



SMC Business Councils
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State of the Association 2017

SMC's mission is to build a pro-business environment in Pennsylvania.
Eileen Anderson, Director, Government Relations

MEMBERS in ACTION

Goal: Create opportunities for members to speak with lawmakers.

- **SMC's Annual Legislative Reception, 9/28/17** - The Reception brought together a crowd of more than 120 SMC members, guests and elected officials. Representatives from the U.S. Senate, U.S. Congress, PA House of Representatives, PA Senate, Pittsburgh City and Allegheny County Councils and the U.S. Small Business Administration were on hand.
 - The **Small Business Issues Forum** preceded the Reception and was "Standing room only." Two visitors, PA Sen. Vulakovich and PA Rep. Kortz, were invited to speak for a few minutes. Vulakovich spoke about the budget impasse and the difficulty finding revenue. Kortz agreed and pointed to good things happening in PA noting that the forum was focused on citing problems. The #1 issue identified by attendees was workforce followed by a three-way tie for #2 - the cost of health insurance, regulations, and the PA business climate. This meeting marked the start of building SMC's 2018 legislative agenda.
- **The Harrisburg Grassroots Lobbying Trip, May 8, 2017** - Twenty-five members and guests spent the afternoon on Capitol Hill. SMC's 4 teams met with 25 lawmakers and Governor Wolf's Director of Policy and Planning. Some points addressed during visits with lawmakers included the need for state pension reform; impact of a mandated increase in the minimum wage from \$7.25 to \$ 12.00/hr.; the workforce shortage; and surprise/balance billing legislation.

LOBBYING

Goal: Educate lawmakers about the issues of top concern to small business.

- **2017 State Position Papers** - SMC took a new approach to constructing the arguments for our 2017 legislative agenda. The title was "Prescription to Grow PA's Economy... Align Government Policy to Capitalize on our Strengths to Make PA More Competitive and Attractive to Businesses." SMC was positioned as a corporate executive looking at PA as a location for a business. SMC researched states with a similar profile to PA to find out where PA stands as an attractive location for businesses, why or why not, where PA excels and how PA can improve. Conclusion: PA suffers from both a perception and an economic health problem.
 - *"PA can grow our way out of fiscal problems by capitalizing on our strengths. There are very few areas where PA is in the Top 10, HOWEVER, PA ranked 8th in the National Association of Manufacturers "Top States for Manufacturing" and we are home to the world's largest unconventional natural gas field. Manufacturing and plentiful gas go hand-in-hand in with job creation by downstream businesses."*
- **SMC's 2017 State Position Papers** <http://smc.org/services/issues-advocacy/>
 - Rep. Kerry Benninghoff, Chair, PA House Republican Policy Committee sent SMC's State Position Papers to the Tax Foundation in Washington, D.C. .
- **SMC Harrisburg Lobbying Trip Report, June 13, 14, and 15:** SMC lobbyist, Eileen Anderson, had 19 meetings with lawmakers/staff and three state agencies including the PA Insurance Dept., the Dept. of Revenue and the Office of the Attorney General. The goal of the trip was to distribute SMC's 2017 State Position Papers and speak with lawmakers before the House and Senate passed the 2017-18 budget and voted on legislation riding along with the with budget.

- **Building SMC's Profile:** SMC placed 2017 State Position Papers in the hands of 123 lawmakers, nearly half of the members of General Assembly. The area covered was Mercer over to York County.
- **SMC Minimum Wage Survey** - Governor Wolf's budget called for an increase in the minimum wage from \$7.25 to \$12.00/hr. effective on July 1 with no phase-in period. SMC conducted a survey along with ten organizations and received more than 450 replies. The goal was to determine where small employers stand in regard to the mandated increase.
 - *"The market seems to be showing entry level employees starting at \$9-10/hr. The starting wage numbers reflect a market price for wages not a government mandated number. If there is a desire for some sort of mandated minimum for "safety," then it should be gradual and should remain under the market price for entry level employees. To artificially make it \$12/hr. may just raise costs and deter sales, resulting in fewer people employed. It makes no economic sense even if it seems politically compelling."*
 - *"SMC supports an increase in the minimum wage that includes the following:*
 - *3 year phase-in to increase minimum wage by \$.50/hr. to \$8.75/hr. in 2019.*
 - *Training wage for those under 18 should be maintained at \$7.25/hr.*
 - *Seasonal worker wage should be maintained at \$7.25/hr.*
 - *Training and education programs developed to help low-wage workers to move beyond the minimum wage."*
- **SMC's Minimum Wage Survey Results** <http://smc.org/services/issues-advocacy/>

LEGISLATIVE SUCCESSES

SMC Lobbying Results, June 2017

- **Workforce** - House Bill 202, Career & Tech Ed, provides an alternative pathway to graduation for career and tech-ed students and was signed into law by Governor Wolf on June 21.
- **Regulations** - Senate Bill 561- Economically Significant Regulations - SMC helped push SB 561 to the PA House. It calls for legislative approval for regs with an impact of more than \$1,000,000.
- **State Pension Reform** - Senate Bill 1 - For the past 3 years, state pension reform has been SMC's #1 legislative priority. SMC educated employers on the issue and lobbied lawmakers. SB 1 was signed into law by Wolf on June 12. State and school employees hired after 1/1/19 and 7/1/19, will be offered three retirement savings options including a 401 K plan, but not the current defined benefit plan. SB 1 does very little to bring down the \$74 billion unfunded liabilities.

EDUCATIONAL PROGRAMS & COMMUNICATIONS

Goal: Educate members about the issues and government.

- **SMC developed "Q & A, Why Government Advocacy."** It explains in simple terms the importance of government advocacy, what it is, how it works, how to get involved etc.
- **SMC developed a monthly email "SMC News Alerts."** *"As one of the advantages of membership, SMC works to keep you up to date on federal and state government actions that may impact your businesses."* An example is "SMC Alert! Workers' Comp Costs Increase... News from SMC Government Relations Labor Working Group... 1/31/2018.
- **SMC continues with the Government Relations Committee and Working Groups**
 - The **Energy & Environment Working Group** which was added in 2017 at the request of a member. They quickly developed SMC's Energy policy.
 - News initiatives adopted for 2018: 1) activate members to write to lawmakers; and 2) take actions to directly help members. That includes publicizing resources such SMC's new relationship with Penn State's PennTAP program. They provide no-cost energy assessments for small manufacturers.

For more information contact:

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