

1
2 COMMONWEALTH OF PENNSYLVANIA
3 HOUSE OF REPRESENTATIVES
4 APPROPRIATIONS COMMITTEE

5 MAIN CAPITOL
6 HOUSE CHAMBER
7 HARRISBURG, PENNSYLVANIA

8 BUDGET HEARING
9 DEPARTMENT OF GENERAL SERVICES

10 TUESDAY, FEBRUARY 23, 2021
11 2:06 P.M.

12 BEFORE:

13 HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
14 HONORABLE MATT BRADFORD, MINORITY CHAIRMAN
15 HONORABLE ROSEMARY BROWN
16 HONORABLE TORREN ECKER
17 HONORABLE JONATHAN FRITZ
18 HONORABLE KEITH GREINER
19 HONORABLE DOYLE HEFFLEY
20 HONORABLE JOHNATHAN HERSHEY
21 HONORABLE LEE JAMES
22 HONORABLE JOHN LAWRENCE
23 HONORABLE ZACH MAKO
24 HONORABLE NATALIE MIHALEK
25 HONORABLE TIM O'NEAL
HONORABLE CLINT OWLETT
HONORABLE CHRIS QUINN
HONORABLE GREG ROTHMAN
HONORABLE MEGHAN SCHROEDER
HONORABLE JAMES STRUZZI
HONORABLE JESSE TOPPER
HONORABLE RYAN WARNER
HONORABLE DAVE ZIMMERMAN
HONORABLE AMEN BROWN

1 BEFORE (continued):

2 HONORABLE DONNA BULLOCK
HONORABLE MORGAN CEPHAS
3 HONORABLE AUSTIN DAVIS
HONORABLE ELIZABETH FIEDLER (VIRTUAL)
4 HONORABLE MARTY FLYNN (VIRTUAL)
HONORABLE ED GAINNEY
5 HONORABLE PATTY KIM
HONORABLE **EMILY KINKEAD**
6 HONORABLE **STEPHEN KINSEY**
HONORABLE **LEANN EKKEGGER**
7 HONORABLE **BENJAMIN SANCHEZ** ((VIRTUAL))
HONORABLE **PETER SCHWEYER**
8 HONORABLE **JOE WEBSTER**

9 NON-COMMITTEE MEMBERS:

10 HONORABLE TIM HENNESSEY
HONORABLE BARRY JOZWIAK
11 HONORABLE JEFF PYLE
HONORABLE CRAIG STAATS
HONORABLE JOE KERWIN
12 HONORABLE MIKE CARROLL
HONORABLE JOE HOHENSTEIN
13 HONORABLE BRIAN SIMS
HONORABLE STEVE MALAGARI

14

15 COMMITTEE STAFF PRESENT:

16 DAVID DONLEY, MAJORITY EXECUTIVE DIRECTOR
RITCHIE LaFAVER, MAJORITY DEPUTY EXECUTIVE DIRECTOR
ANN BALOGA, MINORITY EXECUTIVE DIRECTOR
17 TARA TREES, MINORITY CHIEF COUNSEL

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SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts
online.)

1 P R O C E E D I N G S

2 MAJORITY CHAIRMAN SAYLOR: Secretary
3 Topper, are you there?

4 SECRETARY TOPPER: I am here.

5 MAJORITY CHAIRMAN SAYLOR: And am I
6 correct that Deputy Secretary Bev Hudson is with
7 you as well?

8 SECRETARY TOPPER: Yes, she is. Thank
9 you.

10 MAJORITY CHAIRMAN SAYLOR: Okay. If you
11 would both raise your right hand and I will swear
12 you in.

13 * * * * *

14 CURT TOPPER,

15 BEV HUDSON,

16 were duly sworn or affirmed.

17 * * * * *

18 MAJORITY CHAIRMAN SAYLOR: Thank you,
19 Mr. Secretary.

20 We will start with Representative Owlett.

21 REPRESENTATIVE OWLETT: Thank you,
22 Mr. Chairman.

23 And thank you, Secretary, for being here
24 today.

25 I have a question for you. In the

1 proposed DGS budget, there's a request for over 6
2 million dollars -- 1.6 billion from the GGO, and
3 4.6 from rental and municipal charges -- to be used
4 to maintain and mobilize the state's inventory of
5 essential supplies. I'm assuming most of this is
6 PPE product. Is that correct?

7 SECRETARY TOPPER: That's correct.

8 REPRESENTATIVE OWLETT: Are you
9 coordinating with PEMA and the Department of Health
10 or any other agencies regarding essential supplies?

11 SECRETARY TOPPER: Yes, we are. In fact,
12 all of the -- all of the estimates, all of the
13 inventory, all of the ordering and the purchasing,
14 all of the projections around what will be required
15 in order to maintain sixty days' worth of inventory
16 in that PPE stockpile have come from the Department
17 of Health and from PEMA.

18 REPRESENTATIVE OWLETT: Okay. And where
19 are we currently storing this inventory?

20 SECRETARY TOPPER: The inventory -- it
21 might be the best kept secret in Harrisburg. The
22 inventory is currently being maintained in the farm
23 show complex.

24 REPRESENTATIVE OWLETT: So, is this -- are
25 we renting this to -- like, who -- how is this

1 being handled financially? Is there a contract
2 related around this, as far as using that complex?

3 SECRETARY TOPPER: The farm show complex?

4 REPRESENTATIVE OWLETT: Yes.

5 SECRETARY TOPPER: No, sir. The farm show
6 complex is state-owned, and we are grateful to the
7 Department of Agriculture and to Secretary Redding
8 for making it available to us here throughout the
9 last year so that we could provide the essential
10 support that we've been able to provide to PEMA and
11 the Department of Health.

12 REPRESENTATIVE OWLETT: So, the 1.6 from
13 the GGO and the 4.6 from the rental and municipal
14 charges to be used to maintain and mobilize the
15 state's inventory of essential supplies, is that
16 money -- like, are we going to give that to the
17 Department of Ag then for this storage?

18 SECRETARY TOPPER: No, sir. We are
19 currently located in the farm show complex on a
20 temporary basis. When the COVID crisis started
21 about a year ago, we had to stand up a -- a
22 temporary warehousing facility in order to receive
23 all of the inbound federal material and all of the
24 emergency purchasing that we were doing on behalf
25 of the Department of Health in order to be able to

1 provide sufficient levels of PPE statewide. So, we
2 moved into the farm show because, frankly, we had
3 no other place to go.

4 REPRESENTATIVE OWLETT: So, what's the
5 plan moving forward? Obviously that building is
6 used for, you know, a lot of agriculture events
7 moving forward, and as we exit out of COVID, where
8 are we going to keep these supplies?

9 SECRETARY TOPPER: So, that's why the
10 budget increase is included in our budget proposal.
11 The Department of Health, PEMA, and the
12 administration believes that it's going to be
13 necessary for us to maintain a sixty-day supply of
14 PPE going forward so that we are adequately
15 prepared or better prepared than we were this year
16 in the event that there's another pandemic event.

17 So, what we intend to do with the proposed
18 budget increase is to lease a permanent facility
19 that is built as a warehouse and can function
20 efficiently as a warehouse. The farm show leaves a
21 lot to be desired as a logistics center. It wasn't
22 built for that purpose.

23 REPRESENTATIVE OWLETT: So, are there no
24 other state-owned facilities that would not require
25 a payment? Any -- even national guard facilities,

1 warehouses that would be available that we wouldn't
2 have to actually pay to store those sixty days?
3 And my other question would be, are you sure that
4 there's only sixty days' worth of supply available
5 currently?

6 SECRETARY TOPPER: No. I'm
7 quite certain -- so, there are two questions there,
8 Representative. Thank you.

9 My understanding is that our current
10 inventory levels at the farm show complex in some
11 categories exceeds sixty days and in other
12 categories are slightly less than sixty days.

13 REPRESENTATIVE OWLETT: Would you be able
14 to provide that to the committee?

15 SECRETARY TOPPER: Absolutely.

16 We have surveyed our state-owned,
17 Commonwealth-owned facilities. We have looked at
18 our current warehouse capacity within the Bureau of
19 Supplies and Surplus Operations, and we do not have
20 sufficient excess warehouse space in state-owned
21 facilities in order to be able to efficiently
22 provide for this function going forward. That's
23 why it's in the budget.

24 REPRESENTATIVE OWLETT: Okay. Thank you,
25 Mr. Chairman. I'm out of time.

1 MAJORITY CHAIRMAN SAYLOR: Mr. Secretary,
2 I -- I'm going to take chairman's privilege and
3 just ask on that. I remember -- because I was here
4 in the general assembly when we had the problem
5 with the Department of Transportation fire. Is the
6 department exploring the possibility of building a
7 warehouse and what that would cost versus renting
8 one for years? Because, as I'm understanding you,
9 we're going to need to have these supplies around
10 for a long period of time for any future pandemic.
11 Would it be cheaper for us to build a building,
12 like a pole building of some kind? Just any idea
13 on that?

14 SECRETARY TOPPER: Yeah. Thank you,
15 Mr. Chairman. I think that's a great question.
16 And I do think that, in the long-term, it would be
17 more cost effective for us to build the warehouse
18 capacity in order to maintain the PPE stockpile in
19 addition to our other -- the other items that we
20 warehouse within the Bureau of Supplies and Surplus
21 Operations.

