

# PENNSYLVANIA STIMULUS OVERSIGHT COMMISSION

**JULY 22, 2010**

## *Summary Report*

Ron Naples, Chairman, convened the meeting of the Commission at 9:30 a.m. on Thursday, July 22, 2010, in the William Pitt Union Ballroom of the University of Pittsburgh campus, Pittsburgh. Members in attendance included Jim Creedon, Rep. Brian Ellis, Terry Kostoff (representing Sen. Casey), and Donald Siegel. Attending by teleconferencing were Charlie Battaglia (representing Sen. Specter), Gene Barr, Guy Ciarrocchi, and Chris Naylor (representing Sen. Waugh).

## *Meeting Agenda*

- 1) Welcome and Investment Report – Ron Naples, Chairman, Pennsylvania Stimulus Oversight Commission
- 2) Implementation Report – Jim Creedon, Secretary, Pennsylvania Department of General Services
- 3) Guest Presentations:
  - Paul Supowitz, Vice Chancellor of Government Relations, University of Pittsburgh
  - Tim McNulty, Vice President of Government Relations, Carnegie Mellon University
  - Alan W. Seadler, Ph.D., Associate Academic VP for Research, Duquesne University.
  - Anthony Mannella, Contract Review Specialist, City of Pittsburgh  
Sara DeRoy, Grants Officer, City of Pittsburgh
  - Cate Reed, Pittsburgh School District
  - Lenna Hawkins, Deputy District Engineer, US Army Corps of Engineers
  - Steve Bland, CEO, Pittsburgh Port Authority
  - Stefani Pashman, CEO, Three Rivers Workforce Investment Board

## *Welcome/Investment Report*

Chairman Naples opened the meeting by welcoming all members and guests in attendance, thanked the University of Pittsburgh for hosting the meeting, restated the goals of ARRA, and then proceeded with a briefing on the investments to date.

Of the \$787 billion in ARRA funding that has been budgeted nationally, Pennsylvania is expected to receive a total of approximately \$26.8 billion. These funds broken down into three disbursement amounts and categories include; 1) \$11.1 billion which flows directly to individuals and businesses through tax benefits for households and businesses; 2) \$2.2 billion in direct federal grants to entities within the state; and 3) \$13.5 billion which comes directly to the Commonwealth for disbursement (this final amount is the purview and focus of the Commission).

As of June 30, 2010, \$10.081 billion of Pennsylvania ARRA funding had been committed and \$8.387 billion had actually been spent.

<u>Category</u>	<u>Total Committed</u>	<u>Already Spent</u>
Health Care	\$2,970,898,050	\$2,968,934,035
Workforce	3,369,534,792	3,332,242,212
Education	1,642,117,105	1,056,416,086
Transportation Infrastructure	998,551,625	462,893,353
Other Infrastructure/Housing	279,468,619	103,884,561
Public Safety	204,623,409	180,626,635
Energy	341,212,667	120,667,800
Community and Family Support	261,897,125	157,078,344
Environment	13,034,294	4,519,365
Total	<u>\$10,081,337,686</u>	<u>\$8,387,262,391</u>

These funds are providing benefits both in the short term and long term. In the second quarter of 2010, according to performance measures, there were 16,420 FTE jobs and a total of 47,808 people working as a direct result of stimulus funding. Additionally, the Council of Economic Advisors estimates another 130,000 individuals were indirectly employed. In the long term, projects as delineated in the implementation report will be providing benefits to citizens of the Commonwealth for years into the future.

### ***Implementation Report***

Secretary Creedon provided the implementation report for projects funded by ARRA monies.

#### Transportation and Infrastructure

*Highways and Bridges* – As of July 15, 2010, of the 326 projects originally approved, all 326 have Notice to Proceed; 325 of the projects have started work; and 125 projects are completed. As of June 22, 2010, an additional 18 projects representing \$30.8 million have been certified. These 18 projects, a result of low-bid savings, have been approved in the counties where the savings occurred.

