



## Summary of Legislation March 14, 2019

### House and Senate Break for Budget Hearings, Will Resume Legislative Work

The House and Senate broke from session for the past several weeks to let the respective Appropriations Committees review the Governor's proposed 2019-20 Budget Proposal, department by department. Below are detailed reports from the hearings involving DCED.

### House Appropriations Committee Budget Hearing with the DCED

The committee held a budget hearing February 27 with the **Department of Community and Economic Development (DCED)**, represented by: **Dennis Davin, secretary, Department of Community and Economic Development, Carol Kilko, deputy secretary for the Office of Business Financing, and Neil Weaver, executive deputy secretary.**

**Rep. Matt Gabler (R-Clearfield)** cited studies from the Congressional Budget Office, the Independent Fiscal Office (IFO), and the University of Washington, which found that **raising the minimum wage** would result in job losses. He questioned if Gov. Wolf directed the department to examine the potential for job losses if a minimum wage increase was enacted. Sec. Davin said the governor has not directed the department to conduct a study on the issue but noted that he has met with 750 businesses over the last four years. "Minimum wage has not been increased in roughly ten years. You could argue over the amount of whether \$12 is too much or \$12 is not enough," he stated. "We don't believe the minimum wage increase to \$12 an hour would have any effect whatsoever." Sec. Davin added that the "skills gap" is the primary concern of businesses he has met with.

**Rep. Carolyn Comitta (D-Chester)** inquired about the **Keystone Communities** program. Sec. Davin explained that the Keystone Communities (KC) program is designed to encourage the creation of partnerships between the public and private sectors that jointly support local initiatives such as the growth and stability of neighborhoods and communities, social and economic diversity, and a strong and secure quality of life. He said the program allows communities to tailor the assistance to meet the needs of its specific revitalization effort. "It's really about providing opportunities from communities that don't have the resources on their own to make them economically viable," he stated. Rep. Comitta questioned how the department works with other state agencies to improve communities throughout Pennsylvania. Sec. Davin explained that Gov. Wolf has placed on emphasis on "breaking down the silos" between the state agencies and noted that DCED regularly collaborates with other state agencies.

**Rep. Jesse Topper (R-Bedford)** expressed concern about the loss of entry level jobs where individuals learn "soft skills" if the minimum wage is increased. He questioned if the agency has examined the impact a minimum wage increase would have on small businesses versus large corporations. Sec. Davin said the issue "should be looked at", but emphasized that individuals earning minimum wage are working double shifts or two jobs to provide for their families. "We need to understand that there are people that are out there now that are single parents who are working two minimum wage jobs and don't have the ability to go out and get proper training because they are just trying to make a living," he stated.

**Rep. Elizabeth Fiedler (D-Philadelphia)** questioned what steps the department is taking to ensure that all Pennsylvanians are counted in the 2020 census. Sec. Davin said DCED is the lead agency for the census and Gov. Wolf has established the **Complete Count Commission** to make recommendations to ensure all Pennsylvanians are counted correctly. He noted that the department estimated that there are losses of \$2,100 per person not counted in the 2020 census. "We understand that it costs as much as dollar per person to develop the census and we're looking at opportunities to develop funding opportunities to take care of that because it's absolutely critical," he stated. Rep. Fiedler asked where those funds would come from. Weaver said the department is waiting on recommendations

from the Complete Count Commission. "We're going to look at what the commission comes back with and then work with you and the administration," he stated.

**Rep. Sheryl Delozier (R-Cumberland)** said the governor has offered a variety of dollar amounts to increase the minimum wage to during his tenure and asked if DCED is responsible for proposing a specific wage. Sec. Davin indicated that the entire cabinet provides input on the dollar amount, specifically the Department of Labor and Industry and the Office of the Budget. Referring to the secretary's earlier comments, Rep. Delozier disputed that a minimum wage increase would have "no effect whatsoever" on small businesses. "These small businesses operate in the red or in a very small margin of one, two, three percent of profit," she stated. "Small businesses in my district have come to me and told me time and time again that they cannot afford to do this." Sec. Davin conceded that it could have an impact on "very small companies" but emphasized that the minimum wage has not been increased in ten years. "We're just trying to get to the point where it is a fair amount of money. We're trying to get the point to bring people out of poverty. We're trying to get to the point where businesses can continue to exist and make a good profit," he stated. Rep. Delozier questioned if raising the minimum wage would have an impact on the small business grant programs that the department administers. Sec. Davin doubted that a minimum wage increase would have an impact and noted that DCED has an established a "one-stop shop" for small businesses that serves as the first point of contact for Pennsylvania business development concerns and helps connect and guide businesses through all stages of development.

**Rep. Leanne Krueger (D-Delaware)** inquired about the incentives offered to Amazon. Sec. Davin said Philadelphia and Pittsburgh ended up being in the top 20 sites that Amazon chose and explained that the \$4.5 billion incentive was based on the personal income taxes that Amazon employees would have paid over 25 years and indicated that the money would be spent on STEM education and public infrastructure improvements. Rep. Krueger asked if any of the DCED's line items are specifically for companies that are headquartered in Pennsylvania. Sec. Davin said there are not any line items specifically for Pennsylvania-based companies. "This is all about the return that Pennsylvania gets. When our governor's action team is reviewing a project they look at the contribution that that company is going to make to Pennsylvania and then the personal income tax and other things that are to contribute to the commonwealth's economy," he stated.

**Rep. Stephen Kinsey (D-Philadelphia)** noted that a delegation from Ghana visited Pennsylvania and spoke about how the departments' **International Business Development program** is one of the best in the country and asked the secretary to discuss the program. Sec. Davin said the Office of International Business Development has 15 trade representatives for 52 counties and 11 investment representatives for 32 counties. "We've had 21 international companies choosing to locate in Pennsylvania. In 2018 alone, the jobs they supported 6,700 with \$46 million tax impact," he stated.

**Rep. James Struzzi (R-Indiana)** inquired about extensions for Keystone Opportunity Zones. Sec. Davin said the department does not consider Keystone Opportunity Zone extensions unless it is "for really extenuating circumstances."

**Rep. Morgan Cephas (D-Philadelphia)** questioned what reasons Amazon provided for rejecting the bids by Pittsburgh and Philadelphia. Sec. Davin commended Pittsburgh, Philadelphia, and other smaller cities such as Harrisburg and York on their proposals. He did not give a specific reason for Philadelphia but indicated that Amazon's issue with Pittsburgh was that the city was not big enough and had concerns about the ability to have 50,000 employees in that area within their seven-year timeframe.