22 The challenge is that, you know,
23 potentially, hopefully within the next year, the
24 farm show's going to want to return to its normal
25 course of business. And we are going to need to be

1 in another facility in order to allow that to
2 happen. And the -- the time that's involved in
3 getting a sufficient capital appropriation,
4 authorizing that capital appropriation, going
5 through the design process and then the build
6 process, won't allow us to get into a
7 Commonwealth-owned warehouse within the time frame
8 that we would need to.

9 So, we have done the next best thing, and
10 we've proposed to -- we've proposed to do this as a
11 lease arrangement. It's not uncommon for us to
12 lease property, as you may know. Commonwealth
13 currently owns roughly 18 million-square-foot worth
14 of office space, warehouse space, et cetera, across
15 the commonwealth. We also -- but we also lease
16 nearly that much in addition to what we own.

17 The challenge with PPE is that, you know,
18 the stockpile needs to be centrally located. It
19 has to be in close proximity to PEMA and close
20 proximity to the Department of Health. And we
21 really do feel like our best option and our most
22 cost-effective option at this stage would be to go
23 ahead and lease a facility, at least for the next
24 five to ten years. And during that time, we can
25 explore what we can do from a capital projects'

1 perspective.

2 I can envision a solution for fleet
3 warehouse and publications, all key functions
4 within the department, half of which currently
5 operate out of lease space. And I think that
6 there's a potential for us to consolidate those
7 operations, create some operational efficiencies,
8 and move them all into owned space that we could
9 build for that purpose. But we are several years
10 away from being able to accomplish that.

11 MAJORITY CHAIRMAN SAYLOR: Mr. Secretary,
12 I would say to you, I was one of those who made a
13 recommendation to the governor and the secretary of
14 Transportation when we had the fire at the old
15 Transportation building to rebuild, not to
16 revitalize the old building, and build a new one.

17 My suggestion is that leasing a building
18 for five to ten years from somebody else would cost
19 you more than to build it. And I believe we have a
20 few million dollars in the RCAP fund. I could
21 easily -- and I believe you might know a few
22 secretaries that could speed the permit process
23 along. I realize you may, for a period of year,
24 year and a half, two years, lease a building, but
25 truthfully and honestly, anything that's a five- or

1 ten-year lease, we're not talking about -- pole
2 operation -- having come from construction, a pole
3 operation warehouse type could be built very easily
4 and house that stuff very comfortably and for a
5 long period of time.

6 Just real concerned that we're going to
7 get into a contract that's going to cost us more
8 than building a new building. If this is something
9 that we're looking at long term, I would prefer
10 that we build a building in the next two years and
11 only have a lease for a year or two.

12 Thank you.

13 With that, we'll move on to Representative
14 Kim.

15 REPRESENTATIVE KIM: Thank you, Chairman.
16 Good afternoon, Secretary Topper. Thanks
17 for joining us today.

18 SECRETARY TOPPER: Good afternoon.

19 REPRESENTATIVE KIM: So, capitol police
20 has been incredibly busy in the last year with many
21 rallies and protests in my district at the capitol.
22 And I want to publicly thank the capitol police for
23 their tireless work, for protecting the building
24 and the surrounding areas, especially my residents
25 and business owners, and for their patience.

1 As congress will soon hold hearings about
2 what happened on January 6 with the capitol police,
3 it just reminds me of, you know, what can we do
4 better here locally.

5 Secretary, from all the incidents that
6 we've had in the past, what are some of the things
7 that you wanted to improve, expand in terms of
8 maybe training, equipment, that the police
9 department needs from us, and if you think that our
10 district offices also need to have more security.

11 SECRETARY TOPPER: Thank you,
12 Representative.

13 I really appreciate you mentioning the
14 capitol police. I really couldn't be more proud of
15 the effort that they've put in this year. You
16 know, this is the 125th anniversary of the capitol
17 police force. And I know, from talking to
18 colleagues around the country who serve in similar
19 capacities in other states, that we are incredibly
20 lucky to have a fully accredited, fully functional
21 law enforcement agency operating solely focused on
22 the capitol complex and the surrounding community.
23 Other states are not quite so lucky. They are
24 not -- they don't have the capacity that we do to
25 protect the facility and the people what work in

1 and visit there.

2 And this year has been a particularly
3 difficulty year, as you know. The threat
4 environment that we face has escalated consistently
5 throughout the year, as we've seen public protests,
6 as we've seen various political events. And then,
7 of course, you know, as I mentioned in my
8 testimony, culminating in the events of January 6.

9 We do have several proposals, and we've
10 been working with House and Senate leadership, and
11 I'm incredibly grateful to them for their
12 cooperation and their collaboration here, as we
13 together assess the threat environment for the
14 capitol complex.

15 We've recently made some changes around
16 badge assess and have substantially reduced the
17 badge access to the capitol building. I think
18 that, as we've worked with local police and with
19 state police in order to prepare for, gratefully,
20 what turned out to be a nonevent on inauguration
21 day, we learned a lot about what we had the
22 capacity for and what we could -- and what we could
23 use some help with, and not all of the those
24 expenses are built into the current budget
25 proposal.

1 So, to the extent that we would propose
2 that we tighten down security at the capitol
3 complex going forward to a greater degree, we would
4 propose that we use metal detectors and screening
5 points to a greater degree. We learned that, you
6 know, we would propose to use -- or to acquire and
7 be able to use the kinds of barricades and
8 crowd-control equipment that we were able to borrow
9 from Harrisburg PD. There are a number of things.
10 We have a list, and we'd be pleased to sit down
11 with leadership and talk about what incremental
12 investments might be worthwhile here in order to
13 make the Commonwealth complex even safer.

14 I will say this, when I -- when I
15 witnessed the events of January 6th, it was
16 virtually impossible for me to imagine that
17 happening in Harrisburg. And the main reason for
18 that is because I've seen how professional and how
19 incredibly thorough and how incredibly good the
20 capitol police is at coordinating with other law
21 enforcement. And I have every reason to believe
22 that they'll be able to continue to do that.

23 We have a model that works. And it's
24 worked through successive administrations, whether
25 Republican or Democrat. And, you know, I couldn't

1 be prouder of the work that they do.

2 With respect to your district offices, I
3 don't know that I'm in the best position to assess
4 that security situation, Representative. But I
5 would be pleased to have capitol police -- to ask
6 capitol police to take a look at that and to give
7 you recommendation with respect to -- with respect
8 to security.

9 REPRESENTATIVE KIM: Thank you. And,
10 like, three sentences, Chairman Saylor.

11 You know, I don't want the capitol
12 building to be an island. You know, we have
13 residents and business owners surrounding the
14 capitol and that they should be in communication as
15 well with other plans moving forward. Just wanted
16 to keep that in mind.

17 Thank you so much.

18 SECRETARY TOPPER: Thank you.

19 MAJORITY CHAIRMAN SAYLOR: Representative
20 Kim, just so you know, I know our chief clerk has
21 been working very diligently to protect all of us
22 as well as the employees here. I've been pleased
23 to see additional security.

24 One of the concerns that I have had has
25 been the protection of our capitol police as well.

1 Those that come in the front of the capitol in
2 particular, I take notice, many times are busy,
3 when it's crowded days here, when the capital is
4 open, and real concerned about those two officers
5 that are usually sitting there and their safety.

6 So, I'm glad to see that, Mr. Secretary,
7 we've added additional security. That, I think,
8 needs to continue. Not because of anything in the
9 past, but simply because it's just the world we're
10 in today.

11 So, with that, thank you, Representative
12 Kim, for your questions.

13 We will move on to Representative Greiner.

14 REPRESENTATIVE GREINER: Thank you,
15 Mr. Chairman.

16 And good afternoon, Mr. Secretary.

17 I want to switch gears here. I want to
18 talk a little bit about the compliance enforcement
19 of Act 81 of 2020 and Section 1724-E of Act 114 of
20 2020, which Governor Wolf has just recently signed
21 into law, which deals with the flying of flags over
22 state-owned buildings. And specifically Section
23 1724-E of Act 114 provides that DGS ensures that no
24 flag, other than the United States flag,
25 Pennsylvania flag, or a flag authorized under the

1 act of March the 4th, 1970, is flown over the
2 capitol building.

3 Further, Act 114 of 2020 provides that the
4 Department of General Services shall ensure that no
5 banners, posters, temporary signage or other
6 similar material, except for informational material
7 to aid navigation of the facilities or signage
8 necessary for health and safety, shall be displayed
9 on the outside of the Pennsylvania state capital
10 building, including its alcoves, balconies, and our
11 windows.

12 And I guess, I have several questions.
13 Has DGS begun enforcing these new laws?

14 SECRETARY TOPPER: Thank you,
15 Representative. Yes, we have.

16 As I imagine you are aware, the lieutenant
17 governor was flying flags from his balcony, and
18 those flags have been removed.

19 REPRESENTATIVE GREINER: And then my
20 follow-up question to that one would be, what is
21 your department's compliance plan with these laws?
22 I mean, are we going to be checking periodically to
23 make sure that they're not up, or how are you
24 planning on addressing to make sure that people,
25 not just the lieutenant governor, although he's

1 been the biggest culprit lately, but all others to
2 make sure that we're in compliance?

