

A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University

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Locations – University of Scranton, Scranton PA and 85 South Main Wilkes-Barre PA

Regional Indicators Forum

May 22, 2014

Agenda

9:00 AM - 9:20 AM --- Welcome and Opening Remarks

Patrick Leahy Ed.D, Chairman – The Institute & President/CEO of Wilkes University
Michael Bean, President/CEO Mohegan Sun at Pocono Downs

9:20 AM – 9:50 AM --- Regional Indicators Presentation

Teri Ooms, Executive Director and Andrew Chew, Research Analyst – The Institute

9:55 AM – 11:10 AM -- Task Force Reports – Frank Joanlanne, Vice Chair

Health & Health Care Task Force

John Wiercinski, Geisinger Health System

Energy

Bill Sordoni, Sordoni Construction

Jobs, Economy and Economic Development

Robert Luciani, Prudential Retirement Services

Housing

Charles Kasko, Wyoming Valley Motors

Planning, Land Use, Transportation and Infrastructure

Marleen Troy, Ph.D., Wilkes University

Education & Workforce Development

Lucyann Vierling, Northeast Innovation Alliance

Public Safety

State Senator John T. Yudichak

11:15 AM – 12:00 PM -- Henry J. Amoroso - Keynote Speaker & Discuss/Q&A

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Conrad Schintz, Geisinger Health System

Matthew Sordoni, Upland Corporation

William B. Sordoni, Emeritus, Founding Member and Officer, Sordoni Construction

Speaker Biographies

(Listed Alphabetically)

Henry Amoroso, HJA Strategies

Mr. Amoroso is the newly hired financial consultant for the city of Scranton. He has recently served as a budget consultant for the city of Newark and represented the Vatican in land use transactions. HJA Strategies is a boutique strategic consulting firm that provides a unique and comprehensive package of services for government, business, and non-profits, specializing in managing periods of transition, working with clients to offer a thorough and fine-tuned road map to move from distress to steady and strong growth. Specific expertise in: board development, fundraising, governance, macro strategy and narrative development, relationship management, and tactical execution. A practicing attorney, Mr. Amoroso practices primarily in the areas of civil litigation and transactional law. He concentrates in commercial transactions, contractual disputes and business advice. He also represents school boards and public agencies providing counsel and as a litigator.

Mr. Amoroso is a member of the faculty at Seton Hall University, Stillman School of Business, and lectures to corporations and business groups on business and legal issues. He has published extensively on business and legal topics and is also a lecturer for the New Jersey bar review.

Michael Bean, Mohegan Sun at Pocono Downs

Michael Bean has been with Mohegan Sun at Pocono Downs since its opening and played a very significant role in the successful development, opening and operation of the property in 2005. In September 2012, he was promoted to President and Chief Executive Officer.

Previously, Bean served as Assistant General Manager and Vice President of Administration. Prior to joining Mohegan Sun at Pocono Downs, Bean was employed at Harrah's Entertainment. He also served in executive positions at Harrah's Casino & Hotel, Harrah's Louisiana Downs, Boyd Gaming and Foxwoods Resort Casino in Connecticut.

Bean holds a Juris Doctorate from Vermont Law School and a Bachelor of Science in Business Administration from Bryant College with concentrations in Marketing and Business Communications.

Charles Kasko, Wyoming Valley Motors

Charles Kasko is Parts and Service Director Wyoming Valley Motors. Over the past 20 years, Charlie has been an active participant in the Builders Association at the local, state and national levels. He is a Past President of the Pennsylvania Builders Association (PBA) and the Building Industry Association of Northeastern Pennsylvania. Charlie currently served as Area 3 Chairman for NAHB and the Vice Chairman and Treasurer of the NAHB Research Center Board of Directors. He also served on NAHB's Executive Board, Public Affairs Committee and is the 3rd Vice Chairman of the Conventions and Meeting Committee.

Locally, Charlie is the co-founder and a past President of the Luzerne County Housing Partnership. He also serves on the Luzerne County Planning Commission and on the Advisory Board of the Institute for Public Policy and Economic Development.

Patrick Leahy, Wilkes University President & Chairman of The Institute

Patrick F. Leahy became the sixth president of Wilkes University on July 1, 2012. A native of Maryland, Dr. Leahy earned a doctorate from the University of Pennsylvania in higher education strategy and management. He was a Fried Fellow at Cornell University, where he earned a dual master's degree in business administration and labor relations. He holds a bachelor's degree in English literature from Georgetown University.

Dr. Leahy came to northeast Pennsylvania in 2004 when he joined The University of Scranton as executive assistant to the president. After being appointed vice president for university relations, he led the successful completion of the university's \$125 million campaign. Prior to joining Wilkes, as Scranton's first executive vice president, he was responsible for leading key components of the university's five-year strategic plan, including development, government relations, undergraduate and graduate admissions, athletics, planning and information technology.

