The House convened at 11 a.m., e.s.t.

THE SPEAKER (MIKE TURZAI)  
PRESIDING

PRAYER

HON. PETER J. DALEY, member of the House of Representatives, offered the following prayer:

Let us bow our heads.

What a great place to work, O Lord. You have given us all the honor and privilege to serve You in the greatest of all political experiences, political experiments in mankind, that being a democracy.

Today we embrace and embark on a new budgetary journey. As it migrates between the two chambers, between the executive and the legislative, let us not forget, not for one moment, that the decisions we make here affect millions upon millions of men and women and children, the heart and soul of our very fiber. Yes, it is our great democracy.

Every one of us, Lord, brings life’s experiences, education, and generations upon generations of values, passed from father to son and mother to daughter, all different but all the same.

Grant us the wisdom to do what You would expect and do it not based upon efficiency, but upon Your love and Your kindness.

Lord, guide our every step. We ask these things in Your name, we pray. Amen.

PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by members and visitors.)

JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, the approval of the Journal of Monday, March 2, 2015, will be postponed until printed.

SENATE MESSAGE

RECESS RESOLUTION
FOR CONCURRENCE

The clerk of the Senate, being introduced, presented the following extract from the Journal of the Senate, which was read as follows:

In the Senate,  
March 2, 2015

RESOLVED, (the House of Representatives concurring), Pursuant to Article II, Section 14 of the Pennsylvania Constitution, that when the Senate recesses this week, it reconvene on Monday, April 13, 2015, unless sooner recalled by the President Pro Tempore of the Senate; and be it further

RESOLVED, Pursuant to Article II, Section 14 of the Pennsylvania Constitution, that when the House of Representatives recesses this week, it reconvene on Monday, March 30, 2015, unless sooner recalled by the Speaker of the House of Representatives; and be it further

RESOLVED, Pursuant to Article II, Section 14 of the Pennsylvania Constitution, that when the House of Representatives recesses the week of March 30, 2015, it reconvene on Monday, April 13, 2015, unless sooner recalled by the Speaker of the House of Representatives.

Ordered, That the clerk present the same to the House of Representatives for its concurrence.

On the question,  
Will the House concur in the resolution of the Senate?  
Resolution was concurred in.

Ordered, That the clerk inform the Senate accordingly.

HOUSE RESOLUTIONS
INTRODUCED AND REFERRED

No. 138  
By Representatives MURT, BARRAR, BOYLE, V. BROWN, COHEN, D. COSTA, FREEMAN, GINGRICH, HENNESSEY, M. K. KELLER, KINSEY, KIRKLAND, MAHONEY, McNEILL, READSHAW, ROZZI, SCHWEYER, WATSON and FARRY

A Concurrent Resolution urging the Pennsylvania Congressional Delegation to support H.R. 379, The National Nurses Act of 2015, or similar legislation, which designates the Chief Nurse Officer of the United States Public Health Service as the National Nurse for Public Health.

Referred to Committee on HEALTH, March 3, 2015.
A Resolution urging the Congress of the United States to defeat H.R. 707 and any other legislation which would prohibit states from authorizing and conducting Internet gaming.

Referred to Committee on GAMING OVERSIGHT, March 3, 2015.

A Resolution urging the Department of Corrections to enter into a Memorandum of Understanding with the Internal Revenue Service to address the ongoing problem of incarcerated individuals filing fraudulent tax returns and receiving a refund.

Referred to Committee on FINANCE, March 3, 2015.

By Representatives MURT, BAKER, COHEN, GILLEN, KAUFFMAN, KINSEY, KORTZ, MILLARD, PETRI, ROZZI and SCHLOSSBERG

An Act amending the act of December 22, 2005 (P.L.474, No.94), known as the Breach of Personal Information Notification Act, further providing for notification of breach.

Referred to Committee on JUDICIARY, March 3, 2015.

By Representatives HANNA, BROWNLEE, FREEMAN, KINSEY, GODSHALL, ROZZI, HAHN, READSHAW, BOBACK, CONKLIN, KAUFFMAN, KINSEY and MURT

An Act amending Title 35 (Health and Safety) of the Pennsylvania Consolidated Statutes, providing for emergency services provider reimbursement.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, March 3, 2015.

By Representatives HANNA, MULLERY, DeLUCA, KIRKLAND, COHEN and MURT

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in enforcement, providing for authority to arrest or cite outside of State park or forest lands.

Referred to Committee on TRANSPORTATION, March 3, 2015.

By Representatives HANNA, THOMAS, HAHN, McNEILL, BOBACK, DONATUCCI, READSHAW, FREEMAN, COHEN, MURT and MAHONEY

An Act amending the act of December 7, 1990 (P.L.639, No.165), known as the Hazardous Material Emergency Planning and Response Act, in hazardous material protection, further providing for establishment and functions of local emergency planning committees and for emergency reporting requirements.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, March 3, 2015.

By Representatives RAPP, KAUFFMAN, GABLER, JAMES, CAUSER, McGINNIS, DUSH, SAYLOR, SCHLOSSBERG, MACKENZIE, MILLARD, GRELL, SCHWEYER, BENNINGHOFF, CARROLL, STEPHENS, CONKLIN, COHEN, DEASY, A. HARRIS, M. DALEY, BROWNLEE, READSHAW, MAJOR, GIBBONS, SIMMONS and MOUL

An Act amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, in senior citizens property tax and rent rebate assistance, further providing for the definition of "income."

Referred to Committee on FINANCE, March 3, 2015.

By Representatives KORTZ, READSHAW, GOODMAN, KOTIK, McNEILL, RAVENSTAHL, LONGIETTI, COHEN, MATZIE, DeLUCA, BARRAR, SCHWEYER, MURT, C. PARKER, MAHONEY, GIBBONS, KINSEY, DEASY, ROZZI, THOMAS, SAINATO, FARINA and McCARTER

An Act providing for bonus payments to persons in active service in connection with the Global War on Terrorism or their beneficiaries; authorizing the incurring of indebtedness and the issue and sale of bonds by the Commonwealth for the payment of the benefits contingent upon electorate approval; establishing a special fund in the State Treasury to be known as the Global War on Terrorism Bonus Payment Bond Fund; and imposing powers and duties on the Department of General Services.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, March 3, 2015.

By Representatives KORTZ, KOTIK, BISHOP, COHEN, TALLMAN, MILLARD, O'NEILL, KAUFFMAN, DIAMOND, HICKERNELL, JAMES, GRELL, HARKINS, CARROLL, WATSON, CONKLIN, MURT, A. HARRIS, FEE, BROWNLEE, PICKETT, READSHAW, MAHONEY, GILLEN, GIBBONS, DONATUCCI, McCARTER, ROZZI, KINSEY, McNEILL, STEPHENS, BOBACK, PHILLIPS, HILL, FREEMAN, BAKER, EVERETT and PASHINSKI, THOMAS, RAPP, ACosta, STAATS, RADER and SABATINA

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in juvenile matters, further providing for disposition of dependent child.

Referred to Committee on JUDICIARY, March 3, 2015.

By Representatives KORTZ, COHEN, STURLA, KOTIK, CALTAGIRONE, O'BRIEN, DEASY, DAVIS, MURT, READSHAW, GIBBONS, ROZZI, KINSEY, McNEILL, BOBACK, FABRIZIO, EVERETT and THOMAS

An Act providing for the collection and disposal of leftover and expired medicines and for penalties.

Referred to Committee on HEALTH, March 3, 2015.
An Act amending Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes, in veterans' pensions and benefits, further providing for blind veteran's pension and for amputee and paralyzed veteran's pension.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, March 3, 2015.

No. 689 By Representatives SIMS, MULLERY, THOMAS, TRUITT, COHEN, McCARTER and McNEILL

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in matters affecting government units, further providing for limitations on damages.

Referred to Committee on JUDICIARY, March 3, 2015.

An Act amending the act of December 22, 1983 (P.L.306, No.84), known as the Board of Vehicles Act, further providing for definitions; and providing for disclosure requirements for used vehicle dealers.

Referred to Committee on PROFESSIONAL LICENSURE, March 3, 2015.

No. 691 By Representatives SIMS, YOUNGBLOOD, O'BRIEN, THOMAS, V. BROWN, CALTAGIRONE, SCHWEYER, McNEILL, MILLARD, COHEN, BROWNLEE, McCARTER, MURT, D. COSTA, C. PARKER, YOUNGBLOOD, DAVIS, McNEILL and HELM

An Act amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, in senior citizens property tax and rent rebate assistance, further providing for property tax and rent rebate.

Referred to Committee on FINANCE, March 3, 2015.

