

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

HOUSE AGRICULTURE AND RURAL AFFAIRS COMMITTEE

joint with the

SENATE AGRICULTURE AND RURAL AFFAIRS COMMITTEE  
PUBLIC HEARING

STATE CAPITOL  
HARRISBURG, PA

MAIN CAPITOL BUILDING  
ROOM 8E-A, EAST WING

TUESDAY, MARCH 15, 2016  
9:00 A.M.

PRESENTATION ON  
AGRICULTURE PARTIAL BUDGET FUNDING

HOUSE COMMITTEE MEMBERS PRESENT:

HONORABLE MARTIN CAUSER, MAJORITY CHAIRMAN  
HONORABLE STEPHEN BLOOM  
HONORABLE KAREN BOBACK  
HONORABLE JOE EMRICK  
HONORABLE MINDY FEE  
HONORABLE MARCIA HAHN  
HONORABLE ROB KAUFFMAN  
HONORABLE MARK KELLER  
HONORABLE JOHN LAWRENCE  
HONORABLE DAVE MILLARD  
HONORABLE DAN MOUL  
HONORABLE MIKE REESE  
HONORABLE MIKE TOBASH  
HONORABLE DAVID ZIMMERMAN  
HONORABLE MIKE CARROLL, DEMOCRATIC CHAIRMAN  
HONORABLE VANESSA BROWN  
HONORABLE PAMELA DELISSIO  
HONORABLE SID KAVULICH  
HONORABLE BRANDON NEUMAN

## SENATE COMMITTEE MEMBERS PRESENT:

HONORABLE ELDER VOGEL, MAJORITY CHAIRMAN  
HONORABLE GENE YAW  
HONORABLE RYAN P. AUMENT  
HONORABLE MICHELE BROOKS  
HONORABLE KIM WARD  
HONORABLE JUDITH SCHWANK, DEMOCRATIC CHAIRMAN  
HONORABLE ROBERT TEPLITZ

\* \* \* \* \*

*Pennsylvania House of Representatives  
Commonwealth of Pennsylvania*

## HOUSE COMMITTEE STAFF PRESENT:

KERRY GOLDEN

MAJORITY EXECUTIVE DIRECTOR

MICHELE MUSGRAVE

MAJORITY LEGISLATIVE ADMINISTRATIVE ASSISTANT II

DESTINY ZEIDERS

DEMOCRATIC EXECUTIVE DIRECTOR

## SENATE COMMITTEE STAFF PRESENT:

MICHAEL RADER

MAJORITY EXECUTIVE DIRECTOR

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SUBMITTED WRITTEN TESTIMONY

\* \* \*

(See submitted written testimony and handouts online.)

## P R O C E E D I N G

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1  
2  
3 SENATE MAJORITY CHAIRMAN VOGEL: Good morning,  
4 everyone. I'd like to call this joint House and Senate Ag  
5 Committee hearing to order here this morning at this time.  
6 I want to thank Senator Judy Schwank for being here, as  
7 well as Representative Causer. Representative Carroll is  
8 running a few minutes late; he will be here in a few  
9 minutes.

10 But at this time, a few game rules I guess for  
11 the -- we're going to have our testifiers possibly speak  
12 for about five minutes so we have time for a few minutes'  
13 worth of questions. We're on a pretty tight schedule.  
14 Other people have meetings and stuff to go to; 11:00, 10:30  
15 or so people are going to have to start leaving to go to  
16 other meetings in our offices and other Committee meetings  
17 and stuff.

18 So at this time we'll have Secretary Redding  
19 start by giving his testimony, and then we'll have a few  
20 questions. Thank you.

21 SECRETARY REDDING: Thank you. Good morning,  
22 Chairmen Causer, Carroll, Senator Vogel, Senator Schwank.  
23 Thank you for the opportunity to be here and discuss the  
24 '15/'16 budget impasse and the implications on the  
25 Department of Agriculture, as well as our partners.

1           I also want to say thank you to each of the  
2 Members of the House and Senate Ag Committee for the  
3 continued engagement in this process and interest in  
4 agriculture. While there certainly is disagreement on some  
5 individual lines and actions, there is no disagreement in  
6 the support for agriculture. We very much appreciate the  
7 support from the Legislature as well.

8           You have the written testimony. I'll just note  
9 for the record some of the accomplishments. I wanted to  
10 make sure that even in these sort of trying times is we  
11 also recognize that there's been a lot of exceptional work  
12 done over the last couple of months by the industry and  
13 certainly by the employees of the Department of  
14 Agriculture, and I want to note that list of  
15 accomplishments, an impressive list that reaches from work  
16 on spotted laterfly to some of the food security issues.  
17 I want to make sure that you have that in front of you.

18           Obviously, the most concerning impact of the  
19 budget impasse for the Department of Agriculture is the  
20 implication for our general government operations line, as  
21 noted in the testimony. You will see that the emergency  
22 funding that we receive through Act 10-A certainly was  
23 welcomed but was short by nearly \$800,000. And we've made  
24 adjustments to accommodate that reduction just by staff  
25 hires, delayed hires, delayed travel, delayed actions of

1 the Department just from a spending standpoint. The  
2 problem is now -- and when you couple that shortfall with  
3 the \$4.6 million that we've absorbed for operations of the  
4 Pennsylvania Vet Lab and the Farm Show is really creating  
5 stress on our GGO operations line.

6 And of course in the absence of the Fiscal Code  
7 and the ability to access the Farm Show funds, I mean, the  
8 Department of Agriculture has absorbed some of the  
9 operations for the Farm Show, and that's created some of  
10 the tension here. When you put all that together and you  
11 do the forecast, we're anticipating that the end of the  
12 year, without any other adjustments, somewhere around \$3.3  
13 million, roughly 33 employees that are at risk here unless  
14 we can find some solution in the coming months.

15 We're working hard to protect the public health  
16 and safety, the core function of the Department, through  
17 food safety and animal health and plant health, but just to  
18 see the implication here of what has happened since the  
19 beginning of the fiscal year but certainly since the first  
20 of the year in the absence of a Fiscal Code, and as some of  
21 you've heard me discuss during the budget hearings, the  
22 challenge with what came to the Governor in December,  
23 particularly around the Vet Lab, the Animal Health  
24 Commission, the fairs, those three line items are \$15  
25 million that were to be funded from the Racehorse

1 Development Fund, ended up being funded from the General  
2 Fund, were vetoed. That \$15 million has really created  
3 some additional stress on our budget.

4           The fairs, those payments and reimbursements have  
5 not been made. The Farm Show, as I've noted, we have the  
6 money but not the spending authority for it. And the  
7 Animal Health Commission, probably most concerning of the  
8 three just because that does not allow us to make any  
9 payments to University of Pennsylvania or Penn State  
10 University Vet Labs. And of course they're the two  
11 partners in our three-lab system here in the State.

12           And a final note just on Penn State and the Land  
13 Scrip Fund again has received a lot of attention. I just  
14 want to take a moment and say thanks to all of the folks  
15 who are here today and have been here over the last couple  
16 weeks sort of presenting Cooperative Extension research and  
17 the Land Grant mission well. Each of these folks are  
18 volunteers and friends, so I want to say thanks to each of  
19 them.

20           But as I noted during the budget hearing, this is  
21 a question of process, not a question of value. I really  
22 believe strongly that the Land Grant and the Land Scrip  
23 Funds are connected. They were connected for 147 years.  
24 They were connected from 1863 to 2012, and then they were  
25 disconnected and became two separate lines, one of the Land

1 Scrip in the Department of Agriculture and the other the  
2 Land Grant, which has been and is part of the nonpreferred  
3 and the State-relateds. Our position is that they are  
4 connected components, and to have a vibrant College of  
5 Agricultural Sciences and Extension, research and teaching  
6 to fulfill that mission really takes the full university.  
7 And to recognize that, we think it needs to -- two lines  
8 need to come back together, Land Grant and the Land Scrip.

9           Again, there's some further definition in the  
10 testimony for you on that point, but just to underscore the  
11 value of Penn State Cooperative Extension, believe in it,  
12 the Governor believes in it. We appreciate it. It is  
13 clear that it is very difficult for the Department of  
14 Agriculture to fulfill our mission without that of Penn  
15 State and the College of Agricultural Sciences. There's  
16 probably not a program or a bureau in the Department that  
17 doesn't have an intersection with Penn State and the  
18 Cooperative Extension from high-path avian influenza to the  
19 Chesapeake Bay. I mean, pick an issue and Penn State shows  
20 up as our partner in that process, so really critical to  
21 provide funding, support funding, and we are hopeful that,  
22 at the end of the day, that the Land Scrip and the Land  
23 Grant can be funded.

24           So let me end there, Mr. Chairman, Members, take  
25 any questions you have, please.

1           SENATE MAJORITY CHAIRMAN VOGEL: Thank you,  
2 Secretary.

3           Senator Brooks has a question.

4           SENATOR BROOKS: Can you talk about the benefit  
5 that you feel in combining those lines again would -- what  
6 benefit would that make for Cooperative Extension?

7           SECRETARY REDDING: Well, the benefit I think is  
8 found in what the Legislature did on April 1st of 1863. I  
9 mean, you've got to reach back when the Commonwealth of  
10 Pennsylvania accepted the land scrip from the Federal  
11 Government. In exchange for that land scrip, there was an  
12 agreement that the State would provide education for our  
13 rural communities and agriculture and research. So I think  
14 it's a historical one, number one.

15           Two, that from all of the issues that Extension  
16 deals with, I mean, it's a college, yes, but the access to  
17 the larger university of what happens in the College of  
18 Medicine and Education and Engineering, all of that is  
19 combined in that cooperative that really lives true to the  
20 cooperative word from our perspective. So that's the value  
21 of putting them together to really leverage the full impact  
22 and the real essence of what was agreed to 152 years ago  
23 when we said yes to the land scrip is that we would keep  
24 those together, and we've separated them. The university  
25 may feel differently about that, but from a functional

1 standpoint and really the work of Cooperative Extension and  
2 research takes a full university.

3 SENATOR BROOKS: I think that when those were  
4 separated, the intent was to actually protect Extension and  
5 that when you saw decreases come through Penn State, that  
6 it would happen to Extension. And so I think that when  
7 they were separated, the intent was to protect the  
8 Cooperative Extension offices. Your comments on that?

9 SECRETARY REDDING: Well, I guess being a product  
10 of Penn State and Cooperative Extension, I get that they're  
11 -- and I wasn't here when those decisions were made, but I  
12 understand that that was part of the reasoning is to create  
13 a safe harbor if you will for Cooperative Extension and to  
14 put that in the Department of Agriculture's budget. I  
15 think given the fiscal times of the Commonwealth make any  
16 line, as we've noticed, difficult to protect for sure. And  
17 don't get me wrong; I value having the College of Ag and  
18 the Land Scrip in the Department of Agriculture. I mean,  
19 it makes a case for ag, but I think as a larger public  
20 benefit, we've got to keep it connected to the Land Grant.