3 SECRETARY TOPPER: Thank you,
4 Representative.

5 You know, we have a facilities team
6 that -- that is working in and around the capitol
7 day in and day out. And if and when we discover
8 other flags or other violations of the code, we
9 will take appropriate action.

10 REPRESENTATIVE GREINER: Thank you.

11 I have one other question. We passed the
12 law that allows for the POW/MIA flags to be raised
13 over our state buildings. Where -- I mean, that is
14 law. When is that going to happen here at the
15 capital and our other state properties?

16 SECRETARY TOPPER: Thank you,
17 Representative.

18 I was under the impression that it already
19 had. I can double-check. But I believe those
20 flags are being flown.

21 REPRESENTATIVE GREINER: Okay. I might
22 not have seen that, but I know, you know, whether
23 it's here in Harrisburg or other properties
24 throughout the commonwealth, I just wanted to be
25 sure that was being done, because I had been

1 unaware of that. I just wanted to make sure that
2 was happening.

3 SECRETARY TOPPER: It's a priority for us
4 as well. And I appreciate the question.

5 REPRESENTATIVE GREINER: Thank you,
6 Mr. Secretary.

7 Thank you, Mr. Chairman, for your time.

8 MAJORITY CHAIRMAN SAYLOR: Next is
9 Representative Webster.

10 REPRESENTATIVE WEBSTER: Thank you,
11 Mr. Chairman.

12 Good afternoon, Mr. Secretary. Thanks for
13 joining us this afternoon.

14 SECRETARY TOPPER: Good afternoon.

15 REPRESENTATIVE WEBSTER: I have a couple
16 of questions. One might seem like a softball, but
17 there might be a trick to this, so I'll warn you up
18 front.

19 I notice that -- and I want to give credit
20 to you and the agency for recognizing the impacts
21 and costs of climate change and for having at least
22 the goal of sustainability in your programs across
23 the agency. And then I want to ask, first of all,
24 if you could highlight either accomplishments or
25 what's in the current budget to continue or

1 sustain, if you'll pardon my pun, the
2 sustainability efforts, and then maybe tell us what
3 you need from us here in the chamber to help you
4 keep that effort going.

5 SECRETARY TOPPER: Well, the first part of
6 the question is the easy one, so I'll start there.

7 You know, I'm really immensely
8 proud of the work that our small team supporting
9 the governor's green council has been doing within
10 the Department of General Services here for the
11 last two years. The governor signed Executive
12 Order 2019-1, which recreated the council and set
13 four specific goals for the commonwealth and -- and
14 housed the administration of the executive order
15 and the coordination of what is really a massive
16 interagency effort here within the department. And
17 it's -- and I think there was great wisdom in that,
18 because it's given us the ability to leverage the
19 lines of business that the agency already is
20 responsible for. So, to the extent that we want to
21 get better at green procurement, it makes sense for
22 this agenda to be housed within the procurement
23 agency, same with fleet, same with greening our
24 buildings, those kind of things.

25 The executive order set four specific

1 goals. One was to decrease our overall energy
2 consumption by 3 percent per year by 2025. I'm
3 very pleased to be able to say that we're well on
4 track to do that. In fact, within the last year,
5 we have reduced our energy consumption by roughly 6
6 percent.

7 The second goal was to replace 25 percent
8 of the state's fleet with electric vehicles. We
9 have a long way to go there. We currently have
10 fifty-three electric vehicles in the fleet. And
11 so, we're a long way from 25 percent. But we are,
12 as the industry and the market embraces electric
13 vehicles to a greater and greater extent each year,
14 I expect that we'll make substantial progress
15 there.

16 We're to -- the next goal is to procure
17 renewable energy to offset at least 40 percent of
18 our total consumption. We are already in excess of
19 that. In fact, really pleased to say that we are
20 the number two state in the nation, and number
21 forty-four overall on the EPA's Green Power
22 Partnership national top 100 list. We have done
23 just an extraordinary job of greening our energy
24 purchase.

25 And then, finally, the last goal had to do

1 with building new buildings and making sure that we
2 build high-performance buildings with respect to
3 energy efficiency. And there we're making fairly
4 significant progress. It's now become a standard
5 part of the way that we engage with the design
6 community as part of our --

7 REPRESENTATIVE WEBSTER: Mr. Secretary, I
8 have a second question before I run out of time.
9 So, excuse me for --

10 SECRETARY TOPPER: Sorry. I don't mean to
11 filibuster. I'm just excited about it.

12 REPRESENTATIVE WEBSTER: No. And I agree.
13 In fact, I'm aware of the fact that, at Fort
14 Indiantown Gap, our Department of Military Affairs
15 is almost 100 percent sustainable energy, if
16 they're not, which is really exciting.

17 And that helps me transition to my second
18 question. I did notice I think on the -- from
19 2018, the Disparity Study, that one of the goals
20 then was to increase access to veteran-owned
21 businesses. And as I read a little further into
22 the language, I see the agency saying things like
23 "we're considering," and "we're looking into" these
24 things.

25 Would you tell me what you need from

1 the -- from the legislature to actually get past
2 the hopeful words and actually make veteran-owned
3 businesses part of the procurement system for
4 Pennsylvania?

5 SECRETARY TOPPER: Thank you,
6 Representative.

7 We've actually made pretty significant
8 progress within the last couple of years at growing
9 the percentage of business that we do with the
10 veteran-owned businesses. The Disparity Study set
11 an aspirational goal, I think, of 4.6 or 5 percent.
12 One of the challenges that we've had is that,
13 within our database, we have lacked sufficient
14 numbers of veteran-owned businesses actually
15 registered with the Commonwealth and participating
16 in the program. So, we've done a lot of extra
17 outreach within the last year to try to encourage
18 more veteran-owned businesses to engage with us and
19 to become part of the program.

20 Every Commonwealth goal -- or every
21 Commonwealth procurement carries with it a
22 veteran-owned business participation goal. And,
23 you know, I believe we are making progress since
24 the Disparity Study was published, both on the
25 veterans front and on the minority-owned-business

1 front and on the woman-owned-business front.

2 REPRESENTATIVE WEBSTER: Mr. Secretary, I
3 know I'm out of time, so I apologize again. Please
4 let me know how to support that. Obviously,
5 veterans' programs are near and dear to my heart.

6 Thank you, Mr. Chairman.

7 SECRETARY TOPPER: Thank you.

8 MAJORITY CHAIRMAN SAYLOR: Our next
9 questioner is Representative Meghan Schroeder.

10 REPRESENTATIVE SCHROEDER: Thank you,
11 Chairman.

12 Good morning, Secretary Topper. Thank you
13 for being here.

14 SECRETARY TOPPER: Good morning.

15 REPRESENTATIVE SCHROEDER: Good morning.

16 SECRETARY TOPPER: Or good afternoon.

17 REPRESENTATIVE SCHROEDER: Or good
18 afternoon. Sorry.

19 Let's keep on this topic about energy
20 conservation, specifically the Guaranteed Energy
21 Savings Act. Guaranteed Energy Savings Act, GESA,
22 projects involve the design and implementation of
23 energy-related improvements through the
24 implementation of energy conservation measures that
25 will result in a guaranteed cost savings to be

1 incurred from an annual basis.

2 The GESA process uses savings from the
3 reduced cost and energy consumption to repay the
4 cost of installing energy conservation measures.

5 So, can you please provide a couple
6 examples of completed or ongoing GESA projects and
7 how much they are saving or will save the
8 Commonwealth annually?

9 SECRETARY TOPPER: Thank you for the
10 question, Representative.

11 I'd be pleased to send details to the
12 committee. I don't have specific details of the
13 amount saved within specific projects here in front
14 of me. I might -- Bev is nodding. Perhaps she
15 does have that information.

16 DEPUTY SECRETARY HUDSON: Thank you,
17 Secretary.

18 Yeah, I can give a quick -- just a high
19 level. We have about 155 million-dollar project
20 investment currently in the GESA portfolio, about
21 fourteen projects, with an annual savings of about
22 6.7 million dollars. So, we'd be happy to follow
23 up, but that's the high level of the current
24 portfolio.

25 REPRESENTATIVE SCHROEDER: Okay. But to

1 follow up with that, so, how are you managing that
2 we are saving things going -- and having, like, a
3 checks-and-balance kind of thing of where the
4 savings are occurring? And how are you managing
5 that specifically? Sorry.

6 SECRETARY TOPPER: So, thank you. That's
7 a great question.

8 As is the case with all of our efforts to
9 save money in contracting, whether it's GESA
10 projects or procurement, the lion's share of the
11 savings remains in the agency's budget. You know,
12 DGS doesn't spend our own -- when we go out to
13 market and we contract on behalf of our agency
14 customers, we're not spending our own money out of
15 our own budget. We're putting in place contracts
16 for our agency customers to use.

17 And to the extent that they're able to
18 save substantial amounts of money because we've
19 done a better job either using GESA or some other
20 mechanism, that money typically stays within the
21 agency's budget for them to use for other purposes.

22 REPRESENTATIVE SCHROEDER: Okay. So, I
23 know you began to talk about this, but what other
24 ways is DGS working to cut down on Commonwealth
25 energy consumption?