Robert Luciani, Prudential Retirement Services

Robert Luciani, Managing Director, Key Account Management at Prudential Financial is responsible for a team of Key Account Vice Presidents and the overall satisfaction of several of Prudential Retirement's largest clients. Through their direct engagement with key clients he and his team lead specialists across administrative services, advisory services, investment services, and participant communication and education.

Rob joined Prudential in 1988 and has over 25 years experience in the retirement industry. He has in-depth experience with each of the industry sub segments - corporate, non-profit, and governmental. While at Prudential, Rob has held leadership positions in Client Services, Research and Compliance, New Business Development, and Product Development.

William E. Sordoni, Sordoni Construction

William E. Sordoni is the President and CEO of Sordoni Construction Services, Inc., a construction management and general contracting firm located in Forty Fort, Pennsylvania. Prior to joining Sordoni, Bill worked with Accenture in New York, NY and Philadelphia, PA as a management consultant and for Saucon Technologies in Bethlehem, PA as the Director of Business Development.

Bill holds a Bachelor of Science degree in Business Administration from Susquehanna University.

Marleen Troy, Ph.D., Wilkes University

Marleen A. Troy is an Environmental Engineer with specialized experience in environmental management and biological treatment techniques for remediation. Marleen is currently Associate Professor of Environmental Engineering and Director of the Sustainability Management Certificate Program at Wilkes University and is also a registered Professional Engineer in Pennsylvania. Marleen serves on the boards of the Earth Conservancy, North Branch Land Trust, and the Riverfront Parks Committee and is a member of the steering committee of the Northeast Pollution Prevention / Energy Efficiency Roundtable. She is also the current president of the Keystone Northeast Chapter of the Pennsylvania Society of Professional Engineers. Marleen received her Ph.D. in Civil Engineering from Drexel University. She also earned an MSCE in Civil Engineering and a BS in Biological Science from Drexel University and a MS in Microbiology from the University of Rhode Island.

Lucyann Vierling, Northeast Innovation Alliance

Lucyann has over 25 years' experience in workforce development. She has extensive experience with federal, state, and local funding administration, program design/development, and implementation. Lucyann has served in a variety of capacities over her career: case manager, career advisory, economic planner, and executive director of a local workforce investment board. Lucyann is currently leading Northeast Innovation Alliance and The Community Education Council of Wayne and Pike counties. Vierling obtained her bachelor's degree in Business Administration and her master's degree in Organizational Management from Misericordia University.

John Wiercinski, Geisinger Health System

John P. Wiercinski, Regional Vice President for Geisinger Health System, has been associated with Geisinger since 2005—first serving as the Chief Administrative Officer at Geisinger South Wilkes-Barre and then being promoted to his regional role in December 2007.

Prior to joining Geisinger, he was the President and Chief Executive Officer at Shamokin Area Community Hospital; Senior Vice President for Operations at Bradford Regional Medical Center; and appointed by former Governor Casey as the Director of Health Planning for the Pennsylvania Department of Health.

He earned a Master's Degree in Hospital and Health Administration from Xavier University in Cincinnati, Ohio, and his Bachelor of Science at the University of Scranton.

State Senator John T. Yudichak

Senator Yudichak represents the people of the 14th Senatorial District in Carbon, Luzerne and Monroe Counties. Prior to the State Senate, Yudichak represented northeastern Pennsylvania in the Pennsylvania Assembly. John services on a number of committees, caucuses and appointments. The following is a partial list: Aging and Youth Committee, Appropriations Committee, Environmental Resources and Energy Committee (*Chairman*), Local Government Committee, Policy Committee, and Senate State Government Committee. The senator is a graduate of Greater Nanticoke Area High School, Wyoming Seminary Preparatory School and Pennsylvania State University where he earned a bachelor's degree in English and a master's degree in American Studies.

Health and Health Care Task Force



A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University



Mission

- Improve quality of life and standard of living for residents of northeastern Pennsylvania through the examination of health status, health care delivery, health care costs and insurance.