21 SENATOR BROOKS: Well, I do think that there  
22 would be support if Penn State wanted to increase and give  
23 more money to Extension, but I do believe keeping them  
24 separate would actually continue to protect Cooperative  
25 Extension in case -- it just seemed as though, over the

1 years, if Penn State wanted to make cuts, it seemed to  
2 decrease or threaten the Cooperative Extension offices.

3 SECRETARY REDDING: Yes.

4 SENATOR BROOKS: Just those comments. Thank you.

5 SECRETARY REDDING: Yes, I appreciate that,  
6 Senator, and thank you for your support of Penn State  
7 Cooperative Extension. I would say, you know, we were very  
8 concerned with a 19 percent reduction to Penn State and the  
9 College of Ag and saw the implications of that reduction  
10 since 2012. Partly what we're trying to do in the  
11 Governor's budget and proposed budget is to earn some of  
12 that back and some of it back 5 percent increments to close  
13 that gap, but certainly important to support Extension and  
14 again from our perspective trying to keep that connected to  
15 the Land Grant mission. Thank you.

16 SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

17 Representative Causer has a question.

18 HOUSE MAJORITY CHAIRMAN CAUSER: Welcome,  
19 Secretary Redding.

20 SECRETARY REDDING: Chairman, good to see you.

21 HOUSE MAJORITY CHAIRMAN CAUSER: It's good to see  
22 you.

23 SECRETARY REDDING: Thank you.

24 HOUSE MAJORITY CHAIRMAN CAUSER: I want to point  
25 out something in your written testimony and I'll be brief

1 but I'll read what it says. It says, "The Governor's  
2 decision to line-item veto the Department's transfer to the  
3 Land Scrip Fund was not done to gain leverage or because he  
4 does not value the College and Extension. It was done  
5 because the Legislature had yet to adopt the university's  
6 nonpreferred legislation. Simply put, it was a matter of  
7 process and not policy."

8           But the fact of the matter is there really was no  
9 need to veto the Land Scrip Fund because that's step one in  
10 the process. We have the appropriation from the General  
11 Fund to the Land Scrip Fund, and then the second part in  
12 the process is the nonpreferred appropriation that actually  
13 gets the funding out to Penn State. So it's just  
14 mindboggling that the Governor chose to veto the Land Scrip  
15 Fund when that certainly was not necessary and then to sort  
16 of blame the Legislature for not passing the nonpreferred  
17 when we know full well that that takes a two-thirds vote of  
18 both Houses of the Legislature. And at the same time the  
19 Governor was asking the House Democrats not to support  
20 passing the nonpreferreds, which we've brought up twice.  
21 So you're blaming the Legislature for not passing the  
22 nonpreferreds to get the funding out when at the same time  
23 it's the Governor asking us, asking the people in the  
24 Legislature not to support passing the nonpreferreds. It  
25 just doesn't make sense, and I'll have to say there was no

1 reason to veto the first step in that process.

2 We've continually heard from the Administration  
3 that he had to veto because the budget that was passed in  
4 December wasn't balanced. Well, the shortfall there was  
5 about \$300 million. It just doesn't make any sense to go  
6 veto \$6 billion when you have a \$300 million shortfall.  
7 And I have to point out that vetoing the Land Scrip Fund  
8 from the start, vetoing step one, just doesn't make any  
9 sense, and I'd be interested in your comments on that.

10 SECRETARY REDDING: Well, again, I appreciate  
11 your comments and again support for Department of  
12 Agriculture and the Land Scrip Fund and Land Grant. I  
13 mean, from the Governor's perspective and our perspective,  
14 they were connected items and needed to be addressed as one  
15 and not as two separate items. I get it that they're a  
16 two-step process, but there should be, you know, one  
17 appropriation for Penn State that supports both the  
18 university and the College of Agricultural Sciences is our  
19 position.

20 HOUSE MAJORITY CHAIRMAN CAUSER: I realize they  
21 go together, but what I'm saying is there was no reason to  
22 veto step one when step two ultimately we hope will come  
23 very soon, so I think, you know, it's important for us to  
24 get back together and get this funding out because we  
25 cannot allow, you know, the Extension to close. I know in

1 the testimony the Governor -- in your testimony --

2 SECRETARY REDDING: Yes.

3 HOUSE MAJORITY CHAIRMAN CAUSER: -- you've said  
4 how important the Governor sees this funding and actually  
5 touts the level of funding that he's proposed for the next  
6 fiscal year, but it doesn't do any good if they close down  
7 this year --

8 SECRETARY REDDING: Right.

9 HOUSE MAJORITY CHAIRMAN CAUSER: -- to give them  
10 more funding next year.

11 SECRETARY REDDING: No question. I'm with you.  
12 He is with you on getting this resolved. I mean, the last  
13 thing we want to see is Cooperative Extension and what  
14 we've built over 152 years fall apart because of this  
15 appropriation or lack thereof, so we're with you on that.  
16 But again, I'd just like to underscore, you know, the value  
17 of the Land Grant system. And I keep saying that in part  
18 -- I get it that there are two actions and two separate  
19 appropriations, but, you know, having it work for 147 years  
20 through a lot of, you know, more difficult times in our  
21 State and American history and they stayed together, I'm  
22 hopeful that we can get them back together for this year.

23 HOUSE MAJORITY CHAIRMAN CAUSER: I'll hold the  
24 rest of my questions.

25 SECRETARY REDDING: Thank you.

1 SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

2 Senator Aument has a question.

3 SENATOR AUMENT: Thank you, Mr. Chairman.

4 Mr. Secretary, I appreciate your testimony and  
5 being here --

6 SECRETARY REDDING: Good to see you.

7 SENATOR AUMENT: -- with the Committee this  
8 morning. And I appreciate and respect the role that you  
9 have and the challenge you have and, to be quite honest  
10 with you, the challenge you have defending what I think I  
11 certainly believe and others believe is frankly  
12 indefensible with regard to the line-item vetoes.

13 I want to ask just a couple of questions with  
14 regard to your role in providing recommendations to the  
15 Governor. Did the Governor ask you about the potential  
16 impact of the line-item veto prior to his decision to line-  
17 item veto 65 percent of the Department's budget?

18 SECRETARY REDDING: As I had shared at the  
19 appropriations hearings, there were discussions with the  
20 Budget Secretary about sort of the budget status, as well  
21 as potential line-item veto and considerations. There was  
22 not a direct conversation prior to the Governor, many times  
23 since, about what the implications are and what's  
24 happening, just based on the calls and inquiries and  
25 concerns that have been expressed, many conversations since

1 but not with him personally prior to.

2 SENATOR AUMENT: So had you been asked, is it  
3 fair to say that you would not have encouraged the Governor  
4 or you would have encouraged the Governor to take the steps  
5 that he did specifically to cut 65 percent of the  
6 Agriculture budget?

7 SECRETARY REDDING: Well, there certainly would  
8 have been a little more discussion around sort of the  
9 priorities. At the end of the day, I mean, I get we've got  
10 to make a decision about what we fund and what we support  
11 based on the money we have available. When you look at the  
12 65 percent, there were a couple of those items, as I noted  
13 earlier, that from my perspective, given how hard we  
14 negotiated on the horse race reform and Act 7 and Chairman  
15 Vogel's bill, I certainly would have preferred to see the  
16 Farm Show, the Animal Health Commission, and the  
17 Pennsylvania Vet Lab all funded out of the Racehorse  
18 Development Fund, as was proposed and as we had negotiated  
19 for four months, that one particularly for me, just because  
20 it goes at the very heart of the function of the Department  
21 of Agriculture. That's one of those discussions I wish we  
22 could have had, right?

23 Secondly, since we were in the throes of the Farm  
24 Show and hosting it at the time of this decision, we knew  
25 we were okay at the moment for Farm Show, but in the

1 absence of the Fiscal Code, it's even more difficult now  
2 for me to justify transferring cost to GGO when I have the  
3 money but I don't have the Fiscal Code for Farm Show,  
4 right, I mean, these are the things that, in putting all of  
5 this budget piece into context.

6           And the final point would be just on the  
7 discussion about Penn State and Cooperative Extension and  
8 the Land Grant discussion noted earlier, I certainly would  
9 have preferred a little more conversation about  
10 implications for that and what's going to happen both to  
11 the institution of Penn State and Cooperative Extension but  
12 also the connectedness of that institution to the  
13 Department of Agriculture. So I would have preferred a  
14 little more dialogue about at least the transparency of  
15 implication and what's going to happen.

16           Fast-forward, I mean, these are the conversations  
17 right now that we're saying you have based on the testimony  
18 I've laid out is that we have some very pragmatic issues to  
19 deal with in terms of the GGO as a result of not having  
20 some of those earlier discussions and/or the actions of  
21 veto and what's going to happen here in the next couple of  
22 months at the Department level.

23           SENATOR AUMENT: It was widely reported last week  
24 at the conclusion of the House Appropriations Committee  
25 process that the Budget Secretary indicated that the line-

1 item veto really was sort of an exercise of political  
2 leverage. That wasn't the term he used, but to send a  
3 message. That seems to contrast with your testimony here  
4 today.

5 With regard to the 65 percent cut to the  
6 Department of Agriculture, is it your opinion that that was  
7 not to send a message to either the General Assembly or to  
8 the agriculture community?

9 SECRETARY REDDING: Yes. All I can tell you is  
10 in my review of that is that there were some of those line  
11 items that were vetoed as a result of what had been agreed  
12 to prior, right, and that's the Racehorse Development Fund  
13 as one of those. You know, it was not in the discussion  
14 about the leverage points there. It was simply about  
15 discussion of implication.

16 SENATOR AUMENT: My final question and then I'll  
17 turn it back, Mr. Chairman -- I appreciate the opportunity  
18 to just ask a few questions and I'll hold the rest till  
19 later -- getting really at the Governor's commitment to  
20 agriculture -- and I appreciate you saying the Governor  
21 does in fact have a commitment to agriculture during your  
22 testimony -- in the 2015/2016 budget proposal, his request  
23 to the General Assembly and again in his proposal in  
24 2016/2017, can you remind the Committee, what  
25 recommendations did the Governor make with regard to

1 funding for ag excellence, ag research, the open dairy  
2 shows, U shows, what recommendations in the budget?

3 SECRETARY REDDING: Right, so -- for '15/'16?

4 SENATOR AUMENT: Yes.

5 SECRETARY REDDING: Yes, they were not funded.

6 SENATOR AUMENT: Again, my concern is is that the  
7 only consistent pattern that we've seen from this Governor  
8 is a consistent decision to underfund agriculture and then  
9 when given the opportunities to fund agriculture has vetoed  
10 that funding. And I think for the Committee and for many  
11 in the agriculture community, this is the reason I think  
12 for a dramatic or I think a growing lack of credibility  
13 that this Administration has with regard to a commitment to  
14 agriculture. And again, I appreciate the role you have and  
15 the role you have in defending some of these decisions, and  
16 it's certainly my hope that we as Republicans and Democrats  
17 in the Senate and in the House will work together to move  
18 this process forward. And I appreciate your time.

