

Testimony before the House Appropriations Committee
Curtis Topper, Secretary
Department of General Services
Tuesday, February 23, 2021

Thank you, Chairman Saylor and Chairman Bradford for the opportunity to appear before the House Appropriations Committee today to discuss the Department of General Services' (DGS) proposed budget for the coming fiscal year.

DGS tends to work behind the scenes, making it possible for our customer agencies and local government organizations to achieve their missions more efficiently, effectively, and safely. The work we do is vital, but it is often invisible to most Pennsylvania taxpayers. So, I would like to acknowledge some of the DGS teams who have responded so admirably to the extraordinary and unprecedented challenges we have faced during the last 11 months.

DGS is responsible for the Capitol Police Department (CPD), and I would like to acknowledge their professionalism, bravery, and service as we encountered an increasingly more difficult security environment throughout the year. Like so many, I was horrified to see the year culminate in the tragic events of January 6th in Washington, D.C. I cannot imagine ever seeing our own capitol building similarly breached because I know how thoroughly our own CPD prepares for protest events in Harrisburg. I have seen firsthand how well they coordinate with our State Police and local police departments. I know they are well equipped, well trained, well reinforced, and especially well led. I know that they have the benefit of independent governance, unencumbered by the politics that hampered the response in Washington.

In addition to our capitol police officers, roughly one-half of DGS employees have continued to work onsite, throughout the COVID-19 pandemic. The other half of our workforce adapted quickly to telework, finding new ways to remain productive.

Although our buildings have been closed to the public and many Commonwealth employees have been teleworking, DGS Facilities and Maintenance teams have been onsite every day to perform necessary upkeep and to help ensure our safety. Following CDC and industry guidance, our personnel changed out and upgraded building air filters and adjusted intakes to increase fresh air flow in our buildings. Our in-house personnel have also begun installing new UV light disinfection systems within our air handling systems. They have also managed our contract with a minority-owned firm, the 360 Group, to provide surface testing and sterilization throughout the common areas of the complex and wherever we have needed them to respond to COVID-positive cases on an emergency basis. I am immensely proud of all their efforts.

Our Publications print and mail team has been working around the clock to handle a ten-fold increase in outbound Commonwealth mailings associated with unemployment compensation and other vital benefits for Pennsylvanians. They have done it without missing a deadline.

Our Supplies and Surplus bureau established a temporary 500,000 square foot warehousing operation to receive and distribute Personal Protective Equipment (PPE) and other necessary supplies across Pennsylvania, supporting PEMA and the Department of Health (DOH).

Our procurement teams, also supporting PEMA and DOH, have learned to operate as direct importers, for the first time, sourcing necessary goods such as masks, gloves and ventilators directly from overseas, wherever we could find them at the height of the crisis.

Our Real Estate team has worked with landlords across the state to ensure that our leased facilities are equipped with necessary signage, equipment and supplies to keep Commonwealth employees and visitors safe.

Our administrative teams have responded heroically to an ever-changing landscape of reporting requirements associated with pandemic-related expenses and our personnel.

Our Commonwealth Media Services team has continued to travel and to provide extraordinary, award-winning audio, visual and digital support to the Governor's office, the Department of Health, PEMA and other agencies. They have worked tirelessly at all hours to make sure we get vital messaging about the pandemic out to Pennsylvanians every day.

Our Public Works team effectively shut down our vast portfolio of ongoing construction projects when required at the beginning of the pandemic. They retooled over a period of weeks, created effective contract guidance to ensure greater safety on our project sites and then they re-opened them, putting Pennsylvania contractors back to work, safely.

Our Bureau of Diversity, Inclusion and Small Business Opportunities team successfully rolled out an entirely new program of goal setting based on the results of Pennsylvania's first comprehensive disparity study and using new state of the art technology. Despite the pandemic downturn, they expanded the range of contract award methods that contemplate diversity, inclusion, and small business participation and they maintained overall participation at approximately 10 percent.