**Rep. Jason Ortity (R-Allegheny)** requested a list of all the businesses receiving **tax credits**. Sec. Davin said he would provide that information to the committee. Rep. Ortity asked if the **PA Venture Capital Investment** program is currently closed to new applications. Sec. Davin stated "that money is currently closed right now." Rep. Ortity said the **Infrastructure and Facilities Improvement Grant program** was funded at \$16 million and there were \$12 million in commitments and asked if the department is still accepting applications. Sec. Davin indicated that the additional \$4 million is still in the program. "We'll take a look at any opportunity we can. It will still be a ten-year program but we have to constantly monitor commitments we already made to make sure we have enough funding," he stated. Rep. Ortity questioned how the department markets Pennsylvania to national and international companies at trade shows. Sec. Davin cited the ethane cracker plant in Beaver County as an example and said the plant provides many downstream opportunities for other businesses. "It has been incredible to go to some of these

trade shows and talk about that and talk about how this industry gives us the ability to development up to four more ethane crackers, not just in Pennsylvania, but we have this prolific resource we can utilize for that," he stated.

**Rep. Austin Davis (D-Allegheny)** asked what the plan is for communities in **Act 47**. Sec. Davin said the ultimate goal is to bring those communities out of Act 47. "There is a lot of work that takes place to get these communities to get out of Act 47 and get their finances in order," he stated. "We just did Farrell a couple weeks ago. It was an emotional thing for them to get out of Act 47 because of all the things they had to do to get out from under state oversight." Sec. Davin noted that the department is requesting an increase in the Act 47 program and indicated that a few communities are in danger of entering the program. Rep. Davis then inquired about the development of **brownfield sites**. Sec. Davin said those locations provide great downstream opportunities from the cracker plant. "Our rivers and our waterfronts in Pennsylvania is probably our greatest single asset. Some of these communities have struggled over the years because they lost 75 percent of their population and we want them to take advantage of that. We are constantly out there marketing these sites," he stated.

**Rep. Martina White (R-Philadelphia)** inquired about the unemployment rate in Pennsylvania. Sec. Davin said Pennsylvania is at 4.2 percent unemployment and is close to "full employment." Rep. White questioned if the median household income has risen. Sec. Davin said the median household income is up and poverty has gone down from 12.5 percent to 11.2 percent. Rep. White asked if there are taxes or regulatory issues that Pennsylvania should address. Sec. Davin said the governor established the **Keystone Economic Development and Workforce Command Center** to examine those issues. "The Corporate Net Income tax has to come down," he stated. Rep. White questioned what benchmarks the administration is establishing in terms of workforce development. Sec. Davin indicated that benchmarks have not been established yet by the Keystone Economic Development and Workforce Command Center.

**Rep. Marty Flynn (D-Lackawanna)** asked how increases in tourism funding benefits Pennsylvania. Sec. Davin explained that the \$30 million increase for tourism funding will go toward a variety of initiatives and said every dollar that goes into tourism the commonwealth gets back three dollars. "We have been doing as much as we can with the funding we have and our tourism shop has been doing a great job using digital media to get the message out," he stated. "Young people...are on social media all the time and we need to figure out how to get in their heads and now we have the resources to do that." Rep. Flynn questioned if there is a "moral aspect" to raising the minimum wage. Sec. Davin described himself as a "realist" and said people making minimum wage are struggling. "From my standpoint I've seen the effects of the minimum wage and I don't like what I've seen," he stated.

**Rep. Keith Greiner (R-Lancaster)** asked if the department examined the inflationary factor with the minimum wage for individuals currently making \$12. Sec. Davin said the department has not examined the issue. Rep. Greiner said the cost of living varies widely through Pennsylvania and asked if there will be a study of the impact of a minimum wage increase by region. Sec. Davin indicated that the department did not examine the issue.

**Rep. Patty Kim (D-Dauphin)** spoke in support of a minimum wage increase and said a single person without children in Harrisburg needs \$36,000 a year to pay for rent, transportation, clothes and health care and full on minimum wage only provides \$15,000 a year. Rep. Kim noted that her mom is a business owner and said she supports a "runway" for those entities to raise wages. Rep. Kim questioned what efforts the administration is proposing to combat blight. Sec. Davin said federal funding to address the issue has declined over the last 20 years and that is why Gov. Wolf's Restore Pennsylvania proposal is critical to combat blight. "We've utilized the Redevelopment Assistance Capital program, some of our Pennsylvania First funding, Keystone First funding and things like that but it's just not enough," he stated.

**Rep. Lee James (R-Venango)** inquired about the **one-stop shop** and asked what feedback they have heard from businesses. Kilko said the program has been in place for one year and the department is making interface improvements for the website. "We've had a number of people tell us and send us evaluations that they find the information extremely help. They wanted a FAQ and we provided that," she stated. Rep. James questioned how the Keystone Economic Development and Workforce Command Center augments the services already provided by the department. Sec. Davin said the command center will be comprised of leaders from the business and labor community along with cabinet secretaries to determine what is working and not working in Pennsylvania in terms of workforce and economic development. He indicated that the command center will work similar to the opioid Command Center and they are still developing an agenda for the first meeting.

**Rep. George Dunbar (R-Westmoreland)** said this was the first year in which the IFO conducted a **tax credit efficiency review**, with three tax credits being examined. He said there was no way to determine the return on investment for the Historic Preservation Tax Credit and it appeared that the credit was working as it should. He said IFO found that the 95 percent of jobs in the **Jobs Creation tax credit** would have been created without the credit and the program cost \$10.1 million. Sec. Davin said the agency is discussing the IFO's recommendation with the administration. "One of the big recommendations was the ability to sell or refund those credits and the people at the IFO thought it was something that needed to happen and would probably make the program much more viable," he stated. Rep. Dunbar said the IFO found that the **Film Tax Credit** was \$65 million and it has a return of investment of 13.1 cents on the dollar. Sec. Davin argued that in addition to the jobs that are created, film production provides critical marketing to areas of Pennsylvania. "There's a value to that and it's not captured in the 13.1 cents," he stated.

**Rep. Mark Keller (R-Perry)** chairman of the **House Commerce Committee**, questioned how the **Rural Jobs and Investment Tax Credit** program is working. Sec. Davin said there have been issues with the program and that DCED is willing to work with the legislature on issues facing the tax credit. Rep. Keller asked how many tax credits have been used. Sec. Davin stated "none just yet." Rep. Keller questioned how many applicants have applied for the credit. Sec. Davin said no businesses have applied.

**Rep. Thomas Caltagirone (D-Berks)**, minority chairman of the Commerce Committee, said he recently toured the Enchanted Acres Farm in Reading where they make baby formula and emphasized that the production would be a great benefit to Pennsylvania dairy farmers that have excess milk. He explained that China no longer produces baby formula due to deaths in that country and they have to import it and Enchanted Acres is ready to export but they need to be on China's stock exchange. He questioned if the secretary will be willing to work with him on the issue. Sec. Davin indicated that he would work with him on the matter.