19 SECRETARY REDDING: Senator, thank you. Just a  
20 couple points on the Governor's support for ag -- and I  
21 look at this over the span of 20 years with several  
22 Governors -- and I can tell you the relationship that he  
23 has had with the Department and I have had with the Chief  
24 Executive is very different with this Governor in a very  
25 positive way. The number of times he has called to note

1 the good work of the Department has been really  
2 interesting, right? He has called just to say thank you.

3 He has developed a great relationship with the  
4 U.S. Department of Agriculture, Secretary Vilsack, who is  
5 our partner in so many efforts, right? Much like  
6 Extension, the USDA is a critical partner. The support for  
7 high-path AI and, you know, the discussions we had about  
8 how do you bridge the budget impasse discussions that were  
9 occurring without putting the poultry industry at risk and  
10 their extraordinary efforts to find resources to do that.

11 You know, the workforce development, I spent much  
12 of my life sort of talking about education and youth and  
13 being a dean, coming back and the big issue that we've got  
14 to deal with is sort of the human capital question of  
15 agriculture and having a Governor who's recognized for the  
16 workforce development needs, make sure that agriculture is  
17 at the Workforce Development Board, first time in 40 years  
18 that we have agriculture represented on the Workforce  
19 Development Board, having in a substantive way the  
20 Workforce Investment Opportunity Act, speak to agriculture  
21 and the workforce development needs, you know, taking a  
22 very serious interest in the Act 7 and the horserace reform  
23 and each of you understand the pressure points we were  
24 under to try to really address that issue. But all of  
25 those were made possible by a Governor who said we need to

1 fix it; we need to work with it.

2 So I get that this is one measurement. I guess I  
3 would just ask the Committee, please, to look, you know,  
4 broadly at the support the Governor's provided to the  
5 Department and to agriculture. Thank you.

6 SENATOR AUMENT: Thank you, Mr. Secretary. And I  
7 do appreciate the Governor's willingness to send thank-you  
8 notes, but I think that falls woefully short.

9 SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

10 Senator Yaw has one last question for you,  
11 Secretary.

12 SENATOR YAW: I guess this is more a comment than  
13 question, but, Secretary Redding, you've always been  
14 considered in my opinion in our dealings a friend of  
15 agriculture, so I wouldn't trade your position that you're  
16 in now for anything. And I look around this room and I see  
17 a lot of people that are involved in agriculture. And, you  
18 know, I feel bad about the position that you're put in  
19 personally. Now, that may or may not be true, but that's  
20 at least my observation.

21 It takes 129 people in this Capitol to do  
22 anything. That's 26 Senators, 102 House Members, and the  
23 Governor. That's the 129. You know, on at least three  
24 occasions, at least three occasions, we've had the  
25 agreement of 128 people. Now, my guess is we're going to

1 have the agreement of 128 people again very shortly, and  
2 we're looking at one person who has not seen fit to agree  
3 with the other 128.

4           Now, to me, a lot of these things that are going  
5 on are manufactured crisis, and from my district  
6 personally, I get really offended by it because who are  
7 being used to accomplish -- I'm not sure what's trying to  
8 be accomplished. We're using kids in all manner. When I  
9 say kids, it's across the educational spectrum. It's kids  
10 in public schools, it's kids in college, it's programs,  
11 it's everything, but we're using kids as leverage.

12           Also, up until last Friday, we were using  
13 critical-access hospitals because funding was being  
14 withheld from critical-access hospitals. I have four of  
15 them in my district, and critical-access hospitals are the  
16 ones that are in the most rural sections, the hardest ones  
17 to get to for medical care. Okay. We're going to use them  
18 for leverage, too. And the other one that I look around  
19 this room that's obviously being used for leverage are  
20 farmers now, and I don't like it.

21           You know, somewhere along the line 128 people  
22 can't be wrong. Whatever the combination is, that's the  
23 way our government is set up. And, you know, that's my  
24 comment about it. I'd just like to echo what Senator  
25 Aument said. I mean, things just don't make sense, and why

1 we're using things -- the farmers now for leverage to get  
2 things, I'm not quite sure what the thinking is behind  
3 that. So those are my comments. Thank you, Mr. Chairman.

4 SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

5 Thank you, Secretary Redding, for your comments  
6 and being here this morning. I appreciate your time with  
7 us --

8 SECRETARY REDDING: Yes. Yes, sir.

9 SENATE MAJORITY CHAIRMAN VOGEL: -- good to see  
10 you again. Thank you very much.

11 SECRETARY REDDING: Thank you.

12 SENATE MAJORITY CHAIRMAN VOGEL: At this time we  
13 have Nick Jones, Executive Vice President and Provost of  
14 Penn State; as well as Dr. Richard Roush, Professor of  
15 Entomology at Penn State's College of Ag Sciences are our  
16 next two presenters. Gentlemen.

17 DR. JONES: Good morning. Chairpersons Causer,  
18 Vogel, Carroll, Schwank, and distinguished Members of the  
19 House and Senate Agriculture and Rural Affairs Committees,  
20 thank you for this opportunity to discuss the impacts of  
21 the budget impasse on the College of Agricultural Sciences  
22 at the Pennsylvania State University. I would also like to  
23 acknowledge the support of the many constituencies that are  
24 represented in this room.

25 All parties in the current budget impasse have

1 shown strong support for the College of Agricultural  
2 Sciences and Cooperative Extension. We are extremely  
3 grateful for that support.

4           As you know, amid the challenges of balancing  
5 revenue and expenditures for the many priorities across the  
6 Commonwealth, the Land Scrip Fund, which funds Cooperative  
7 Extension and our applied agricultural research, was  
8 vetoed, and it has been without Commonwealth funding since  
9 July. Also lost was at least \$2 million in funding for our  
10 Animal Diagnostic Laboratory, which is a key contributor in  
11 preparedness for avian flu. This funding is provided  
12 through a contract with the Animal Health and Diagnostic  
13 Commission, which has also had its funding vetoed.

14           We are deeply grateful to Secretary Redding for  
15 moving to provide \$426,000 of emergency funding to the  
16 Animal Diagnostic Lab to maintain our capacity for avian  
17 flu through June 30th. Nonetheless, we believe that it is  
18 important to bring to the Committees' attention the breadth  
19 and the excellence of the Commonwealth investment in  
20 Extension, as well as the damage the State budget impasse  
21 has already caused to the citizens of the Commonwealth, and  
22 the longer-term damage risked from failure to restore the  
23 Land Scrip promptly.

24           The work of the College and Extension extends  
25 well beyond agriculture. Extension supports not only

1 agriculture and jobs, it provides many other key activities  
2 in our communities, especially in rural Pennsylvania, but  
3 is increasingly active in cities including Pittsburgh and  
4 Philadelphia. For example, it is the only legal way to  
5 administer more than 92,000 children in 4-H youth  
6 development. Most of these young people won't join  
7 agriculture, but 4-H does inspire their interest in  
8 science, career paths, and the food system. Students who  
9 have participated in 4-H are twice as likely to study  
10 science and attend college, and three times as likely to  
11 participate in their communities. Many other examples I've  
12 provided in our written testimony.

13           The loss of Land Scrip funding thus results in  
14 the direct loss of at least \$68 million a year to the  
15 college, and the indirect loss of another \$69 million. This  
16 would cause a loss of at least 1,100 jobs, about 750  
17 outside of University Park. The statewide loss of jobs has  
18 direct and indirect losses to the State economy estimated  
19 at least \$266 million, without trying to estimate the  
20 economic and social losses to the people whom we serve.

21           The turmoil over the budget impasse since July  
22 has already caused serious effects on the college and on  
23 Cooperative Extension, including halting the replacement of  
24 42 positions. Worse, we have now suffered losses of four  
25 outstanding Extension staff, who have left or are leaving

1 for more stable jobs. At least 11 more staff have  
2 indicated that they're looking for other jobs, plus five  
3 planning to retire early.

4           The financial partnership with the State and  
5 Federal Government has and remains crucial to the funding  
6 of Extension and applied agriculturally related research.  
7 Universities have a limited range of income streams, and  
8 Penn State is no exception. In good faith, Penn State  
9 University has, since July 1st, already covered more than  
10 \$32 million of the State's part in agricultural research  
11 and Extension, with the assumption that there would be a  
12 timely resolution of the budget impasse and the funds would  
13 eventually be released for the college. However, with no  
14 relief in sight, that flexibility is being exhausted and  
15 simply can't be continued past June 30th.

16           In order to manage these costs, the college will  
17 need to start with 60-day layoff notices starting May 1,  
18 which will impact more than 1,100 positions, as mentioned  
19 previously. This is not a decision that we take lightly.  
20 We know that this will have permanent effects on the  
21 college and on the university, and once this staff is laid  
22 off, it will be very difficult to restart them. This staff  
23 is in high demand nationally in both the public and private  
24 sectors.

25           The appropriations to the State-related

1 universities provide the funding necessary for Pitt,  
2 Temple, Lincoln, and Penn State to reduce tuition for in-  
3 State students and thereby improve access to higher  
4 education. We have a particular concern about this at Penn  
5 State because, as the Land Grant Institution, we have a  
6 foundational tripartite mission of providing student  
7 access, along with research and extension, and supporting  
8 disciplines such as science and engineering. However, as  
9 vital as the nonpreferred funding is to student access and  
10 the excellence of our universities, the continued loss of  
11 the Agricultural Sciences Land Scrip funds would eliminate  
12 Extension and most of our applied agricultural research,  
13 and greatly diminish the educational experiences of our  
14 students.

15 Both the Land Grant system and the Agricultural  
16 College of Pennsylvania were founded during some of the  
17 greatest strife in our nation's history. The name and the  
18 activities have changed, but the partnership and benefits  
19 have endured and expanded, and as you will hear from some  
20 of our stakeholders today, the needs are as critical now as  
21 when established.

22 Thank you very much.

23 SENATE MAJORITY CHAIRMAN VOGEL: Thank you,  
24 Provost Jones.

25 Dean Roush, do you have any comments? No

1 comments?

2 Does anyone have questions at this time?

3 Representative Carroll.

4 HOUSE DEMOCRATIC CHAIRMAN CARROLL: Thank you,  
5 Mr. Chairman.

6 Thank you both for being here today. And I  
7 listened to the testimony and I read it, and I appreciate  
8 the distinction I think that was drawn here that Penn State  
9 at least has made a conclusion that it's time to have a  
10 complete budget that funds all of the lines and not just  
11 advocating for the Land Scrip or the other lines that  
12 directly affect Penn State. Is that a fair deduction based  
13 on what I heard and read?

14 DR. JONES: Well, we're here today to  
15 specifically speak about Land Scrip, but of course all of  
16 our appropriation lines are critically important to Penn  
17 State and to the other State-related universities.

18 HOUSE DEMOCRATIC CHAIRMAN CARROLL: But it's fair  
19 to say -- and is Penn State advocating for a solution  
20 relative to their specific lines in advance of, for  
21 example, basic ed funding for our school districts?

