



# EnviroControl Systems

Good morning Chairman Dolan, Vice-Chairman Burke, Ranking Member Sykes, and members of the Senate Finance Committee. My name is Lisa E. Crosley. I am President of EnviroControl Systems Heating and Cooling in Dayton. We are a family owned and operated company which started 15 years ago with 2 part time employees. Today we are 30 strong, performing heating and cooling and indoor air quality work in homes and workplaces throughout Southwest Ohio. I chair the National Federation of Independent Business Dayton Area Action Council.

The tax increase on small business brought about by HB 166 was proposed quickly and with little thought to the effect on Ohio small business. Opposition throughout the state is now gathering steam as business groups and newspapers express alarm at its negative consequences.

Some support HB 166, hoping it will address abuses which they believe creep into the system from time to time. However, the massive changes proposed in House Bill 166 dangerously increase the tax burden on small business, the engine of the Ohio economy and the backbone of job creation.

Sadly, whenever discussions of small business taxation come up, some Ohioans still believe a myth. Eager to reach into what they consider a deep pocket for what they hope is an endless flow of cash, business owners are painted with a broad brush. The picture of the greedy business owner, selfishly building a life of personal luxury with the fruit of another's labor, is perpetrated.

Promoters of this stereotype fail to recognize the critical role Ohio small business plays in job creation and community improvement. Business owners whose companies flourish, and whose profits would fall above the \$100,000 level are not trusted to invest those profits back into their companies as higher salaries, enhanced benefits, and educational and training opportunities. Small business owners are not fully recognized for the investment they make in their communities.

While other witnesses here today will ably discuss the negative economic impact of the proposed budget on Ohio's competitiveness with neighboring states and nationwide, I have come to address just one issue: When business profit is left with the company which earned it, do Ohio businesses reinvest in their employees and to improve their local communities? My answer is a resounding "YES!". My answer is based on the real life, day-to-experience of my company and other companies around me.

Currently our state of Ohio and the nation is enjoying full employment unknown for half a century. While exciting economic news, full employment creates a massive recruitment challenge for small business. On top of that, my company faces the national manpower crisis in the skilled professional trades. While as many as 10,000 skilled trades professionals retire daily, only 1 in 6 high school graduating seniors will even *consider* professional trade work.



Business profit allows small business the flexibility to pivot quickly to meet ever-changing market demands.

To be successful, today's market requires that my business become an employer of choice. Like many other Ohio businesses, I am continually reinvesting profits into employees.

First, EnviroControl Systems partnered with Associated Builders and Contractors to initiate an Ohio recognized apprenticeship training program. Through a combination of four years of paid on-the-job training and classroom instruction, apprentices earn the State of Ohio Journeyman card, recognized throughout the nation. Currently, 14 of our employees are registered in the program.

Initiating the program was just the beginning. EnviroControl Systems pays  $\frac{1}{2}$  the tuition for each of its apprentices. The company then allows apprentices to repay their portion out of their wages over a year's time. This program puts certified Ohio Journeyman status within reach members for about \$25.00 a week.

EnviroControl Systems projected its increased tax burden under the HB 166 budget proposal. The amount of the increased tax would pay for the training of 4 new apprentices each year.

To further meet the educational needs of our apprentices the company hired a local high school teacher to assist with upgrades in math skills, reading competency, and basic skills necessary for apprenticeship success.

Partnering with local financial advisors EnviroControl Systems puts the world of wealth within our team member's reach. At EnviroControl System, working to make money isn't enough. We train our team how to make money work for them.

Public elected officials regularly call for greater job creation and training. Realistically, companies like EnviroControl Systems do a far superior job in creating employment opportunities and job training in the skilled trades than any government-centric program.

EnviroControl Systems put in place personal development plans, allowing its employees to advance quickly in salary and job responsibility. For example, we hired and trained a service technician who went from \$12.00/hourly to \$24.00/hourly in a little over 14 months. Another recruit took a pay cut to leave a job and seize the opportunities in our industry and with our company. He advanced from



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\$14.00/hr. to \$18.00/hr. in just a few months, and steadily advances. Another recruit went from trimming trees for a former employer to making \$80,000 a year and earned recognition as an Ohio Valley Craft Professional of the Year finalist.

