

Governor Shapiro's First Budget Address

11:30 AM - Tuesday, March 7, 2023

INTRO

Thank you.

Lieutenant Governor Davis, Madam Speaker
McClinton, Madam President Pro Tem Ward...

Leader Pittman, Leader Costa, Leader Bradford, Leader
Cutler...

Acting Attorney General Henry, Auditor General
DeFoor, Treasurer Garrity...

And members of the General Assembly, thank you for
welcoming me, the First Lady, our children Jonah and
Sophia, along with the Second Lady, our distinguished
cabinet, and our senior team into this chamber.

FAREWELL ADDRESS

I'm mindful of the high honor it is to address you from
this rostrum.

I sat through seven budget addresses as a House member – in fact, I sat right there in seat 75 for most of them.

The last time I spoke in this chamber, it was from this very rostrum when Speaker Sam Smith invited me to deliver my farewell remarks on December 15, 2011.

In that speech, I talked about our shared responsibility – not just in this building but all across this Commonwealth – to confront our greatest challenges and move Pennsylvania forward.

I said that day – and I believe it in my core 12 years later – that the tasks we face are too great for any one man or any one woman to address.

Too great for any one legislator or Governor.

Too significant for one political party alone.

And it was Speaker Smith who taught me one of the most valuable lessons I learned as a member of this House.

In this building, the Speaker said, the 3 most important numbers are 102, 26, and 1.

It takes 102 House members, 26 Senators, and 1 Governor to accomplish anything.

And as those numbers make clear, it requires a collective effort.

While we should hold firm to our individual values, that should not preclude us from opening up our minds and our hearts to one another to find common ground so that we can deliver the results the people of Pennsylvania deserve.

THE PEOPLE

People like Elizabeth Strong – who owns a hair salon on Liberty Street in Allentown.

She traveled to Harrisburg last month to join me as I signed an Executive Order to improve our licensing, permitting, and certification process so it would no longer prevent someone like her from getting her small business off the ground.

Because people like Elizabeth work hard, she deserves certainty and a state government that works as hard as she does.

People like Jess Porter, a third-grade teacher from Pittsburgh who works every day to give her students the skills and knowledge they need to succeed.

To give them a shot and open up the doors of opportunity, regardless of their zip code.

Ms. Porter just wants the Commonwealth to give a damn about her students and ensure they have access to a quality education and a safe, healthy learning environment.

She joins us in the audience today, as a reminder of the work we need to do to create opportunity for our children.

Their stories, and the stories of more than 13 million Pennsylvanians, *that* should define the work we do here in this Capitol.

This is the people's chamber, and I stand before you today, as the 48th Governor of the Commonwealth of

Pennsylvania, humbled by the trust they've placed in me – and committed to repaying that trust by showing them that government can be a positive, productive force for good.

I believe that in my core, as I did 12 years ago when I said farewell to my colleagues in the state House.

I left this chamber feeling optimistic about our future and I return today even more optimistic than ever before.

I'm optimistic because the people of Pennsylvania have inspired me, and I have faith in all of us that we can do this work together.

Seven weeks ago, when I took the oath of office, I spoke about the mandate the people have given us – they want us to reject extremism and division, and they want us to get real things done.

We have the opportunity to pass a commonsense budget that speaks to their needs.

That addresses their problems.

That creates real opportunity and advances the cause of real freedom for them – the people of Pennsylvania.

BUDGET REFLECTS REALITY

And I believe we can do that work, together.

This budget proposal is a reflection of our reality.

Let me explain what I mean by that.

A moment ago, I introduced the three people seated behind me...

Three history makers – Pennsylvania's first Black Lieutenant Governor, the first woman to serve as Speaker of the House, and the first woman to serve as President Pro Tem of the Senate.

Today, in this chamber, we are witnessing history for the Commonwealth of Pennsylvania – and we all share in that progress.

But it's also worth noting, that among these two distinguished women leaders – one is a Democrat and one is a Republican.

And nothing gets done unless a majority in *her* chamber and in *her* chamber agree.

You see, Pennsylvania is one of only two states with a divided legislature – and luckily for us, we’re the only one with a full-time divided legislature.

Together, we represent many Pennsylvanians who divided their vote.

They cast their ballot for you, and for me.

Through their votes, they asked us implicitly to come to the table, put aside the gimmicks or partisan litmus tests and deliver commonsense solutions to the very real problems that we are facing every day.

And the good news is, we have the flexibility to do this work because, together with my predecessor, you have put us in a position where we can make critical investments in our future.

Taken together, the General Fund Surplus and the savings in the Rainy Day Fund are the largest in the Commonwealth’s history.

And we've built our budget around a conservative revenue estimate – so conservative, in fact, that we're using projections that are \$3 billion lower over the next five years than the Independent Fiscal Office – a notoriously cautious group of economic forecasters.

We're prepared to weather a storm should it come.

And we can afford to make critical investments for the people of Pennsylvania right now.

Investments to build an economy that works for everyone, to create safe and healthy communities, to ensure every child receives a quality education and to protect real freedom.

Now, let me show you what that means.

LOWER COSTS

Let's start by lowering costs for Pennsylvanians.

Many of our neighbors are being crushed under a mountain of rising prices, most of which are out of their control.

And let's be frank, a lot of it is out of our control as well.

But that doesn't mean we shouldn't try to help.

There are commonsense solutions we can implement to take some of that burden off their shoulders.

First, let's eliminate the state cell phone tax.

In today's world, practically everyone has a cell phone – and being connected to the rest of the world is critical to economic stability, safety, family and success.

By eliminating the cell phone tax, we will save Pennsylvanians 124 million dollars every year.