An Act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, providing for authorized interactive gaming and for duties of Pennsylvania Gaming Control Board and Department of Health; imposing an interactive gaming tax; and prescribing penalties.

Referred to Committee on GAMING OVERSIGHT, March 3, 2015.


Referred to Committee on TRANSPORTATION, March 3, 2015.

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in professional employees, further providing for definitions and for duty to employ.
Referred to Committee on EDUCATION, March 3, 2015.

No. 698 By Representatives MARSHALL, BARRAR, CAUSER, EVERETT, FARINA, GINGRICH, HARHART, MALONEY, MILLARD, MOUL, MURT, MUSTIO, ORTITAY, RAPP, READSHAW, GILLEN and M. K. KELLER

An Act amending Title 34 (Game) of the Pennsylvania Consolidated Statutes, in hunting and furtaking, further providing for unlawful devices and methods; and, in special licenses and permits, further providing for disabled person permits.

Referred to Committee on GAME AND FISHERIES, March 3, 2015.

No. 700 By Representatives BLOOM, GROVE, DUNBAR, MACKENZIE, BAKER, DIAMOND, PICKETT, COX, SCHEMEL, TALLMAN, JAMES, KAUFFMAN, KNOWLES, MILLARD, MENTZER, GABLER, McGINNIS, STAATS, IRWIN, CUTLER, PEIFER, M. K. KELLER, LAWRENCE, SIMMONS, METCALFE, MURT, SAYLOR, FEE, GILLEN, GINGRICH, MALONEY, REGAN, EVERETT, PHILLIPS-HILL, ORTITAY, HARHART, ZIMMERMAN and KLUNK

An Act amending the act of March 4, 1971 (P.L.6, No .2), known as the Tax Reform Code of 1971, in personal income tax, further providing for classes of income.

Referred to Committee on FINANCE, March 3, 2015.

LEAVES OF ABSENCE

The SPEAKER. Are there requests for leaves of absence? The majority whip, Representative Cutler, of Lancaster County requests leave of absence for Representative HACKETT of Delaware County for the day and Representative TOOHIL of Luzerne County for the day. The minority whip, Representative Hanna, of Clinton County requests leave of absence for Representative KOTIK of Allegheny County for the day. Without objection, those leaves of absence are granted.

MASTER ROLL CALL

The SPEAKER. The Chair is about to take the master roll call. Members will proceed to vote.

The following roll call was recorded:

PRESENT–199

Bradford Gainey Maloney Saccone
Briggs Galloway Markosek Sainato
Brown, R. Gergely Marshall Samuelson
Brown, V. Gibbons Marsico Sankey
Brownlee Gillen Masser Santsiero
Burns Gillespie Matzie Santora
Calzagione Gingrich McCarter Saylor
Carroll Godshall McGinnis Schemel
Causer Goodman McNeill Schlossberg
Christiana Greiner Mentzer Schreiber
Cohen Grell Metcalfe Schwyster
Conklin Grove Metzgar Simmons
Corbin Hahn Micarelli Sims
Costa, D. Hanna Millard Snyder
Costa, P. Harhai Miller, B. Staats
Cox Harhart Miller, D. Staus
Cruz Harkins Milne Stephens
Culver Harper Moul Sturla
Cutter Harris, A. Mullery Tallman
Daley, M. Harris, J. Murt Taylor
Daley, P. Heffley Mustio Thomas
Davidson Helm Nesbit Tobash
Davis Hennessey Neuman Toepel
Dawkins Hickernell O'Brien Topper
Day Hill O'Neill Truit
Dean Irvin Oberlander Veb
Deasy James Ortitay Vitali
DeLissio Jozwik Parker, C. Ward
Delozier Kampf Parker, D. Warner
DeLuca Kauffer Pashinski Waters
Dermody Kauffman Payne Watson
Diamond Kavulich Peifer Wentling
DiGirolamo Keller, F. Petrarca Wheatley
Donatucci Keller, M.K. Petri Wheeland
Driscoll Keller, W. Pickett Youngblood
Dunbar Killion Pyle Zimmerman
Dush Kim Quigley
Ellis Kinsey Quinn Turzai,
Emrick Kirkland Rader Speaker
English

ADDITIONS–0

NOT VOTING–0

EXCUSED–3

Hackett Kotik Toohil

LEAVES ADDED–1

Evans

LEAVES CANCELED–1

Toohil

The SPEAKER. One hundred and ninety-nine members having voted on the master roll, a quorum is present.

UNCONTESTED CALENDAR

RESOLUTIONS PURSUANT TO RULE 35

Mr. MARSHALL called up HR 121, PN 498, entitled:

Mr. READSHAW called up **HR 136, PN 772**, entitled:

A Resolution recognizing the 23rd anniversary of the Khojaly Massacre and honoring the life and memory of the victims of this horrific tragedy.

On the question, Will the House adopt the resolutions?

The following roll call was recorded:

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The majority having voted in the affirmative, the question was determined in the affirmative and the resolutions were adopted.

The SPEAKER. Members, it is certainly an important day as we have the Executive of the Commonwealth that will be addressing us.

**COMMUNICATION FROM GOVERNOR**

**REQUEST FOR JOINT SESSION**

The Speaker laid before the House the following communication in writing from the office of His Excellency, the Governor of the Commonwealth:

Commonwealth of Pennsylvania  
Office of the Governor  
Harrisburg

The Governor  
January 30, 2015

The Honorable Mike Turzai  
Pennsylvania House of Representatives  
139 Main Capitol Bldg.  
PO Box 202028  
Harrisburg, PA 17120-2028

Dear Speaker Turzai:

If it meets with the approval of the General Assembly, I am respectfully requesting a Joint Session of the General Assembly on Tuesday, March 3, 2015. The purpose of this session would be to address the members of the House and Senate for the annual budget address, at a time that is convenient to the General Assembly.

Sincerely,
Tom Wolf  
Governor

**RESOLUTION**

**COMMITTEE TO ESCORT GOVERNOR**

Mr. REED offered the following resolution, which was read, considered, and adopted:

In the House of Representatives  
March 3, 2015

The Speaker appoint a committee of three to escort the Governor to the Hall of the House for the purpose of attending a Joint Session of the General Assembly.

**COMMITTEE APPOINTED**

The SPEAKER. The Speaker appoints as a committee to wait upon the Governor, the gentleman from York County, Mr. Saylor; the lady from Dauphin County, Ms. Helm; and the gentleman from York County, Mr. Schreiber.

The committee will proceed with the performance of its duties.
Members, at this time the House is going to be at ease. The next step in our process today is the Senate will be entering the hall, our chamber. We expect them to be here in approximately 5 to 10 minutes.

The House will come to order.

LEAVE OF ABSENCE

The SPEAKER. The minority whip, Mr. Hanna, has noted that Representative EVANS of Philadelphia County will be marked on leave.

ANNOUNCEMENT BY MR. PASHINSKI

The SPEAKER. Also, upon unanimous consent, Representative Pashinski. On unanimous consent, Representative Pashinski.

Mr. PASHINSKI. Thank you, Mr. Speaker.

I would like to invite all the members of the House tomorrow at approximately 11:45, all the support that we received from this great House, this great body, on the resolution making March music month, we are going to present that resolution tomorrow in the rotunda to the members of the Pennsylvania Music Educators Association. And for all of you that love music, we will also have some performances as well. So tomorrow around 11:45 please feel free to come down to the main rotunda and participate in presenting the resolution, HR 44, to the Pennsylvania Music Educators Association. Thank you very much, Mr. Speaker.

LEAVE OF ABSENCE CANCELED

The SPEAKER. The majority whip has noted that Representative Toohil will be marked on the master roll call. Representative Toohil's presence is noted in the chamber and she will be added to the master roll.

FILMING PERMISSION

The SPEAKER. Members, there is permission for media access to the House floor. Matt Rourke of the Associated Press will be taking still photos of the House floor.

Welcome to the guests today to our chamber. We would ask that the guests please begin to take their seats. Again, guests, thank you very much for coming to our chamber. We would ask that you take your seats. Within a few minutes, the Senate will be entering into the hall of the House. So we would ask our guests to please begin to take their seats.

ARRIVAL OF SENATE

The SPEAKER. Members, the Senate is now entering the hall of the House, and members and guests will please rise.

The Speaker recognizes the Sergeant at Arms of the House.

The SERGEANT AT ARMS. Mr. Speaker, the Senate is now present in the hall of the House.

The SPEAKER. The Speaker requests the Lieutenant Governor, the Honorable Mike Stack, to preside over the proceedings of the joint session of the General Assembly.

