



2025/26 Executive Budget Proposal At-A-Glance

Creating Opportunity for Our Children and Our Students to Succeed

Investing in Basic Education and Special Education

- \$526 million increase in the Ready to Learn Block Grant
 - \$494 million for the second installment of the adequacy supplement
 - \$32 million for the second installment of the tax equity supplement
- \$75 million increase in Basic Education Funding
- \$40 million increase in Special Education Funding

Cyber Charter Reform That Makes Sense

- \$378 million in annual savings to school districts from instituting a statewide \$8,000 per student base tuition rate for cyber charter school students

Ensuring Safe and Healthy School Facilities

- \$125 million for the Public School Facility Maintenance Grant Program, which is a \$25 million increase over 2024/25 and maintains the \$25 million set-aside for the Solar for Schools program
- \$100 million for school safety – physical and mental health grants (level funding)
- \$11 million for targeted school safety grants
- Fully funds the universal school breakfast program (91.4 million breakfast meals served last school year)

Supporting Pennsylvania's Youngest Learners

- \$15 million initiative in Pre-K Counts to increase rates to improve wages in the early educator workforce
- \$10 million initiative in Early Intervention (ages 0-3 years) to increase rates to ensure quality services

Recruiting and Retaining Top Talent in Education

- \$40 million total for the student teacher stipend program (\$10,000 grants to student teachers)
- \$2.5 million (50%) increase in teacher professional development

Empowering Student Success in Higher Education

- \$60 million increase between Penn State, Pitt, and Temple through a performance-based funding formula
- \$40 million (6.5%) increase for PASSHE to keep tuition flat for the eighth straight year
- \$13 million (4.7%) increase for Community Colleges
- 5% increase for Lincoln University, Pennsylvania College of Technology, and Thaddeus Stevens College of Technology
- Maintains the maximum state grant award through PHEAA (\$5,750)

Ensuring All Pennsylvanians Have the Freedom to Chart Their Own Course

Investing in Pennsylvania's Families and Supporting the Childcare Workforce

- \$55 million to provide recruitment and retention grants to eligible childcare workers **NEW**

Supporting Workforce Investments and Innovations

- \$2.5 million to allow the Workforce and Economic Development Network to increase assistance to employers for incumbent worker training **NEW**
- \$2 million increase in the Foundations in Industry appropriation to support internships at PA companies **NEW**
- \$10 million increase to expand the Primary Health Care Practitioner program to broaden program eligibility and expand the behavioral health workforce
- \$5 million to incentive health care providers to provide services in rural communities
- \$5 million to educate, train, and recruit nurses

Raising the Minimum Wage

- Increase minimum wage to \$15.00 per hour for non-tipped workers and to \$9.00 per hour for tipped workers, which would not only positively affect workers but also collections from the Sales & Use Tax (SUT) and the Personal Income Tax (PIT)

Making Pennsylvania a Leader in Economic Development, Job Creation, and Innovation

Implementing an Aggressive Economic Development Strategy

- \$20 million for the Main Street Matters program to provide resources to revitalize communities

Creating a Commonwealth That Is Open for Business: Business Attraction and Expansion through BusinessPA

- \$8.9 million to implement the department's economic development strategy by aligning resources to move at the speed of business **NEW**
- \$3 million to enhance site selection and business attraction marketing through Marketing to Attract Business **NEW**

Fostering the PA Innovation Economy

- \$30 million to spur life sciences job growth and innovation. **NEW**
- \$20 million to support entrepreneurs scaling their products, innovation, and research, in conjunction with federal investment **NEW**
- \$3.5 million to create and launch Pennsylvania Regional Economic Competitive Challenge, which would provide regions with grants to implement local economic development strategies **NEW**

Growing Pennsylvania's Ag Industry by Addressing the Challenges Our Farmers Face

- \$2 million for county-based digester pilot program **NEW**
- \$13 million to support and attract innovative agricultural businesses

Legalizing Adult Use Cannabis

- Proposal to legalize Adult Use Cannabis, including a 20% tax on the wholesale price of cannabis products sold
 - Also includes licensing, application, and renewal fees
- \$10 million in restorative justice initiatives
- \$2.25 million to the State Police for enforcement and the expungement of records of individuals who have non-violent marijuana-related arrests

