

**TRANSCRIPT FROM JANUARY 17, 2007 SILC QUARTERLY BOARD
MEETING**

SECRETARY SCHMERIN, DEPARTMENT OF LABOR AND INDUSTRY



Welcome on behalf of the SILC, Steve.

Secretary Schmerin: Thank you, John.

Good afternoon. I wish each and every one of you a happy new year. Yesterday

Governor Rendell was sworn in for his

second term. Anyone who knows the Governor or who heard his inaugural speech or heard clips from it, the next 4 years will be at least as productive as the past 4 years.

The Governor in his speech and last night and now today has outlined many reform initiatives that he will try tackling this term. Knowing the Governor like I do, he will succeed.

What stood out to me relative to OVR and the centers for independent living is that he did try and he will try to push healthcare access and transportation as key issues for this year.

Healthcare for all Pennsylvania people and transportation issues. I am sure you will hear more about those in the next few weeks and most importantly at his budget address in February.

His prescription for Pennsylvania, he talked about the news conference at noon today. The news conference lasted over an hour and a half. I'm sure it will

take several weeks to digest what he said. Basically, he is concerned with the rising cost of healthcare and most importantly, there are over 100,000 Pennsylvania people that have no healthcare coverage today. He is attempting to make healthcare coverage available for all Pennsylvanians. That will directly benefit the CILs. As of yet I cannot sit here and tell you the plan or how it will work. It is in the formula stages. More importantly, it has to go to the general assembly who will be a key speaker, a key listener in this process.

Most importantly it will have to go to Pennsylvanians and advocacy groups.

Hopefully it will

This is a problem that affects the other 49 states. Other states are now or have been understanding the problem we have. California is attempt to go address the problem. Massachusetts is also. Pennsylvania did it in the last year with cover all kids and we will do it with cover all Pennsylvanians.

It is a new year in the political landscape in Harrisburg. There's significant change in the make up of the house and the make up of the Senate. Most importantly with the leadership.

The leadership specifically in the house, I just ran into him in the hallway and I invited him to come down here but he had another commitment. We have a speaker in speaker O'Brien, who should be available for all people with disabilities. He has a personal connection with people with autism. He made it known in his acceptance speech and making it clear to his colleagues in the house that that is an area he wants addressed.

Any time a speaker of a house makes comments like that, I think it is important that you understand you do have annal alli and you have to look for him for

issues that affect CILs and all people with disabilities. I think you have an ally. I encourage you to take the opportunity to meet with him. I don't have to tell you or I don't have to sit here and explain to you the valuable -- how valuable it is to meet with leadership in the house and Senate and knock on their door and let them know your issues.

When you do that, then they understand that there are groups that mean business, there are groups that need the funding, what you need the funding for. In my experience in the past 4 years, it has worked in the budget process. Yes, I get beat up in my budget hearings as it relates to the funding amounts and why I don't have money in there. But it's all part of the process. You know that, I know that. The budget is give and take you have to sometimes take funding away in order for it to make or at least leave a mark with the house leaders and the Senate leaders. Then it looks like they are putting it back in rather than us taking it out. It's the process that starts up every year. It starts in full force next month. I know you will be there. I encourage you to get on board with that.

What was our budget suggestion as you asked, Bill? We submitted to the budget office level funding #- \$.25 million for the CILs. Why did we do it at level fund something that's what we were told to do in bottom line numbers that we were kept at level funding for all of our programs in OVR and throughout labor and industry, unemployment comp, workers comp, labor compliance. We have stayed at level funding for the past 2 plus years.

Does that mean that there will not be any he additions? No. It's the process that you have to make your voices heard to the leaders of the house to the

leaders of the Senate so they understand the reasons for the additional CIL, so they understand the reason for SWATCO, so they understand why you need the additional dollars.

Why can I not do that? Because it's the process of the budget negotiations.

I can't go in there and ask or the Governor cannot go in there and ask for additional monies so that the leaders of the house and Senate can say, see, this is the Governor that wants an 8% increase in the budget. Again, it is all part of taking it away from one area and putting it back in another. You have to live within the budget constraints that are placed upon us every year. The Governor has to balance, as does the general assembly, the budget June 30 of each fiscal year.

With all of the talk and with all of the issues that are raised they somehow manage to do that usually by the end of June or within the first few days of July of each physician care year and hopefully from now forward they won't be doing it in the middle of the evening.

That's the process. That's your role. My budget dates are February 27 and 28. The house and the Senate.

They will address those questions. They will ask me about funding for blind and visual services. They will ask me questions about why are we not funding CILs, what are the

Advantages of various packs, again, my answer has to be and Bill's answer will be we can only fund what we have money for.

That's the dilemma that the leadership in the house and the appropriation committees and the various cabinet secretaries have to deal with plus the

Governor's budget office has the unique role of bringing it altogether. So those are the issues that relate to the budget.

I also feel the transportation issue and I know that John and Laverne will be here later today. I can see you can see and understand that the Governor feels the need and understands the requirement that we must find funding streams for the transportation issues facing Pennsylvania today. That includes access and rides and availability for people with disabilities. It's just not septa in the southeast or port authority or toll roads. This has to do with access. It has to deal with all issues relating to transportation and there needs to be a funding stream. The bottom line is the Governor is committed to that. Part of it has to do with leasing or privatizing the turnpike system, I'm not sure. He understands that there has to be some mechanism in place to fund transportation for the road system in Pennsylvania, for access, for making sure that all Pennsylvania people can get back and forth from their place of work and home and wherever they have to go. It's an issue that the Governor, again, is tackling and will attempt to tackle in the next several months and address it in the next fiscal year. It's an issue that I think is of utmost importance because of accessibility and making sure that you have the ability to get from point A to point B.

