

The Second Annual Western Pennsylvania Legislative Reception was held on November 17, 2022, at CNX Resources. Our organizations, the Manufacturer & Business Association, Washington County Chamber of Commerce, and the Pittsburgh Business Exchange host the event and believe it is an important conduit between those who make the laws and those who bear the impact.

Fourteen roundtable discussions took place with each table seating seven business representatives and one lawmaker either from the PA House or PA Senate. The businesses represented ranged from large gas and oil corporations to smaller service and manufacturing firms.

The attendees were asked “What are your top five concerns for the Governor’s TO DO List?” After an hour of lively discussion, the notes were compiled to determine which issues were most often cited. Work force was the top concern in 2021 and surfaced again in 2022 as the most thoroughly discussed top concern.

2022 Business Issues Forum Summary

Businesses’ Top Five Concerns for the Governor’s TO DO List

I. WORKFORCE

Employers cannot find and hire enough good people. Illustrating the extreme, a health care organization has 900 beds offline because of inadequate staffing.

What factors do employers believe contribute to the work force shortage?

- A lack of affordable childcare is keeping some women out of the workforce.
- When young people live with parents, they are not under pressure to find a job immediately and can wait for perfect job.
- Some people choose to work in the cash-only, underground economy and continue to collect benefits.
- The gig economy siphons off workers. For example, people make money performing unusual services on YouTube and other platforms such as playing video games for profit.
- Older people are retiring which raises critical questions “How do you replace aging workers?” and “How can we train and recruit young workers?”
- Employee expectations are increased because they know for certain types of positions they can go elsewhere and find a new and better job.
- There is a smaller universe of potential employees in PA due to demographics.
- It is challenging to recruit because in some cases employees desire a flexible work environment to work remotely or in hybrid arrangements.

The Governor can consider possible solutions.

- Use your position and change the go-to-college message to encourage post-secondary education, a focus which accommodates many more students. They need to be reached at an early age with that message.
- Invest more in trade and vo-tech schools and other types of training programs needed to provide current and potential workers with the skills needed by employers.
- Ensure equitable funding of charter schools, address communities that are in need as public education has haves and have-nots, and hold discussions on school district issues, potential mergers etc.

- Reduce barriers for the formerly incarcerated. Second chance hiring of former inmates is slow to catch on as a possible solution because it has a negative perception. Former inmates face a multitude of barriers such as acquiring training, transportation, and housing.
- Level out the playing field by creating very-portable benefits with a minimum number of hours required. One suggestion is to create a state-run insurance exchange for gig economy and part-time workers.
- Increase the requirements to collect and maintain unemployment compensation.

II. ENERGY & PERMITTING

- Educate the public on energy policy, so they understand what is involved in building out PA's energy infrastructure.
- Reduce regulatory requirements and improve the permitting process. Regulation is needed but regulatory barriers continue to increase. Certainty and consistency are required when starting a building project and applying for permits.
 - The Department of Environmental Protection (DEP) is notorious for long time frames for renewals and approvals of permits. Making permitting a positive – such as in West Virginia where it does not take long – would be beneficial.
 - DEP has shown inconsistent outcomes, timelines, and costs depending on the region.
 - Power plants and solar energy plants can be situated on brownfield areas, but those projects can be delayed 18 months to 5 years. Meanwhile economic benefits to the area are also delayed.

III. ECONOMIC DEVELOPMENT

- Assume the role of the state's top salesman and go out and aggressively recruit businesses. The state can be branded as a center for tech, life sciences, and advanced manufacturing. Simultaneously that will help attract and retain young families to PA to help fill the workforce pipeline.
- Make the Department of Community & Economic Development (DCED) more robust to keep our state competitive. Some states have economic incentives to attract new business. For example, JOBS Ohio attracts businesses. More funding for Business in Our Sites (BOS) will enable communities to attract growing and expanding businesses by helping them build an inventory of shovel ready sites.
- Improve the marketing and communication by state agencies to businesses regarding grant funding, loans, and subsidy opportunities.

IV. TRANSPORTATION & INFRASTRUCTURE

- Investment is needed to maintain and repair existing roads and infrastructure and to build new infrastructure and roads.
- The gas tax should be reviewed and updated for several reasons one of which making sure electric vehicles pay their fair share.
- Continuous improvement of the collection of lost PA turnpike tolls is needed.

V. TAXES

- PA's CNI rate reduction shows PA is open for business. Corporate tax rate reduction should be accelerated to increase the competitiveness and make a more substantial impact.
- Removing the cap on the Net Operating Loss (NOL) will make PA more competitive.

For more information:

Eileen Anderson,
 Director, Government Relations,
 Manufacturer & Business Association
 412-805-5707
eileenanderson@mbausa.org