**Rep. Dave Millard (R-Columbia)**, chairman of the **House Tourism and Recreational Development Committee**, indicated that the Department of Revenue projected that through Act 109 of 2018 there would be roughly \$22 million available to the tourism promotion fund this year and questioned how much will be available. Sec. Davin said the department believes \$7 million can be captured this year and roughly \$33 million after that. "We believe that will be the total amount of the fund through the end of next year," he stated. Rep. Millard expressed concern about tourism and business development being blended into one line item and questioned if it will diminish returns on investment. Sec. Davin said the department is examining how to market Pennsylvania through business attraction and seeing where funding can be provided for trade shows. "We're not sure if it can be funding through Act 109, it's roughly \$2 million but it's absolutely critically important but we don't want to anything to effect what we're doing to attract tourism," he stated.

**Rep. Dan Moul (R-Adams)**, chairman of the **House Local Government Committee**, asked if film tax credits can be sold. Sec. Davin indicated that those credits can be sold. Rep. Moul said there is a constituent in his district that owns ten chain fast food places and hires high school students and a minimum wage increase to \$12 would cost him \$1.125 million a year, which would result in him closing his business. He questioned what message he should tell that business owner. Sec. Davin stated "I don't know if I can answer that right now" but said he is willing to meet with that business owner.

**Rep. Ed Gainey (D-Allegheny)** spoke in support of a minimum wage increase and thanked Sec. Davin for his comments on the issue. "I understand the business concerns and we have to address that but I have to remind my colleagues that we get a cost of living adjustment every single year from the same taxpayers that aren't making nothing but \$7.25," he stated.

**Committee Chairman Stan Saylor (R-York)** noted that he grew up in poverty and got his first opportunity in construction working for the minimum wage. "Nobody is going to deny the fact that \$7.25 an hour is not the greatest wage in the world. It's not supposed to be a living wage, it's supposed to be where you start in life not where you end up," he stated. Chairman Saylor said state government has failed to relieve people from poverty or have a cohesive strategy to teach people the skills they need to advance. "We know our **CareerLinks** have failed miserably. Even at \$15 an hour, it is not something to raise a family of four on and no one disagrees with that," he stated. "We need to do more to help these families and until we do no matter what the minimum wage is they will still be in poverty." Chairman Saylor noted that he owned a business and every time he raised an employee's salary his workers compensation and social security payments went up. "This isn't just about raising the minimum wage, this is about government getting out of the way of business and also creating programs that truly work rather than continue

programs and saying 'we're doing more to help poverty' when really we're not doing a darn thing about it," he stated. "We're interested in making sure we don't put people out of business and we don't lose jobs in Pennsylvania. When you have the highest corporate taxes in the nation, you can't talk about creating less jobs and losing jobs. We need to start taking a more holistic approach."

## **Senate Appropriations Committee Budget Hearing with Ben Franklin Technology Partners**

The committee held a budget hearing March 5 with **Ben Franklin Technology Partners**, represented by: **Richard Lunak, president and CEO, Southwestern Pennsylvania Region, Ben Franklin Technology Partners, Chad Paul, president and CEO, Northeastern Pennsylvania Region, Ben Franklin Technology Partners, Stephen Brawley, president and CEO, Central and Northern Pennsylvania Region, Ben Franklin Technology Partners, and Scott Nissenbaum, chief investment officer, Ben Franklin Technology Partners.**

Lunak explained that Ben Franklin Technology Partners are one of the oldest tech-based economic development initiatives in the United States and the "gold standard" in the field which has been emulated by many other states. "We provide capital, knowledge, and access to networks to help support Pennsylvania innovators and startups. The way the program was conceptualized over 30 years ago was to give the regional centers the opportunity to customize the programs to meet the needs of the regions and I think that's the real magic in the program," he stated. "Ben Franklin's impact on the Pennsylvania economy is really undeniable. They help create high paying jobs with an average of 52 percent higher than Pennsylvania's average. They help attract hundreds of millions in investment dollars to grow Pennsylvania companies and jobs. They really help to market what a wonderful place Pennsylvania is to build and grow a business. An independent study by the Pennsylvania Economy League over a five-year period from 2012-2016 showed that Ben Franklin Technology Partners helped boost Pennsylvania's Gross State Product by \$4.1 billion, generated directly over 4,100 jobs and 11,000 indirect jobs to Pennsylvania's economy. For every dollar the state invested in the program it garnered an additional \$3.90 dollars back in direct state revenues." Lunak emphasized that other states are investing more than ever in similar programs and a study found that Pennsylvania was the second lowest out of 13 neighboring states in per capita investment in tech-based economic development initiatives.

Chad Paul, said annual funding for the initiative has dropped substantially over the years. "We're talking about being funded at a level of \$14 million. Other states are doubling down on this investment," he stated. "Pennsylvania has made a huge investment in Ben Franklin Technology Partners over these 35 years and we have the gold standard of state funded technology economic development. We don't want to cede that to other states...we believe it's important to return Ben Franklin to the historic level of \$28 million a year."

Stephen Brawley said an additional state investment would create more opportunities for "homegrown entrepreneurs." Scott Nissenbaum, reiterated that for every dollar the state invests in the program it receives \$3.90 back. "That is not an expensive line item that is a revenue line item and we continue to achieve those metrics in terms of the companies we create, the jobs we create, and the wages that flow back to the state," he stated.

**Sen. Mario Scavello (R-Monroe)**, chairman of the Community, Economic, and Recreational Development Committee, asked why Ben Franklin Technology Partners is viewed as the gold standard in tech-based economic development initiatives. Paul explained that Pennsylvania is not focused on any particular state or any specific technology. "Ben Franklin has embraced the idea that our job is to create high paying technology jobs in Pennsylvania and with that as our mission, figuring out how to help the entrepreneur who just walked in the door, I think that's different than anything I've seen in any other state," he stated. Sen. Scavello asked what assets Pennsylvania has to help improve the commonwealth's technology economy and what the areas of concern are. Lunak said Pennsylvania has "great assets to build off of," such as Pennsylvania universities, but the Commonwealth does not have the "legacy of the tech industry" that other areas such as Silicon Valley and Boston have. "The resources that Ben Franklin provide which are the first dollars to help build your first prototype, get your first customers, and expose you to those connections to a national network of investors and talent is really critical," he stated. "It's the kind of thing I leaned on as an entrepreneur when Ben Franklin helped me and it's really the next generation of entrepreneurs in Pennsylvania."

**Committee Chairman Pat Browne (R-Lehigh)** questioned if there are differences between the regions in their ability to access capital. Brawley said each region has its own private board of directors. "We have been good at reaching out to each other and taking advantage of some of those assets in our regions," he stated. "We're able to

have local customization but are still able to pick and choose from the other regional tool kits." Paul added that the issue of venture capital being in certain areas such as Philadelphia is not an issue because the regions "cross fertilize our venture funds within the state." He noted that the bigger issue is that "venture funds as a whole have moved to a much later stage" and indicated that those funds no longer make investments in "pre-revenue companies." Chairman Browne asked if the state funding is distributed evenly. Paul said the \$14 million proposed in this year's budget would be divided by the four regions and each gets \$3.5 million.