22 DR. JONES: We're not placing our priorities.  
23 We're advocating for the importance of the Land Scrip line  
24 to fulfill our Extension mission and the broader  
25 appropriation for the function of the university as a

1 whole.

2 HOUSE DEMOCRATIC CHAIRMAN CARROLL: I appreciate  
3 that. And, you know, with respect to the environment and  
4 the layoff notices that are pending for Penn State and as  
5 awful as that is, I would highlight the fact that my home  
6 school district Pittston Area along with the Wilkes-Barre  
7 Area School District, Nanticoke School District, and  
8 Hanover Area School District in Luzerne County, along with  
9 our career and technical school, have issued a 60-day  
10 shutdown notice as well and that those teachers will be  
11 laid off and that those students in those school districts  
12 won't be able to finish the school year. That's a  
13 catastrophe. And so what we need in this building is a  
14 solution that speaks to the school districts in this State  
15 and to all of the other unfunded lines, including those  
16 that affect Penn State. Thank you so much, Mr. Chairman.

17 SENATE MAJORITY CHAIRMAN VOGEL: Thank you,  
18 Chairman Carroll.

19 Anyone else have any further questions?

20 I know we have some Representatives in the  
21 audience back there. Any of the Representatives in the  
22 audience have a question? Go ahead, Representative.

23 REPRESENTATIVE: Thank you, Mr. Chairman.

24 Gentlemen, I think that what I heard you say  
25 earlier, and I'd just like you to verify it is that if

1 there's a hiccup in the process of funding, it results in  
2 layoffs of people who were a very integral part of the  
3 education, the research, the development, and I'd like to  
4 highlight two things I believe. One was the colony  
5 collapse disorder of a couple of years ago. And you were  
6 deeply involved in research on that, and I don't believe  
7 that we've reached a complete conclusion with regard to  
8 that, but I do believe that all of the research you were  
9 involved in and others led to a lot of developments on the  
10 what-ifs and the probable causes of if we don't take  
11 certain steps to protect, whether it's pesticides or  
12 whatever. The list goes on and on. So there's a value in  
13 providing continuity as far as funding and research.

14           And secondly, I think that we underestimate the  
15 value of our agricultural institutions in regards to that  
16 in that every one of us has a stake in what we eat in the  
17 morning, in the afternoon, in the evening, and if we don't  
18 have the proper research into developing foods that are  
19 necessary for our very survival, then we're just cutting  
20 our nose off to spite our face.

21           So I heard the previous gentleman talk about the  
22 value of education all throughout and over-encompassing. I  
23 think that we all get that. But I also heard the Chairman  
24 say that in regards to this funding that the actions of the  
25 Governor were not necessary in this regard to balance the

1 budget and to hold people hostage and to hold other  
2 individuals hostage in this process. Yes, the number is  
3 102, 26, and 1. And I want everybody here to understand  
4 that it all leads to one doorstep. We're with you, and the  
5 solution to this problem is to get our Members from the  
6 other side to be supportive when one person and one person  
7 alone holds up this process for funding and holds the  
8 entire State hostage on it.

9           And I think that it was very deplorable that we  
10 celebrated our 100th anniversary for the Farm Show, and  
11 that we had, you mentioned, 97,000 kids involved. And I  
12 know that there's 109 fairs that support 4-H and FFA all  
13 across the Commonwealth, but we took the shine off, one  
14 person took the shine off, the Governor took the shine off  
15 of what we should be very proud of, and that's agriculture  
16 in this Commonwealth. Otherwise, we wouldn't have  
17 celebrated the centennial anniversary of it. Thank you.

18           Thank you, Mr. Chairman.

19           SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

20           Senator Brooks?

21           SENATOR BROOKS: Thank you for being here today  
22 and thank you for what you do.

23           Currently, the Land Scrip and the Land Grant are  
24 separated. In the previous testimony, it was stated that  
25 one of the reasons it was vetoed is because they want to

1 see it made whole again and put back together. Do you see  
2 any reason why, as they stand now, they couldn't have been  
3 funded independently?

4 DR. JONES: I would say -- and then I'll hand to  
5 Dean Roush -- we were supportive of the separation of the  
6 Land Scrip from the rest of the nonpreferred appropriation  
7 in large part because we felt that we didn't want funding  
8 for Agricultural Research and Extension to be subject to  
9 the ups and downs and turbulence that we sometimes saw with  
10 the nonpreferred appropriation because of the importance of  
11 that mission to the Commonwealth of Pennsylvania.

12 SENATOR BROOKS: So I would gather from that  
13 answer that you do think that they could have been funded  
14 independently and that Extension did not need to be zeroed  
15 out in the case because they were separated? Is that --

16 DR. JONES: I think where they have been funded  
17 separately for the last several years and we were  
18 supportive of it being handled in that way.

19 SENATOR BROOKS: Thank you very much.

20 DR. JONES: You're welcome.

21 SENATE MAJORITY CHAIRMAN VOGEL: Okay. I guess  
22 we have no further questions at this time, so I thank you,  
23 gentlemen. At this time we'll have Representative Causer  
24 introduce our next speakers. Thank you very much.

25 HOUSE MAJORITY CHAIRMAN CAUSER: Our next panel

1 is from the University of Pennsylvania, Dr. Vincent Price,  
2 the Provost from the university; and also Dr. Joan  
3 Hendricks, the Dean of the School of Veterinary Medicine at  
4 the University of Pennsylvania. Welcome. And you may  
5 proceed.

6 DR. PRICE: Good morning, and thank you very much  
7 for the opportunity to testify today. My name is Vincent  
8 Price, and I am the Provost of the University of  
9 Pennsylvania. And I am joined here today by Dean Joan  
10 Hendricks, Dean of the School of Veterinary Medicine; Dr.  
11 Gary Althouse, Chair of Clinical Studies at New Bolton  
12 Center, Penn Vet's production agriculture research facility  
13 in Chester County; and Robert Schieri, Vice Dean for  
14 Administration and Finance at the School of Veterinary  
15 Medicine.

16 We were invited today to discuss the challenges  
17 and abilities of our respective institutions to support  
18 State-funded agricultural programs during the current  
19 financial impasse. And before answering that question, I  
20 think it useful to note the unique, long, and quite  
21 positive relationship that Penn has had not only with the  
22 Commonwealth, but also with her most significant industry:  
23 agriculture. That relationship, one of the oldest and most  
24 cherished at Penn, is what drives much of the work of the  
25 faculty and staff at Penn Vet and is but one of many

1 reasons we continue our work despite the current funding  
2 challenges.

3           Our partnership with agriculture is recognizable  
4 by simply reviewing the School of Veterinary Medicine Board  
5 of Overseers where you will find not only the Chairs and  
6 Ranking Members of the Committees we come before today but  
7 also many of the organizations testifying, including the  
8 Pennsylvania Farm Bureau and PennAg Industries, two of the  
9 Commonwealth's leading agriculture organizations. We  
10 believe that working with our partners both in government  
11 and in industry is the best way to serve them and to  
12 maintain a safe food supply and a growing industry.

13           In the absence of approved funding from  
14 Commonwealth, the University of Pennsylvania has been  
15 supporting the agricultural work of Penn Vet. We would  
16 further note that the school faced fiscal challenges in  
17 pursuing its work in support of agriculture for almost a  
18 decade. In fact, it is important to note that Commonwealth  
19 funding for the school has remained relatively stagnant  
20 over the past few years after being significantly reduced  
21 in 2008.

22           While the challenging funding environment has  
23 ensured that the Vet School maintains a culture of  
24 efficiency and creativity, the significant reductions have  
25 depleted the school's reserves. Accordingly, during the

1 current crisis, Penn Vet continues to exercise extreme  
2 fiscal caution, including through the institution of a  
3 hiring freeze and limited spending despite increased and  
4 daunting challenges such as high pathogen avian influenza.  
5 It is our sincere hope that agreement can be reached to  
6 fund the critical work of the school.

7           While Penn provides financial support during the  
8 crisis, we remain increasingly and deeply concerned about  
9 the potential adverse impact for the Commonwealth and its  
10 largest industry created by the potential elimination of  
11 funding in the absence of an agreement.

12           I will ask that Dean Hendricks now walk you  
13 through but a few of the challenges if funding were  
14 permanently eliminated.

15           DR. HENDRICKS: So I, too, am very grateful for  
16 the opportunity to talk about the contributions that Penn  
17 Vet has made and continues to make. I'm going to talk  
18 first about the general appropriation component, but I also  
19 allude to the support for the laboratories that comes  
20 through the Animal Health and Diagnostic Commission. We  
21 have a lot of similarities in our mission and in our  
22 funding mechanisms to those at Penn State, the Agricultural  
23 Research School.

24           As veterinarians, we have a mission to protect  
25 animal health, and those in this room know that that

1 extends to the animals that support us through agriculture  
2 and thus to public health and safety and to food security,  
3 we intervene in the health and wellbeing economically and  
4 environmentally of farms and farmers, and of course we  
5 support the animal health and thus help to produce a safe  
6 and affordable and healthful food supply.

7 I'd like to talk about three components that --  
8 three commodity groups that we've supported just in the  
9 last couple of years related to the school's general  
10 mission. These are ways that we are grateful, even as a  
11 private institution, to be able to support the work of the  
12 Commonwealth. And everything that I'm alluding to works  
13 for the Commonwealth and is beyond our fundamental mission  
14 of training veterinarians and caring directly for animal  
15 health and supporting advances in human health and welfare  
16 as well.

17 With regard to swine, during this last year, were  
18 -- we take care of 90 percent of Pennsylvania's pigs, 1.3  
19 million hogs on 547 farms, and during this last year, we  
20 had the challenge of porcine reproductive and respiratory  
21 syndrome and we were thrilled that those farms working with  
22 us directly had a 30 percent decrease in the incidence of  
23 PRRS. So that's a crisis, the kind of thing that you need  
24 a research and development mission, as well as delivery of  
25 services.

1           Those dairy farmers working with us directly  
2 because of great insights in both nutritional management  
3 and husbandry and health advantages, farms working with us  
4 went from 23,000 to 32,000 pounds of milk on each farm.

5           We also note that in general all the farms that  
6 work directly with us produce higher poundage than the  
7 20,000-pound State average.

8           And I do want to note, too, that we have working  
9 dairy and working swine units, and 100 percent of our  
10 students have the experience of working directly with farm  
11 animals and through our field service on actual working  
12 farms in the area. Not every vet school has this  
13 advantage.

14           Our proximity to the animal-dense Lancaster  
15 County makes us a phenomenal resource broadly, and through  
16 our Field Investigation Units, we saw 12,000 cows in 24  
17 herds, 180,000 pigs locally, and almost a million poultry.

18           And I'm going to talk separately about the impact  
19 of the labs. And I did want to mention that our resident  
20 Director, Dr. Lisa Murphy, would have been here except that  
21 she is actually attending to an emergency right now doing  
22 her job.