Purpose

- Examine issues related to provider reimbursement, access, and other issues included in the health care reform act.
- Provide insight into the health and healthcare indicators as appropriate to ensure a comprehensive, high quality set of benchmarks of health care status



Task Force Participants

John Wiercinski, Geisinger -Chair
Cornelio Catena, CHS
Denise Cesare, BCNEPA
John Cognetti, Hinerfeld Commercial Real Estate
William Conaboy, Allied Services
Alex Hazzouri, Advocacy Alliance
Debra Pellegrino, University of Scranton
Ellyn Schindler, Sanofi Pasteur
Conrad Schintz, Geisinger
Susan Sordoni, MD



Portrayal of Project

- Studying mental health and substance abuse challenges within Lackawanna and Luzerne County
- Provide a snapshot of our region's mental illness and substance abuse challenges. The issues that drive the health and well-being of our community cannot be addressed by focusing at one issue alone



Findings

- Mental health issues and drug and alcohol abuse are growing in the region
- "hard drug" addiction problems have reached many communities in Lackawanna and Luzerne counties
- Consistently large share of individuals with mental health diagnoses are youth
- Impact of mental health and addiction can also be seen indirectly through crime records



Energy Task Force



A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University



Mission

- To convene community resources to strategically plan and promote the sustainable economic development of regional natural gas resources across business, education, political and community stakeholders.

Purpose

- Conduct meetings with stakeholders from the natural gas industry as needed for information sharing, issue identification, policy implications, consensus, and research outcomes
- Prepare a regional strategic economic development plan to harness the economic opportunity generated by the natural gas industry for the benefit of businesses in Lackawanna and Luzerne Counties



Founding Task Force Participants

William E. Sordoni, Sordoni Construction* - Chair
Mike Bean, Mohegan Sun*
Jody Cordaro, SCE Environmental*
Brian Grove, DCNR
Helen Humphries, Williams*
Frank Joanlance, Borton Lawson*
Patrick Leahy, Wilkes University*
Kevin Nealon, Parente Beard*
George Stark, Cabot Oil & Gas*
Robert Stoyko, UGI Utilities*
Chesapeake Energy*

*Research Underwriters



Portrayal of Project

- An economic development strategy to be implemented in order to attract manufacturers that use natural gas as a raw material or heat source. An education and workforce development collection of research and analysis consisting of occupations of these manufacturers and shale vendor network for higher education to ensure a pipeline of workers.



Findings

- Abundance of economic activity that Luzerne and Lackawanna Counties can attract and it has the potential to be longer lasting
- Education opportunities
- Pipelines and natural gas access



Jobs, Economy & Economic Development Task Force



A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University

Mission

- Improve quality of life and standard of living for residents of northeastern Pennsylvania through the formation of economic development strategies; economic analysis, case studies, and best practices related to effective and efficient government, growth, revitalization, and sustainability as well as policy implications impacting all of the above



Purpose

- Establish the best practices that have the potential to positively influence local and statewide economies and economic development to increase jobs, attract talent, and develop a more sustainable economic environment



Task Force Participants

Robert Luciani, Prudential Retirement-Chair

Fran Calpin, Keystone College

John Cognetti, Hinerfeld Commercial Real Estate

Cindy Klenk, Senator John Blake

Nancy Perri, Carbondale TTC

Lucyann Vierling, Northeast Innovation Alliance



Portrayal of Project

- Examine relevant characteristics of long-term unemployed (UC exhaustees), particularly the industry in which they last worked.
- Compare exhaustees by industry against job advertisements.
- Comprehensive data was not available – scope of analysis was limited.



Findings

- Long-term unemployed disproportionately come from blue-collar industries: construction and manufacturing
- Greatest share of job openings are in professional and service industries: education, health care, professional/business services, retail/wholesale trade



Next Steps

- Additional data will be pursued from Dept. of Labor & Industry
- If data can be obtained, a comparative analysis will be done between filers and exhaustees by age, gender, race, industry, and/or occupation

Housing Task Force



A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University

Mission

- Improve quality of life and standard of living for the residents of northeastern Pennsylvania through examination of housing stock and housing affordability

Purpose

- Creating policy solutions based on evidence and best practices that have the potential to impact legislation and beyond
- Examines issues related to housing planning and zoning, affordability, housing stock, and homelessness.
- Maintains a bilingual education-information best website to assist new and existing homebuyers

Task Force Participants

Charles Kasko, Wyoming Valley Motors - Chair
Athena Aardweg, SDHP
Joe Boylan, Ashburn Advisors
Jesse Ergott, NeighborWorks NEPA
Steven Farrell, Classic Realty
Lyn Kirschenbaum, U.S. HUD
Nancy Perri, Carbondale TTC
Joe Terrana, Terrana Law
Ellen Watkins, KNBT Bank

Portrayal of Project

- Community Land Trusts
- Conservatorship
- Mixed Income
- Senior Housing

Findings

- NEPAhousing.org
- English and Spanish
- Community toolkit
 - Definition, description, summary, explanation, strategies, case studies, sample legislation or policy, term definitions, resources

Planning, Land Use, Transportation & Infrastructure Task Force



A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University

Mission

- Improve quality of life and standard of living for residents of northeastern Pennsylvania through examination of best practices and policy in planning, land use, transportation, and infrastructure development.

