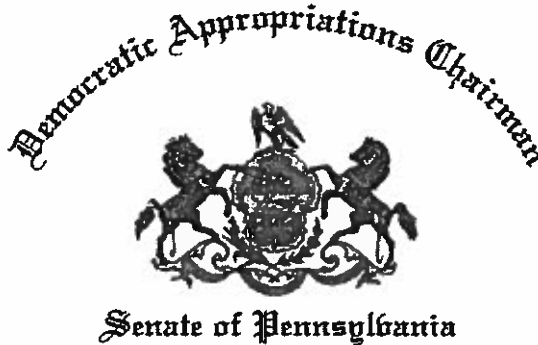


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**STANDING COMMITTEES**  
APPROPRIATIONS, DEMOCRATIC CHAIRMAN  
FINANCE  
JUDICIARY  
POLICY  
PUBLIC HEALTH & WELFARE  
RULES & EXECUTIVE NOMINATIONS

**APPOINTMENTS**  
CHEYNEY UNIVERSITY COUNCIL OF TRUSTEES  
LEGISLATIVE AUDIT ADVISORY COMMISSION  
PA HIGHER EDUCATION ASSISTANCE AGENCY BOARD  
EXECUTIVE COMMITTEE  
PA HIGHER EDUCATION FOUNDATION  
PA LEGISLATIVE BLACK CAUCUS  
PA MINORITY BUSINESS DEVELOPMENT AUTHORITY  
PA WORKFORCE INVESTMENT BOARD  
STATE EMPLOYEES RETIREMENT SYSTEMS BOARD

**TO:** All Senators

**DATE:** February 16, 2012

SB  
1444

**FROM:** Senator Vincent Hughes

**SUBJECT:** Co-sponsorship memo – Pennsylvania Investment Bank Fund

In the near future, I plan to introduce SB 1444, legislation creating the Pennsylvania Investment Bank Fund within the Commonwealth Financing Authority (“CFA”). Rebuilding our infrastructure and creating jobs in this still fragile economy should be our number one priority. The Investment Bank Fund will assist in that effort by providing the CFA with flexibility to target capital investments to proven Pennsylvania economic development programs.

Administered by the Commonwealth Financing Authority, the Fund will be capitalized from the following sources:

1. Beginning with the 2012 fiscal year, and annually thereafter, in any year in which a budget surplus exists, 25% of that surplus will be transferred into the fund.
2. All currently unexpended funds appropriated to the CFA under the Alternative Energy Investment Act (Special Session Act 1 of 2008) and dedicated for pollution control projects (section 304), renewables (section 307(b)) and high performance buildings (section 307(c)). Approximately \$42 million remains available for renewable and high performance building projects, while an amount up to \$25 million may remain unused for pollution control projects
3. All unexpended funds appropriated to the CFA for the Tax Increment Financing Guarantee Program (64 Pa.C.S. §1556). Currently, this balance is estimated at approximately \$50 million.
4. All revenue dedicated to statewide initiatives through the recently enacted impact fee imposed on Marcellus Shale drilling. This would be in addition to any impact fee funds allocated to the CFA for environmental initiatives.

5. All proceeds from loan repayments made to the CFA from current economic development programs.

6. Any other funds appropriated to the Investment Bank Fund under law.

Funds appropriated to the CFA for the Investment Bank Fund may only be used for the following programs:

1. Business in Our Sites

2. First Industries

3. The Water Supply and Wastewater Infrastructure Program (PENNWORKS)

4. H2O PA

5. Alternative and clean energy projects, renewable energy projects, and high performance building projects under the Alternative Energy Act.

In addition, the CFA would be authorized to transfer a portion of the funds annually to PENNVEST for purposes of funding eligible projects under the Pennsylvania Infrastructure Investment Authority Act. PENNVEST would have the discretion to bond such payments.

The initial capitalization of the fund is estimated to exceed \$150 million, without including revenue related to any potential budget surplus. By dedicating a portion of future budget surpluses and freeing up funds previously authorized by the General Assembly, we will be able to continue to make vital investments in our infrastructure and create job opportunities for our citizens. The Investment Bank Fund will provide the CFA flexibility to assess the needs of the Commonwealth and invest accordingly. It will also allow us to redirect funds from underutilized programs to those programs that have a proven record of success.

If you would like to co-sponsor this legislation, please contact Jackie Hopp at 7-7112 or [jhopp@pasenate.com](mailto:jhopp@pasenate.com).