



News for Immediate Release

Feb. 7, 2012

Governor Corbett Proposes Jobs-Focused DCED Budget; Highlights Liberty Financing Authority

Harrisburg –Governor Tom Corbett’s proposed 2012-13 budget focuses on making the commonwealth a partner with business to ensure the growth of job opportunities and economic development in order to put Pennsylvania on a path to prosperity.

The proposed budget for the Department of Community and Economic Development (DCED) places a heavy emphasis on public/private partnerships, tax credit programs and simplifying the relationship between business and state government to promote job creation and improve business, industry and technology growth.

“The commonwealth must focus on getting bureaucracy out of the way and allowing the private sector to do what it does best: grow the economy and create jobs,” said DCED Secretary C. Alan Walker. “We have already made great strides and this budget continues to build on the time-tested principles that lower taxes and less government spur economic growth and job creation.”

The governor’s budget preserves programs like the Ben Franklin Technology Development Authority and the Discovered in PA, Developed in PA program to support technology development and new job growth ensuring our entrepreneurs can turn their ideas into business opportunity.

Additionally, the budget provides \$55 million for the Research and Development Tax Credit, available to Pennsylvania companies for new research and development activities and \$10.1 million for the Job Creation Tax Credit. To continue building Pennsylvania’s film industry, the Film Production Tax Credit has been preserved at \$60 million to attract investment and job growth from film activities in the state.

The governor also highlighted the Liberty Financing Authority (LFA) as an important economic development tool that will serve as a one-stop-shop for job creators seeking the resources to grow. The LFA would combine nine existing authorities, funds and programs to create a single authority that transforms a complicated system with multiple applications into a simplified system with a single application and a single loan transaction. Combining programs will also maximize business investment by creating a large accountable block of funding to attract additional federal and private sector funds.

“In many cases, commonwealth support is a small fraction of a company’s overall business investment and that last piece of the puzzle that brings a job creating project together,” Walker said. “The LFA will be a consistent and reliable source of funds from which to grow jobs. And because these are loan programs, we get the money back to reinvest in future projects.”

Combined, the LFA would total more than \$1 billion in assets with nearly \$500 million in unencumbered assets to invest in economic development and job creating opportunities. Creating a single authority also provides the flexibility to move funds as needed to proactively address the current business needs of an ever-changing economy.

“This is a very simple principle; we are combining our resources for maximum economic impact and minimum bureaucracy,” Walker said. “We have the opportunity to not only attract investment and job growth in the short-term, but to build a future for the next generation.”

The LFA consolidates the Community Economic Loan Program, Disadvantaged Business Development Program, Export Financing Program, First Industries Loan Program, Machinery & Equipment Loan Fund, Minority Business Development Loan Program, Pennsylvania Industrial Development Authority, Second Stage Loan Guarantee Program and Small Business First. The funds are all currently off-budget and do not require annual appropriations.

Implementation of the LFA is pending legislative action.

For more information on DCED, visit newPA.com or call 1-866-466-3972.

Media contact: Steven Kratz; 717-783-1132

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