



Plans for all Pennsylvanians

Eight-Point Strategic Jobs Plan for Pennsylvania

My **Eight-Point Strategic Jobs Plan for Pennsylvania** will create at least **382,750** jobs and raise more than **\$8 billion a year** to fund vital services. Millions of hard-working Pennsylvanians can't find a job, are seeking additional hours of paid work, go without a raise for years, or want a job with better pay and benefits. To create jobs in a sustainable manner, my Eight-Point Strategic Jobs Plan would kick-start Pennsylvania's flagging recovery, make long-term investments for a strong economy, and eliminate wasteful state spending.

Job creation starts with getting the basics right and investing in the foundation of a dynamic 21st century economy—in education and training and in a world-class infrastructure that capitalizes on Pennsylvania's strategic location within reach of half the nation's population and more than half of its manufacturers. Yet, Governor Corbett has neglected our infrastructure and attacked Pennsylvania's public education and training systems. This has slowed economic growth, sabotaged the state's long-term economic prospects, and reduced state tax revenues

Corbett, under the influence of Grover Norquist and the Tea Party, believes he can cut his way to prosperity—slashing taxes for favored businesses, not taxing gas drilling, decreasing enforcement of environmental and other regulations, and cutting or privatizing government services. Meanwhile, Corbett's budget cuts have singled out the vulnerable with laser-like precision, hurting children at public schools, families without health care and jobless workers who now receive lower unemployment benefits—then, the Governor rubs salt in the wounds by blaming them for not having one of the jobs he hasn't created.

Two and a half years of Tom Corbett's mismanagement of Pennsylvania's economy gave us a vivid lesson in how not to create jobs. Governor Corbett does not understand our economy and believes that the gas industry alone will create broad prosperity for Pennsylvania. His attacks on education, clean energy, and health care, and neglect of transportation, tourism, agriculture, manufacturing, and infrastructure explain why Pennsylvania fell from 7th in job creation in 2010 to near the bottom of all states today.

I understand the economy. We need a pragmatic mix of markets, public investment, and public-private cooperation to restore our job market to full employment and restore our economy. I will implement this Eight-Point Strategic Jobs Plan to put Pennsylvanians back to work:

- Invest in public education, worker skills, health care, transportation, and infrastructure
- Spur new industries and revitalize manufacturing through Innovation Partnerships

- Develop alternative energy resources and efficiency
- Build a statewide network of alternative fueling stations for natural gas and electric vehicles
- Restore and protect the environment to increase green jobs
- Reject the jobs-killing Norquist Tax Pledge and raise revenues for key investments
- Cut \$931 million of wasteful spending and redirect those funds
- Create smart economic development incentives

Invest in public education, worker skills, health care transportation, and infrastructure

Total Jobs Created – At least 215,000

Reinvest in public education - For the sake of our children and our economy, state government must provide 50 percent of the costs of public education. Boosting the state’s share of education funding will create jobs and help school boards avoid raising property taxes, laying off teachers and staff, and cutting vital classes and services like the arts, tutoring, and summer school. New funding for public schools should be targeted toward early childhood education, intensive master-teacher training, longer school days and school year.

By restoring the \$1 billion to public education that Governor Corbett cut, our schools can rehire 19,000 teachers and other school employees that they laid off in the last two years. We send \$975 million a year to charter schools, but 71 percent of them do not meet Adequate Yearly Progress. Withholding funding to failing charter schools will allow us to shift funding back to public education and good-performing charter schools.

Pennsylvania also must do a much better job to foster excellent technical training and network educational programs with employers. Governor Corbett inherited the state’s national model program for networking training with employers—via industry training consortia or “Industry Partnerships”—a program that has universal strong support from the business community. He promptly cut its funding more than 75 percent, despite a campaign promise to “maintain” the program.

To boost technical training and networking with employers, my plan includes \$30 million for a challenge grant program—requiring employers to put skin in the game—to fund Industry Partnerships and other technical training-employer initiatives (including learn and earn models such as internships, coops, and apprenticeships) that then can be replicated all across Pennsylvania.

Pennsylvania can no longer afford to slash funding for our public universities and colleges that are major employers and job creators. Corbett’s cuts caused layoffs and damaged research, development, and job creation at these vital state institutions. At Penn State alone, hundreds of employees lost their jobs. Instead of slashing their funding, we must increase funding to them by 5 percent per year to spur job creation, as long as these institutions limit tuition increases to no more than the rate of inflation.

