Pennsylvania Institute of
Certified Public Accountants (PICPA)

Report of the Fiscal Responsibility Task Force

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Pennsylvania Institute of
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Table of Contents

I. Preface

Founded in 1897, Pennsylvania Institute of Certified Public Accountants (PICPA) serves more than 20,000 members as the voice of the CPA profession across the Commonwealth of Pennsylvania. Membership is composed of CPAs in public accounting, business and industry, government, and education. PICPA's mission is to further the well-being of its members, while upholding the public interest, by pursuing the following:

- Enhancing quality services founded on professional competence, integrity, and objectivity
- Serving as an advocate for, and promoting the public image of, its members
- Articulating positions on professional and public issues where the expertise of CPAs is relevant

In keeping with its mission, PICPA actively monitors and addresses legislative and regulatory issues that could affect CPAs, their clients and employers, and the interest of the broader business community and Pennsylvania taxpayers. As advocates for a fair and equitable tax structure and fiscal environment, PICPA works closely with Pennsylvania's executive and legislative branches of state government and other stakeholders to advance a pro-growth economic agenda.

At all levels, elected officials are being challenged to find the resources to provide basic governmental services. Today's environment is the most difficult many of us have seen in our lifetimes. Organizationally and structurally, the way state government has operated in the past will no longer support current or future operations. Prudent, thoughtful, and meaningful changes must be implemented if we are to achieve a more streamlined and efficient delivery of statewide government services.

In October 2010, PICPA Council established a Fiscal Responsibility Task Force to provide objective, nonpartisan CPA expertise and perspective to help Pennsylvania's policymakers address the Commonwealth's fiscal challenges. CPAs are uniquely qualified to assist the governor and General Assembly with meeting the fiscal challenges that lie ahead. The task force of CPAs from a cross-section of PICPA's membership gathered to discuss a range of challenges and opportunities to streamline state government operations, control costs, and enhance the Commonwealth's long-term financial viability. The task force's work is ongoing, and we will offer technical assistance and strategic guidance as issues warrant and as the governor further develops his budget and cost control plans. This initial report addresses some areas of government spending that account for a large percentage of the Commonwealth's budget.

PICPA's members look forward to working with Gov. Tom Corbett and his administration, the members of the 2011-2012 Pennsylvania General Assembly, as well as other stakeholders as we forge ahead to a new, more economically vibrant Commonwealth of Pennsylvania.

II. Efficiency & Streamlining State Government

State budget shortfalls have accelerated since fiscal year 2008, with few indications of vibrant economic growth in the foreseeable future. According to the National Governors Association Center for Best Practices, between 1979 and 2007 state government spending grew at an average rate of 6.5 percent. Only once did it decline, in 1983, and it was by less than 1 percent.

The need to restrain state spending will not subside anytime soon, but streamlining state government programs and services will not be without practical and political challenges. As with any significant shift in policy direction, it will require a long-term commitment and willingness to take on both internal and external interests and entrenched political forces who want to protect the status quo. It will require the use of political will.

To begin the process, we propose the creation of a "Commission to Streamline State Government." This cannot be just another report-developing body whose work is forgotten soon after it is delivered. Part of the inefficiency of state government is its seeming willingness to create bodies to evaluate operations, then its reluctance to do anything with the finished product. Our vision of a Commission to Streamline State Government would be organized and managed so its work has meaning and its recommendations are implemented. There must be a means to assure outcomes based on the work product.

We believe the outcomes of the commission's evaluations should include, at a minimum, the following objectives:

- Elimination of programs
- Consolidation of programs
- Reduction in work force
- Creation of efficiency programs
- Technology enhancements
- Outsourcing and privatization

Performance audits are a valuable management tool when evaluating whether tax dollars are being spent in an effective, efficient, and economically sound manner. As such, we recommend that performance audits be more widely used in state government. To ensure objectivity, true performance audits should follow the U.S. General Accounting Office's Government Auditing Standards. These audits measure a program's actual performance against its goals and objectives, and help identify waste, inefficiency, or unneeded duplication of services. They also identify best practices used by Pennsylvania or out-of-state entities. They can be focused on a particular entity, program, or service, or can delve into a broader policy area that covers multiple agencies.

