



News for Immediate Release

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Governor Tom Corbett Proposes Streamlined DCED Budget that Promotes Economic Growth and Job Creation

Harrisburg – Governor Tom Corbett today proposed a streamlined 2011-12 budget for the Department of Community and Economic Development that focuses budget resources on economic growth, job creation and community revitalization.

This budget maintains level funding for critical economic development initiatives, while eliminating programs that are duplicative, inefficient or otherwise wasteful of taxpayer resources including budget lines commonly known as “walking around money,” or “WAMs.”

“Where once a business owner needed a Sherpa guide to find his way through the mountains of financing rules, trying to figure out where his job creating business fit, this budget puts it under one roof,” Corbett said.

The overall agency budget has been reduced by 32 percent, or \$114 million. The elimination of WAMs alone saves taxpayers more than \$70 million.

“The budget introduced today represents a completely new way of doing business for DCED and its economic development partners,” said acting Secretary C. Alan Walker. “The DCED of old was a maze of separate programs, challenging for businesses to navigate and costly for the state to administer. This proposal reduces the number of programs down from 127 to 56, funding only those programs most focused on real economic growth and return on investment.”

Moving forward, DCED and all DCED programs will be guided by three core principles:

- Forging new partnerships with the private sector and other public entities to advance economic development and encourage regional delivery of economic growth services.
- Advancing performance-based initiatives evaluated by defined metrics, which provide consistent and positive returns on investment for taxpayers.
- Increasing the level of competition for scarce commonwealth resources ensuring the greatest return.

The new department will focus on modernizing economic development delivery services and proactively addressing the needs of businesses. All funded programs have been consolidated down to those which achieve at least one of the following four objectives:

- Promote job creation ensuring capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle for all types and sizes of businesses.
- Attract businesses to relocate or expand current operations in Pennsylvania, promoting Pennsylvania as a top tourism destination for both domestic and international visitors and businesses.
- Create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods and promoting sound land use practices.
- Encourage a more coordinated, regional approach to the delivery of economic development services and tools.

“In a tough economic climate, we need to send a powerful message to the Pennsylvania Business Community that Pennsylvania is open for business,” Walker said. “The Governor has proposed a creative and innovative budget that positions Pennsylvania as a formidable competitor and a national leader, ready to compete in a global economy.”

Below are the agency’s key programs which consolidate services and focus on driving job creation and economic growth:

- The Liberty Loan Fund is a new economic development financing partnership, which will include the use of new, flexible financing tools to leverage additional private-sector funds for job creation. By combining the current resources of six existing funds, plus interest and loan repayments, a single economic development powerhouse will be established for the commonwealth. The fund will combine the Commonwealth Financing Authority, Pennsylvania Industrial Development Authority, Machinery and Equipment Loan Fund, Pennsylvania Minority Business Development Fund, remaining Tobacco Settlement Fund investments and the Small Business First Fund.
- The creation of the “Pennsylvania First” program, a combination of three outdated, existing programs: Opportunity Grant (OGP), Customized Job Training (CJT) and Infrastructure Development Program (IDP). Combining programs under one umbrella and removing existing restrictions and fund limitations, provides the flexibility necessary to rapidly respond to companies’ needs.
- “Discovered in PA, Developed in PA” will help small businesses identify and access the technical and/or financial assistance needed to help them become more competitive and grow their operations in the commonwealth. The program will develop and deploy regional experts who will have knowledge of all technical and financial services available. In addition, the Governor’s Action Team (GAT) will be tasked with reaching out to high-growth companies to ensure they have what they need to continue growing in Pennsylvania and explore the range of opportunities related to homegrown, high-growth economic development strategy.

- “Partnerships for Regional Economic Performance” (PREP) will provide grants to consortia of economic development service providers. PREP grants will be awarded on a competitive basis with the most developed partnerships receiving the funding necessary to support their efforts. Additionally, the new program will create a public/private advisory board that will help define a comprehensive economic development approach and quantitative metrics to assess performance.
- “Keystone Communities” will serve as the commonwealth’s core community revitalization tool, focusing on creating thriving downtowns as places of commerce, recreation, culture and entertainment. DCED will discontinue funding communities that expect annual entitlements and instead will focus on providing training and technical assistance as well as competitive awards in an effort to sustain communities in the long term.

For more information on DCED visit www.newpa.com or call 1-866-466-3972.

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