That's real money back in their pockets.

I remember the moms in Erie who told me that their cell phone bill – with lines for them, their husbands, and their kids – is their single largest monthly bill.

They just need a little bit of help.

My budget delivers for them.

PROPERTY TAX/RENT REBATE

Second, let's expand the Property Tax Rent Rebate Program for our seniors and for disabled Pennsylvanians.

For people on a fixed income, this is a lifeline.

It gives a rebate to low-income renters and homeowners every single year, putting money back in their pockets so they can stay in their homes.

Homes where seniors like GAY-LEAN MA-CU-SKA raised their families, lived their lives, and made memories over so many years.

Gaylene is a mother, a grandmother, and a great-grandmother.

She made the choice to start college at 43 after leaving an abusive marriage and went on to earn 3 different degrees.

She is an active volunteer who loves to give back to her community in Scranton.

And she is living with Stage 4 breast cancer.

Gaylene's life has been full of family, full of learning, and full of community.

Property Tax Rent Rebates have helped her stay in her home.

But it's been 17 years since Pennsylvania took a look at what seniors actually need to get by.

17 years since the formula that provides relief to people like Gaylene has been updated.

It's time for the Commonwealth to catch up.

My budget proposes a significant expansion in the Property Tax Rent Rebate.

I want to raise the maximum rebate for seniors from 650 dollars to 1000 dollars.

And I want to increase the income cap for renters and homeowners to 45,000 dollars a year.

Finally, I want to tie that cap to increases in the cost of living – so that this Commonwealth never has to tell another senior “sorry, you’re out of luck” because their Social Security payment went up and we didn’t act.

Under my plan, nearly 175,000 more Pennsylvanians will qualify and many of the 400,000 people who already qualify – people like Gaylene – will see their rebates nearly double.

In a nutshell, this would nearly double the number of seniors who qualify for relief, as well as the amount they receive to help them stay in their homes.

I’ve heard from lawmakers on both sides of the aisle who want to expand the Property Tax Rent Rebate because it helps seniors in every county, including more than 17,000 in Westmoreland, more than 14,000 in York, and more than 11,000 in Lehigh counties alone.

These are our neighbors – let's get this done.

It's what they deserve.

It's common sense.

And it's not enough to just help seniors and the disabled stay in their homes, we also need to make sure people living paycheck to paycheck can afford to *maintain* their homes.

I've directed the Department of Community and Economic Development under the leadership of Acting Secretary Siger, to move swiftly to disburse the Whole Home Repairs funds.

In fact, the first payments are expected to start going out as early as next week, providing much needed help and comfort for our neighbors.

I look forward to working with all of you to support and grow this initiative for years to come.

CNIT

We need to lower costs for families, seniors, those who are disabled, and folks who are struggling to stay in their homes.

We also need to lower costs for businesses, so that we can create more jobs, hire more workers, and pay them a higher wage.

We need to continue the work this body began last year, finally lowering the Corporate Net Income Tax.

Pennsylvania used to have the second highest business tax in the nation – making it too difficult for companies to grow and succeed, and more challenging for us to sell the Commonwealth.

This year, my Administration is sending a different message.

Pennsylvania is open for business and we're going to make our Commonwealth a leader in innovation, job creation, and economic development.

If we want the next scientific breakthrough to happen here...

If we want our workers to build the future...

If we want to plant a flag and say we are going to be a leader, then we need to continue lowering the Corporate Net Income Tax.

While the work that you began is critically important, we need to speed up these cuts.

So let's work together to do just that.

OPPORTUNITY AND INNOVATION

Just last week, I spoke at the Spark Therapeutics groundbreaking in Philadelphia, where they are building a global center of research and innovation in gene therapy that will literally save lives.

A company borne out of one of our great health care institutions and with the help of an early investment from the Commonwealth of Pennsylvania.

The very next day, I visited Astrobotic's headquarters in Pittsburgh and saw the lunar lander that will become the first commercial spacecraft to land on the moon.

Think about that, in just two months, a spacecraft built in Pittsburgh by the hands of homegrown entrepreneurs will travel more than 225,000 miles to land on the surface of moon.

Again, a company that this Commonwealth believed and invested in, built by the brains that studied here at one of our premier higher ed institutions.

We should all take pride in that.

Two sides of our Commonwealth – two very different companies – but one story of Pennsylvania’s ingenuity and innovation.

We can tell that same story about so many industries and so many entrepreneurs and inventors.

Thanks to our world-class universities and research institutions, our bountiful natural resources, and our skilled workforce, Pennsylvania is poised to be a leader for decades to come.

We can secure that future – but to do it, we need to invest more in economic opportunity, cut through the red tape, and move at the speed of business.

ECONOMIC DEVELOPMENT

In my first week as Governor, by Executive Order, I created the Office of Transformation and Opportunity – a one-stop shop for businesses, to help connect the dots and give them the support they need to grow and thrive.

Already, our Chief Transformation Officer has met with dozens of business leaders, identifying bottlenecks companies face when they want to work with the Commonwealth and coming up with a plan to streamline those processes.

And that's just the beginning.

In week three, I signed another Executive Order to transform how state government approaches licensure, certification, and permitting.

We all know that our licensing and permitting process takes too damn long.

Those delays make it harder for a barber to relocate his business, harder to finish a major infrastructure project, harder for nurses to start critical jobs in our hospitals.

Delays like that exacerbate the challenges we face – like a lack of health care access in rural areas.

We've been held back by bureaucratic delays and inefficiencies – but I say no longer.

