

**Governor Tom Wolf**  
**2019 Budget Address**  
**February 5, 2019**  
**As Prepared**

Lieutenant Governor Fetterman, Speaker Turzai, President Scarnati. . .

Leader Corman, Leader Costa, Leader Cutler, Leader Dermody. . .

Members of the General Assembly, invited guests, friends and family, especially my wife Frances... and my fellow Pennsylvanians,

This is my fifth budget address, and for the last four years sitting to my left was Karen Coates: a trusted advisor to Speaker Turzai, a friend, mother, sister, daughter, and respected member of our community.

And for the same four years, I would look out into the chamber and see Flo Fabrizio, Mike O'Brien, and Sid Kavulich. This year, they are not with us. Let us all remember their lasting impact, commitment to service, and carry forward in their memory.

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Three weeks ago, I had the honor of taking the oath of office for another term as Governor.

I spoke of a Commonwealth on a comeback – a Pennsylvania on a path to a more functional government, a more prosperous economy, and a brighter future for our children.

The people of our Commonwealth have proven that, despite the challenges we face, Pennsylvania remains a place worthy of its history – a place where people can find good work, strong communities, and opportunity for their kids.

And, here in Harrisburg, we've proven that despite our differences, we remain capable of doing what Washington just cannot seem able to do: tackle big challenges, put aside petty partisanship, and serve the public interest.

We must never forget that embedded in Pennsylvania's history is the fact that not one, but two noble experiments were launched here.

First, there was William Penn's "Holy Experiment".

Second, the Founders launched their own experiment in self-government.

Both of these are perpetual experiments.

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When we reaffirm our commitment to these experiments we honor both our history and those Founders.

And we show our constituents that, whether they voted for us or not, those experiments are in good hands and their government is worthy of their trust.

Now, we have a chance to show that good faith once again.

In proposing and debating this budget, we get to the heart of our perpetual experiment in self-government.

We show the Founders that we can govern ourselves.

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Today, I put forth my budget proposal.

And let me cut to the chase.

This proposal asks for no new taxes. Not one dollar. Not one dime. Not one penny.

At the same time, this budget proposes to do a number of things aimed at improving the lives of our fellow citizens. The people of Pennsylvania have made substantial sacrifices in recent years to help our state get up off the mat – and despite a budget that asks for no new taxes, we now have a chance to continue making some important new investments on their behalf.

Investments in our schools. Investments to make sure more Pennsylvanians of all ages have real choices when it comes to their health care decisions. Continued investments to reinforce our commitment to the battle against the opioid epidemic that has claimed the lives of so many of our neighbors. Investments to support our farmers and agricultural producers so they can continue to sustain our rural communities for generations to come.

In the coming weeks, we'll have the chance to discuss, debate, and negotiate the details.

And I will ask for your partnership in ensuring that this important work continues and that we maintain our commitment to advancing this experiment in self-government.

My administration has worked hard to make these investments possible – striving to run our government not just more ethically, but more efficiently, so that it is worthy of the public trust and capable of advancing the public interest.

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We've saved billions of taxpayer dollars and reduced the number of state employees – without furloughs, all while improving customer service.

We've gotten rid of facilities and leases that we don't use or need while consolidating commonwealth operations within the capitol complex.

We've made the procurement process smarter and more efficient.

And we will continue to look for ways to streamline government so we can invest in the things that matter to Pennsylvanians while at the same time serving them better.

Today, however, I want to focus on the most significant element of this budget proposal – a comprehensive plan for preparing Pennsylvanians to compete, and win, in our rapidly changing economy.

A plan to create a new generation of prosperity in our commonwealth by building the strongest workforce in the nation.

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The credit for our economic success has always belonged to the people of Pennsylvania, the innovators who turned new ideas into new industries, the business leaders who built great companies large and small, and the working women and men who toiled in fields and mines and factories – not to mention research labs and classrooms and cubicles.

There's a reason Pennsylvanians know names like Carnegie, Hershey, Westinghouse – and a reason why we believe so strongly in the power of our work ethic and the importance of individual responsibility.

That's who we are.

But, in the background, government has been there working on our behalf: building canals and highways so manufacturers could get their goods to market, protecting the integrity of the marketplace to ensure fair competition, and helping to unlock the potential offered by our abundant resources.

