PENNSYLVANIA STIMULUS OVERSIGHT COMMISSION
MARCH 17, 2011

Summary Report

Peter Tartline, Acting Deputy Secretary for the Budget, acting as the designee for Budget Secretary Charles Zogby, convened the meeting of the Commission at 1:00 p.m. on Thursday, March 17, 2011, in Conference Room 1, 7th Floor, Forum Place Building, Harrisburg. Members in attendance included the Honorable Jennifer Branstetter, Director of Policy and Planning and Chief Implementation Officer, Guy Ciarrocchi, Rep. Brian Ellis, David Greineder (representing U.S. Senator Pat Toomey), Michael Marsico (representing the U.S. House Democratic Delegation), Eileen McNulty, Sen. Michael Waugh, and individuals representing Sen. John Blake and Rep. Jennifer Mann.

Meeting Agenda

1) Investment and Implementation Report – Eileen McNulty, Stimulus Accountability Office
2) Guest Presentations:
   - Pennsylvania Health Information Exchange – George White, State CIO and Deputy Secretary for Information Technology, PA Office of Administration
   - Electronic Health Records Incentive Grants – Matt McGeorge, PA Dept. of Public Welfare
   - School Improvement Grants – Renee Palakovic, PA Dept. of Education
   - Pennsylvania Commission on Crime and Delinquency – Linda Rosenberg, Executive Director

Investment and Implementation Report

Eileen McNulty, Deputy Director of the Stimulus Accountability Office, presented the investment and implementation report to the Commission.

It is anticipated that Pennsylvania will receive a total of $16.6 billion in ARRA funds to be disbursed directly by the Commonwealth. As of February 28, 2011, state agencies have committed ARRA funds totaling $14.6 billion, of which $13.5 billion has already been disbursed.

The distribution through February 28, 2011, of state directed ARRA funds is as follows:

Category	Total $ Committed	$ Already Spent
Health Care	$4,158,993,373	$4,154,828,882
Work Force	5,218,352,170	5,198,305,364
Education	2,321,086,850	1,767,567,632
Transportation Infrastructure	1,046,547,800	790,131,871
Other Infrastructure/Housing	310,958,911	216,521,900
Public Safety	386,874,077	365,859,735

Energy	367,961,669	230,133,769
Community and Family Support	775,456,844	755,320,165
Environment	13,283,810	10,609,665
TOTAL	$14,599,515,504	$13,489,278,983

(1) Total $ Committed is the amount of ARRA funds already disbursed by the Commonwealth and those funds the Commonwealth has committed to spend by contract, grant or otherwise, but which has not yet been paid out.
(2) $ Already Spent is the total amount of ARRA expenditures incurred and disbursed by the Commonwealth.

Transportation and Infrastructure

Highways and Bridges – As of February 28, 2011, slightly more than $1 billion in ARRA funding has been awarded to Pennsylvania for highway and bridge projects. This funding has allowed PENNDOT to award and certify 344 projects, of which 343 projects have started work, with the remaining one due to start during the month of March. In addition to safety and other improvements, to date, 228 projects are complete with 565 miles of roads having been resurfaced and 288 bridges brought into compliance. PENNDOT reported to FHWA that 1,167 jobs were created or retained for the month of February 2011 and 1,506 for January 2011.

Transit – 143 Transit projects have been awarded statewide, with 128 of those projects receiving Notice to Proceed.

Clean Water and Drinking Water

Through February 28, 2011, PENNVEST has disbursed $197.4 million (89%) of the $221 million in ARRA monies which have been awarded for 112 ARRA funded projects. Construction progress on the 112 projects is reported as follows:

- Projects between 0 – 25% complete = 2
- Projects between 26 – 50% complete = 6
- Projects between 51 – 75% complete = 8
- Projects between 76 – 99% complete = 21
- Projects 100% complete = 74

Energy

State Energy Plan (SEP) Program – As of February 28, 2011, of the 60 approved projects, seven are complete and 17 more have the physical work completed. A total of $73 million (73.2%) of the $99.7 million in SEP allocated funds have been expended with Pennsylvania ranking 2nd in the nation in the percentage of SEP funds drawn down. To date, carbon dioxide emissions have been reduced by over 18.7 million pounds, and more than 15.2 million kilowatt hours of energy has been generated from renewable sources. The figures

for emissions and hours of energy are down from the previous report due to a reallocation of one project from ARRA to a non-ARRA project.

