



Senate Committee on Community, Economic and Recreational Development

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Co-sponsorship Memo

DATE: August 29, 2011

AUG 30 2011

TO: All Senators

FROM: Senator Jane M. Earll

SUBJECT: MEMO #10 - Amending Titles 12 (Commerce and Trade) and 64 (Public Authorities and Quasi-Public Corporations) of the Pennsylvania Consolidated Statutes, providing for the Liberty Financing Authority, imposing duties on the Department of Community and Economic Development and making related repeals.

I will be introducing legislation that would create a premier business financing authority to be known as the Liberty Financing Authority. The legislation would consolidate the Pennsylvania Industrial Development Authority and the Pennsylvania Minority Business Development Authority, and to further consolidate various other stand-alone programs of the Department of Community and Economic Development (DCED) under one authority and board oversight. The consolidation also imposes related duties and responsibilities on DCED and makes the necessary related repeals of prior law.

The Liberty Financing Authority will provide guidance, counsel, oversight and maintenance of all lending and grant activities currently held within the following programs:

- Small Business First
- Machinery & Equipment Loan Fund
- Export Financing Program
- Minority Business Development Loan Program
- Community Economic Development
- Pennsylvania Industrial Development programs
- Disadvantaged Business Development
- Pollution Prevention Assistance

Governance Structure

15 Board Members to be selected as follows:

- Secretaries: DCED, Agriculture, Banking and Budget
- 3 private sector members selected by the Governor
- 8 private sector members selected by the General Assembly, 2 each from: the Senate President Pro Tempore, Senate Minority Leader, Speaker of the House and Minority Leader of the House.

All private sector appointments must be non-legislative member or staff and not employed by the Commonwealth. The seven members of the Governor (4 secretaries and 3 private) will serve a 4 year term. The eight members of the General Assembly will serve a 2 year term. Public officials (the Secretaries) may designate a staff member in their absence. Eight members present will represent at quorum. A majority of those present shall be necessary to take action. No compensation for Board members, just reimbursement of actual expenditures to attend meetings and carry out the duties of the Board.

Special Powers of the Board

Title 64 to be amended to allow the Board of the Commonwealth Financing Authority to transfer funds to the Liberty Financing Authority with the approval of a super-majority of the Commonwealth Financing Authority Board. The Liberty Financing Authority may approve a transfer from the Liberty Financing Authority to the Commonwealth Financing Authority with the approval by a quorum as described to be eight member of the board shall constitute a quorum. When a quorum is present, a majority of those present shall be necessary to take action for movement of such funds.

If you would like to co-sponsor this legislation or have any questions, please contact Lauren Clark at lclark@pasen.gov by **Friday, September 16, 2011**.