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**STATE SENATOR
LISA BAKER**
20TH SENATORIAL DISTRICT



Senate of Pennsylvania

December 2, 2016

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The Honorable Eugene DePasquale
Department of the Auditor General Finance Building
613 North Street, Room 229
Harrisburg, PA 17120-0018

Dear Auditor General DePasquale:

You should be commended on the job you are doing as our Commonwealth's chief fiscal watchdog to ensure that state dollars are spent properly. I am seeking your assistance concerning a matter where I believe your expertise can be immensely helpful to both legislators and the Wolf Administration.

The Service and Infrastructure Improvement Fund (SIIF) has become an extremely contentious issue in the past few weeks. Originally created as a temporary resource to assist in replacing aging infrastructure at the Department of Labor and Industry, funding is set to expire at the end of the year.

Although several attempts have been made to determine what improvements, if any, have been made, the administration has been either unable or unwilling to provide the type of detailed accounting taxpayers deserve. With at least \$178,400,000 transferred to the fund to date, and another \$57,500,000 requested to prevent potential service disruptions in the unemployment compensation system, the Senate has understandably placed an emphasis on fiscal responsibility before moving forward. Your objective evaluation of the program will help decide any necessary course of action.

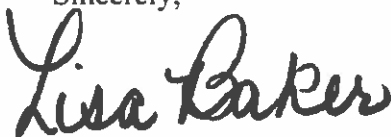
The funding request is an indication that the centers and the personnel are necessary parts of the system. Yet threatened action to close centers and furlough employees suggests they are not essential. And to close what is reportedly the most efficient center in the first round raises a question of how much emphasis the administration places on worker performance. These too are concerns your independent review can resolve.

Specifically, I ask that the Office of the Auditor General conduct a financial audit of the SIIF to assess how money has already been spent, as well as a performance audit of the unemployment compensation system to determine whether continued funding is justified. The type of information Senators need before they can consider making any decisions about additional support includes:

1. A description and accounting of expenditures made from the SIIF for each calendar year, including 2013, 2014, 2015 and 2016.
2. An evaluation of whether all funds were expended for the purposes authorized by Act 34.
3. An evaluation of the improvements and efficiencies achieved as the result of expenditures for information management technology, communications technology and other infrastructure components.
4. An estimate of the impacts to the unemployment compensation system that are likely to occur if additional funding for the SIIF is not authorized for calendar year 2017 or thereafter.
5. An estimate of the impacts to the unemployment compensation system that are likely to occur if additional funding for the SIIF is authorized for calendar year 2017 but not for calendar year 2018 or thereafter.
6. Recommendations on how the department can increase the efficiency of the unemployment compensation system.
7. Estimates of the amount of state funding that will be necessary to operate the unemployment compensation system, should the findings demonstrate that the system is being operated in a reasonably efficient manner.
8. Recommendations on how the department can eliminate the need for the continuation of the SIIF funding starting in calendar year 2018.

Thank you for your consideration. The General Assembly returns to session next month. Your swift action is critical as we continue working to bring a responsible conclusion to this matter.

Sincerely,

A handwritten signature in black ink that reads "Lisa Baker". The signature is written in a cursive, flowing style.

Lisa Baker
Senator