

COMMONWEALTH OF PENNSYLVANIA

HOUSE OF REPRESENTATIVES

COMMERCE COMMITTEE HEARING

IRVIS OFFICE BUILDING  
ROOM 523  
HARRISBURG, PA

MONDAY, NOVEMBER 8, 2021  
11 A.M.

PRESENTATION ON EXECUTIVE ORDER 2021-06

BEFORE:

HONORABLE BRAD ROAE, MAJORITY CHAIRMAN  
HONORABLE MIKE ARMANINI  
HONORABLE ROBERT BROOKS  
HONORABLE VALERIE GAYDOS  
HONORABLE KEITH GREINER  
HONORABLE MIKE JONES  
HONORABLE SHELBY LABS  
HONORABLE ROBERT MERCURI  
HONORABLE MICHAEL PUSKARIC  
HONORABLE CHRIS QUINN  
HONORABLE PERRY STAMBAUGH  
HONORABLE TIM TWARDZIK  
HONORABLE JOHN GALLOWAY, DEMOCRATIC CHAIRMAN  
HONORABLE MICHAEL DRISCOLL  
HONORABLE DIANNE HERRIN  
HONORABLE MALCOLM KENYATTA  
HONORABLE DARISHA PARKER  
HONORABLE CHRISTOPHER RABB  
HONORABLE MELISSA SHUSTERMAN

1 COMMITTEE STAFF PRESENT:

2 JENNIFER WEETER  
3 MAJORITY EXECUTIVE DIRECTOR  
4 McCLAIN FULTZ  
5 MAJORITY RESEARCH ANALYST  
6 HEATHER RODGERS  
7 MAJORITY LEGISLATIVE ADMINISTRATIVE ASSISTANT II  
8 BETH HORNE-BEACHY  
9 MINORITY EXECUTIVE DIRECTOR  
10 INDIRA RIDGEWAY  
11 MINORITY RESEARCH ANALYST  
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25 *Pennsylvania House of Representatives*  
*Commonwealth of Pennsylvania*

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I N D E X

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SUBMITTED WRITTEN TESTIMONY

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(See submitted written testimony and handouts online.)

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## P R O C E E D I N G S

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MAJORITY CHAIRMAN ROAE: Calling the hearing of the House Commerce Committee to order.

Today we have two good gentlemen with us. We have Secretary Dennis Davin and Executive Deputy Secretary Neil Weaver. So thank you, gentlemen, for being here today.

The topic of today's hearing is going to be the Executive Order that Governor Wolf issued on October 21st. The Executive Order basically mandates a continuation of the minimum wage increases for companies that are doing things for the government, and it also adds a paid sick leave component. The order also seeks to make sure that all employment laws are being adhered to, making sure the state keeps track of companies that are and are not following the laws and so on. So that's basically what the hearing is going to be about today.

This is actually the 62nd executive order issued by Governor Wolf. In comparison of the last four administrations, they only averaged about 16 executive orders each.

And as I stated before, this order is kind of a continuation of a prior order, but it adds a paid sick leave component. It is worth pointing out that about 78 percent of employees in the United States already have

1 access to paid sick leave. And it seems like about  
2 100 percent of the employees are being paid more than  
3 minimum wage. We all have seen where fast-food restaurants  
4 are paying high school kids with no experience 10 or 12 or  
5 15 bucks an hour because all companies are looking for  
6 employees.

7           There is some confusion on this Executive  
8 Order, how it applies and who it applies to. So I'm very  
9 appreciative of our two testifiers that are here today.

10           When you think about employers, the most  
11 valuable thing that employers have are their employees, but  
12 those are in short supply right now. The second most  
13 valuable thing employers have are the supplies and raw  
14 materials to do what they do. Those are in short supply,  
15 too, with the supply chain crisis. So when you look at  
16 those issues, slapping something else more for people to do,  
17 like this order does, I think is just going to make it  
18 harder for a lot of companies.

19           So anyways -- oh, and one other thing too.  
20 Executive orders seem to conflict with the PA Constitution.  
21 You know, we have Article III, Section 1 of the Constitution  
22 states, "No law shall be passed except by a bill." And this  
23 seems to be increasing minimum wage and mandating paid sick  
24 leave, and we haven't passed a bill in the House and Senate.

25           When you look at Article I, Section 17, it

1 says, "No ex post facto law, nor law impairing the  
2 obligation of contracts." If some company already agreed to  
3 do something for the state at a certain price, now we're  
4 throwing more requirements on that company. You know, is  
5 that going to impact them being able to do that for what  
6 they agreed to do it for?

7 And then Article II, Section 1, "The  
8 legislative power of this Commonwealth shall be vested in  
9 the general assembly." This Executive Order sure looks like  
10 legislation to me.

11 So with that being said, I'm not going to  
12 allow -- not allow, I'm going to ask Representative  
13 Galloway, the Democratic Chair, if he has any opening  
14 comments.

15 DEMOCRATIC CHAIRMAN GALLOWAY: Thank you,  
16 Mr. Chairman. And thanks for holding this.

17 Thank you for coming here.

18 The Chairman is right. I mean, these are  
19 important issues. You know, where I'm going to come from  
20 is -- as the Chairman said, a lot of this is being done  
21 already. So what's the problem with what we're doing?

22 I do agree with the discussion on executive  
23 directives, but I'm going to come from a standpoint -- I'm a  
24 firm believer in minimum wage, and I'm a firm believer in  
25 paid leave. And as the Chairman said, this is already

1 happening.

2                   There has been a shift. You know, workers  
3 are in the driver's seat. They are getting to -- for the  
4 first time in my lifetime -- call the shots. And so  
5 business has to adjust to that. And I respect that and I  
6 like to be helpful. I'm just going to come from a little  
7 different angle, which is I do support not going backwards  
8 in wages, but, you know, keeping them at a minimum. And if  
9 it's already happening and people are competing, you know,  
10 why are we here? We could be here about the executive  
11 directives.

12                   And that's something I do share a concern  
13 with the Majority Chairman. No matter if it's Democrat or  
14 Republican. We have got to talk about these directives and  
15 whether or not they are constitutional and the amount being  
16 used as we're going forward, not only here in Harrisburg,  
17 but (inaudible).

18                   So I want to thank the Chairman for holding  
19 this and, you know, let's have a discussion. I appreciate  
20 it.

21                   MAJORITY CHAIRMAN ROAE: All right. Thank  
22 you, Chairman Galloway.

23                   Now we will have our testifiers, you know,  
24 Secretary Dennis Davin and Executive Deputy Secretary Neil  
25 Weaver.

1           So, gentlemen, if you would like to give your  
2 testimony, you know, on the Executive Order. And then I'm  
3 sure there will be questions from the members that we're  
4 going to have for you.

5           SECRETARY DAVIN: (Inaudible.)

6           MAJORITY CHAIRMAN ROAE: Excuse me, if you  
7 could make sure the mic is pretty close to your mouth. Make  
8 sure that everybody can hear you okay.