**Sen. John Blake (D-Lackawanna)** commended the panelists for their work and questioned where Pennsylvania ranks compared to other states in terms of early investment. Nissenbaum said a study found that Pennsylvania was the second lowest out of 13 neighboring states in per capita investment in tech-based economic development initiatives. "Connecticut and Maine rank the highest at \$18 per capita," he stated.

**Sen. Gene Yaw (R-Lycoming)** questioned what other states are doing with the extra funds. Paul said he would provide that information to the committee, but emphasized "states are recognizing that this is a space they have to invest in to have the technology economy of the future." Sen. Yaw asked what Ben Franklin would do with extra money. Brawley indicated that more state money would provide more opportunities for Pennsylvania entrepreneurs to receive funds.

**Sen. Dan Laughlin (R-Erie)** requested data with the regard to the companies that the initiative has assisted and the number of jobs that have been created. Brawley said the Pennsylvania Economy League conducts an independent assessment on the initiative every five years and indicated that he will provide that report to the committee. Chairman Browne questioned if that the Pennsylvania Economy League report is where the \$3.90 return on every state dollar invested in the program comes from. Brawley responded "yes." Chairman Browne asked if that the figure has been consistent over time. Nissenbaum indicated that it was previously \$3.50 to every dollar but would provide those details to the committee.

**Sen. Elder Vogel (R-Beaver)** questioned if Ben Franklin Technology Partners works with the Penn State Innovation Hubs. Brawley affirmed that the initiative works closely with Penn State. "We have incorporated our **TechCelerator Boot Camps** into helping students, faculty, and staff commercialize ideas they have. In an area where there is not much venture capital around, we have worked with Penn State in ultimately creating 1855 Capital which is locally based in State College investment vehicle where alumni get involved in investing in companies that have Penn State DNA or Penn State affiliation," he stated. "I'm very excited about the Start-Up Leadership Network, which is a new initiative where the university in partnership with us and others are reaching out to Penn State's alumni as sources of talent and sources of management expertise. It's like someone dropped Pittsburgh into Central Pennsylvania and we want to make sure we want to take advantage of all those bright people out there to benefit the home team."

**Sen. Bob Mensch (R-Montgomery)** indicated that Ben Franklin originally began with regions catering to specific industries such as the Lehigh Valley focusing on electronics and Philadelphia focusing on Life Sciences. He questioned if each region still specifies on certain industries. Paul emphasized that Ben Franklin is "technology agnostic" but said the northeast still has a "strong microelectronic background" due to companies such Western Electronic which operated years ago producing offshoot businesses. "One company was acquired by Texas Instruments (TI), and as a poster child story of the jobs Ben Franklin was created to create, TI kept those jobs in Bethlehem and just as an example of the multiplier effect the annual state income tax generated by their payroll was 150 percent of what we invested in them," he stated. Paul added that 70 percent of all the employees who work for pharmaceutical companies in the United States live and work within 100 miles of northeastern Pennsylvania. "Like Philadelphia, we have seen a massive influx of life sciences, biotech types of companies," he stated.

**Sen. Sharif Street (D-Philadelphia)** asked what can be done to make Pennsylvania more competitive with other states with similar initiatives. Paul said Ben Franklin Technology Partners' primary issue has been that it is "starved for capital" and indicated that more investment from the state would produce more investments in Pennsylvania startups. "In the long run we won't be able to do the kinds of stellar things we've been able to do in the past unless we get that funding restored and that's the biggest problem. We are good partners," he stated. In addition to calling for more funding, Nissenbaum added that there is a cultural component that Pennsylvania has which can be antithetical to entrepreneurship. "From a cultural standpoint, it's the conservative nature of whether or not you are going to be able to fail," he stated.

**Sen. Kristin Phillips-Hill** asked if any regulatory changes are needed at the state level to help facilitate the mission of Ben Franklin Technology Partners. Lunak did not have any specific regulatory reform but said the majority of states have "**angel tax credits**" which incentivize "high net worth individuals to invest in small business enterprises and entrepreneurs" and indicated that it has been successful in getting "dormant capital off the sidelines."

Chairman Browne highlighted Pennsylvania's demographic challenges and indicated that Ben Franklin Technology Partners used to have more money because the state had a \$1 billion surplus back in 1998. He said there is often a "chicken or the egg" debate when it comes to competitive economic development programs between states where people question if some businesses would eventually receive some private angel investment funding if there was not public capital invested. Paul said Ben Franklin was created as a "quasi government entity" because the state wanted to take advantage of partnerships between private business, state government, and universities. "Capital is mobile and we're in a situation where if we don't have Ben Franklin to prime the pump so that the local venture capitalists have deals to invest in, then they are going to find deals to invest in other places," he stated. Chairman Browne emphasized that other states are aggressively investing in tech-based economic development initiatives and expressed concern about Pennsylvania companies not receiving venture capital money if the state does not make the initial investment in those start-ups. Nissenbaum indicated that bringing the state funding level to \$28 million would provide an additional \$3.5 million to each region to invest in 20 companies. "The question is do those companies never get funded or do they move out of the region. I think the answer is a combination of both but either way Pennsylvania is not the beneficiary of those long term jobs," he stated.

Chairman Browne explained that the reason states were "all over the Amazon deal" was because the incentives were based on taxes that would have been paid to the state. "There was certainty on the return. We do not have the ability at this point in time to invest in something that we put one dollar into and gives us back 13 cents and there is some of that out there," he stated. Paul reiterated that the Pennsylvania Economy League audits the initiative every five years and emphasized that Ben Franklin Technology Partners is an investment and not an expense. "It's an investment that has provided multiple returns to the Commonwealth. These are not funny numbers and are not econometric multipliers, these are hard tax dollars," he stated. "We need to flip the paradigm when we are making the argument and instead of saying 'how much money Ben Franklin is going to cost us this year', it's really about 'how much money can we get to Ben Franklin so we can get that 3.9 times in incremental state tax revenue.'"