1 SECRETARY TOPPER: So, there's a -- so,
2 one example is LED lighting. You know, as I sit
3 here, I believe we've now replaced I think
4 something like 60,000 LED lights within the
5 Commonwealth complex -- or rather replaced standard
6 lighting with LED lighting. The net of that is
7 both the reduction in our maintenance costs and our
8 energy consumption.

9 As I mentioned, we are down 6.2 percent in
10 terms of our overall energy consumption from last
11 year. And that equates to roughly 6 million
12 dollars.

13 REPRESENTATIVE SCHROEDER: So, how often
14 do you visit this topic about savings and your
15 energy plan? Do you do it, like, once a year to
16 reflect what's going on, if it's working and you're
17 saving?

18 SECRETARY TOPPER: It's one of the primary
19 objectives of our deputy secretary for Property and
20 Facilities Management, Julien Gaudion. And we
21 revisit it routinely. It's -- I think, in many
22 respects for Julien, it's a labor of love. It's
23 something that he has great passion about.

24 REPRESENTATIVE SCHROEDER: Okay. Great.
25 Thank you so much.

1 I'll yield back my time, Chairman. Thank
2 you.

3 MAJORITY CHAIRMAN SAYLOR: Representative
4 Bullock.

5 REPRESENTATIVE BULLOCK: Thank you,
6 Mr. Chairman.

7 Good afternoon, Mr. Secretary. How are
8 you?

9 SECRETARY TOPPER: Fine. Thank you.

10 REPRESENTATIVE BULLOCK: Great to have you
11 before us this afternoon.

12 I just had a few questions, and I'm going
13 to pick up where my colleague, Representative
14 Webster, left off in regards to the Disparity Study
15 that you've done, but, in this case, look at
16 specifically on your goal setting for small,
17 minority-owned businesses or small and diverse
18 businesses. I see you set a goal for 26.3 percent
19 across the commonwealth.

20 Where are you as far as, you know,
21 accomplishing this goal? You know, what are the
22 actual numbers to this date since you started
23 shifting the goal setting?

24 SECRETARY TOPPER: Yeah. Thank you.

25 First, let me just acknowledge the amazing

1 work that the DISBO team has done over the last
2 year, despite the fact that they had to figure out
3 how to telework. They managed to successfully
4 implement a completely overhauled system for the
5 way that we run the DISBO program and shifted the
6 Commonwealth to a goal-setting-based approach,
7 which is much more constitutionally sound, much
8 more aggressive, and much more likely to get us
9 closer to the goal. And they deserve tremendous
10 credit for being able to do that during a really
11 difficult year.

12 As of the latest annual report, which was
13 released I believe a week or two ago, which covers
14 the last fiscal year, we were at 17 percent overall
15 for small and small diverse business participation.
16 And within that, roughly 10 percent of the overall
17 spending was with small diverse businesses, which
18 are most typically woman-owned businesses and
19 minority-owned businesses.

20 The Disparity Study would like to set an
21 aspirational goal for us of 26 percent for SDB
22 spending, so we still have a ways to go. But I
23 believe the goal setting program, as it's gotten
24 underway, is -- is going to do what's necessary in
25 order to get us there.

1 REPRESENTATIVE BULLOCK: In that 10
2 percent, are you able to break down which percent
3 is actually minority and not woman-owned? Minority
4 women- or minority men-owned.

5 SECRETARY TOPPER: I am. But, so I don't
6 get it wrong, I'm going to ask that we just provide
7 it for you. Would that be okay?

8 REPRESENTATIVE BULLOCK: That would be
9 great. I appreciate that.

10 I also understand that the Bureau of
11 Diversity Inclusion and Small Business
12 Opportunities is looking to create new definitions
13 or modify current definitions for some of these
14 small business and small diverse business entities.
15 Can you share with me what the advantages would be
16 of modifying these definitions and how it can best
17 help these businesses compete at the state level
18 for state grants and contract opportunities?

19 SECRETARY TOPPER: Thank you for the
20 question.

21 We intend to submit legislation here
22 shortly to codify the DISBO program and to
23 establish the program in a manner that's similar to
24 how it exists in Maryland and in other states. And
25 one of the aspects of that codification would

1 change the approach that we've taken -- or that we
2 take to the way some small diverse businesses are
3 defined in statute.

4 So, specifically, the statute currently
5 defines "small diverse businesses" as businesses
6 that have fewer than a hundred employees. And then
7 it leaves -- it leaves revenue threshold -- so we
8 measure businesses in terms of their revenue in
9 addition to terms of their number of employees. It
10 leaves the revenue thresholds up to the department
11 to determine, but it fixes the employee limit at a
12 hundred. And what we would propose to do is to
13 provide in statute for the agency to have the
14 discretion to set those limits. Both the employee
15 limit and the revenue limit at the discretion of
16 the department. And the main reason for that is
17 because it's quite possible to be a -- a reasonably
18 successful minority-owned business and to be
19 pushing up against a hundred-employee limit but
20 also to have your -- but for your nearest
21 competitor, you know, to have ten or twenty or
22 thirty times that capacity.

23 And so, what we would like to do is we
24 would like to be able to set revenue thresholds and
25 employee limits based on the actual conditions in

1 the market that the businesses that are in our
2 program face every day.

3 REPRESENTATIVE BULLOCK: Thank you.
4 That's very helpful. I look forward to working
5 with you and your team on that legislation so that
6 we can better serve the small businesses and
7 particularly the minority-owned businesses of the
8 commonwealth.

9 Thank you, Mr. Chairman.

10 SECRETARY TOPPER: Thank you.

11 MAJORITY CHAIRMAN SAYLOR: Next is
12 Representative Torren Ecker.

13 REPRESENTATIVE ECKER: Thank you,
14 Mr. Chairman.

15 And thank you, Mr. Secretary, for being
16 here.

17 I'm going to touch base here on some
18 questions dealing with the remoteness of your
19 employees. So, I presume, like most government
20 agencies, many of your employees have been working
21 from home. What kind of IT equipment and things
22 has the department needed to purchase for these
23 folks?

24 SECRETARY TOPPER: Bev, I'm going to ask
25 you to address that one specifically.

1 DEPUTY SECRETARY HUDSON: Happy to,
2 Secretary.

3 Thank you for the question,
4 Representative.

5 You might be surprised to find out that
6 DGS, as a whole, has over 50 percent of our
7 employees reporting on site every day. We have an
8 amazing team of on site employees who are custodial
9 worker, who are maintenance workers, who are
10 capitol police officers, who work in our print and
11 mail shop, our commonwealth media services team,
12 our team working the stock pile. More than half of
13 our agency has reported to work nearly every day
14 since March 16th of last year.

15 We're incredibly proud of those
16 individuals, so we are happy to talk about them as
17 often as you'd like.

18 Our 100 percent tele workforce is actually
19 only about 20 percent -- excuse me -- 26 percent of
20 our agency. And, in addition, we have another 16
21 percent who alternate on site and telework.

22 In terms of technology investment, I'm
23 very proud to tell you that we were only about six
24 computers short in our agency of having everybody
25 prepared to telework on March 16th with the

1 governor's order. It took us a little while to
2 get, I believe, those six computers out to
3 individuals in the field, but we were able to very
4 successfully migrate to emergency telework with
5 very few needed investments. We've been preparing,
6 in the hopeful -- the state that we would move to a
7 more permanent telework situation for the last
8 three years and making our workforce mobile.

9 REPRESENTATIVE ECKER: So, you know, for
10 those folks that are working from home, and I'm
11 sure you've worked with other agencies to implement
12 some of the new software, new technology. I mean,
13 are you assisting -- I mean, you guys are clearly
14 doing a great job of keeping folks working on site,
15 but have you assisted other agencies and things as
16 to -- with their IT issues, you know, software,
17 that kind of thing?

18 SECRETARY TOPPER: So, most of our
19 consolidated IT services are delivered through the
20 Office of Administration. Certainly DGS has a role
21 in assisting them in procurement of needed hardware
22 and software. I know that that team worked really
23 diligently at the front end of the pandemic. A lot
24 of computer parts, believe it or not, are produced
25 right in Wuhan, so we did experience some market

1 fluctuation in terms of getting equipment early on.

2 But in terms of specific investments, that
3 question is probably best directed to either the
4 secretary of the Office of Administration or the
5 governor's budget secretary. Certainly our team
6 plays a supporting role.

7 REPRESENTATIVE ECKER: Yeah. And I
8 guess -- I should have been more direct there. I
9 was kind of more speaking to the procurement aspect
10 of it. And cost, I don't know if you track labor
11 costs or how you're tracking these costs.

12 Obviously, this year, there's probably been a bit
13 more of a request in the IT department, you know,
14 for other agencies as it pertains to procurement.

15 DEPUTY SECRETARY HUDSON: Most of those
16 costs you would see within those agency budgets.
17 They're cutting their own purchase orders for
18 purchases of computer equipment and software,

19 Again, I imagine OA would have that answer
20 for you. And I can certainly follow up with our
21 procurement team as well.

