

Gov. Wolf Proposes New Investments to Build Successful Future for Pennsylvania Families

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After transforming the state's budget from a severe shortfall to a record surplus over seven years, Governor Tom Wolf today outlined his vision for a generational investment in education and to raise wages, attract innovative industries and create good jobs that will make Pennsylvania an even better place to live and work.

While this is his final budget speech before the General Assembly, Governor Wolf said he plans to spend every day continuing to fight for Pennsylvanians and deliver key budget priorities that will have long-lasting impacts on our commonwealth and its citizens.

"These are days of opportunity for our commonwealth," said Gov. Wolf. "That's because, at long last, our fiscal house is in order. Over the past seven years, we've turned a \$2-3 billion structural budget deficit into a \$2-3 billion budget surplus. We've built our Rainy Day Fund to more than \$2.8 billion—more than 12,000 times what it was when I took office."

Thanks to Governor Wolf's commitment to fiscal responsibility prior to and despite federal funding for pandemic relief, Pennsylvania has forged a new path forward. Governor Wolf will be the first governor since Dick Thornburgh, who left office in 1987, to turn over a budget surplus to his successor.

"We are no longer digging out of a hole. We're ready to build. And this year's budget does exactly that, by making new investments that will build a brighter future for Pennsylvania families," Gov. Wolf said.

The governor delivered his annual budget address today to a joint session of the House and Senate.

Continuing to Invest in Students and Good Jobs

Governor Wolf has kept his promise to provide historic support of public education and this budget builds on that strong foundation with an additional \$1.9 billion to benefit students from pre-k through college.

Early Education

Governor Wolf understands children in high-quality pre-K programs do better in school, are more likely to graduate, and earn more throughout their lives compared to kids without early learning programs. Over seven years, the number of young children in Pre-K Counts and Head Start has more than doubled and the governor is proposing additional investments so more young learners can start kindergarten ready to thrive.

- \$60 million increase for Pre-K Counts allowing 2,308 more young children to attend early education.

- \$10 million increase for the Head Start Supplemental Assistance Program to assist with rising costs.

Generational Investments in K-12 Schools

During his term, Gov. Wolf has reversed funding cuts and made historic investments of nearly \$1.4 billion in public K-12 education. After a record \$416 million increase last year, the governor is proposing a generational investment of \$1.75 billion in our schools.

- \$1.25 billion in basic education funding, bringing the total going through the Fair Funding Formula to more than \$2 billion, or 26.5 percent of state funding.
- \$300 million for the groundbreaking Level Up initiative launched last year to support the 100 most underfunded schools.
- \$200 million increase for Special Education.
- \$373 million in savings through commonsense charter school accountability reform. The governor's plan ensures taxpayers do not overpay for cyber charter schools and special education at charter schools, allowing school districts to reinvest in students, teachers, and learning.

"We can afford to invest a whole lot more in the Fair Funding Formula without raising one penny in state taxes, and we can afford to do it without asking any school district, anywhere in Pennsylvania, to sacrifice one penny in state funding," said Gov. Wolf. "Last year, we made a historic investment in our schools. This year, we have an opportunity to build on that momentum and make a generational difference for students all across the commonwealth."

Continuing to Transform Higher Education

The governor is proposing to continue the transformation of higher education so students can succeed without crushing student loan debt.

- \$200 million for the Nellie Bly Tuition Program for students attending a PA State System of Higher Education (PASSHE) university or community college so more people can earn a degree with less debt and encourage young people to remain in Pennsylvania.
- \$150 million in one-time federal ARPA funds for the PASSHE to support System Redesign, enhance student success, freeze tuition, and increase student aid to make college more affordable.
- \$125 million additional investment for higher education institutions including a \$75 million increase in General Funds for PASSHE.

Making Pennsylvania the Best Place for Workers and Businesses

As the 18th largest economy in the world, Pennsylvania is a destination for workers and entrepreneurs. This budget continues to invest in job training that creates highly skilled workers to attract start-ups and well-established businesses to make the commonwealth an economic force for decades to come.

- Increasing the minimum wage to \$12 per hour on July 1, 2022, with annual increases of \$0.50 until reaching \$15 in 2028, with an estimated 1.5 million people getting a boost in pay.

- Reducing the corporate net income tax rate from 9.99 percent, among the highest in the nation, with a desire to show a path to 4.99 percent as quickly as possible to make Pennsylvania more competitive and expanding the tax base to level the playing field for all businesses.
- \$30 million in funding for two new child care options for state employees.
- \$1.5 million increase for Industrial Resource Centers (IRC) to help manufacturers respond to changing markets and new technology and remain competitive.
- \$2.35 million for Invent Penn State to help entrepreneurs turn ideas into commercial products and services.
- \$1.5 million increase for the PREP Network to help small businesses and higher education institutions partner to benefit students and entrepreneurs.
- \$8 million for job training through the Workforce and Economic Development Network of Pennsylvania (WEDnetPA), which has helped more than 2,000 companies train nearly 1.3 million Pennsylvanians.
- \$2 million increase to address food insecurity and ensure more families have healthy meals through the Pennsylvania Agricultural Surplus System (PASS).

Keeping Pennsylvanians Safe through Criminal Justice Reform

Throughout his administration, Gov. Wolf has prioritized criminal justice reforms that make our justice system more just while keeping Pennsylvanians safer. Gov. Wolf's proposal builds on those successful criminal justice reforms to further protect Pennsylvanians.