9           SECRETARY DAVIN: How about now? Oh, thank  
10 you, thank you. Sorry about that. I should know that by  
11 now.

12           But thank you. I really appreciate the  
13 opportunity to be here and to discuss this specific  
14 Executive Order with Deputy Executive Secretary Neil Weaver.  
15 And it's something that has pertained to a lot of the  
16 discussions that we've had, Mr. Chairman, with businesses  
17 all throughout the Commonwealth of Pennsylvania, certainly,  
18 during the pandemic, all throughout the pandemic. In many  
19 cases, remotely, through Zoom calls we've had on a weekly  
20 basis.

21           But also as, you know, we're coming out of  
22 the dire situation in 2020 and starting to get out and  
23 meeting with businesses over and over again. Again,  
24 throughout the Commonwealth, Pittsburgh to Philadelphia,  
25 Scranton, Erie, and every place in between. And we've



1 talked to a number of these businesses to determine and look  
2 at what we can do to be helpful as a department but also as  
3 the Commonwealth. That's where a lot of the programs that  
4 you've seen come out, like the CHIRP program for businesses,  
5 especially the hospitality industry and others like that.  
6 And other programs we put together early on and then  
7 programs that we put together continually throughout the  
8 pandemic came from, directly from businesses, from working  
9 with business organizations, chambers of commerce -- Gene  
10 Barr, Pennsylvania Chamber of Commerce, and I were on the  
11 phone during the pandemic probably every day or every other  
12 day looking at what the needs were for businesses.

13 I think Chairman Galloway talked about it a  
14 little bit. You know, businesses -- a lot of businesses are  
15 doing these types of things right now and they're being very  
16 successful in doing these types of things. There are  
17 businesses that aren't doing these types of things too. And  
18 you're right, Chairman. I think employees right now are  
19 having a moment.

20 What we want in Pennsylvania is we want  
21 people to know, talent to know -- and this is not just  
22 talent that's going to be, that's working on engineering for  
23 robots in Pittsburgh or for gene therapy, selling gene  
24 therapy in Philadelphia. But from the barista, from the  
25 technicians, from the warehouse workers, everybody. We

1 consider all these people talent. And talent has  
2 opportunities right now to go anywhere they want and you're  
3 seeing that. And you're seeing people that are switching  
4 jobs. You're seeing people that are going to certain areas  
5 and certain positions and certain industries based upon some  
6 of the things that they're looking for.

7           And what this is, this is a recognition of  
8 that. A recognition is a fact that this needs to happen.  
9 And businesses in order to be successful -- I mean, you  
10 know, the minimum wage -- I know we're not just here to talk  
11 about the minimum wage, but that's, you know, part of what  
12 the Executive Order talks about. Frankly -- and I've said  
13 this at every single Appropriations hearing that I've been  
14 to -- I'm embarrassed for Pennsylvania that we haven't done  
15 anything about increasing the minimum wage.

16           Yeah, a lot of businesses are doing that, a  
17 lot of businesses aren't doing that. And I think when  
18 you're looking at health care workers that are making less  
19 than what the Governor has proposed right here, that is  
20 really, you know, that is really a terrible thing, I think,  
21 for Pennsylvania.

22           In terms of paid time leave -- paid leave  
23 off -- paid time and leave, it's something that we hear over  
24 and over and over again from employees from the business  
25 community that there's a need for that, especially as we're

1 still in the throes of the pandemic. Certainly not as bad  
2 as it was in the 2020, but for people that are going to work  
3 without paid leave and exposing themselves to issues because  
4 they are going to work and then they leave and they don't  
5 get paid because there's no paid leave. I think this is  
6 what this is recognizing right now.

7           Now I want to be really clear, too, in terms  
8 of what our role is at the Department of Community and  
9 Economic Development. And again, I can't really speak for  
10 Labor and Industry or others, but our role at the Department  
11 of Community and Economic Development, what this Executive  
12 Order asks or directs us to do is to review all of our  
13 programs. We have over a hundred different programs, well  
14 over a hundred different programs, from tax credits to  
15 zones, Keystone Opportunity Zones, to loans, low-interest  
16 loans, grants, and we're in the process of doing that right  
17 now. And I think as we get further into this, we'll be able  
18 to certainly get more information out to everybody as to  
19 what we believe the appropriate way to look at this with  
20 respect to our programs really is.

21           So that's my opening statement, Chairman. Be  
22 happy to take any questions that anybody has.

23           MAJORITY CHAIRMAN ROAE: Thank you,  
24 Mr. Secretary.

25           Mr. Executive Deputy Secretary, do you have

1 any opening?

2 EXECUTIVE DEPUTY SECRETARY WEAVER: I do not.  
3 I just appreciate the opportunity for us to be here.

4 Thank you, Chairman.

5 MAJORITY CHAIRMAN ROAE: Okay. Thank you.

6 I'm going to start with the first question  
7 here and then we're going to move on to the Minority Chair  
8 and then open it up to the members, like we normally do at a  
9 hearing like this.

10 I guess my first question is, when I look at  
11 paragraph number five of the order and paragraph number six,  
12 that's where it states, "All agencies under the Governor's  
13 jurisdiction are to communicate to their current and future  
14 vendors the expectation of labor law compliance and  
15 potential impact on eligibility for state contracts and  
16 grants if the vendors is found to have violated any  
17 Pennsylvania labor or workforce safety laws."

18 And then paragraph six basically says that  
19 the state is going to make a list to keep track of these  
20 companies.

21 Now, I guess my question is -- and I  
22 appreciate you gentlemen being here. It's not real specific  
23 how strict we're talking about there. You know, if somebody  
24 violates one of these labor laws or employment laws -- it  
25 seems like there's a lot of companies that do that

1 unintentionally. Something as simple as a misclassification  
2 of an employee. If somebody is classified as, you know, an  
3 interior painter on workers' comp and then at the jobsite  
4 they're doing interior painting, well then they move them to  
5 do exterior painting and they don't update their records,  
6 that's a misclassification.

7           So I guess my question is, if there's a minor  
8 situation like that -- and it's not related to this, but  
9 just something to show how easy something can happen. It  
10 was recently in the news that Governor Wolf violated the  
11 election law by having his wife submit his mail-in ballot  
12 for him. That was, you know, kind of a simple, honest  
13 mistake, but it was a violation of the law.

14           So if a company did something -- just an  
15 honest mistake, you know, misclassifying somebody or they  
16 forgot to pay somebody, you know, overtime because they  
17 worked 41 hours and they thought it was only 39 hours or  
18 something like that. Would that disqualify them from doing  
19 business with the state?

20           SECRETARY DAVIN: Chairman, as I said before,  
21 I can speak to the issues within this Executive Order as it  
22 pertains to DCED. That pertains more to other organizations  
23 like Labor and Industry certainly and Department of General  
24 Services and others that have vendors.

25           I mean, we are providing funding to

1 businesses, to communities for a variety of different things  
2 through grants, low-interest loans and others, but not so  
3 much to vendors.