That's why I've directed Commonwealth agencies to compile a comprehensive catalog of all the licenses, certificates, and permits they issue by May 1st.

My Office will then put a firm timeline in place for each application, and agencies will be expected to meet those timelines.

And we're going to put our money where our mouth is.

If we fail to deliver on time, we'll give Pennsylvanians their application fees back.

This budget also makes a significant down payment on innovation and economic development.

Like a 50-percent increase in the Manufacturing Innovation Program, which connects our universities

with our businesses to find new solutions and spur innovation.

This will be cutting edge research done by Pennsylvania students, spurring job creation right here in Pennsylvania, like what I just witnessed at Astrobotic.

We also need more funding to attract and retain businesses here in the Commonwealth.

We've seen what other states are doing, and we need to get in the game.

The next time a company like Intel looks to build a semiconductor factory in the United States, they should be looking at Pennsylvania.

Whether folks in this room like me or not, the one thing I hope you can all agree on is that I'm competitive as hell – and I'm sick and tired of losing out to other states.

We stand on the precipice of a major opportunity for energy and tech jobs – and Pennsylvania must lead the way by securing at least one regional hydrogen hub.

My Administration supports Pennsylvania's applicants, and we want the future of hydrogen to come through our Commonwealth.

It takes money to be competitive.

I'm asking you to believe in us and our businesses, workers and students and make these investments so we can bring more innovative business to Pennsylvania and create thousands of new good-paying jobs.

COMMUNITY REVITALIZATION

When I walked the streets of McKeesport with Austin Davis, he told me about his hometown.

There are a lot of communities just like McKeesport all across the Commonwealth – communities that have oftentimes felt forgotten and ignored, that have lacked real investment.

From Village Acres Farm in Juniata County to a Latino-owned auto body shop in North Philly – I've heard from too many people from different walks of life who feel like the system just doesn't work for them.

They feel like it's unfair – and folks, let's be real, we *know* it's unfair.

It's unfair that in rural communities too many lack access to health care, affordable high-speed internet, and capital.

It's unfair that Black and Latino-owned businesses are twice as likely to be denied a loan.

We have to break down these barriers and invest in communities that have been left out of our shared prosperity.

It's not only the right thing to do – it's the *smart* thing to do.

This is how we'll create jobs and grow the economy.

I know Mayor Matt Tuerk from Allentown understands that.

Allentown is a city that's on the rise because he is building bridges, welcoming folks to his community,

growing the economy, and making sure government works for everyone.

Latino families moving to Allentown are helping create vibrancy and excitement in the Lehigh Valley.

They chose Pennsylvania.

Now we can help them succeed and boost the local economy.

That's the kind of work we need to do at the state level.

For the first time ever, the Commonwealth is going to put sustainable state funding into what's known as the Historically Disadvantaged Business Program.

We'll provide long-overdue funding for women and minority-owned businesses across this Commonwealth, to support their growth and open new doors of opportunity.

I've visited with Latino business owners in Reading who are trying to meet their community's needs but need more access to capital.

Just last month, I spoke about this with Black business leaders in Pittsburgh.

I want every Pennsylvanian to know that our Commonwealth values what you bring to the table, and we will take an active role in breaking down the barriers to progress and partnering with you.

On top of that, my budget significantly increases funding for our main streets through the Keystone Communities Program.

One thing I've always loved about Pennsylvania is that no matter where you are, nearly every place has a Main Street – and those main streets matter.

But unfortunately, too many of our main streets – like so many of those I've walked with so many of you – haven't had the kind of investment they need to help them thrive again.

We've seen communities like New Castle get hollowed out – but we've also seen what communities like Phoenixville can become when the Commonwealth invests in their vision.

AGRICULTURE

We need to make those investments not only for our towns and main streets – but for our farms, too.

Pennsylvania's agriculture sector is critical to our economy, contributing 132 billion dollars a year – but it is facing serious threats.

We haven't even hit the spring migration season, but poultry farmers are already dealing with Hi-Path Avian Influenza.

And my Administration has taken action.

Under the leadership of Acting Secretary Redding, the Department of Agriculture is working to improve biosecurity efforts on our farms and make farmers who lose birds whole.

Pennsylvania is the only state with a fund of 25 million dollars to help fill the gap in covering losses from this terrible disease – and I want to put another 25 million dollars into that fund this year.

Our farmers and ag workers do hard, important work, in challenging and sometimes dangerous conditions.

I am asking you to work with me to support them and invest more in our agriculture sector.

We have 52,000 farms, many of them passed down among families for generations.

They need more access to capital, and we need to open up more markets for them.

Because when we do that, people have more opportunities to enjoy healthy, fresh foods from our farmers.

There is a direct line between the work our farmers do and the food on our kitchen tables.

When people buy Pennsylvania-grown organic fruits and vegetables – they should know they’re getting the best of the best.

So my budget includes funding for a new Organic Center of Excellence to continue our Commonwealth’s long tradition of agricultural leadership.

This budget also strengthens the connection between our farmers and our small businesses so that more of us can eat farm-fresh Pennsylvania-grown food.

WORKFORCE DEVELOPMENT

We need to support farms and businesses that want to grow here, and we need to help our communities thrive.

But as we all know, as any employer will tell you, the foundation of our economy is our workforce, our people.

And we need to give people a fair shot.

That means breaking down barriers – like I did on my first day in office, when I signed an Executive Order announcing that 92 percent of state government jobs do not require a college degree.

Let me tell you why I did that. And why I did it right out of the gate.

Because my vision for Pennsylvania is one where every resident and every worker has the freedom to chart their own course and the opportunity to succeed.

For people to succeed, we need to make sure they can earn a fair wage.