That's important. The other issue that one of the Governor's senior staff members, day Myers will be here is the cabinet for people with disabilities and its advisory council.

Again, it is not a cop out for me. It was in the infant stage. It was an executive order in December 2007.

I don't know. I can tell you who is on the cabinet, who are members of the

cabinet. I can't tell you what we have done because quite frankly as you know we haven't had a meeting yet.

I can explain to you the purpose of the cabinet. I can tell you what its role is and how it will affect I&i, OVR, ODHH and all of the advisory committees, I can't get into specifics. I don't know who will report to who, whether the Governor's committee on employment of people with disability is better served by reporting to this cabinet or should it stay with L&i and OVR.

Quite frankly we have to get a handle on all of the advocacy groups, all of the committees to make sure that we are doing what is written for all people in Pennsylvania and people with disabilities throughout the Commonwealth. I anticipate the chairperson, secretary Richmond scheduling a meeting in the next several months. After that we will have the advisory committee, those individuals throughout the state that will assist us in setting forth an agenda and understanding and making sure that there is no discrimination in Pennsylvania. So that's yet to be seen, yet to be heard. I'm not trying to tell you I don't have the answers but quite frankly, I don't know because we haven't had our first meeting yet. I can assure you once we have set the meeting, once we have had the meeting we will have a better understanding and vision of what this cabinet's goals and marching is, so to speak, as it relates to serving all people in Pennsylvania in disabilities

In other areas of labor and industry, again, I think you saw one of the strongest efforts by a Governor in any of the 50 states in this union in the effort Rendell undertook to have the increase in minimum wage.

The Governor understood and made his thoughts known early on that when

there has not been an increase in the minimum wage by the federal government in over 9 years, that he had to act. He said from the get go that he thought it was the auction or action or responsibility of the federal government to address minimum wage.

They didn't take any action and had they did try or attempt to pass bills to address the problem, they were so watered down and so -- so many loopholes that it would not work, then he moved forward. You have seen that he signed into law the increase in the minimum wage as of last week to \$6.25. Then another increase as of July 1 to \$7.15 per hour.

So he did take the tough task in making sure that this would pass in Pennsylvania.

And there are approximately 21 other states that have done so far. Yes the federal government is now acting. I anticipate that will pass some type of minimum wage increase, but not to the extent and not as quickly as Pennsylvania did. While there may be two differences in whatever rates are out there as we interpret the law, we say the better rate will apply. So if Pennsylvania provides better benefits as it relates to the hourly rate or those eligible, then that will apply. I think you saw the action the Governor took on minimum wage. I think he will take that same initiative for the healthcare coverage that will cover all Pennsylvanians.

I think our career links have finally come into line so that they are accessible for all people in Pennsylvania. That's been an issue that we have wrestled with the last 2 to 3 years.

We have had the committees. We have had the help of both areas. I think we

have addressed them so that the career links are accessible and they will remain accessible for all Pennsylvanians.

If there are issues we are here to address the problems but we have to know what they are. Again, I think when it comes to the arena of the career links, work force development, we want to make sure that all people in Pennsylvania have the ability to earn a fair wage, a fair family sustaining wage so they can prosper in Pennsylvania.

That's the goal, that's the initial effort as the Governor said, poverty level wage for minimum wage, even increasing it to \$6.25 and \$7.15, it's barely above poverty wage but it's a start.

It's most important to him and it's most important to Bill and Mr. Meyer that every person in Pennsylvania that wants to work has the ability. That starts at career links. We will do anything we can to make sure they are all accessible.

So with that, I know there are many issues out there. If anyone has any questions I will gladly try to answer them or get the answers for them and make myself available.

>>MR. LOFTUS: Mr. secretary, thank you for coming. Dan Loftus from the center for independent living in Scranton. I believe I heard you say that they are advocating for pledging for \$2.25 million for CILs which is level funding. Last year when you spoke to the funding level funding was \$1.6 million. What is level funding?

>>Secretary Schmerin: We propose \$2.25 million. Last year's budget if we were correct they took out one of the funding for the CILS. It was put back in. What we have proposed to be put in our budget -- when I say proposed, we

have submitted to the office of the budget \$2.25 million for CILs. Will the office of budget use that number in its final document that they have prepared for the Governor's budget address? I can't tell you what they will do because quite frankly we don't know. We have asked them to do that. That's what we have proposed \$2.25 million.

>>CHAIRMAN TAGUE: Any additional questions?

>> Secretary Schmerin: It was through your efforts that the additional monies came. It was nothing that I did. All of the credit goes to you men and women that lobbied for that. I have said that before that you don't know how powerful you are when you lobby for issues with the various appropriation leaders. They understand I may say something and I may ask for money. When you come and make a personal visit, it has a far more reaching effect and effort in getting what you want. You can't put a dollar tag on your ability to lobby. I think that's key in any effort in getting your goal.

>>MR. HENDERSON: I just want to say something. Secretary Schmerin, I heard rumor last year we lobbied and fought hard to get that money restored. It was a tough fight. Hopefully we will not have to fight this year for it. It was a tough fight. Thank you.

>> Secretary Schmerin: I agree. It is not easy, Milton: I'm not sure it's going to get any easier. It's the only way you will get things is by making those calls and those personal visits. It does have an effect and positive results occur.

>>CHAIRMAN TAGUE: Thank you. Any last minute questions? Seeing none, thank you very much for your time, Secretary Schmerin.

>> Secretary Schmerin: Thank you for inviting me. As usual, if there are

issues please let me know. Let Bill Gannon know. We're not hard to time.

Thank you, John.