

News for Immediate Release

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Governor Corbett's 2014-15 Executive Budget Drives Strategic Investment for Stronger Pennsylvania

Priorities Include Education, Jobs and Healthcare

Harrisburg – Governor Tom Corbett today presented his 2014-15 budget to the General Assembly, telling lawmakers that the \$29.4 billion spending plan continues to drive the values of strategic investment and prudent fiscal management to address the commonwealth's core funding needs.

"This commonwealth is the sixth-largest economy in the United States," Corbett said. "And we'll be running at full strength as long as we concentrate on three priorities:

A great education for every child, a private sector where every business large and small can grow and hire, and a healthcare and human services system where everyone has choices and everyone is covered."

"In government, nothing makes a difference like defining a promise kept. And with your support, we have not raised taxes in three years. In that, and other ways, we are doing things right, the signs of revival are clear to see. Pennsylvanians are finding jobs again in Pennsylvania."

Corbett's proposed budget focuses on three key areas: education, jobs, and health and human services.

Education

The Governor's *Ready to Learn* education agenda has transformed Pennsylvania's public education system. Through targeted initiatives, *Ready to Learn* has increased accountability and transparency in our schools, infused stronger educational resources into our classrooms and focused financial resources on supporting students at all levels.

In addition to these reforms, Governor Corbett has made historic investments in public education, eliminating the loss of one-time federal stimulus funding that expired in 2011. Over the past three years, the commonwealth has invested nearly an additional \$1.2 billion in education – setting a new all-time high of \$10.1 billion in direct state support for public education in Pennsylvania.

"We have a responsibility to give the children of this state a 21st century education, and over the past three years, we have worked every day with thousands of parents, teachers and administrators from across this state to ensure that we drive each and every dollar into an education that meets the needs of the children of Pennsylvania," Corbett said.

“Under my budget for 2014-15, this commonwealth will be investing more in public education than ever before.”

This year, the budget marks the next phase of a ready to learn education agenda- a new, strategic investment at all levels of public education that is built upon the solid foundation of increased accountability, improved transparency and greater support for students, educators and schools.

Investments in support of that agenda are:

- **Pre-K Counts** – \$10 million increase to serve 1,670 additional children.
- **Ready to Learn Block Grant** -The *Ready to Learn* Block Grant provides an additional \$241 million to school districts that focus on student achievement and academic success. By combining the successful and popular Accountability Block Grant with the Ready to Learn Block Grant, school districts can access funds for the same purpose in the newly expanded Ready to Learn Block Grant, totaling \$341 million.

Funds will be targeted through a student-focused funding formula to enhance early learning opportunities for students and provide resources for schools to innovate at the local level. School districts will be able to use its block grant allocation for programs, such as Ready by 3rd Grade, STEM and Supplemental Instruction initiatives.

- **Governor’s School-to-School Mentoring Grant (included as part of the Ready to Learn Block Grant)** -This budget provides \$1 million in competitive grant funds for high-performing school districts to support school-to-school mentoring to raise student achievement by replicating good performance and proven best practices in all Pennsylvania schools. The School Performance Profile will be used to determine schools eligible for competitive grants. This funding is part of the *Ready to Learn* Block Grant.
- **Hybrid Learning Initiative**- The budget allocates \$10 million in competitive grants to support educators with developing new educational strategies in the classroom to customize and improve student performance. Hybrid learning, which blends traditional and digital learning, is one of the most promising innovations found in K-12 education today. This funding enables an additional 100 schools to join the hundreds of other schools in Pennsylvania utilizing hybrid learning.

Other education funding initiatives include:

- Basic Education is funded at \$5.5 billion.
- A \$4.6 million increase to support existing state assessment tests.

- A \$20 million increase to be distributed through a weighted student funding formula that allocates funding to school districts based on the level of instructional support provided to special education students. This is the first increase in funding for special education in six years.
- A \$9.5 million increase to serve approximately 1,500 additional children receiving early intervention services from ages 3 to 5.
- \$350,000 in new funding to support three Governor's Schools of Academic Excellence in agricultural sciences, STEM and engineering.
- The budget assumes \$62.7 million of savings to the commonwealth from the elimination of the charter school pension double payments.

In addition to investments made in pre-K to 12 public education, this year's budget provides \$25 million for a new Ready To Succeed Scholarships program that will make the cost of a college education more affordable for students from middle-income families. The grants will go directly to students based upon merit and financial need.

"We all know post-secondary degrees are costly and sometimes out of reach as students and their families worry about debt. With this budget, we will launch the Ready to Succeed Scholarship program, which will provide an additional \$25 million for middle income students who want to earn a two- or four-year degree," Corbett said. "Whether students are looking at trade school or college, a little help at the right time can make a world of difference; and it'll make our state even more attractive to businesses considering whether to move or expand here. They'll want to know if Pennsylvania has prepared our young adults in the trades and disciplines that are always in demand. And our answer will be yes."

