

House Appropriations Committee Testimony
Acting Secretary Dennis Davin
Department of Community and Economic Development
March 11, 2015

Chairman Adolph, Chairman Markosek, members of the committee, thank you for the opportunity to provide today's testimony.

My name is Dennis Davin, Acting Secretary for the Department of Community and Economic Development. Prior to my appointment by Governor Tom Wolf, I served for more than a decade as the Director of Allegheny County Economic Development where I was able to see firsthand the positive impacts and advances that can be made through strategic public and private partnerships in economic development.

Governor Wolf's proposed budget will have a noticeable impact on our ability to create jobs that pay and get the commonwealth back on track.

The truth is, Pennsylvania will not improve until we rebuild our middle class. Governor Wolf's plan reduces taxes to spur the growth of jobs that support families, invests in education to prepare our kids for the economy of the future, and lessens the total tax burden on middle-class homeowners.

We are near the bottom of the country in job growth and we've lacked the vision and leadership to move our economy forward. This budget makes Pennsylvania a place where companies can come, invest, and grow in an environment greatly improved by cutting the Corporate Net Income Tax by 40 percent in 2015-16 and by 50 percent by 2018, and by finally getting rid of the capital stock and franchise tax once and for all.

It will not be easy to get our economy back on track and rebuild the middle class, but by taking bold steps and trying new things, we will grow our economy, create new jobs, and make Pennsylvania a leader in the 21st century. With vision and leadership, we will make targeted investments in programs proven to work to spur private business to create jobs.

Manufacturing has been at the heart and soul of many communities. Governor Wolf's budget builds on that Pennsylvania tradition to create new, good-paying jobs through establishing a 'Made In Pennsylvania Job Creation Program' to provide a total of \$5 million in tax credits to manufacturing companies that are creating good paying, middle class jobs and providing \$5 million to leverage the talents of our research universities to advance manufacturing technology and commercialization in collaboration with the state's Industrial Resource Centers.

Over the past month and a half, I have had the great pleasure to listen and learn from some of the most hardworking individuals I have ever met while meeting with the different program offices at DCED. Unfortunately, over the past few years, this department has seen some devastating budget cuts that have left many of the programs without the critical resources necessary to strengthen our communities and encourage much needed business development and job creation.

At DCED, our mission is to foster opportunities for businesses to grow in the global economy, help communities succeed and thrive, improve the quality of life for Pennsylvania citizens, and assure transparency and accountability in the expenditure of public funds. Over the last four years,

accomplishing that mission was nearly impossible without sufficient funding for our department's key programs and initiatives.

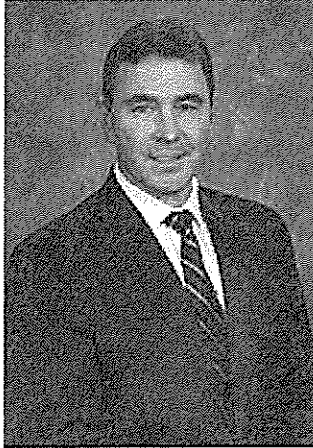
Governor Wolf's proposed budget includes an economic growth plan for jobs that pay which recapitalizes DCED's proven programs, bringing a fresh start to spur investment and economic prosperity.

The 2015-16 budget launches a \$675 million investment program, supported by revenue from the severance tax on drilling, to support economic development initiatives that leverage private sector funds to create jobs. This funding will support programs including Pennsylvania Industrial Development Authority (PIDA) for business development loans, Business in Our Sites program to allow us to compete for business expansions and relocations, energy investment, and technology investments to support entrepreneurs, established companies and manufacturing innovation.

We need bold ideas such as these and smart investments to put our economy back on the fast track to prosperity and Governor Wolf's budget is a comprehensive plan that addresses the issues needed to move Pennsylvania forward.

Governor Wolf is a businessperson. He knows how tough it can be for businesses to start and grow, but with his unique perspective and leadership, I am fully confident that Pennsylvania will be the place to do business once again.

Governor Wolf has promised a Pennsylvania that thrives by focusing on providing jobs that pay, schools that teach, and government that works. I look forward to hearing from you today on how we can all work together to make this vision a reality. Thank you.



Dennis M. Davin
Acting Secretary
Department of Community and Economic Development

Dennis M. Davin was appointed to serve as Secretary of the Department of Community and Economic Development in January 2015 by Governor Tom Wolf.

Prior to his appointment, Secretary Davin served for more than a decade as Director of the Allegheny County Department of Economic Development (ACED), where he was responsible for establishing and executing the economic development strategy for Allegheny County. He managed funding from local, state and federal sources to implement economic development activities such as site development, new job creation initiatives, community development, and affordable housing for approximately 1.25 million citizens in 130 municipalities. He also served as Director of the Allegheny County Redevelopment Authority and Executive Director of the Industrial Development Authority, Hospital Development Authority, Higher Education Building Authority, and Residential Finance Authority.

Secretary Davin is a former board member and treasurer of the Allegheny County Airport Authority, a former member of the Pittsburgh Regional Alliance Partnership, Three Rivers Workforce Investment Board, International Economic Development Council, and National Association for Industrial and Office Parks, and a Carnegie Mellon University Center for Economic Development Fellow.