Accountability for how taxpayer funds are used must begin by meeting performance goals. We believe that requiring all departments and agencies to meet stringent and explicit performance goals can help determine funding levels and eliminate wasteful funding for programs that fail to meet their stated goals over a multiyear period.

The task force examined the Department of Public Welfare and the Department of Education to illustrate how the elimination of inefficiencies, abuse, and fraud provide unique opportunities for both substantial savings and enhanced productivity.

Department of Public Welfare

The Department of Public Welfare (DPW), with a budget appropriation of $9.6 billion, represents nearly 30 percent of the $29 billion fiscal year 2010-2011 state budget. It is the second-largest program in the state. Education is the single largest component of the General Fund budget at more than $10 billion, with the Corrections Department third at $1.7 billion.

The DPW provides much-needed services to 2.2 million Pennsylvania residents, representing 17 percent of the Commonwealth's nearly 13 million residents.

Issues

Several reports from the Auditor General's office detail numerous internal control problems with the DPW. They also identified areas where funds were paid out improperly. The Auditor General's office estimates that improvements could result in savings ranging from $268 million to $900 million.[i] In contrast, the federal Department of Health and Human Services (HHS) recently conducted its triannual audit[ii] of the Pennsylvania DPW and noted significant disparities in the following areas:

- Overall Medicaid estimated error rate of 4.07 percent (half of the national average)
- Fee-for-service Medicaid payments error rate of 3.77 percent (twice the national average)
- Medicaid eligibility determination error rate of 1.97 percent (a quarter of the national average)
- Medicaid payments to managed care organizations (one and a half times the national average)

The disparity between these reports makes it difficult to determine the best course of action. However, the fact that the disparity exists and that the state exceeds the national average in two of the specific areas leads us to propose the following policy options.

II. Efficiency & Streamlining State Government

Policy Options

Technology Upgrades

As a gubernatorial candidate, Tom Corbett's 2010 online position papers (Corbett's position papers) advocate technology upgrades that include implementing an IT Shared Services model. He supports consolidating items identified in previous studies into a plan with clearly defined timelines, performance metrics, and measurable cost reductions. This plan should improve the data management in the following areas:

- Easily locatable files, addressing the problem that 45 percent of the files selected for testing by the Auditor General's office could not be located
- Better sharing of information across departments, as communication will be more centralized
- Increased transparency, resulting in the DPW having the ability to clearly communicate results (both achieved cost savings and the error rate trends) on a regular basis
- Improved systems to help continue the reduction of the Medicaid error rate

Performance Metrics

We recommend that the new Independent Fiscal Office, recently established by Act 120 of 2010, provide oversight to look at the differences between the findings of the Auditor General's report and the federal HHS report. Despite expressing concerns about the Auditor General's Special Performance Report, the DPW did agree with a number of the findings and formulated a plan of action to address issues. The federal HHS report requires the state to develop a corrective action plan to address the errors that it noted. We recommend that the Independent Fiscal Office review the operations of the DPW, the DPW's proposed plan of action, and the corrective action plan mandated by HHS to ensure that the improvements are taking place. The Independent Fiscal Office should also determine if additional specific training would be beneficial to better equip the Auditor General's office to handle the complexities of the public welfare system.

Public-Private Partnerships

We concur with recommendations from the Milken Institute,[iii] the Commonwealth Foundation,[iv] and Corbett's position papers,[v] which include incorporating the private sector to improve the public welfare process.

The policy options include the following:

- Oversight committees to conduct cost-benefit analysis for partnering and privatization of public-sector services. (Milken Institute)
- Recovery audits where a private contractor recovers overpayments from providers. The contractor's costs are paid from the recovery proceeds so the audits are self-funding. (Commonwealth Foundation)
- Regulatory relief so the private sector would not be hampered by the additional cost and burden that unnecessary regulations add to some of the government work. (Corbett's position papers)

- Considerations regarding increased efficiencies that could be gained by subcontracting additional functions to other nonprofit agencies or the private sector through a managed bid process. There should also be consideration of using other nonprofit agencies or the private sector to assist the DPW in recovery and with other improvements.

