

# Shapiro Calls for Investments in Workforce and Innovation in First Budget Proposal

By Nicole Radzievich Mertz

LEHIGH VALLEY - Gov. Josh Shapiro's \$44.4 billion budget proposal contains key investments he said would strengthen Pennsylvania's workforce and its manufacturing sector, making "a significant down payment on innovation and economic development."

Talent – a key driver of business location decisions – would be fortified through new and expanded jobs programs, under the proposal. Funding for Pennsylvania's lead program for job creation and retention – Pennsylvania First – would rise by 65% to \$33 million. A new \$3 million jobs initiative, Foundations in Industry, would develop the workforce with an increase in the number of apprenticeships and pre-apprenticeships across Pennsylvania.

In a push to adopt new technologies, Manufacturing Innovation Program, would get a \$1 million bump, allowing for 14 more manufacturers to partner with universities, state agencies and other institutions to advance new products and processes.

The governor also proposed a \$2.9 million initiative supporting major economic development projects through the newly created Office of Transformation and Opportunity, which he established during his first week in office as a one-stop shop to help businesses cut through red tape.

"The next time a company like Intel looks to build a semiconductor factory in the United States, they should be looking at Pennsylvania," Shapiro said in his budget address March 7 before a joint session of the General Assembly in Harrisburg. "Whether folks in this room like me or not, the one thing I hope you can all agree on is that I'm competitive as hell – and I'm sick and tired of losing out to other states."

Shapiro's proposal, which now faces the scrutiny of the state Legislature, would be an 8% increase over last year's budget. The increase would be mainly driven by education and health care spending, but the proposal also contains important investments in economic development and maintains a tax policy aimed at making the state a friendlier place to do business.

The budget would continue reducing the Corporate Net Income Tax per a state law signed last year. Pennsylvania, which had the nation's second highest tax rate last year, was reduced Jan. 1 from 9.99% to 8.99% and will decrease a 0.5% each year until it reaches 4.99% in 2031.

The CNI reduction, workforce initiatives and support for manufacturing growth complement Lehigh Valley Economic Development Corporation's strategies to strengthen the regional economy. Manufacturing is the biggest part of the Lehigh Valley's economy and its \$8.4 billion output ranks among the top 15% in the nation. The LVEDC's Talent Initiatives have been recognized among the best in the country.

"A new day has dawned for economic development in Pennsylvania," said Don Cunningham, LVEDC President and CEO. "The new governor has shown an impressive level of personal commitment to economic development, job creation, and driving change in state government."

Shapiro specifically called out the Lehigh Valley in his budget address when introducing his proposal to recapitalize Historically Disadvantaged Business grants program with a \$20 million investment. He noted that Allentown is "on the rise" because Mayor Matt Tuerk is "building bridges, welcoming folks into his community, growing the economy and making sure government works for everyone."

"Latino families moving to Allentown are helping create vibrancy and excitement in the Lehigh Valley. They chose Pennsylvania," Shapiro said. "Now we can help them succeed and boost the local economy."

Underscoring his commitment to economic development, Shapiro will speak March 21 at LVEDC's Annual Meeting in Bethlehem. The Lehigh Valley is among the state's fastest growing regions, in terms of both population and job growth. The two-county area has added 13,000 jobs over the last five years and is a national leader in business attraction and expansion. The Lehigh Valley produced a record \$47 billion Gross Domestic Product in 2021.



## Congratulations, Eagle Scout!

By Stste Rep. Ann Flood

SLATE BELT - I had the privilege to attend the Eagle Scout Court of Honor for three talented young men in my district with BSA Troop 74 and present them each with a state House citation. Sam Vituszynski and Jordan and Kevin Gagner completed all that is required to receive this distinguished designation that only 4% of scouts ever achieve.

Congratulations on your incredible accomplishment and I wish you all the best as you continue your life journey ahead!



## Meeting with Recovery Revolutions

By Stste Rep. Ann Flood

SLATE BELT - I had the opportunity to take a tour of Recovery Revolutions in Bangor. I was pleased to hear from Jana Morris about the great work they do in helping those who are struggling with addiction.