

# State Senator John Gordner

# Reports



To the 27th Senatorial District

WINTER 2011

## A MESSAGE FROM SENATOR GORDNER

Dear Friends:

During the past several years, Pennsylvania has seen unprecedented challenges due to the downturn in the national economy. Just like every family and every business, state government has had to tighten its belt and live within its means. As we begin a new legislative session with a new Governor and a new General Assembly we face continued challenges, but we also have an historic opportunity to position the Commonwealth for growth.

This is my first newsletter in two years. Although Senators are permitted to send two newsletters every year, I felt that it was important to hold the line on spending within my office. However, I also have a duty to keep constituents informed of important issues and initiatives, and with the close of the 2009-2010 session, I wanted to take the opportunity to keep you informed of several of these matters.

During this legislative session, I have joined the Senate Republican leadership team as the Majority Caucus Administrator, giving me the opportunity to help formulate policy and initiatives in the Senate. Additionally, I will remain Chairman of the Senate Labor and Industry Committee for the 2011-2012 legislative session. The Committee deals with challenging legislation that affects employers, employees and workplaces. In the coming months, the Committee will be considering legislation to deal with Unemployment Compensation reform and Workers' Compensation reform.

As always, if you have any questions on these or any matters of state government, please do not hesitate to contact one of my offices.

A handwritten signature in blue ink that reads "John Gordner".

## Senate Cuts Costs, Addresses Pension Crisis

The tough economy has caused Pennsylvania to tighten its belt over the past two years, and I am pleased that the Senate Republican Caucus has taken the lead in state government to hold the line on costs. In the past several years, Senate Republicans have reduced caucus spending by over 15 percent.

Since 2007, the Senate Republican Caucus has implemented various policies, including lay-offs, salary freezes and elimination of new hires. In fact, the Senate Republican Caucus has reduced its workforce by over 6 percent over

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Senator Gordner received the inaugural Charles H. Coder Leadership in Entrepreneurial Innovation Award in October in recognition of his leadership to sustain funding for the Small Business Development Centers Program.

## Senate Cuts Costs, Addresses Pension Crisis *Continued from Page 1*

the past several years – a greater rate than the much-touted recent executive branch workforce reductions. In my own legislative offices, two vacancies that have occurred

### Gordner Spyware Bill Signed Into Law

As more and more Pennsylvanians choose to make purchases and handle their finances online, we must take further steps to protect the privacy of our personal information. I sponsored legislation that will improve computer security by preventing Spyware, a tool used by cyber identity thieves to obtain personal information. It is now a crime in Pennsylvania to distribute Spyware to a computer without the user's consent or knowledge.

Spyware is a term for a computer program that gathers information through the user's Internet connection and transmits it to a third party. This information, which includes passwords and personal identification numbers, can be used to commit fraud. Spyware presents a serious threat to the security of our personal information, and we must take action to prevent this valuable information from falling into the wrong hands.

This bill gives Pennsylvania one of the nation's toughest laws against Spyware. It prohibits the bad conduct and deceptive practices used by Spyware providers, without over-regulating technologies that provide valuable benefits to consumers, such as automatic security updates.

In addition to being used by identity thieves, Spyware may also affect a computer's basic operations. Spyware can be used to modify a user's bookmarks and home page, manipulate search engines, remove or disable anti-virus software or trigger other harmful downloads to the user's computer.

I was pleased to work with Attorney General, and now Governor Tom Corbett on these important measures, as well as with local and state law enforcement agencies, which strongly supported the bills.

over the past two years will remain unfilled as a cost-saving measure.

Over the past two years, the economy has forced the General Assembly to cut over 100 programs in the state budget. While budget cuts are never pleasant, it is important that the state holds the line on spending and avoids tax increases so we are in a good position to take advantage of the coming economic recovery.

In addition to these operational reforms, a major reform of the state's pension systems dominated the end of the General Assembly's session. In order to avoid large tax increases this year to bolster the underfunded systems, we took steps to address the current pension problems and mitigate future costs.

The current crisis is a result of three causes in this order of magnitude – the historic collapse of the stock market; underfunding of the pension in various state budgets; and the 2001 changes to the pension law that enhanced benefits.

**I was one of the few members to vote against the pension legislation** when I was a House member in 2001, and I made an irrevocable decision then not to take the higher legislative pension benefit.

The reforms contained in the legislation are intended to stabilize

Pennsylvania's public pension systems and address projected significant increases in employer premium costs. Cost estimates of the reform indicate they will provide almost \$3 billion in current savings to Pennsylvania's public pension systems as well as over \$39 billion in long-term employer savings for our school districts in the Commonwealth.

The law does not allow the General Assembly to change any pension benefits terms for current employees. Therefore, substantial changes will apply to new hires. For new employees, the terms of the 2001 pension law will be reversed with some additional provisions. The multiplier will be reduced from 2.5 to 2; the vesting period will be increased from 5 to 10 years; the retirement age will be increased; and employees will no longer be allowed to pull their contributions out of the system at the time of retirement. Further, the Senate added a provision that would mean employees would now "share the risk" if there are future downturns in the stock market. No longer would taxpayers be fully responsible for making the pension system "whole." This provision is "cutting edge" in regard to public pension systems nationwide.

### New Laws Target Methamphetamine Production

I am proud to announce that two bills I sponsored to complete a package of bills to combat methamphetamine in the Commonwealth were signed into law. The first law provides specific penalties for operating a methamphetamine lab and the illegal dumping of methamphetamine, while the second requires defendants convicted of operating illegal labs to pay for the environmental

clean-up costs associated with the lab. Penalties are enhanced anytime meth labs are operated near schools, playgrounds, day care centers and other places where children may be.