Purpose

- Creating policy solutions based on evidence and best practices that have the potential to impact legislation and beyond
- Examining issues related to planning, land use, and transportation systems

Task Force Participants

Tom Lawson, Borton Lawson - Chair
Robert Luciani, Prudential Retirement Services
Lawrence Malski, PA Northeast Railroad Auth.
Kevin O'Donnell, CANDO
Steve Pitoniak, Lackawanna County
Nancy Snee, Luzerne County,
Stanley Strelish, LCTA
Marleen Troy, Ph.D., Wilkes University

Portrayal of Project

- Sustainable communities → “economically, environmentally, and socially healthy and resilient” populations within a given region
 - Strive to preserve the needs of both present and future generations.
 - “Drive a new way of living”
 - “Systems approach” to integrating policies, programs and practices in a progressive direction
- Educate communities on opportunities to implement sustainable practices in almost all facets of government’s functions

Findings

- Communities must recognize the importance of sustainability in increasing economic, social, and infrastructural prosperity
- Community engagement and local leadership will help to adequately enable cost effective and responsible development

Next Steps

- Foster a “bottom-up” approach to sustainability:
 - Benchmark → survey to obtain baseline data
 - Two county area
 - Gauge interest for sustainability
 - ID priorities, resources, strengths and weaknesses
 - ID interested parties and representatives
 - Assess feasibility for a regional sustainability plan
 - Develop framework

Education & Workforce Development Task Force



A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University

Mission

- Improve quality of life and standard of living for residents of northeastern Pennsylvania through Pre-K-20+ educators and workforce development professionals partnering with business to create seamless, high quality NEPA education system.

Education is our economic development future

Purpose

- Create policy solutions for best practices
- Examine issues related to connecting educators to workforce development and business
- Provide insight into methods to increase higher education attainment in NEPA
- Educate the community on how education and an education workforce is the most effective economic development tool the region has

Task Force Participants

Lucyann Vierling, NE Innovation Alliance-Chair
Jane Ashton, Penn State/Wilkes-Barre
Alexander Dawoody, Marywood University
Richard Caruso, Author
Ida Castro, TCMC
John Cognetti, Hinerfeld Commercial Real Estate
Vito Forlenza, Vito A Forlenza Associates, LLC
Cindy Klenk, Senator John Blake
Sue Kuhl, Luzerne Intermediate Unit
Jo Ann Orcutt, Lackawanna College

Portrayal of Project

- Research and policy position on career and workforce readiness as a major component of K-12 education.
- Value of post secondary education

Findings

- K-12 system can be a leader in preparing students for careers
- Promote the importance of postsecondary education for attaining a career goals and earning sustaining wages
- Policy recommendations

Public Safety Task Force



A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University

Subcommittees

- Founders
 - Congressman Lou Barletta and Senator John Yudichak
- Education
 - 25 school districts & 15 universities/colleges
- Community
 - 16 community programs
- Law Enforcement
 - 14 local, state, and federal agencies
- Legislative
 - 19 PA and US senators and representatives

Mission & Priorities

- To improve public safety in Northeastern Pennsylvania
- Lackawanna-Luzerne Regional Gang Initiative
 - Gang Awareness, Education, Training, and Legal Environment

Strategic Priorities

- Conduct assessment on crime related to gang activity and provide a profile of various gangs
- Provide information to increase and equalize after school activities across the region to deter kids from gang involvement
- Policy recommendations on law relative to gang activity
- Provide education, training, and information to local law enforcement

Marcellus Shale Supplement

For decades, counties in Northeastern Pennsylvania (NEPA) have endured sluggish growth. However, the region is beginning to experience much needed industrial revitalization, due in part to the impact of natural gas extraction in the Marcellus shale play. A sample of counties active in the shale play and two counties adjacent to the shale play are compared below. In recent years, NEPA's population has increased due to strengthened business activity and housing values are appreciating — a growth gone unobserved for 60 years. While there are various reasons that could contribute to such growth, it seems that the Marcellus Shale formation is the largest factor responsible for the economic change. In 2008, Pennsylvania had to import 75 percent of the natural gas it consumed annually. In 2011, all sectors consumed 1,000 trillion BTUs of natural gas, during the same year Pennsylvania produced nearly 1,500 trillion BTUs. With increased production of shale gas, the Commonwealth became a net exporter of natural gas to other states in less than four years.