Supporting Small and Small Diverse Businesses

- \$20 million for the Historically Disadvantaged Business Assistance Program
- \$1 million to provide Veterans Small Business Assistance to support veterans establishing and growing their business **NEW**
- \$25 million to assist small & diverse businesses looking to enter the Adult Use Cannabis market segment **NEW**

Celebrating America's 250th Birthday

- \$15 million to ensure a safe semiquincentennial celebration across Pennsylvania **NEW**
- \$2.5 million for America250PA



Supporting All Modes of Transportation

- \$292.5 million from the proposed increase in the transfer of SUT on non-motor vehicle transactions by 1.75 percent (an increase from 4.4 to 6.15 percent) **NEW**

Speeding Up Tax Cuts for Pennsylvania Businesses and Delivering Commonsense Tax Reform

- Accelerated CNIT reduction from 0.5 to 0.75 percent per year, starting on January 1, 2026 **NEW**
 - Including combined reporting
- Expanding the Video Game Terminal (VGT) Tax to include unlicensed skill games
- Elimination of the Bank and Trust Company Shares Tax (BST), the Mutual Thrift Institution Tax (MTIT), and subjecting these institution to CNIT

Lower Electricity Costs and Building a More Reliable, Affordable Energy Sector

- Governor Shapiro's Lightning Energy Plan
 - Overhaul current tools to generate more electric power to the grid
 - Includes modifications to the following tax credit programs:
 - Local Resource Manufacturing Tax Credit
 - Semiconductor Manufacturing, Biomedical Manufacturing and Research Tax Credit
 - Pennsylvania Milk Processing Tax Credit
 - Regional Clean Hydrogen Tax Credit
 - Sustainable Aviation Fuel
 - Creates the Pennsylvania Reliable Energy Siting & Electric Transition Board (RESET Board)
 - Update the Commonwealth's Energy Efficiency and Conservation program
 - Create Community Energy Projects
 - Reintroduce PRESS legislation
 - Reintroduce PACER legislation

Creating a Safe and Healthy Environment for All Pennsylvanians

- \$2.2 million increase for Chesapeake Bay Agricultural Source Abatement, including 3 new conservation positions
- \$6.2 million in additional funding within Environmental Protection Operations
 - Including 3 new positions for agricultural conservation
 - Including 4 new positions for surface mining reclamation and enforcement support
- \$13 million transfer to the Well Plugging Account, which provides oversight of oil and gas projects
- \$2.9 million in additional funds within General Gov't Operations, including the addition of 2 new positions for petroleum and subsurface geology support
- \$5 million for Infrastructure and Trail Connection improvements within DCNR **NEW**

Cutting Costs for Pennsylvanians

Addressing Critical Housing Needs

- \$50 million to create the Housing Stock Restoration appropriation for counties to improve or maintain existing housing **NEW**
- \$10 million for First-Time Homebuyer Grants to assist Pennsylvanians with closing costs when purchasing their first home **NEW**
- \$2.5 million grant funding for cities and counties to address immediate housing needs
- \$10 million increase to the PHARE Realty Transfer Tax cap to a total of \$110 million by fiscal year 2028/29

Increasing Access and Improving Transparency in Health Care

- \$4 million increase for Pennsylvania Health Care Cost Containment Council (PHC4) to establish an All-Payer Claims Database.



Delivering Property Tax Relief

- Prior policy achievements include expanding the Property Tax/Rent Rebate program and the Child and Dependent Care Enhancement Tax Credit
- Property Tax Relief payments expected to eclipse \$1 billion in 25/26 (gaming revenues for homestead and farmstead relief)

Helping More Pennsylvanians Access Quality, Affordable Health Care

Investing in Health Care Service Delivery

- \$2.5 billion increase for the MA managed care programs to fully fund the necessary costs of this program
- \$21 million increase for MA Long-Term Living and Community HealthChoices programs to support an increase to Direct Care Worker wages that provide services in the MA participant-directed model of care

Creating Healthier Communities

- \$5 million for Neurodegenerative Disease Research. **NEW**
- \$4.8 million to provide MA coverage to individuals reentering the community after incarceration and make necessary infrastructure changes so that these individuals can receive MA services 90 days prior to their release.
- \$994,000 to address Viral Hepatitis in the commonwealth
- Tasks the Department of Health to expand screening efforts and work to break stigma surrounding postpartum depression
- \$2 million to increase Pennsylvania Animal Diagnostic Laboratory System (PADLS) testing capacity in western Pennsylvania

Dedicating Resources to Address Behavioral Health Needs

- \$20 million increase for county based mental health services. (In addition, \$40 million in funding is maintained from prior fiscal years for a total 3-year investment of \$60 million.)
- \$10 million increase to provide support to the 988 crisis hotline network for operations and capacity building.
- \$5.8 million increase to expand diversion and discharge programs for individuals with mental illness currently in the criminal justice system.
- \$5 million increase to maintain the mental health crisis stabilization centers with a focus on area with limited access to these resources.
- \$1.6 million increase for 20 individuals residing in the state psychiatric hospitals to be transitioned to the community.

