweeping changes that the Legislature has made to
3 Pennsylvania's Child Protective Services Law is now what
4 faces the Pennsylvania Department of Human Services, its
5 Office of Children Youth and Families, and the 67 county
6 Children and Youth Services, CYS, agencies across the
7 Commonwealth.

8 The dedicated child welfare professionals who
9 work at the county and State levels have applauded the
10 Legislature's action on behalf of children and have
11 accepted this challenge. And, to their credit, those
12 CYS directors, supervisors, caseworkers, private
13 providers and DHS staff have spent the past year doing
14 their best to meet the increased demands brought on by
15 the new legislative mandates, especially with regard to
16 the reporting and investigation of suspected child
17 abuse.

18 It is imperative that they have the resources to
19 deal with an expanded mission.

20 Counties have a fundamental responsibility under
21 State and Federal law to provide services to protect
22 abused, neglected, and delinquent children. The new
23 responsibilities placed upon counties only reinforces
24 the fact that there is a critical and ongoing need to
25 address funding challenges facing the County Child

1 Welfare System.

2 Efforts to enhance staff recruitment and
3 retention are imperative if the counties are to maintain
4 a stable and well-prepared workforce in the child
5 welfare system. Current staff-to-child ratios are
6 unrealistic and insufficient in most of the counties'
7 Children and Youth Services agencies.

8 If we do not address this issue, county agencies
9 soon may be unable to provide even the most critical of
10 services.

11 And that brings me to why I am here before you
12 today, to strongly advocate for the additional \$200
13 million in State funding that is being requested in the
14 County Child Welfare Needs-Based Budget for 2016-2017.

15 This amount includes the roughly \$166 million
16 rollover of the fourth-quarter payment from Fiscal Year
17 2015-2016, in addition to the County Child Welfare
18 Needs-Based Budget request of an additional \$23 million
19 in State funds for 2016-2017.

20 Providing this additional funding will help to
21 ensure that county CYs agencies have the resources they
22 need to protect children from abuse and neglect, as well
23 as to provide essential services to families.

24 Statistical evidence of the increased demand on
25 county CYs agencies supports that this additional

1 funding is warranted. Consider these statistics
2 provided by DHS:

3 The number of children in Pennsylvania who
4 received CYS agencies supports services in Fiscal Year
5 2014-2015 was 181,371 as compared to 167,582 in the
6 previous fiscal year.

7 The number of children in Pennsylvania who were
8 placed in out-of-home care in Fiscal Year 2014-2015 was
9 15,296, as compared to 14,379 in the previous fiscal
10 year.

11 The number of child protective services
12 investigations conducted in Fiscal Year 2014-2015 was
13 36,494, up from 28,036 in the previous fiscal year.
14 Child Protective Services investigations respond to
15 allegations of abuse, as opposed to General Protective
16 Services investigations, which focus on alleged neglect.

17 These investigations are prompted by reports of
18 suspected child abuse or neglect, which come in to DHS
19 via Childline. In 2015, Childline received 62 percent
20 more reports of suspected child abuse and neglect than
21 it did in 2013, the year before the changes to the Child
22 Protective Services Law were enacted.

23 One of those amendments to the CPSL allowed for
24 reports of suspected child abuse or neglect to be
25 reported online, in addition to over the phone. Online

1 reporting went into effect in 2015 and DHS received
2 roughly 110,000 online reports. That was in addition to
3 146,367 reports received via the toll-free Childline
4 phone number. So a total of more than a quarter-million
5 reports of suspected child abuse (CPS) or neglect (GPS)
6 were received last year.

7 The evidence is overwhelming, just like the
8 demand itself. In addition to driving more money out of
9 the counties to provide child welfare services, I
10 respectfully submit that additional funding, or a
11 reprioritization of existing funding, be allocated to
12 sustain Childline and ensure that it is sufficiently
13 staffed to handle this unprecedented influx of reports.

14 As the House Appropriations Committee wraps up
15 its month of hearings today, you as a Committee have
16 heard many voices from across State Government
17 advocating for their respective agencies and
18 initiatives.

19 Requests for State funding do not diminish, even
20 as tough fiscal times persist and even with the
21 Commonwealth facing a substantial budget deficit. I
22 understand that you face innumerable tough decisions in
23 the weeks and months ahead.

24 But, in closing, I would ask that you give
25 serious consideration during this budget process to the

1 fact that the efforts of the Legislature on behalf of
2 the children of this Commonwealth do come at a price.
3 We cannot ignore that fact. The Department of Human
4 Services' Office of Children, Youth, and Families as
5 well as the county Children and Youth Services agencies
6 have been tasked with an expanded mission of critical
7 importance.

8 I think it is incumbent upon us, as legislators
9 who developed and authorized that expanded mission, to
10 provide the resources necessary to execute that mission
11 in order that the children of Pennsylvania are protected
12 and served to the greatest degree possible.

13 I thank you for this opportunity to come before
14 the Committee today.

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I hereby certify that the proceedings and
evidence are contained fully and accurately in the notes
taken by me on the within proceedings and that this is a
correct transcript of the same.

Jean M. Davis
Notary Public