In the end, however, our most important economic resource has always been our people.

It's always been workers that have propelled our prosperity.

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That's why we've always made sure to invest in public schools, universities, and training centers.

The path to prosperity begins with an educated workforce.

That's as true today as it's always been.

But while that principle remains intact, a lot about our economy has changed.

New businesses. New industries. New technology. New competition.

And with all that, we have a need for new skills.

Over the last four years, Pennsylvania has created more than 12,000 new businesses, and more than 239,000 new jobs.

We've begun to match and advance beyond our neighbors.

Now it's time for us to really pull ahead.

Today, I present a comprehensive plan to help grow our economy by continuing to invest in our workforce.

This plan calls on contributions from the business community, labor unions, educators, research institutions, students, parents, and adult workers.

And it increases opportunity for every Pennsylvanian at every stage of life – from birth to retirement.

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I'm proposing a package of policies and investments called the Statewide Workforce, Education, and Accountability Program.

It's the next step we can take together to build on all of the work we've done over the past four years.

Consider just how far we've already come.

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We've made Pennsylvania a leader in computer science education by establishing a workforce development initiative that invests in computer science and STEM education programs for K-12 students.

We've increased the number of career and technical education students earning industry-recognized credentials by 34 percent and increased the number of credentials earned by students enrolled in career and technical education programs by 27 percent.

We've provided high school students options to demonstrate graduation readiness as alternatives to high-stakes standardized testing.

We've increased participation to nearly 800 registered apprenticeship programs and almost 17,000 active apprenticeships.

And we've assisted nearly 3,000 companies in training more than 145,000 incumbent workers across the commonwealth to help employees develop new skills to thrive in their jobs.

But we know there is more to do.

When Amazon made its decision not to locate its second headquarters in Pennsylvania, it cited workforce concerns as a main reason. And in western Pennsylvania, we've struggled to find Pennsylvanians to fill the jobs as welders and pipefitters at the Shell Cracker Plant.

Across the commonwealth, we have workers aging out of our workforce, and too often the next generation of worker is not there or doesn't have the skills to replace them.

If we can't strengthen our workforce, we will fall behind.

And we cannot let our government's response to this problem be handcuffed by stale habit.

We need to continue to break down silos.

We need to inject our efforts with common purpose.

And we need to make sure that, as leaders, we are providing direction and giving teeth to our workforce efforts.

That's why we are going to do something a little different.

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Starting immediately, we are going to put together a Keystone Economic Development and Workforce Command Center.

Agency secretaries are going to meet each week with plans in hand and sit together to make sure no workforce effort walks alone or falls through some crack in the state government.

If the Department of Community and Economic Development knows a company that needs 20 welders and the Department of Labor and Industry has a welding program, we're going to connect them.

Those connections within state government are valuable and necessary.

But we also need to hear from businesses and labor. Not just when they're upset, and not just when we tour a facility in a hard hat. We need to hear from them constantly.

We need to know when there is a problem right away so we can fix it.

If a labor union is having trouble establishing a training program because of antiquated procedures, then we need to fix it.

We need to get those workers trained and into the workforce.

If a business can't hire a worker because of an out-of-date or unnecessary rule or regulation, we need to know about it so we can take action.

If medical professionals are concerned about a licensing backlog, they need receptive ears in state government.

We're also not going to try to solve every workforce problem on our own.

The command center will have a first-of-its-kind Employer Fund, a public-private partnership that empowers businesses to address the skills gap from their end and encourages them to share their best ideas and best practices so that we can scale them up and learn from their success.

After all, government doesn't have a monopoly on good ideas for addressing these challenges – but it can serve as an incubator for the best ones, and a partner for putting them into action.

The Command Center is going to be led by the secretaries of the departments of Community and Economic Development, Labor & Industry, and State, three agencies that have the largest impact on Pennsylvania's workforce and business development.

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We are also going to bring outside voices in.

My friends Gene Barr and Rick Bloomingdale will also be co-chairs. They co-chaired my Middle Class Task Force which helped launch many of the workforce development ideas we implemented last year and that I'm proposing to build on in this plan.