#### Clean Water and Drinking Water

As of July 15, 2010, PENNVEST has disbursed \$106.6 million (48.27%) of its \$221 million in ARRA investment. Construction progress of the 113 projects is as follows:

- Projects between 0 – 25% complete = 17
- Projects between 26 – 50% complete = 24
- Projects between 50 – 75% complete = 21
- Projects between 75 – 100% complete = 51

## Energy

*EECBG: Conservation Works!* – All 99 approved projects are underway and one has been completed. Of the approximately \$22 million in ARRA funds allocated to the projects, \$10.1 million (about 46%) have been expended.

*State Energy Plan Program* – All 52 of the approved projects are underway and one is complete. Of the approximately \$77.7 million in ARRA funds allocated to the projects, \$23.7 million (about 31%) has been expended.

*Weatherization* – As of July 15, 2010, this program is on schedule to meet or exceed the goals submitted in the original plan -- 8,563 homes have been weatherized and another 7,677 homes have had energy audits scheduled or completed and are in progress.

## Environment

*Leaking Underground Storage Tanks* – 72 of the 74 approved projects are underway: 9 have been completed; 54 are more than 50% completed and; 9 are less than 50% completed. Pennsylvania, through the DEP, will be requesting an additional allocation of funds from the EPA.

*Clean Diesel Grant Programs* – Of the approximately \$4.3 million allocated to these projects, \$1.1 million (about 26%) has been spent. All six approved projects have moved forward, with one being completed.

## Broadband

On July 1, 2010, Pennsylvania submitted an application for an additional \$6 million in Broadband Mapping and Planning funds. Announcement of any awards is expected by the end of September. On September 20-21, 2010, the Commonwealth is holding a Broadband Summit for individuals, businesses, and organizations involved with the broadband programs. Information on the summit can be found at [www.programs.psu.edu/Broadband2010](http://www.programs.psu.edu/Broadband2010)

### *Guest Presentations*

#### **Paul Supowitz, Vice Chancellor of Government Relations, University of Pittsburgh**

Mr. Supowitz provided a brief overview on the history and current status of the University. The University of Pittsburgh is ranked in the top cluster of the nation's public research universities. Over the past decade, its research expenditures have totaled \$5.33 billion. In FY 2010 alone, the University saw approximately \$730 million in research expenditures from all sources. As a result of ARRA, the University has received, to date, 362 awards totaling \$182 million for research funding grants through the National Institutes of Health, Department of Education, Health Resources and Services Administration and the National Science Foundation.

Additionally, as a state related university, Pittsburgh is eligible for ARRA State Fiscal Stabilization Funding. Over a three-year period, FY 2008-09 through FY 2010-2011, the University is receiving a total of \$23.654 million in ARRA State Fiscal Stabilization Funding. This money is critical to the University in helping to meet the needs of its students while keeping tuition increases to a reasonable level.

**Tim McNulty, Vice President of Government Relations, Carnegie Mellon University**

Mr. McNulty provided a brief overview of the history and current status of the University. He then indicated that Carnegie Mellon has been competing for ARRA funding in three major strategic areas: 1) funding for research in areas where the University is a recognized national and global leader; 2) proposals designed to enhance opportunities to advance education and community and economic development; and 3) proposals to enhance the competitiveness of regional and state partners in seeking ARRA funds. To date, the university has received \$30 million in ARRA research grant funding, which represents approximately 10% of the university's annual research budget. These funds are supporting over 75 projects that will unfold over the next two or three years. Mr. McNulty outlined basic information on a few of the projects.

**Alan W. Seadler, Ph.D., Associate Academic VP for Research, Duquesne University**

Dr. Seadler provided a brief overview of the history and current status of the University. He then indicated that the University has received \$3.3 million in competitive research grant funding through the ARRA and these funds were used to support research in the sciences including: biology, chemistry and physics. The funds also supported a number of initiatives in the Health Sciences including: Pharmaceutical Sciences, Occupational and Speech Therapy, and Nursing. He reiterated that without the stimulus funding many of these projects may not have been able to be started and others might have only had meager funding. Background information on a few of the projects was shared with the Commission.