According to the U.S. Energy Information Administration, *“from 2011 to 2012, Pennsylvania's marketed natural gas (which includes natural gas plant liquids) production grew by 72%, moving it from the seventh-largest to the third-largest marketed gas-producing state in the United States, according to the [Natural Gas Annual, 2012](#). Preliminary data (as well as estimates from the [Drilling Productivity Report](#)) indicate that continued Marcellus production may result in Pennsylvania becoming the second-largest producer in 2013...”*

Finally, The Institute examined the potential effects of NEPA's Marcellus Shale play. When The Institute first examined Marcellus Shale activity in 2008, it was reported that 195 gas drilling permits had been issued and 79 wells drilled in Pennsylvania's Bradford, Lycoming, and Susquehanna counties. As of December 2013, 1,562 gas drilling permits have been issued and 560 wells have been drilled in Bradford, Lycoming, Sullivan, Susquehanna, and Wyoming Counties.

Wells

Over the past five years, there has been tremendous growth in both the number of wells drilled and the number of drilling permits issued in Northeastern Pennsylvania. Bradford County has the highest numbers in both categories, but Lycoming and Susquehanna Counties have shown impressive growth. For Wyoming and Sullivan Counties it took until 2009 for activity to start; growth has been modest.

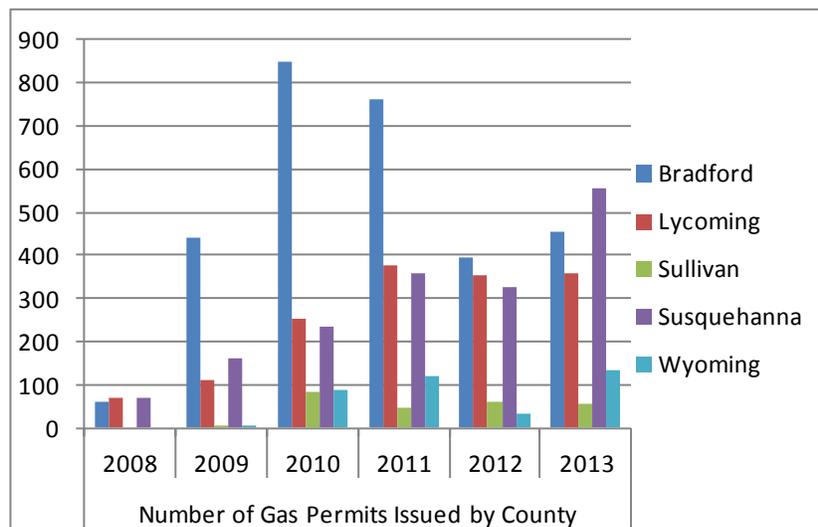
In 2012, operators drilled 2,383 oil and gas wells. Of that total, 1,359 were in “unconventional” shale formations such as the Marcellus, while 1,024 were drilled in shallower “conventional” formations. The most active counties for Marcellus Shale drilling were Lycoming (203 wells), Washington (195) and Susquehanna (192) counties, and Warren (370), McKean (260) and Venango (129) counties for conventional wells.

The Association also estimates that Marcellus Shale activity added \$10.1 billion in total economic output and \$1 billion in tax revenue throughout Pennsylvania in 2011. Their

predictions indicate that by 2020, the industry will provide a total economic impact of \$18.8 billion and 211,000 jobs for the Commonwealth along with nearly \$1.8 billion in state and local tax revenues.

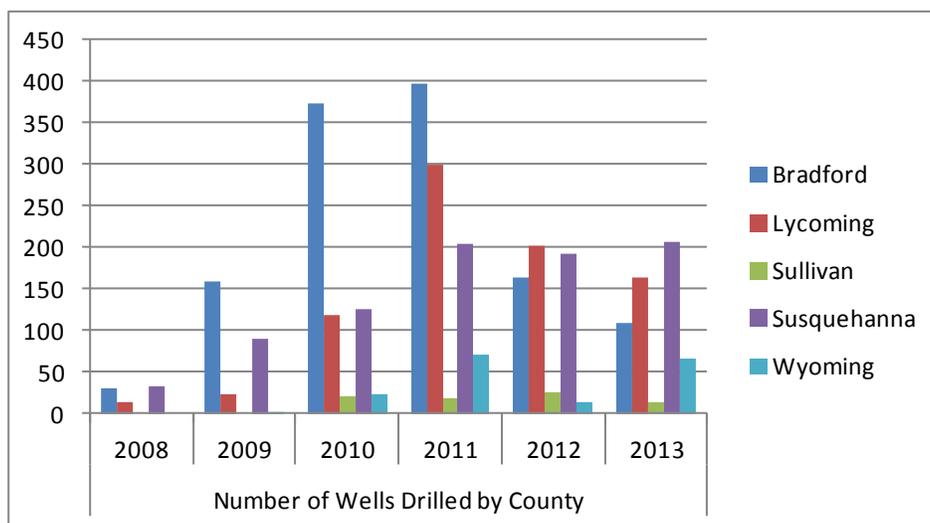
Bradford County contains the most wells drilled of any county in the region. The number of permits issued and wells drilled in Susquehanna County has also increased. The number of permits issued and wells drilled in Wyoming and Sullivan County are still low, though those counties have a smaller geographic area.