Expand Medicaid - By saying yes to Medicaid expansion, Pennsylvania will receive \$4 billion in increased health care funding from the federal government, insure about 700,000 currently uninsured Pennsylvanians and create [41,000](#)¹ jobs.

Hospitals are the largest employer in many counties. State government must help, not hurt, these employers and health care providers. Saying yes to Medicaid expansion will also save state taxpayers at least \$185 million just in the 2013-14 state budget.

Invest in transportation - The governor's own Transportation Advisory Commission recommended increasing investment in roads, bridges, and public transit by \$2.5 billion a year in five years. Over a decade, this level of transportation funding would create [145,000](#)² jobs. Unfortunately, the governor has ignored the recommendations of his advisory commission.

Rebuild and upgrade sewer and water systems - I would also ask the voters to approve \$1 billion in bonds to pay for local water and sewer projects statewide. Interest rates are at historic lows. It will never be cheaper than today to rebuild our aging infrastructure and create major new assets for communities and for future generations - and at least [10,000](#)³ jobs.

Spur new industries and revitalize manufacturing through Innovation Partnerships

Total jobs created – 32,000

Pennsylvania must also invest strategically in innovation to capitalize on two key emerging economic trends. The “reshoring” of manufacturing jobs creates opportunity as more businesses seek to cut shipping costs and locate close to research partners, customers, and suppliers. New manufacturing technologies (such as additive manufacturing or “3-D printing”) achieve unprecedented flexibility and low cost, tilting competitive advantage further towards innovative regions and away from those that only have low labor costs.

Pennsylvania is perfectly positioned to ride the reshoring wave and benefit from technological innovation. The state has world-class higher education and engineering institutions, a diverse manufacturing sector with clusters of strength in many market segments, and effective economic development programs (from the Ben Franklin Technology Partnership to Industrial Resource Centers to Keystone Innovation Zones). Yet, under Governor Corbett the state lacks an economic strategy, has cut investment in innovation, and seen its manufacturing jobs grow at less than half the national average.

I would work with economic development partners to develop a detailed proposal for bond-financed economic development similar to Ohio's Third Frontier program. This would invest in

¹ <http://familiesusa2.org/assets/pdfs/medicaid-expansion/Pennsylvania.pdf>

² <ftp://ftp.dot.state.pa.us/public/pdf/TFAC/TFAC%20Final%20Report%20-%20Spread%20Version.pdf>, pg.54

³ http://www.pacinst.org/reports/water_works.pdf - jobs number assumes 10,000 jobs per \$1 billion of investment

innovation partnerships that mix cutting-edge researchers and entrepreneurial businesses to deliver break-the-mold innovation AND good new jobs and industries in Pennsylvania. Agriculture, energy, and agriculture would be a focus for investment as well as manufacturing. Based on Ohio's experience, this would generate an estimated [32,000](#) jobs as well as have a potential for much more far-reaching, positive impact on long-term growth.⁴

Manufacturing, energy, health care, technology, and agriculture must be particular focuses for innovation, entrepreneurship, and commercialization initiatives.

Double alternative energy resources and energy efficiency

Jobs created – at least 50,750

I will make sure all of Pennsylvania's tremendous energy resources--not just natural gas--are developed. Governor Corbett continues to believe that natural gas alone will bring broad prosperity to Pennsylvania, when neither it nor any single industry can create the 6.5 million jobs we need to be at full employment.

Double our commitment to alternative energy -We can create jobs by spurring investment in renewable energy, energy efficiency, carbon capture and storage, nuclear uprates at existing plants, biodiesel, biomass, geothermal heating and cooling, and combined heat and power systems. I will double renewable energy capacity creating at least [10,750](#)⁵ jobs. Extending and increasing the energy efficiency requirements of Act 129, the energy savings legislation that set conservation and efficiency standards, would create an additional [40,000](#)⁶ jobs. Importantly, many of the new energy jobs will be in manufacturing.

Build a statewide network of alternative fueling stations for natural gas and electric vehicles

Jobs created – 20,000

To cut the job-killing gasoline and diesel expenses of businesses and families, I also will deploy alternative fueling stations for natural gas and electric vehicles throughout the Commonwealth within 8-years. Providing alternative fueling options everywhere in Pennsylvania will give vehicle owners the option to save \$1,000 to \$2,000 per year by being able to buy and use vehicles that run on natural gas and electricity.