## **Senate Appropriations Committee Budget Hearing with DCED**

On March 7, the committee held a budget hearing with the **Pennsylvania Department of Community and Economic Development (DCED)**. The Department was represented by: **Dennis Davin, secretary, Department of Community and Economic Development, Carol Kilko, deputy secretary for the Office of Business Financing, and Neil Weaver, executive deputy secretary.**

**Sen. Scott Martin (R-Lancaster)** said it was interesting to see Pennsylvania's attempt to draw in Amazon. He asked why the administration denied **Urban Outfitters** for a keystone expansion in Lancaster County. Sec. Davin explained that the department looks at every single opportunity separately. He said Amazon was a huge game changer because it was about 50,000 jobs and a lot of tax revenue. He said Urban Outfitters was part of a negotiation and a lot more was involved, such as extensions with existing Keystone Opportunity Expansions (KOE). Sen. Martin stated that he was puzzled that Lancaster was denied its application to create a small business loan program as an alternative to giving out grants. Sec. Davin said he could look into that as he is not aware of the particular issue. He said the **City Revitalization and Improvement Zone (CRIZ) program** in general is not supported by the governor or himself. He said they would like to look at the underlying tax structure and infrastructure to utilize programs DCED has already.

**Chairman Patrick Browne (R-Lehigh)** asked for a reminder of what the offer was to Amazon. Sec. Davin responded that they looked at providing a subsidy that did not contain any existing taxes or programs. He said it was offset against the personal income tax that would go back into the community. He said that Amazon ended up choosing two locations with some of the highest costs on the east coast. Chairman Browne asked if DCED has changed its mind on that model. Sec. Davin replied that the department would like to revisit the model because it believes it is a good, responsible model to look at. He noted that sometimes incentive programs are needed to get to the table. Chairman Browne commented that he does not understand how Amazon said it was creating a facility with a need for 50,000 jobs and then goes back and says it does not need it anymore.

**Sen. John Blake (D-Lackawanna)**, thanked the department and the governor for retaining some of the funding for the Military Community Enhancement Commission. He commented that he hopes they can get the Keystone Communities funding back to the original number. Sen. Blake noted that DCED must communicate if dollars are needed for the census count. Weaver explained that the department has been working on it for a year and a half and has recently hired an executive director to oversee the efforts. He noted that the state could lose about \$2,100 per person that is not counted. Sen. Blake stated that he had some reservations about the hotel occupancy tax. He said there is an expected generation of \$23 million in 2019-2020 with \$21 million going into tourism. Sec. Davin replied that that is critical to market Pennsylvania to the point that it needs to be.

**Sen. Gene Yaw (R-Lycoming)** questioned why **funding for public television** went from \$750,000 last year to \$250,000 this year. Sec. Davin explained that the \$250,000 is consistent with what was requested last year. Sen. Yaw commented that public television ran a series on the opioid problem in Pennsylvania and what public television has done to get the word out is worth more than \$750,000. Sen. Yaw asked what regulations were going to be reduced in the Amazon proposal. Sec. Davin responded that part of what DCED is looking at through the Workforce Command Center are barriers that stop companies from wanting to expand or if not enough skilled workers can be found. He said they are trying to make Pennsylvania as competitive as it can. Sen. Yaw said that he agrees with the concept, but regulations should be looked at on a regular basis. He asked what Keystone Communities serves and why there had been a reduction to \$6 million. Sec. Davin explained that that is consistent with the request last year and an increase was done with legislative initiatives. He said the program helps with aspects such as affordable housing in communities that need it and repairing historic buildings that are the street face of the community.

**Sen. Steven Santarsiero (D-Bucks)** inquired what the importance is with investment in education as it relates to the ability to attract new business in Pennsylvania. Sec. Davin replied that talent is the number one thing that companies are looking for. He said it is critical to make sure there is an appropriate amount of good quality talent and to educate younger people to take jobs that will be available when they graduate. He noted that Amazon's decision at the end of the day was based upon where they believed the most talent was. Sen. Santarsiero noted that Pennsylvania is 48th in investing in higher education. He asked if there is a lack in the hazardous sites cleanup fund and what DCED sees from companies that are interested in Pennsylvania as far as properties. Sec. Davin said he has a background in developing in Pittsburgh and part of what was looked at was the infrastructure and the opportunities. He said that particular fund is something where DCED needs to try to look at other resources to help turn brownfield sites around.

**Sen. Kristin Phillips-Hill (R-York)** noted that the Department of Labor and Industry stated there are 236,000 jobs now open, but based on the budget there is the same request for attracting business. She asked how the state fills those businesses with a skilled labor force. Sec. Davin responded that a lot of effort was put into the Amazon proposal, but it made sense to do that. He said while that was happening, DCED was tackling other things, such as approving the Manufacturing PA line item to work with existing companies to train existing and new employees for specific types of opportunities. Sec. Davin commented that he is working with the other department to help eliminate that skills gap.

**Sen. Bob Mensch (R-Montgomery)** commented that the **Performance Based Budget (PBB) process** looked at three tax credits. He asked for a perspective on the tax credits. Sec. Davin stated that the historic tax credit is critical and he would like to see more funding go toward that as iconic buildings are what are seen when you travel around the state. He said that the job creation tax credit is not used as often as they would like, but the department is open to the Independent Fiscal Office's (IFO) recommendation to make the credit refundable. Sec. Davin continued that the film tax credit did not capture the value of what someone sees on film. He noted that there are always people at the Rocky statue. He also noted that President Obama had the G-20 in Pittsburgh and that attracted a lot of marketing hits to the Allegheny Conference Center. Sen. Mensch replied that those are called soft dollars and it is difficult to quantify that. Chairman Browne thanked DCED for the support with the PBB process and helping to look at things quantitatively as it is a new process for the legislature as well.

**Sen. Maria Collett (D-Montgomery)** inquired how Pennsylvania compares to other states in regard to the film tax credit and how many opportunities it has lost in television or film productions. Sec. Davin said he does not have the exact numbers, but other states have more for their tax credit. He said there are robust film offices in Pittsburgh and Philadelphia to get as many dollars as they can. Sen. Collett asked how the credits are split between Pittsburgh and Philadelphia. Sec. Davin replied that the dollars are split 50:50, but are also based on timing. Sen. Collett asked if the recipient of the tax credit can use it to offset the tax liability or sell it to another entity and how many times that

is done. Sec. Davin said it is done a majority of the time and he can get the information. Chairman Browne noted that in order to change the other credits and make them refundable or sellable as the IFO recommended, the committee needs the input from the department.

**Sen. Dan Laughlin (R-Erie)** stated that the city of Erie is in the early intervention program as it is in a \$7 million deficit and the real estate tax is significantly higher than in surrounding areas. He said that it has been asked for the governor to authorize CRIZ for Erie. He asked what programs DCED can offer that would provide the estimated \$10 million that CRIZ would. Sec. Davin responded that he does not think CRIZ is the right program for Erie or other communities in Pennsylvania as there are other programs, such as the capital assistance program or the neighborhood assistance program. He said the business community in Erie put together \$28-30 million of its own funds to look at the downtown district. He said Erie is above where they were before.