23           I want to comment on students. We are a private  
24 school, but in recognition of our mission and of the  
25 support from the Commonwealth, we give preference to

1 Pennsylvanians and we also subsidize the tuition for  
2 Pennsylvanians, and we have done that for a very long time.  
3 In addition, during this last year, we were able to find a  
4 mechanism to actually provide free tuition to Pennsylvania  
5 students who were committed to working in rural areas and  
6 supporting the farming mission.

7           And these Commonwealth One Health scholarships,  
8 One Health in recognition of the link between animals and  
9 human health and the environment, we were able to attract  
10 our two stop students, students who often go out of State.  
11 Without this kind of support -- and all these things that  
12 I'm listing are those that are in jeopardy. We of course  
13 are absent funding and we are -- for a decade, we have  
14 unstable funding, which again the words "risk" and  
15 "jeopardy" keep coming to mind.

16           So the tuition assistance and the scholarships  
17 are at risk, and we do not use the mechanism of increasing  
18 tuition because our students graduate with on the order of  
19 a quarter-million-dollar debt from veterinary school and  
20 they go into a profession where the average revenue is  
21 about \$70,000 for a beginning veterinarian, and that is  
22 average. That's not going to a rural setting. So to  
23 achieve our mission and have people be able to go and serve  
24 the public in these really public veterinary slots, we feel  
25 it's very important for us to constrain tuition growth or

1 we will not be doing our mission to deliver students into  
2 rural settings.

3 I also want to comment that we know that the vast  
4 majority of veterinarians in the Commonwealth are our  
5 alumni, and we are delighted that they do provide great  
6 service. And we know that even our alumni who do not come  
7 from a Pennsylvania background, they stay in Pennsylvania,  
8 so we're actually recruiting people into Pennsylvania.

9 I also want to comment that we, too, have a  
10 hiring freeze. We have had tremendous decrease in our  
11 personnel across the board. We don't have other sources of  
12 funding that have been able to meet the gap that we began  
13 to see in 2008, and as noted, we haven't seen an increase.  
14 So we are extremely thin. We have instituted some new  
15 mechanisms to hire people who are not tenured, and so we're  
16 approaching half of our faculty not being tenured. While  
17 this is flexible and efficient, it also puts at jeopardy a  
18 lot of the people that we bring in. And as was noted, in  
19 an unstable funding environment, we can lose our best and  
20 brightest. So we are really at or below our minimum level  
21 among staff and faculty right now to function. We don't  
22 have another way to replace the funding.

23 I do want to note also the specific contribution  
24 of the laboratories. And my metaphor in my mind has been  
25 the PADLS laboratory system, the tripartite laboratories

1 where we work conjointly and very collaboratively with Penn  
2 State and the Veterinary Diagnostic Lab, is essentially the  
3 syringes that deliver the medicine of delivering health and  
4 research results to our farmers. And so, as was said, we  
5 appreciate the release of some funding to help us with  
6 high-path avian influenza. At present, of course, our labs  
7 aren't funded. Neither is the school. In spite of that,  
8 we conducted over 70,000 additional tests for AI to  
9 continue surveillance. We are absolutely committed to the  
10 mission of serving the Commonwealth, the farmers, as well  
11 as the animals. We do note that our contract for the PADLS  
12 lab expires on June 30th, and in addition, we run the  
13 Equine Toxicology Lab, and that contract expires in March  
14 of 2017.

15           So we're working to sustain the labs and continue  
16 delivering the services in the absence of funding. And, as  
17 I noted, right now, we are absent funding. We are in a  
18 continuing state of unstable funding. The school is up for  
19 accreditation this year, the laboratory system is up for  
20 accreditation next year, and in both of these accreditation  
21 processes, stable funding is an absolute keystone to  
22 successful accreditation. And all that is to highlight --  
23 it's not just a technicality of getting accredited. It is  
24 in fact having stable funding and risking the loss of a  
25 critical component of the agricultural infrastructure and

1 also one of the jewels in the crown of Pennsylvania's  
2 educational system.

3 So I thank you so much for the opportunity to  
4 talk to you today, and I'd be happy to answer any  
5 questions.

6 SENATE MAJORITY CHAIRMAN VOGEL: Thank you for  
7 your testimony. At this time, Senator Schwank has a  
8 question or comment.

9 SENATE DEMOCRATIC CHAIRMAN SCHWANK: Not right  
10 now. I'll wait till the end.

11 SENATE MAJORITY CHAIRMAN VOGEL: Oh, she wants to  
12 wait till the end. Do we have any other question? Any  
13 other Committee Members have a question for -- I guess not.  
14 You're up.

15 SENATE DEMOCRATIC CHAIRMAN SCHWANK: No, at the  
16 end of the entire session.

17 SENATE MAJORITY CHAIRMAN VOGEL: Oh, I'm sorry.  
18 She wants to make a comment at the end of everything.  
19 Okay. I'm sorry. Thank you both --

20 SENATE DEMOCRATIC CHAIRMAN SCHWANK: Thank you.  
21 There goes my strategy.

22 SENATE MAJORITY CHAIRMAN VOGEL: Yes. I blew it  
23 for her. Sorry about that. Okay. I'm sorry.

24 At this time we have Karoline Kent, the Former  
25 President of the Pennsylvania 4-H; and Nate Kurek, Board

1 Member and Westmoreland County Extension Member.

2 MS. KENT: Hello. Thank you all for allowing me  
3 to come speak in regards of Extension and 4-H. I am  
4 Karoline Kent, a former 4-H State Councilmember, a 4-H  
5 alumni, a current 4-H volunteer, a Penn State Animal  
6 Science student, and a future Pennsylvania producer. I'm  
7 sure many of you can see how I personally will be affected  
8 by the lack of funding to Penn State Extension, but I am  
9 just one person.

10 The impact of Extension reaches far beyond what  
11 most people think. There are many different things that  
12 Penn State Extension does to better the Commonwealth. It  
13 supports productive, profitable, and competitive business  
14 and a strong agriculture food system. Extension  
15 strengthens families, children, youth, and the elderly. It  
16 builds caring, safe, and healthy communities. It ensures  
17 the long-term vitality of Pennsylvania's natural resources.  
18 And it enables people to better understand and deal with  
19 complex public issues.

20 The one part of Penn State Extension that I hold  
21 very dear to my heart is the youth development of the  
22 Pennsylvania 4-H Program. I joined 4-H at the age of 13  
23 because I was just a young girl crazy for horses. At that  
24 point, I didn't know what the program was about; I just  
25 figured that I would sit around with other girls and learn

1 about horses. I never knew that I would develop public  
2 speaking skills, leadership skills, or learn the importance  
3 of hard work and dedication. I thought that 4-H was just a  
4 club for farm kids, but I started to go to State events and  
5 met youth that were doing projects I didn't even know the  
6 program offered.

7 As I began to take on more leadership positions  
8 and attend the State Leadership Conference, State Capitol  
9 Days, and State Achievement Days, I decided to continue my  
10 4-H story and apply for the 4-H State Council.

11 I ended my career in the program serving as the  
12 2014-2015 4-H State Council President. That position gave  
13 me experience and connections that I would have never  
14 dreamed of having at the young age of 18. 4-H provides  
15 youth with opportunities for that they would not get to do  
16 otherwise. A future without Extension means that the  
17 registered youth are deprived of opportunities to better  
18 themselves, their communities, their country, and their  
19 world, not to mention all of the volunteers that spend  
20 countless hours supporting the program and the Extension  
21 employees that have helped it grow to the magnitude it has  
22 reached.

23 Another part of Extension that is extremely  
24 important and deserves recognition is the research program.  
25 Not only will the employees lose their jobs, but Penn State

1 students are at risk of losing their barns, their labs,  
2 their programs, their hands-on experiences.

3           Many students in Penn State's College of  
4 Agriculture were former 4-H members who grew up with the  
5 slogan "Learn by Doing." I personally had plans to work at  
6 the horse barns to continue to expand my equine knowledge  
7 through research, as well as save money to lessen the  
8 financial burden of college. That possibility will go away  
9 if the future of Extension is not funded.

10           Those same research programs are heavily relied  
11 on in Pennsylvania's number-one industry, agriculture. By  
12 2050, the current population of 7.2 billion people is  
13 expected to rise to 9.6 billion. I guarantee you that this  
14 prediction is a topic that has weighed heavily on every  
15 single farmer. Just 2 percent of the world population is  
16 expected to feed and clothe everyone else. These people  
17 rely on research to make advances in their production  
18 practices.

19           Penn State Extension is the very source for most  
20 of the research Pennsylvania producers rely on. Extension  
21 offices even provide classes on how to do canning,  
22 harvesting, and tips on biosecurity. These things benefit  
23 the large-scale producer down to the common homeowner.

24           These days, farmers have to produce more with  
25 less. Without continuous advances, they will not be able

1 to keep up with the growing demand, the demand for food to  
2 nourish our bodies, fiber to clothe us and protect us from  
3 the elements, fuel to provide us with energy, and  
4 pharmaceuticals to heal us from our illnesses. Food,  
5 fiber, fuel, and pharmaceuticals are the necessities to  
6 life. Without them, nothing else would be possible.

7           It is time we stop underestimating the impact of  
8 Penn State Extension. It doesn't just affect me, or the  
9 1,108 employees, or the 9,556 program volunteers, or even  
10 the 92,340 registered program members. Extension affects  
11 every single citizen in the Commonwealth of Pennsylvania.  
12 If funding is not provided, Penn State Extension cannot  
13 self-support and will be forced to close. A future without  
14 Extension in Pennsylvania would not be a bright one and  
15 would have a catastrophic economic impact.

16           Thank you all for your time and for your support  
17 of extension and the 4-H program.

18           MR. KUREK: Honorable Chairpersons and  
19 distinguished Members of the Committees, I would first like  
20 to thank you for allowing myself and my fellow constituents  
21 here with me to speak in front of these Committees  
22 regarding the current funding crisis that is affecting  
23 these programs that are near and dear to us. I had already  
24 planned on attending the annual Extension Capital Days to  
25 help promote all the valuable programs the Extension offers

1 when I received an email discussing this important meeting  
2 being held here today. I immediately felt compelled to ask  
3 to speak to you because I consider myself to be in a  
4 slightly different position than any of these previous  
5 speakers since I am not affiliated with the colleges, nor  
6 am I in the agriculture business.

7 Over the course of the last 15 years, I have been  
8 privileged to have started and/or run several manufacturing  
9 companies and have employed numerous taxpaying workers in  
10 Westmoreland and surrounding areas. In 2011, I was  
11 presented the opportunity to give back to that community.  
12 Because of the lack of in-school programs, I was fortunate  
13 to help start and sponsor the 4-H robotics program in my  
14 manufacturing facility in Latrobe. In that year across the  
15 State, a grant by JCPenney allowed nine teams to be created  
16 through the 4-H to compete in FIRST. This program was  
17 created by Dean Kamen, otherwise known as the inventor of  
18 the Segway, and has grown to international status with over  
19 400,000 kids now competing in its FIRST Robotics  
20 Competition and its FIRST Lego League.

21 The 4-H Extension robotics program in our State  
22 currently has approximately 4,400 participants between the  
23 ages of 8 and 18. I could certainly give you breakdowns of  
24 those numbers and where they're located if you need me to.