Public Education

The Pennsylvania Department of Education annually subsidizes 500 school districts across the Commonwealth, costing more than $10 billion (2010-2011 budget). It is the largest single line-item in the Commonwealth's General Fund budget. Each year, school districts must file an annual financial report with the Pennsylvania Department of Education. Based on data contained in those reports, more than $24 billion is spent annually from all sources–federal, state, and local–on the education system in Pennsylvania. We reviewed the data in an effort to determine where savings and efficiencies might be achieved while still delivering quality education to the children of our state.

One area of inefficiency and redundancy is the administration of the educational system. Each school district, from the smallest to the largest, requires both a superintendent and support staff along with a business office and support staff. Every one of these 500 offices has similar duties, similar computer programs, and the same reporting requirements. The administrative costs of these districts range from 4.3 percent of overall expenditures to 14.09 percent, demonstrating varying levels of efficiency.

Based on our study, it appears that the smaller schools tend to have lower efficiency than the larger schools, but there are efficient and inefficient schools of all sizes. Significant savings could be achieved through some level of consolidation, with no visible change to the delivery of education to our children. This recommendation would not change the individual schools, would not change where children attend school, and would not change the number of teachers or the curriculum. Individual school boards could be maintained, if desired, so that there would not be any perceived loss of local control.

Policy Options

To achieve consolidation, we offer four policy options, any one of which would result in significant savings:

- Cut the number of administrations in half. If school district administrative duties were combined–with one administrative office and one business office running just two school districts–the estimated savings could be anywhere from $331 million to $812 million annually.
- Cap administrative and business office costs at 4.3 percent of total budgeted expenditures this is the percentage of the most efficient school district in Pennsylvania. This could save an estimated $613 million annually.

II. Efficiency & Streamlining State Government

- Reduce the number of school administrative and business offices to 100. This could save an estimated $1 billion annually.
- Have one central school administrative and business office for each of Pennsylvania's 66 counties (excluding Philadelphia County and school district, as it is already consolidated). This could save in excess of $1.5 billion annually.

Implementation of any one of these suggestions will significantly reduce expenses from salaries and corresponding costs of employee benefits continuing down to the amount spent on office supplies and other similar expenses. It would also free up space in many schools–some of which currently house administrative and business offices–thereby providing for additional classroom space at no additional cost to taxpayers.

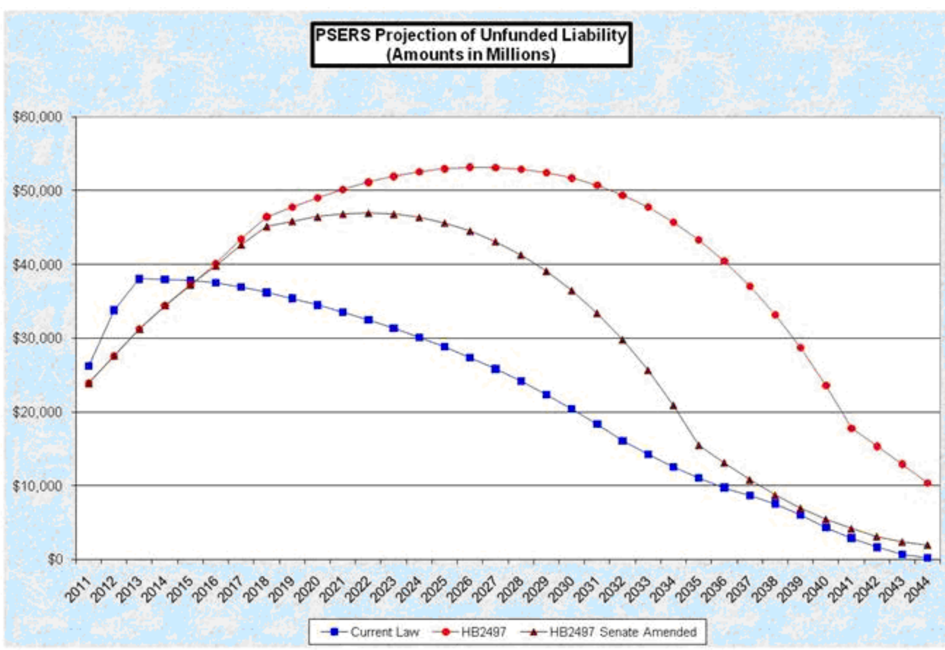
The savings could be realized by the state through a reduction in the amount of subsidies paid out to local school districts, by individual taxpayers via a reduction in school real estate taxes, or a combination of both.