EECBG: Conservation Works! – 102 projects are underway, and 58 of those have completed physical work. Over $15.6 million (69%) of the $22.6 million in ARRA funds allocated to projects has been expended. Pennsylvania currently ranks 3rd in the nation in percentage of State EECBG funds drawn down.

Weatherization – As of February 28, 2011, 18,215 homes, or 61% of the 29,700 homes set as the goal in the State Weatherization Plan, have been weatherized. DCED monitoring staff has completed on-site reviews of 2,231 (12.7%) of completed homes and started fiscal monitoring of 18 of the 43 local sub-recipient organizations (monitoring for all organizations is anticipated to be in place by the end of the fiscal year). To date, 1,084 weatherization worker certifications have been earned by 958 workers and an additional 419 individuals are in training.

Broadband

Five expanded microwave "hops" from Potter County to Wayne County are complete and a Tower Management Contract has been issued to Crown Castle USA.

State and National Broadband Maps are now "live" and can be accessed via the internet:
www.broadbandinpa.com (State)
www.broadbandmap.gov (National)

Guest Presentations

Pennsylvania Health Information Exchange – George White, State CIO and Deputy Secretary for Information Technology, PA Office of Administration

The initial guidance from the Office of National Coordinator (ONC) was to use the ARRA funds available for the Pennsylvania Health Information Exchange (PHIX) as soon as possible. However, in July 2010, the ONC changed philosophy and guidance and issued a program information notice advocating an incremental approach to meet meaningful use requirements. Pennsylvania's original plan for PHIX was submitted to the ONC in October 2010. However, ONC disapproved the plan and Pennsylvania received a deficiency letter in January 2011. The deficiency letter identified specific areas that needed to be addressed. In February 2011, responsibility for PHIX was transferred to the Office of Administration/Office of Information Technology.

The new administration pulled the contract that had been issued, on a sole source basis, to Medicity and is now looking at a new approach. With this new approach in mind, a revised PHIX plan was submitted to the ONC on March 7, 2011. The plan addressed the immediate deficiencies of E-Prescribing, receipt of structured lab results, and sharing of patient care summaries across unaffiliated organizations. The new proposed plan avoided a commitment to a long-term approach. The administration feels that the stakeholder community needs to be re-

engaged and utilized to help evaluate and identify a long-term approach that is best for Pennsylvania.

Electronic Health Records Incentive Grants – Matt McGeorge, PA Dept. of Public Welfare

Health Information Technology is the use of information and communication technology in health care and can include electronic health or medical records; personal health records; e-mail communications; clinical alerts; computerized decisions support systems; bar coding; and other technologies. The Electronic Health Records Incentive Program is the Medicaid Electronic Health Record (EHR) incentive payment program, created by the ARRA and administered by the Centers for Medicare and Medicaid Services (CMS). The Medicaid EHR Incentive program encourages provider adoption, implementation, and meaningful use of EHR's.

In order to participate in the program, practitioners must be licensed and within the scope of practice defined under state law. Medicaid eligible professionals may not be hospital based and must meet certain eligibility requirements based upon percentage of patient volume from MA individuals. Incentive payments are made over a six-year period and the first payment year can be for adoption, implementation, and upgrade.

Hospitals meeting Medicare meaningful use requirements may also be deemed eligible for Medicaid incentive payments.

The concept of meaningful use is that it is not enough to simply install an EHR; providers must use the technology in a meaningful way to have a positive impact on patient care and outcomes. The CMS requires eligible professionals and hospitals to:

- Demonstrate use of certified EHR technology in a meaningful manner;
- Demonstrate that certified EHR technology is connected in a manner that provides for the electronic exchange; and
- Use certified EHR technologies and submit information on clinical quality measures and other measures.