4 MAJORITY CHAIRMAN ROAE: Okay. So you  
5 guys -- you would basically use the list that Labor and  
6 Industry makes, you'd have no input in making the list of  
7 companies you can and can't use?

8 SECRETARY DAVIN: We're not in that business.

9 MAJORITY CHAIRMAN ROAE: Okay.

10 SECRETARY DAVIN: Our business is to work  
11 with businesses and communities to provide grants,  
12 low-interest loans, and tax credits and such.

13 These are -- as I read this, you know,  
14 they're talking about specifically vendors that do work for  
15 the Commonwealth.

16 MAJORITY CHAIRMAN ROAE: Okay. Well, thank  
17 you for that clarification. That helps me.

18 Representative Galloway.

19 DEMOCRATIC CHAIRMAN GALLOWAY: Thank you,  
20 Mr. Chairman.

21 Again, thanks for being here and I want to  
22 thank the Chairman for -- he's making some good points and  
23 things we do need to talk about and the amount of executive  
24 orders. And you know, we can sit here all day -- and as you  
25 mentioned, when's the last time Pennsylvania addressed their

1 minimum wage, right? When was that? The 90s, I think.  
2 West Virginia, no bastion of liberalism, has already done it  
3 twice. And it comes to -- that goes to the question of  
4 competitiveness.

5 I would like to stop one second and talk  
6 about something the Chairman mentioned four times in this  
7 last remark, and that's misclassification. And I don't want  
8 to harp on it. It was an example of a mistake.

9 Hopefully, you know I was the only Democrat  
10 in the House of Representatives to get a bill signed into  
11 law last year, and it was the creation of the  
12 misclassification board, if you want, if you will, where  
13 both Republicans and Democrats agreed that misclassification  
14 is arguably one of the biggest problems we face. It is  
15 killing our tax revenue, it's killing wages, it's killing  
16 job creation. And it accounts for almost \$300 million a  
17 year, every single year, in lost revenue. New York has  
18 already gone forward with their misclassification program.  
19 And hopefully, you know, while we talk about a Marcellus  
20 Shale tax that may get \$200 million, you know, we're leaving  
21 \$300 million a year on the table, and it is a nonpartisan  
22 issue.

23 So I want to thank the Chairman for bringing  
24 that up.

25 But you're here to talk about how we make

1 Pennsylvania competitive, right? You have a Governor's  
2 Action Team, and you're looking at how we keep talent here  
3 and how we bring talent in and how we bring companies and  
4 how we make Pennsylvania an attractive place for business.  
5 That's something we all, Democrats and Republicans, we all  
6 agree on that. You know, the question is, do you do it  
7 through executive order? I get that. I understand that.  
8 Maybe it's because the legislature, you know, you could  
9 argue maybe we should move a little quicker.

10 I'd like you to talk about the Governor's  
11 Action Team. I'd like to talk about what it is you're  
12 trying to do and looking for from us in attracting  
13 businesses, addressing the labor shortage, things like that.

14 SECRETARY DAVIN: Thank you, Chairman.

15 I think for those that haven't worked with --  
16 and the Governor's Action Team has worked in every one of  
17 your districts. But for those that haven't worked with the  
18 Governor's Action Team -- and we would be happy to have --  
19 for the members that don't know the folks in the Governor's  
20 Action Team, and in particular, Brent Vernon, who's our  
21 executive director -- they do a great job. And their job is  
22 to work with companies, first, that in Pennsylvania, that  
23 want to expand, because companies -- again, like the  
24 Executive Order states, with talent, companies have the  
25 opportunity to go anywhere in a lot of cases, in --



1 certainly in Pennsylvania or the country or the world and  
2 they're doing that. They're taking those steps to do that.

3           We want companies in Pennsylvania to grow in  
4 Pennsylvania. The Governor's Action Team works with those  
5 companies to look at -- and it's not just for incentives and  
6 things like that, but it works with them on site location  
7 services. It works with them on getting them in front of  
8 the right people, whether it's the Department of  
9 Environmental Protection or it's the economic development  
10 organizations that are within those particular areas that  
11 those companies might not know enough about. And they work  
12 very, very closely with them.

13           They also work with companies that are  
14 looking to come to Pennsylvania. And, frankly, they may be  
15 looking at a couple different states that they're interested  
16 in, Pennsylvania, Ohio, Maryland, you know, and others. And  
17 so what they do is they work very closely with them to show  
18 them the advantages of Pennsylvania.

19           And, I think, you know, you put it very well,  
20 Mr. Chairman. The fact that everybody up here and every  
21 member of the legislature, the Senate, and the House of  
22 Representatives, probably all agree that we want to do  
23 everything we can to help our communities and help our  
24 business community grow here in Pennsylvania and make  
25 Pennsylvania the most competitive state in the country. I

1 think everybody agrees with that.

2           The Governor's Action Team is charged with  
3 making sure these companies know that. And, sometimes, as  
4 importantly, the companies' representatives -- and these are  
5 site selectors. So we take a lot of care to meet with site  
6 selectors and talk to them about issues facing Pennsylvania.  
7 We talk to them about the tax situation in Pennsylvania. We  
8 talk about the competitiveness of Pennsylvania. We talk  
9 about the geography of Pennsylvania. We talk about the  
10 infrastructure within Pennsylvania, all the things they're  
11 interested in. And then the number one thing they're  
12 interested in, and that is talent.

13           You know, so if a canning manufacturer --  
14 we've had two canning manufacturers in 2020 that came to  
15 Pennsylvania up in the northern tier. Those canning  
16 manufacturers want to make sure that if they're going to  
17 have 300 new workers at that canning manufacturer, that they  
18 can get them wherever they go. The Governor's Action Team  
19 is charged with making sure that those things happen and to  
20 let them know about those types of things. They do a great  
21 job.

22           We have a team here in Harrisburg, but we  
23 also have regional offices all throughout the state. We  
24 have five regional offices that cover every area of the  
25 state.

1           Again, for the folks that don't know the  
2 Governor's Action Team, we'd be happy to make introductions.  
3 Certainly, your economic development organizations know them  
4 intimately, but we'd be happy to do that. But they do a  
5 great job.

6           MAJORITY CHAIRMAN ROAE: Quick follow-up by  
7 Representative Galloway.

8           DEMOCRATIC CHAIRMAN GALLOWAY: Yes, and thank  
9 you for that. I appreciate it.

10           I do want to state for the record right now,  
11 I am not a fan of executive orders. I don't like it when  
12 Democrats do it, I don't like it when Republicans do it. I  
13 don't like it when it's done excessively. Again, and I  
14 appreciate this hearing.

15           But I want to be on record, and I don't know  
16 if I stated it strongly enough in my opening records that I  
17 agree with you. Executive orders are just happening, from  
18 the federal level and the state level, just far too often.  
19 And I'm perfectly fine with discussing why it is, so many of  
20 these -- or this one in particular is happening.