And they'll be joined by Tony Bartolomeo of Team PA and Auditor General DePasquale who has worked on these issues and will have important recommendations.

But we need to do more.

We need policies that start at the very beginning, and end with every Pennsylvanian receiving an excellent education and the opportunity to land a good job.

Last year, I convened a Ready To Start Task Force, charging it with finding ways to improve the lives of children under three and their families.

I know that no new parent looks at their baby and sees a spreadsheet, but the fact is that preparing our kids for success starts long before they ever enter a classroom or even take their first steps. And providing services for children helps to get parents into the workforce and fight poverty.

That's why this new program includes funding for home visits to support vulnerable pregnant women, new mothers, and at-risk infants and toddlers.

Home visiting programs promote healthy relationships and safe and stable home environments.

They're proven to work in preventing adverse childhood experiences, giving children and their parents the skills they need to reach their full potential and lift families out of poverty and into good jobs.

You know: we already have programs like this working in Pennsylvania.

Misericordia University is home to one of only eight programs in the country that helps single mothers who are struggling economically to complete a college degree.

The program provides counseling, housing, and other services to help mothers get into the workforce.

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We plan to replicate this innovative job training program all across the commonwealth.

And this program leverages federal funds to improve our child care system, so we can get more kids off of waiting lists and into high-quality support systems – and help more parents make their way into the workforce.

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Pennsylvania's children deserve every opportunity to succeed when they enter our public school system.

And they deserve to enter a public school system that isn't just adequate, but world-class.

Restoring \$1 billion in funding to our schools was an important first step. But now we need to go further.

We must continue to increase funding for education – starting with pre-K and culminating at the end of a student's journey.

But that's not all.

It's time to lower the age of compulsory attendance to age 6, bringing our commonwealth in line with the vast majority of other states.

And we should consider going even further – with a careful study of the costs and benefits of moving to universal free full-day kindergarten for every 5-year-old in Pennsylvania.

Meanwhile, we should increase the minimum dropout age to 18, and partner with school districts to keep our graduation rate rising.

Of course, no Governor or legislator can do more for a child than a teacher can. And my program empowers teachers to do even more through a program called TeacherWORKS that provides them with workplace experience in Pennsylvania businesses so they can better understand the needs of employers.

We ask a lot of our teachers. And if we're going to prepare the next generation of Pennsylvanians for the jobs of the future, we're going to be asking even more of those teachers – including more training, and more accountability.

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Teachers, on the other hand? They just want safe schools to work in; support from administrative staff; a fair wage for the important work they do. That's not asking a lot.

But the law governing teacher pay hasn't been updated since the 1980s. And so our classroom teachers have been too often getting the short end of the stick.

I don't think anyone here in Harrisburg would say that we shouldn't value the contributions our educators have made over the last 30 years – and I don't think anyone would disagree that they have a critical role to play in securing our prosperity over the next 30.

And yet, our government has failed to address this injustice.

That ends now.

My plan increases the pay floor for teachers to \$45,000 a year. This is a real investment in our future.

It's an investment the state – not local school districts – will make – and it's included in this budget.

This is a fully funded mandate.

We are going to start competing to recruit and retain the very best education professionals, not just in well-funded suburban school districts, but in every community – every zip code in our Commonwealth.

This could be a game-changer for our schools – especially for our communities that are struggling to attract and retain the next generation of educators.

In fact, most districts that cannot afford to pay their teachers more are located in the heart of rural Pennsylvania, and it is time to make sure we are investing in educators in those areas today to prepare our kids for the competitive world of tomorrow.

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We're also going to do more to recruit students – ambitious, brilliant, creative young women and men who are looking for the next step in their education.

Our commonwealth is blessed with a terrific system of colleges and universities – including community colleges.

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We all know that our post-secondary institutions are laboratories for innovation.

But they are also launchpads for job creators and the skilled workers that will fill those jobs.

That's why my plan creates a new grant program for students who graduate from a Pennsylvania community college with an associate's degree or other industry-recognized credential – and then stay in Pennsylvania to start their careers. If you're willing to put your newly-acquired skills to work here in our Commonwealth, the least we can do is help you avoid carrying around a crushing burden of student debt.

