

## **News for Immediate Release**

**Feb. 5, 2013**

### **Governor Corbett's Budget Offers Hope for Pennsylvania's Future**

**Harrisburg** – Governor Tom Corbett today presented his 2013-14 budget to the General Assembly, telling lawmakers that thanks to two years of fiscal restraint, Pennsylvania is now on a solid financial footing for the future.

"I believe Pennsylvania's best days are ahead," Corbett said. "We are a state blessed with a wealth of natural resources. We are, and will always be, the Keystone State because of our unique location in this country and the world. Most of all, we are home to the hardest-working people in the world. Pennsylvania has unlimited potential."

"We have worked together to bring spending under control. We have worked together to reduce taxes, putting more money into the pockets of our hard-working taxpayers and small business owners. We have worked together and learned that our potential is, and continues to be, greater than any challenge we face.

"We didn't create our success by raising taxes. We created it by expanding opportunities," Corbett said.

"But great challenges must be met if we are to continue strengthening our commonwealth and fulfill the promise of a brighter future for all Pennsylvanians.

"Our job isn't to explain why things can't be better. Our obligation is to make things better. We ran on the promise to change Harrisburg. Leave it to the historians to write our history. Our job is to make history – now."

Corbett's proposed budget focuses on eight key areas: education, pensions, transportation, healthcare, welfare, agriculture, public safety and jobs.

#### **Education**

"We have moved beyond the age of the blackboard as new technologies tie every classroom to the world and have the potential to link every young life to a bright future," Corbett said.

"My budget works to provide our public schools with enrichment funding to help them achieve academic excellence at all grade levels. It provides for enhanced learning opportunities, career-focused training and, most importantly, a safe learning environment.

"For the past two years, the commonwealth has invested more Pennsylvania tax dollars in basic education than at any time in our history. Yet once again, this year, we will be putting a record amount of state funding into basic education, \$5.5

billion, starting with early childhood programs and going all the way through grade 12.”

Other education funding initiatives include:

- Expanding funding for K-through-12 education, proposing an additional \$90 million in Basic Education Funding, an increase of 1.7 percent over last year’s record funding levels, for a total of \$5.5 billion, the highest in state history.
- Proposing more than \$348 million each year in early childhood programs. This budget will add another \$6.4 million toward our Pre-K Counts (increase of \$4.5 million) and the Head Start Supplemental Assistance (increase of \$1.9 million) programs. This money will give an additional 3,200 children and their families access to quality full and part-day programs as well as summer kindergarten readiness programs.
- Proposing level funding for higher education at nearly \$1.6 billion, including support of student grants. Of that total amount, \$937.9 million is divided among Pennsylvania’s state and state-related universities.
- An increase of \$200,000 to the Community Educations Councils, which brings higher education and training opportunities to rural areas, for a total of \$2 million in funding.
- An increase of \$897,000 for Pennsylvania Charter Schools for the Deaf and Blind, totaling nearly \$41.5 million.

### **The Passport for Learning Block Grant**

This proposal will mark an unprecedented \$1 billion enrichment program that will be distributed over the next four years, allowing flexibility for school districts in four general areas:

- School safety grant to allow schools to invest in necessary safety and security measures to protect our children.
- “Ready by 3,” provides funds to establish, maintain or expand a quality, full-day kindergarten program that meets academic standards, or it can be used to enhance academic achievement in reading and math from kindergarten to third grade.
- Customized learning plans to allow students to learn at the pace and manner that best suits them.
- Science, technology, engineering and math remain critical to the continued advancement of our students, our state and our nation. The grant will provide funding to create or expand programs or activities that support science and math in grades six through 12.

The Passport for Learning Block Grant would be financed through the proceeds of privatizing the state liquor store system.

“Selling liquor is not a core function of government. Education is,” Corbett said. “That is why I have proposed that as we phase the commonwealth out of the liquor business we put that money toward education.”

"This is our opportunity," Corbett said, "and our children's."

## **Pensions**

"The entire system of state pensions has become a mountain of debt and the avalanche could bury our economic growth, swallow up benefits for our elderly, education for our children and transportation for our economy," Corbett said.

"We cannot let that happen. We cannot allow hard-working teachers and state employees to be threatened by the loss of their pensions. Nor can we allow the burden of saving those pensions to snowball into a nightmare of economic hardship for our children. Resolving our pension crisis will be the single most important thing we do for decades to come."

"I will not allow any cuts to any benefits of our retirees," Corbett emphasized. "They earned their retirement. They earned their guaranteed security."