25 In the FRC division, which are the high-school-

1 aged kids, the teams have six weeks to build a fully  
2 functioning robot and must work together to solve various  
3 problems on a playing field. In the Pittsburgh region  
4 alone, which was this past weekend, they compete against  
5 approximately 50 local teams, along with several teams from  
6 as far away as Canada, Michigan, and Florida. Sometimes  
7 it's shooting a basket into a hoop, sometimes it's climbing  
8 a 10-foot tower. As I like to say, the robots are so  
9 complicated, only a high-school kid could understand them.

10           The young men and women that are involved in this  
11 program not only learn how to cooperate on a team level but  
12 learn important skills that many of them carry on to the  
13 next stage of their life. They learn how to safely use  
14 numerous machine tools like mills, lathes, bandsaws, and,  
15 for some, a simple screwdriver. You see, we not only pull  
16 kids from the rural areas of our county but cities like  
17 Jeanette and Greensburg. I personally have taught several  
18 how to weld and how to use a CNC plasma burning table.  
19 They have learned about electric motors, air solenoids, and  
20 torque curves. And since so much of the robots rely on the  
21 programming, we have teams within our team that specialize  
22 in Java and C++.

23           However, this is not just about the nuts and  
24 bolts, but it's a well-rounded program as well. The  
25 participants design their own websites and blogs, design t-

1 shirts for the competition and various marketing material  
2 so they can go out into the community and give  
3 demonstrations. They must also solicit donations from  
4 various sponsors and have complete fiscal responsibility of  
5 running these clubs.

6 But why am I telling you this? Because these  
7 same young men and woman will be the backbone to keeping  
8 our Commonwealth strong in the future. With firsthand  
9 knowledge, I can speak of several young men and women who  
10 have gone on to college in the computer and engineering  
11 programs that came from our program, people like Nate  
12 Schomer, who is a third-year computer engineering student  
13 at Drexel. In that short amount of time he has done  
14 robotic research at the Army Research Lab and is currently  
15 interning with Pratt & Whitney, programming jet engines.  
16 Or somebody like Tony Ugoletti, who, before joining our  
17 team, had absolutely no idea of what he was going to do in  
18 the future after high school. He is now a junior at the  
19 University of Pittsburgh Johnstown studying mechanical  
20 engineering.

21 But it's not only for the kids that are thinking  
22 of going to college. We have had, and currently have,  
23 several students in the local area vo-tech schools that are  
24 using these same tools on a daily basis in their classes  
25 like auto repair and CNC programming. Several of our kids

1 have also had the opportunity to intern at the same local  
2 companies they have solicited for donations like Kencove  
3 Fence in Blairsville. There they are helping setup and  
4 maintain their servers for their Internet business. My 17-  
5 year-old son Stephen is actually helping me by using the  
6 computer-aided drafting skills he learned in robotics to  
7 apply our products to bridge structures in the State of  
8 Pennsylvania.

9 I could go on and on about the numerous young  
10 people that have passed through our programs and would be  
11 more than delighted to share with any Member of this  
12 Committee the testimonials that I brought with me regarding  
13 the importance these programs have had in their lives.  
14 These are just a few of the proud reasons I am grateful to  
15 be involved with the Agricultural Extension programs and  
16 also why I am so concerned about the current funding crisis  
17 will impact them significantly.

18 And I'm going to go off-script here for a second  
19 because one of the other things, besides being a board  
20 member of the Extension, I'm also on several youth-oriented  
21 boards in our area. And I think everybody in this  
22 Legislature and everybody in this building knows of all the  
23 drugs problems we have in our county and all the problems  
24 we have across the State, and if you take another positive  
25 outlet like this away from these kids, I'm not saying we're

1 going to lose them to drugs, but we're going to lose them,  
2 and that's going to be the tragedy of this whole situation.

3 I would like to thank you once again for the  
4 opportunity to speak in front of you today. I would also  
5 like to extend my invitation to help in any way to get this  
6 crisis resolved, along with an invitation for any Member of  
7 the Legislature to come out and visit us at our build site  
8 in Blairsville or our meeting sight at the Extension office  
9 in Greensburg. Thank you.

10 SENATE MAJORITY CHAIRMAN VOGEL: Thank you.  
11 Thank you both for your testimony. I would just like to  
12 add quickly that I also was a 10-year 4-H member, and it's  
13 kind of intimidating when you're 16 years old and you're  
14 the President of 4-H club and you have to stand up and run  
15 a meeting in front of other kids and you learn quick. And  
16 obviously, it's a great learning experience. And I lived  
17 through that and all the Penn State days and everything  
18 were great fun as well, but a great learning experience. I  
19 hate to see it go away as well.

20 But Senator Ward has the first question now.

21 SENATOR WARD: Well, my first question is only  
22 will you go talk to the Governor?

23 MS. KENT: Sure.

24 SENATOR WARD: Will you take that up to the  
25 Governor? Just thank you very much for being here. I am,

1 as you know, a huge supporter of 4-H. It is such a  
2 healthy, healthy organization for our young people. And as  
3 you have stated, Mr. Kurek, it is more than just in this  
4 window of agriculture. It is creating and helping kids  
5 become leaders in our State, leaders that we need. They  
6 are well-rounded, and I am myself just so sorry to have  
7 seen any of this happen. So, you know, we're going to try  
8 again. We're going to try again soon, and I hope that  
9 we're very successful in it. So again, thank you for being  
10 here. Thank you. I guess I'll see you at dinner sometime?  
11 Yes, I cook dinner because I auction off a dinner at my  
12 house for 4-H, and he always buys it.

13 MR. KUREK: She's a very good cook, by the way.

14 SENATOR WARD: I'm a pretty good cook, right,  
15 pretty good cook? And I do suggest for real that you be a  
16 good -- you're a great spokesperson. You have a good  
17 message, and you should go see Governor Wolf.

18 MS. KENT: Well, thank you so much.

19 SENATOR WARD: Okay.

20 SENATE MAJORITY CHAIRMAN VOGEL: Senator Aument.

21 SENATOR AUMENT: Thank you, Mr. Chairman.

22 Karoline, thank you so much for your testimony.

23 Before I ask a question, your testimony prompted  
24 me that I had received a letter just last week from a 4-H  
25 student from Lancaster County, and I had indicated that I

1 would share her letter with the Secretary and with the  
2 Governor, and I notice the Secretary was still with us.  
3 And so I just want to read portions of this to you.

4 "I'm writing to address you with the issue of  
5 Penn State funding. I'm in 4-H, which is a Penn-State-  
6 funded organization. 4-H has done so many great things for  
7 me. Not only have I gotten to learn about horses, I  
8 learned skills like leadership, decision-making, and  
9 planning. Without 4-H, I wouldn't learn about  
10 responsibility, which applies to all aspects of life.

11 "Learning about agriculture and life skills is a  
12 great influence on kids. Without that influence, where  
13 would kids go? To drugs, violence, and other negative  
14 activities.

15 "Another factor is society. What will happen to  
16 people's jobs? Not only the workers with Penn State, but  
17 farmers would lose income and we would lose food.  
18 Lancaster has so many farmers, and with milk, eggs, and  
19 meat all coming from farms, we might lose a percentage of  
20 the access we have to those quality foods.

21 "Please consider all of these factors as you and  
22 your colleagues vote on this matter."

23 Her name is Hannah. Hannah's in the eighth  
24 grade, sounds very similar to your experience.

25 I want to follow up what Senator Ward said and

1 just at the outset apologize to you. I don't think we do  
2 that enough, apologize to the farmers, all of the  
3 advocates, to the students that are here, those that  
4 participate in 4-H, apologize for this situation.

5           Again, last week, we heard that these funding  
6 lines were lined out to send a message. Well, I think  
7 we're better than that and I think we ought to be better  
8 than that. And it's my hope if the Governor continues to  
9 hold to his position that we here in the General Assembly  
10 in a bipartisan manner, in the House and the Senate with  
11 two-thirds, with Democrats crossing the aisle, with  
12 Republicans and Democrats working together, we can garner  
13 the support necessary to move a supplemental funding bill.  
14 We can begin that process this week to restore your  
15 funding, to restore all of the lines that have been zeroed  
16 out that were reduced or eliminated by the Governor.

17           And then I think we ought to work together to  
18 reform this budget process to ensure that this never  
19 happens again, that in the future so many 45, 60 days after  
20 an impasse, that we have a default budget that's in place,  
21 that we look at a biannual budget. There are a number of  
22 proposals that my colleagues have to ensure that we're  
23 never in this situation again.

24           But I thank you for your courage. I thank you  
25 for your testimony. And it's a pleasure meeting you.

1 MS. KENT: Thank you for your support.

2 SENATE MAJORITY CHAIRMAN VOGEL: Anyone else on  
3 the Committee have any questions? Okay. Thank you both  
4 very much for being here. I appreciate it. Thank you very  
5 much.

6 At this time we have Joel Rotz and Chris Hoffman  
7 from Pennsylvania Farm Bureau.

8 MR. ROTZ: Good morning, everyone. I'll skip  
9 some of the formalities to save some time here, but I do  
10 appreciate the opportunity for Farm Bureau to testify  
11 before you on the importance of the issues we're facing  
12 with this incomplete budget. And I am proud to have with  
13 me our Vice President Chris Hoffman, who brings a very  
14 unique perspective as not only a farmer, a Farm Bureau  
15 leader, but also a Member of the Board of Trustees at Penn  
16 State University. So I want to make sure he has adequate  
17 time, so just let me summarize a few things.

18 First of all, I want to thank you all. You know,  
19 I've been around this place for 12 or so years, and there's  
20 been many occasions where we've faced challenges with our  
21 agriculture priorities in the budget process and we've had  
22 to depend on you all to bring those lines back to where  
23 they belong so that agriculture funding could remain vital  
24 in this State, and I don't want to miss the opportunity to  
25 thank you for that, and I do hope that this challenge that

1 we're facing will again be met with a bipartisan effort to  
2 resolve.

3           Of course, the thing that's very unique this time  
4 around than other times, other times we had challenges with  
5 sufficient funds; this year we're talking about zeroes and  
6 we're talking about zeroes in very important areas such as  
7 Extension and research and the facing of 67 county  
8 Extension services being terminated, along with several  
9 research laboratories across Pennsylvania. It's an  
10 unthinkable tragedy to our agriculture infrastructure, and  
11 I got to tell you, I think you already know, it's  
12 Pennsylvania Farm Bureau's number-one priority, restoring  
13 this funding. It's unthinkable that we would be the first  
14 State in the Nation to sever its ties with the 160-year-old  
15 land grant mission in light of all the good that it's  
16 brought to the State in not only the agriculture sector but  
17 rural and even urban communities.