The 2014-15 budget also continues previous budget initiatives:

- Level funding for most higher education institutions.
- \$345 million for Grants to Students for financially eligible families. PHEAA will supplement the General Fund appropriation with \$85 million of its earnings.
- \$10 million from the Higher Education Assistance Fund to continue the Distance Learning initiative.
- An increase funding from \$5 million to \$6 million for the Targeted Industry Cluster Scholarship Program (PA-TIP).

Jobs

Governor Corbett's JOBS1st PA agenda continues his commitment to creating family-sustaining employment opportunities for Pennsylvanian workers and placing Pennsylvania at the forefront of the manufacturing, energy, life sciences and

technology industries. Targeted investments will support JOBS1st PA and strengthen critical job creating programs and partnerships – with businesses small and large – that have a proven track record of results, as well as support collaborations that utilize innovative programs to market Pennsylvania and foster new jobs in growing industries.

“We’ve come together to make some wise investments, with long-term payoffs in productivity and quality of life. So, let’s make a few more. And if we stay focused on that same defining goal – jobs for our people – it will see us through.

“Pennsylvanians are finding jobs again – *in* Pennsylvania. Today our labor force is 6 million strong and growing. In three years, our commonwealth has added enough jobs to replace nearly all we lost in the downturn,” Corbett said.

The JOBS1st PA investments include:

- **JOB Partnership Fund**-A private equity capital fund seeded with \$10 million from the PA First program in the 2013-14 budget. The JOB Partnership Fund will provide an investment vehicle to channel private dollars into Pennsylvania projects and deals that ordinarily would receive only grants and low-interest loans from the commonwealth. It leverages at least 9:1 with private capital, which will assist in attracting job creators to locate in Pennsylvania.
- **Jobs for All** - An on-the-job-training reimbursement program, as a direct financial incentive to promote the hiring of young people with disabilities. The first phase of this initiative will help employers successfully hire up to 1,000 young people with disabilities.

Also, \$1 million in new state funds will allow for the drawdown of an additional \$3.8 million in available federal funds, allowing the Department of Labor and Industry’s Office of Vocational Rehabilitation to serve more people with disabilities seeking employment.

- **Pennsylvania First** – The budget increases Pennsylvania First by \$5 million in support of the JOBS1st PA program, providing a \$2 million increase to the WEDnetPA Job Training program to train an additional 10,000 employees and a \$3 million increase to the base program. Total funding for PA First is \$42.5 million in 2014-15.
- **Discovered in PA – Developed in PA** – The budget provides continued funding of \$9.9 million for the Discovered in PA – Developed in PA program, which moves ideas more quickly from the lab to the marketplace.
- **Partnership for Regional Economic Performance (PREP)** – The budget provides an increase of \$500,000 to PREP which will support regional efforts in bringing jobs home to Pennsylvania.

- **Marketing to Attract Tourists** – The budget provides an increase of \$1.25 million to bolster statewide travel, tourism and film-related economic development.
- **Marketing to Attract Business** – The budget increases funding for Pennsylvania’s ability to market the state as a location for job creators through a \$1.1 million increase to the Marketing to Attract Business program.
- **World Trade PA** – The budget increases funding by \$604,000 for World Trade PA to expand promotion of Pennsylvania exports in key international markets and to attract foreign investment.

Health and Human Services

In September 2013, Governor Corbett launched his *Healthy Pennsylvania* plan to increase access to quality, affordable health care for all Pennsylvanians. *Healthy PA* has three key priorities: improving access; ensuring quality; providing affordability. This budget advances the *Healthy PA* plan while reaffirming a commitment to preserving the safety net for individuals with intellectual and physical disabilities, seniors, children and low-income families.

This 2014-15 budget strikes the appropriate balance between the need to transform our health care system into a sustainable system, focused on quality outcomes and increases access to care and the need to improve the delivery and accessibility of human services.

It provides resources to serve more individuals who have been waiting to access needed services, and will accelerate the modernization of the delivery of health care throughout the state – improving access to quality, affordable health care.

Additionally, this budget will continue efforts to ensure that Pennsylvanians in need of long-term care services and supports are served in the appropriate setting and have the ability to stay at home or in the community.

“Now and then, we make decisions in this building that carry consequences far beyond the years we spend here,” Corbett said. “That’s when we need to do our clearest thinking. Health care in Pennsylvania is that kind of issue.”

“When we are done, Healthy Pennsylvania will put high-quality, private-sector health insurance within reach of all our citizens, whatever their means. This is the solution that we have chosen for ourselves.”

To further support the Governor’s Healthy PA and enhanced human services agenda, the 2014-15 budget outlines the following initiatives:

- **Reforming Pennsylvania’s Medicaid Program** - To ensure that the commonwealth can provide sustainable access to quality, affordable health

care coverage well into the future, *Healthy PA* includes common sense reforms to Pennsylvania's Medicaid program and increases access to health care coverage for more than 500,000 low-income residents through its Private Coverage Option. This innovative plan promotes healthy behaviors, improves health outcomes, increases personal responsibility, and ensures that benefits match health care needs.