The President pro tem of the Senate, the Honorable Joe Scarnati, is invited to be seated on the rostrum.

Welcome to our Senate colleagues. Once the Senate members are in the well of the House, we would ask that the members of the House and the Senate please be seated.

Again, welcome to our Senate colleagues. Welcome to Senate President Pro Tem Joe Scarnati. We are so glad to have the Senator with us here on the rostrum. Members of the House and the Senate, please take your seats.

I would like to introduce our Lieutenant Governor, Mike Stack.

Lieutenant Governor, here is the gavel for you to take over the proceedings.

JOINT SESSION OF THE GENERAL ASSEMBLY

THE LIEUTENANT GOVERNOR (MIKE STACK) PRESIDING

The LIEUTENANT GOVERNOR. This being the day and hour agreed upon by a concurrent resolution of the Senate and House of Representatives to hear an address by His Excellency, the Governor, the Honorable Tom Wolf, this joint session will please come to order.

REPORT OF COMMITTEE ESCORTING GOVERNOR

The Chair recognizes the chair of the committee to escort the Governor, the gentleman, my good friend from Montgomery County, Senator John Rafferty.

Mr. RAFFERTY. Mr. President, Mr. Speaker, my colleagues, and members of the General Assembly, as chairman of the committee to escort the Governor, I wish to report that His Excellency, the Governor, is present and is prepared to address this joint session. Thank you.

The Chair thanks Chairman Rafferty and the committee.

Members of the General Assembly, I now have the distinct honor and privilege of presenting His Excellency, the Governor, the Honorable Tom Wolf, who will now address this joint session.
FISCAL YEAR 2015-2016
BUDGET ADDRESS OF
GOV. TOM WOLF

The GOVERNOR. Thank you. Thank you. Thank you very much. Thank you. Thank you so much.

Lieutenant Governor Stack; Speaker Turzai; President Scarnati; Leader Corman; Leader Costa; Leader Reed; Leader Dermody; members of the General Assembly; and above all, my fellow Pennsylvanians. Oh, also, Mom and Dad back there. Thank you very much.

In January we gathered outside in the cold as I took the oath of office. Six weeks later I am sorry to say that it is still pretty much just as cold as it was back then.

So today I would like to talk about something that we can control — our budget and the future of Pennsylvania. I am grateful for the opportunity to discuss how we can ensure that Pennsylvania’s future is as bright as our incredible past.

As you know, I campaigned on the idea that we need a new approach to governing Pennsylvania, one that challenges the status quo and takes on old problems in fundamentally new ways. And one of the old problems we need to put to rest is the idea that Democrats and Republicans cannot work together to solve Pennsylvania’s problems. I believe we can, and that is why I have — thank you very much — and that is why I have made it a priority over the past 6 weeks to meet with just about every member of this body, both Democrats and Republicans. And I want to thank you all for sharing your ideas on the issues where we agree, and especially on the issues where we do not agree. I learned as a business owner that you can disagree with people without being disagreeable and that on every issue, if you are willing to talk, there is a much better chance that you can find truths that both sides can share.

As I said 6 weeks ago, the people of Pennsylvania need leaders today who are willing to listen to each other, learn from each other, and work together to give all the people of this State a shot at a great life. That is the different kind of approach we need to take to move Pennsylvania forward, and that is why the proposal I am unveiling today is a different kind of budget. It is a budget that reflects my conversations with many of you here today. It includes Democratic ideas, Republican ideas, and clearly, ideas that exist beyond party lines. It is rooted in the values of fairness, inclusion, and common sense. It is a balanced budget, and it eliminates our $2.3 billion deficit, but above all, but above all, it recognizes that Pennsylvania will not improve until we rebuild the middle class.

To give Pennsylvania the fresh start it needs to get back on track, the plan I am unveiling today dramatically invests in schools that have been devastated by cuts to prepare our kids for middle-class jobs; it cuts taxes to attract companies that will create jobs that pay middle-class wages; it streamlines bureaucracy and cuts red tape to create a government that works; and it does so while cutting property taxes paid by the average homeowner by 50 percent and reducing the total tax burden on average middle-class families.

These are some of the things I have talked about since I started running for Governor almost 2 years ago. They boil down to three big themes that I hope will define my time in office: First, schools that teach, because for our children to succeed tomorrow, every child must have access to a great education today, and teachers must have the resources they need to deliver a great education. Second, second, jobs that pay, because for our economy to begin humming again, we need to be good partners with the private sector, enabling it to grow and create good jobs that will strengthen our middle-class families. And third, government that works, because for our State to be great again, we need a government that is more efficient, less wasteful, one that restores faith in the fundamental notion that our democracy still works.

We need a new approach, and we need to question the decisions that got us where we are today. For example, why are we paying Wall Street managers hundreds of millions of dollars to manage our pension funds? That does not help our middle class, it does not help our seniors, and it needs to change. Why is Pennsylvania ranked at the bottom in terms of job growth? Pennsylvania has the resources to create good jobs. We can do better.

Too many teachers have left the classroom due to budget cuts. With us today is a teacher named Katy Beth Klinger, right over here. Katy, along with her daughter. Now, Katy was a teacher – Katy, thanks for being here – Katy was a teacher in the Reading School District, where she saw the difference she was making in children’s lives at a school district that was severely underfunded. But in 2011 she was part of a mass furlough. Since then, she has not been able to return to permanent work. Katy just wants to help teach and help students who she saw making real progress before the education cuts. She has stuck with it. She has been a substitute at Reading School District. And when people ask her why she does not change careers or seek a position in another school district, she says she can make a bigger difference in the city of Reading with the children who need help most. Katy is a single mother, and the stress of not knowing whether she can count on a stable income from year to year has been weighing on her.

We need more teachers like Katy in our schools. We need teachers like Katy who care to make sure that our students in Reading, in Philadelphia, in Lock Haven, in Towanda can get the education they need to succeed in Pennsylvania. My budget puts teachers like Katy back in the classroom.

It is just this simple – thank you, thank you, thank you, thank you – it is just this simple. To create jobs that pay, schools that teach, and government that works, we have to do things differently. That is what this budget achieves.

Let us start with schools. Our commitment to education is historic. We are starting with education because, in many ways, education is at the heart of everything else we want to achieve.

When I ran a business, finding talented people with a strong education was my highest priority. It is what made my company competitive in the marketplace. A great system of public education will help Pennsylvania attract new businesses, retain talent, and grow the middle class. We need schools that help teach our kids the 21st-century skills they need to compete and win against kids from China and India and Germany.

Over the past 4 years, Pennsylvania took a step in the wrong direction by trying to balance our State budget on the backs of our schools. It left us with 25,000 educators out of work. It forced 75 percent of our school districts to cut academic programs. It forced 70 percent of our school districts to increase class sizes. It left 56 percent of Pennsylvania students with no access to a full-time librarian, and it forced too many schools to cut art and band to pay for reading and math. My fellow Pennsylvanians, this is not a formula for success. We can do a lot better.
It is just this simple: Our State is never going to get stronger as long as we make our schools weaker. And that is why the very first thing my budget does is to restore the $1 billion in cuts to public education that occurred under the previous administration. But this is not going to stop at simply reversing the cuts that have already taken place. We cannot, because the way things were before is not good enough. For too long we have not paid enough attention to the fact that Pennsylvania ranks near the bottom of the country in State investments in kindergarten through 12th grade education. We need to change that.

This budget increases our investment in public schools at every grade level. It also recognizes that our responsibility to provide a great education does not begin at kindergarten, nor does it end with high school. That is why my budget also expands access to early childhood education by increasing the number of children in pre-K programs by 75 percent. That is why we are increasing funding to community colleges by $15 million, and that is why we are restoring 50 percent of the cuts to our State System of Higher Education. But those improvements come with a string attached. In return for these increases, today I am calling on our institutions of higher education to freeze tuition, and I expect them to answer that call.

These investments in higher education and community colleges will help prepare our young people for jobs that pay. However, our budget does not just spend more on schools. It also includes accountability measures to make sure that this money is spent on classrooms, not on bureaucracy.

But that is not the only thing that makes this budget’s commitment to education historic. For the first time in more than 40 years, we are proposing to increase the State’s share of funding for public education to 50, 50 percent.

Now, let me explain, let me explain. Today the State contributes just over 35 percent of the total cost of public education. That ranks us far below the national average, worse than Alabama, worse than Mississippi, worse than West Virginia. As a result, here in Pennsylvania more of the cost falls on local communities, largely in the form of property taxes that disproportionately burden lower income homeowners and seniors living on a fixed income.