18           I did provide to you in my written statement a  
19 snapshot of the amount of outreach provided by Penn State  
20 Extension in both ag and non-agriculture sector right here  
21 in the local Extension district, as supplied by the local  
22 district Director Dave Schwartz. I'm not going to take  
23 time to go through that obviously now, but hopefully you've  
24 had time to look at it and if not, take a look. And again,  
25 this is just a snapshot of one little section of Extension

1 and research in the State. You've got to multiply that  
2 many, many times over across the State to really appreciate  
3 the amount of interaction that has taken place.

4 Many of us in the room today saw firsthand and we  
5 saw it again this morning with the previous testifier, you  
6 know, the overwhelming support from the 4-H kids who filled  
7 the rotundas and the hearing room. The quality of those  
8 developing young leaders and the passion they hold for  
9 preserving their program was certainly very moving to me  
10 personally, and I believe many others and many of you as  
11 well.

12 Getting back to what Extension is doing, beyond  
13 the 4-H program we look at things like Food Safety  
14 Modernization Act implementation, compliance with water  
15 quality standards through best management practices on our  
16 farms and the impending avian flu epidemic are just three  
17 key areas of concern that Extension is playing a vital role  
18 today in preserving our industry in the State while  
19 addressing vital concerns of food safety and security and  
20 environmental stewardship for all Pennsylvania citizens.  
21 If we allow the lack of adequate funding to eliminate  
22 Extension and Research Services and the ability to  
23 communicate that wealth of information those services can  
24 provide, it will come at a great cost to the future of  
25 agriculture in our State, the future of leadership

1 development in our youth, and to every citizen concerned  
2 about that disease or insect that is impacting their lawn  
3 and garden or the safety and quality of the food they eat.

4 Penn State College of Ag Sciences and the land  
5 grant mission lives in our Extension and Research Services,  
6 and we need to keep it vital and growing.

7 I also want to mention, as has already been  
8 previously mentioned, Pennsylvania Farm Bureau's concern  
9 for adequate funding for our Pennsylvania Animal Health  
10 Commission and Diagnostic Labs. They are priorities as  
11 well. Adequate funding for Pennsylvania's nationally  
12 recognized program in protecting animal and human health  
13 and food safety implemented under PDA's Animal Health and  
14 Diagnostic Commission and the Pennsylvania Health and  
15 Diagnostic Labs is absolutely essential.

16 In the last few weeks at the appropriations  
17 hearings, et cetera, I've heard references about picking  
18 children, and I want to talk about that just a second. And  
19 I know the people that used this reference were sincere and  
20 meant it well. In looking at all the priorities that are  
21 out there unresolved by the unresolved budget, people are  
22 saying things like, "Well, you know, watching Extension  
23 suffer is like watching my child suffer," and I believe the  
24 sincerity of that. And then the question comes, "But how  
25 do I pick one child over another child?" Well, I just want

1 to point out to you today that I believe the children we're  
2 talking about here today are a little bit different in that  
3 Extension and Research Services, the PADLS system, the  
4 labs, once the people are gone and the lights are shut off,  
5 I don't see how it's reparable. There are other things  
6 suffering in this budget, and believe me, I understand a  
7 lot of other things are suffering, but a lot of those  
8 situations, we'll pick up the pieces and go once it gets  
9 resolved. What we have here is a crisis of people walking  
10 out the door, shutting off the lights, and no way to bring  
11 it back.

12 So without any real sign of a comprehensive  
13 budget agreement in sight, we do believe special action  
14 needs to be taken to avoid the decimation of Penn State  
15 Extension and Research programs and our diagnostic labs. I  
16 thank you for the opportunity, and I'll turn the microphone  
17 over to Mr. Hoffman.

18 MR. HOFFMAN: Thank you for the opportunity to  
19 address the concerns of the budget from the ag budget, as  
20 well as Extension and Research.

21 You know, as a farmer, we wear many different  
22 types of hats, and one of my hats is being a trustee at  
23 Penn State, as well as representing Pennsylvania Farm  
24 Bureau members as the Vice President. So I kind of broke  
25 down my comments in three segments, those segments.

1           So as a farmer, you know, I'm a pig farmer for  
2 over 30 years, as you can tell by the tie I wear, and  
3 recently as of about four years ago became a poultry  
4 farmer, chicken farmer as well. You know, as farmers, we  
5 have many, many different challenges on our farms, you  
6 know, from whether it's the environment, whether it's  
7 animal welfare, or health concerns, health challenges, you  
8 know, we have to juggle a lot of things. We rely on  
9 research, innovation, and technology to improve our farms  
10 and to make sure that we stay effective as farmers.

11           Health challenges at this point, what I'd like to  
12 focus in on as being really, really important. Over the  
13 years, we've used the labs at Penn State to get quick in  
14 great diagnostic information from, you know, when we've had  
15 some issues with our pigs. If that goes away, you know,  
16 where do we get the quick results that we need to be able  
17 to make those decisions to be able to keep our animals  
18 healthy and to fix those health concerns that we have?

19           I believe that, you know, Penn State played a  
20 huge role in the avian flu miss. I call it a miss because  
21 who knows if it could come back. But, you know, they were  
22 working in partnership with the Department of Ag in  
23 developing protocols that we as farmers were able to use to  
24 protect our farms and to protect the industry, especially  
25 in the poultry. Those things are things we can't do alone

1 as farmers. We don't have the time or the ability to make  
2 that happen, and we need Extension and Research to be a  
3 huge part of our business.

4           You know, last year, my wife, you know, she's a  
5 garden nut and she called me one day and said that her  
6 broccoli had insects in it and what should I do, and being  
7 extremely busy in the summertime, I just told her, I said,  
8 "Call the Extension. I'm sure they can figure it out."  
9 They were within a phone call away. They knew exactly what  
10 her issue was, and she was able to take care of it. She's  
11 not the only one that does that. I mean, people in the  
12 Commonwealth, there's a lot of people that need those  
13 resources, and those things would go away as well.

14           From the trustee side, when I accepted the part  
15 of being on the board, I accepted the fiduciary  
16 responsibility of the university. You know, the whole  
17 university is a land grant mission. It's just not ag.  
18 It's the whole university, but ag is a huge part of really  
19 what reaches out to the Commonwealth. I was at a meeting  
20 out of State just about three weeks ago, and one of my good  
21 friends who is from another big 10 college -- she's an  
22 associate professor -- said that she had received a memo  
23 that talked about Penn State and its struggles with the  
24 budget. In that memo it said that now is the time to reach  
25 out and try to pick those top ag students, the researchers,

1 the staff, folks from Extension because at this point in  
2 time they're ripe for the picking. I don't know how I'd do  
3 my fiduciary responsibilities if we allow this to happen.  
4 So from that part of it, you know, we really need to try to  
5 get this thing fixed.

6           From my Farm Bureau leadership side, I get to  
7 hear a lot of stories and I get to be a part of a lot of  
8 conversations and communications among the members. And I  
9 had a mom reach out to me just about a month ago. 4-H had  
10 sent out a memo within their county -- maybe it was  
11 statewide; I'm not sure. But in that they asked the 4-H  
12 children to write a letter to the Governor. And this 12-  
13 year-old said, "I'll do that." He got his pen and paper,  
14 and off he went to the kitchen table. He had a brother who  
15 was seven years old, not able to be in 4-H but has helped.  
16 And he said to his mom, "How can I help? I want to write a  
17 letter?" And she said, "Well, you know, you aren't in 4-  
18 H." He was like, "Well, I help my brother." And so she  
19 gave him a pen and paper and he went off to his room. And  
20 I thought it was really interesting, his letter. It's very  
21 short, but I want to read it to you because I think it's  
22 really, really important why 4-H is so important across the  
23 Commonwealth.

24           He wrote, "Dear friends, 4-H teaches us about  
25 animals. You learn how to care for them, feed, water,

1 clean. You learn where your meat comes from. You get to  
2 meet new friends. It teaches you to keep records. I enjoy  
3 keeping my animals healthy. It makes me proud to know I  
4 raised a healthy animal on my own.

5 "I wouldn't get any ribbons. I wouldn't get  
6 buyers at the sale. Kids would not learn about farming and  
7 where their food comes from. I am eight years old. I live  
8 on a farm. People need to know that food does not appear  
9 at stores. The food starts at farmers. Farmers put their  
10 hearts in their work, and they try to raise the best  
11 animals for everyone on the earth."

12 His name is Parker. I think if that doesn't move  
13 you, it's really interesting that just a seven-year-old  
14 would come up with that type of thought and experience just  
15 from helping his brother do his 4-H project. This is  
16 90,000 children who will become those who will be our next  
17 consumers and also those who will make and regulate us as  
18 an industry. Thank you.

19 SENATE MAJORITY CHAIRMAN VOGEL: Thank you both  
20 for your testimony and comments here this morning.

21 Do we have any comments or questions from the  
22 Committee at this time?

23 Representative Carroll, okay.

24 HOUSE DEMOCRATIC CHAIRMAN CARROLL: Thank you,  
25 Mr. Chairman.

1           Joel, I appreciate the comments and I think they  
2 were at least partially directed to me because I was the  
3 one that declared rhetorically that I wasn't interested in  
4 choosing which of my children I love the most, and I still  
5 believe that. I appreciate your advocacy for the Farm  
6 Bureau and the role that you have in this process. I  
7 understand that. But for me at least we would need the  
8 Farm Show complex in its entirety to house the children of  
9 this State in public education if we begin down the process  
10 of shutting down schools.

11           And so for me, I greatly value the efforts of 4-H  
12 and all the other things that are being discussed, but I  
13 equally value public education in this State and don't wish  
14 to see even the prospect that we seem to be heading down  
15 the path of closing down school districts. And I know you  
16 sat through my commentary earlier and I won't repeat it,  
17 but for me, I believe the answer to the rhetorical question  
18 of which of our children do we love the most, the answer is  
19 obvious; it's all of them.

20           SENATE MAJORITY CHAIRMAN VOGEL: Thank you.  
21 Senator Aument?

22           SENATOR AUMENT: Thank you, Mr. Chairman.  
23 Thank you both for your testimony.

24           Chris, you indicated you're a member of the Board  
25 of Trustees at Penn State. Did I hear that correctly?

1 MR. HOFFMAN: Yes.

2 SENATOR AUMENT: It was widely reported a number  
3 of weeks ago that the Administration had demanded  
4 essentially that Penn State support the Board of Trustees,  
5 support the Governor's tax increases essentially in  
6 exchange for support for funding. How was that received by  
7 the Board of Trustees?

8 MR. HOFFMAN: Well, you know, basically, we're  
9 not really into making statements about whether we need  
10 revenue tax increases across the board or whatever. Our  
11 initiative is to make sure that Penn State, you know, is  
12 kept whole and that we provide the land grant mission to  
13 all the students and to the people in the Commonwealth.  
14 But it wasn't something that as a board we agreed to  
15 promote or even go out and try to get those to, you know,  
16 accept.

