



Testimony

Legislative Hearing: House Majority Policy Committee

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Presented by:

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Chairman Benninghoff, Representative Cox and members of the House Majority Policy Committee, my name is Gail Landis and I am Senior Vice President, Government & Community Relations of the Greater Reading Chamber & Economic Development Corporation, doing business as the Greater Reading Chamber Alliance (GRCA). We have aligned the Greater Reading Chamber of Commerce & Industry, Greater Reading Economic Partnership and Greater Berks Development Fund into one umbrella organization. Our mission is to be Berks County's leading unified resource for building a healthy, competitive business community. Our vision is to assist companies to retain, expand and grow their operations and employment and attract new business to Berks County.

GRCA has been an effective liaison over the years between local businesses, elected officials and community leaders. Speaking as one voice we are recognized as a pro-active force in advocacy to help shape the policy agenda that impacts our members and region. We have approximately 1,250 employer members/investors of all sizes, representing various industry sectors.

Thank you for this opportunity to testify today regarding how state government can help small businesses succeed, and the challenges job creators face when dealing with state agencies, complex regulations and cumbersome processes.

When we ask our local businesses, what keeps them up a night and they identify several issues, so let me begin with workforce.

As the Greater Reading regional broad-based business advocacy association, we are committed to help bridge the gap between employers' current and future employment needs and the skills of today's workforce.

Many of our employers continue to have difficulty finding employees with adequate skills, training or education. The PA Chamber's 2016 Workforce Development Survey found 52% say recruiting candidates is very difficult, 56% have difficulty filling technical/skilled positions, and noted that each year they have significant dollars in lost productivity or training new employees.

Companies seem to be concerned both with losing the knowledge and skills due to retirements as well as cultivating the skills needed to support emerging technologies. We are positioned to convene key stakeholders to have a meaningful conversation about what businesses require and what providers can support. Working closely with our economic development partners and providers to identify opportunities and leverage state resources since workforce is key to economic development and a vibrant economy. In Berks County we have many manufacturing companies including small and ancillary shops. We anticipate the need to fill 7,000 manufacturing and related jobs in the next 10 years.

It is imperative that if we as a state want to grow our economy we need to identify and provide resources to support the development of the technical and critical business skills required to fill the talent pipeline with new and upskilled incumbent workers. We currently rely on various public and private grant funding streams and state incentives to engage businesses and providers in the process. The PA Department of Community & Economic Development, Next Generation model initial grants when released will be one tool that brings business together to identify and align their workforce requirements. However additional funding and resources will be required to support the implementation of this program. Additionally, a more robust apprenticeship and intern program would be beneficial to small businesses with aging workforce.

We need to address the current requirements and opportunities to implement a system that meets our workforce needs. Including but not limited to:

- Maintaining Educational Improvement Tax Credits to support qualified programs
- Ensure WEDnetPA continues to make PA business more competitive by updating and improving workers skills through job training. Providing education and capacity building especially for smaller business to access training opportunities is critical.
- Technology Investment Assistance and Access to Capital is imperative to enable small business to grow and thrive in today's competitive markets.

Another workforce challenge that many employers are struggling with, that also impacts safety in the workplace is the prescription drug and opioid epidemic. This troubling trend make it very difficult to recruit qualified candidates to fill workforce needs. Employers often find job applicants or potential new hires fail to pass their drug test.

It is recognized that reversing these trends will require a long term multifaceted strategy to help narrow the skill gap and improve employability of job applicants and active employees, particularly relevant to injured workers.

All business including small business are impacted by the worker's compensation system associated costs as it relates to drug overuse, abuse and chronic conditions. The goal is to get the employee back to work and one way to do that is by implementing a prescription drug formulary for PA's worker's compensation system.

I urge you to consider support for H.B. 18 introduced by Representative Mackenzie and SB 936 that are both in the House Labor & Industry Committee. These Bills would facilitate safe and effective use of prescription drugs to support a trained employee's recovery and ability to come back to work that is critical to minimize the impact to a small business in loss of productivity and unrealistic liability/compensation claims.

Complicated labor law and regulations are another issue and an opportunity for state government to support small business and would encourage you to look at the current requirements for Independent Contractor vs Employer.

In the past the requirements were created to protect independent contractors from being treated unfairly by big business. The reality today is that we have entrepreneurs and many millennials focused on doing project based work. Many start-up small business are contractors. Recognizing our current workforce, economy and changing technology it time to ease up on the antiquated independent contractor determination and contract requirements.

We urge state investment in successful economic development initiatives that promote job creation and economic growth in our region. Streamlined, predictable, and coordinated permit review is one of the meaningful incentives that can be offered. Excessive permitting timelines and onerous regulations, associated with various state agencies, are overwhelming and result in increased timelines and cost impacting small business' ability to pursue a project.

We need to hold agencies accountable and ensure different districts review and implement regulations consistently across geographic boundaries.

We encourage expanding revitalization and improvement programs along with partnerships between the public and private sector to address community development needs focused on urban revitalization and central business districts to attract small business development & growth.

Also consider enabling legislation for multi municipal agreements creating a template to facilitate agreements that can share a tax base with incentives to provide cross boundary contracting services (i.e. snowplowing) and establish common zoning & planning for more efficiency, to simplify and support local business

A modern, safe and efficient Transportation and Infrastructure System is vital to our ability to attract and retain quality businesses to benefit our economy and citizens. To facilitate the free flow of goods and commerce, assure the mobility and safety of our citizens, and maintain the foundational services necessary for commerce. This is one of the prime responsibilities of government to maintain adequate and reliable infrastructure systems. Providing funding and incorporating greater efficiencies in their construction and/or reconstruction. We would support a coordinated regional multi-modal transportation study focused on determining road priorities and opportunities for public transit, air and passenger rail expansion.

Several Small Business Tax Reform Bills (HB 331,332,333 & SB 515,653) that address adjusting PA Tax Code in line with Federal Law and IRS along with allowing Net Operating Loss Carry Forward, have been passed by the Finance Committee and would also help small business if enacted.

In closing . . .

We need to work together to focus policy on these and the other issues, which the small business representatives that are testifying next will share, to ensure the pro-business climate and economic competitiveness of our region and state. The Greater Reading Chamber Alliance on behalf of our businesses and community recognize that you do not have all the answers and we will work with you to identify opportunities and be engaged in the process to support small business.

Thank you for this opportunity to testify.