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House Democratic Policy Committee Hearing Monday, May 10, 2021 | 9 a.m.

The PA Rescue Plan: Powering Clean Energy Jobs

Hosted by State Representative Joanna McClinton, Democratic Leader Philadelphia Community College Pavilion Building, Inside of the Klein Cube

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Testimony of the Sustainable Business Network of Greater Philadelphia Before the House Democratic Policy Committee on the PA Rescue Plan: Powering Green Energy Jobs

May 10, 2021

Thank you, Chairman Bizzarro and Committee members, for the opportunity to speak with you today. I'm Anna Shipp, Executive Director of the Sustainable Business Network of Greater Philadelphia (SBN). Please accept the following testimony on the <u>PA Rescue Plan</u>, and the importance of investing in green stormwater infrastructure, renewable energy and energy efficiency, and organizations like SBN that serve Pennsylvania's local independent businesses.

For those unfamiliar with SBN, our mission is to build a just, green, and thriving economy. For 20 years, we've been representing Greater Philadelphia's nearly 100,000 small businesses. Our members are local independent businesses that practice and measure success by the triple bottom line of people, planet, and profit. There is a clear desire from the businesses we serve to see our economy rebuilt with localism, equity, and climate resilience at the center.

Collectively, we find ourselves in unique and challenging circumstances: a global pandemic that triggered an economic crisis, a global reckoning with long standing racial injustice, and an ongoing but still insufficient global effort to both adapt to and mitigate further climate change.

All that feels overwhelming. Yet, the combination of these crises also presents a unique opportunity to recognize their deep interdependence and take a holistic approach to solving them. Current leadership in the White House sees this opportunity as well, naming economic recovery, equity, and climate action as priorities of the Biden-Harris Administration. We've seen early action in the American Rescue Plan Act and are getting a sense of what will come next, including with the Administration's \$2 trillion infrastructure proposal.

SBN is keen to ensure the relief and recovery dollars meet the need, and to ensure that the state is well-positioned to take full advantage of the money that is coming.

Investments in Green Stormwater Infrastructure (GSI)

Stormwater is one of the biggest threats to water quality in the United States and is regulated at the federal level by the Environmental Protection Agency (EPA) and at the state level, such as by Pennsylvania's Department of Environmental Protection (DEP). The federal Clean Water Act defines green stormwater infrastructure as plant and soil systems designed to reduce the flow of stormwater before it pollutes our waterways. GSI has broad applications, from managing issues like combined and separate sewer overflows, to agricultural runoff and streambank restoration and erosion control. It offers a proven, cost-effective tool to not only manage stormwater and improve water quality, but also to create family supporting jobs and benefit small businesses, while improving equity, public health and safety, and climate outcomes as well.





For the last decade, SBN has been <u>leading a coalition</u> of local businesses in the GSI industry. Because of the significant economic, social, and environmental impact we've seen from GSI investments locally, we recently embarked on a study to measure the full size and scale of the GSI industry in Pennsylvania, assess the trends over the last 10 years, evaluate the stormwater management needs and opportunities in urban and rural areas across the state, and tie it all together with recommendations that will position Pennsylvania well to benefit from infrastructure stimulus for GSI.

We'll be publishing the report in the next week or so, but I can share the main findings with you today.

- The GSI industry spans a range of sectors that include planning, engineering, and design; construction and material supply; inspections, operations, and maintenance. There are upwards of 34,000 GSI workers across Pennsylvania. That's more than the number of middle school teachers!
- 2. The number of jobs in Pennsylvania's GSI industry is growing faster than Pennsylvania's overall jobs growth. From 2011 until 2019, jobs in the state's GSI industry grew at 9.2% compared to Pennsylvania's 6.6%. In Philadelphia, where there is a comprehensive GSI-based stormwater management plan, the numbers are even stronger. From 2011, when *Green City, Clean Waters* was fully adopted, to 2019, jobs in Philadelphia's GSI industry grew by 13.3%, more than double the City's 6.3%. The Greater Philadelphia region now boasts upwards of 10,300 GSI workers.
- 3. The GSI industry provides family supporting jobs and accessible opportunities for career advancement for people with all levels of education and work experience. 52% of GSI workers earn at least \$15/hour, even without a high school diploma or equivalent.
- 4. The GSI industry spans the state, and urban and rural geographies. 55% of Pennsylvania's GSI workforce live outside of Pittsburgh and Philadelphia metro areas.
- 5. Pennsylvania has an \$8.4 billion funding gap for stormwater management needs over the next 10 years. Available funding over that time is estimated to be only \$900 million, just 10% of the required annual investment. While SBN is pleased to see the \$200 million in the PA Rescue Plan for "Connectivity and Other Infrastructure Grants," it's far from enough when considering the need for stormwater management alone.
- 6. Investing in infrastructure is proven to have a high return. For example, every dollar invested in infrastructure as part of economic recovery from the Great Recession, saw a 1.5x return in GDP growth.

Beyond the clear economic and basic environmental case for investments in nature-based stormwater management, 2021 marks nearly 30 years since the federal government began to put attention on environmental justice communities. Yet, significant environmental justice challenges in both urban and rural areas remain, such as flooding and the urban heat island effect, which disproportionately impact low-income communities and communities of color. Additionally, damage caused by natural disasters is





<u>increasing wealth gaps and racial inequality</u>. There are many examples across the state of GSI being successfully leveraged to address environmental justice and climate resilience in communities.