22 REPRESENTATIVE ECKER: Thank you. Thank
23 you both.

24 Thank you, Mr. Chairman.

25 MAJORITY CHAIRMAN SAYLOR: Representative

1 Kinkead.

2 MS. KINKEAD: Thank you, Mr. Chairman.

3 Thank you, Mr. Secretary, for being here
4 today.

5 I had a question about broadband.

6 Obviously, broadband access has been an issue since
7 before the pandemic. It's an even more critical
8 issue now.

9 So, with the current work-from-home,
10 learn-from-home environment, what is DGS doing to
11 improve the connectivity in rural areas? And is
12 your wireless contract helping to solve the rural
13 broadband problem?

14 SECRETARY TOPPER: Thank you,
15 Representative. It's a great question.

16 I think there's been a fair amount of
17 confusion and misunderstanding around DGS and our
18 role with respect to rural broadband and
19 specifically the contract that we established a
20 little over a year ago with Agile Networks. So,
21 I'd appreciate the opportunity just to clarify.

22 While it is true that the contract with
23 Agile may have some ancillary benefits in that it
24 will take Commonwealth assets and
25 Commonwealth-owned property and streamline the

1 process of making it available to third-party
2 wireless providers and that could have an impact on
3 the availability of broadband in rural
4 Pennsylvania, the primary purpose of the Agile
5 contract was -- was to streamline the process of
6 getting the Commonwealth in the market and making
7 our assets available to third-party wireless
8 providers so that we could begin to generate
9 incremental revenue from those assets.

10 So, to the extent that the contract drives
11 improvement in rural broadband, it will come as a
12 consequence of the -- it will come because the
13 third-party wireless providers that we're working
14 with are already focused there and see our property
15 and our assets as the best path to getting there.

16 I personally believe that solving the
17 rural broadband problem in Pennsylvania is going to
18 require substantial investment. I don't think
19 there's any way around it. And I don't believe
20 that the Agile contract that we have in place
21 represents a solution by itself.

22 REPRESENTATIVE KINKEAD: Do you have an
23 estimate or a thought on how much that would
24 actually cost, what kind of investment we need from
25 the Commonwealth in order to get rural broadband?

1 SECRETARY TOPPER: Yeah, honestly,
2 Representative, that is outside my area of
3 expertise. I am aware that other states have
4 invested significant amounts of money in building
5 out wireless infrastructure. And, you know, so I
6 would defer to folks who have a lot more knowledge
7 about that than I.

8 I just want to be clear about what the
9 Agile contract is intended to do. It's intended to
10 maximize the return that the Commonwealth gets on
11 the assets that we currently provide -- or that we
12 currently own. And it is, so far, finally -- it's
13 finally getting off the ground and starting to
14 generate some revenue.

15 REPRESENTATIVE KINKEAD: Okay. Great.
16 Thank you.

17 And then, I wanted to pivot and talk a
18 little bit about the PPE stockpile that we have and
19 if there is an interest in establishing a long-term
20 stockpile for future emergencies and what kind of
21 costs are associated with something like that.

22 SECRETARY TOPPER: Yeah. Thank you for
23 the question.

24 As I mentioned earlier in my testimony,
25 the -- the increase that is in our budget -- and

1 it's really the first time, I think, we've come
2 before you with anything like this significant an
3 increase -- is almost exclusively for the purpose
4 of establishing a long-term PPE stockpile for the
5 Commonwealth. So, you know, it's roughly 6 million
6 dollars in total costs.

7 Although I agree with the chairman, that
8 over the long-term, building a facility like this
9 is likely to be more cost effective, we have -- we
10 have an immediate need to make sure that we have a
11 stock pile in place, and that we're able to access
12 it.

13 If we learned anything in the last year,
14 it's that we -- we can't necessarily rely on either
15 the federal government or on our traditional supply
16 chains if and when a real pandemic kind of
17 situation hits. Both of those things failed us.
18 And, you know, we need to be better prepared. And
19 we need to have more of this material on hand.

20 REPRESENTATIVE KINKEAD: Thank you.

21 MAJORITY CHAIRMAN SAYLOR: Representative
22 Rothman.

23 REPRESENTATIVE ROTHMAN: Thank you,
24 Secretary Topper.

25 It may not surprise you that I'm going to

1 ask you some questions about real estate. First,
2 can you tell us an update on the sale of the former
3 Harrisburg State Hospital off of Elmerton Avenue?

4 SECRETARY TOPPER: Thank you,
5 Representative.

6 Since Bev has actually been the lead on
7 that transaction from the beginning, I'm going to
8 ask her to handle this one because she's got the
9 details.

10 DEPUTY SECRETARY HUDSON: Thank you,
11 Secretary. Happy to answer the question.

12 You'll recall the general assembly
13 authorized DGS some time ago to enter into an
14 agreement of sale with the RDA of Dauphin County.
15 We've been working with them continuously since
16 that time on a transition plan for the annex. In
17 addition to that, concurrently we're working on the
18 move-out strategy for the staff who remains there.

19 At present, we are finalizing the scope of
20 work for a utility separation and roadway
21 improvement project that will ensure the
22 Commonwealth's property interests for the property
23 we intend to maintain on that campus are intact.
24 Additionally, we're trying, to the extent we can,
25 to work cooperatively with both the RDA as well as

1 Susquehanna Township, to ensure that that work also
2 puts them on a good path for the property
3 development.

4 Just, I believe, two to three weeks ago,
5 Susquehanna Township met on a preliminary
6 development plan for that property, and we look
7 forward to meeting with them to hear their thoughts
8 on that first development plan that was presented
9 by the RDA.

10 REPRESENTATIVE ROTHMAN: Excellent. Thank
11 you.

12 We have heard testimony all week and have
13 read about your department at 50 percent, but we
14 have just heard as high as 90 percent of state
15 employees being able to work from home.

16 With that, it begs the question, have we
17 looked at -- I'm assuming that means there is empty
18 space. Have we looked at consolidating office
19 space? Have we looked at, you know, downsizing?
20 That's what businesses are doing under the
21 pandemic. What are we doing to consolidate our
22 real estate footprint as a state, not just in
23 Harrisburg but throughout the commonwealth?

24 SECRETARY TOPPER: Thank you,
25 Representative. I'll jump in here real quick, and

1 then I may pass it back to Bev.

2 I want to point out that we had an effort
3 underway long before the pandemic to try to
4 consolidate Commonwealth real estate, co-locate
5 Commonwealth agencies in shared space, and shrink
6 our overall real estate footprint across the
7 commonwealth as the Commonwealth workforce was
8 shrinking over time. And I think that COVID just
9 accelerates that transition that was already
10 underway.

11 I think the challenge is -- is that,
12 although I think there's long-term cost savings
13 opportunities in all of this, I would just caution
14 the general assembly against assuming that
15 there's -- that there's an immediate windfall
16 because of -- because of telework. And I say that
17 for two reasons. Number one, we still, you know,
18 as I sit here today, it's roughly, I think, 23,000
19 Commonwealth employees are teleworking, and the
20 balance, the other 46,000 -- I've forgotten the
21 numbers -- but the balance are all still working on
22 site, still coming to Commonwealth-owned and
23 -leased facilities every day or nearly every day.
24 So, these facilities are still very much in use.

25 The second piece is that, you know,

1 particularly when it comes to leased property,
2 we're locked into a lot of long-term agreements
3 that don't -- as I'm sure you can appreciate,
4 Representative, right -- these standard commercial
5 leases don't -- you know, our landlords aren't
6 typically all that happy about potentially letting
7 us out early.

8 REPRESENTATIVE ROTHMAN: Thank you.

9 I did look at your budget request, and I
10 was a little surprised at the utility cost
11 increase, and I understand a building that's even
12 half empty, you still need to run the systems. But
13 yesterday we heard about the governor's interest in
14 lowering the amount of energy consumption,
15 specifically electric consumption. And several of
16 us who live in the capital region have noticed,
17 even driving by buildings at nights and on
18 weekends, and all the lights are on or many of the
19 lights are on. I'm a little concerned that we're
20 having a 3 percent increase in utilities, despite
21 the fact that, you know, maybe a third of the
22 buildings are -- less capacity, which means less
23 water is being used.

24 Can you address that? And is there effort
25 under way? We heard you talk about it a little

1 earlier about the program, but, I mean, just
2 something as simple as turning off the lights at
3 night, that could save some money.

4 But I was surprised to see you're actually
5 increasing the amount of utility costs for water
6 and electricity, sewer and trash. I would have
7 thought that that would have gone down.

8 Can you address that or can someone
9 address that?

10 SECRETARY TOPPER: Sure, Representative.

11 I tell you what, Bev, why don't you jump
12 in with the details here, and then I'll close.

13 DEPUTY SECRETARY HUDSON: Sure.

14 So, I will start by saying, you might make
15 that assumption that all the utilities would go
16 down during COVID, with a lot of the capital
17 buildings having reduced occupancy. That said, our
18 HVAC team has done an incredible job of reading and
19 interpreting and re-reading and re-interpreting
20 every iteration of CDC guidelines, which actually
21 require increased air filtration and increased air
22 ventilation. So, systems that might typically only
23 run during a Monday-through-Friday workweek are now
24 being run seven days a week, are now being run
25 twenty-four hours a day, to increase that

1 ventilation as required by the CDC.