21           MAJORITY CHAIRMAN ROAE: All right. Thank  
22 you, Chairman Galloway.

23           We're going to move on with questions from  
24 committee members. We're going to start with Representative  
25 Gaydos. And that will be followed by Representative

1 Shusterman.

2 REPRESENTATIVE GAYDOS: Thank you,  
3 Mr. Chairman.

4 And for the record, also, I don't think  
5 executive orders should be made on so many different things,  
6 particularly when -- you know, like taking medication. Your  
7 doctor doesn't eliminate one before doing another, or they  
8 eliminate one before trying another, so that, you know,  
9 you're not putting forth all sorts of executive orders and  
10 changes before you find out how the previous changes affect  
11 the economy. So I'm definitely against that.

12 The question I have here on this Executive  
13 Order -- is this retroactive?

14 SECRETARY DAVIN: No, it's not retroactive.  
15 It's as of the date of the Executive Order which I think is  
16 October 21st.

17 REPRESENTATIVE GAYDOS: Okay.

18 So that's actually not very -- to me, it's  
19 not very clear here. But I do commend the efforts, though,  
20 of the Department to make sure that any of the funding that  
21 is provided to entrepreneurs through DCED, that they do  
22 follow up with making sure that individuals are registered,  
23 they're citizens, they're paying their taxes. Because, I  
24 think, you know, we've had that in the past where the  
25 Department set out some tax credits, that they were not

1 verified. So I think any of that type of stuff is to be  
2 commended, but I also believe that it's not to be done in an  
3 executive order.

4 Thanks.

5 MAJORITY CHAIRMAN ROAE: Any reply or  
6 response or anything or should we --

7 SECRETARY DAVIN: No.

8 MAJORITY CHAIRMAN ROAE: You're good?

9 SECRETARY DAVIN: Thank you.

10 MAJORITY CHAIRMAN ROAE: Okay.

11 You know, just for clarification. I was  
12 looking at the order myself. I almost missed this. Page 3  
13 of the order has the effective date. I almost threw that  
14 page out because it looks like it's a two-page order.  
15 There's one sentence on page 3 and it says it's effective  
16 immediately. But I had a similar question when I first read  
17 through this, then I found the third page.

18 Anyways, next is Representative Shusterman.

19 REPRESENTATIVE SHUSTERMAN: Thank you, Mr.  
20 Chairman.

21 The pandemic has brought a crisis of women  
22 leaving the workforce. This Executive Order -- it almost  
23 looks like it's trying to get us to move in a direction  
24 where our businesses are making it feasible for people to  
25 work. A lot of men and women, our care workers, they're

1 taking care of children at home and they don't have access  
2 to different things like day care, possibly public  
3 transportation, et cetera.

4                   What is happening? How are you viewing this  
5 crisis from the perspective of someone who would love to get  
6 back to work, but can currently not get back to work until  
7 their kids are fully vaccinated and matriculated back into  
8 school? How are we making Pennsylvania attractive to all  
9 types of workers?

10                   Thank you.

11                   SECRETARY DAVIN: That's a great question,  
12 Representative. And I think it's something that we've been  
13 studying through the Governor's Command Center on workforce  
14 and economic development for the past, probably year and a  
15 half or more -- actually, right before the pandemic, we had  
16 started those discussions and we carried those through the  
17 pandemic virtually.

18                   Day care, as you mentioned, one of the  
19 biggest -- single biggest issues that's affecting the  
20 workforce in Pennsylvania right now because, you know,  
21 people have to make decisions on whether they pay X amount  
22 of dollars for day care. And is that, you know, close to  
23 what that person would make, is it half, is it a quarter?  
24 So those are things that have been studied and came out as  
25 part of the results of the command center's work with

1 businesses all throughout the Commonwealth.

2           And I think that's something that is being  
3 looked at by our Department of Human Services. It is being  
4 looked at, certainly, at the federal level, when you talk  
5 about some of the things that the feds are looking at, you  
6 know, if the next bill, major bill that they're looking at,  
7 if that does get approved, what gets approved in it. That's  
8 probably something that's going to be -- it's not probably.  
9 It has been something that was discussed a lot because we  
10 need to do that. We need to provide opportunities for  
11 everybody to get back into the workforce if they want to get  
12 back into the workforce.

13           We're in a really tough position with  
14 businesses. And again, this is not just the small mom and  
15 pops, but it's the medium-size businesses, it's the larger  
16 businesses, the corporations.

17           And I think one thing that does happen from  
18 time to time is that, you know, the larger corporations get  
19 the, you know, they get the, you know all the attention  
20 because of the things that they're able to do. You look at  
21 even, like, a McDonald's that's able to provide a 3- or 4-  
22 or \$500 sign-on bonus and then additional bonuses as the  
23 people stay on and then the mom-and-pop restaurant right  
24 next door can't do that. They can't afford that.

25           One of the things we looked at is do we use

1 some of the ARPA funds to compensate or to utilize for those  
2 small businesses? And that's something that's being studied  
3 even with respect to the Executive Order. How is that done?

4 So these are a number of different things  
5 that we're looking at, again, on things that we can do to  
6 help these situations.

7 REPRESENTATIVE SHUSTERMAN: Thank you.

8 MAJORITY CHAIRMAN ROAE: All right. Next, we  
9 have Representative Brooks.

10 REPRESENTATIVE BROOKS: Thank you.

11 I have two questions. One, basically, you  
12 said that you've been going around, seeing businesses all  
13 throughout the state and talking about their needs. Why do  
14 you believe we have such a workers shortage, that every  
15 company has a sign out there that says "We need employees"?

16 SECRETARY DAVIN: I mean, that is the number  
17 one question everybody asks themselves. And if you read the  
18 *Wall Street Journal*, or read *USA Today*, if you read any of  
19 the, certainly, the national newspapers about it, people are  
20 struggling with the answer to that. Why is that?

21 A lot of folks thought, okay, well, let's  
22 blame Unemployment Compensation. That wasn't the case  
23 because some of that went away, we still have a workers  
24 shortage. We have a workers shortage in -- all throughout  
25 every single state.



1           I think part of it is because workers have  
2 options right now. They can do what they think is in their  
3 best interests, which is, again, from my standpoint, as old  
4 as I am -- I'm much older than Neil -- but we didn't  
5 necessarily -- I don't want to say we didn't necessarily  
6 have those options, but you went to where the job was, and  
7 in a lot of cases, you stayed with a particular job. My  
8 kids don't do that now. My kids look at what their best  
9 opportunities are. And I think a lot of this young talent  
10 does the exact same thing.

11           So the issue is that -- what do these  
12 businesses have to do to make themselves attractive to bring  
13 workers in? And it's not just, again, the big major  
14 corporations. It's not, you know, the ones that we hear  
15 about every day. But it is the Amazons of the world and  
16 others.

17           Amazon is a great example. When they came  
18 here and we started talking to them, they were going to  
19 offer, I think, \$11 or \$12 an hour in compensation. And,  
20 you know, we kind of looked at them and just shook our heads  
21 because they weren't going to be able to do it and be  
22 competitive. So that's why you're seeing them do the things  
23 that they're doing.