**Sen. Elder Vogel (R-Beaver)** asked for an opinion on what jobs and economic activity the **Shell ethylene cracker plant** will bring. Sec. Davin commented that this is a game changer because it is the first of its kind in the northeast. He said Shell is doing this in the northeast because it is closer to one of the largest fields of natural gas and close to the end users. Sec. Davin noted that other companies are taking notice, such as other cracker plants and plastic manufacturers. He said there are about 2,500-3,000 construction jobs on site right now and there will be an end result of 600-700 permanent employees. Sen. Vogel asked if all aspects of job creation and workforce development will be combined and looked at in the Workforce Command Center. Sec. Davin replied the idea is to have the departments participate and work with the business community to respond to the needs that are out there. He added that the first official meeting will be in April.

**Sen. Sharif Street (D-Philadelphia)** noted that there is a theme of cross-departmental aligning of the educational system and workforce development with industry needs. He inquired what the department is doing. Sec. Davin stated that the Workforce Command Center will deal with that. He said the governor has mandated that the departments work closely together to make sure everyone knows what the other is doing. Kilko added that DCED has worked with the Department of Labor and Industry to look at programs each department had, make sure there were no duplications, and monitor funding to make sure one department is not providing an agency or company with funding if the other is already paying for it. She stated that they will pull in the Pennsylvania Department of Education (PDE) when applicable. Sen. Street said that many members encourage the administration to look at core curriculum to be industry-focused and that the Pennsylvania State System of Higher Education (PASSHE) system provides learning for growing industries, which DCED has real data on.

Sen. Phillips-Hill commented that she has heard complaints from schools in York about the delay in approving tax credits for the **Educational Improvement Tax Credit (EITC)** and the **Opportunity Scholarship Tax Credit Program (OSTC)**. She said necessary changes have been made in the department but she stills hears about the financial hardships and she hopes that EITC will be sent out on or before September 30th. Sec. Davin replied that is the department's goal and the staff have worked hard.

Sen. Mensch stated that companies are smart and do their homework around regulations. He said Pennsylvania has a certain reputation around regulations and businesses taxes. Sen. Mensch noted that Pennsylvania needs to become more aware and alert as a state on how it is being perceived by the business community. Sec. Davin responded that DCED is meeting with site selection firms that talk to some of the biggest companies. He said DCED is trying to push the attributes that Pennsylvania has to offer. Sen. Mensch asked when there will be another meeting of the **Commonwealth Financing Authority (CFA)** as the last meeting was 170 days ago. Sec. Davin noted there is one scheduled for the end of March and he is upset that there has not been a meeting. He said it is a matter of getting everyone together and to agree on the agenda.

Sen. Blake commented that the Local Government Commission might take up another review and set of reforms for Act 47, the distressed communities statute. He asked for comment about the fiscal health of communities. Sec. Davin replied that it is great to see communities come out of Act 47 and part of the reason DCED is asking for additional funds is to help communities. He said they have to be prepared to act right away as some cities are one major issue away from going into Act 47. Sen. Blake commented that he has to take a look at the methodology and report on the tax credits as the opportunity costs of not having the credit should also be considered. He noted that he cannot get a grocery store in downtown Scranton and would like DCED to revisit with the Department of Agriculture in providing produce to underserved areas.

**Minority Chairman Vincent Hughes (D-Philadelphia)** said he questions on whether the study on the film tax credit was as exhaustive as it needed to be. He noted what the following states put into their programs: New York had \$420 million, California had \$330 million, Georgia had \$533 million, Illinois had \$150 million, Louisiana had \$150 million and New Jersey had \$85 million. He suggested that pieces of the analysis should be dug into. Sec. Davin commented that it is hard to quantify the things that are not captured as the reports are just looking at the financials when there is much more involved. Sen. Hughes noted that the state needs to be more intentional with how it deals with poverty. He said they need to look at and beyond increasing the minimum wage. Sec. Davin replied that this was a big part of the discussion with the House Appropriations Committee. He said a lot of people think that just teenagers are getting minimum wage. He added that a lot needs to be looked at for the whole situation as no one wants businesses to lose jobs or for businesses to close because they cannot afford minimum wages, but he does not think there will be a huge job loss if any at all. Minority Chairman Hughes said the state, by law, is forcing people into poverty. He added there is no support around sick leave and other conditions. Sec. Davin noted that part of the Workforce Command Center will look at impediments, such as access to transportation and access to daycare. Chairman Browne stated that the legislature put together an actual objective process to evaluate programs not only on the appropriation side, but also the tax credit side. He said they wanted to have a process where one of the most trusted, the IFO, performs the analysis and those that administer the program counter that analysis. Chairman Browne noted that he is frustrated as the department is now saying the analysis is not complete when it should have been said when those involved approved the study.

Chairman Browne commended the department for being helpful in Allentown intervention services as Allentown is doing its best to stay out of Act 47. He asked if more of the dollars are being put into workforce competency than other areas. Sec. Davin replied yes and that the department is working to close the skills gap. Chairman Browne asked for comment regarding the sustainability of programs such as the Small Business First, the Machinery and Equipment Loan Fund and the Industrial Sites Reuse Program. Sec. Davin replied that those programs are a part of the Pennsylvania Industrial Development Authority (PIDA) and he believes that next year the department will have to come back and talk to the legislature about the appropriation or funding source. He said they need the funds now more than ever. Chairman Browne noted that the actions of last year may give them an opportunity to take a second look at investing in homegrown people and homegrown talent as well as investing dollars in current programs. Sec. Davin commented that the governor is focusing on the underlying tax structure and infrastructure to make sure Pennsylvania is the best and that is about properly training the young people.

## **Democrats win Special Elections to Succeed Kavulich and Brown**

The parade of special elections to be held this spring commenced on March 12, with two House races to fill seats where incumbents were reelected in November, but were unable to serve this session, for two very different reasons.

In the 114th House District, Democratic candidate **Bridget Malloy Kosierowski** defeated Republican Frank Scavo for the 114th House District in Lackawanna County. She won by nearly 25 points, according to unofficial results. The district had been represented by the **late state Rep. Sid Michaels Kavulich (D-Lackawanna)**, who died in October at the age of 62 from complications of open heart surgery. Kavulich remained on the ballot and won re-election after his passing. Kosierowski, a registered nurse, made fighting for health care a central theme to her campaign. This was Scavo's third attempt at running for elected office, but indicated during his concession speech he would be running for the Senate in 2020.

The other special election was also held March 12, to fill the open state House seat in West Philadelphia's 190's district. To no one's surprise, **Democrat Movita Johnson-Harrell** won. Johnson-Harrell captured 66 percent of the votes in a field of four candidates. Johnson-Harrell becomes the first Muslim woman elected to the Pennsylvania state House. This seat was held by state **Rep. Vanessa Lowery-Brown (D-Philadelphia)** since 2009 until she resigned in December after she was sentenced on a bribery conviction. Johnson-Harrell, who most recently served as the supervisor of Victim/Witness Services and Restorative Justice at the Philadelphia District Attorney's Office, tried to unseat Brown in a six candidate field in the 2016 Democratic primary, but was unsuccessful.