Furthermore, Pennsylvania is one of only three States that does not use a funding formula to distribute education dollars to local districts. That means poorer urban and rural districts are not getting the help they need. The gap in spending between rich districts and poor districts has, as a result, exploded. Now, a bipartisan commission is developing, I understand, a fair funding formula to no doubt correct that, and so will my budget. The funding formula we are proposing would provide more money to every school district, which will help alleviate the burden on local property owners, but our proposal will pay special attention to those places where challenges are the greatest. It will ensure that education funds are distributed in a manner that is efficient, equitable, and transparent. It will help take favoritism out of the process, because if we know anything, we know that school funding should be a matter of need, not politics. Instead, instead, it will tie funding to specific factors such as district size, poverty levels, and student makeup. It will incentivize school districts to develop innovative programs that improve student achievement and hold down costs.

I look forward to the commission’s proposal. Together we will get this right. If Pennsylvania is going to be one of the best places to get an education, we can no longer afford to be one of the worst in funding our schools. We need a historic commitment to education, and we are making it today.

Now, I am sure that all sounds great, and many of you are probably wondering, how are we going to pay for it? You might, you might hear me – thank you very much, thank you – you might hear me talking about education funding and assume that that means your taxes are going to go up. But in fact, my budget actually reduces the total tax burden on average middle-class home owners by 13 percent.

So how will we do it? We will do it with tax reforms that are smart, pragmatic, and fair. We will do it with changes that will help eliminate the deficit, protect the middle class, and set the table for robust private-sector growth. It starts by doing what every other major gas-producing State has already done. We are going to place a severance tax on the extraction of natural gas. We are going to tie the revenues from the tax to funding for public education.

Officially, our plan is known as the Pennsylvania Education Reinvestment Act. I am proposing a 5-percent severance tax that is projected to generate more than $1 billion in annual revenues. The impact fee dollars will be preserved and will continue to support communities where drilling takes place. But under my plan, while local communities will continue to receive funding to address the impact of the drilling, the rest of these funds will be used to invest in public education. This is not about politics. This is not about politics or ideology. It is simply common sense.

Natural gas production is growing faster in Pennsylvania than anywhere else in the country. Yet we are the only major producer of natural gas, the only producer of natural gas that does not ask drillers to pay their fair share or provide a return on our resources. The fact is, the fact is, consumers in Pennsylvania are already paying a severance tax every time they fill up their tanks with gasoline, only they are paying it to States like Oklahoma, to Texas, to West Virginia, and every other State with a tax on oil and gas drilling. Why should those States get our money without Pennsylvania getting some of theirs in return? So this is not a partisan idea. It is a recognition that Pennsylvanians are right now getting a bad deal. We deserve to be fairly compensated for the use of our resources.

The benefits of this change do not end there either. By shifting the cost of public education away from local districts, we are also going to drastically reduce property taxes. Now, this is something that Republican House Majority Leader Dave Reed has championed, and many Republicans have supported it from all over the State. Last July Leader Reed introduced a bill to lower school property taxes, and our plans share common goals and similar approaches. So this truly is a bipartisan effort.

Overall, my budget will reduce the average homeowner’s property taxes by 50 percent, putting more than $1,000 each year into their pockets. This will ease the burden on low-income and middle-class homeowners, and it will bring some much-needed relief to seniors living on fixed incomes, some of whom have been forced to leave homes they have lived in their entire lives simply because they cannot afford higher property taxes. In fact, under my plan, many senior citizens will see their property taxes eliminated altogether. My plan raises the personal income tax to 3.7 percent. Again, the same rate that
Leader Reed proposed, but less of an increase than what some other legislators had proposed. And it will make up for the lost revenue by increasing the sales tax from 6 to 6.6 percent, while broadening the base to include services that are currently not taxed because special interest groups have lobbied hard for special exemptions. This is a similar approach to House and Senate bills 76, which have been championed by many Republicans and many Democrats. These changes will allow us to make a historic commitment to our schools in a way that is fairer, more equitable, and more sustainable.

Let us talk about improving our economy. As a business owner, I know that the free market requires a constructive partner in government. That means our government should not try to do everything, but it cannot do nothing either.

One thing it can do to create more economic opportunity is to make smart investments in public goods that are strategic, not episodic. We need to do a better job of connecting our transportation systems, starting with our three world-class ports in Philadelphia, Pittsburgh, and Erie.

This budget seeks to build on public-private investments created by Act 89 to turn our State into a world-class transportation hub to drive private-sector growth.

Another thing we must do is bring manufacturing jobs back to our State, and that is exactly what I plan to do. We propose the creation of a "Made in Pennsylvania" cash-back jobs program. For manufacturing companies that increase their annual taxable payroll by at least $1 million to create solid, middle-class jobs, they will receive cash payments of up to 5 percent of new taxable income the following year. And let us go one step further: In our grant and loan programs, we should give priority to Pennsylvania companies. We should and we will.

Now, to grow our middle class, our citizens must have access to the education and training that today's jobs require. That is why we are proposing to restore job training and apprenticeship programs at our community colleges, to help middle-class families make the transition to jobs in this new economy.

In Pennsylvania we are also blessed with an abundance of natural resources – of course gas, timber, coal, sun, wind, fresh water, open spaces, agricultural land, beautiful scenery, and an opportune location that makes us the Keystone State. Not long ago we were one of the top wind- and solar-producing States in the country, using the green economy to create jobs, but we took our eye off the ball and fell behind. To fulfill our potential, we must take full and responsible advantage of these resources.

Right now we export raw products like timber to other States and to other countries, who then use those resources to create higher-value products like kitchen cabinets. This does not make any sense to me. Why cannot we make those high-value products right here in Pennsylvania? That way, that way we will have both the resources and the jobs those resources make possible. We will train Pennsylvanians to work in the shale fields. Pennsylvanians will manufacture the steel pipe and the tanks to transport and hold the gas and the technologies to clean the water.

And here is the additional opportunity: With shale gas, we can offer affordable energy and we can provide the feedstocks necessary in advanced manufacturing businesses. Our natural resources, our well-trained and well-paid workforce, our growing businesses – that is what my plan enables us to achieve together.

If we want to be a State where the next generation can envision a bright future, Pennsylvania has to offer a level playing field where entrepreneurs can be confident their risks will be fairly rewarded. Workers have to be fairly rewarded too.

The companies and countries that are thriving in today's global economy are those that are committed to diversity, to inclusion, and to fairness. All of Pennsylvania's families deserve those same opportunities, no matter what their race, their sexual orientation, where they started life, or who they are.

Our State has also long believed that hard work should be rewarded. Yet a full-time worker earning minimum wage today makes about $15,000 a year. For a family with two kids, that is below the poverty line, and about 20 percent of Pennsylvanians live on that edge every day. I strongly believe that nobody who works full-time in Pennsylvania should be forced to live in poverty, and that is why I am calling on this legislature to raise the State minimum wage to $10.10 an hour. Thank you.

Now, you all know, you all know the company I built has a profit-sharing plan. It is because I believe that my employees deserve to share in the benefits of their hard work, but also it makes my company better. Paying good wages is not just the right thing to do, it is also the smart thing to do. That is how we are going to grow this economy.

But that is not all. If we are going to lead in the 21st century, we cannot do it with a tax code that takes us back to some of the worst decisions of the last century. Now, cutting the property tax, as I described earlier, will help reduce the burden on businesses, making it more attractive to locate those businesses in some of our towns and cities.

But there is much more we need to do, which brings me to the corporate net income tax. Today the corporate net income tax is 9.99 percent, one of the highest in the country. I find that appalling. That is driving jobs out of our State. At the same time, loopholes in that tax code allow many companies to avoid paying the State income tax altogether. Because of these loopholes, more than 70 percent of companies that do business in Pennsylvania do not pay corporate net income taxes at all. That forces more of the burden onto small businesses and families all across our State. In other words, the problem is not only that our corporate net income tax is too high. The problem is also that we are not even seeing the revenues that tax is supposed to generate. It is the worst of both possible worlds.

My budget will close the Delaware loophole and cut the corporate net income tax rate by 40 percent in the first year and by 50 percent by 2018. That will take us from one of the highest in the country to one of the lowest in the country, and it will incentivize companies to come here and create good jobs in Pennsylvania. It will do that while also ensuring that corporations pay their fair share.

Here is another thing. For 17 years we have talked about phasing out the capital stock and franchise tax. Now we are going to do it. As of January of next year, there will be no more capital stock and franchise tax in Pennsylvania. See, we can agree on certain things.

