



News for Immediate Release

June 30, 2013

Governor Corbett Signs 2013-14 Budget, Helping the Neediest Citizens, Families and Small Businesses, Without Raising Taxes

Harrisburg – Governor Tom Corbett tonight signed the 2013-14 budget. Corbett's third pro-growth budget helps our children receive the best education possible, helps those who need it most, and helps employers grow jobs - without raising taxes for working families.

Surrounded by members of the legislature, Corbett signed the \$28.375 budget Sunday evening in the Governor's Reception Room.

"This budget once again provides record levels of state funding for basic education, while meeting our obligations to those in need, ensuring the safety of our citizens and supporting our job creators," Corbett said.

For the third consecutive year, Corbett increased funding for education and early childhood development, investing 41 percent of the budget or the most state dollars in the history of Pennsylvania. The budget promises more than \$5.5 billion for basic education funding and \$1.6 billion for higher education.

Corbett also successfully fought for increased funding for people with intellectual disabilities, domestic violence and rape victims, as well as the state's Children's Health Insurance Program (CHIP) helping provide insurance for more of Pennsylvania's neediest children.

Continuing to create a better business climate for Pennsylvania, Corbett's budget eliminates the inheritance tax on small businesses, similar to last year's elimination of the family farm inheritance tax.

During this administration, the governor's efforts have helped create more than 110,000 private sector jobs without raising taxes for working families or small businesses.

Corbett's enacted budget focuses on five key areas: education, health and human services, agriculture, public safety and jobs.

Education

"This budget once again places education as our highest priority, accounting for 41 cents of every state dollar. Under this budget, we will increase spending on basic education by an additional \$122.5 million and increase funding for early education bringing our total state outlay on education to nearly \$11 billion," Corbett said.

Education spending priorities include:

- Expanded funding for K-through-12 education, including an additional \$122.5 million in Basic Education Funding, an increase of 2.27 percent over last year's record funding levels, for a total of \$5.5 billion, the highest in state history.
- More than \$348 million each year in early childhood programs, including \$222 million for Early Intervention (\$5 million increase) to serve 1,500 additional children from ages 3 to 5.
- \$87.3 million toward Pre-K Counts (an increase of \$4.5 million) and \$39.2 million in Head Start Supplemental Assistance (an increase of \$1.9 million) programs. Increases in these areas 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.
- Higher education funding at nearly \$1.6 billion, including support of student grants and institutions of higher learning. Of that total amount, more than \$942 million is divided among Pennsylvania's state and state-related universities.
- \$100 million for the Accountability Block Grant. These grants fund proven educational programs including quality pre-kindergarten and full-day kindergarten.

Health and Human Services

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.

Enacted spending will include:

- More than \$1 billion in total state funds for support services to our citizens with intellectual disabilities, including serving an additional 1,180 individuals independently in their homes and communities.

- \$5.2 billion in total funds to provide home and community-based services, as well as nursing home care to persons with disabilities and older Pennsylvanians.
- 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, along with \$3 million for the Rising STARS child care quality enhancement initiative.
- More than \$445 million in total funds to provide health insurance coverage for more than 200,000 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.
- 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.

Older Pennsylvanians

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.

This year's budget will add \$50 million for programs for older Pennsylvanians including:

- Expanded care for 5,600 older Pennsylvanians on home and community-based waiting lists and provide \$2 million to help modernize programs at centers.
- \$21 million dedicated to expanding services for 1,550 people on the Medicaid Home and Community based Aging Waiver program.
- Financial assistance for prescription medications to almost 300,000 older Pennsylvanians, with this year's total investment being more than \$227 million.

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. "The value of the tradition and contribution of agriculture to Pennsylvania's economy is immeasurable."

To support agriculture activities in Pennsylvania, this budget includes:

- Nearly \$35 million to fund the nation's best farmland preservation program.
- \$10 million to continue a system of tax credits for Resource Enhancement Protection Program that rewards farmers for best environmental and management practices.
- Increased funding to \$2.5 million for Pennsylvania's county fairs.
- More than \$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 includes 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.
- An increase of nearly \$1.4 million, for a total of \$13.9 million for the Domestic Violence Program, and an increase of \$950,000, for a total of nearly \$8 million for the Rape Crisis Program, making these the highest-ever state investments.
- \$5 million for juvenile justice intervention, including academic and career training for delinquent youths, as well as strategies for delinquency and violence prevention.

Jobs and Economic Development

"In the past two-and-a half years, we have added more than 100,000 new jobs to the private sector. The number of gainfully employed Pennsylvanians is at the highest rate since 1983 and our unemployment rate is the lowest it's been since the recession," Corbett said.

"In the area of job creation our fiscal and economic development policies have met the needs of our citizens and set a national standard for success," Corbett said.

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

- Continue the phase out of the Capital Stock and Franchise Tax at a modified pace. *
- Eliminate the Inheritance Tax for small businesses which will allow businesses to be passed down to keep them in the family and in the state. *
- Fund the City Revitalization and Improvement Zone program to spur new growth in larger third-class cities that have struggled to attract development. *
- Reinvigorate the commonwealth's marketing efforts to attract businesses to the state and tourists to visit Pennsylvania and enjoy all that it has to offer.
- Provide an increase of \$8.3 million, for a total of nearly \$38 million, for PA First - the commonwealth's top business attraction, relocation and in-state expansion tool.
- Implement Job Gateway, our comprehensive job matching system, providing employment data, including current and projected job openings, and eventually help employers find qualified candidates for their open positions.
- Create recruitment hubs to connect businesses in need of workers with the unemployed in their area.
- Continue to combine PA CareerLink and the Employment Advancement and Retention Network, eliminating duplication of services and better deliver employment and training services.
- Streamline the workers' compensation system by improving care for injured workers and reducing medical costs for employers.
- Assist job seekers with disabilities by creating the Assistive Technology Device Program in the Department of Labor and Industry.

For more information, visit www.pa.gov.

Media contact: Kevin Harley, 717-783-1116

Note:

* This change will be enacted with the tax code, expected to be signed early this week.

###