More specials in the Senate will follow in the coming months. In the 37th Senatorial District, to be held April 2, 2019, Democrat **Pam Iovino** faces Republican **D. Raja**. The two seek to succeed Republican Sen. Guy Reschenthaler, who won a seat in Congress in 2018, midway through his state Senate term. This race is seen as being very close, with Democrats hoping to continue cutting into the Republican majority, after winning 5 open seats last fall. Then, on May 21, special elections will be held to fill the unexpired terms of Republican **Sens. Rich**

**Alloway (R-Franklin) and Don White** (R- Indiana), who resigned on February 28. These seats are both seen as likely to stay Republican. White's long-time Chief of State, **Joe Pittman**, is considered the odds-on favorite to replace his former boss.

Also on May 21, voters in the **12<sup>th</sup> Congressional District** will choose a successor for Cong. Tom Marino, who retired recently citing health reasons. Fourteen Republican candidates were nominated, with state **Rep. Fred Keller (R-Snyder)** being awarded the GOP nomination for the May 21 election against **Democrat Marc Friedenber**g.

## **Legislative Activity**

**The following bills of interest to PEDDA were acted on by the General Assembly this past month.**

## **Budget Related Bills**

[HR 148](#) RE: Funding for Storm Water Infrastructure Projects (by Rep. Aaron Kaufer, et al)

A Resolution urging the Congress of the United States to provide additional funding for storm water infrastructure projects in Pennsylvania.

**Filed, 3/13/2019**

[SB 166](#) RE: Capital Budget Act of 2019-2020 (by Sen. Vincent Hughes, et al)

Provides for the capital budget for the fiscal year 2019-2020. Appropriates the following amounts: building and structures (\$1,100,000,000); furniture and equipment (\$20,000,000); transportation assistance projects (\$350,000,000); redevelopment assistance projects (550,000,000); flood control projects (\$0) Effective July 1, 2019, or immediately, whichever is later.

**Introduced and referred to Senate Appropriations Committee, 2/19/2019**

## **KOZ/CRIZ/Tax Credits**

[HB 551](#) RE: Trading of Tax Credits (by Rep. Jason Ortity, et al)

Amends the Tax Reform Code, in research and development tax credit, further providing for carryover, carryback, refund and assignment of credit; in entertainment production tax credit, further providing for carryover, carryback and assignment of credit and for carryover, carryback and assignment of tax credit; in resource enhancement and protection tax credit, further providing for Resource Enhancement and Protection Tax Credit Program; in historic preservation incentive tax credit, further providing for carryover, carryback and assignment of credit; in waterfront development tax credit, further providing for tax credit; in Innovate in PA tax credit, further providing for sale, carryover and carryback; in manufacturing and investment tax credit, further providing for sale or assignment; in neighborhood assistance tax credit, further providing for tax credit; in keystone special development zone program, further providing for Keystone Special Development Zone tax credit; in keystone innovation zones, further providing for keystone innovation zone tax credits; and repealing provisions relating to sale or assignment of coal refuse energy and reclamation tax credit. The bill removes the ability of a taxpayer, upon application to and approval by the Department of Community and Economic Development, to sell or assign, in whole or in part, a research and development tax credit granted to the taxpayer under this article. The Department of Community and Economic Development shall establish guidelines for the approval of applications under this subsection.

**Introduced and referred to House Finance Committee, 2/25/2019**

[HB 719](#) RE: Second Stage Loan Program (by Rep. Melissa Shusterman, et al)

Amends Title 64 (Public Authorities and Quasi-Public Corporations), in Commonwealth Financing Authority, further providing for Second Stage Loan Program. The program shall be for businesses located within the commonwealth and an application for a loan shall demonstrate that the use of the loan proceeds will result in jobs being created or retained, including job projections. The maximum guarantee amount and percentage shall be determined by the authority and shall terminate at the end of seven years.

**Introduced and referred to House Commerce Committee, 3/6/2019**

## **Cosponsor memos filed**

[HCO1291](#) (Turzai) - Increases the amount of tax credits available under the Educational Improvement Tax Credit (EITC) program by \$100 million (to \$210 million).

**Filed, 2/22/2019**

[HCO1322](#) (Longetti) - Authorizes a City Revitalization Improvement Zones (CRIZ) program in a total of 15 third-class and second-class-A cities before 2021.

**Filed, 2/26/2019**

## **Local/State Government Regulations**

[HB 407](#) RE: [Uniform Definition of Blight](#) (by Rep. Kurt Masser, et al)

Amends Title 1 (General Provisions), in rules of statutory construction, further providing for definitions. The bill defines blighted property.

**Reported as amended from House Urban Affairs Committee, read first time, and laid on the table, 2/19/19**

**Removed from the table, 3/11/2019**

**Amended on House floor, read second time, and rereferred to House Appropriations Committee, 3/12/2019**

**Voted favorably from House Appropriations Committee, 3/13/2019**

[HB 534](#) RE: [NPDES Permit Program](#) (by Rep. David Zimmerman, et al)

Amends the Clean Streams Law, in other pollutions and potential pollution, further providing for potential pollution by adding that a construction site that results in land disturbance of more than one acre and less than five acres may apply to waive the otherwise applicable requirements for a National Pollutant Discharge Elimination System permit in accordance with 40 CFR 122.26(b) (15) (i) (relating to storm water discharges (applicable to State NPDES programs, see 123.25).

**Introduced and referred to House Environmental Resources and Energy Committee, 2/19/2019**

[HB 550](#) RE: Watershed Storm Water Management Plan Exemption (by Rep. David Zimmerman, et al)

Amends the Storm Water Management Act, further providing for watershed storm water plans and contents. The bill establishes that a municipality that does not have a public water or sewer system shall be exempt from participating in the watershed storm water management plan.

**Introduced and referred to House Environmental Resources and Energy Committee, 2/20/2019**

## **Local/Property Taxes**

[HB 324](#) RE: Microenterprise Loan Programs (by Rep. Keith Gillespie, et al)

Amends Title 72 (Taxation & Fiscal Affairs), establishing microenterprise loan programs and abating real property assessment. The bill establishes that an administrative entity shall have the powers to: issue loans to microenterprises that will operate on property owned by the administrative entity and leased to the microenterprise; negotiate for loans and grants from both public and private sources; acquire property to lease to start-up entrepreneurs in order to facilitate the establishment of a microenterprise; and enter into an intergovernmental cooperation agreement with other administrative entities or municipalities.