As a start, we recommend that the state begin by identifying what portion of the state subsidies paid to the local education agencies are applicable to administrative costs. That would ease any political ramifications in reducing subsidies, because the reduction would only be in the administrative portion and not the educational portion. This is an approach that the average voter would most likely find acceptable.

While this section of our report has focused on the savings that would be realized in the administrative area of education, consolidation could also provide significant savings in other areas through efficiencies in purchasing, staffing, and various other functions. As always, PICPA is happy to serve as a resource in helping to evaluate additional potential cost-saving areas in the education arena.

III. Pensions

Recent enactment of House Bill 2497 notwithstanding, Pennsylvania is headed for a pension crisis. As the chart below shows, a short-term funding problem for the Public School Employees Retirement System (PSERS), the larger of Pennsylvania's two public pension funds, has been temporarily ameliorated, but it will return in the near future. Although funded, actuarially, at levels of approximately 79 percent and 84 percent respectively, the unfunded liabilities of the PSERS and the State Employees Retirement System (SERS) plans are estimated to be nearly $25 billion as of the dates of the most recent actuarial valuation reports. The unfunded liabilities are expected to almost double to $50 billion over the next 10 years. State government has long delayed making difficult decisions about the growing pension obligations resulting from the defined benefit promise made to participating employees. The simple fact is the pension systems for school teachers, public employees, and state lawmakers are not sustainable in their current forms considering the fiscal challenges the state now faces.



(Source: Commonwealth Foundation, pre-enactment of HB2497)

III. Pensions

There are two predominant approaches to pension plans in the public and private sectors to provide employee retirement benefits: the defined benefit plan and the defined contribution plan.

In a defined benefit plan–such as those employed by PSERS and SERS–pension benefits provided at retirement are defined, while the contributions made over the period of employment are variable, based on changes to the benefit design and experience of the pension fund assets. Upon retirement, a defined benefit plan participant is promised a predetermined amount that is calculated using a formula that considers factors such as age, duration of service, and compensation. Because the benefit is defined and calculated using a strict formula, and is not dependent on an individual's asset account balance, members of defined benefit plans are largely insulated from both negative and positive fluctuations of the investment markets. The PSERS and SERS plans also provide for some contribution to be made by participants, but ultimately the benefit promise and any variability associated with the items described above are borne by the state.

Over the past 35 years, the private sector has largely adopted defined contribution plans as the preferred method of providing retirement benefits. In a defined contribution plan, such as a 401(k) plan, the contributions made by the employer over the period of employment are defined and paid annually into the plan. The resulting assets available to an individual for pension benefits at retirement are variable, based on the asset investment experience. Upon retirement or separation from the employer, a defined contribution plan participant is generally entitled only to the accumulated asset balance standing to the credit of the individual's retirement account. Thus, market performance of the underlying investments directly affects the value of an individual's retirement account.

Costs for defined benefit plans, such as those in the Commonwealth of Pennsylvania, can only be estimated using assumptions that are subject to a range of values. In Pennsylvania, recommended actuarial funding amounts for the past 15 years have been consistently deferred. The combination of increased costs due to increased benefits legislated in the early 2000s, below-average investment performance over the 10 years through 2009, and deferred contributions have resulted in the excessive unfunded liabilities that currently exist. Funding these obligations will cause taxpayer-paid benefits to increase from 4 percent of payroll currently to almost 30 percent in 2013, based on a report prepared for SERS.