And if you're a parent who wants to trade up from a job that pays the bills to a job that can sustain your family, my plan includes a Parent Pathway initiative designed to help you get the education you need to get ahead even while you prepare your own kids for success.

Indeed, my workforce program isn't just about the jobs of tomorrow.

It's about the jobs of today.

Last year, we launched PAsmart, a comprehensive, new initiative focusing on STEM skills, apprenticeships, career counseling, and public-private partnerships.

No matter how old you are, now is a great time to acquire new skills – and we want to make that opportunity available to every Pennsylvanian.

As part of the PAsmart initiative, we just launched a new website – PA SMART DOT GOV – that consolidates workforce resources and information for Pennsylvanians who want to get training and education to enter the workforce or expand their skills.

It's similar to the Business One-Stop Shop we built last year, and that we're still improving upon.

We need comprehensive digital portals for both businesses and workers that gets them all the information they need in one place, and breaks down agency barriers.

This year, I'm proposing \$10 million in new funding for PAsmart so we can fill more advanced manufacturing positions, help more non-traditional students obtain the training they need to compete in the job market, and create more jobs at better wages for more Pennsylvania workers.

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This program also includes funding to help returning veterans get the training they need to continue their contributions to our commonwealth as members of our workforce – and, even better, that funding is transferable, meaning that veterans can use it to help their kids get a college degree or career credential, as well.

It's a GI Bill for Pennsylvania.

One more thing.

We cannot comprehensively address our workforce development system without fixing our criminal justice system.

Tens of thousands of Pennsylvanians are shut out of our workforce or underemployed because of mistakes they've made in their past.

Families are being denied providers. Employers are being denied skilled workers.

We've already passed clean slate legislation, making us the first state in the country to do so.

But we need to go further and make our criminal justice system more equitable and fair while helping people who have made amends enter the workforce.

Indeed, even as we work on this budget, we also have to improve reentry programs and make it easier for those who have done their time to succeed in the workforce and their daily lives.

Our challenge demands an all-hands on deck approach.

And this budget proposal itself asks Pennsylvanians to come together – business leaders, educators, students, parents, workers – to address the challenge of renewing our prosperity for another generation.

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In my inaugural address, I asked us to do our best – right here in Harrisburg – to do two things.

First to ensure that the interests of all Pennsylvanians are reflected in the policies we pursue.

And, second, to show the world that Pennsylvanians know how to make representative democracy work.

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This budget is the embodiment of that noble effort.

It asks for no new taxes – no new burdens on our citizens – while at the same time increasing dramatically our investments in the public goods that will make life better for all Pennsylvanians.

This budget recognizes that government should not try to do everything; we have a long-held faith in our tradition of limited government and individual responsibility.

But it also recognizes that government should not do nothing either.

The public goods government invests in should make the lives of our fellow citizens better; public goods that give Pennsylvanians the skills they need to thrive in our 21st century economy; public goods that promote their safety and health; public goods that connect them more seamlessly with each other; public goods that keep our air and water clean.

That's what this budget aims to do.

It makes investments in workforce readiness: our early childhood system, our schools, our universities, our community colleges, our apprenticeship training programs.

It makes investments in ensuring that Pennsylvanians of all ages have real choices when it comes to their health care decisions.

And, it continues to prioritize the fight against the opioid epidemic that has destroyed the lives of so many of our friends and neighbors.

But above all else, this budget proclaims to the world that right here in Pennsylvania we do not indulge in the sterile politics of anger and insult; that here we know how to engage in the respectful and honest give and take that must stand at the heart of a functional democracy.

While the rest of this country – and indeed the rest of the world – descends into divisive, nasty, and unproductive bouts of shouting, we are showing everyone else how democracy is supposed to work.

So this is our challenge.

It's not just about yet another budget, it's about our democracy.

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Let us show the world – along with the rest of our country – that right here in Pennsylvania we are making this experiment work; that we are re-dedicating ourselves to this noble experiment in democratic self-governance

Let's show that in the way we tackle the challenge of preparing our Commonwealth for a brighter future – starting with this budget.

This – and no less than this – is our task.

This is also our privilege.

Thank you. God bless us. And God bless the Commonwealth of Pennsylvania.

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