Okay. Let us talk about health care. At a time when health-care costs are placing a burden on every State government, we are also going to expand the Medicaid program by accepting the funds made available under the Affordable Care Act. Also, we will restore a small amount of funding for health and human services at the county level for our most vulnerable populations. It is not a lot of money, but it is
important money. By consolidating some of the programs
launched by the last administration, our Medicaid changes make
the program better and save more.

The changes that I am proposing today, however, are not just
about raising money. They are also about making government
work better and making it work for everyone. Since my first day
in office, my administration has been committed to government
reforms that increase efficiency, reduce waste, and eliminate
cronyism and corruption. Our government should be transparent
and fully accountable. Taxpayers deserve to know how every
penny is spent. That is why one of my first acts was to issue
Executive orders forbidding employees of the executive branch
from accepting gifts, the just-say-no-thank-you policy. I also
signed an Executive order banning no-bid legal contracts that
have wasted millions of taxpayer dollars.

We also established the Governor's Office of
Transformation, Innovation, Management, and Efficiency to
find ways to streamline management and better serve
Pennsylvania's citizens. The new office will focus on improving
coordination between agencies, modernizing State government
operations, and seeking out partnerships, where appropriate,
with the private sector. Right now our State agencies are given
incentives – and this is an example – to spend every dollar. If
they do not spend their entire budget, their budget will likely be
cut the next year. That is perverse, it is shortsighted, and it
needs to change.

Instead, we are going to give State agencies incentives to
save money. We expect these efforts to generate up to
$150 million in immediate savings and hundreds of millions of
dollars over the long term. And we are looking at even more
reforms to make the government more responsible and
responsive to the people it serves. For instance, we are going to
modernize State-run liquor stores and make them more
consumer-friendly. We are going to make the State and
municipal pension systems stronger. Believe it or not, as
I mentioned earlier, our State has been wasting hundreds of
millions of taxpayer dollars on Wall Street managers to handle
State pension accounts. But studies have shown that simply
investing this money in a safe, conservative account would
produce a similar return over the long term while eliminating
these excessive management fees.

So here is what we are going to do: We are going to stop
excessive fees to Wall Street managers. We are going to
improve retirement security for State workers. With these and
other improvements, we are going to save taxpayers nearly
$1.3 billion over the next 5 years while creating savings of
$10 billion in the unfunded liability. Individually, these reforms
aim to increase efficiency and eliminate wasteful spending, but
taken together, they make big strides toward a larger goal, a
government that works.

Another part of government that works is restoring trust. And
that is why I look forward to working with the legislature on
other important reforms that will improve people's trust in
government, things like campaign finance reform and
redistricting reform.

So this is a budget that respects and honors the great
potential of this State and of our people. The ideas that I am
proposing today represent a starting point, and we need to get
started right away, because today Pennsylvania stands at a
crossroads. We have a $2.3 billion deficit, we have an education
crisis, and a sluggish economy. Our credit rating has been
dowgraded five times in a row, making us one of the least
creditworthy States in the nation. And since the beginning of
2011, Pennsylvania has been near the bottom in the country in
job creation. That is clearly not acceptable.

Now, I am not here to assign blame or pretend that I have all
the answers. The reality is, times have changed and ideas that
may have worked in the past simply are not working anymore.
It is time to do something different and work together to get the
State back on track. Our budget should be as bold and ambitious
as Pennsylvania has been over the past 300 years.

Today I laid out my plan, and I am going to fight for it. And
I recognize that some of you will not agree with all or parts of
it, and I recognize that we are going to have a robust
conversation. That is how our democracy works. But if you do
not agree with my ideas, here is my request: Please come with
your own ideas. It is not good enough just to say no and
continue with the same old same old. It is our responsibility to
the people of Pennsylvania. That is our responsibility to
the people of Pennsylvania. They may have voted for divided
government, but they did not vote for gridlock or dysfunction.
We have to find ways to deliver the solutions that we all
promised. I want ambitious people, and I know we all do,
ambitious people to see Pennsylvania as the best place to begin
a career. I want them to have confidence that if they come here
and take a risk, it will pay off.

I ran for Governor because I refuse to be part of the first
generation of Pennsylvanians forced to tell their kids they need
to go somewhere else to succeed. I know that we can get our
State back on track because we still have all the qualities that
make Pennsylvania so great. We still have the most innovative,
resilient people anywhere. There is no reason why we cannot
have the best schools. There is no reason why we cannot have
the most dynamic economy. There is no reason why we cannot
make Pennsylvania so great. We still have the most innovative,
State back on track. Our budget should be as bold and ambitious
as Pennsylvania has been over the past 300 years.

Keep in mind, we are the State that built America. Let us be
the generation that rebuilds Pennsylvania.

Thank you very much, and may God bless the
Commonwealth of Pennsylvania.

JOINT SESSION ADJOURNED

The LIEUTENANT GOVERNOR. The Chair asks the
members of the House and visitors to please remain seated for
just a moment while the members of the Senate leave the hall of
the House.

The business for which the joint session has been assembled
having been transacted, this session is now adjourned.

THE SPEAKER (MIKE TURZAI)
PRESIDING

The SPEAKER. The House will be in order.
STATEMENT BY MINORITY LEADER

The SPEAKER. The good gentleman, Mr. Dermody, the Democratic leader, will first be recognized for remarks. He will be followed by the majority leader, Mr. Reed; then Mr. Markosek, the minority Appropriations chair; and then Mr. Adolph will close our remarks, the majority Appropriations chair.

Mr. Dermody, the floor is yours.
Mr. DERMODY. Thank you, Mr. Speaker.
Mr. Speaker, what we heard today from Gov. Tom Wolf is a historic budget plan. The scope of what he proposes to do is wider than any Pennsylvania Governor has attempted in decades.

We have suffered through 4 years in Pennsylvania with a Governor whose first choice was always to cut, and it did not work.

During the campaign for Governor, Governor Wolf promised Pennsylvanians a fresh start. With this budget plan, he keeps that promise. He gives Pennsylvanians a fresh start, and goodness knows, we need one.

The Wolf plan represents fairness for the middle class. There are $3.8 billion in property tax cuts for Pennsylvania homeowners, and over one-third of our senior households will have their property taxes eliminated.

Unlike the last 4 years, this is a budget that is not built on a shifting foundation of gimmicks and one-time fixes.

The Governor has offered a budget plan today that is bold in action and comprehensive in scope. It addresses head-on the budget problems left to Pennsylvania by the previous administration, and it proposes real solutions. Governor Wolf's budget proposal sends a strong signal that the days of gimmicks and one-time fixes are over. The days of real action and real honesty with the people of Pennsylvania are upon us.

STATEMENT BY MAJORITY LEADER

The SPEAKER. The majority leader, Dave Reed.
Mr. REED. Thank you very much, Mr. Speaker.
If there is one thing that I agree with my counterpart on the Democratic side of the aisle today, we certainly heard a historic speech, and I think when you hear a historic speech, you should probably put it into a bit of a historical context. And to begin that process, I would like to start with a quote from a former President of our country on budgeting and economic development.

And I quote, "...this administration intends to cut taxes in order to build the fundamental strength of our economy, to remove a serious barrier to long-term growth, to increase incentives by routting out inequities and complexities and to prevent the even greater budget deficit that a lagging economy would otherwise surely produce...."

"Every dollar released from taxation that is spent or invested will help create a new job and a new salary. And these new jobs and new salaries can create other jobs and other salaries and more customers and more growth for an expanding American economy," end quote.

Now, these are not the words of a conservative icon like Ronald Reagan; these are the words of former Democratic President John F. Kennedy in 1962.

All of us who want to live in a Pennsylvania where we can succeed together should be able to support the goals in this proposal. As Democratic leader, I am ready to join Governor Wolf in meeting our challenges head-on.

Because of bad choices that were made here in the last 4 years, Pennsylvania is facing a huge structural budget deficit, but Governor Wolf is showing bold leadership and a clear vision by offering a budget that will actually work, that actually solves the problem. It is a budget based on reality, not on gimmicks and wishes. It is a plan, if we can make it happen, that will set our State up for a much more prosperous future.

This is a budget about bringing good-paying jobs back to Pennsylvania and once again growing a healthy middle class. It makes the important investments we need in education to provide our children with an opportunity for success in the future and our businesses with the workers they need to succeed. It improves our business climate, while ensuring that all our job creators are competing on a level playing field. This budget cuts business taxes.

Governor Wolf's budget treats our State's workers with dignity and recognizes the value of the work they do and the role they play in our State's economic success. The Governor's proposal makes it easier for senior citizens and other homeowners and renters across Pennsylvania to stay in their homes. It generates the new State revenue that is necessary to keep public schools strong in all our communities.