24           Now, again, that's a major -- the major  
25 corporation in the United States and certainly in the world.

1 And they can compensate for that, but other ones can't  
2 compensate for that. That's what we have to tackle. That's  
3 what we have to figure out. What is the best opportunity?

4 And one of the things is that we also -- when  
5 we talk about opportunities in Pennsylvania for businesses,  
6 it's not just -- they don't just go to that business and  
7 then go home and go to sleep. It is work-life balance.  
8 Work-life balance means more now in 2021 than it ever did,  
9 and it's going to mean even more as we go further along.

10 So we have to look at that. We have to look  
11 at, what does Pennsylvania offer to these folks as a way to,  
12 you know, for them to have that good work-life balance.

13 My friends to the south in West Virginia --  
14 they're paying people to come there and they're giving them  
15 free activities to do, skiing and things like that. We  
16 don't think that that's the right thing to do. But we also  
17 know that we have to do as good a job as we can of showing  
18 these employees and this talent why Pennsylvania is the  
19 place to be.

20 Long-winded way of answering that, but the  
21 real answer is we don't know. I don't think anybody knows  
22 right now. We're trying to figure this out.

23 REPRESENTATIVE BROOKS: One thing that  
24 surprises me is that our unemployment is higher than the  
25 nation. So that means that workers are out there, but it's

1 like they don't feel they have to take a job, which, you  
2 know, is a hard thing, as you said. You can search these  
3 things out, but, eventually, you have to have a job.

4           The other question I had is, you know, in  
5 health care, there's a lot of senior care businesses that  
6 rarely get reimbursement rates. And the reimbursement rates  
7 haven't gone up in like seven years. And, yet, we keep  
8 saying, they can't find workers and they need to pay more,  
9 but we're not willing to reimburse more. What can we do to  
10 make these reimburse more (inaudible) to go up and allow  
11 people to pay more and get people to stay?

12           SECRETARY DAVIN: That's a great question. I  
13 wish I knew the answer. I just don't know the answer.

14           I mean, I think in terms of the reimbursement  
15 rates, I think the easy answer is they need to be paid more.  
16 There were people prior to the pandemic that were making 8,  
17 \$9 an hour as health care workers. It's crazy, you know,  
18 and working like crazy.

19           So I don't necessarily know the answer about  
20 the reimbursement rates, but they need to be paid more.

21           I do want -- if you don't mind, Chairman,  
22 about the unemployment rate?

23           MAJORITY CHAIRMAN ROAE: Yeah, go ahead.

24           SECRETARY DAVIN: So in terms of the  
25 unemployment rate, Pennsylvania is higher -- higher than --

1 also higher than -- not our neighbors to the east, but  
2 higher than Ohio.

3 One of the things about Pennsylvania's  
4 unemployment rate is really a function of the diverse  
5 businesses in Pennsylvania.

6 Pennsylvania -- I don't who saw this, but in  
7 2019, Pennsylvania was named, I think it was by the  
8 Brookings Institution, as the most -- the state with the  
9 most diverse industries in the United States. And we beat  
10 Texas, which, you know, is a good thing. We don't just beat  
11 them in football, but we beat them in other ways too.

12 From my perspective, that is key, that is  
13 absolutely key, because I came from a place in Pittsburgh  
14 that wasn't diverse at all in terms of its industries. We  
15 had the steel industry. It collapsed. Pittsburgh collapsed  
16 and had to diversify its industries. So Pennsylvania should  
17 take a lot of pride in that.

18 Because of that, sometimes there are lags in  
19 the unemployment rate because of that. Because you have all  
20 these various industries and you have, you know, a number of  
21 different issues related to those particular industries that  
22 they need to deal with.

23 Ohio -- you look at Ohio, it's car  
24 manufacturing, which is great sometimes and really terrible  
25 other times. So they are -- that's one of the factors that

1 we look at when we're reviewing where Pennsylvania is in  
2 comparison to some of our other states.

3 I just wanted to mention that.

4 MAJORITY CHAIRMAN ROAE: All right.

5 Chairman Galloway?

6 DEMOCRATIC CHAIRMAN GALLOWAY: Yes. I just  
7 want to finish up. And I think I want to take it back to  
8 the Executive Order.

9 I have been very clear in how I view  
10 executive orders. I want to be equally clear that I'm  
11 against the legislature limiting the Governor in his ability  
12 to do his job. There is a separation of power, and we  
13 should respect that. Both Republicans and Democrats that  
14 have been using these executive orders over the last seven,  
15 eight, nine years have come to the same conclusion. They're  
16 using the same justification. It's gridlock.

17 It's -- no matter who's in power, whether  
18 it's Democrats or Republicans, nothing is getting done.  
19 We're not finding common (inaudible) -- and maybe with this  
20 Executive Order, which I actually agree with, you know,  
21 trouble with putting 64 of them is, you know, you got to  
22 pick one.

23 But, you know, I absolutely agree with this  
24 one, but this committee is a perfect place for Republicans  
25 and Democrats to come together and say, "How do we attract

1 people?"

2 Representative Brooks asked the right  
3 question. You know, what's going on here? And how can we  
4 help, right?

5 But, you know, if we get off into limiting  
6 the Governor's ability to do things because he's frustrated,  
7 well, then, the next governor, if it's a Republican, is  
8 going to say the same thing. So we have to be respectful of  
9 that. But, at the same time, I think we have an opportunity  
10 to follow up on this meeting and work with people  
11 (inaudible) -- in retaining, attracting, and bringing in  
12 businesses. And that's what I want to do. I don't care if  
13 it's Republican or Democrat. We have to find common ground  
14 and then hopefully these things stop.

15 Thank you.

16 MAJORITY CHAIRMAN ROAE: Okay. Thank you,  
17 Mr. Chairman.

18 You know, when looking at regulations,  
19 Mr. Secretary, I guess there's about 163,000 regulations in  
20 Pennsylvania that deal with businesses, that they have to  
21 follow. Even though this -- I'm not sure this is a  
22 legislation or not. I mean, you have laws, you have  
23 regulations, you have executive orders. If a company has to  
24 do something, you know, it's something they have to do  
25 however it comes about.

1                   When you're talking to -- you talked about it  
2 a little bit earlier, but when you're talking to companies  
3 that might want to come to Pennsylvania, you mentioned they  
4 think about taxes, they think about a skilled workforce  
5 (inaudible) --

6                   SECRETARY DAVIN: Oh, absolutely. That's all  
7 part of it. That's all part of it. They look at the  
8 regulations, they look at the regulatory atmosphere, they  
9 look at other things in addition to the things that I talked  
10 about.

11                   MAJORITY CHAIRMAN ROAE: And then, as far as  
12 this specific -- it's really an Executive Order, not a  
13 regulation, but kind of the same thing -- have there been  
14 talks as far as -- it says -- oh, I can't find that part  
15 now. It says, paragraph 2, "will include a requirement for  
16 paid employee sick leave." It doesn't say how much paid  
17 employee sick leave. I mean, is it one day a year? Is it  
18 ten days a year?