MINIMUM WAGE

Let's treat workers with the respect they deserve and finally raise the minimum wage.

I'll state the obvious – 7 dollars and 25 cents an hour is not a livable wage in 2023.

Our minimum wage makes it harder for Pennsylvania to compete and hasn't been raised in 14 years.

It's lower than that of 30 other states – including every single one of our neighbors.

We're facing a workforce shortage and higher competition in the job market.

Businesses get this – that’s why so many of them aren’t sitting back and waiting for us to act – they’re raising wages aggressively from department stores to diners.

So I’m asking you, respectfully, to work with me to finally – finally – raise the minimum wage to 15 dollars an hour.

To me, this feels like a fight that has gripped our politics for so long that some people entrenched on the other side don’t even know why they’re opposing Pennsylvania workers anymore.

Enough is enough – let’s raise the minimum wage.

WORKERS’ RIGHTS

We also need to protect worker rights.

As Attorney General, I took on company executives when they tried to screw over their employees.

When a major employer stole over \$20 million from Pennsylvanians doing backbreaking work on our roadways, we prosecuted the largest Davis-Bacon wage

theft case in American history and returned every penny back to workers right before Christmas.

As Governor, I won't let anyone threaten our workers.

That's why this budget provides the funding to hire a new class of labor law compliance investigators so we can make sure every employer follows the law and treats their workers with dignity and respect.

To those employers who lobby against this funding, I have a simple question: What are you afraid we might find?

When it comes to dignity and respect – all workers should have the right to organize and bargain collectively.

Hear me on this – so long as I am your Governor, Pennsylvania will never be a right to work state.

UNEMPLOYMENT COMPENSATION

That won't be the only way we protect our workers.

When a worker loses their job, it's devastating.

And in the past, this Commonwealth hasn't always done right by them.

Because when they needed us most, our Unemployment Compensation system failed them.

One of the first things Acting Secretary of Labor and Industry Walker did was establish a plan to fix the mess.

We've already hired dozens of new employees and we're updating technology, with the goal of reducing the backlog of people waiting for help.

A year ago, that backlog was over 100,000.

Now, it's down to 33,000.

That's progress – but I am by no means satisfied.

We must do better.

When Pennsylvanians are unexpectedly out of work, they don't need another roadblock – they need help.

So join me, and let's invest in our system to provide Pennsylvanians with timely and accurate answers and support.

CHILD CARE

We can't ignore the fact that it's hard for moms and dads to get to work in the first place if they don't have affordable child care.

In any given year, over a third of Pennsylvania parents report that child care problems impacted their job.

And our state economy loses nearly 3.5 billion dollars a year because of a lack of child care options.

Right now, what's really holding us back is that we don't have enough child care professionals like Cynthia Thomas from York Day Early Learning.

Pennsylvania has nearly 4,000 unfilled child care jobs and 38,300 children on waitlists.

If those jobs were filled, we could make sure nearly every child on that waitlist had a spot.

We have kids ready to learn, parents ready to work – we just need more teachers and professionals on the job.

In order to hire those vital front line workers, we need to pay folks like Cynthia a competitive salary and give them the benefits they deserve.

That's why I'm proposing a 66.7 million dollar investment in Child Care Works to give more parents access to stable child care for their kids.

And while we're at it, this budget invests more in Pennsylvania Pre-K Counts so our children get a ladder up.

WORKER SHORTAGE

Worker shortages are one of the biggest challenges our Commonwealth must address in the years ahead in order to be competitive and have safe, healthy communities.

1 in 4 nursing jobs in Pennsylvania are unfilled.

We're short more than 1,200 municipal police officers.

And we don't have enough teachers, with hundreds of unfilled positions in our public schools.

Nurses, cops, teachers – we all know how vital they are for our communities.

We don't have enough. And if we don't act now, the trendline shows greater shortfalls.

And let me say to those of you who believe that starving government is the answer –

Tell that to the kid crammed into an overstuffed classroom, the nurse who has to work a double shift, the cop forced to walk the beat alone.

This is a moment when we have to believe in people and invest in those on the front lines of teaching our kids and keeping our communities safe and healthy.

We have to invest in Cadets like Hannah McCurdy and Jermaine Graham.

Policing is a noble profession and good people want to do it.

So let's make it a little easier to become a trooper, a police officer, a nurse, or a teacher.

My budget creates a new tax credit to encourage more Pennsylvanians to join their ranks.

Here's how it works – for anyone who earns a new license or certification in one of those three fields, or for anyone who has a license and decides to move to Pennsylvania for work, we're going to put up to 2,500 dollars back in their pocket every year for up to 3 years.

Better schools.

Healthier families.

Safer communities.

That's what my Administration is fighting for.

PUBLIC SAFETY

As I've often said as Attorney General, every Pennsylvanian deserves to be safe and feel safe.

Unfortunately, for too many, our communities feel anything but safe.

The moms and dads in West Philly who have lost a son to gun violence.

The Latino family who came up to me in York and said all they wanted for their kids was a safe street to play on.

That's why I appointed Lieutenant Governor Austin Davis to lead the Pennsylvania Commission on Crime and Delinquency – because this is the issue that called him to a life in public service.

You see, when he was 16, a person was shot on his block in McKeesport, and he got to work bringing people together to make our communities safer.

He knows the impact that violence can have on a community.

[IN THE BACK] And so does McKeesport Officer Chuck Thomas, who joins us here today.

Just last month, Officer Thomas was shot and his partner, Officer Sean Sluganski, was killed after they were called to the scene of a domestic dispute.

Officer Sluganski made the ultimate sacrifice protecting all of us.

