

MAR 29 2011

MEMO



Senate of Pennsylvania

March 25, 2011

TO: ALL SENATORS

FROM:

Stewart J. Greenleaf

Stewart

SUBJECT: Cosponsorship – Legislative Budget and Finance Committee Review of PENNVEST

I am introducing legislation that would require the Legislative Budget and Finance Committee to review the Commonwealth's program of providing funding for drinking water, wastewater and storm water projects authorized under the Pennsylvania Infrastructure Investment Authority Act.

It is important for the Commonwealth to have in place proper water supply, sewage disposal and storm water systems throughout this Commonwealth. The General Assembly recognized that many Pennsylvania communities have antiquated or inadequate water, sewer and storm water systems posing a health risk and consequently enacted the act of March 1, 1988 (P.L.82, No.16), known as the Pennsylvania Infrastructure Investment Authority Act, creating The Pennsylvania Infrastructure Investment Authority, PENNVEST.

PENNVEST, an independent state agency, provides low-cost financial assistance for infrastructure improvements to community drinking water, wastewater and storm water systems throughout the Commonwealth. To help fund this program, Pennsylvania voters have approved several referendums over the years authorizing the issuance of bonds. Therefore, the General Assembly has an obligation to the citizens of this Commonwealth to ensure that this investment is allocated wisely and achieves the results envisioned for PENNVEST.

A review and evaluation of the implementation of PENNVEST has not been undertaken in over a decade and the Senate has an interest in ensuring that the program is administered in accordance with the goals and intent of the Act. A review could lead to recommendations for improving PENNVEST so that more Pennsylvania communities and citizens may benefit from this program. As such, the resolution directs the Legislative Budget and Finance Committee to conduct a comprehensive review and evaluation of the Pennsylvania Infrastructure Investment Authority Act and prepare a report of its findings which shall, at a minimum: (1) determine all sources of funding for PENNVEST and provide an analysis of how much is Federal, State and other funding; (2) identify the overall amount of bond funding authorized, the amount issued, and a schedule of debt service on the bond issuance; (3) identify the total amount of funds allocated and a compilation of how the allocated funds were spent; (4) determine whether funding is being awarded in accordance with the criteria used to prioritize projects; (5) provide a review of the projects approved by county, including the amount of funding and type of projects; (6) identify why some areas of the Commonwealth are being underserved by this program; and (7) determine the overall effectiveness of the act in achieving the goals of protecting public health and safety and promoting economic development of Pennsylvania.

The Legislative Budget and Finance Committee is required to report its findings and recommendations to the Senate within six months of the adoption of this resolution.

If you would like to cosponsor this legislation, please contact Pat Snively of my office by e-mailing her at psnively@pasen.gov.