2 We've also made some investments in our
3 HVAC systems in a higher rated filtration as well
4 as in UV ductwork lighting, all in an effort to
5 make sure our buildings are safe for the employees
6 who report here. And to Curt's point, we do have
7 quite a number of employees who are still reporting
8 on site.

9 Additionally, to keep in mind, some of our
10 utilities, much like your residential utilities,
11 are estimated and trued up. So while, again, you
12 might expect to see a decrease, it might take us
13 until the end of the fiscal year until those
14 true-ups reveal a true reduction.

15 You were spot on to identify water. We
16 have seen a reduction in water of approximately 10
17 percent usage, so we do expect a little bit of
18 savings there.

19 Additionally, we have a reduced commitment
20 in terms of trash. We have certainly seen a
21 reduction in the trash usage here in the capitol
22 complex.

23 So, those are two areas that we do expect
24 to see savings.

25 Something else to keep in mind, a utility

1 that is included as part of that appropriated line
2 item is actually the capitol complex security
3 system. This includes the movement of the bollards
4 and gates. This included the IT infrastructure for
5 badging and badge assess. That is considered a
6 utility. We're very pleased to have negotiated a
7 reduction in this year's renewal of that contract.
8 That said, you know, that is a contract that is a
9 costly contract for the Commonwealth in order to
10 keep our buildings secure.

11 REPRESENTATIVE ROTHMAN: Thank you.

12 DEPUTY SECRETARY HUDSON: And the last
13 piece I'll add is, one other thing that comes out
14 of the appropriation, we do recoup some funding
15 from the agencies, but we also fund EnergyCAP,
16 which is a system that we utilize; we import all of
17 our utility expenses. And it gives us an
18 opportunity to really drive toward where we have
19 savings opportunities around utilities.

20 REPRESENTATIVE ROTHMAN: Thank you.
21 Appreciate it.

22 DEPUTY SECRETARY HUDSON: Sure.

23 MAJORITY CHAIRMAN SAYLOR: Our next
24 questioner is Representative O'Neal.

25 REPRESENTATIVE O'NEAL: Thank you,

1 Mr. Chairman.

2 And thank you, Mr. Secretary,

3 You know, we just made some comments here
4 about the capitol complex. And, you know, I'd like
5 to start just talking a little bit about the
6 capitol complex, and as you're aware, we currently
7 sit here, in the people's house that is not open to
8 the public or to the people of the commonwealth.

9 So, throughout the course of the pandemic,
10 and I'm sure you're perfectly aware, the House of
11 Representative, the general assembly, has continued
12 to meet. And we've gone through an iteration where
13 we shut down the building, opened -- excuse me --
14 closed it to the public in the beginning. At some
15 point in time, we opened it back up. Then we
16 closed it back down. And it remains closed to
17 today.

18 As a matter of fact, it's even closed to
19 people who would normally do business in the
20 business -- or in the building, specifically, you
21 know, registered lobbyists and even, in many cases,
22 reporters as well.

23 So, my question is, you know, what is the
24 plan for the capitol complex? What is the plan for
25 opening the building and resuming operations to the

1 people's house? Especially in light of the fact
2 that when we look across the commonwealth, the
3 positive cases and deaths are dropping dramatically
4 and vaccinations are ramping up.

5 SECRETARY TOPPER: Thank you for the
6 question, Representative.

7 I can share with you that we are -- we are
8 in constant contact with the governor's office,
9 with the Department of Health, you know, on this
10 question. I would like to see the capitol complex
11 reopened to the public as well, as soon as we can
12 ensure that it's as safe as we need it to be.

13 My understanding is that we'll be
14 announcing shortly, I think within a matter of
15 days, that we'll be reopening the capitol complex.

16 REPRESENTATIVE O'NEAL: Well, that's
17 actually great to hear. It really is.

18 So, I'm sure you would agree -- and you
19 mentioned earlier the square footage of facilities
20 and property that DGS maintains, operates, owns
21 across the commonwealth, but I'm sure you would
22 probably agree, as my opinion certainly is, that
23 the capitol complex is -- is one of if not the most
24 important building across the commonwealth, again
25 referencing the people's house.

1 So, one of the things I'd like to
2 highlight is, you know, I -- my office is in the
3 east wing, and, as I came here this week for
4 hearings, I immediately noticed that, once again,
5 the east wing escalators are simply out of service.
6 So, I don't quite understand why, on a
7 significant -- you know, I've been in the House a
8 little over three years at this point, and I -- in
9 the forty years previous -- and I've probably spent
10 more time than I care to admit in a mall, in a
11 shopping mall, but I'm forty years old, and I can
12 tell you that I don't know that I've ever seen a
13 shopping mall escalator out of service, and yet it
14 is a frequent -- it's a frequent occurrence here in
15 the capitol complex.

16 Given that this is where our government
17 does business -- the governor himself has his
18 office here, obviously the general assembly meets
19 here, the state supreme court has a courtroom in
20 the capitol building as well -- it seems to me that
21 it's an embarrassment that we can't do something as
22 simple as keep our escalators running.

23 So, what is -- I'd be interested to know
24 what expense we go in to fixing our escalators.
25 You know, have we even reached out to, I don't

1 know, the capital -- or the Harrisburg East Mall
2 and asked the private operators there of how they
3 maintain their escalators?

4 To me, it's an embarrassment. It should
5 be an embarrassment to you as well, because it's
6 certainly a reflection of the work that you're
7 doing across the commonwealth.

8 SECRETARY TOPPER: Thank you,
9 Representative.

10 I am not satisfied either with the fact
11 that the -- that those particular escalators are
12 down as frequently as they've been down. We did, a
13 couple of years ago, go through a process of
14 canceling the prior maintenance contract and
15 negotiating a new contract. And since that new
16 maintenance contract has been in place, the up-time
17 for the escalators has improved. It's not what we
18 would like it to be.

19 You know, I -- I don't know how that
20 escalator compares with your escalators in your
21 local shopping mall in terms of specifications or
22 age or maintenance regime or anything of those
23 things. We can certainly reach out and try to do
24 some benchmarking there to try to get a handle on
25 it.

1 I would just submit, though, that it's --
2 you know, most of us don't spend eight hours a day
3 in a shopping mall. So, it's -- you know, I'm just
4 hesitant to assume that the performance of those
5 escalators is necessarily dramatically worse than
6 what you would find in commercial settings.

7 REPRESENTATIVE O'NEAL: Great. Thank you
8 for your time. I'm out of time.

9 So, thanks, Mr. Secretary.

10 MAJORITY CHAIRMAN SAYLOR: Representative
11 Brown from Philadelphia.

12 Representative.

13 REPRESENTATIVE AMEN BROWN: Good
14 afternoon, Mr. Secretary.

15 Thank you, Mr. Chairman.

16 First off, I want to start off by saying
17 that I'm very impressed with your negotiation
18 skills, sir.

19 I want to touch on one thing, just need a
20 little more clarity in reference to the Small
21 Business Reserve Program. Can you explain the
22 eligibility criteria to us, please?

23 SECRETARY TOPPER: Sure.

24 So, to be a small diverse business in
25 Pennsylvania, typically you have to have fewer than

1 a hundred employees, and you have to have --
2 depending on the category of business that you're
3 in, you have to have revenue that is below certain
4 thresholds. So, I believe the threshold for most
5 of those businesses is less than 25 million
6 dollars. I'm looking at Bev to see if she nods at
7 me. And, you know, those are the two main
8 criteria.

9 The process to get certified, it occurs
10 through one of seven independent certification
11 bodies. So, if you're a woman-owned business, you
12 would go and get certified through WBENC. If
13 you're a minority-owned business, typically you
14 would go and get certified through the -- I believe
15 it's the MSDC.

16 And, you know, basically if you're
17 certified, we verify that you're certified, we
18 verify that you have revenue below the threshold
19 and employees below the threshold, and then you are
20 entered into the program.

21 REPRESENTATIVE BROWN: All right. Thank
22 you.

23 Would you say that capacity is a possible
24 issue for small businesses or minority-owned
25 businesses?

1 SECRETARY TOPPER: Sure. I think -- I
2 mean, it depends on what you mean by "capacity."
3 But I think a big part of what we have been working
4 on here with the governor's advisory counsel on
5 small business opportunities and diversity has
6 been, you know, what can we do to leverage the
7 Commonwealth's expenditures in order to build
8 capacity within Pennsylvania small diverse
9 businesses and within the communities that they
10 reside in.

11 And so, the first thing we can do is we
12 can spend more money with them. Right? So, we've
13 actually nearly tripled the amount of money that
14 the Commonwealth spends with small diverse
15 businesses over the last six years. We're not
16 where we need to be, but we have grown from 4
17 percent of the Commonwealth's expenditures to
18 roughly 10 percent of Commonwealth's expenditures.

19 Capacity depends -- you know, we're a
20 large enterprise. It doesn't always make sense,
21 and it shouldn't make sense, for us to bring large
22 contracts to small businesses who don't have the
23 wherewithal to be able to perform. So, you know,
24 the approach is both a subcontracting approach and
25 a prime contracting approach. And we know that, as

1 participants in the program grow and grow more
2 successful, we want to move them into more prime
3 contracting opportunities, again, so that they can
4 build capacity, so that they can earn sufficient
5 profit on the business, so that they can reinvest
6 in the business.