Our prayers are with his family, and with you, Officer Thomas, as you continue to heal.

Thank you for your service.

My Administration is taking action to prevent violence and stop the cycle of anger and grief that is swallowing our communities.

That's why we're investing in more funding for PCCD and following the leadership of the Legislative Black Caucus, who have championed investments in violence prevention and community-based solutions.

Creating safe communities starts with ensuring police departments are well-staffed, well-funded, and well-equipped.

It's critically important that, as we hire more police, they be properly trained.

My Administration is committed to, and we will encourage police departments to pursue accreditation – the highest standard of training in our Commonwealth.

For many, especially in our rural communities, the Pennsylvania State Police serve as local law enforcement.

They patrol thousands of miles of the Commonwealth's roadways and hundreds of townships and boroughs.

That's the work Cadet McCurdy and Cadet Graham signed up to do.

We need more people like them in service – so my budget proposes enough funding for 4 new cadet classes of the Pennsylvania State Police next year under the leadership of Acting Commissioner Paris.

That's nearly 400 new troopers who will protect and serve our Commonwealth.

But we also need to ensure PSP has sustainable funding well into the future.

Since at least 1969, the Pennsylvania State Police has been getting funding out of the Motor License Fund.

And it immediately set up a conflict between infrastructure funding and public safety, as it takes billions of dollars away from our roads and bridges.

We should no longer do that.

That's why this budget creates the Public Safety and Protection Fund – the PSP fund – which will be a dedicated funding source for the State Police that will reduce our reliance on gas taxes by 100 million dollars each year, for the next 5 years.

This is a win-win. It's common sense.

The men and women of law enforcement get certainty that their funding will be protected for the long-term, and the Commonwealth gets more money to invest in infrastructure.

Too many of our roads and bridges are crumbling and too many of our public transit systems are understaffed.

We must repair our roads and fix up our bridges.

And we must ensure public transit continues to be an affordable, reliable option for millions of people all across the Commonwealth.

Connecting our communities spurs growth and creates more opportunity for our people.

That's good for our economy and for public safety.

This budget allows us to tackle both.

Building safe communities also means supporting our firefighters and first responders, so my budget invests 36 million dollars in new money for equipment, training, and salaries to support and grow their ranks.

COUNTY LEVEL

The Commonwealth can't do this work alone.

Our local municipal governments and county governments are on the frontlines of the effort to keep folks safe.

We must ensure that they have the resources they need.

Here's one key example: our counties run Pennsylvania's 911 emergency dispatch system – they field calls from our constituents when there's an emergency and get police, first responders, and mental health professionals to the scene as quickly as possible.

Since 2016, as calls have gotten more complex and staffing shortages more acute, the cost of running our 911 dispatch system has gone up 23 percent.

But the state funding dedicated to supporting these systems has remained flat.

This budget recognizes the challenges counties and 911 dispatchers face and invests over \$50 million in that system and ties that funding to the cost of living so it will keep up with rising costs.

[IN THE BACK] This is the number one priority for the County Commissioners Association, whose

president, Venango County Commissioner Chip A-BRAM-A-VICK joins us today.

Every one of you here represents a county.

Every one of those counties relies on a 911 system.

Let's come together on this.

It's common sense.

Here's another thing we can do to help our municipalities.

They can't keep up with challenges like the rising cost of health care and increasing public safety needs.

Because they're operating on shoestring budgets.

It's not just 911 systems where local communities are feeling the pinch.

In the past, when a local government struggled, municipalities shuttered their police departments and made cuts that undermined the safety and welfare of our communities.

And, we routinely saw that nearby towns faced similar challenges.

Rather than having the state come in and take over their operations, how about we help these smaller communities band together, share resources, and share know-how.

Combine services and help more people.

Alleviate the burden on state police and other state resources.

This budget invests in the Municipal Assistance Program to help our communities support themselves.

CRIMINAL JUSTICE REFORM

As I said a moment ago, people have a right to be safe in their communities.

But folks also have a right to *feel* safe in their communities.

As Attorney General, I had the privilege of seeing our criminal justice system up close as the chief law enforcement officer.

I enforced the law without fear or favor and pursued justice for victims.

I also saw firsthand the many ways in which our criminal justice system falls short.

I know Speaker McClinton understands what I mean.

She worked as a public defender for 7 years before she came to Harrisburg.

Public defenders are champions of justice, ensuring every citizen receives the representation they are entitled to.

They do that work despite often being underpaid and under resourced.

Pennsylvania is one of only two states in the nation that provides zero state dollars for indigent defense.

That's not a list we want to be on.

That's why I am proposing today – for the first time – we make a 10-million-dollar investment in public defenders, this year and every year going forward.

We also need to invest in other parts of the criminal justice system that have been neglected for too long.

The probation and parole systems were originally designed to help people get back on their feet and keep them out of prison.

But that's not what's happening in reality.

Pennsylvania has a 64% recidivism rate.

That means 64% of the people who walk out of our prisons will go back, many of them for nonviolent, technical parole violations.

The first step in improving this system is investing in probation and parole services to reduce caseloads, improve training, and enhance services.

The more time a P.O. can spend with an individual, the more help they can provide as they look for a job, find an apartment, and settle into a successful life.

However, while those investments will help, it's long past time to reform our system as a whole and put responsible limits on probation terms.

You've passed that bill before.

And I hope you'll do it again.

Put it on my desk and I'll sign it.

Finally, as a former member of the Board of Pardons, I know that too many people wait years to have their cases heard.

This budget includes new funding to clear that backlog so second chances can come a little sooner.

