

PA House Appropriations Committee
DCED Budget Hearing 2025-2026
Opening Remarks
February 18, 2025

Good morning, Chairman Harris, Chairman Struzzi, and members of the Committee.

It's an honor for me to speak with you today about Governor Josh Shapiro's 2025-2026 budget proposal. I see this budget as a critical next step in our 10-Year Economic Development Strategy that we released in January 2024.

As you may recall, our Economic Development Strategy outlines five primary goals: investing in our economic growth to compete, continuing to make government work at the speed of business, opening doors of opportunity for all Pennsylvanians, innovating to win, and building vibrant and resilient regions. With your legislative support last fiscal year for new investments like \$500 million for site development, \$20 million for the Main Street Matters program, and doubling the total number of Neighborhood Assistance Program tax credits to \$72 million, we've made significant and meaningful progress toward the goals laid out in the strategy.

For example, during this fiscal year:

- We've announced major job creation projects like GSK in Lancaster County, an \$800 million investment that will create 200 jobs and further cement Pennsylvania's status as a life sciences leader.
- We opened the PA SITES program to get more pad-ready sites up and running to enhance our economic competitiveness and business attraction capability.
- We opened the Main Street Matters program to support the revitalization of main streets and downtown corridors.
- We've awarded Neighborhood Assistance Program tax credits to nearly 400 nonprofit-driven community projects across the Commonwealth.
- We internally restructured within DCED to create a new team called BusinessPA, which pulls together our domestic and international business attraction and retention teams as well as data analytics and marketing into one organization that moves with the speed and flexibility of a business.
- We built upon the successful launch of our new tourism brand, The Great American Getaway, with new marketing campaigns to maximize opportunities for the estimated \$80B in traveler spending every year in Pennsylvania.
- We are working on a housing action plan that, much like the Economic Development Strategy, will serve as a blueprint for making housing more affordable and available.

Our forward momentum is clear. But our work is not done.

Governor Shapiro's budget proposal for 2025-2026 enables us to continue that momentum and build on it in critical ways for further implementation of the economic development strategy.

While the 2024-2025 budget focused on site development and strengthening main street communities, this year's budget proposal calls for investments necessary to support other aspects of our strategy.

This budget proposal includes:

- **Strengthening Pennsylvania's competitive business attraction position** through a new \$10M AdvancePA tax credit incentive; an increase of \$5M for the Pennsylvania First incentive grant program; and an increase of \$3M for marketing to promote Pennsylvania as a business destination to CEOs and site selectors.
- **Supporting our status as a leader in innovation** through a \$50M investment into life sciences and technology and a renewed call for a \$3.5M Regional Economic Competitiveness Challenge to build vibrant and resilient regions and support communities by investing in the development of comprehensive regional strategies.
- **Addressing critical housing needs** by investing \$50M into restoring Pennsylvania's housing stock, creating a \$10M program to help first-time homebuyers, and a \$1M increase for the State Planning Board to help municipalities through housing-specific planning.

These investments are the commonsense next step in making Pennsylvania a better place to live and work and further enabling us to outcompete other states. In my view, DCED's work over the past year is proof that not only can we create a bold, ambitious economic development strategy; but given the resources, we will execute that strategy with efficiency and effectiveness.

So, I'm thrilled to be able to continue our important work and build on the success we have had with the resources allocated to us. I often say that economic development is a team sport – and legislative leaders like you are a crucial player on that team. I look forward to working with the Committee and your colleagues in the legislature to get this budget done and strengthen Pennsylvania's economy, communities, and our competitiveness. I am deeply honored to work alongside you to move this mission forward.

Thank you for having me here this morning, and I'm happy to answer any questions you have.

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