The Governor promised that his focus would be on reinvesting in our schools and rebuilding Pennsylvania's middle class. He promised a fresh start and a Pennsylvania that works for everyone, where everyone makes a fair contribution, in which everyone has a stake.

This is the comprehensive blueprint we received today, and I am committed to working with everyone in this room, everyone in this room, to make sure that it happens.

Thank you, Mr. Speaker.
As we look at the historical perspective on this budget, bringing it down to the State level, I think when we evaluate spending and taxation, it is always helpful to put those numbers into context as well.

For example, it took our Commonwealth 320 years, from 1963 to the year 2003, to take our budget from zero to $20 billion. During the 8 years of the Rendell administration he took our budget from a budget of $20 billion to $28 billion, a 40-percent increase in spending in 8 years alone. During the Corbett years, the Corbett administration took the budget from $28 billion to $29 billion, a 3.5-percent increase in spending. This budget taken in totality represents State spending going from $29 billion to $33.8 billion, a $4.75 billion increase in State spending, a 16.3-percent increase in growth in 1 year alone.

Now, we are responsible not just for this year's budget, but also for projecting out to the future. If we were to take that rate of growth and project it out over a full 8 years of a Wolf administration, our State budget would go from $29 billion to $95 billion, a $66 billion increase in spending, a 227-percent increase in spending in 8 years alone. So we would go from zero to 20 in 320 years and in 20 years we would go from $20 to $95 billion. Whether that is the right or wrong direction for the people of Pennsylvania, I believe those people will have their views heard over the next several months.

Now, to the Governor's credit, he is not taking the approach of smoke and mirrors with this budget. He is being intellectually honest with the budget proposal he has put forth. He is not taking the Rendell approach of using one-time Federal stimulus dollars to the point of $7 billion and plugging it into operating expenses to make people feel like we have a balanced budget when we know that we do not. He is actually willing to delineate the $2.5 billion in new taxes he is willing to raise on working families across this Commonwealth to accomplish that goal.

Now, as concerned as we are about the macro numbers, and I think the people of Pennsylvania will be concerned as well about a $5 billion spending increase and a $2 1/2 billion tax increase, I do think there are a lot of goals the Governor presented today that we share. We want jobs that pay, we want schools that teach, and we want government that works. And we are fully willing to engage in a legitimate discussion on these public policy issues.

We believe that jobs that pay can be accomplished through competitive tax rates, and we are glad that the Governor has recognized that the time has come for Pennsylvania to no longer have the highest taxes in the nation on job creators. We recognize a willingness to talk about ending corporate tax loopholes and ending corporate welfare. The conservative think tank, the Commonwealth Foundation, put over $700 million worth of corporate welfare spending in our State budget on the table to be evaluated for cuts.

We believe in investing in infrastructure – roads, bridges, water, sewage, Internet access for rural communities. We believe in training workers, but training them for a way for jobs that actually exist when they end those programs. We want schools that teach, but schools that teach is not just about adequacy of funding and more dollars; it is also about a real discussion on how we raise those dollars.

The Governor put forth a proposal on property tax reform. Our members support moving away from property taxes, the primary funding mechanism for our public schools. We want to do it in a dollar-for-dollar manner, not a "we are going to save some of the money, we are going to spend some of the money, we are going to reduce taxes with some of the money." We want dollar-for-dollar property tax reductions for our homeowners across this Commonwealth.

We want to talk about what is the fairest manner of distributing these funds, what is a fair and equitable funding formula. We want to address cost drivers for our public education system, and at the forefront is pension reform. We welcome the Governor to the discussion of addressing our public pension system in this Commonwealth. He will find willing negotiators on that topic going forward within our caucus.

And most importantly, as we evaluate the quantity of the dollars we spend on education – how to raise them, what is the right dollar amount, how to distribute them, how to curtail the needs for such increases – we want to focus on not just the quantity of those dollars; we want to talk about the quality of the product. We want to talk about how do we make our education system better so we are producing a better product with those dollars, producing graduates that know how to read, they know how to write, they know how to do basic arithmetic, they are ready to enter the workplace once they graduate. That is the goal for our educational system. It is not just pouring more money into it. It is actually producing a system that produces a product that is in the best interest of our kids.

And we share the Governor's goal of having a government that works, a government that works for the people, for the taxpayers, for our neediest citizens, for this generation and the next generation. Now, that may be bringing our liquor system into the 21st century. That may be finding ways to take our neediest citizens and transitioning them from a life of poverty to one of self-sustainability.

But we want a government that works each and every day, a government that shows up at the office and each and every day is focused on one thing. It is not just focused on creating more programs or spending more money to make its citizens more dependent upon it. We want to focus on a government that works each and every day with a singular goal of creating an atmosphere in this State where our citizens are actually financially independent from their government.

This is the government we desire, this is the America of which we dream, and this is the vision our caucus is committed to working with our colleagues across the aisle, our colleagues in the Senate, and the Governor to bring home to Pennsylvania over the next couple months.

Thank you, Mr. Speaker.

STATEMENT BY MR. MARKOSEK

The SPEAKER. The good gentleman from Allegheny County, the minority Appropriations chair, Joe Markosek.

Mr. MARKOSEK. Thank you, Mr. Speaker.

Mr. Speaker, first I want to congratulate the two speakers prior to this, particularly the majority leader. A lot of what he just said sounds like a lot of what the Governor actually just said about how we feel about Pennsylvanians and all the good things that we want to bring to them with this new budget. Certainly there are differences.

But today, Mr. Speaker, in Governor Wolf's first budget address he presented us with a comprehensive plan that, one,
restores many of the previous administration's harsh cuts to
education and human services; two, fixes the structural budget
deficit; three, provides targeted investments to grow the
economy and spur job creation; and four, recommends measures
to improve tax fairness and reduce property taxes.

Governor Wolf walked into office a little over a month ago,
facilitating an impossible situation – a more than $2 billion structural
budget deficit, just to pay for the budget basics, not to do
anything extra, but just to pay for the budget basics.

You know, if you look up the word "governor" in the
dictionary, you get a very short definition. It is "a person who
governs." If you look up the word "governance," it is very short
also, "the action, manner, or system of governing."

I applaud Governor Wolf for taking the lead on the budget
and bringing governance back to the Governor's Office. Why?
Because the status quo is not working. We are at a critical point
where we can no longer postpone making the tough, tough
decisions. There are no more easy answers. It is time for
leadership. It is time for governance. It is time for a strong
Governor's budget.

A structural deficit does not magically disappear. Governor
Wolf offers long-term solutions to close the gap and put the
Commonwealth back on track.

He presented us with a real budget, unlike the budget passed
last year, which was shortsighted, full of gimmicks, raided
special funds, and basically amounted to nothing more than a
shell game, a shell game that led in part to the downgrades of
our credit rating. The credit agencies called for Pennsylvania
to balance its budget with sustainable sources of revenue, rebuild
its Rainy Day savings account, and pay its bills, which this
proposal does.

The Governor tackles major State and local issues that we
have been facing for a long time: burdensome property taxes
and an artificially high corporate tax rate.

As you heard me say many times over the last 4 years,
budgeting is all about priorities. It is clear to me what the
Governor values and where his priorities are: education and
rebuilding the middle class.

I, along with my colleagues in the Democratic Caucus, share
these priorities. We share them with the Governor and every
Pennsylvanian. I believe that many of our Republican
colleagues feel the same way.

In many ways this budget is about righting the wrongs of the
past. For example, education. Under this proposal, the Governor
recognizes that our local school districts are in distress and
quality education should not be dictated by a child's ZIP (Zoning Improvement Plan) Code. Every child deserves a
fair chance no matter where they live.

The Governor prioritizes education and meaningfully restores cuts to K through 12 and higher education, including
investing in my favorite, the all-important early childhood
education, something that I personally feel is very important. He
proposes to bring the State's share of overall education funding
to more than 50 percent, finally establishing a 50-50 partnership
with our local communities.

Higher education. The Governor recognizes that access to
quality, affordable, postsecondary education is key to rebuilding
Pennsylvania's economy. The Governor's proposal indicates his
commitment to fully restore, over 2 years, the cuts to higher
education.

Human services. While the Governor proposes to increase
spending for human services, much of the increase is necessary
to fill the budget hole created by the prior administration when
the State opted to delay its payments and raid special funds. The
Governor restores, over 3 years, the $84 million cut to our
county-run human services programs. His proposal also
provides for the most vulnerable citizens among us by reducing
the waiting list for individuals with intellectual disabilities and
adults with autism.