7 I think this has been a really key part of
8 all of our considerations as we thought through how
9 to make sure that we leverage our dollars the best
10 way we can.

11 It's a great question. Thank you.

12 REPRESENTATIVE AMEN BROWN: So, have you
13 ever considered advancements to small businesses so
14 they can be able to fulfill a contract?

15 SECRETARY TOPPER: So, the Commonwealth,
16 by law, as I understand it, is required to pay in
17 arrears for services rendered.

18 REPRESENTATIVE AMEN BROWN: Okay.

19 SECRETARY TOPPER: So, you know, we have,
20 on occasion, within concert and contracts, we've
21 been able to provide upfront payments -- I've
22 forgotten the term for it. On occasion, we've been
23 able to do that. But advancements outside of a
24 specific scope of work and outside of a specific
25 contract are difficult for us to do, given our --

1 the statute and the regulations that we work under.

2 We have been exploring the potential to
3 provide -- you know, to work with DCED in order to
4 improve the amount of working capital that's made
5 available potentially to small diverse businesses
6 in Pennsylvania, because we do know that access to
7 capital is a big challenge.

8 REPRESENTATIVE AMEN BROWN: Yes.

9 SECRETARY TOPPER: But it's -- that's a
10 difficult one for us to do solely through the
11 procurement system.

12 REPRESENTATIVE AMEN BROWN: Okay. Last
13 question. In reference to the supplies, no matter
14 what it is, so when you purchase supplies, are we
15 buying from suppliers and businesses in
16 Pennsylvania or other states?

17 SECRETARY TOPPER: Well, the answer is
18 both. You know, we -- the Commonwealth exists in
19 an ecosystem with forty-nine other states, and
20 there are -- in many of those states, there are
21 reciprocity arrangements and laws. So that, if we
22 were to establish formal preferences within our
23 procurements for Pennsylvania businesses, it would
24 automatically put Pennsylvania businesses at a
25 disadvantage when they go to compete for business

1 in other states.

2 So, historically, the Commonwealth has
3 shied away from -- from Pennsylvania-specific
4 preferences.

5 REPRESENTATIVE AMEN BROWN: Okay.

6 SECRETARY TOPPER: And that has been true
7 in -- you know, in successive administrations,
8 going back as long as -- certainly as I can
9 remember.

10 I would advise the general assembly to
11 tread very carefully when it comes to considering
12 any sort of preferences like that, because it's
13 very difficult to know what the net impact would be
14 on Pennsylvania businesses overall.

15 REPRESENTATIVE AMEN BROWN: All right.
16 Thank you.

17 SECRETARY TOPPER: Thank you.

18 MAJORITY CHAIRMAN SAYLOR: Representative
19 Zach Mako.

20 REPRESENTATIVE MAKO: Thank you,
21 Mr. Chairman.

22 And thank you for being here,
23 Mr. Secretary.

24 I just want to follow up on a question
25 that the gentle lady from Allegheny had about the

1 broadband. Governor Wolf was proposing additional
2 state borrowing to help deploy the broadband. And
3 he was talking about expanding the scope of the
4 RCAP program. And I just wanted to know if you had
5 any additional information about that proposal and
6 what the role DGS would have in that.

7 SECRETARY TOPPER: Forgive me,
8 Representative. I don't have anything further to
9 add.

10 I have not been -- I don't believe that
11 DGS would have any formal role in -- in expanding
12 RCAP or making additional capital investments in
13 broadband.

14 REPRESENTATIVE MAKO: Okay. That's
15 totally an acceptable answer.

16 I do also want to follow up on another
17 question. You were talking about the Agile
18 contract earlier as well. And you were --

19 SECRETARY TOPPER: Yes.

20 REPRESENTATIVE MAKO: I wasn't familiar
21 with this at all, and you were talking about
22 stream-- excuse me -- streamlining the
23 Commonwealth's assets to third parties. What would
24 those assets be?

25 SECRETARY TOPPER: Okay. So, the

1 Commonwealth owns an array of radio towers, and we
2 also have rooftops and land all across the
3 commonwealth that is potentially attractive to the
4 Verizon's of the world when they want to expand
5 their networks.

6 And so, up until -- up until recently,
7 when those third-party wireless providers have gone
8 looking for new locations, either existing towers
9 upon which to install new equipment or places where
10 they could erect new towers of their own, or
11 rooftops where they could install wireless arrays,
12 up until about a year ago, those third-party
13 wireless providers tended to shy away from looking
14 at Commonwealth property because we really didn't
15 make it very easy for them to engage with us in
16 order to make that happen.

17 What the Agile contract does is it creates
18 for us a single point of contact, an agent for the
19 Commonwealth, to work with those third-party
20 wireless providers to make them aware of where we
21 have property that might be valuable and attractive
22 to them, and then to negotiate the agreements that
23 are necessary in order to make that happen so that
24 the Commonwealth gets a substantial share of the
25 revenue and so that the third-party wireless

1 provider is able to expand their network.

2 REPRESENTATIVE MAKO: All right. Thank
3 you.

4 And I just had another follow-up question
5 on the benefits of identifying as a veteran-owned
6 business. Can you expand on that a little bit?

7 SECRETARY TOPPER: Sure. So -- so every
8 Commonwealth procurement carries with it a 3
9 percent veteran-owned business participation goal.
10 It doesn't sound like a lot, but -- but, you know,
11 it can create incentives for prime contractors to
12 go and find veteran-owned businesses to work with
13 as partners. And -- and, you know, I think we
14 certainly want to do as much as we can to encourage
15 veteran-owned businesses to work with the
16 Commonwealth and to compete for our business.

17 The fact that they have a status as a
18 veteran, you know, once they're registered within
19 our database, it will give them a small preference
20 when it comes to their potential to win our
21 business.

22 REPRESENTATIVE MAKO: And to follow up on
23 that, how would the veteran go about becoming
24 identified?

25 SECRETARY TOPPER: Sure. So, all they

1 need to do is go to our website -- Bev, what's our
2 website -- www.DGS --

3 DEPUTY SECRETARY HUDSON: -- @pa.gov.

4 SECRETARY TOPPER: There they'll find
5 instructions on how to get involved, how to
6 register, how to get verified as a veteran-owned
7 business.

8 And once they're in the database and once
9 they're in touch with them, I would encourage them,
10 you know, to reach out, to talk to our team in
11 the -- you know, in the Diversity, Inclusion, and
12 Small Business Opportunities office. They love to
13 work with new businesses and veteran-owned
14 businesses. And they'll do everything they can to
15 try to connect -- to connect a veteran-owned
16 business with opportunities in the commonwealth.
17 That's their job.

18 REPRESENTATIVE MAKO: All right. Well,
19 that's all my time, Mr. Secretary. I appreciate
20 your help in the matter.

21 SECRETARY TOPPER: Thank you.

22 MAJORITY CHAIRMAN SAYLOR: Representative
23 John Lawrence.

24 REPRESENTATIVE LAWRENCE: Thank you,
25 Mr. Chairman.

1 Mr. Secretary, the state police academy is
2 in pretty rough shape, and I know you're familiar
3 with this. It's aging, needs to be replaced.

4 Last year during the Appropriations
5 hearing, you said that you'd be working with the
6 state police to figure out kind of the most cost
7 effective way to proceed on this project. And,
8 obviously, since then, we've had the -- you know,
9 with the COVID pandemic and everything, I know
10 there's been changes in plans for a lot of folks.

11 But I just wanted to know, is there any
12 status update on that project?

13 SECRETARY TOPPER: Thank you,
14 Representative. I'll be happy to get you
15 details.

16 But I'll share with you that I -- you
17 know, I did have the opportunity to go to the state
18 police academy personally and to take a tour and to
19 see the conditions. And there is no question in my
20 mind that the -- that that facility needs to be
21 replaced. I know that it's a high priority for the
22 state police. We got engaged with them last year
23 and began the process of putting together a capital
24 planning -- or basically a plan for the replacement
25 for that facility. I believe we've just started

1 the design phase.

2 And, you know, so we are underway. Our
3 public works team is working with state police to
4 go through the process of designing a new state
5 police academy. And then from design, we will move
6 into bidding and then construction.

7 This process takes longer than anyone
8 would like it to, but I do know that it's a high
9 priority for state police. And I do know that
10 we've already earmarked the necessary capital
11 funding in next year and the year beyond for
12 construction. So, I expect that we're going to be
13 able to get this done here within the next two to
14 three years.

15 REPRESENTATIVE LAWRENCE: Appreciate that,
16 Mr. Secretary. And, certainly, if you could
17 forward to the committee any updates or plans that
18 are being made as they're being made, that would be
19 appreciated.

20 I also have a question, so the state has
21 closed a number of prisons over the years. In
22 particular, I'd like -- and these prisons are, when
23 they're decommissioned, come under DGS, until
24 they're either torn down or sold or -- I mean, some
25 of them have been made into tourist attractions and

1 different things.

2 I'd like to ask you kind of what the plans
3 are for Graterford and for the former prison there
4 in Pittsburgh. I know there were some plans to
5 sell the prison -- the former prison in Pittsburgh
6 for a dollar that fell through a couple years ago,
7 and, again, I know with COVID, everything kind of
8 changed a little bit. I anticipate that the state
9 is expending funds to maintain these facility in
10 some way, and at some point we would like to get
11 them off the books.