The 2014-15 budget includes \$125.4 million in savings from the implementation of the Medicaid Reforms and Private Coverage Option within the *Healthy PA* Medicaid waiver. This budget assumes approval of the waiver by the federal government.

- **Increasing Support for Community Health Centers and Health Care Clinics-** The budget provides \$4 million of new funding to provide grants for four new health care centers and to 36 existing health care entities to increase access to preventative primary care services for uninsured individuals in underserved areas of the state.
- **Expanding Access to Primary Care Services in Rural and Underserved Areas of Pennsylvania-**The budget increases funding by \$4 million to provide loan repayment assurance to health care practitioners who commit to working in primary care in rural and underserved areas of the commonwealth. This funding will provide an additional 70 awards to physicians, dentists and other practitioners.

To help address the growing primary care shortage in our rural areas, this budget also provides funding to create 12 new residency slots for medical school graduates who are legal Pennsylvania residents or who have completed their medical school education in Pennsylvania and who commit to providing primary care in a rural Pennsylvania community upon completion of residency training.

"The smartest investments we make are the ones we make in people," Corbett said. "We're committed to helping those who need it most. My budget is a reflection of this commitment. It will help secure a brighter future for our seniors, our neighbors with disabilities, and our victims of violent crime."

Specific human services investments include:

- **Expanding Services for Older Pennsylvanians and Individuals with Physical Disabilities-** This budget provides an increase of \$41.5 million to serve:
 - An additional 1,764 older Pennsylvanians through the Medicaid Home and Community-Based Aging Waiver (\$11.6 million)
 - An additional 800 individuals in the LIFE program (\$9.4 million)
 - An additional 500 individuals on the Options waiting list (\$1.1 million)
 - An additional 204 individuals who transfer from the Department of Public Welfare's Attendant Care Program at age 60 (\$1.4 million)

- An additional 1,599 individuals with physical disabilities in community settings (\$18 million).
- **Expanding Services for Individuals with Intellectual Disabilities and Autism** -The budget includes an additional \$23.5 million to provide home and community-based options for an additional 1,200 individuals with intellectual disabilities and autism:
 - 700 young adults who are graduating from the special education system to continue to live independently in the community
 - 400 individuals who are on the emergency waiting list to access crucial services to keep them in their home and community
 - 100 individuals receiving service in the Autism waiver
- **Moving Individuals from Institutional Care to Community-based Care** - The budget includes an additional \$5.4 million to increase community placement for individuals currently in state mental hospitals and state intellectual disability facilities. This funding will enable the transition of 90 clients from state mental hospitals to progressive mental health treatment in home-like settings and 50 clients from state intellectual disability facilities to home and community-based settings.
- **Domestic Violence and Rape Crisis** - The budget provides \$2.2 million, a 10 percent increase in funding, for services dedicated to victims of sexual and domestic violence.
- **Early Learning Challenge Grant**- This budget provides \$15.8 million in federal Race to the Top Grant Program funds to support high-quality early childhood education programs across the commonwealth. This four-year grant supports the commitment to providing high-quality early learning opportunities for Pennsylvania’s youngest students by:
 - Enhancing access for children with high needs to high-quality early learning and development programs
 - Developing stronger relationships between early childhood education programs and school districts
 - Developing strategies focused on increasing family supports and engagement
 - Improving access and delivery of high-quality professional development for early learning educators
- **Child Care Assistance and Improving the Quality of Child Care Programs**- This budget provides \$15 million in federal funds to allow an additional 2,895 children currently waiting for services to receive child care assistance and continues the commitment to high quality child care and assures that more than 210,710 children of low-income families have access to and can receive affordable child care.

In addition to unveiling his Executive Budget, the governor renewed his charge to the legislature to enact two key pieces of pending legislation: pension reform and liquor privatization. Over the past several months legislative leaders and members have worked in a bipartisan fashion to further both efforts.

Corbett stressed the need for reform efforts that address significant year-over-year pension obligations for both the state and local school districts, reduce the risk to taxpayers of pension cost spikes, and enable local school districts to reinvest pension savings into classrooms.

"Billions in new debt to our state is the cost of doing nothing. The only question is whether we will do it now, when it's still a manageable problem, or let others do it later, when it's an all-out crisis," Corbett said.

Corbett also expressed his desire to finalize liquor privatization efforts with the legislature during the spring session. Since last year, the governor and legislative leaders have been working together to bring consumer choice and convenience to the sale of wine and spirits in Pennsylvania.

"When it comes to our state and our ability to meet great challenges, I have great confidence in the people of Pennsylvania. We've seen our way through some fairly tough times," Corbett said. "And with some notable successes in this building lately, we have shown what we are capable of doing. These are the kind of successes that usually last the longest in government – work done with common purpose by both parties, in the public's interest."

"Things are coming together. All around us are the hopeful signs of a stronger Pennsylvania. We have work to do, and commitments to honor. And now we have a way forward, with the budget I submit today – a budget reflecting real numbers, responsible choices, and unlimited confidence in what our people can accomplish."

For more information on the Governor's 2014-15 Executive Budget, visit www.pa.gov.

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