ENVIRONMENT / NORFOLK SOUTHERN

Justice isn't only done in our courtrooms.

It's also done in our communities.

Article I, Section 27 of our Commonwealth's Constitution states that every Pennsylvanian has a right to clean air and pure water.

And sometimes, those rights are threatened directly by events largely out of our control.

Since the first hours after that Norfolk Southern train derailed just across the border in East Palestine, Ohio, my Administration has been on the ground in Western Pennsylvania, coordinating with first responders and ensuring Pennsylvanians have the resources and information they need to stay safe.

We're grateful for the hard work and cooperation of local and state officials from the area, including the Chair of the Beaver County Board of Commissioners, Dan Camp, who is here with us today – as well as Senators Bartolotta and Vogel, and Representatives Kail, Marshall, and Matzie.

As we speak, the Department of Environmental Protection is conducting independent water sampling.

The Department of Health has seen more than 300 people at their health resource center in Darlington Township, answering their questions and offering free access to treatment should residents need it.

Nothing can make up for the damage already done – but what the people of Pennsylvania deserve now is accountability.

Last week, Norfolk Southern CEO Alan Shaw came to my office to apologize and I laid out what he and his company must do to make up for their mistakes.

He heard me loud and clear: they need to pay for this – and they are.

I demanded the company pay for the hours of work Commonwealth employees have done in the wake of their derailment.

I demanded they pay to replace damaged or contaminated equipment from local fire departments who responded that night.

I looked him in the eye and told him the people of Beaver and Lawrence Counties deserve better, that they need at least \$1 million for a community relief fund.

And now, that's exactly what Norfolk Southern has committed in writing to do.

They're going to make our people whole.

Like Emily from Darlington Township who evacuated her home and had to throw out hundreds of dollars of food and all of the eggs her chickens laid.

Like the small businesses owners who had to miss a day of work or lost customers due to the derailment.

All of that will come out of Norfolk Southern's pockets.

And let's be clear.

This is a floor, not a ceiling, for what they owe the people of Western Pennsylvania.

My Administration will continue to do everything in our power to protect Pennsylvanians.

We will be there as long as it takes.

ENVIRONMENT / INVESTMENTS

But it's not enough just to respond to this crisis – we also need to protect our communities and safeguard our natural resources *before* disaster strikes.

That's why my Administration is tackling a significant source of greenhouse gas emissions here in Pennsylvania, and creating thousands of good-paying, union jobs in the process.

I have directed the Department of Environmental Protection under the leadership of Acting Secretary Negrin to draw down as much federal funding as possible to cap and plug orphaned and abandoned wells that dot rural Pennsylvania.

It's estimated that the more than 350,000 orphaned wells across our Commonwealth make up nearly 8% of our total methane emissions.

Methane is particularly dangerous because it is up to 86 times more potent than Carbon Dioxide – warming our

planet and contributing to air pollution that damages our lungs and our hearts.

I've seen some of those wells myself.

I've taken a zippo lighter – made right in Bradford by the way – and watched a big fire ball go up.

That invisible gas, that is the methane that's leaking into our atmosphere every day – and we can do something about it.

Let's plug the wells, improve our air quality, and strengthen our communities – especially in the Northern Tier.

This budget also improves air quality testing, increases dam inspections, safeguards water quality, and more.

It invests in DEP's ability to not only protect our environment, but to process applications and get back to businesses sooner and with more certainty.

We must reject the false choice between projecting jobs and protecting our planet.

I believe we can do both – we can embrace the Commonwealth’s role as an energy leader, create good-paying jobs, and fulfill our constitutional obligation to protect Pennsylvania’s clean air and pure water.

Listen, we can’t ignore the science here.

We have to be honest and connect the dots between that abandoned well leaking methane into our atmosphere and the impact it has on our people.

That methane contributes to rising temperatures and more frequent storms.

And that warm, wet weather creates more mold that infects our crops right here in Pennsylvania – spoiling our corn and potatoes, and our farmers’ hard work.

I know we might not all believe the same things, but I sure as hell hope you believe in drinkable water, breathable air, and good jobs – because protecting the environment will lead to all three.

PARKS

As we invest in public health, safety, and wellness, we should also be supporting our state parks – the places Pennsylvanians go, from Presque Isle to Pine Grove, to spend time with their families, relax, and enjoy our beautiful Commonwealth.

One of my favorite things to do is spend time with the First Lady and our kids, hiking a trail on a quiet weekend morning.

We love spending time together outside, enjoying the fresh air... finding a spot along the trail to skip rocks across the lake or the stream.

I'm sure some of you can relate.

How taking a hike helps you relax.

How it can lower your blood pressure and give you a real appreciation for this Commonwealth we call home.

We have to finish the job you started last year, when you created three new state parks under the fine leadership of Acting Secretary Dunn.

Let's invest in those and our entire park system and give the people what they want – more opportunities to enjoy the outdoors and spend time with their friends and families.

HUNGER

Investing in our state parks is just the start of what we need to do on public health and wellness.

Nearly 2 million people in Pennsylvania worry about getting enough to eat every day.

500,000 of them are children.

That means 1 in 7 children in our Commonwealth don't have enough to eat.

They wake up and go to bed hungry – desperate for when they'll get their next meal.

This isn't just reserved to one part of the state or another.

Roughly the same percentage of people go hungry in Fayette, Forest, and Philadelphia counties.

For many of our neighbors, federal emergency benefits from SNAP provided stability over the last few years.

But last week, those emergency benefits ended, leaving families once again wondering where the next meal would come from.

Let me be very clear about something: we didn't create this problem, none of us did in this room, but the Department of Human Services under the leadership of Acting Secretary Arkoosh is taking action.