The Number of Gas Permits Issued by County from 2008-2013



Source: PA Department of Environmental Protection

The Number of Wells Drilled by county from 2008-2013



Source: PA Department of Environmental Protection

Population and Per Capita Income

The Institute examined Census American Community Survey population and income data from three different three time periods (2006-2008, 2008-2010, and 2010-2012) for the following counties: Bradford, Lackawanna, Luzerne, and Susquehanna. The population grew for each of the counties, with Luzerne County having the most growth and Bradford County having the smallest growth. Per-capita income has also increased for these counties with Lackawanna County having the smallest growth and both Bradford and Susquehanna County growing the most. It is likely that this income growth in Bradford and Susquehanna can be attributed at least partially to the natural gas industry, because those two counties saw per capita income increases between 2006-2008 and 2010-2012 of about \$1,000 per year even after accounting for inflation.

	Bradford County		
	2006-2008	2008-2010	2010-2012
Population	61,387	62,462	62,801
Per Capita Income	\$20,643	\$21,486	\$23,057

Source: US Census Bureau

	Lackawanna County		
	2006-2008	2008-2010	2010-2012
Population	209,194	214,183	214,528
Per Capita Income	\$23,568	\$24,290	\$24,955

Source: US Census Bureau

	Luzerne County		
	2006-2008	2008-2010	2010-2012
Population	311,752	320,177	321,013
Per Capita Income	\$23,028	\$23,173	\$24,435

Source: US Census Bureau

	Susquehanna County		
	2006-2008	2008-2010	2010-2012
Population	41,070	43,343	43,035
Per Capita Income	\$21,974	\$21,830	\$24,083

Source: US Census Bureau

Employment

The Institute also examined data on employment from the Bureau of Labor Statistics for the same four counties. By 2013, Bradford County's unemployment rate was 6.9 percent and Susquehanna County was 6.7 percent, compared with 8.6 percent in Lackawanna County, 9.3 percent in Luzerne County. For Bradford County, the unemployment rate rose to 6.9 percent in

2013. After the natural gas industry began growing around 2006, the labor force and total employment grew significantly, but fell back down slightly for 2013. The unemployment rate rose a bit in 2013, coinciding with a decrease in the number of wells drilled.

Bradford County Labor Force, Employment, & Unemployment							
	1990	2000	2006	2010	2011	2012	2013
Labor Force	28,149	30,243	30,749	33,270	34,521	34,686	33,997
Employment	26,555	29,144	29,312	31,046	32,510	32,438	31,658
Unemployment	1,594	1,099	1,437	2,224	2,011	2,248	2,339
Unemployment Rate	5.7%	3.6%	4.7%	6.7%	5.8%	6.5%	6.9%

Source: Bureau of Labor Statistics

For Lackawanna County, the unemployment rate decreased to 8.6 percent in 2013. Furthermore, the number of people in the labor force decreased as well as the number of people employed and unemployed decreased slightly from 2012 to 2013. Total employment in the county in 2013 is below the baseline years of 1990 and 2000.

Lackawanna County Labor Force, Employment, & Unemployment							
	1990	2000	2006	2010	2011	2012	2013
Labor Force	106,094	103,664	106,962	106,952	107,190	107,986	107,236
Employment	98,542	98,973	101,009	97,272	97,477	98,306	97,981
Unemployment	7,552	4,691	5,167	9,680	9,713	9,680	9,255
Unemployment Rate	7.1%	4.5%	4.9%	9.1%	9.1%	9.0%	8.6%

Source: Bureau of Labor Statistics

For Luzerne County, The unemployment rate from 2012 to 2013 decreased, but still remains much higher than prior to the economic downturn. However, the labor force along with the number of people employed has also decreased.

Luzerne County Labor Force, Employment, & Unemployment							
	1990	2000	2006	2010	2011	2012	2013
Labor Force	169,730	168,450	158,575	160,740	160,328	162,321	160,957
Employment	156,983	159,736	150,096	144,936	145,305	146,541	146,015
Unemployment	11,767	8,043	8,479	15,804	15,023	15,780	14,942
Unemployment Rate	7.5%	5.2%	5.3%	9.8%	9.4%	9.7%	9.3%

Source: Bureau of Labor Statistics

For Susquehanna County, the unemployment rate had fallen slightly to 6.7 percent in 2013, the lowest level since the beginning of the economic downturn. Correspondingly, the number of wells drilled in Susquehanna County reached a high in that year. The number of people in the work force and the number of people employed increased significantly from 2006 to 2013 as the natural gas industry grew.

