

Testimony for the
Pennsylvania House of Representatives

Committee on Commerce

Hearing on House Bill 2645

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By

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Good Morning, My name is Barney Oursler and I am the Executive Director of Pittsburgh UNITED. I am here to testify in support of the Economic Development Responsibility Act.

For decades Pennsylvania has witnessed the loss of manufacturing jobs with little leverage to keep employers in the state. Now, as a result of our generous economic development program companies are coming to the state and promising new jobs and better communities if the state will subsidize the costs of site acquisition, construction, and workforce development. The promise is always that these new jobs will be “good” jobs and help rebuild the low income urban and rural communities. The truth is that these companies pay the lowest wages they can get away with and provide few if any benefits to their workers.

As state policy we ask you, our legislative leaders, to ensure that companies seeking public assistance not be allowed to employ workers at poverty wages with no benefits. It doesn't hurt the spirit of companies to take taxpayer money but I can tell you it hurts the spirit of working people to have no choice but to seek state public assistance for their families.

How do I know this description is true? I've co-directed the Mon Valley Unemployed Committee with my partner Paul Lodico for 28 years. We've watched this region lose more than 200,000 manufacturing jobs. Now we are seeing good

paying service jobs like airline and call-center operations close and move overseas. And the people leave as well. Last year was the first year since the early 1980's that Allegheny County had a net increase in population-about 1000 people.

Having shifted from a manufacturing economy, the region is seeing a boom in government employment, retail, and banking jobs. When these jobs fail to create prosperity for the communities in which they operate local school state and Federal taxpayers are almost always asked to "support" these new jobs by subsidizing the companies providing them.

To address this shortcoming, the Mon Valley Unemployed Committee has long fought for the taxpayer subsidized programs to train workers for the new jobs through various dislocated worker programs (CETA, JTPA, and WIA). With help from members of this legislature like Chairman Daley and Representatives Levdansky and Veon, we successfully fought to re-entitle tens of thousands of workers to participate in the TRA, Trade Adjustment Assistance Act program.

Sadly, workers who took the initiative to retrain are still earning bottom end wages and no benefits. And many of them work in industries where other workers who have the benefit of collective bargaining are being paid decently and can take their kids to the doctor without making the public pay through the Children's Health Insurance Program.

Why would the state want to give subsidies to companies who undercut good jobs?

In 2007 the Mon Valley Unemployed Committee helped form the Pittsburgh UNITED coalition with other community, faith, environmental and union groups to hold corporations getting public subsidies responsible for their promises. The Community Benefits Agreement between the Penguins and the Hill District community in Pittsburgh was a historic first. In return for somewhere between \$500 million and a billion dollar subsidy, the Penguins agreed to many direct benefits for the community like a grocery store that will pay union wages and benefits and hire from the Hill District to guarantees that all future jobs in the arena and surrounding development will pay "area labor standards".

Next Pittsburgh UNITED exposed the deals behind the scenes when "economic development" gets done. It became clear that the deals had more to do with which

politician gets campaign funds and less to do with whether workers and communities get any real benefits for taxpayer investments in development.

This helped convince the Pittsburgh City Council and Allegheny County Council to change public policy governing all new development deals. Earlier this year both governments passed “prevailing wage” laws requiring that all building and food service and grocery and hotel jobs pay no less than the area labor standards for wages and benefits. These standards need to be implemented on a statewide level.

On behalf of Pittsburgh UNITED’s member organizations: Pittsburgh Interfaith Impact Network, United Food and Commercial Workers Local 23, Citizens United, Sierra Club, Pittsburgh Branch of the NAACP, One Hill CBA Coalition, Clean Water Action, Workers United, SEIU 32BJ and the Mon Valley Unemployed Committee, I call on the Committee on Commerce to pass HB2645 out of committee for action in the Pennsylvania House of Representatives.