12 So, what are the plans right now? What's
13 the latest on Graterford and the former prison in
14 Pittsburgh?

15 SECRETARY TOPPER: I'll tell you what,
16 Bev, I'll take Graterford; you take Pittsburgh.

17 DEPUTY SECRETARY HUDSON: Sounds good.

18 SECRETARY TOPPER: So, Representative,
19 thank you.

20 As you may know, Graterford sits on the
21 same property as SCI Phoenix, which is the new
22 prison that was built to replace it. We built
23 Phoenix essentially right next door to the old
24 Graterford facility. Graterford has largely been
25 decommissioned. There is some maintenance costs

1 associated with it, but it is no longer occupied.

2 The challenge, you guessed, can we get it
3 off the books. My understanding, from talking to
4 the Department of Corrections, is that there is --
5 there is no interest in -- in selling the property,
6 in selling Graterford at this time, largely because
7 they want to be able to maintain the perimeter for
8 SCI Phoenix. So, I don't anticipate that we'll be
9 selling off Graterford.

10 REPRESENTATIVE LAWRENCE: So, would the
11 plan be to tear it down? Or would the plan be just
12 to -- I mean, kind of a demolition by neglect?
13 Or -- I'm sure it would cost quite a bit to tear it
14 down, but we can't let it stand there forever.

15 SECRETARY TOPPER: I quite agree. I think
16 demolition is one of the options that we're
17 evaluating. We do have a capital appropriation,
18 you know, that can be used for its demolition.
19 We -- we have tended to -- we have tended to use
20 that appropriation mainly for properties that we
21 know we can turnaround and sell and get back on the
22 local tax rolls. So, specifically, Allentown State
23 Hospital is where we've used that capital
24 appropriation for demo.

25 You know, there -- Graterford wouldn't be

1 the first state prison facility that -- that sat
2 undemolished and empty for a period of time. I
3 expect that, if I'm being honest, I would expect
4 that that's what's going to happen with Graterford
5 here until such time as -- as we have the funds to
6 do a demolition.

7 MAJORITY CHAIRMAN SAYLOR: Thank you,
8 Mr. Secretary.

9 Next is Representative Topper.

10 REPRESENTATIVE TOPPER: Well, just before
11 I get to my question, I think the second part of
12 Representative Lawrence' question was about
13 Pittsburgh, and I think one of you two was going to
14 talk about that. So, I'll ask you to go ahead and
15 finish up on some of my time.

16 DEPUTY SECRETARY HUDSON: Thank you,
17 Representative. I'll try to be brief.

18 REPRESENTATIVE TOPPER: Thank you.

19 DEPUTY SECRETARY HUDSON: Representative,
20 you are correct. The property at SCI Pittsburgh
21 was surplused back in 2017, and while it may seem
22 that that's a long time ago, the department has
23 taken significant efforts to try to remove that
24 property from our rolls, while still keeping in
25 mind what's best for that local community.

1 We've been working diligently with Senator
2 Fontana and Representative Wheatley on a
3 disposition plan since the time that we lost
4 Manchester Bidwell as a potential buyer. We do
5 have the start of a plan. I think the
6 representative and the senator are looking at doing
7 some kind of best value process to remove that
8 property from the rolls.

9 And, certainly, in the meantime, we take
10 every opportunity we can to work with the local
11 community to bring economics -- bring something to
12 the economy. Most recently, we've had very large
13 federal swat event happening at that old facility
14 that's going to bring significant revenue to the
15 area. And we also work pretty consistently with
16 DCED's film office. We tend to have a lot of
17 interest in old prisons and state hospitals for
18 filming opportunities.

19 So, while we are very anxious to remove
20 this from our rolls as well, we always move forward
21 with a very careful eye toward the local community
22 and the needs of that community by working with the
23 representative and senator from that district.

24 REPRESENTATIVE TOPPER: Thank you very
25 much. And both of you have mentioned -- and,

1 Secretary Topper, earlier in your testimony here,
2 you've mentioned -- and I know, I guess it's just a
3 byproduct of the agency, that you're able to work
4 with a lot of the other secretaries, and that's
5 good.

6 One of the things that I think has been
7 concerning throughout these hearings and possibly
8 throughout the entirety of the pandemic has been
9 the lack of communication between departments,
10 specifically within this administration. But you
11 have commented earlier that you had had ongoing
12 conversation with the Department of Health.

13 And I just wondered if any of those
14 conversations involved talking about mass
15 vaccination sites that could be used with state
16 buildings. And if so, if you could share some of
17 those conversations with us, because I would
18 imagine that very few things are higher on the
19 priority list for most of us as legislators in our
20 district offices than what we're hearing about the
21 ability to receive the vaccination.

22 SECRETARY TOPPER: Thank you,
23 Representative.

24 I guess I would start by just, on the
25 communication front, I -- honestly, I couldn't be

1 more pleased with the amount of communication that
2 we've had on a daily basis between PEMA, UP staff,
3 Health staff, and DGS staff. You know, we --
4 literally daily we are in communication, to talk
5 about what their needs are and how we can make sure
6 that we meet them.

7 I am aware that we have just approved a --
8 an emergency contract for the Department of Health,
9 intended to accelerate the roll out of
10 vaccinations, and that -- and my understanding is
11 that those plans do include these, you know,
12 vaccination sites. I do not know if they're
13 contemplating Commonwealth-owned property as the
14 location for those sites. And --

15 REPRESENTATIVE TOPPER: I would imagine if
16 they are contemplating that, that you would be
17 somebody who would be intimate with that kind of a
18 conversation.

19 SECRETARY TOPPER: I ought to know. So,
20 my guess is that they haven't gotten that far yet.

21 REPRESENTATIVE TOPPER: My guess as well.

22 SECRETARY TOPPER: But I'd be -- as I
23 said, I think it was just last week that -- that we
24 put through the emergency contract in order to try
25 to accelerate the vaccination effort.

1 Be happy to get you details on that
2 contract and, you know, I would defer other
3 questions you may have about mass vaccination
4 and --

5 SECRETARY TOPPER: We'll do that with the
6 Department of Health on Thursday. I specifically,
7 you know, was just interested in the building,
8 Commonwealth agency.

9 And then my final -- my final question
10 regards -- or, excuse me, is in regards to the
11 public works employee verification act. Just
12 within the past you had shared some of the
13 challenges related to the administration and the
14 enforcement of the act. How is that going? Have
15 you seen improvement on that from your standpoint?
16 Is there anything that we can do to make that a
17 little less challenging for you in the future?

18 SECRETARY TOPPER: Thank you,
19 Representative.

20 I think that the big challenge is staffing
21 to -- to increase the number of audits that we're
22 able to complete within the year. I will say that,
23 you know, across the hundreds of audits that have
24 been completed over the last few years, you know,
25 we have yet to find anything other than a technical

1 paperwork kind of violation.

2 REPRESENTATIVE TOPPER: Really? So, just
3 very clear, under the hundreds of audits that
4 you've done, there have been no violations of any
5 significance.

6 SECRETARY TOPPER: That's correct. They
7 tend to be -- the violations tend to be around
8 submission of correct paperwork. I would submit to
9 the general assembly that if what the general
10 assembly wants to have with respect to E-Verify, if
11 you want that to be more effective, it ought to be
12 housed in an agency that has actual regulatory
13 authority and the ability to visit private sector
14 construction sites, which DGS does not have.

15 REPRESENTATIVE TOPPER: Thank you very
16 much.

17 MAJORITY CHAIRMAN SAYLOR: Thank you,
18 Mr. Secretary, for being here today and taking
19 questions.

20 Just two closing comments. I have
21 visited, last year, the state police -- before the
22 pandemic, the state police headquarters. It's an
23 embarrassment. So, I hope that you will move on
24 that rather quickly.

25 Look, I understand it takes time here in

1 Pennsylvania, but I can tell you, if we were the
2 state of Maryland, you could build that warehouse
3 you want in six months through the permitting
4 process. But I understand our DEP seems to have a
5 problem with processing permits, and that is a
6 major problem for job creation in Pennsylvania.
7 So, maybe, since you're secretary of General
8 Services, DEP will have a little more faith in
9 you, and we can move these processes along a
10 little quicker when we need to do these kind of
11 things.

12 It's an embarrassment that our state
13 troopers are housed in that building. I was just
14 totally and completely embarrassed when I went
15 through, and I felt so bad for our troopers, for
16 that state police headquarters.

17 And anyway, I do thank you for your work
18 and your dedication to our commonwealth and our
19 taxpayers.

20 And with that, we're going to take a
21 five-minute break, and then we will take up the
22 Liquor Control Board and the Bureau of Liquor
23 Control Enforcement.

24 Thank you, Mr. Secretary.

25 SECRETARY TOPPER: Thank you,

1 Mr. Chairman.

2 (Whereupon, the hearing concluded at
3 3:33 p.m.)

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REPORTER'S CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true and accurate transcript, to the best of my ability, produced from audio on the said proceedings.

BRENDA J. PARDUN, RPR
Court Reporter
Notary Public