19                   SECRETARY DAVIN: That's being discussed  
20 right now in terms of what it is. And I think part of it  
21 is, you probably can't look at that as a blanket  
22 requirement. You have to look at it based upon the  
23 different industries that you're looking at. Because,  
24 again, a small manufacturer might not have the same --  
25 doesn't have the same opportunity as (inaudible) or

1 something like that.

2 MAJORITY CHAIRMAN ROAE: Now, how would a  
3 company know how to plan if they don't know if it's going to  
4 be one day of paid sick leave a year, twenty days, fifty  
5 days?

6 SECRETARY DAVIN: That's what we're  
7 determining right now, and then we'll communicate that to  
8 every company that we're working with through the Governor's  
9 Action Team.

10 MAJORITY CHAIRMAN ROAE: Okay.

11 Yeah, I'm surprised it didn't have a more  
12 specific -- you know, I realize it's not your order; this is  
13 the Governor's order. But I was just wondering, because  
14 like minimum wage, that aspect of it, it's very detailed,  
15 the exact dollar amount of 50 cents a year increase, you  
16 know, tie it to the consumer price index, very detailed  
17 exactly how it works, whereas the paid sick leave is really  
18 up in the air.

19 But our next question is going to be  
20 Representative Mercuri.

21 REPRESENTATIVE MERCURI: Thank you,  
22 Mr. Chairman.

23 Thank you, Mr. Secretary, for your time this  
24 morning and for your work on the economy of Pennsylvania. I  
25 appreciate in particular your comments on making



1 Pennsylvania more competitive, especially (inaudible)  
2 through the recovery post-COVID, I think that's particularly  
3 important that we focus on competitiveness.

4 I had two questions for you. The first was  
5 about the health and safety portion of the order, if you  
6 could elaborate a little bit. I think that the timing is  
7 interesting, the verbiage is interesting, but it's not real  
8 specific.

9 In particular, it doesn't use the word  
10 "vaccine" or "vaccine mandate," but it seems to be  
11 indicating, you know, that this is, that is what's behind  
12 the first portion of that order. I'd like you to comment on  
13 that if you could, in particular when it says, "The  
14 department shall study the feasibility of implementing  
15 OSHA's standards in the Commonwealth."

16 As most of us know, OSHA just came out with a  
17 very controversial vaccine mandate that would apply to  
18 large companies with over 100 hundred workers, which was  
19 almost immediately (inaudible).

20 So I'm curious as to the intent of this OSHA  
21 portion, if you could expand on that.

22 SECRETARY DAVIN: I wish I could,  
23 Representative. It's really under the Department of Labor  
24 and Industry's purview. And they're looking at that right  
25 now and we'll certainly provide any assistance to them as we

1 need. And again, "assistance" meaning, based upon our  
2 relationship with the business community and chambers of  
3 commerce and others.

4 REPRESENTATIVE MERCURI: Understood, thank  
5 you.

6 My second point and comment is around the  
7 timing of the rest of the order. And you had made some  
8 comments about a recovering workforce, and we have got folks  
9 from the small business community here. Many of us on the  
10 panel are small business owners as well.

11 One of the things that I think we observed in  
12 the recovery -- I think you even mentioned it,  
13 Mr. Secretary, in some of your comments -- was that folks  
14 were curious as to the impact of the extra unemployment  
15 (inaudible) and whether that slowed the recovery a bit in  
16 terms of workers coming back.

17 I was -- it was very notable that this  
18 month's jobs report, the October jobs report, was extremely  
19 positive across the country -- over 500,000 new jobs added.  
20 This is the first full month that we've had with no  
21 additional unemployment compensation. So to me, I see some  
22 of this postpandemic economic recovery working its way  
23 through the system, which I think is a good thing, allowing  
24 free market principles to kind of work through the economy.

25 So it strikes me that it would be

1 counterintuitive, and maybe less productive, if we're adding  
2 new requirements such as paid employee sick leave, and even  
3 you had mentioned that it's not very specific. This is just  
4 kind of a shot across the bow, if you will, that paid family  
5 leave must be incorporated (inaudible) -- is interesting  
6 verbiage, too, because, of course, companies should comply  
7 with the minimum wage. They have to in Pennsylvania. We  
8 want them to.

9                   So is that also a shot across the bow that  
10 says that we will favor companies? And some of your  
11 comments, that you were embarrassed about the current state  
12 of affairs in terms of minimum wage, were also interesting  
13 in that it sounds like you're saying that preferential  
14 treatment will be given under this order for companies that  
15 have enhanced pay and benefits, whether or not they can  
16 afford it.

17                   So I'll pause there, but -- and let you react  
18 to some of that. I think the question inside of all of  
19 those comments is, why now? It seems like an odd time given  
20 that we need to let things work through, in terms of the  
21 recovery. Why now, and why the language that seems to be a  
22 little bit of a shot across the bow in some small  
23 (inaudible)?

24                   SECRETARY DAVIN: I appreciate you bringing  
25 those up. I think there's no intent for anything. You

1 mentioned "shot across the bow" three or four times; that's  
2 not the intent of this at all.

3           And I think part of what we're looking at  
4 right now is how would this affect -- a couple of things --  
5 how would this affect every single one of our programs,  
6 especially some of the programs we did -- and I mentioned  
7 CHIRP, the Coronavirus Hospitality Recovery Program, because  
8 that was the one that was really utilized. We put that  
9 together with our community development and financial  
10 institutions to get to the smallest of the small businesses  
11 because they were the ones that were probably hurt -- all  
12 businesses were hurt, but they were the ones that were hurt  
13 probably more than anyone because they were such small  
14 businesses.

15           We have to determine what, with respect to  
16 that, some of the other CARES Act money that's coming in  
17 right now. The ARP funds that are coming in -- how that  
18 would affect (inaudible) see if in fact all these  
19 requirements should be put on those types of businesses too.

20           And I think with respect to that, as I  
21 mentioned to Chairman Roae, you know, it can't be a broad  
22 brush with respect to paid time off. I think the intent is  
23 to show workers -- and workers that are either in  
24 Pennsylvania or even outside of Pennsylvania that have  
25 options to look at other places to go, that Pennsylvania is

1 a place that puts a premium on its workers. And that's  
2 really the intent behind this whole Executive Order. And I  
3 think that's how we're determining how we implement that  
4 with respect to all of our programs.

5 REPRESENTATIVE MERCURI: Thank you.

6 MAJORITY CHAIRMAN ROAE: So, Mr. Secretary,  
7 the order -- in paragraph 2 specifically mentions the -- you  
8 know, the RCAT program (inaudible) -- I like it. And this  
9 looks like all these different programs -- how come all  
10 these other ones aren't listed in here? And it says,  
11 including -- you know, the RCAT. How come they don't list  
12 all the other programs?

13 SECRETARY DAVIN: So it talks specifically  
14 about -- with respect to the Governor's Action Team and the  
15 programs that the Governor's Action Team uses.