In May 2011, providers can enroll for Pennsylvania Medical Assistance for EHR incentives through the Medical Assistance Provider Incentive Repository (MAPIR). Payments will be made through PROMISe once applications are reviewed and approved.

School Improvement Grants – Renee Palakovic, PA Dept. of Education

Pennsylvania was awarded $119 million in ARRA School Improvement Grant funding in June 2010. Of this amount, $113 million was for awards to Local Education Agencies and $6 million could be used by the Commonwealth for state administration. Combining the ARRA funds with regular FY 09-10 funds provided a total of $141 million for use in School Improvement Grants. A total of 75% of the funds were awarded in the first application year of the program, but there was a requirement that the remaining 25% be carried over to a second application year. The funds were to be used to implement a three-year reform plan for low achieving schools.

In the first round, 17 Local Education Agencies received a total of $102.7 million in funding for 58 school buildings. Four school models are being implemented: 43 transformation models; 7 restart models; 6 turnaround models and; 2 closure models.

- A transformation model requires significant and strategic changes to curriculum, staff development and operational flexibility of the school. Additionally, the principal must be replaced.

- A restart model is one in which the LEA converts the school to a charter school.

- A turnaround model is similar to the transformation model except that in addition to the principal at least 50% of the teachers must be replaced.

- A closure model is when the school itself is closed.

A second round of funding totaling $31 million will be awarded in early Summer 2011, for implementation during the 2011-12 school year.

Pennsylvania Commission on Crime and Deliquency (PCCD) – Linda Rosenberg, Executive Director

The mission of PCCD is to enhance the quality of the criminal and juvenile justice systems; to facilitate the delivery of services to victims of crime; and to assist communities in developing and implementing strategies aimed at reducing crime and victimization. PCCD received $53.15 million in ARRA funding through four ARRA programs: $45.4 million through the Byrne Justice Assistance/JAG Program; $4.9 million in STOP Violence Against Women grants; $1.32 million in Victims of Crime Act Victim Assistance Grants; and $1.53 million in Victims of Crime Act Compensation Formula Grants.

The Byrne/Justice Assistance Grants provided funding for a broad range of activities aimed at preventing and controlling crime through law enforcement programs; prosecution and court programs; prevention and education; community and correction programs; drug treatment and enforcement; and planning, evaluation, and technology improvement programs. As of February 2011, $40.1 million of the $45 million in ARRA funding has been awarded. Some of the programs and activities supported through these grants included the following:

- Criminal justice improvement programs including alternatives to incarceration, such as drug courts, DUI courts, mental health courts, county juvenile courts, and other specialty courts.
- Support of re-entry initiatives for county and state offenders - specifically, support of new daytime or evening reporting centers for juvenile offenders.
- Investment in technology infrastructure and date interoperability. Also, supported county technology initiatives such as information sharing, data quality improvement projects, records management enhancements, and electronic filings.

- Justice practitioner job creation and retention initiatives enabling state and local justice entities to create and retain police officers, juvenile and adult probation officers, juvenile prosecutors, victim service providers and other similar positions associated with the justice system.

The Crime Victims Assistance grant award provides funds to support the provision of services to victims of crime. Funds were used to augment the VOCA funding program. A total of $1.305 million of the $1.32 million in ARRA funding has been awarded.

The Crime Victims Compensation Program helps victims of violent crime rebuild and restore their lives. The funds are used to pay claims directly to crime victims and to service providers such as hospitals, doctors, ambulance companies, and funeral directors. A total of $1.46 million of the $1.53 million in ARRA funding has been awarded.

The STOP Violence Against Women program supports communities in their efforts to hire and retain criminal justice and victim services personnel that respond to violent crimes against women. A total of $4.8 million of the $4.9 million in ARRA funding has been awarded.