And I need you to join us in that.

I'm proposing a new state investment in SNAP to raise the minimum monthly benefit by 50 percent so people who are struggling can feed themselves and their families.

How can we expect our kids to pay attention in class, learn, and succeed if they haven't eaten all day?

We can't.

That's why I want to give free breakfast to every child in our public schools.

It shouldn't be OK to anyone here, especially when we're talking about a 44 billion dollar budget, that people are going to bed hungry and kids are going all day without a meal.

We don't often talk about this because it's hard to comprehend in a Commonwealth as well resourced as ours.

But we need to have that conversation.

We need to feed our kids.

BLACK MATERNAL HEALTH

Another issue that lives in the shadows... and something we shouldn't accept... is that here in this Commonwealth, and throughout the country, rates of maternal mortality are rising.

For Black mothers, that risk is even greater regardless of their income or zip code.

Even for the wealthiest Black mothers, their babies are twice as likely to die within the first year.

And Black women are three times more likely to die from a pregnancy-related cause than white women.

We can't accept that.

The first step is understanding why it's happening.

So for the first time, we're going to put real resources into studying exactly that – so that we can make concrete investments to address this disparity.

SENIORS

From children to seniors, we need to support Pennsylvanians throughout their lives.

Our Commonwealth is home to more than three million seniors.

People like Gaylene, who I introduced earlier, who have worked hard and continue to serve their communities.

They've earned the right to live out their golden years with dignity.

For so many seniors Pennsylvania's Triple As provide critical support, helping seniors access health care, transportation, and the public benefits they've earned.

But our Triple As are stretched thin, unable to serve a growing population of seniors.

This is so critically important that I put a former Triple A leader, Acting Secretary Kavulich, in charge of the Department of Aging.

This budget makes a significant investment in Triple As all across the Commonwealth so we can ensure seniors get the services they deserve and have the support they need to stay in their homes.

INTELLECTUAL DISABILITY SERVICES

Seniors... mothers... children – it's up to us to protect the most vulnerable among us.

That includes Pennsylvanians with intellectual disabilities and autism.

I've talked to so many parents who are desperate to get their kids the care they need.

You can see it in their eyes, the sheer exhaustion of working a full-time job and having to care for their loved ones.

They come home after a long day of work and then spend hours ensuring their kids get the attention and care they need.

They can't sleep. They can't rest.

But they do it all out of unconditional love.

So many parents need help and they're doing everything right – they've done the research, they found the program that will help their child live a full and productive life – but then they're told to wait because the government hasn't funded this enough.

That's devastating.

My budget will open up 850 new spots for Pennsylvanians with disabilities, giving hundreds of families much-needed relief.

That's hundreds of families that will be able to go to bed without this kind of stress and worry.

MENTAL HEALTH

We need to help our children and we need to listen to our children. Let me explain what I mean.

I've been inspired everywhere I go by the way young people today speak so openly about mental health issues, about their struggles, about the need for more treatment.

For too long, mental health has been an afterthought.

There's been a stigma associated with people asking for help and this building addressing it.

Our mental health care professionals, like Stephen Sharp from Hempfield School District in Lancaster County who joins us here today, know that our mental health is just as important as our physical health.

But so many of our schools are unequipped to handle student mental health needs, and our counties lack the resources to be there when Pennsylvanians need them.

We need a comprehensive solution, and this budget is a start.

The first place many people turn is the 988 hotline – where they can talk to trained professionals about their challenges and get referrals if they need one.

We have 13 dedicated call centers across the Commonwealth, but they need more support.

This budget creates a sustainable funding source to ensure those centers are always staffed, and that when people need help, there's someone there to answer the phone.

This is especially important for our veterans, many of whom struggle every day with challenges as a result of their service.

We need to be there for them.

We're also going to restore full funding for our county mental health programs, so people have resources to turn to in their own community.

And while we have mental health parity laws in this country, we all know they aren't effectively enforced.

I've directed Acting Insurance Commissioner Humphries to make mental health parity a true reality here in Pennsylvania and hold insurers accountable so that mental health benefits are covered fairly.

MENTAL HEALTH IN SCHOOLS

The need for mental health care is especially acute for our children.

As Attorney General, with the generous support of the Legislature, I started Safe2Say, an anonymous reporting system for students to report violence and threats of violence.

Since we launched the program five years ago, we've received over 100,000 tips – but most of the tips weren't about violence.

75 percent are from kids reaching out with mental health issues for themselves and their friends.

I've been to their schools.

I've asked these students what they need – and they're very clear.

Students want someone who can help them.

They want people to talk to.

Someone like Mr. Sharp down the hall who they can turn to.

My budget invests half a billion dollars in mental health over the next 5 years so that schools can fund mental health counselors and services on site.

Our kids need help.

We need to hear them and act now.

EDUCATION COURT CASE

I've spoken a lot about building safe and strong communities – the foundation of which is an adequate and equitable public education.

Last month, President Judge Renée Cohn Jubelirer of the Commonwealth Court issued a ruling declaring Pennsylvania's system for funding public education unconstitutional.

That ruling was a call to action. Literally.

Her remedy was for us to get around the table and come up with a solution that ensures every child has access to a thorough and efficient education.

While theoretically there's still time left to file an appeal, all indications are that Judge Jubelirer's ruling will stand.

And that means we are all acknowledging that the court has ordered us to come to the table and come up with a better system, one that passes constitutional muster.

I'm ready to meet you there.

In fact, I've already had some initial dialogue with leading lawmakers of both parties.

I think it's fair to report that we're all prepared to work together to find a comprehensive solution.