"Nor will I allow any pension benefits already earned by any current employee to be diminished in any way."

The governor's budget proposes:

- Creating a new 401 (k) style retirement benefit plan for future employees, consistent with the retirement packages currently enjoyed by private sector employees.
- Adjusting the method of calculating future benefits for current employees in order to maintain the solvency of our pension system and guarantee all current and future employees a worry-free retirement.
- No changes to current retirees.
- Providing nearly \$140 million in pension savings for school districts and other local education agencies across the state.

"With some imagination and some cooperation, we can find a way to preserve our existing pensions and allow the next generation of state employees and teachers a chance to shape their futures."

## **Transportation**

"Pennsylvania sits within a day's drive of 60 percent of the nation's population. Every year, nearly half-a-trillion dollars worth of goods and services move through our state transportation system," Corbett said.

"Transportation is the bloodstream of our economy. If it fails, our economy fails.

"Our customary way of funding transportation has fallen short of our needs. Travel patterns have changed. Cars have become more fuel-efficient. People buy less at the pump.

“Coupled with rising construction costs and a lack of serious action from the federal government, this drop in revenue threatens our roads and bridges, and with them, our safety and our livelihoods.”

As a long-term solution, Corbett proposes:

- A 17 percent reduction on the flat tax paid by consumers at the pump.
- A five-year phase out of an artificial and outdated cap on the tax paid by oil and gas companies on the wholesale price of gasoline.

“This cap was put in place at a time experts assumed the price of a gallon of gas would never go beyond \$1.25. It has gone to more than triple that rate in recent years,” Corbett said.

“This is not a new tax, nor am I proposing to increase the rate of the existing tax. I am simply saying the time has come to apply it to the full value of what the company is selling, it is time for the oil and gas industry to pay their fair share of the cost of the infrastructure supporting their industry.

“Our most costly option would be to do nothing. It will cost us in repairs. It will cost us in rebuilding. And it could cost us in tragedies we might have avoided.”

## **Health care**

“This budget makes it clear that we are committed to providing Pennsylvanians with the best health care options at the most affordable price for the taxpayers,” Corbett said.

“Washington is asking us to expand Medicaid as part of the Affordable Care Act without any clear guidance or reasonable assurances.”

Corbett said he would continue to work with federal officials in providing access to greater and affordable health care, but Washington must provide a clear answer about what this expansion will cost Pennsylvania taxpayers.

“The federal government must authorize real flexibility and innovative reforms that empower us to make the program work for Pennsylvania.

“Without serious reforms it would be financially unsustainable for the taxpayers and I cannot recommend a dramatic Medicaid expansion,” Corbett said.

## **Welfare**

This budget reaffirms the governor's commitment to helping individuals with intellectual and physical disabilities, as well as providing help for senior citizens, children and low-income families.

Some of the proposals include:

- Dedicating \$40 million to provide critical services to an additional nearly 3,000 of our citizens with physical and intellectual disabilities. This will allow them to live independently in their homes and communities.
- Assisting more than 210,000 low-income families and enabling 1,400 children now on waiting lists to receive child care assistance with an additional \$7 million.
- Providing more than \$8 million in additional resources to provide health care coverage to 9,300 additional children through the Children's Health Insurance Program.
- Investing \$4 million in the creation of the Community-Based Health Care Program to bring health care to people who live in areas without easy access to hospitals and clinics.
- Expanding the Primary Health Practitioner Loan Repayment program with \$1 million in funding to recruit more physicians, dentists and other health care practitioners to work in rural areas and in communities that lack sufficient medical care.

Other initiatives in the Department of Public Welfare include:

- Expanding the County Block Grant program, tested in 20 counties last year, to every county statewide. This allows each county to spend funding in ways that will best serve its citizens.
- Funding Adult Protective Services, to protect abused and neglected adults with disabilities, for persons aged 18 to 59. Previously, the state had protection systems for children 18 and younger or adults 60 and older, but nothing for those in between. The Corbett Administration allocated start-up funds last year that will be fully implemented in 2013-14 for \$2.8 million.
- Expansion of Managed Care statewide, offering a health care program to help low-income citizens have more access to primary care practices and pediatricians.

## **Seniors and the Pennsylvania Lottery**

Pennsylvania has the fourth highest percentage of seniors in the United States. In 17 years, one Pennsylvanian out of four will be 60 or older.

"That is nearly one million more senior citizens who depend on the senior services provided by our state lottery," Corbett said.

