

Testimony Regarding HB 2196

Submitted by:

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Good afternoon, committee members and thank you for the opportunity to testify in support of House Bill 2196, the Youth Employment Incentive Tax Credit bill.

The Three Rivers Workforce Investment Board is the WIB for both the City of Pittsburgh and Allegheny County. In addition to providing data, research and policy recommendations related to workforce issues, the Three Rivers Workforce Investment Board also has a very active plan to bring younger people into jobs as they leave school or after they have left school. The "E4" program focuses on making the best possible training opportunities available to younger people in the county. E4 trains teachers in how to provide career education to all students, organizes events to expose students to the employers within the region and has links with intermediary organizations to show students what training path is needed to get jobs with local employers, what the economic benefit of those jobs is, and what career ladders are available after securing your first job.

Internships and short-term employment are excellent ways to accomplish some of the objectives promoted by E4 and by the Pittsburgh Regional Compact. There is no better way to learn about a potential job than to actually immerse yourself in that job for a short time. The TRWIB believes that internships can be the highest form of career learning if they are focused on real work projects and they have learning outcomes. Anything that we can do to encourage employers, particularly private sector employers, to host interns in learning situations will enhance young people's ability to decide what career path to follow. Short-term employment also gives the employer the opportunity to observe the intern and judge his or her potential for a future with that company. We want the kind of links that stem from these employment experiences to become the norm in Allegheny

County and in Pennsylvania, and we would like to see them become an integral part of everybody's education.

An internship, however, is not necessarily an easy thing to organize. We need to be able to offer incentives to employers to help defray the costs in dollars and time associated with hosting an intern. We should provide reasonable compensation to employers who become engaged with their community as enhancements to the education process for our young people. A tax credit for hosting an intern is a practical and fair way to encourage employers to bring interns into their workplace. HB 2196 should be passed to create such encouragement.

I don't want to give the impression that employers don't want to take interns. In fact, most who have hosted interns find the experience to be personally rewarding and, when properly planned, an enhancement to the work of the organization. There are, however, financial burdens associated with internships, particularly if the interns are paid. A tax credit will relieve that burden.

Overall, HB 2196 gives a good blueprint for the tax credit. But there is one section that I would request you consider amending. Section 1703-F (a) requires that the local Workforce Investment Boards "shall make a threshold determination as to whether the application is consistent with its required criteria." Technically, this means that my board composed of fifty members would have to approve all applications. This would be unnecessarily cumbersome for something that might be better handled as an administrative process. I would ask the committee to amend the bill to say something like, "The local workforce investment board shall approve a process whereby a threshold determination as to whether the application is consistent with its required criteria shall be made." The local process could be submitted to the state for final approval. This would streamline and speed up the process for granting the tax credits and not require applicants to wait until a full board meeting has taken place.

I want to thank the sponsors of the bill for their farsightedness in using tax credits as a way to give more employers a chance to participate in training young people for the jobs of tomorrow. I'm happy to answer any questions that you might have.