

PA House Appropriations Committee
DCED Budget Hearing 2024-2025
Opening Remarks
February 20, 2024

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

It's an honor for me to speak with you today about Governor Josh Shapiro's 2024-2025 budget proposal and how it will grow our economy, strengthen our communities, and provide real opportunity for all Pennsylvanians.

Last year during this hearing, I spoke to you as Acting Secretary about the importance of rethinking our approach to economic development. I stressed the need for a competitiveness agenda that would enable us to win job-creating business projects, attract investment, and empower existing Pennsylvania businesses and workers.

We've spent every day over the past year doing exactly that. We've collaborated with the business community, the economic development community, organized labor, higher education, local governments, legislative partners, and the nonprofit sector to develop a comprehensive economic development strategy – the first in nearly two decades – that we unveiled in January. We used data and crunched numbers to identify our areas of strength and opportunity. And as we were developing this strategy, we solicited advice and feedback from all 67 counties across Pennsylvania to help inform our work.

This strategy is a blueprint for action. Unlike so many reports that are printed and sit on a shelf, we developed the strategy to guide our policymaking and investment decisions. In fact, even while the strategy was still in development, we started taking actions to address the economic issues we identified through the process. We are piloting a site loop development program called PA SITES thanks to the additional PA First funds you allocated in last year's budget. We incentivized more than \$1.2 billion in new private investment across Pennsylvania last year. And we launched a new business attraction brand and website, PAGetsItDone.com, to streamline the process for out-of-state CEOs and real estate professionals to learn more about doing business in Pennsylvania.

We're fortunate in Pennsylvania to own several assets that make us an attractive place to do business. We have:

- Proximity to major U.S. markets and a relative low cost of doing business;
- 23 Fortune 500 companies, who are major industry players in their respective fields;
- More than 1 million small businesses that make up the very fabric of our communities and economy;
- More than 190,000 skilled graduates produced by our colleges and universities every year;
- \$5 billion in annual research and development (R&D) funding that is channeled through our academic institutions to drive the latest in innovations and tech developments;
- Diverse communities and talent— in our cities, suburbs, and rural areas; and
- Abundant natural resources that enhance our economic and cultural appeal.

Even with these advantages, we trail our competitor states in key areas. Most notably, neighboring states like Ohio have been regularly out-investing us in economic development for two decades – and quite frankly, they’ve been reaping the benefits of that investment by winning projects that bring thousands of jobs to their communities and residents. Governor Shapiro said in his budget address, he’s sick and tired of it. I think all of us in this room can agree that we’re sick and tired of it too.

Critically, the economic development strategy informed the economic development investments in Governor Shapiro’s budget proposal for this upcoming fiscal year.

Governor Shapiro’s budget proposal for 2024-2025 gets us back in the game and puts us in a position to get stuff done. It calls for transformational investments that will make both immediate and long-term impacts to our economy.

This budget calls for \$600 million total in new and expanded investments to implement the economic development strategy, make us more competitive, and grow our economy. The investments include:

- \$500 million in PA SITES funding to bring more commercial and industrial sites online and ensure companies have options for attractive business environments where they can move quickly and thrive in Pennsylvania.
- \$25 million for the Main Street Matters program, to support small businesses and commercial corridors that are the backbone of communities across our Commonwealth.
- \$20 million to support large-scale innovation and leverage Pennsylvania’s best-in-class R&D assets.
- \$3.5 million to create and launch the Pennsylvania Regional Economic Competitiveness Challenge, which will incentivize regional growth, build vibrant and resilient regions, and support communities by investing in the development of comprehensive strategies to propel entire regions forward.

Let’s be clear: passing this budget will plant a flag and send a clear message to the national and global business community that it’s a new day for economic development in Pennsylvania. These are bold investments – and they’re necessary if we truly want to increase our competitive position amongst our neighboring states. It’s not about just saying we’re open for business; it’s about being able to close the deal. Right now, we lack the full set of tools to be able to do that effectively. That will change with the passage of this budget.

I’m truly energized at the opportunity before us, and I look forward to working with the Committee and your colleagues in the legislature to get to work. Together, we have the chance to do something truly transformational for Pennsylvania’s businesses, workers, and communities. I am deeply humbled to have the opportunity to move this work forward.

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

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