As the state rebuilds from the economic impacts of the pandemic, government leaders such as yourselves must encourage the expansion of proven growth industries that create opportunities for diverse small businesses, provide family supporting wages, support equitable community development, and advance climate resilience. As I've outlined, GSI is one such proven growth industry.

Our report has several recommendations for both the Legislature and the Wolf Administration to further advance GSI in Pennsylvania, but I'll focus here on what the Legislature can do. Primarily:

Ensure substantive funding for investments in GSI.

Municipalities across the Commonwealth are best able to leverage federal and state funding for GSI when they have current and comprehensive stormwater management plans, and when those plans include GSI as a strategy. Pennsylvania's Act 167, which requires municipalities to develop comprehensive watershed-based stormwater management plans, was defunded in 2005, leaving many municipalities across the state without stormwater management plans, and limiting their ability to implement or even encourage GSI through direct investments or local ordinances and regulations.

The Legislature must provide financial support for local municipalities to design and implement comprehensive stormwater management plans with clear guidelines that prioritize GSI and other nature-based solutions and encourage investments in vulnerable communities. Sufficient funding for monitoring, operations, and maintenance of GSI is also critical for ongoing water quality and economic growth.

Specifically:

- Restore funding for Act 167 and otherwise fund municipal stormwater management planning, implementation, and operations and maintenance.
- Increase funding for the Clean Water State Revolving Fund, and other low- to no-cost financing structures.
- Align funding for **Science, Technology, Engineering, and Math (STEM) and workforce programs** to help diversify the industry by race and gender.

Investments in Renewable Energy and Energy Efficiency

Fostering growth in the renewable energy and energy efficiency sectors across Pennsylvania is another proven approach to create opportunities for diverse small businesses, provide family supporting wages, support equitable community development, and advance climate resilience.

E2's 2020 Clean Jobs Pennsylvania Report, which SBN supported, found that, prior to COVID-19:

1. Renewable energy and energy efficiency sectors were outpacing overall jobs growth in the state by five times.





- 2. Local independent businesses were driving this growth: businesses with fewer than 20 employees employed 2/3 of all clean energy workers.
- 3. Nearly 80% of clean energy jobs have been in the trades, construction, or manufacturing.

Due to its proven track record and growth potential, clean energy offers the region an opportunity not only to replace the jobs that have been lost, but to also create thousands of new jobs. We must also ensure that growth benefits everyone, particularly individuals from historically marginalized groups.

As part of state's investments in climate resilient infrastructure, we encourage the Assembly to prioritize the following efforts:

- Commercial Property Assessed Clean Energy (C-PACE) Expand C-PACE programs to support
 consumers to save money with energy efficiency investments and affordably harness renewable
 energy.
- **Community Solar** Expand community solar access, generating family-supporting construction jobs and clean, affordable energy across the state.
- **Regional Greenhouse Gas Initiative (RGGI)** Establish a strong RGGI program for Pennsylvania, prioritizing equity and clean energy investments across the state.
- **Solarize Philly** Scale the Solarize Philly program statewide to promote clean and affordable energy options for consumers.
- Align funding for Science, Technology, Engineering, and Math (STEM) and workforce programs
 to help diversify the industry by race and gender.

Investments in Business Support Services

Backbone organizations such as SBN provide critical services to our local independent businesses, contributing to economic stability and vitality. We understand the businesses we serve, including the small businesses that are part of the green economy, enabling us to provide them with relevant support and to provide you as policymakers with trustworthy information about what they need. The economic crisis resulting from COVID-19, and the long road to economic recovery, is increasing demand for our services, including from businesses in the GSI, renewable energy, and energy efficiency sectors.

We encourage the Assembly to provide continued and increased funding and resources for business service organizations like SBN that support green jobs and equitable economic growth, and expand state funding for programs that support diverse small businesses in the green economy.





With the adoption of these recommendations, Pennsylvania would see significant progress towards multiple established goals: growth opportunities for small businesses, increased family supporting jobs, healthier air and water, stronger climate resilience, and equitable community development.

SBN appreciates the opportunity to address this Committee today. We look forward to continuing to work with you to advance a just, green, and thriving economy in Pennsylvania.

Please contact me or Kindra Mohr, Esq., Government Relations Manager, at kindra@sbnphiladelpia.org if you have questions or wish to discuss these recommendations in further detail.

About the Sustainable Business Network of Greater Philadelphia

The Sustainable Business Network of Greater Philadelphia (SBN) is building a just, green, and thriving economy. We empower the region's diverse independent business community to do well by doing good; we advance industries that are critical to a vibrant, local, equitable, and climate resilient economy; and we advocate for an economic ecosystem that centers localism, serves community needs, shares wealth, and protects our environment.

SBN's members are diverse local independent businesses that practice—and measure success by—the triple bottom line of people, planet, and profit. Our programming educates business owners about financially, socially, and environmentally responsible best practices; facilitates honest and supportive discussions among peers; and provides important opportunities for civic dialogue. Our advocacy focuses on solutions that advance a just, green, and thriving economy.

Since our founding in 2001, SBN has remained the region's only membership and advocacy organization playing the important role of serving Greater Philadelphia's diverse independent values-driven business community.