**Anthony Mannella, Contract Review Specialist, City of Pittsburgh**  
**Sara DeRoy, Grants Officer, Finance Department, City of Pittsburgh**

As of June 30, 2010, the City has received a little over \$20 million in ARRA funding:

- Public Safety and Criminal Justice – Byrne Grant -- \$1.9 million
- Energy Efficiency and Natural Resources – EECBG -- \$3.4 million  
(This project will improve the City-County Building. An energy audit will be completed and then a retrofit with priority on the HVAC system)
- Waste Hauler Bio-Diesel Retrofit -- \$401,000  
(The program will retrofit 33 waste hauler trucks)
- Workforce Development and Education  
Pittsburgh's Summer Youth Employment Program -- \$1.5 million  
(In 2009, 554 youths between the ages of 14 and 21 years were provided internships with private businesses, public offices and non-profits throughout the city)

Adult Workforce Development -- \$505,000

(Provided for a 12-week Green Energy Efficiency Pre-Apprentice Training program along with job placement services)

Dislocated Worker Training -- \$1 million

(Provided intensive training to city dislocated workers to increase their skill set and or training for new careers around identified employment clusters)

- Health and Social Services Safety Net – Homelessness Prevention -- \$6.8 million  
(The city and the county are working jointly to implement the program. A total of nine agencies have received funding. As a result, 105 unduplicated clients have received financial assistance with housing and 39 clients have left the program for permanent housing situations.)

### **Cate Reed, Pittsburgh School District**

The Pittsburgh School District has received approximately \$115 million in ARRA funding. However, the presentation only dealt with \$10 million of the funds which are being used to implement a Summer Dreamers Academy summer camp. The intent of the camp, which will operate this summer and next, is to provide a setting where incoming 6<sup>th</sup> – 8<sup>th</sup> graders can have additional opportunities to retain and learn new skills and habits in order to be successful in high school and beyond. Running on a full day basis, the camp will serve 1,600 -1,700 children at six sites throughout the school district and will provide 450 part-time jobs.

### **Lenna Hawkins, Deputy District Engineer, US Army Corps of Engineers**

An overview and funding history was provided of the US Army Corps of Engineers' Pittsburgh District. The district covers 26,000 square miles in five states and includes: 10 significant river systems, 328 miles of navigable waterways, 23 navigation locks and dams, 16 multi-purpose flood risk management projects, and 80 local flood risk management projects. The Pittsburgh District has received \$144 million in ARRA funding of which \$130 million has been obligated. Of this amount, 79.6% is allocated to new construction and 19.9% to operations and maintenance. A total of 97% of the funding is for Pennsylvania projects. The major Pennsylvania projects are as follows: Monongahela River Locks & Dams 2, 3, & 4 (\$63.9 million); Emsworth Locks & Dams Static Instability Correction (\$33.2 million); East Branch Dam Safety Initiative; and Upper Ohio River Navigation Study.

### **Steve Bland, CEO, Pittsburgh Port Authority**

The Pittsburgh Port Authority is the largest public transit agency in the area and the second largest in Pennsylvania. A total of \$62.5 million in ARRA stimulus funding has been committed to the North Shore Connector project (a train system/subway tunnel facility system connecting the north side with downtown Pittsburgh). The project which has an overall cost of approximately \$528 million is divided into several contract packages. It is estimated that ARRA funding is directly sustaining about 240 jobs and 3,000 jobs on an indirect basis. Without ARRA funding the project was at risk of being deferred.

**Stefani Pashman, CEO, Three Rivers Workforce Investment Board**

An overview was provided on the Workforce Development Act, Pennsylvania’s workforce development system, and the Three Rivers Workforce Investment Board. Allegheny County has received approximately \$5.46 million in ARRA funding to support and augment existing workforce funding streams. The funds have been used to support youth summer programming, rapid response services for dislocated workers, job search services for dislocated workers and training programs for adults and dislocated workers.

- WIA Youth (summer employment) \$1.2 million
- WIA Adult (intensive training) 851,000
- WIA Dislocated Worker (worker training) 809,000
- WIA Rapid Response (worker training) 1.5 million
- Community Services Block Grant (job search services) 1.1 million

ARRA funding has provided an opportunity to serve increased job seeker demand during the economic downturn. Between July – November 2008 and July – November 2009, new customers entering CareerLink increased by 26%.