Jobs. In recent years Pennsylvania has ranked consistently at
the bottom of the list of job growth. In order to grow the middle
class, the Governor proposes targeted investments in proven
programs to create new jobs. His budget makes a substantial
investment to support economic development and clean energy
investments in solar, wind power, and energy efficiency.

Tax fairness. His proposal includes measures to improve tax
fairness. The Governor proposes a reasonable severance tax that
the administration estimates would generate $1 billion in its first
full year. His proposal uses most of the new severance tax
revenues for education, while preserving funds driven out to our
local communities through the impact fee created by Act 13.

Every other major natural gas producing State in the country
has a severance tax. Unlike the current impact fee, a severance
tax reflects the real value of the natural resources companies are
taking out of the ground.

Governor Wolf proposes $3.8 billion in local tax relief for
homeowners, renters, individuals, and businesses. Let me repeat
that. Governor Wolf proposes $3.8 billion in local tax relief for
homeowners, renters, individuals, and businesses. According to
the administration, this means more than a 50-percent reduction
in property taxes for the average homeowner and 270,000 senior
households, or nearly 30 percent, would have their school
property taxes totally eliminated. A third of the senior
households would have their school property taxes eliminated.

The Governor proposes to close corporate loopholes and
lower the State's corporate income tax from the second highest in
the country to the 14th lowest, removing the sticker shock
from that tax rate. Unlike the prior administration's business tax
policy, Governor Wolf proposes a balanced approach that does
not sacrifice investments in education and other core
government services.

The Governor's budget is comprehensive and includes other
key investments such as preserving retirement security
promised to workers, while paying the State's legally required
payments and debts owed. He provides a plan to significantly
reduce pension debt and provide immediate relief to our school
districts. And he proposes modernizing the liquor store system
to provide improved customer convenience.

With challenges come opportunities, a chance to reevaluate.
This budget proposal provides us with a solid starting point.

This is the first day of the budget process, the top of the first
inning. Keep in mind, budgeting is a team sport and we must
all, Democrats and Republicans, work together. The Governor
has stepped up to the mound, toed the rubber, and pitched us his
plan, straight across the plate. Now it is up to us, the General
Assembly. Are we going to strike out, or are we going to hit a
home run?

I, along with my colleagues in the House Democratic
Caucus, look forward to rolling up our sleeves and getting to
work on this budget. And as far as teammates go, I cannot think
of a better one than my colleague on the other side of the aisle, majority chairman of the Appropriations Committee from Delaware County, who will, I am sure, work hand in hand with us as we move forward in crafting this budget.

Of course, I look forward to working with Chairman Adolph to enact a budget that, one, closes the budget gap; two, that begins to restore the devastating budget cuts of the past 4 years; three, that invests in basic and higher education; four, that supports the health and well-being of low-income adults, seniors, and children; five, that provides agencies with necessary resources and fulfills promises made to those workers; six, that protects our environment; seven, that fosters job growth; and last but not least, eight, that improves our overall tax climate and fairness.

The game has started. The Governor has unleashed his best pitch. The legislature is now on deck. Let us hit it out of the park.

Thank you, Mr. Speaker.

STATEMENT BY MR. ADOLPH

The SPEAKER. The good gentleman, Representative Adolph, the majority Appropriations chair.

Mr. ADOLPH. Thank you very much, Mr. Speaker.

I would like to thank the gentleman from Allegheny County on his compliment, but flattery will not help you today. But I am certainly looking forward to working with you.

I will start off by saying that, and something that I have said many times on this floor over the last 4 years, it is the same thing that Governor Wolf said today to us, if you do not like my budget, show me yours. Now, Chairman Markosek knows that for the last 4 years I said, if you do not like our budget, show me yours.

So that, Governor Wolf, I applaud you because I have always thought in order to get things done here in Harrisburg we should be working together, not being a party of no because it is not our job to be a yes on a budget. Some of the complaints that I have heard today may have been different if we had cooperation. I look forward to cooperation, but let us start off with the facts, let us start off with the facts.

This budget spends $33.8 billion, a record level of State spending. Governor Wolf proposes tax increases, a menu of tax increases, that total $4.7 billion.

I have heard about budget gimmicks. I have heard about transparency. I stood in front of you last year and I said, we are taking money out of various State agencies’ reserves. I did not get one phone call from one constituent complaining about that adjustment. Why should money be sitting in reserves that is not going to be used?

However, this Governor starts off by not including in the General Fund almost $2 billion of public school employee retirement funds, moves it out of the general budget, moves it out of the general budget and puts it in a restrictive account. Transparency, that is part of that $33 billion.

Also, the 2.1 in property tax relief. I cannot agree more with Majority Leader Dave Reed regarding the dollar-for-dollar. I would like to know what ZIP Codes are going to get that money as well, because I know what ZIP Codes are going to be paying that increase in State income tax. I happen to live in one, 19064, 19064, pays plenty of State income tax.

I heard all during the Governor's speech that he is a businessman. Well, so am I, a small business man. When I leave here, I go and I prepare tax returns for my friends and my neighbors, and I know what 3.07 percent means rather than 3.7 percent means. A 21-percent increase, just because the numbers are the same, does not mean people are not going to spend more.

Six-point-six percent sales tax as opposed to 6-percent sales tax. It does not sound like much. Well, when you start including an additional 300 more products and services, all of the sudden everything that you do during the day is now taxed at 6.6 percent. Start with the morning paper; that is what I do. That is now going to be subject to a 6.6-percent sales tax. As I said outside in the lobby, when I go get my haircut – and I get less haircuts nowadays – however, it is going to cost 6.6 percent more. When you go see your attorney to do a will, when you go talk to an architect, a building designer, all now subject to 6.6-percent sales tax. I know no one in this House smokes, but now your cigarettes are going to cost a dollar more a pack.

You add all this up, you add all this up, the average median income in Pennsylvania is $52,000. I played around with some figures last night and $52,000, based upon these simple proposals, same numbers, but different percentages, that average person will probably pay more than $1,000 a year in Pennsylvania taxes, State income tax, sales tax, if they smoke maybe a cigarette tax, so this is not a decrease on the middle class.

I need to find out what the proposal is, and when the money comes to Harrisburg for property tax relief, who is getting the property tax relief? I would be very surprised if 30 percent of our senior citizens will have their school property taxes eliminated next year under this proposal, but we are going to find that out during this budget process.

Let us talk a little bit about what was left out of this budget. And I know I have good friends on the other side of the aisle, and they know I stood at this very podium over the years and criticized Governor Corbett and Governor Rendell on, why in the world would you eliminate funding for epilepsy? Why would you eliminate funding for the burn centers throughout the Commonwealth of Pennsylvania? In the rural areas, why in the world would a Governor eliminate critical access centers? The funding for that, zeroed out. A decrease in sickle cell anemia, why? Why?

You are increasing taxes by close to $5 billion. Why do you have to eliminate funding for all those programs that we all have neighbors and family who want. ALS (amyotrophic lateral sclerosis), I look at the majority whip who was the champion for that issue, why would you eliminate that funding? Transparency? I do not think so. I do not think so.

So I am going to go through this budget line by line. I am looking forward to working with Chairman Markosek and the rest of the members of the Appropriations Committee, but we are going to put together another balanced budget on time, because we are going to present a budget. Okay? And I understand there were shortfalls, and I told my caucus that, there were shortfalls in last year's budget and we need to fix it, and we will fix it. But I want to go home and I want to ask my constituents, are you ready to pay these types of increases because I do know $1,000 decrease in school property taxes is not going to eliminate school property taxes in my area, because, ladies and gentlemen, I average about 12 percent of
our school budgets from the State of Pennsylvania, and in my area, we pay about 35 percent of the State revenue. So I want you to think about that.

We are not rolling over and we are going to negotiate a good budget, one where all the taxpayers of Pennsylvania are going to be represented and all the businesses are going to be represented, because let me tell you something about the corporate net income tax decrease, and I do not know what large companies you may have in your district, but when you use combined reporting, some of your largest employers in this Commonwealth will see a tax increase. Now, that is okay. Just ask your neighbors who work there.

So let us be transparent. It is a decrease on some small Pennsylvania-based businesses, but some of our largest companies here that employ our friends and neighbors and family members also work for those national companies. So let us just put it all on the table, put it all on the table, transparency.

Thank you very much. I am looking forward to working with each and every one of you.

The SPEAKER. Thank you to all the leaders.

We are going to move to second consideration of bills.