Susquehanna County Labor Force, Employment, & Unemployment							
	1990	2000	2006	2010	2011	2012	2013
Labor Force	20,362	22,370	21,401	22,381	22,957	23,259	23,801
Employment	16,987	19,559	20,383	20,497	21,215	21,505	22,201
Unemployment	1,240	803	1,018	1,884	1,742	1,754	1,600
Unemployment Rate	6.8%	3.9%	4.8%	8.4%	7.6%	7.5%	6.7%

Source: Bureau of Labor Statistics

Conclusion

The purpose of this study is to analyze the potential impact of drilling of Marcellus Shale deposits on various demographic and economic indicators. By updating this study with the most recent information, the Institute can further assess the changes taking place throughout the counties and states that partake in shale deposit drilling. Furthermore, such information can be used as a model for a successful new industry in Pennsylvania. The challenge is that there are several core drilling counties in the region, as well as other “adjacent” counties. When the indicators are presented by county, it is apparent that the core drilling counties are performing somewhat better than the non-core drilling counties.

Data presented for NEPA showed how a region suffering from population loss and job loss began to display economic growth and strength at time when other parts of the country were in a severe recession. However, more detailed analysis of employment data show an area divided by core drilling counties and non-drilling counties, which further magnifies drilling impacts. This is not to say, however, that the non-drilling counties cannot or will not see future benefit. Aside from assets like schools and airports, the surrounding counties can benefit by focusing economic development on the continued development of local businesses needed by the natural gas industry as a whole, and working to bring in new businesses that use natural gas in their processes. The ongoing pipeline development through northeast and central Pennsylvania provides the infrastructure to support this kind of strategy.

The Institute has found considerable possibilities for growth within Northeastern Pennsylvania, and some counties have already begun to see some of the effects of the Marcellus Shale drilling. Although this exploration is still in early development, the case study comparisons of different regions allow us to conclude that there is definite potential for growth in wealth, employment, and housing within the natural gas drilling counties. There are many companies that are currently invested in the growth of the Marcellus Shale and its natural gas supply, but we can only see the effects as more energy companies come to the region. As this industry grows, we will begin to see the impact it has on NEPA’s economy. Since NEPA is comprised of “adjacent” counties (counties without drilling activity, but are geographically adjacent to core drilling counties) in addition to the core counties, there must be considerable strategic economic development initiatives in place to ensure that there is direct economic benefit in addition to any spill over from the core drilling counties.

There is a clear economic advantage to natural gas drilling in the Marcellus Shale, but there will certainly be challenges in the process. The opportunity exists; now, it is a matter of time until we can truly analyze its impact.

Research Methods & Limitations - This report uses secondary data from federal, private, state and non-profit sources. The report uses data from the US Census Bureau, the Internal Revenue Service, US Bureau of Labor Statistics, Pennsylvania Department of Environmental Protection, and Texas Railroad Commission. This report is limited to an explanation of the data and trends. General Internet searches were completed to identify potential significant events in the communities researched. No claim is made that natural gas drilling is the complete and sole reason for economic growth in any region. There is no economic analysis of the impact of the recession on any of the communities presented in this paper.

Canaries in the Coal Mine: Understanding and Acting on Data in Context

By: Henry Amoroso

As collecting, compiling, and cataloging large amounts of data grows ever easier with each passing year and technological advancement, governments have begun to slowly embrace a more data-oriented approach to their operations, budgeting, planning, and overall management strategy. Local governments, in particular, see data as a way to make the very visible delivery of services that residents and non-residents use every day more effective and efficient. The City of Buffalo, New York, for example, has begun to place GPS trackers on fleet vehicles to track mileage and cut down on fuel costs; the City of San Francisco use analytical tools to adjust metered parking prices according to variable rates of demand.

This revolution in governing comes at a vital time. Governments across the country, and particularly in the older cities of the Northeast and Midwest, have been facing increasing headwinds, which have only been exacerbated by the collapse of the housing bubble and the consequences of the Great Recession. Pension costs continue to climb as more and more employees enter retirement and begin to collect the benefits they're owed; a similar pattern has emerged for health care, which faces the compounded difficulty of rapidly rising medical costs nationally. Debt taken on in better times can pose an additional crippling liability today. In short, governments are asked to maintain a level of expected services with less. Often they are asked to do more. Making better use of data is no doubt an essential part of the solution.

But there is a significant difference between *having* more data and using *more* data to solve the problems governments face. We hold that there are five fundamental ideas that must be accounted for when thinking about data's role in government:

1. Data-oriented governing is not new. In fact, the most important data a government typically has its budget. While governments have been able to identify remarkable efficiencies through advanced data analytics, bringing effectiveness and efficiency to government remains a task heavily focused around concepts that an accountant in 1914 would understand. It is very important not to limit one's idea of data to digital platforms or other forms of information derived from the newest technology; governments must *genuinely* take advantage of what they already have.