While I cite all these examples out of a deep sense of pride and gratitude, these examples do not encompass all the work that our employees have done. Our employees have truly shined in the face of adversity during the last year. Although they may not be "first responders" in the traditional sense, they have played a significant role in saving lives and preserving livelihoods in our state.

I also cite these examples because they underscore how far we have come as an agency during the last five or six years. I am certain that without our ongoing lean transformation, our dedication to continuous improvement, our focus on customers, or our investments in new technology platforms prior to the pandemic, we could not have responded anywhere near as effectively to the crisis. None of us were truly prepared to respond to an unprecedented, sustained, months-long crisis like the pandemic – but we were prepared to embrace the challenges that emerged, to nimbly adapt to meet the needs of those who depend on us, to learn from our experiences, and to apply that learning in order to improve. We were prepared to deliver a government that works.

In our budget request for the next fiscal year, we have incorporated some of what we have learned from the agency's pandemic experience. It includes both short- and long-term budgetary implications and needs to be addressed.

In the short term, we must address the need for an ongoing PPE stockpile in the Commonwealth. Our direct experience of the last year demonstrates clearly that we cannot afford to rely exclusively on our traditional just-in-time supply chains or on federal stockpiles for the next pandemic. We need to

maintain a larger inventory on the state level. Our budget proposal requests an incremental \$6 million for this purpose. With this new annual allocation, our procurement and logistics teams will stand up a new, permanent warehousing operation that can deliver the necessary masks, gloves, face shields, gowns, and ventilators that communities across the state may need during the next emergency.

Over the longer term, the Commonwealth workforce's embrace of teleworking technology has implications that we are working to understand. We are collaborating with the Governor's Office of Administration on more permanent teleworking policies. Over time, I believe the shift to a more mobile workforce will lead to positive changes for our carbon footprint, our capital program, and our real estate and parking costs. That said, I would caution the General Assembly against making assumptions this year about savings in these categories. Our space consumption patterns will continue to evolve over the next year. We do not know yet what the "new normal" will look like. Most of our parking and real estate costs are built into long-term agreements with commercial lessors across the state. Most of these agreements do not allow for early termination and to the extent that we might try to negotiate, we would be doing so under particularly adverse market conditions.

As I have previously testified, DGS has been at the center of the Wolf administration's successful effort to reduce operating costs and to deliver greater value for citizens. We recognize that the expectations and needs of our client agencies will continue to evolve, and we welcome your support as we continue our work in transforming the agency. As the General Assembly reviews our budget and engages in its oversight responsibility with a view toward creating greater efficiencies across the Commonwealth, I would ask respectfully that members work with us more directly to gain a fuller understanding of what we do and how we do it before new legislative solutions are proposed based on outdated or incorrect assumptions.

Finally, I would like to draw your attention to our recently published annual report on diversity, inclusion, and small business opportunities. As you know, the Wolf Administration has made significant strides in this area over the past five or six years. Our latest report covers last fiscal year, including the first few months of the pandemic. Based on our own data, and data available nationally, the economic distress caused by the pandemic has not been evenly distributed. Our small diverse businesses and our communities of color have been disproportionately affected by the downturn.

Our report indicates that so far at least, the Commonwealth has managed to sustain most of the gains we had made with respect to the percentage of our expenditures going to small diverse businesses. We are now at roughly 10 percent, and I am excited about the successful programmatic changes we have made involving goal setting and the application of the program across more of our contracts. But we must continue to do more to meet our goals.

We need a sustained, bipartisan effort across multiple consecutive administrations to fully implement the recommendations of the Commonwealth Disparity Study. Our suppliers require, and deserve, stability in these programs so that they can make necessary investments in growth and development without worrying that the rules will change midstream. With this in mind, I ask for your support of our pending legislation to codify the DISBO program.

Our language, while still in draft form, codifies several important initiatives that are currently in place through policy and regulation. Examples of the changes we are seeking include but are not limited to

establishing a procedure to determine contract specific goals, updating outdated definitions, and establishing a statutory requirement for the department to conduct a Disparity Study.

I would welcome any questions you may have about our budget proposal or the agency.

Thank you.