But this is not a simple task.

It's not something that any one branch of this government can do alone, and let's be honest, it cannot be fixed overnight.

We must approach this responsibility with hope and ambition – because this is a once-in-a-lifetime opportunity for us to do right by our kids, to fund our schools, and to empower parents to put their kids in the best position for them to succeed.

It will take all of us – Republicans and Democrats – teachers and administrators – students and families – advocates and community leaders.

It will take all of our ideas for not just how many dollars we set aside from the state for public education but how we drive those dollars out to local districts adequately and equitably.

EDUCATION FUNDING

We are tasked with passing two budgets in the next 16 months, and we must look at each as a necessary piece of a comprehensive solution that makes progress for our children over the long term.

This budget is the first step, and today, we're making a significant down payment.

All-in, this budget increases public education funding by a billion dollars this year, with targeted support for students both inside and outside of the classroom.

Let me give you a few examples.

As I said earlier, we're going to provide universal free breakfast in our schools because students can't learn on empty stomachs.

We're going to invest half a billion dollars over the next five years for environmental repairs and upgrades in our schools.

Our students should have world-class facilities that are safe and healthy, and this budget is an initial investment to get us there.

And of course, none of this will work if we don't have enough well-qualified, well-paid teachers in our classrooms.

We're going to give new teachers a tax break and more resources in their classrooms, so that they can help our students succeed.

VO-TECH

Our schools should prepare students for the future and give them the freedom to chart their own course.

If they want to go to college, we should make it more affordable.

If they want to go straight into the workforce, we should make sure they have the skills and opportunities to be successful and provide for their families.

22 years ago, Pennsylvania invested over 200 million dollars a year in vocational and technical education.

Last year, we spent less than half of that on young people.

As a result, fewer students have the opportunity to pursue a job in the trades – and fewer know that path even exists.

An apprenticeship is a fast track to a good-paying, stable job.

With us today is Freddy NO-TWO-AY, a first-year union apprentice with Iron Workers Local 3 in Pittsburgh.

Freddy immigrated to Pennsylvania from Cameroon.

He traveled thousands of miles in search of opportunity, and he's found a stable future through an apprenticeship.

There are so many more kids across the Commonwealth who should have the opportunity to follow Freddy's path.

My Administration has a comprehensive plan to invest in apprenticeship programs, expand vo-tech, and bring career and technical education back into our classrooms.

We can connect the dots between our schools, our trade unions, our companies, and the public sector.

We can create a pipeline from the classroom to the workforce and give Pennsylvanians the tools they need to succeed.

Our commitment to our students and our workers like Freddy is uncompromising, so this budget invests in them and their success.

HIGHER ED

And for those who choose to pursue college, it's on us to rethink our system of higher education – because what we're doing isn't working.

Colleges competing with one another for a limited dollar – duplicating degree programs, driving up costs, and actually reducing access.

As enrollment declines and questions about the value of a college degree persist, it's on us to once and for all have an honest dialogue about higher education in Pennsylvania.

I've tasked Acting Education Secretary Mumin to immediately convene our college and university presidents to pick up on the conversation I've already started with them.

They've agreed to engage in a constructive, time-limited working group so that when I stand before you next year, I can present a comprehensive and meaningful reform plan for higher education.

In the meantime, this budget makes a real investment in our community colleges and technical schools.

It devotes real resources to our PASSHE system and state-relateds to keep them whole as federal aid shrinks.

But it's time for a blueprint for higher education focused on competitiveness and workforce development, and grounded in access and affordability.

That's how we keep the doors of opportunity open for generations to come.

CLOSE

Look, if you take one thing away from this address, let it be this:

This budget is packed with commonsense solutions to the problems the people of Pennsylvania face every single day.

We have two significant opportunities over the next year and a half to work together and pass two budgets that deliver results and solve problems.

Let's focus on that.

Because we all know there are certain debates that will go nowhere with me.

As long as I'm Governor, this will never be a right to work state.

As long as I'm Governor, LGBTQ+ Pennsylvanians will have the right to marry who they love and be who they are.

And by the way, it's long past time we finally pass a nondiscrimination law.

As long as I'm Governor, women will always have the right to choose – and access to abortion and all reproductive health care.

As long as I'm Governor, the right to vote will never be infringed upon.

Those are nonstarters for me, so instead of arguing about that, let's focus instead on this budget and the challenges it seeks to address.

I've put forth a vision of what Pennsylvania can be.

This budget lowers costs and cuts taxes for Pennsylvanians.

It cuts red tape, speeds up permitting, and supports business.

It strengthens our communities and strives to keep them safer and more just.

It protects our environment and invests in public health.

And it starts the long process of making our education system more fair so that every child in this Commonwealth has a shot.

It's common sense.

Government can and should be a force for good in our lives.

We can do big things again – if we work together.

You know, there's a time-honored tradition in this body that as soon the Governor finishes his Budget Address, some of the 203 House members and some of the 50 Senators race out that door to find the nearest TV camera and bash the Governor, or maybe even celebrate what he said.

I have no doubt that some of you plan to do just that.

But I think the people of Pennsylvania actually expect more from us.

More than just the traditional politics.

As I said at the beginning of my address, they have entrusted us with the responsibility to negotiate and come together.

So instead of playing politics as usual, let's show the people that we are up to this task.

Let's not just run out of here, let's instead get around the table and get to work on commonsense solutions to their problems.

The people of Pennsylvania deserve it, and I look forward to doing that work with all of you.

May God bless you and our fellow Pennsylvanians.

And may God watch over the men and women of the Pennsylvania National Guard.

Thank you.

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