These are feel good stories. But the fact is: Without profits, EnviroControl Systems would not be able to maintain its investment in its employees.

We continually expand our benefit program. We provide team members with

- health care coverage,
- long-term disability coverage,
- short-term disability coverage,
- long-term care coverage if they choose to enroll
- vision/dental care,
- life insurance financial protection
- an employee assistance program which supports our drug free workplace.
- a tool purchase assistance program
- a 401k 4% match with a 95% employee participation rate in the program

In further demonstration of our commitment to our employees and community, within the last 2-3 years, the Ohio BWC returned periodic refunds on premiums to group members along with the request that businesses use money on safety initiatives. EnviroControl Systems honored that request, outfitting each of our commercial installation team with personal fall arrest systems matched to their unique body type. We formed a safety committee program to review and rewrite our Safety Manual for greater employee buy-in.

When it came time for our company to purchase a building in support of operations, EnviroControl Systems purchased an empty, derelict building close to the downtown Dayton ring and joined in our City's revitalization effort.

We provide scholarships and science fair prizes. We financially support a Dayton program for at-risk young men and gives them work experience. We financially support a Women's Walk for Life, and give to a variety of organizations. We support area career tech and STEM schools.

Lawmakers must understand that a business' ability to support its community grows as the company becomes profitable. Start-up companies struggle with the realities of cash flow, payroll, and day-to-day operations. But, as profitability eases day-to-day financial tension, businesses can become more and more generous. HB166 seeks to increase the tax burden on Ohio businesses just about the point they are poised to begin significantly investing in others.



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EnviroControl Systems is not alone in generosity.

Recently, a Dayton electrical company sponsored a neighborhood clean-up day. They placed dumpsters along several blocks. Employees helped neighbors clean up their yards. Dayton police rolled up their sleeves and worked alongside neighborhood residents, picking up needles, slashing weeds, and reclaiming a safe outdoor play space for the neighborhood daycare center. Lunch was served, and families went home with bags of groceries. A Now Hiring! booth during the event introduced this at-risk community to the wide-open opportunities in the skilled trades.

EnviroControl Systems' Springfield based CPA is continually recognized for his company's investment in a revitalized Springfield. Like EnviroControl Systems, he placed his business in an aging facility, saving one of Springfield's historic buildings. Today he seeks to expand his operation into Dayton by purchasing one of its aging gems and bringing it back to life.

We must face a simple truth. Investment in employees, in schools, and in communities requires business profitability. The foundation of business profitability is sound tax policy. Without question, when you want more of something you subsidize it. When you want less of something, you tax it.

Some argue that only about 14% of small businesses will feel the effect of HB 166. However, keep in mind that as a business grows beyond day-to-day survival, the freedom to invest in others skyrockets.

**It's simple: profits are what allow businesses to be generous.** Tax policy which penalizes success creates winners and losers and hinders small businesses from becoming corporate good citizens.

It's human nature to breath of a sigh of relief if we think somebody else must foot the bill. However, to sustain successful operations, tax increases are often passed to middle class Americans as higher prices. Ultimately, Ohio citizens just recovering from one of the most severe economic downturns in recent American experience, will feel the pinch.

I am justly proud of EnviroControl Systems. But I did not come here today to simply brag about our success. Rather, I came to assure members of this committee that Ohio small business owners care about their employees, and their communities. And daily, throughout our state, employers invest their hard-earned profit in the economic well-being of others in thousands of creative ways.

When considering HB166, I ask you to think of Ohio business owners as you yourself as an elected official wish to be regarded. Without a doubt there are those elected officials who line their own pockets with the fruit of their position. Yet, the vast majority come to public office to make a difference. Few if any of you wish to be defined by the actions of a few bad apples. Ohio small business owners feel the same way. While some may hoard wealth for their own comfort, most Ohio small business owners



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seek the freedom to respond quickly and creatively to free market challenges, and to generously invest in their employees and their community.

As a small business owner and an Ohio citizen, I urge this committee to put the brakes on this highly destructive element of the state budget proposed in HB 166 until the consequences to small business and the citizens of Ohio can be fully examined.

Respectfully submitted,

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