

Good morning, Chairman Smucker, Chairman Blake and members of the Senate Intergovernmental Operation Committee. I am Dave Fillman, Executive Director of AFSCME Council 13. On behalf of AFSCME's 65,000 members, thank you for the opportunity to testify today.

Overview

At a time when the State Budget is somewhere between \$3-4 Billion dollars in the **RED**, AFSCME believes there are ways for the Commonwealth to invest in its employees already at work for the Commonwealth. As we all heard last Tuesday, Governor Corbett's main priority is creating more jobs in Pennsylvania. Over the last few years, AFSCME has committed its time and resources to find ways to save money in every Agency. We've made certain our members are aware of needed cost-saving measures and encouraged their input where dollars may be saved. Each year we've presented employee-recommended cost saving measures. Who better to recognize the waste and possible savings than our members who work in the trenches day in and day out.

This year will be no different. The Governor's budget proposes the elimination of 1,000 vacant positions and 500 filled positions, which means more employees heading to the unemployment office. Again, we understand the tough economic times we are in, but if we could implement some of our workers' cost-saving measures, we could very well keep those 500 employees working and even fill some of those 1,000 open positions – thereby putting people back to work and not on the unemployment rolls.

Cost Savings Realized

AFSCME and the Commonwealth have entered into agreements that have streamlined the Grievance process for all Agencies under the Governor's jurisdiction. These new agreements have saved significant amounts of money for both parties.

For example, an independent arbitrator is now used at state-wide hearings who issues decisions on any grievance the parties cannot resolve. The arbitrator is paid at a daily rate, regardless of the number of cases. This greatly reduces the number of arbitrations that must go to full hearing. Previously, one arbitration could cost upwards to \$3,000 for each party. Under the new system, the cost for an entire day is less than \$1,000 per side.

An expedited classification grievance process has also resulted in reduced costs. Desk audits prior to the new agreements required Commonwealth personnel to travel, resulting in costly man hours, as well as the travel expenses incurred. These audits are now performed in Harrisburg allowing for a greater volume to be conducted in a shorter time, virtually eliminating Commonwealth costs.

Proposed Cost Savings

We would recommend the Commonwealth look into expanding the four-day work week, as well as the Alternate Work Schedules (AWS). This would save money on utilities, gasoline and other energy expenses. This would also keep offices open later, enabling more Commonwealth residents to access needed services.

The General Assembly should ask the Governor to open the books on all private contracts in place for review. There are services private contractors are performing which should be (and, in some cases were previously) performed by State employees. We

believe our members can provide more efficient, cheaper and better accountability to the Public.

There should be an easing of mandates for purchasing only through vendor contracts. Many items can be purchased at a much lower cost from local merchants, rather than the too often used out-of-state vendors. This would save the Commonwealth money, aid local small businesses, and keep the dollars in Pennsylvania rather than out of state.

With regard to mowing and snow removal, contracts between agencies should be consolidated. In some instances buildings are side-by-side with different companies performing the exact same work. Trash collection is another contract that falls under this same category.

Commonwealth vehicles are being used by management employees for travel from home to office, some never going to field work locations. For example, there are over 390 vehicles, not including Law enforcement, that have confidential plates which can be driven at any time at the Commonwealth's expense. According to the State Government and Cost Study Commission's Final Report, released on June 28, 2010, savings could reach \$8 million or better.

In closing, everyone wants to move forward and find a solution to the problem. Bad budgets and bad legislation, coupled with the corruption on Wall Street, not Main Street, are the reasons why state and local governments face the shortfalls today; public service employees have not created these tough, economic times. We are here today to roll up our sleeves as public employees and assist the Commonwealth in attaining fair fiscal solutions.

I am available to answer your questions at this time.