2. Data do not and cannot do anything. Because data is inert and requires people to make it useful, it is important to consider when data is a *substitute* for management rather than a management *enhancement*. Fleet tracking programs, for example, are most effective in environments where there is a high rate of fraud and abuse—e.g., using vehicles for non-governmental activities or filling up a personal vehicle with publicly funded fuel. Thus, a fleet tracking program can be an expensive solution for what essentially is a management problem. Of course, even the most sophisticated data platforms remain open for sometimes surprisingly simple 'work-arounds' and return management considerations to the fore. Data only helps if people want to use it.

3. All forms of data are always situated in a particular context. Although numbers “don’t lie,” their meaning must be interpreted in light of their position in time and space. The first major oil strike, for example, was in 1859. In 1879, experts predicted that world oil production had peaked. According to the data available at the time—which necessarily limited itself to known oil fields (Northwestern Pennsylvania) and known methods—this prediction was correct. Governments must, therefore, be careful to understand the limits of data and continually assess what phenomena might emerge to disrupt current models and modes of approaching problems.

4. Data do not exist unless we *know* data exists. Many municipalities are now required by law to post their municipal budgets and other important documents on their websites. But many of the links to budgets, while posted, are broken—i.e., they are not actually available for download by the public. This pattern repeats itself within municipal government where immense amounts of data are collected but left underused or unused. Data simply does not matter unless it is made widely available *across* government departments and, vitally, accessible and transparent.

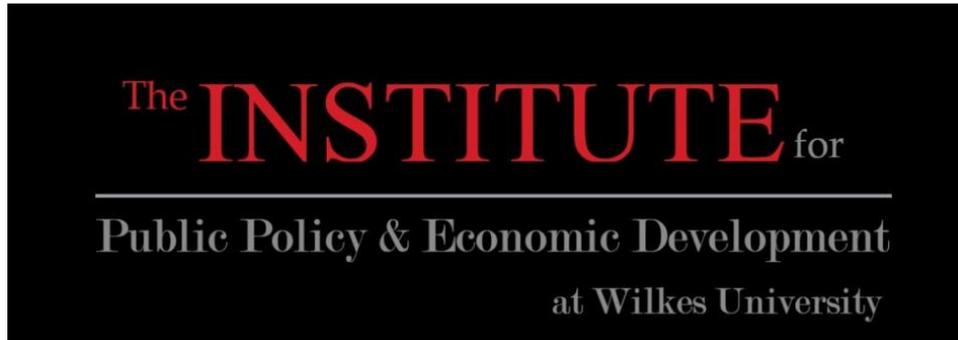
5. Data must be taught to speak. One of the most exciting things about ‘big data’ is that it is big—i.e., it is filled with information. But this information can often be buried in thousands and thousands of pages, lines of code, or Excel columns. Governments need to establish ways to extract valuable information from data by quickly defining key metrics and inputting the information into easily accessible and dynamic dashboards. That being said, a far larger problem is helping data speak for itself even when it comes from a more traditional source like a budget, departmental report, or a financial statement. Essentially, this means putting data in context and explaining why it matters.

The most important use of data, in itself, is to provoke reactions that lead to actions. Commonly, because of the structure of government and the common distribution of data, only insiders are given a chance to react—and, often, they choose to not act. A business does not usually have this capacity. While a business may put off tough decisions when presented with challenging data, the pressure from the business’ internal stakeholders is greater and the threat of failure more immediate, thus making action more likely. Governments, on the other hand, have a greater capacity and incentive to brush aside key indicators and keep pushing the date of action further into the future—even when the ‘data on the wall’ is clear to see.

That’s where we see the role of “canaries” come in. A canary’s job is to have a keen grasp of the vital indicators *in their context* and be able to relay these indicators to *all* stakeholders. They must interpret data and be able to explain their significance both inside and outside of the government apparatus—particularly to the public. Even if the dangers facing a government have been mounting for some time, action may still be limited or not taken at all. To combat this behavior, a canary *must* be equipped to inspire decision makers to move beyond reaction and urge them to take genuine action.

A canary may hold a formal position within government or be any other stakeholder or community member. Who they are is much less important than what they do and how they do it. In short, it is a role that grows ever more valuable as governments absorb more data and face greater challenges.

Former Speaker of the House Tip O’Neill liked to say “all politics is local.” We believe governing is too. Without having a deep and qualitatively based understanding of the context of a community, even the most comprehensive data set will remain inert, impenetrable, and ineffective—and the consequences may be inescapable.



A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University

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