Supporting Pennsylvania's Older Adults

- \$20 million increase for the PENNCARE appropriation to provide operational resources to the Area Agencies on Aging to meet the increased service needs of older adults.
- \$2 million increase to provide for increased oversight of the Area Agencies on Aging.
- \$7.5 million for the Department of Health's Long-Term Care Transformation Office to provide guidance, support, and technical assistance to curb proliferation of nursing facility closures and support workforce. **NEW**
- \$3 million increase for Aging Our Way, PA to modernize the commonwealth's Aging and Disability Resource Center.
- \$2.3 million to add 180 spots to the Living Independence for the Elderly (LIFE) program.
- A portion of the tax on games of skill will go to the Lottery Fund to assist in ensuring that older adults have the services they need.

Supporting Hospitals

- \$20 million to provide for patient safety and support to hospitals to help address barriers to care like affordability, transportation, and access to providers. **NEW**
- \$10 million increase to maintain access and services in hospitals throughout the commonwealth.
- \$10 million increase to maintain access and services in rural hospitals.



Investing in the Safety of Communities and the Public

Reducing Crime and Gun Violence

- \$76.5 million in Violence Intervention and Prevention Grants
 - \$21.5 million to expand the BOOST program
 - \$55 million for community-led gun violence prevention grants

Streamlining County Probation Services

- Streamline funding sources for county probation to reduce administrative costs and improve service delivery

Supporting Victims of Violent Crime

- \$2.2 million to provide additional support to ensure the safety, well-being, and forever home for children affected by abuse and/or neglect **NEW**
- Proposal to allow Medical Marijuana Program funds to be used to support Victims of Violent Crime

Ensuring the State Police are Equipped to Protect Every Neighborhood

- \$14.5 million for four new Pennsylvania State Police cadet classes with the goal of hiring and training 432 new state troopers
- \$300,000 for the Camp Cadet and Law and Leadership programs operated through the PSP which support young people interested in careers in law enforcement

Supporting First Responders and Municipalities Responding to Emergencies

- \$36.5 million for the Fire and Emergency Medical Services Grant Program
- \$30 million to provide supplemental grants to fire companies **NEW**
- Proposes increasing flexibility of disaster response funds within PEMA for use with mitigation projects in addition to emergency response

Supporting Municipalities in Financial Distress

- \$10 million transfer to Municipalities Financial Recovery Revolving Fund to support for Act 47 communities

Improving the Criminal Justice Delivery System

- Recommends closing two State Correctional Institutions and two Community Corrections Centers for an anticipated savings of \$100 million and \$10 million respectively once fully implemented
- Further recommends fully enforcing daily housing cost charges to counties housing inmates in State Correctional Institutions for a savings of approximately \$1 million annually

Combating Food Insecurity

- \$4 million increase to the core State Food Purchase Program (SFPP)
- \$4 million increase to the Pennsylvania Agricultural Surplus System (PASS)

Making Government Work for Pennsylvanians

Enhancing Digital Experience and Protecting Information

- \$10 million Enhanced Enterprise Cybersecurity initiative **NEW**
- \$20 million for replacement of Commonwealth's ERP system
- \$6.9 million to Commonwealth Digital Experience enhance Commonwealth systems **NEW**
- \$1.2 million in additional resources for in-house media products and services

Ensuring the Commonwealth's Office Spaces Are Used Efficiently and Effectively in a Hybrid Work Environment

- \$17.8 million for renovations and upgrades of Commonwealth office space



Continuing to Improve Permitting, Licensing, and Certification Processes

- Office of Transformation & Opportunity continues to support strategic industries and drive growth since 2023
- PAYback initiative continues the reduction of permit processing times
- Streamlining Permits for Economic Expansion & Development (SPEED), which was started in 2024/25, has reduced review and decision times on permits within DEP

