

Distinguished Members of the House Majority Policy Committee,

Thank you for the invitation to appear before you today, it is my honor to do so. My name is Jon Nehlsen and I serve as Associate Dean at Carnegie Mellon's Heinz College, the top-ranked public policy school in our Commonwealth. I also serve as head of Carnegie Mellon's Center for Economic Development, a department that organizes hands-on research experiences for graduate students interested in pursuing careers in this field. Rebuilding the Southwestern PA Economy is a topic of particular importance to us at Carnegie Mellon both because so many of our people live and work in the region and because, we believe, we can be an engine in that rebuilding process.

I'll have more to say about that in a moment, but I testify before you today, not so much as an expert in economic development as much as a perfectly unremarkable citizen of the Commonwealth but, importantly, a citizen who has invested his own scarce capital in some of the more economically distressed areas of this region. I think, as lawmakers, it's worth considering why I, or anyone for that matter, would be willing to invest here.

Why would someone bet on Southwestern PA? And I don't just mean financial investors like me. I mean anyone willing to relocate here from somewhere else to work, make a life, to raise a family, is making a bet. Why would they do that? A quick inventory of the region's assets: 1. Relatively inexpensive housing costs 2. Cultural amenities on par with regions many times larger 3. Philanthropic and educational institutions with global reach but with aspirations to have an impact here at home 4. A legacy of ingenuity and of building things – railroads, bridges, and energy assets that power America. And that legacy still animates Pennsylvanians and can set us apart once again, if the vision is bold and the conditions are set right. These are at least some of the important reasons that people might invest in Southwestern PA.

I think it's important that we be honest with ourselves and account for our liabilities as well. First, I don't have to remind Pennsylvania lawmakers about the overall state of infrastructure in the Commonwealth. The physical state of that infrastructure is, I hope, foremost, on your minds. But apart from that, there are low cost improvements that can be made just by taking advantage of the brainpower resident in our universities. A team of CMU graduate students

recently worked with the Port Authority of Allegheny County to discover that over 400 bus stops were used daily by few or in many cases, no, riders. (Not all improvements require major investment I suppose!) And that project launched when one of our scholars uttered the following to the Port Authority officials, *“I don’t want your money. Just tell me what your problems are.”* Imagine the other opportunities you are facing – which transportation initiatives have the highest payoff? How best to provision and pay for broadband? Can we deploy technology to manage the precious rivers and streams that we all enjoy? Teams of students have helped local governments in this region by applying new artificial intelligence technology to prevent mudslides and building fires. And we can do these kinds of things for many others.

But as an aside, though we’ve worked with the state government on a few recent projects around workers compensation claims and how best to reopen the economy after the initial wave of COVID, it is far too often exceedingly difficult to work productively with Harrisburg and my outside observation about why that is: **the people who have the information that we would need to help are incentivized, not by the improvements we could help you make in the lives of citizens, but rather they are motivated by risk aversion.** To avoid mis-stepping in the labyrinth of lawyers and regulation and to face the sharp rebuke that it would likely bring, too often dominates a spirit of taking small risks that could have potentially huge payoffs in the lives of citizens. So let me repeat my colleague’s plea with an addition. *“I don’t want your money. Just tell me what your problems are...and give us access to the information to let us help!”*

A second liability we must confront is that economic development in this region is not shared by enough of us. This is a difficult problem. Doctors from UPMC, software engineers at Google and, yes, professors at Carnegie Mellon may be thriving but it’s worth asking how citizens in New Kensington or Hazelwood or rural Greene County are faring. The accessibility to broadband technology can change the game in this regard and there is already a working group at Carnegie Mellon’s Metro21 Smart Cities Institute collaborating on both the technological and policy innovations that must occur to make this a reality. Allow me to plug you in to that effort (forgive the pun).

We have a history of collaboration – our world-famous Robotics Institute really got its start in the aftermath of the Three Mile Island disaster as robots were deployed to aid in the cleanup effort. Partnership is not unprecedented and it's worth figuring out how to institutionalize our collaboration.

You, as our elected leaders, have an unenviable job. To lead us all out of the malaise of the last 12 months and help us capture a shared prosperity across our region will not be easy. I urge you not to take easy route, however politically expedient. Fiscal stimulus can be done in a fleeting way, such as the all-too-popular cash payments to individuals or in durable ways, such as in smart educational partnerships and infrastructure investments both physical and digital, which boost our permanent capability.

Finally, I mentioned earlier the idea of setting the conditions and incentives for prosperity. That is, in my mind, your primary job as lawmakers. It's probably a quaint notion, and one you might not expect to hear out of someone like me, from a university. But I'm a citizen first and you don't need to *fix* everything for us. We can invest with our own capital and with our own hard work if you focus on giving us the tools and removing barriers to do so. Old-fashioned, I know. To use a metaphor close to my heart, Pennsylvanians don't want an old four cylinder, we want the brand, new HEMI that will allow us to drive our economy forward for decades to come.

I hope you are motivated to take advantage of this unique moment, when Republicans and Democrats in Pennsylvania *actually agree* that we can accelerate our advantages. And a decade from now we can be talking about our Commonwealth as a comeback story, as a destination for outsiders, and as a place in which my six children and all of our children have almost unlimited opportunities to flourish. Thank you.