CALENDAR

BILLS ON SECOND CONSIDERATION

The House proceeded to second consideration of HB 57, PN 49, entitled:

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, in rates, further providing for sliding scale of rates and adjustments; and, in natural gas competition, further providing for duties of natural gas distribution companies.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

The House proceeded to second consideration of HB 315, PN 322, entitled:

An Act amending the act of October 24, 2012 (P.L.1209, No.151), known as the Child Labor Act, further providing for definitions and for occupations and establishments.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

The House proceeded to second consideration of HB 319, PN 324, entitled:

An Act amending the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, further providing for decision of referee, further appeals and reviews and for powers of board over claims.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

The House proceeded to second consideration of HB 568, PN 638, entitled:

An Act amending the act of November 10, 1999 (P.L.491, No.45), known as the Pennsylvania Construction Code Act, in exemptions, applicability and penalties, further providing for applicability to certain buildings.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

RESOLUTION

Mr. SAYLOR called up HR 102, PN 567, entitled:

A Resolution establishing the select subcommittee on Technical Education and Career Readiness to investigate, review and make recommendations concerning career training programs to ensure that every student has the opportunity to pursue a meaningful career.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS–199

Acosta, R. Evankovich, K. Knowles, C. Ravenstahl, D.
Adolph, J. Everett, K. Kolibash, R. Reed, D.
Baker, D. Fabrizio, C. Krieger, E. Regan, D.
Barbin, R. Farina, L. Lawrence, J. Reese, J.
Barrar, S. Farry, W. Lewis, G. Regan, A.
Benninghoff, J. Fee, M. Longietti, J. Roe, R.
Bishop, B. Flynn, W. Mackenzie, R. Roebuck, R.
Bizzarro, J. Frankel, D. Maher, J. Ross, J.
Bloom, C. Freeman, W. Mahoney, F. Rozi, J.
Boback, J. Gabler, D. Major, M. Sabatina, R.
Boyle, K. Gaine, D. Maloney, A. Saccone, T.
Braddock, A. Galloway, L. Markosek, P. Sainato, J.
Briggs, J. Gergely, J. Marshall, K. Samuelson, D.
Brown, R. Gibbons, W. Marsico, J. Sankey, B.
Brown, V. Gillen, J. Maser, M. Santarsiero, V.
Brownlee, D. Gillespie, C. Matzie, F. Santora, S.
Bums, K. Gingrich, M. McCarter, L. Saylor, M.
Caltagirone, G. Godshall, R. McGinnis, S. Schremel, J.
Carroll, M. Goodman, K. McNeill, T. Schlossberg, S.
Causer, J. Greiner, P. Mentzer, B. Schreiber, E.
Christiana, C. Grell, D. Metcalfe, M. Schweyer, C.
Cohen, A. Grove, D. Metzgar, B. Simmons, J.
Conklin, C. Hahn, D. Miccarelli, R. Sims, S.
Corbin, J. Hanna, G. Millard, B. Snyder, J.
Costa, D. Harhai, J. Miller, B. Sonney, J.
Costa, P. Harhart, D. Miller, D. Staats, A.
Cox, J. Harkins, R. Milne, J. Stephens, D.
Cruz, P. Harper, C. Moul, M. Sturla, E.
Culver, J. Harris, A. Mullery, D. Tallman, J.
Cutler, J. Harris, J. Murt, A. Taylor, B.
Daley, M. Heffley, T. Mustio, C. Thomas, L.
Daley, P. Helm, P. Nesbit, T. Tobash, D.
Davidson, S. Hennessey, D. Neuman, D. Toepel, E.
Davis, K. Hicke, D. O'Brien, J. Toohil, J.
Dawkins, A. Hill, G. O'Neill, J. Topper, T.
Day, P. Irvin, D. Oberlander, C. Trout, C.
Dean, L. James, P. Oritay, A. Vebre, K.
Deasy, L. Jozwiak, P. Parker, C. Vitali, A.
DeLissio, K. Kampf, G. Parker, D. Ward, J.
Delozier, K. Kaufer, M. Pashinski, A. Warner, J.
DeLuca, J. Kauffman, D. Payne, P. Waters, J.
Dermody, J. Kavalich, P. Peifer, D. Watson, D.

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RESOLUTION

Mr. SAYLOR called up HR 102, PN 567, entitled:

A Resolution establishing the select subcommittee on Technical Education and Career Readiness to investigate, review and make recommendations concerning career training programs to ensure that every student has the opportunity to pursue a meaningful career.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

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Acosta, R. Evankovich, K. Knowles, C. Ravenstahl, D.
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Barrar, S. Farry, W. Lewis, G. Regan, A.
Benninghoff, J. Fee, M. Longietti, J. Roe, R.
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Briggs, J. Gergely, J. Marshall, K. Samuelson, D.
Brown, R. Gibbons, W. Marsico, J. Sankey, B.
Brown, V. Gillen, J. Maser, M. Santarsiero, V.
Brownlee, D. Gillespie, C. Matzie, F. Santora, S.
Bums, K. Gingrich, M. McCarter, L. Saylor, M.
Caltagirone, G. Godshall, R. McGinnis, S. Schremel, J.
Carroll, M. Goodman, K. McNeill, T. Schlossberg, S.
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Cohen, A. Grove, D. Metzgar, B. Simmons, J.
Conklin, C. Hahn, D. Miccarelli, R. Sims, S.
Corbin, J. Hanna, G. Millard, B. Snyder, J.
Costa, D. Harhai, J. Miller, B. Sonney, J.
Costa, P. Harhart, D. Miller, D. Staats, A.
Cox, J. Harkins, R. Milne, J. Stephens, D.
Cruz, P. Harper, C. Moul, M. Sturla, E.
Culver, J. Harris, A. Mullery, D. Tallman, J.
Cutler, J. Harris, J. Murt, A. Taylor, B.
Daley, M. Heffley, T. Mustio, C. Thomas, L.
Daley, P. Helm, P. Nesbit, T. Tobash, D.
Davidson, S. Hennessey, D. Neuman, D. Toepel, E.
Davis, K. Hicke, D. O'Brien, J. Toohil, J.
Dawkins, A. Hill, G. O'Neill, J. Topper, T.
Day, P. Irvin, D. Oberlander, C. Trout, C.
Dean, L. James, P. Oritay, A. Vebre, K.
Deasy, L. Jozwiak, P. Parker, C. Vitali, A.
DeLissio, K. Kampf, G. Parker, D. Ward, J.
Delozier, K. Kaufer, M. Pashinski, A. Warner, J.
DeLuca, J. Kauffman, D. Payne, P. Waters, J.
Dermody, J. Kavalich, P. Peifer, D. Watson, D.

* * *
The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

**REPUBLICAN CAUCUS**

**APPROPRIATIONS COMMITTEE MEETING**

The SPEAKER. I would like to recognize the good gentleman from Delaware County, the majority Appropriations chair, Representative Adolph, for a committee announcement—Representative Reed.

Mr. REED. Thank you very much, Mr. Speaker.

There will be a caucus tomorrow morning in the majority caucus room at 10:15 for the Republican members, and the House Appropriations Committee will meet at 10:45 in the majority caucus room.

Thank you, Mr. Speaker.

The SPEAKER. Thank you.

There will be a House Appropriations Committee meeting tomorrow at 10:45 in the majority caucus room.

**DEMOCRATIC CAUCUS**

The SPEAKER. Representative Frankel.

Mr. FRANKEL. Thank you, Mr. Speaker.

Democrats will caucus in 15 minutes at 2:15. Democrats will caucus at 2:15. Thank you.

**BILLS RECOMMITTED**

The SPEAKER. The Speaker recognizes the majority leader, who moves that the following bills be recommitted to the Committee on Appropriations:

HB 57;
HB 315;
HB 319;
HB 568.

On the question,
Will the House agree to the motion?
Motion was agreed to.

**BILLS REMOVED FROM TABLE**

The SPEAKER. The Speaker recognizes the majority leader, who moves that HB 33 and HB 264 be removed from the tabled calendar and placed on the active calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

**RESOLUTION REFERRED**

The SPEAKER. The Speaker states for the record that the following resolution should be removed from the uncontested calendar and referred to the Environmental Resources and Energy Committee, that is HR 133.

**BILLS AND RESOLUTIONS PASSED OVER**

The SPEAKER. Without objection, all remaining bills and resolutions on today’s calendar will be passed over. The Chair hears no objection.

**ADJOURNMENT**

The SPEAKER. At this time the gentlelady from Bucks County, Representative Watson, moves that this House be adjourned until Wednesday, March 4, 2015, at 11 a.m., e.s.t., unless sooner recalled by the Speaker. Thank you.

On the question,
Will the House agree to the motion?
Motion was agreed to, and at 1:59 p.m., e.s.t., the House adjourned.