"We've made immense strides in reforming our criminal justice system and making our communities," said Gov. Wolf. "But we still have a long way to go to. This is an opportunity for us to build on our hard work and make transformational changes to promote justice and safety across Pennsylvania."

Improving Public Safety

Gov. Wolf has invested more than \$50 million in gun violence reduction and prevention, furthered police reform by requiring background checks for law enforcement applicants and mental health evaluations for officers, and protected victims of abuse by preventing domestic abusers from possessing guns. This budget builds on those reforms to make our communities safer for all Pennsylvanians.

- \$35 million in grants and technical assistance to support community-led gun violence prevention efforts.
- \$141 million increase in state General Funds to support Pennsylvania State Police to reduce reliance on the Motor License Fund.
- \$7.7 million to provide funding for technology necessary to increase public and law enforcement officer safety such as mobile video recorders and body worn cameras.

Establishing Pretrial Reforms

Gov. Wolf believes that everyone has a right to adequate legal representation, a fair trial and not to be held in prison based solely on inability to pay fees. Research shows that less time spent in jail pretrial lowers the chances of committing another crime. The inability to pay bail leads to increases in the likelihood of conviction, increased guilty pleas, higher average court costs, and longer incarceration sentences. This proposal will help Pennsylvania implement a best practices model for bail and pretrial services.

- \$1 million to create an Indigent Defense Fund.
- Reforming monetary cash bail reform to promote equity across Pennsylvania counties, reduce the disproportionate impact on minorities in the criminal justice system, and reduce the total number of indigent defendants held in jail pretrial.

Supporting Reentry and Reducing Recidivism

Gov. Wolf has reduced the number of people incarcerated in state correctional facilities by 11,000 while simultaneously lowering the crime rate, enacted a first-of-its-kind Clean Slate Law to automatically seal certain types of criminal records and help reduce stigma against Pennsylvanians who have interacted with the criminal justice system, and signed into law Justice Reinvestment Initiative bills to make the state's justice system fairer while keeping communities safe.

Gov. Wolf's budget proposal builds on that work to further improve reentry supports and reduce recidivism. Research shows that supervising people who are at low risk of reoffending increases their likelihood of recidivism. Once an individual has served their sentence and is released back to the community, it is critical to ensure that they have the necessary supports to succeed in the community.

- Reforming probation to promote proper services for individuals while providing necessary accountability for a limited period of time.
- \$425,000 for increased staffing resources to provide additional technical assistance to county juvenile probation offices and improve consistency between counties.
- \$1 million to make reentry services available at the local level for women to give them the best opportunity to start fresh and reduce recidivism.
- \$7 million in state funds for the Department of Human Services to open a wing of beds for elderly inmates leaving the state correctional facilities with complex medical or behavioral health needs, to provide transitional support for medical release.
- Expanding Clean Slate to provide comprehensive reform and ensure true progress in eliminating the stigma of a conviction

Protecting the Most Vulnerable

Gov. Wolf's 2022-23 budget reaffirms the commonwealth's long history as a leader in caring for its most vulnerable citizens, including children, seniors, veterans, individuals with mental health concerns, and individuals with intellectual disabilities.

Supporting Health and Quality of Life for Vulnerable Populations

Gov. Wolf believes that every Pennsylvanian deserves an opportunity to thrive. In the wake of the COVID-19 pandemic, it has never been more important for Pennsylvania to invest in initiatives that provide support for vulnerable Pennsylvanians.

- \$91.25 million increase to Medical Assistance rates for skilled nursing facility providers and \$14 million for state veterans' homes to help long-term care providers hire staff to comply with new regulations that call for increased staffing ratios to promote improved care for residents and drive increased funding to the bedside.
- \$50 million to increase the supplementary payments rates for personal care homes to invest in supportive services and caregivers.

- \$36.6 million increase in county mental health base funds to support efforts to provide critical behavioral health services.
- \$14.3 million increase to the minimum Supplemental Nutrition Assistance Program (SNAP) benefit for low-income older adults and adults with disabilities.

Using American Rescue Plan Act Dollars to Support Pennsylvanians

Last week, Gov. Wolf [announced his plan](#) to spend billions of dollars of American Rescue Plan Act (ARPA) funding that the federal government gave Pennsylvania to help Pennsylvanians weather the COVID-19 pandemic.

“We can’t keep sitting on this money – not when Pennsylvanians are hurting,” said Gov. Wolf. “This isn’t an abstract issue – people are hurting, and we have the resources to help, so we must take action to help. It’s imperative that we drive out funding now to help the Pennsylvanians who need it.”

Gov. Wolf’s previously announced plan for these ARPA funds builds on the initiatives included in his budget to further support vulnerable populations, help Pennsylvania continue its recovery from the pandemic and lay the foundation for a brighter future.

- \$500 million to create the PA Opportunity Program to provide relief to workers and families from the high cost of childcare and household expenses and support opportunities to complete a degree, credential, or license to strengthen skills and increase income—all leading to a better quality of life.
- \$225 million to help 11,000 small businesses through the COVID Relief Statewide Small Business Assistance Program. The grants will help small businesses to stabilize and reopen.
- \$204 million to increase property tax relief through the existing Property Tax/Rent Rebate Program.
- \$325 million to support health care workers in Pennsylvania.
- \$450 million to invest in vital conservation, recreation, preservation, and community revitalization projects and address the threat of climate change.

Pennsylvanians can find out more about Governor Wolf’s budget at budget.pa.gov.