Meth labs are environmental disasters just waiting to happen because ingredients in meth production can cause explosions, chemical fires and toxic releases. It makes good sense to increase penalties for the operation of labs and to provide for additional penalties if these labs are operated near where children may be learning and playing. I am hopeful that these new laws will help prevent the manufacture of these dangerous drugs and help protect our communities from the dangers of meth.



## State Funding Spurs Local Economic Development, Job Growth

**D**uring difficult economic times, wise investments can be made in our communities to help local industries maintain the current workforce and provide for new opportunities. Companies that are willing to provide long-term commitments to our area and contribute capital can qualify for targeted state economic development programs. In the past year, I was pleased to be able to assist several area companies with project funding. All funding was competitive and required substantial commitments from the companies. Each resulted in increased employment and several included environmental benefits, such as reduced emissions and lower energy usage and costs.

The Commonwealth Financing Authority (CFA) approved an **Alternative and Clean Energy program grant of \$1.75 million for Furman Foods of Northumberland for a project that will save energy and create 24 jobs.** Furman's will match the state funds to construct an innovative energy system to convert its existing conventional wastewater treatment plant into a waste-to-energy producing facility. The project will allow Furman's to expand product lines and substantially reduce energy costs and usage. This type of state investment is good for the environment, good for local jobs and good for our community.

The CFA also approved a loan for a Mount Carmel Township company for a project that will **create jobs and reduce emissions at Kurt Weiss Greenhouses.** Kurt Weiss Greenhouses currently employs 50 workers and expects to add an additional 15 positions as a result of this project.

The CFA low-interest loan of \$959,000 along with a million dollar investment by the company will allow for construction of a clean wood chip boiler at the company's facility. The efficient boiler will allow the company to replace existing gas boilers, reducing fuel costs and carbon dioxide emissions. It is estimated the reduction in carbon emissions will be ten million pounds per year.

The Commonwealth Financing Authority is an independent agency

which administers Pennsylvania's economic development programs.

The Ben Franklin Technology Development Authority, one of the nation's longest running technology-based economic development programs, **awarded the Greater Susquehanna Keystone Innovation Zone (KIZ) \$100,000 for job creation and retention programs.** I am pleased to be able to serve on the Ben Franklin Authority Board.

The Authority has recognized the success of the Greater Susquehanna KIZ in the past year in terms of job creation and retention. Indeed, the KIZ has exceeded these goals despite a tough economy by **creating 56 jobs and retaining 131 others.** Seven new companies have established operations in the KIZ. The yearly goal for the KIZ was 15 new jobs, 37 retained jobs and five new companies.

The Greater Susquehanna KIZ is a partnership between Bloomsburg, Bucknell and Susquehanna Universities, along with Geisinger Ventures and other regional economic development entities as well as private sector partners. The KIZ acts to develop targeted industry sectors in the Susquehanna Valley, which include biomedical and life sciences technology, health care services, information technologies and wood manufacturing.

The state Transportation Com-

mission **approved funding for two rail projects in Central Pennsylvania** that I sponsored in the state's Capital Budget.

The Commission approved funding of \$1.65 million to provide rail service to the new United States Gypsum plant in Washingtonville and \$793,000 to expand rail service at Boyd Station LLC in Riverside. Both of these projects will add family-sustaining jobs to our area.

United States Gypsum has built a new wallboard plant in Washingtonville and rail service to the plant is necessary for incoming shipments of raw material and outgoing shipments of finished product. The total cost of the project is over \$2.3 million. USG employs more than 150 area residents.

Boyd Station LLC will complete a \$1.1 million project for the continued expansion of the company's bulk commodity shipping receiving infrastructure. Boyd Station is an agricultural commodities transfer facility.

I am pleased that former state Transportation Secretary Allen D. Biehler was able to help break ground for a rail upgrade that will allow Boyd Station to increase its capacity and add jobs at the Riverside plant. **Twenty existing jobs will be retained and four new jobs will be created as a result of the project.**



Senator Gordner participates in a groundbreaking in November to highlight the construction of new infrastructure for railcar to truck commodity distribution at Boyd Station in Rush Township, Northumberland County. Joining the Senator is former Transportation Secretary Allen Biehler and the Boyd Station owners.

## New Law Eliminates Elected Office of Assessor, Cuts Costs

It is important for government at every level to cut costs to ensure that our tax dollars bring the greatest benefit possible to our communities. The General Assembly recently passed a comprehensive local government bill that contained an amendment that was based on a bill I sponsored to eliminate the elected office of assessor in Boroughs to help reduce costs to local taxpayers.

Elected local assessors are no longer necessary with computerized county assessment offices, and many times, no one even runs for the position. The legislation mirrors a previous bill I sponsored to eliminate unnecessary positions in township government. I am thankful that my colleagues in the General Assembly are working with me to help both state and local governments cut costs to taxpayers.

## Property Tax/Rent Rebate Forms, Tax Forms Available Now

Applications for the Property Tax/Rent Rebate program and state and federal tax forms are available now at my district offices.

The Property Tax/Rent Rebate program provides rebates on property taxes or rent paid by seniors and disabled individuals in 2010. To be eligible, applicants must meet income requirements and be a Pennsylvania resident age 65 and older; a widow or widower age 50 and older; or a permanently disabled individual age 18 and older.

The program is available to homeowners with a household income of \$35,000 or less and renters with a household

income of \$15,000 or less, excluding one-half of Social Security Income and Railroad Retirement Tier 1 benefits. Homeowners and renters can receive rebates of up to \$650 for rent or property taxes paid in 2010 through the program.

A list of my district office locations and phone numbers is included in this mailer. I would encourage district residents to contact my district offices to learn more about the program or to receive an application.

January and February are two of the busiest months of the year for tax filers. A number of important state and federal tax forms are available now at my district offices.



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