17 SENATOR AUMENT: Thank you very much, which I  
18 think is a highly appropriate response. Thank you.

19 SENATE MAJORITY CHAIRMAN VOGEL: Thank you. Do  
20 we have any other questions from the Committee at this  
21 time?

22 MR. ROTZ: Mr. Chairman --

23 SENATE MAJORITY CHAIRMAN VOGEL: Okay. Sure.

24 MR. ROTZ: -- I would like to respond to Chairman  
25 Carroll's remark. I do want the Chairman to know that my

1 comment about choosing children wasn't directed just to  
2 you. There's been many others who have made that same  
3 passionate call. And again, it was not personal attack on  
4 anyone. I think it's a genuine frustration that everyone  
5 is feeling. I only wanted to point out why I thought these  
6 children are unique. That's all.

7 SENATE MAJORITY CHAIRMAN VOGEL: Thank you,  
8 gentlemen, for being here this morning.

9 At this time we have Jennifer Reed-Harry, who's  
10 Assistant Vice President at PennAg Industries.

11 MS. REED-HARRY: Good morning. In light of the  
12 time and I know your schedules, I'll forego the formalities  
13 if I may if you don't mind.

14 You do have the written testimony from PennAg  
15 Industries, and I would like to just call your attention to  
16 several things. I am sitting here before you representing  
17 PennAg Industries, and I'm pretty sure I have about maybe  
18 200 people behind me who are here who are very passionate  
19 about agriculture who all have the same beliefs. Every one  
20 of us who have testified have the same beliefs.

21 But I sit before you recognizing the monumental  
22 task that's before each one of you that's in front of me,  
23 and I don't do that lightly. Several of you have  
24 referenced -- and I'm paraphrasing -- you don't envy  
25 Secretary Redding right now. I think probably a lot of us

1 also don't envy what's before all of you. You do have a  
2 monumental task. It is a holistic budget. Representative  
3 Carroll, you know, as I said, there's 200 people behind me  
4 who are supportive of agriculture, but you have to balance  
5 as well public education, health care, and the plethora of  
6 other issues in the holistic budget approach.

7           So we do recognize that, but today, it is about  
8 agriculture, and we do need to accomplish the agriculture  
9 line items. And for us at PennAg, I think there's  
10 basically -- I'd like to boil everything down to three  
11 issues. I think it's a revenue issue, I think it's a  
12 common-ground issue, and I think it's a timeliness issue.  
13 With that, I'll elaborate just briefly.

14           It's a revenue issue because, as Representative  
15 Carroll says, there are many things that need to go into  
16 this budget discussion. With that, we also don't want  
17 agriculture to be used as leverage. Many of us have said  
18 that this morning. We are not the bartering tool. But in  
19 order to reach a balanced budget, have a budget discussion,  
20 we also have to find some common ground for the greater  
21 good. And I understand that's going to entail very hard  
22 discussions, some of which are occurring today and have  
23 been ongoing. But there's also an issue of timeliness  
24 because the time to act is now because at the end of the  
25 day funding agriculture provides food supply and food

1 security that we need and all of your constituents demand.

2           With that, I will close for the sake of time and  
3 questions of everyone.

4           SENATE MAJORITY CHAIRMAN VOGEL: Thank you. At  
5 this time we have Representative Keller.

6           REPRESENTATIVE KELLER: Thank you, Mr. Chairman.

7           I'd like to add number four to your list of your  
8 three.

9           MS. REED-HARRY: All right. Pose it, and I'll  
10 consider it.

11           REPRESENTATIVE KELLER: That would be safety and  
12 safety of the citizens of this Commonwealth.

13           MS. REED-HARRY: I will allow that.

14           REPRESENTATIVE KELLER: Thank you.

15           SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

16 Senator Brooks?

17           SENATOR BROOKS: First, I want to thank all of  
18 the testifiers and all of you for showing up at today's  
19 hearing. I think that everyone in this room understands  
20 how important agriculture is. It's our number-one  
21 industry. But when we talk about our children, we also  
22 have to remember those precious children need to be fed,  
23 along with their families. And that's what our farmers do.  
24 That's what Extension helps us with, and that's what Penn  
25 State helps us with.

1           So it's my hope and I think it's my colleagues'  
2 hope that this week, as we move forward, we have a  
3 bipartisan effort to fund agriculture this week and that it  
4 is signed by the Governor.

5           Thank you very much.

6           SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

7           Senator Teplitz?

8           SENATOR TEPLITZ: I just want to thank you for  
9 your testimony and for your recognition that we do have to  
10 grapple with an entire budget. And as Senator Brooks said,  
11 all of us here and elsewhere in the General Assembly and in  
12 the Administration recognize the importance of agriculture.  
13 None of us involved on any side of the budget dispute want  
14 to be in the position that we're in, and there are no good  
15 choices when we're faced with having to choose between one  
16 priority or another. They're all very important. And I  
17 appreciate your recognition of that. I know it may be  
18 somewhat of a hollow gesture for us to say that, you know,  
19 that we agree with the importance of agriculture given the  
20 events of the last several months, but everyone here should  
21 be assured that we do, that none of us take on any side of  
22 this, none of us take the position that we're in and the  
23 position that we've put you all in lightly as we continue  
24 to struggle to find a way forward. So thank you. Thank  
25 you, Mr. Chairman.

1           SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

2           At this time, Representative Carroll.

3           HOUSE DEMOCRATIC CHAIRMAN CARROLL: Thank you,  
4 Mr. Chairman. My comments are nothing more than closing  
5 comments and a comment of thank you to the Chairs from both  
6 the Senate and the House for organizing this, for all of  
7 you for attending today. And for all who testified.  
8 Speaking for at least the House Democrats, I can say that  
9 we greatly value all of the lines in the world of  
10 agriculture. We really do. It's our challenge, as you  
11 have correctly noted, to make sure that we balance those  
12 needs with the needs that exist across the spectrum of a  
13 State budget that I would suggest those lines affect many  
14 of the folks in this room in different ways.

15           And so I appreciate the input today. I  
16 appreciate the opportunity to learn a little bit more about  
17 what happens in the world of ag, and I'm always impressed  
18 when a 4-H'er appears before anybody in this General  
19 Assembly. So thank you so much, Mr. Chairman.

20           SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

21           Representative Causer?

22           HOUSE MAJORITY CHAIRMAN CAUSER: I'd like to join  
23 my colleague in thanking everybody that testified today. I  
24 think it was a great showing of support for Pennsylvania  
25 agriculture. You know, I think it's a situation where we

1 all need to come together to get this very vital funding  
2 out for these agriculture programs. And we've talked a  
3 little bit today about, you know, the importance of funding  
4 for agriculture, for education, for health care. They're  
5 all very vital and, you know, I think it's beyond time to  
6 release the hostages, get this funding out. We have \$6  
7 billion sitting in Treasury. It's something that we can  
8 do, and collectively, we need to come together and get that  
9 done.

10 So I thank Senator Vogel for all his work in  
11 putting this hearing together and look forward to working  
12 with all of you. Thank you.

13 SENATE MAJORITY CHAIRMAN VOGEL: Thank you.

14 And, Senator Schwank, final comments.

15 SENATE DEMOCRATIC CHAIRMAN SCHWANK: Finally.

16 You know, I look out at this room. I see former  
17 colleagues, my Extension colleagues. Some of you may not  
18 know I served 19 years as a county agriculture agent, so  
19 you can only imagine how painful it is for me to see what  
20 perhaps lies before us. Some of you are missing work.  
21 Some of you are missing school or missing chores. It's a  
22 big deal to be up here and sit through this in a hot room  
23 and try to persuade people who you shouldn't have to  
24 persuade, right, that this is important. We get it. We  
25 truly do get it. And I know that everybody sitting here is

1 committed to finding a resolution to this to ensure that we  
2 get the funding that we need to sustain the entire  
3 agriculture infrastructure.

4           While I care a lot about Extension, and,  
5 Karoline, I was so proud to see you. I don't know where  
6 she went. There she is; thank you. I was a 4-H leader,  
7 too. In fact, my master's paper was a 4-H project that I  
8 think they're still using in Berks County. I'm not sure.  
9 My Director is back there; I'll ask him. But, you know,  
10 you certainly are the kinds of leaders that we're going to  
11 need in agriculture. It's important that we do all that we  
12 can to keep you active in 4-H and keep that going. All of  
13 this is so important, and you've made the effort to show us  
14 that, and we certainly all understand that that is the  
15 case.

16           We have a short-term problem, folks, and we have  
17 a long-term problem. You know, right now, we're looking at  
18 2015/'16 most certainly, and I think the budget that my  
19 colleagues are talking about, the bill that they're talking  
20 about that will probably be coming forward this week is  
21 only for 2015/2016. I haven't seen the details on it yet.  
22 Believe me, I'll be looking at it closely. But we also  
23 have to look at the future, too. The Governor's Budget  
24 Secretary has said we're looking at a \$2.1 billion deficit  
25 next year. The IFO, the Independent Fiscal Office, which

1 is exactly that, independent, I think said it's \$1.8  
2 billion if the revenues continue as they have.

3 I believe in the House the Republican Budget  
4 Office has said that we're looking at a \$1.5 billion  
5 deficit. I heard the Governor say, "Pick the number. It's  
6 big," right? If you're talking billions, that's a lot, so  
7 we've got to be thinking about how we get to next year. I  
8 would hate to see you have to be here again to have to have  
9 this -- you know, to do this last-ditch effort to save  
10 something that we shouldn't even have to think about saving  
11 because we all know the value of it. We've got to be  
12 thinking about what's coming forward.

13 So put that in your head and mull that around as  
14 you talk to legislators today, as you, you know, walk the  
15 halls or whatever you're going to be doing here. We need  
16 to think about how we're going to fix this going forward,  
17 too. And that's simply what I would ask of you. And  
18 there's nothing here, there's no one here who said anything  
19 that was wrong or was not true, and I can say here that on  
20 our behalf that all of us care about this. You've heard  
21 it. I don't know how we can say it in any other language  
22 that would make it clearer.

23 I would just end by saying you need to keep at  
24 it, but you need to think about the future. Let's not  
25 focus so much on finding a boogiemer or a villain in this

1 but more so to look at how we resolve a problem that the  
2 Commonwealth faces. I think Representative Carroll said it  
3 well, that each of us here, you know, went to school. Each  
4 of us here need a hospital. You know, all of us here in  
5 some way might have a senior citizen or mother or father  
6 that's accessing social services or a PACE program or, you  
7 know, some of those things that we in State Government have  
8 a responsibility for. We've got to fix it, folks. We've  
9 got to find a way to do all those things and have a plan to  
10 go forward.

11           So thank you for being here. We'll be looking  
12 for your help, and we'll be talking to you more about this.  
13 I'm hopeful for a very quick resolution. Thank you,  
14 everyone.

15           SENATE MAJORITY CHAIRMAN VOGEL: Thank you,  
16 Senator Schwank. And with that, we'll close this hearing  
17 this morning. I likewise want to thank everyone for  
18 coming, all our testifiers for being here as well, and have  
19 a good day. Thank you very much.

20  
21           (The hearing concluded at 10:37 a.m.)

1                   I hereby certify that the foregoing proceedings  
2 are a true and accurate transcription produced from audio  
3 on the said proceedings and that this is a correct  
4 transcript of the same.

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