16 And the way that this works, it calls out  
17 Redevelopment Assistance Capital Program probably because  
18 that's the largest amount of dollars that is utilized for  
19 some of these programs that our Governor's Action Team uses.  
20 But there are a variety of other program: Pennsylvania  
21 First, we had the Job Creation Tax Credits and other  
22 programs through Keystone Opportunity Zone and other things  
23 like that.

24 So those would all be covered under here with  
25 respect to things that the Governor's -- incentives of the

1 Governor's Action Team (inaudible) and authority.

2           And again, when you talk about the  
3 authorities as they pertain to this Executive Order, part of  
4 that is a legal question. I'm not a lawyer. Neil's not a  
5 lawyer. But part of it is a legal question too. So what is  
6 the Executive Order -- what can the Executive Order -- who  
7 has to comply with respect to the Executive Order?

8           So we have -- I'm the Chairman of  
9 Pennsylvania Industrial Development Authority, Commonwealth  
10 Financing Authority, PEDFA, and the PMBDA and some others,  
11 and we're looking at that -- the lawyers -- because it's an  
12 executive order, the lawyers have to look at that to  
13 determine what all comes under this Executive Order and  
14 that's what the process is doing right now.

15           And, by the way, quickly, because again, the  
16 Executive Order detailed -- it was two weeks ago, I think,  
17 the 24th or the 21st -- the Executive Order detailed  
18 (inaudible) working to determine that for all of our  
19 existing programs, throughout all the different authorities  
20 and others.

21           MAJORITY CHAIRMAN ROAE: You know, that's a  
22 good point, that the effective date is immediately. Will  
23 companies and organizations have time to -- like, when you  
24 are doing a project, you know what your costs are, if a  
25 company is going to be a vendor for the state, if somebody

1 is going to build something, you know what your costs are.  
2 You sign contracts. Well, then, after you sign that  
3 contract -- oh, you have to add paid sick leaves. So that  
4 adds to the costs.

5 Are contracts going to be renegotiated and  
6 are things going to be redone or are companies just going to  
7 have to absorb the new higher costs?

8 SECRETARY DAVIN: Again, I think it's a  
9 question for the Department of General Services and Labor  
10 and Industry and some others. But I think that, you know,  
11 they are looking at that right now, looking at what the  
12 effect of that would be.

13 You mentioned, I think, Chairman Roae, or  
14 (inaudible) are complying with some of these items that are  
15 listed in here. So I think that the other departments are  
16 looking at that and seeing how that pertains to their  
17 particular vendors that they have right now.

18 MAJORITY CHAIRMAN ROAE: In any meetings or  
19 discussions or anything, do you anticipate the Governor is  
20 going to do a new executive order and list the different  
21 programs that this applies to, list the actual amount of  
22 paid sick leave and stuff like that, or is it just going to  
23 be kind of a -- just kind of issue rules for the Executive  
24 Order and just go from there?

25 SECRETARY DAVIN: This Executive Order

1 actually directs us to do that, directs DCED to do that, to  
2 review the separate -- the various programs and see how they  
3 could comply and what the parameters of that would be.

4 MAJORITY CHAIRMAN ROAE: Okay. Thank you.

5 And our next question is from Representative  
6 Gaydos.

7 REPRESENTATIVE GAYDOS: Thank you,  
8 Mr. Chairman.

9 So, you know, we keep (inaudible) and this is  
10 not the first executive order by this Governor that's been  
11 vague and unclear, and we've seen the consequences of vague  
12 and unclear. This is where I'm very frustrated with this,  
13 is that, you know, you had mentioned the ARPA money, and --  
14 well, I guess it's \$1.9 trillion of ARPA money is going down  
15 to the states. And so at the time that the money was  
16 assigned to the states, this was certainly not considered,  
17 correct?

18 SECRETARY DAVIN: Correct.

19 REPRESENTATIVE GAYDOS: So now that the money  
20 is coming through, are these, the ARPA funds, are they going  
21 to be excluded from this Executive Order?

22 SECRETARY DAVIN: That's something that's  
23 being determined right now. I mean, they're federal funds.

24 REPRESENTATIVE GAYDOS: So it's vague and  
25 unclear?



1                   SECRETARY DAVIN: No. It's not vague and  
2 unclear.

3                   REPRESENTATIVE GAYDOS: But it's --

4                   SECRETARY DAVIN: No, you're saying "vague  
5 and unclear." I'm not saying (inaudible) -- this Executive  
6 Order as it pertains to all of our programs. And then we  
7 are also doing a legal review.

8                   In the case of the legal review, the legal  
9 review may come back and say that federal funds don't come  
10 under this. We don't know. We don't know just yet. But  
11 that might be something that's indicated. But we have to go  
12 through that review.

13                   REPRESENTATIVE GAYDOS: So it is unclear?  
14 Undefined?

15                   SECRETARY DAVIN: You can use that word. I  
16 wouldn't use that word.

17                   REPRESENTATIVE GAYDOS: It's undefined.

18                   SECRETARY DAVIN: We're reviewing it right  
19 now.

20                   REPRESENTATIVE GAYDOS: So it is undefined at  
21 this point?

22                   SECRETARY DAVIN: You can use that word.

23                   REPRESENTATIVE GAYDOS: Okay. Thank you.

24                   SECRETARY DAVIN: Yeah. We're reviewing it.

25 Thanks.



1    ombudsman through your office that will walk into our  
2    communities and say, "We can't have two- and three-year  
3    projects taking -- held up because of permitting." Let's  
4    try to fast-track that. Because that's a big incentive  
5    right now. We can give companies money, but they need to  
6    get into the project right away.

7                    So just an outside thought, you know, besides  
8    we try to fix executive orders (inaudible).

9                    SECRETARY DAVIN: Yeah.

10                   I think -- one of the things that Neil and I  
11    do is we instituted, along with Patrick McDonnell, the  
12    Secretary of DEP, and also Ramez Ziadeh, his executive  
13    deputy secretary -- we meet with him every other month to  
14    talk about issues pertaining -- Frank's a good example.  
15    They've done -- Frank and you, obviously working with him,  
16    have done a great job with business parks and other  
17    development opportunities. And when there are any issues --  
18    because we do hear through the Governor's Action Team and  
19    other ones -- if there are any issues, we can take them  
20    directly to the secretary and deal with those.

21                   But I think, you know, they are working on  
22    that. I know for a fact -- because, again, we talk with  
23    Secretary McDonnell and his staff -- I know for a fact that  
24    they're looking at that. They are looking at ways to reduce  
25    all permitting times that they have right now, because, as

1 you mentioned, it's a business decision.

2           You know, companies -- that's one of the  
3 reasons we have the Business in Our Sites program that, you  
4 know, we started 20 years ago or so, because we want to  
5 prepare sites for development.

6           Again, Frank -- you guys have done a great  
7 job on that, utilizing that program, but that prepares sites  
8 for development even before you have anybody who's going to  
9 go in and utilize that particular site. Because these  
10 companies, they want it to be quick.

11           We're actually going to -- with respect to  
12 that -- we're going to come back to the legislature to  
13 request additional funding for Business in Our Sites because  
14 we think it is that critical.