State-run defined benefit plans are overly susceptible to legislators effecting increases to the benefit promise, with little or no direct cost to the current budget, due to the nature of funding defined benefit plans toward a future benefit that's payable many years later. As noted previously, defined benefit plans are increasingly being phased out in the private sector in favor of defined contribution plans, particularly for employees who are younger in their careers and have more years to plan for retirement. For employees already vested and/or at retirement age, the defined benefit promise made to employees is typically not modified with regard to benefits earned, and it may be modified on a sliding scale based on age for those who are not vested or are younger than retirement age. The future cost of defined contribution plans is much more manageable for employers than is true for defined benefit plans. We believe true pension reform in Pennsylvania must address the nature of the benefit promise itself.

One policy option is to modify the PSERS and SERS plans to include a cap, or upper limit, on the amount of annual defined benefit pension to be paid at retirement expressed in terms of a percentage of actual average pay over the last five years of employment. For reference, many private plans considered to be generous in terms of plan design limit the defined benefit pension amount payable at 50 percent of such final average earnings. Changes could be implemented on a graduated basis, so those who have more years of service or are closer to retirement would be least affected or not affected at all, while those with fewer years of service or are further from retirement would see greater impact because they have more time to supplement their retirement savings through other means. Public sector retirement benefits in Pennsylvania should be subject to independent benchmarking reviews with private sector plans to assist in adopting best practices in the future.

Policy Options

To make headway in reforming Pennsylvania's multitude of pension plans, the task force developed several policy options that state legislators need to seriously consider.

- Freeze the current defined benefit pension systems–ensuring no change in the benefit levels for existing retirees–and establish a defined contribution pension system for new public school teachers, state employees, and lawmakers.
- Challenge the concept and judiciary decision that prospective benefits for current employees cannot be changed. If comparisons with private sector employers indicate that benefits for current employees are too rich, reductions in benefits should be considered.
- Require that compensation and benefits be subject to private and public sector best practices and compared against compensation and benefits paid by the private sector for comparable services. For this purpose, pension benefits as well as non-pension benefits should be included. For example, employee medical/health/dental/vision benefits during employment and those that may be applicable after retirement should be part of the benchmarking exercise. While state employees might continue to enjoy access to government health/medical plans after retirement, the criteria for eligibility as well as cost of participation borne by the retiree and by the state should be benchmarked.
- Prohibit pension obligation bonds or other funding mechanisms that create liabilities outside the domain of the plan, except perhaps to the extent that liabilities being funded by the bonds are pre-existing and fixed liabilities, as opposed to new obligations earned from the date of the bond issue forward.
- Require annual plan funding contributions in the future to be currently met and not deferred.
- Provide best practices information for pensions and benefits to political subdivisions throughout the state, and recognize those that operate transparently and prudently.

IV. Infrastructure

For this document, the task force assessed the financial condition of Pennsylvania's physical infrastructure, including roads and bridges; drinking water, wastewater, and storm water systems; and dams. These components of Pennsylvania's overall physical infrastructure are critical to public health and safety. Other infrastructure categories, such as rail systems and waterways, may be examined later by PICPA.

For each infrastructure system, an estimated expenditure needed to safeguard and maintain the system is quantified, and possible policy options are discussed to obtain the needed funds. Information was extensively drawn from the "2010 Report Card for Pennsylvania's Infrastructure" published by the American Society of Civil Engineers. Material was additionally drawn from information collected by the Pennsylvania Business Council and other sources as referenced.

The infrastructure components discussed herein account for about $3.5 billion in annual costs that are not currently funded through any means. In addition to the infrastructure elements discussed here, additional funds are needed for other components, such as railroads, waterways, levees, utility transmission, airports, and communication systems. Without funding, these systems could develop catastrophic failures, resulting in harm to the public and even greater expenditures in the future to rebuild systems no longer able to be repaired due to deferred maintenance.

