

Presentation by Philip Durgin, Executive Director,  
Legislative Budget and Finance Committee, Before the  
Senate Intergovernmental Operations Committee  
Regarding Senate Bill 1080

May 25, 2011

Thank you for providing me the opportunity to address you today on Senate Bill 1080. My name is Philip Durgin, and I am the Executive Director of the Legislative Budget and Finance Committee.

Let me first state that, while I have shared drafts of this bill with several members of our Committee, the Committee itself has not yet met to discuss the possibility of consolidating our Committee into a broader research office. So my remarks today should not be viewed as the Committee's formal position.

Before addressing the provisions of the bill, let me share a brief history of our Committee, how we are structured, and what we do. The Legislative Budget and Finance Committee was created by statute in 1959 for the broad purposes of promoting efficient and effective use of public funds and ensuring that state funds are expended in accordance with legislative intent and law. We carry out our statute's charge through independent performance audits and program evaluations which result in publicly available reports.

Under the statute, the Committee is comprised of 12 members, evenly divided between both Houses and both parties. So we have three members from each caucus. Traditionally, the Chairman is from the majority

party in the Senate, with the other three Committee officers representing each of the other caucuses. So we are truly a bipartisan, bicameral committee.

The Committee typically releases about 12 reports a year on topics covering virtually every area in which the Commonwealth has a role, including, for example, health and human services, economic development, transportation, education, and independent agencies such as the PUC and the Game Commission. Our reports are released at public meetings of the Committee, where we do a short presentation of the report and officials from the agency responsible for the program under review are available to answer questions from our members.

Most of the Committee's projects are required by statute or result from either a House or Senate resolution. For example, just yesterday we released two reports that were required by statute, one a sunset performance audit of the Access to Justice program, and the other a report we are required to do every five years on the adequacy of the fees charged for conducting the background checks that are required when purchasing a firearm. We are also currently conducting a review of the Commonwealth's E-911 system required by Act 118 of 2010; an assessment of the Commonwealth's process and policies for inventorying and valuing surplus properties (Senate Resolution 383); and a project that directs us to determine if there is a more cost-efficient way to collect local property taxes (Senate Resolution 250). It's pretty typical for us to be working on four to six projects at any particular point in time.

We have a staff of 12 full-time employees, including two attorneys, a PhD, and five persons with master degrees in business or public administration. During FY 2009-10, the Committee spent \$1.68 million, about 85 percent of which was for personnel expenses. I have included a copy of our 2010 Annual Report which provides more detail about the Committee, how we operate, and lists the reports we have released since 1982. I have also included a copy of the letter our Chairman, Senator Pippy, asked me to write several weeks ago to inform the members of the steps we've taken in recent years to reduce expenditures. That letter also lists all the current members of our Committee.

With regard to Senate Bill 1080, I would agree that certain efficiencies could be achieved, particularly at the administrative level, through a consolidation such as envisioned in the bill. That being said, the type of work currently performed by the different Legislative Service Agencies is really quite varied, which presents certain challenges to a consolidation. I would also note that, over the years, we have worked in a very cooperative and collegial manner with many of the Legislative Service Agencies, including the Commission on Sentencing, the Local Government Commission, and the Center for Rural Pennsylvania, on various projects and with Legislative Data Processing, which provides the computer support for our Committee. So at, let's call it the professional level, we already have pretty good links and ties whereby we can and have supported each other's work to avoid unnecessary duplication of effort.

One of our primary concerns with the consolidation as proposed in SB 1080 is that it does not really provide our agency with the kind of tools

we need to do our job. By that I mean that we often work very closely with Executive Branch agencies, sometimes in, maybe not an adversarial way, but typically we are there to find problems that the agencies would clearly prefer not be found or make public. For example, two years ago we released a report on the Keystone Opportunity Zone program that not only highlighted many problems with how the program was administered, but also identified serious flaws and deficiencies in the measures the program used to tout its success. To do a study like this, however, requires an extensive review of case files and other information within the Department of Community and Economic Development that does not get put on their website or otherwise made publicly available.

Accessing these files and this kind of information can be very difficult, and sometimes simply getting a meeting with agency staff can take several weeks or longer. One of the ways we can motivate agencies to be cooperative is to make it clear at the beginning of a project that the agency will be asked to appear before our Committee to answer questions when the final report is released. But as the proposed new Office of Research and Public Policy is currently structured, there would be no legislative committee or commission to whom the agency executives would have to answer. Without the implicit threat of having to appear before a legislative committee, I would be very concerned that the agencies would decide to simply stall pretty much forever in providing information, especially information that might place them in an unfavorable light.

Another route we have available to us if an agency is uncooperative is to ask the Chairman or one of the other officers of our Committee to

intervene on our behalf. We have not resorted to this often, but we have on occasion. Again, though, this route would not be available to the director of the proposed Office for Research and Public Policy because he or she would have neither a Chairperson nor committee that could intervene in this manner. Our Committee Chair is also authorized in statute to issue subpoenas for both documents and testimony. Without a committee structure, authorizing the office director to issue subpoenas could be problematic.

I believe the legislative oversight function we perform on behalf of the General Assembly is important, and it frequently requires digging deeper into an agency's records and files than simply what is readily available over the Internet or in agency publications. If the General Assembly continues to want an independent assessment of publicly financed Commonwealth programs, we need to have some way of, if not forcing, at least motivating an agency to cooperate with us. And that means not only being able to gain access to their files and reports, but having them be available to answer questions as to how the information is collected and verified.

Should the General Assembly decide to proceed with this consolidation, it may wish to consider creating a legislative committee or commission to oversee the office that could provide the kind of support to the staff that our Committee does for our staff. I would also recommend that any such committee or commission have the same bipartisan, bicameral structure as was enacted for our Committee, a structure which has served our Committee well over the past 50 years. Such a structure also helps assure state and local agencies and organizations involved with our work that our

analysis will be complete and unbiased, and thereby helps gain their cooperation.

One other key concern is the proposed legislation provides for “immediate” implementation even though significant matters such as differences in agency policies concerning employment, benefits, and other personnel policies have yet to be discussed or resolved. I do not have a specific recommendation for how to address this issue, but as I say, it is of some concern.

Thank you and I would be pleased to answer any questions you may have.