⁴ In its first 10 years, the Ohio Third Frontier program has created an estimated nearly 80,000 jobs (<http://research.osu.edu/osu-research/third-frontier-program/>). The 32,000 figure is based on the assumption that this would be the jobs payoff in the first four years.

⁵ http://pennfuture.org/UserFiles/File/Legislation/HB80SB92_Report201001.pdf, 129,000 job years converted to 10,750 jobs

⁶ http://www.pennfuture.org/UserFiles/File/FactSheets/Report_Act129goals_20111220.pdf

Today there are approximately 11 million vehicles on Pennsylvania roads. Many Pennsylvanians will buy natural gas or electric vehicles if they can fuel them no matter where they go in Pennsylvania. A statewide fueling infrastructure network could within 10 years cumulatively save Pennsylvanians approximately \$2 billion per year in fuel cost. That freed income can be used to purchase new goods and services that would generate 20,000⁷ new jobs.

Restore and protect the environment to increase green jobs

Jobs created – at least 65,000

We must act to clean and protect our environment, not just because it is the right thing to do, but because it is also the smart thing to do. Pennsylvania has hundreds of thousands of jobs that depend on tourism, historic places, parks, outdoor recreation, and hunting and fishing.

To make strategic investments in this part of our economy, I will enact Growing Greener III, a \$725 million, seven-year program that follows the successful Growing Greener I and II implemented by Governors Ridge and Rendell.

Pennsylvania can also cut carbon dioxide emissions, harden its electric grid to withstand the more severe storms that are the new normal, and create jobs by implementing Pennsylvania's Climate Action Plan that will create [65,000](#)⁸ jobs.

Clean water and clean air are essential to safeguard public health, control health care costs and create healthy communities. A polluted community is a dying community. Protecting and restoring the environment is an investment in quality of life and economic productivity. Restoring streams, installing air pollution controls and building water and sewer systems puts people to work sustaining the natural systems on which we all depend for our well-being.

Reject the jobs-killing Norquist Tax Pledge and raise revenues for key investments

Raising new revenues must be part of any jobs creation plan. This plan raises \$8 billion annually from new revenues from federal reimbursements, state taxes and user fees. New revenues will be invested in ways that we know create hundreds of thousands of jobs--in roads, bridges, public transit, schools, water, sewer and more. All these projects will also provide a large return on investment for decades to come.

Let us be clear about the Grover Norquist no-tax pledge that Governor Corbett proudly signed. The Norquist pledge is a jobs killer. Corbett's promise to Grover Norquist that he would never, under any circumstances, raise taxes or fees stopped a drilling tax that could have funded

⁷ Estimate based on Mark Zandi multiplier for payroll tax cut and ARRA estimates of costs to generate jobs

⁸ <http://www.elibrary.dep.state.pa.us/dsweb/View/Collection-10677>

public education and avoided 19,000 education layoffs. Corbett's loyalty to Norquist caused a three-year delay in enacting a transportation plan.

We can begin to raise revenues first by simply saying "yes" to the federal government's offer of \$4 billion per year for 10 years to expand Medicaid. Accepting these funds will generate about 41,000 jobs, insure approximately 700,000 uninsured Pennsylvanians, and prevent thousands of job-destroying personal bankruptcies and tragedies. It will also produce for state taxpayers \$185 million just in the 2013-14 budget year in the form of increased tax payments and reduced state expenses.

Along with increased revenue from Medicaid, we can also raise substantial revenues—for a total of more than \$4 billion⁹ per year - by enacting a drilling tax, a tax on smokeless tobacco and cigars, closing the Delaware corporate tax loophole, by enacting the funding recommendations of the Transportation Funding Advisory Commission. The Pennsylvania Lottery also could bring more money into state coffers by expanding the games to include Keno and online games. Interest costs for state bonds are at historic low levels. Now is the time to take advantage of low borrowing costs to make necessary, powerful long-term investments.

I will also convene a task force to conduct a comprehensive review of Pennsylvania's tax structure with the goals of making the tax system fairer and more efficient and lowering property taxes.

Cut \$931 million in government waste and redirect those funds

We must root out waste in government and insure that precious taxpayer funds are creating maximum value. Here are five examples of waste that together could save about \$931 million per year and free up that money for fruitful investments:

Charter school reform - The state must cut off funding to poor performing charter schools that consistently do not meet Adequately Yearly Progress standards. No more state money should go to charter schools with inadequate financial controls or to those run by administrators who steal taxpayer money. We must also stop the use of taxpayer money for charter schools' advertisements and for staff salaries that are sometimes higher than that of the Governor. Pennsylvania's taxpayers now spend \$945 million per year on charter schools, and 71 percent of them fail to meet Adequate Yearly Progress. Halting funding to charters that don't make Adequate Yearly Progress and those whose administrators have committed fraud and other reforms will save about \$827 million. These savings will be redirected to public schools to pay for reforms, like a longer school year and school day, and to good performing charter schools.