Much of the needed funding must come from increased user fees, but some will need to be funded through general tax dollars or other sources of revenue. In some cases, needed maintenance has been deferred for years. The result, especially with regard to water-related and road issues, has now become acute. Legislation must be passed that deals with funding. With regard to Pennsylvania Act 44 of 2007 (Act 44), if Pennsylvania does not receive permission for Interstate 80 tolling, other sources of income, perhaps through additional fuel taxes, must be found to cover needed maintenance.

For all aspects of infrastructure, public-private partnerships should be considered and, where feasible and desirable, facilitated by removing regulatory hurdles. Care must be taken, however, to make sure public safety is not compromised and that the public interest is best served.

Roads and Bridges

Pennsylvania's highway network, which comprises 40,000 state and 76,000 local miles, ranks as fifth largest in the nation for the number of state-owned highways.[vi] Truck traffic on Pennsylvania's 1,754 miles of interstate roads, including the turnpike, is more than double the national average, and many of the state's roads are at, or have exceeded, their design capacity. International Roughness Index statistics show that 38 percent of Pennsylvania's roads are rated fair or poor.[vii]

Of Pennsylvania's 22,280 bridges, 27 percent are considered structurally deficient (compared to 12 percent nationally) and 17 percent (13 percent nationally) are deemed functionally obsolete. A structurally deficient bridge has at least one deteriorating structural component. While not necessarily unsafe, these bridges may have limits for speed and weight. A functionally obsolete bridge has older design features and, while not unsafe for all vehicles, it may not adequately accommodate current traffic volume, vehicle sizes, and weights.[viii]

The Pennsylvania Department of Transportation (PennDOT) estimates an annual $1 billion shortfall in funds needed to maintain the current state of roads and bridges. An additional $330 million per year over the current amount budgeted is needed to maintain interstate highways within Pennsylvania's borders.[ix] Therefore, a nearly $1.4 billion annual shortfall exists just to maintain Pennsylvania's roads, bridges, and interstate highways in safe condition.

Policy Options

Funding for road and bridge repair and maintenance–including new construction–could come from a number of sources. Historically, gasoline taxes have funded some of the burden. In 2006, it was estimated that adjusting gasoline taxes by 11.5 cents per gallon would raise an estimated $750 million.[x] At current prices, such a tax increase would increase the cost of regular gasoline by less than 5 percent. Other sources of potential revenue could come from other tax revenues, user fees in the form of tolls, or selling some roads to private parties. User fees and gasoline taxes place the cost burden on the heaviest users, and have the added benefit of rewarding efficiency in transportation. PICPA recognizes that Act 44 seeks to provide needed funding for Pennsylvania's roads and bridges through a combination of sources, as well as for investments in public transit. We encourage the governor and legislature to continue to seek a path to implement all the provisions of Act 44.

Water, Wastewater, and Storm Water Systems

In 1900, the average residential usage of potable water in Pennsylvania was five gallons per day per person; today, that number is 62 gallons per day per person. Water is relatively inexpensive, accounting for less than 1 percent of household income. Because most water systems do not adequately account for investment needs, residents are receiving water at rates below cost, and the systems are not generating sufficient revenue to finance investment.[xi]

According to a November 2008 report from the Governor's Sustainable Task Force on Infrastructure, capital investment for improvements to Pennsylvania's drinking water system is estimated to be $11.5 billion over the next 20 years (in 2007 dollars). However, the total cost of improving the state's drinking water infrastructure, including current needs, capital, operations and maintenance, and debt retirement will be about $38.9 billion over the next 20 years, assuming a modest 2 percent increase due to inflation.[xii]

When current usage rates are compared with available funding from state and federal agencies over the next 20 years, a gap of $15.5 billion appears, with the largest percentage of funding being required for smaller water systems. The funding gap between projected water investment needs and current spending levels is dependent upon the growth of user rates. The gap largely disappears if Pennsylvania municipalities increase water rates by 2.5 percent more than the rate of inflation.[xiii]

Another large financial burden is coming due to the simultaneous expiration of the useful life of the wastewater infrastructure installed at different times. Treatment plants typically have an expected useful life of 20 to 50 years before they have to be expanded or rehabilitated. Pipes have life cycles ranging from 15 to 100 years, depending on soil conditions, pipe material, and capacity requirements. In some Pennsylvania cities, some pipes are approaching 200 years old.[xiv]

According to the Governor's Sustainable Task Force on Infrastructure report, the needed capital investment for improvements to the wastewater system is estimated to be $25 billion over the next 20 years (in 2007 dollars). With current operating costs and at current user rates, there is a total funding gap of $28.3 billion over the next 20 years.