As a result in changes to management of the Lottery, changes publicly discussed over nine months and explained in public hearings both last April and last month; we can meet the future needs of our seniors. In this budget alone, we now are able to add \$50 million for our senior programs.

These funds will:

- Expand care for 5,400 older Pennsylvanians on home and community-based waiting lists and provide \$2 million to help modernize programs at centers.
- Continue to provide financial assistance for prescription medications to almost 300,000 older Pennsylvanians.
- Include an increase of \$1.9 million in funding for Attendant Care Services, and \$12 million to provide support for 7,000 caregivers.

## **Agriculture**

"Our agriculture exports now approach \$1.7 billion annually. Farming in Pennsylvania is a business, but it remains, inherently, a family business," Corbett said.

"That is why we worked together last year to end the inheritance tax on family farm land. The value of land for housing and commercial centers is very high. The value of the tradition and contribution of agriculture on that same land is beyond calculation.

"No farming family should have to bury their father or mother and their way of life at the same time. Nor should we lose our farm land to uncontrolled development," Corbett said.

This budget proposes:

- Nearly \$35 million to fund the nation's best farmland preservation program.
- Offers \$10 million to continue a system of tax credits for Resource Enhancement Protection Program that rewards farmers for best environmental and management practices.
- Increases funding to \$2.5 million for Pennsylvania's county fairs.

The budget also continues to provide:

- About \$17 million to fund the state Food Purchase Program providing critical help to Pennsylvanians who are at risk of having too little to eat.
- Funding for The PennVET program at the University of Pennsylvania and agricultural research and extension service program at Penn State.

## **Public Safety**

"Public safety remains a top priority in my administration. Without safety, society cannot long endure," Corbett said.

This budget proposes funding for:

- Three new cadet classes for the Pennsylvania State Police in the next fiscal year with a potential for 290 new state troopers.
- In addition, the state police will hire 90 new civilian dispatchers, freeing our state troopers to get back out on the roads and into the communities where they are most needed.

The Justice Reinvestment Initiative, adopted last year, examined ways to make the state prison, parole and probation agencies more efficient.

"Our Justice Reinvestment Initiative gets eligible offenders out of the system and works to re-introduce them as productive citizens," Corbett said.

The savings of about \$139 million over five years will be moved to the "front end" of the justice system, where it can be used for victim services, local policing, county-based offender treatment and improved probation services.

The proposed budget also calls for:

- An increase of \$1.3 million, for a total of \$13.8 million, for the Domestic Violence Program, and an increase of \$700,000, for a total of \$7.7 million, for the Rape Crisis Program.
- Providing \$10 million for juvenile justice intervention, including academic and career training for delinquent youths, as well as strategies for delinquency and violence prevention.

"We need to be tough on crime and smarter about preventing it," Corbett said.

## **Jobs**

"Over the past two years, we have worked together to reform and remake Pennsylvania," Corbett said.

"We, working together, eliminated a \$4.2 billion budget deficit without raising taxes.

"We took the first steps toward reforming our tax code to attract new businesses and jobs which has already resulted in more than 100,000 new private sector jobs."

"We, working together, Republicans and Democrats, saved the Unemployment Compensation System, saved three refineries, and are close to winning a \$4 billion petrochemical plant in the state's west.

To continue this trend, this year's proposed budget:

- Implements PA BIZ Online, an upgrade of the Open for Business website, to guide potential entrepreneurs in establishing new business in Pennsylvania.
- Expands the Children's Specialized Services program to assist children who are blind or visually impaired, and their families, with federal vocational rehabilitation funding.
- Continues the Project SEARCH program for young people with intellectual and developmental disabilities so they can transition from school to work.
- Implements the comprehensive job matching system, providing employment data, including current and projected job openings, and eventually help employers find qualified candidates for their open positions.
- Creates recruitment hubs to help businesses find the skilled workers they need.
- Continues to combine PA CareerLink and the Employment Advancement and Retention Network, eliminating duplication of services and better deliver employment and training services.
- Streamlines the workers' compensation system by improving care for injured workers and reducing medical costs for employers.
- Continues support of Keystone Works, encouraging businesses to provide on-the-job training for new workers, while allowing workers to continue receiving benefits as they learn a new skill.

"Even in the hardest times, we believed in better days," Corbett said.

"We knew that our work ethic, our resources, and our unique geography placed us in the center of the New Industrial Revolution as surely as our ideals placed us at the center of the American Revolution.

"We now have it within our grasp at this moment, to use our enterprise, our imagination and our faith in ourselves to forge a new Pennsylvania."

For more information, visit [www.pa.gov](http://www.pa.gov).

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