

Erie County Executive Kathy Dahlkemper
Testimony before state Gaming Oversight Committee
Tuesday, October 18, 2016

Chairman Payne, Democratic Chairman Kotik, and members of the Committee:

My name is Kathy Dahlkemper, and I am the County Executive in Erie County. I would like to thank you for your time and attention today, and for the opportunity to participate in today's important hearing. It is an honor to testify in front of you.

Erie County is home to one of Pennsylvania's 12 casinos. Presque Isle Downs & Casino opened in 2007 in Summit Township, a suburban and rural township in central Erie County.

Because of provisions for a local share assessment for host counties in the 2004 state gaming law, \$11 million has been returned to Erie County annually to be reinvested in the community – \$5.5 million is used directly by the county, and \$5.5 million is distributed through the Erie County Gaming Revenue Authority.

By eliminating local share funds to host counties, the Pennsylvania Supreme Court's recent ruling in the Mount Airy case will have a devastating and immediate impact on Erie County and its residents.

Erie County, it should be noted, has found unique and creative uses for its share of funding from its local casino. In Erie County, gaming funds are not used to replace taxpayer funds, but rather to enhance them – through innovative projects that would otherwise not be possible.

Erie County's share has been used to invest in essential infrastructure projects, including those that work in tandem with the presence of the local casino. This has included necessary improvements to Erie Insurance Arena and Erie International Airport, for which the county is now making debt service payments with part of its local gaming share.

Thanks to gaming revenue, Erie County can boost human services, including through support to community agencies like the Booker T. Washington Center, which offers educational assistance to children and adults that fills a void in inner-city Erie, where the public school system is troubled and poverty rates are distressingly high. In fact, the City of Erie's poverty rate, 26.9 percent, is the second-highest of any major city in Pennsylvania and is more than double the statewide poverty rate.

The Greater Erie Community Action Committee, likewise, receives grants from Erie County's gaming funds to serve all residents of our community, including the neediest – from our youngest children to our oldest citizens – making sure they have the early education they deserve; the workplace training they desire; and the warm, secure housing they need to survive our tough Erie winters.

Roughly \$1 million annually of Erie County's local share of gaming funds is dedicated to our own Erie County Public Library. We have five locations that serve the county, plus a bookmobile that travels to our most rural corners. But it is important to note that in Erie County, a library is so much more than books – it is not only about collections, it is about connections.

Through the Erie County Public Library, many of our residents access the Internet and connect to employment openings, government services, educational opportunities, and more. Our library offers resources like citizenship guides and ESL training for our diverse refugee population. Further, our county library is developing an Idea Lab, which aims to foster creativity, support entrepreneurship, and assist burgeoning small businesses with classes, workspace, networking, and more.

Without the vital local share of gaming funds, Erie County's library system would be forced to make dramatic cuts in hours and services, leaving our residents without much-needed access to education, innovation, and community gathering space.

Perhaps one of the biggest success stories that has been possible only through Erie County's local share of the gaming revenue is our Summer Jobs and More program. Both Erie County government and the Erie County Gaming Revenue Authority have invested in this vital annual program, which brings together dozens of young adults, ages 16 to 21, to receive soft-skills training and real-world employment during the summer months.

Erie County recently completed the third year of the Summer Jobs program, and once again counted it as a success, achieving a 95 percent completion rate for a third year. Because of this program, some of our teenagers who live in low-income homes, or who might not have the family support they need, can see a path forward toward a brighter future.

Some participants have taken the soft-skills lessons and exposure to real-world workplaces and have found themselves better positioned to pursue post-secondary education. For other young participants, their involvement in the program has led to full-time, permanent employment from their assigned workplace – a clear signal that the program is paying off and is delivering the kind of innovative, collaborative change that we desperately need to break the cycle of poverty and reduce the persistently high unemployment rates that plague our community.

I've described to you just a few of the variety of services that are made possible in our community through Erie County's half of the local share assessment of gaming funds. The Erie County Gaming Revenue Authority, which receives the other half, has racked up its own record of successful enterprises to reinvest gaming funds in the community.

The authority's investments have aligned with the priorities of Erie County – focusing on initiatives that will create new opportunities for residents, that will rebuild our small towns, and that will improve the quality of life across the county.

Through the Authority's Ignite Erie initiative, gaming funds strengthen small businesses and bolster growth areas like technology and advanced manufacturing. Gaming funds also contribute to the Tech After Hours program, which provides workforce training for young adults and displaced workers.

Gaming funds also help rebuild municipalities around Erie County through the Mission Main Street project, which revitalizes the small businesses and historic structures along commercial corridors countywide.

More broadly, gaming funds distributed through the Erie County Gaming Revenue Authority enhance the quality of life for our residents and visitors by supporting regional arts, culture, education, and heritage assets. This includes museums and performing arts centers; the Erie Historical Society and the Erie Zoo; and even the commonwealth's official flagship, the U.S. Brig Niagara.

I have not spent these past minutes detailing programs, services, and initiatives in Erie County as a way of highlighting our successes – but rather to impress upon you how truly vital the local share assessment of gaming revenue is to the citizens of Erie County.

It is through these programs that Erie County is able to enhance community and economic well-being, which was at the heart of the original state provision. And it is through this funding that Erie County, as a host county, is able to build a vibrant region that is not defined by the presence of Presque Isle Downs & Casino. By bolstering our broader workforce and our communities countywide, we are able to position our local casino as one element in a broader ecosystem – rather than feature it as a major source of recreation and education, which would not reflect either a viable economy or a vibrant community.

Though my primary concern, of course, is for the people of Erie County, I know that we are not alone – and that many of you on this committee face similar situations in your home counties that host their own local casinos. Allegheny County. Bucks County. Dauphin County. Delaware County – and so many more across the state. All are counting on the continuation of local gaming funds to be reinvested in their communities – and are counting on you, their elected officials, to make that happen.

I respectfully ask the members of this committee, and all of your legislative colleagues, to take the concerns of host counties into account when evaluating the action that must be taken within the 120-day window offered by the Pennsylvania Supreme Court ruling.

It is imperative, of course, that the court's concerns about inequalities in the original law be addressed. But I also implore you to maintain the spirit of the original law, which reinvests gaming funds in host counties – keeping local gaming funds local, in other words – and further ensure that host counties retain the flexibility of distributing funding to the areas that local officials determine are in the most need of attention.

The people of Erie County are counting on you. The people of host counties and municipalities across Pennsylvania are counting on you. I ask you to please create a local share assessment that guarantees our local casinos continue to reinvest in host communities statewide.

Thank you, again, for permitting me to share with you how vital the local share assessment is to Erie County. I appreciate your time and your attention to this very important issue.