15           But permitting, I know that they're working  
16 on that. And, you know, we have some folks that, through  
17 the Governor's Action Team, that have great relationships --  
18 and others -- that have great relationships with the folks  
19 at Department of Environmental Protection and other  
20 departments within the state, and we'll continue to work on  
21 that.

22           REPRESENTATIVE TWARDZIK: Thank you very  
23 much.

24           MAJORITY CHAIRMAN ROAE: Something I forgot  
25 to mention earlier, on the Pennsylvania minimum wage reports

1 that are done every year, back in 2011, there were 194,900  
2 people in Pennsylvania that have jobs that pay minimum wage.  
3 By the most recent report in 2020, it was down to 74,400.  
4 And, basically -- and what we've all seen in our local  
5 communities -- it's probably down to about zero right now.  
6 But I wanted to point out that the whole concept of  
7 government-mandated minimum wage, whether it's through a  
8 legally passed piece of legislation that passes in the House  
9 and Senate, or if it's just done by an executive order, you  
10 know, companies are already increasing wages just to compete  
11 for employees.

12 But, anyways, I just wanted to throw that out  
13 there.

14 SECRETARY DAVIN: Can I respond to that?

15 MAJORITY CHAIRMAN ROAE: Yeah, yeah, go  
16 ahead.

17 SECRETARY DAVIN: Just real quick -- I mean,  
18 honestly, I don't think that makes it all right because  
19 we're okay now. If people think that we're okay, there is  
20 still a lot of people that are working with minimum wage.  
21 That doesn't make it right for what's happened up until now.

22 And I think that's the point. You know, the  
23 point is that we have to, because we might go back to a  
24 situation where, you know, we're not in this time frame.

25 And, you know, people are going to start -- some businesses

1 may start to pay less.

2                   But, again, the fact is our minimum wage is  
3 just -- it is -- it's embarrassing.

4                   MAJORITY CHAIRMAN ROAE: All right. Thank  
5 you, Mr. Secretary.

6                   And we're going to do some brief closing  
7 comments here.

8                   Chairman Galloway?

9                   DEMOCRATIC CHAIRMAN GALLOWAY: Brief?

10                  MAJORITY CHAIRMAN ROAE: Brief. I'll specify  
11 brief.

12                  DEMOCRATIC CHAIRMAN GALLOWAY: First,  
13 Governor Wolf was elected not once, but twice, duly elected.  
14 He has every right, every right, in the world to do this.

15                  This isn't an executive order for the United  
16 States of America. It's an executive order for  
17 Pennsylvania. And a lot of questions get mixed with what's  
18 going on nationally as opposed to what's in this order.

19                  What I would ask my Republican friends is,  
20 not about clarity, but what in this order are you against?  
21 I mean, are you against a minimum wage at all? Are you  
22 against paid sick leave? What is it about this particular  
23 order that you're against?

24                  We work -- all of us, Republicans and  
25 Democrats --

1                   You do a great job. You don't look at party.  
2 You come to each individual district and you try to help to  
3 attract businesses to everybody's district, whether they're  
4 Republican or Democrat. Our job is to help you.

5                   The Governor is going to claim that he needs  
6 this Executive Order because of gridlock. Just like  
7 Republicans did in the past. He has every single right to  
8 do this.

9                   What I want to talk about is, what is our  
10 role?

11                   Thank you.

12                   MAJORITY CHAIRMAN ROAE: Thank you,  
13 Mr. Chairman.

14                   Governor Wolf has, pretty much every year  
15 since he's been elected, asked us to pass a law to increase  
16 the minimum wage. That's what our Constitution -- that's  
17 how it's set up. You know, the House and Senate, we pass  
18 legislation, the Governor signs it into law or vetoes it, if  
19 he doesn't like it, and -- so this does seem like it's one  
20 person making their own laws without going through the  
21 legislative process.

22                   So with all due respect, Representative  
23 Galloway, Chairman Galloway, a lot of us, we want to see the  
24 legislative process as outlined in the Pennsylvania  
25 Constitution be used --

1                   DEMOCRATIC CHAIRMAN GALLOWAY: I don't  
2 disagree --

3                   MAJORITY CHAIRMAN ROAE: -- you know, be  
4 used.

5                   You know, sort of like the masks in schools.  
6 The Governor asked us to come back to Harrisburg, pass a  
7 law --

8                   DEMOCRATIC CHAIRMAN GALLOWAY: (Inaudible.)

9                   MAJORITY CHAIRMAN ROAE: Oh, excuse me. Hold  
10 on here.

11                  DEMOCRATIC CHAIRMAN GALLOWAY: This --

12                  MAJORITY CHAIRMAN ROAE: Chairman, you are  
13 not -- you are not in order. I'll give you a chance here in  
14 a second.

15                  The Governor wanted us to come and pass a law  
16 to mandate masks in school. We wouldn't do that, so he just  
17 said, "Okay, I'll just do it by executive order."

18                  So a lot of us are concerned. Because,  
19 remember, there is going to be a different governor, you  
20 know, a year from now, and that governor can do executive  
21 orders too. So we have to decide, do we need a legislature  
22 or don't we need a legislature? And a lot of us think we  
23 should have a legislature.

24                  So, anyways, one last comment on this  
25 Executive Order -- I really do hope that there's



1 consideration of the Governor withdrawing this. You know, I  
2 appreciate all the good information you folks gave us today,  
3 but there does seem to be a lot of open questions. And if I  
4 was a company, I would be a little nervous about this  
5 because I don't know what my costs are going to be. I don't  
6 know, you know, how I'm going to comply with this thing.

7           And I am concerned with all the hurdles that  
8 we put before companies in Pennsylvania, that this is going  
9 to be one more hurdle. I think it's very well-intended, but  
10 I think the end result is going to be -- it's actually going  
11 to hurt our economy and not help our economy.

12           But any closing comments, Mr. Secretary?

13           SECRETARY DAVIN: No, just thank you.

14           And, again, I just want to make sure that, if  
15 there are things that we can do for any of the members  
16 here -- and certainly to make some introductions, the  
17 Governor's Action Team and to other folks, we'd be happy to  
18 do that.

19           MAJORITY CHAIRMAN ROAE: Okay.

20           And Executive Deputy Secretary Weaver, you  
21 didn't really have to say much today. I appreciate you  
22 being here, because sometimes it's good to have -- you know,  
23 you might have more details about some specific thing than  
24 the Secretary.

25           Is there anything you want to add?

1 EXECUTIVE DEPUTY SECRETARY WEAVER: No. I  
2 appreciate it. The Secretary said it perfectly.

3 MAJORITY CHAIRMAN ROAE: All right.

4 So I'm going to call this meeting adjourned.

5 Thank you.

6 (The hearing concluded at 11:59 a.m.)

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C E R T I F I C A T I O N

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me on the within proceedings, and that this copy is a correct transcript of the same.

*Summer A. Miller*

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Summer A. Miller, Court Reporter  
Notary Public