⁹ Includes \$800 million drilling tax, \$42 million tax on cigars and smokeless tobacco, \$500 million by closing Delaware loophole, \$2.5 billion transportation funding package, \$185 million in Medicaid savings

Smart changes to criminal justice – We can save money in our criminal justice system by implementing smart new policies that cut costs and still insure violent offenders remain behind bars. Currently we have too many people in prison for non-violent offenses, and we do too little to reduce the chances that offenders will end up back in prison after they are released.

Currently, 6 out of 10 released inmates are rearrested and incarcerated within 3 years of their release from prison. Reducing the rate at which people commit crimes after serving their time and end up back in prison by only 10 percent could save \$44 million a year. Providing aggressive, comprehensive drug and alcohol treatment and developing alternatives to incarceration for non-violent offenders could cumulatively save hundreds of millions of dollars that can be redirected to education and other investments that create jobs.

More than half of the inmates incarcerated in prisons have an alcohol addiction and more than 70 percent are jailed for offenses related to illicit drugs. More than half of prison inmates with drug or alcohol addictions are repeat offenders. Providing effective, comprehensive drug and alcohol treatment is a cost-effective strategy to drastically cut down on the likelihood that a person will end up back in jail for drug or related offenses. [For every dollar spent on effective drug treatment, the prison system saves \\$12 on future costs](#)¹⁰.

A mix of strategies could safely shorten the time non-violent offenders spend behind bars, [saving taxpayers millions of dollars](#)¹¹. These strategies include amending mandatory minimum sentences, using risk-based sentencing and expanding the opportunities for inmates to earn reductions in their sentences among other measures.

PennDot takeover of the Turnpike Commission - The Pennsylvania Department of Transportation must take over the wasteful, corrupt Pennsylvania Turnpike Commission, where pay-to-play was the price of doing business and gifts to officials smoothed the way to favorable decisions. The PennDot takeover of the Turnpike Commission may save about \$60 million per year that could repair bridges and support public transit.

Government must stop wasting funds and direct the savings to powerful, job creating investments especially for education, health care, and infrastructure.

Create smart economic development incentives

We live in a competitive world where states like Texas spend tens of billions of dollars in tax credits, loans, tax abatements and grants to attract and keep businesses. Pennsylvania cannot unilaterally disarm but must strike good economic development bargains.

¹⁰ <http://www.casacolumbia.org/articlefiles/575-report2010behindbars2.pdf>

¹¹

http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/sentencing_and_corrections/Prison_Time_Served.pdf

To direct a strategic economic incentive program, we first need a governor who has experience and understanding of economic development projects and our economy. Pennsylvania also must have excellent secretaries of the Department of Community and Economic Development and Labor and Industry. We must include provisions in all agreements with businesses that receive tax breaks that require repayment of state funds if the business does not create the jobs promised. To protect workers and support jobs that sustain families, we need to enforce our labor laws.

Implementing the Eight-Point Strategic Jobs Plan

This Eight-Point Strategic Jobs Plan for Pennsylvania will create at least 382,750 jobs in Pennsylvania and reduce our unemployment rate. It also sharply breaks from the failed jobs policies of the Corbett administration that have relied on budget cuts and tax cuts for favored businesses.

I have spent 29 years using policy to create tens of thousands of jobs. My record includes major job-creating accomplishments as the Public Advocate for utility consumers, the Commissioner of Pennsylvania Public Utility Commission, and the Secretary of the Department of Environmental Protection.

Examples of smart policies I have developed and implemented include spurring solar, wind, energy efficiency, biodiesel, and environmental cleanup work. By ending the electricity generation monopoly, I created a whole new retail electricity supply industry. That new industry built more than 10,000 megawatts of new generation, lowered energy costs, and created more than 70 new companies doing business in Pennsylvania.

As Governor, I can do even more to create the 382,750 jobs in this plan. I have the policy, governmental, and executive experience to implement this jobs plan. My Eight-Points Strategic Job Plan will create a prosperous, thriving, clean economy for all Pennsylvanians.