In addition, Pennsylvanians are seeing a dramatic increase in flooding and the damage caused by the effects of inadequate storm water run-off. These are often the result of antiquated practices for managing such run-off and the increased development of remaining empty space. Costs to reduce the impact of storm water run-off cannot be estimated at this time due to lack of available studies and issue mapping.

Policy Options

Americans pay less for water than any other country in the world as a percentage of household income. Partly as a result of this cost structure, Americans also use more water per capita than any other country.

Water is already more expensive in the western U.S. than the eastern U.S. because of a more limited supply. Pennsylvania has reliable and plentiful sources of water, but the strain of increased usage readily appears during periods of drought. Phasing in rate increases for water and sewer would move some of the burden of modernization onto users, and would help achieve the twin goals of a self-funded system and conservation. Because water and sewer use is spread among a large percentage of the population, increasing fees based on usage is a fair way to fund the true costs of these essential services. The end result would be less pressure on government budgets and a more equitable way of spreading the cost of water and sewer systems. Government funds could then go to subsidies for the needy, who would have the biggest hardships absorbing the increased rates, and be directed toward storm water issues, which have long been neglected and threaten the health of both the public and the environment.

Dams

Of Pennsylvania's 3,254 dams, about 367 are currently considered deficient in some respect. Among these, 302 are classified as high-hazard dams in the event of failure and 65 are significant-hazard dams. With estimated average repair costs ranging from $1.5 million to $4 million per dam, the cost for upgrading the deficient high-hazard Pennsylvania dams would be in excess of $800 million. In addition, many dams that were upgraded in the early to mid-1980s may soon reach a point where additional upgrades or repairs are necessary. The Pennsylvania Department of Environmental Protection (DEP) projects that the number of deficient and high-hazard dams will increase to about 560 by 2015 if needed upgrades are not completed, with an associated repair cost of more than $1.3 billion over the next five years.[xv]

Dams can be either publicly or privately owned. It is in the public interest to assure the safety of all dams, since a dam failure can result in destruction well beyond the private property on which it may be constructed. However, this private component of dam ownership makes funding problematic. Historically, some funding was provided by the federal government. In addition, the H2O PA Act passed in 2008 established funding of up to $800 million for water infrastructure projects, including a minimum of $35 million for unsafe, high-hazard dams. To date, about $48 million has been awarded for rehabilitation of 18 of these dams. The Council for Safe Dams, a committee of the Northeast Region of Association of State Dam Safety Officials, also has been pursuing a funding program for Pennsylvania dam owners to rehabilitate their dams.[xvi]

Policy Options

For publicly owned dams, funding must be allocated from tax revenue since there are no user fees that can be applied, other than those associated with water usage. For privately held dams, low-interest loans or grants can be made available to assist with needed repairs.

V. End Notes

[i] A Special Performance Audit of the Department of Public Welfare, Special Allowance Program, August 2009

[ii] U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services, December 2010

[iii] Ensuring State and Municipal Solvency, Milken Institute, October 2010

[iv] http://www.commonwealthfoundation.org/research/detail/welfare-fraud-and-abuse

[v] http://www.tomcorbettforgovernor.com/issues

[vi] ASCE 2010 Report Card for Pennsylvania's Infrastructure

[vii] Ibid.

[viii] Ibid.

[ix] Ibid.

[x] State of the Interstate Report, 2007

[xi] ASCE 2010 Report Card for Pennsylvania's Infrastructure

[xii] Ibid.

[xiii] Ibid.

[xiv] Ibid.

[xv] Ibid.

[xvi] Ibid.

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