



SMC Business Councils
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SMC Government Relations Committee Meeting
Annual Legislative Reception
Agenda
Thursday, September 22, 2016
5:00 p.m.-6:00 p.m.

The brief notes are embedded in blue and were written by Kathy Serenko, Owner, Your Selling Point.

5:00-5:05 Welcome & Introductions

- Eric Riske, Chair, Government Relations Committee, SMC Board of Directors, General Window Cleaning,
- David Fair, CEO, SMC Business Councils

5:05-5:08 Tonight's Meeting

- Eileen Anderson, Director, Government Relations

Brief Updates

5:08-5:11 Energy

- Bob Henry, President, Command Systems, Chair, Energy Working Group. *Henry addressed the need for a comprehensive state energy policy, and noted that the committee would submit a draft position paper to the SMC Board by November 1st. The new policy will incorporate some aspects of the policy developed in 2013. Bob emphasized the importance of the energy industry to the state, noting that PA is the 3rd largest producer of natural gas and the 4th largest producer of coal and nuclear energy. He also reminded the group that energy affects every SMC member business, either a consumer, a producer, or a vendor to an energy company. The Energy Policy committee could use additional members.*

5:11-5:14 Health Care

- Stephen Cohen, Keystone by Design, Inc. Chair, Health Care Working Group. *Cohen explained that things are relatively quiet on the healthcare front and will remain so until after the presidential election; the issue will come to the forefront again at the start of 2017. The SMC committee worked in conjunction with the National Small Business Administration (NSBA) over the last two years, and the NSBA adopted all of SMC's recommendations as part of their policy recommendations. Stephen referenced a poll that showed a discrepancy between Democrat and Republican Party members regarding their healthcare priorities: 70% of responding Democrats identified access and cost as the most critical factors, while the majority of responding Republicans pointed to the repeal of Obama Care as the most important factor.*

5:14-5:17 Regulations

- Marilyn Landis, President & CEO, Basic Business Concepts, Inc. *Landis, a 3-term member of the National Regulatory Fairness Board, referenced the investigation of CMS as evidence that SMC can impact regulators, though it is a long and cumbersome process. She suggested that members research what has been done by others; utilize the office of the Ombudsman, and talk to their legislators to influence regulation. She talked about government agencies that are reaching beyond their purpose: CMS was established to identify Medicare waste and abuse, but the agency expanded their reach by implementing a "no-cost contract," a procedure that has been improperly vetted based on a number of audits versus successful delivery of services. Business owners have waited up to three years for payment because of an audit backup. Marilyn notes that this overstep by CMS is virtually "obliterating" small businesses.*
- *She also explained the overtime exception which requires employers to pay overtime to any employee who makes less than \$49,000, including managers who are paid a salary. This proposed regulation will crush small businesses and non-profits.*

- *Predictive scheduling was also discussed; this proposed regulation will require employers to pay a fine if they change an employee's work schedule without two weeks' notice.*

5:17-5:20 Tax

- *Don Johnston, CPA, Partner, Grossman, Yanak and Ford, LLP, Tax Advisor to the Committee. Johnson referenced that 90% of PA state tax notices have errors, and that correcting these errors requires expensive court proceedings that are unmanageable for business owners. On a positive note, this issue has been gaining attention on a state level, and SMC has at least one contact who is working to push this issue toward resolution.*
- *The Federal government established a Tax Payer Advocate office in Pittsburgh, and its responsibility is to assist taxpayers. The office is extremely unresponsive, so Don is going to reach out to Nina Olson in Washington, D.C. for assistance.*
- *Don added that he sees healthcare as the primary burden on his clients.*

5:20-5:35 Small Group Discussion and Presentations

Following committee chair presentations, roundtable discussions were held, and members were asked to identify their most critical pain points. They included:

- *National Labor Relations Board (NLRB) overstepping its role, basically telling businesses how to operate*
- *Environmental regulations that are pushing up costs and overlooking the impact on businesses*
- *Healthcare and the debate between repeal and repair; US Representative Mike Doyle vows that he won't begin to "repair" until Republican lawmakers stop talking about "repeal"*
- *Healthcare challenges due to increased deductibles and premiums; because workers' comp claims have no deductible, fraud is becoming more of an issue*
- *Lack of skilled workers*
- *Challenge of growing beyond 50 employees due to the need to hire a full time human resources person just to manage compliance of numerous regulations that come into play as a company crosses the 50 employee mark*

Events

Department of Labors' New Overtime Pay Requirements – Presented by Houston Harbaugh, October 11, 8:00-10:30 a.m., SMC Business Councils. This seminar will explain the new rule, and work through the issues and options employers should consider and address - such as how to pay employees to avoid getting hit with a costly government audit or private lawsuit. Guidance will be provided on how you can put your organization in a good position without spending a lot in legal fees in the process. www.smc.org/events

Let's Talk Trade & Manufacturing – Rep. Tim Murphy & Michael Stumo, CEO, Coalition for a Prosperous America Wednesday, November 2, 8:30 a.m.- 10:30 a.m., Universal Electric, 168 Georgetown Road, Canonsburg, PA. Purpose: to bring lawmakers and constituents together for an open discussion on trade and manufacturing. Admission is free but registration is required. To register call at 202-688-5145 ext. 3.

Harrisburg Grassroots Lobbying Trip - Spring 2017, TBD