

Senator Lloyd Smucker
Intergovernmental Operations Committee
Opening Statement
Public Hearing #1
March 15, 2011

Welcome to the first formal meeting of our newly created committee. Our role will be defined over time by the bills and resolutions referred to us. But the general mission possible is clear – this committee is designed to help determine how state government responds to the severe challenges of the struggling economy and the slowdown of state revenues.

The deficit facing state government this year is pegged at \$4.1 billion. This comes on the heels of two bad budget years, and with the prospect of at least one more ahead. It is no surprise that taxpayers are demanding approval of economy and efficiency measures. Many taxpayers believe that streamlining state government – in the name of cost control – is Job 1.

My background is in construction. In that business, you better know the fundamentals before taking on a project. So the purpose of this hearing is discussing the fundamentals of consolidating or eliminating the ABCDs of state government – agencies, boards, commissions, and departments.

As you can see, the chart of the operations of state government is a lengthy list. And for some, a target-rich environment. Who are they? What do they do? Why are they still around? We are part of a review and evaluation effort long-needed in state government. The goals will be two: achieving overall cost effectiveness and providing greater efficiency in service delivery.

There is no shortage of ideas, no lack of advice, from inside and outside of Pennsylvania. Where other states have acted, we can make judgments on what works and what yields real savings, based on their experience.

As today's lineup of testifiers shows, this is not a one-sided inquiry. In politics, every proposed action has a reaction. We will listen to those who want to diminish the scope and intrusiveness of state government. And we will listen to those who prefer finding alternative ways of financing the current array of programs and services.

Since the implications of Governor Corbett's budget recommendations are still sinking in or inducing shock, we are not today doing pro/con on any specific entity or proposal. That time will come soon enough.

Over the past forty years, the one example of a merger of state departments is the combining of the Departments of Commerce and Community Affairs into the Department of Community and Economic Development, which occurred in 1996 under Governor Tom Ridge. We need to mine the lessons learned during that exercise. Dave Black helped engineer that success, and today he will fill in memory gaps on the process, which reportedly was something less than a slam-dunk.

The decisions we make involve more than deletions in the state directory. People will have their livelihoods affected, either through job losses or job shifts, and we need to understand those considerations too.

There are different philosophies on the committee, but common interest in practicality. Over the next two years, we will ask a lot of questions, analyze a lot of information, and act on a series of cost-saving measures. On starting day, we can offer one solid assurance – this committee is not a cemetery where good bills and controversial issues are destined to die.