**Reported as committed from House Urban Affairs Committee, read first time, and laid on the table, 2/19/19**

**Removed from the table, 3/12/2019**

[SB 76](#) RE: Property Tax Independence Act (by Sen. David Argall, et al)

Provides for tax levies and information related to taxes; authorizes the imposition of a personal income tax or an earned income tax by a school district subject to voter approval; provides for imposition of and exclusions from a sales and use tax for the stabilization of education funding, for increase to the personal income tax, for certain licenses, for hotel occupancy tax, for procedure and administration of the tax, for expiration of authority to issue certain debt and for reporting by local government units of debt outstanding; establishes the Education Stabilization Fund and the Education Cost Commission; provides for disbursements from the Education Stabilization Fund and for senior citizen property tax rent rebate assistance; and makes repeals. The bill provides for the elimination of school property taxes and authorizes school districts to levy, assess and collect a tax on personal income or a tax on earned income and net profits. The sales and use tax is replaced by the Sales and Use Tax for the Stabilization of Education Funding, which shall be seven percent.

**Introduced and referred to Senate Finance Committee, 2/22/2019**

## **Minimum Wage**

NONE

## Permitting

NONE

## Sales/Use Taxes

NONE

## Workforce Development

[HB 394](#) RE: Workforce Development Program Clearinghouse (by Rep. Gerald Mullery, et al)

Amends the Public School Code, in vocational education, providing for a workforce development program clearinghouse. The bill establishes that no later than January 1, 2020, the Department of Education shall, in consultation with the Department of Labor and Industry, conduct an inventory to determine the number and types of workforce development programs offered at secondary and postsecondary institutions and report its findings and actions to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives, the chairman and minority chairman of the Education Committee of the Senate, and the chairman and minority chairman of the Education Committee of the House of Representatives no later than June 30, 2020.

**Introduced and referred to House Education Committee, 3/6/2019**

**Reported as amended from House Education Committee, read first time, and laid on the table, 3/11/2019**

[HB 396](#) RE: WIB Membership (by Rep. Jim Roebuck, et al)

Amends the Workforce Development Act, in local workforce investment areas and boards, further providing for membership. The bill establishes that a local workforce investment board appointed by the chief elected official shall include at least one local administrator of a career and technical center.

**Introduced and referred to House Education Committee, 3/6/2019**

**Reported as amended from House Education Committee, read first time, and laid on the table, 3/11/2019**

[HB 425](#) RE: CareerBound Act (by Rep. Ryan McKenzie, et al)

Provides for school-to-work programs; establishing the CareerBound program; and imposing powers and duties on the Department of Labor and Industry. Funding and notice effective immediately, remainder of the act effective upon publication in the Pennsylvania Bulletin.

**Introduced and referred to House Labor and Industry Committee, 2/20/2019**

**Reported as amended from House Labor and Industry Committee, read first time and laid on the table, 3/13/2019**

[HB 522](#) RE: Career and Technical Education Investment Incentive Program (by Rep. Mike Tobash, et al)

Amends the Public School Code adding an article providing for the Career and Technical Education Investment Incentive Program. The intent of the program is to foster and encourage private investment in career and technical education programs and the repair, upkeep, replacement and upgrading of industry-grade materials and instructional equipment. Portions are effective immediately and the remainder is effective upon publication in the Pennsylvania Bulletin.

**Introduced and referred to House Education Committee, 2/19/2019**

**Reported as amended from House Education Committee, read first time, and laid on the table, 3/11/2019**

[HB 552](#) RE: Work Requirements (by Rep. Matthew Dowling, et al)

Amends the Human Services Code, in public assistance, providing for work requirements. The bill establishes that no later than March 1 of each year, the secretary shall apply to the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services for a demonstration program for instituting a work requirement for a medical assistance enrollee who is not exempt.

**Introduced and referred to House Health Committee, 2/20/2019**

[HB 576](#) RE: Industry Partnerships (by Rep. Ryan Bizzaro, et al)

Amends the Workforce Development Act, in industry partnerships, further providing for definitions, for industry clusters, for grant program, for grant program operation, for interdepartmental cooperation and for industry and labor market research. The bill establishes that in order to receive grant funding, an industry partner must, in its grant application, if feasible, show evidence of participation of career and technical educators in industry partners.

**Introduced and referred to House Labor and Industry Committee, 2/28/2019**

[HB 796](#) RE: Schools-to-Work Act (by Rep. Jared Solomon, et al)

Establishes the Schools-to-Work Program in the Department of Education to distribute grants on a competitive basis to schools to support the establishment or enhancement of partnerships with local businesses in order to fill current and anticipated needs for employees with necessary job qualifications and certifications.

**Introduced and referred to House Education Committee, 3/12/2019**

**Cosponsor memo filed**

[HCO1300](#) (Kaufer) - Requires that no workforce investment funding be distributed to programs in local areas where said programs have not demonstrated measurable success.

**Filed, 2/22/2019**

### **Upcoming Meetings of Interest**

Some House Committee meetings and session can be viewed online at: <http://www.pahousegop.com/>

Senate Committee meetings and session can be streamed at: <http://www.pasenategop.com/>

#### **TUESDAY - 3/19/19**

**House Commerce Committee**

**9:30 a.m., Room 140, Main Capitol**

Joint informational meeting with House Labor & Industry on the Auditor General's recent performance audit on The PA Workforce Systems

#### **WEDNESDAY - 3/20/19**

**House Urban Affairs Committee**

**9:30 a.m., Room 205, Ryan Office Building**

Informational meeting with PIDC on Opportunity Zones and PA Opportunities

#### **2019 SENATE SESSION SCHEDULE**

<b>March</b>	<b>18, 19, 20, 25, 26, 27</b>
<b>April</b>	<b>8, 9, 10, 29, 30</b>
<b>May</b>	<b>1, 6, 7, 8</b>
<b>June</b>	<b>3, 4, 5, 10, 11, 12, 17, 18, 19, 24, 25, 26, 27, 28</b>

#### **2019 HOUSE SESSION SCHEDULE**

<b>March</b>	<b>18, 19, 20, 25, 26, 27</b>
<b>April</b>	<b>8, 9, 10, 15, 16, 17, 29, 30</b>
<b>May</b>	<b>1, 6, 7, 8, 13, 14, 15, 22</b>
<b>June</b>	<b>3, 4, 5, 10, 11, 12, 17, 18, 19, 20, 24, 25, 26, 27, 28</b>

### **Commonwealth Financing Authority Meeting Schedule (Subject to Change)**

**2019 schedule (subject to change): March 26, May 21, July 16**

**All meetings are held beginning at 10:30 AM, in the**

**Forest Room, CKB Meeting Center, 1st Floor (plaza) Commonwealth Keystone Building**

**400 North Street, Harrisburg**

The public is welcome.

**For more information:**

<https://dced.pa.gov/programs-funding/commonwealth-financing-authority-cfa/>

*Copies of all bills of interest can be accessed via the Internet at: <http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm>*