

## **Gubernatorial Candidate Survey Responses: Scott Wagner (R)**

### **State Budget**

*Pennsylvania has recently found itself in limbo with our state budget and future deficit problems. There has been various proposals on how to make up revenue to balance the state budget, as well as secure the future of the state. In the 2015-2016 Fiscal Year budget, there was an impasse that impacted thousands of nonprofits throughout the commonwealth. United Way of Pennsylvania, along with other organizations, took a survey of how the impasse impacted the nonprofit sector. From this survey, 60 percent of respondents needed to secure a loan to cover their expenses and 28 percent expected to curtail services by August. State government relies on these nonprofits to deliver services to Pennsylvanians and every budget impasse is devastating to the service delivery system. Not only are these disruptions due to state funding being delayed, but also federal funds not passing through the state during an impasse.*

**(1) If elected Governor, would you support amendments to state law which protect Pennsylvania's service recipients and service providers by assuring that federal dollars allocated to the Commonwealth, and state dollars for essential services that directly impact the health and safety of Pennsylvanians, continue to be paid during a budget impasse? What steps would you take to work with the legislature to avoid a state budget impasse?**

As Governor, it is my sincere intention that the residents of this Commonwealth are not subjected to a protracted budget impasse. By implementing a commonsense approach such as zero-based budgeting, we will have the ability to budget in a meaningful and transparent manner that makes sense for taxpayers. We will invest in things that work and we will end wasteful and ineffective spending. Even during a budget impasse, money is still being collected and remitted to the Commonwealth. There is no reason why this funding cannot be allocated to those essential services that are most needed by our most vulnerable citizens. I would work with the Legislature to formulate a plan that would help avoid a budget impasse but would also include an avenue to continue funding for those necessary services for our most vulnerable citizens need at the prior years levels to balance the protections taxpayers need with the needs of the people who rely on the health and safety aspects of the budget.

### **Financial Stability**

*Pennsylvania faces work force shortages in several sectors, including the science and technology, health care and accounting fields. And as Pennsylvania's population ages, our population is at risk of decline which will impact the economic health and competitiveness of the commonwealth.*

**(1) If elected Governor, please describe your economic development and workforce investment strategies to address these workforce shortages and create more career pipelines for Pennsylvania's future work force?**

As a 40-year private sector businessman, I have felt the adverse impact created by abusive regulations and burdensome taxes on the business community. Pennsylvania has 153,661 restrictions and a regulatory authority that is out of control. All of this leaves Pennsylvania unable to compete for new business. As governor, overhauling these government impositions is a top priority. While burdensome taxes and regulations keep many businesses from being able to pay attractive wages, the lack of skilled labor is also a detrimental factor in Pennsylvania. While there is an abundance of skilled jobs in the commonwealth, which deliver good wages, job security and career paths – there are not enough people to fill them. We have to encourage an educational structure that shows children that a pathway to work does not always mean four-years at college. It can mean career and technical training, shorter degree programs, and industry certification programs. My administration will retool the thinking in our schools by emphasizing the respect these vocations deserve.

***Tax credits, such as the Earned income Tax Credit, are an important tax policy which keeps thousands of working Pennsylvania families out of poverty and helps them pay essential bills. In 2016, over 900,000 Pennsylvanians claimed the federal EITC, which allowed for \$2.1 billion to be spent in Pennsylvania communities.***

**(2) If elected Governor, would you support a state Earned Income Tax Credit, which is currently offered by twenty-six other states?**

As Governor I am going to make it a priority to get Harrisburg's financial house in order, and as such I would need to evaluate the financial impact of implementing a state EITC. Due to growing deficits in Michigan and Wisconsin, those states reduced the state EITC in 2011 and Connecticut and North Carolina did the same in 2013. Harrisburg does not have a revenue problem, it has a spending and mismanagement problem. This goes to a fundamental problem I plan to tackle as Governor – a top down reform of our tax code. Our current tax code has been written by lobbyists, lawyers, and consultants. I believe that we have to write a tax code that puts working families first. Studies show that a state EITC can help free up resources for child care expenses and can be a fiscal stimulus. Tax credits such as EITC should be on the table in a tax code that prioritizes our families over the powerful special interests in Harrisburg.

***Pennsylvania is a state with some of the strongest predatory lending laws, which prohibit predatory lenders from taking advantage of individuals with limited to no income. In recent legislative sessions, there has been some push to change these laws, which would make it easier for predatory lenders to sell products to low-income***

***individuals perpetuating their cycle of debt and thus prevent their advancement out of poverty.***

**(3) If elected Governor, how would your administration respond to proposals of more lenient predatory lending laws in Pennsylvania?**

As with any legislative proposal, it is imperative to see the final language before taking a position. I support Pennsylvania's strong predatory lending laws and believe they help to ensure that those battling out of poverty are not forced to stay there longer than necessary. As Governor, I would advise the legislature that I do not support proposals that would make it easier for low-income individuals access to such predatory loans. We do have a responsibility to make sure that all individuals have access to credit and capital in a fair and market-based manner. Too many Pennsylvanians are passed over by traditional financing and banks, and I plan to be a Governor who helps those that are the most vulnerable.

## **Education**

***Research shows children who attended high-quality pre-k are more likely to read proficiently in third grade, graduate from high school, attend post-secondary education and become successful in the workplace. Additionally, investments in high-quality pre-k have a high return on investment, leading to savings in K-12 resulting from reductions in the need for special education and grade repetition as well as savings in criminal justice involvement and incarceration. A recent analysis on pre-k investments shows every dollar invested in high-quality pre-k returns at least \$4 in savings and benefits. Despite these savings and benefits to the state, approximately 113,000 eligible three-and-four-year-olds lack access to publicly funded high-quality pre-k this year in the commonwealth. To learn more about the state of pre-k throughout the commonwealth and how Pennsylvania compares to other states, please refer to the Pre-K for PA site and these numerous reports highlighting pre-k benefits.***

**(1) As Governor, what would you do to make sure all of Pennsylvania's at-risk 3- and 4- year olds have access to high quality pre-k and Head Start programs? What are your plans to secure the resources needed, and what is your timeline to achieve your goals for pre-k access?**

Funding for Pre-K has increased under the last 5 Governors, yet 60% of children who would most benefit from these programs are still not enrolled. The most effective way to ensure there is adequate funding for such programs is to harness private funding. As Governor, I would expand our current Educational Improvement Tax Credit Program. We must incentivize eligible private businesses to drive their funding towards these vital Pre-K Programs. We must also ensure that the amount of funding available is no longer

capped at such a small a fraction of our General Education Budget. Currently, there is only \$175 million that may be made available for grants from private funding through the EITC program, yet our General Education Budget is over \$6 billion. By expanding a program already in place, we can fast-track this funding and drive these necessary dollars where they are most needed. I would also support legislation to create social impact bonds. These bonds would inject private sector dollars and accountability into the pre-k process and allow state taxpayers to know that they will only be on the hook for investments that have worked.

***Students who participate in high quality out-of-school time programs have better grades and conduct in school, more academic enrichment opportunities, improved emotional adjustment and fewer incidences of drug use and pregnancy. Unequal access to summer learning programs accounts for about two-thirds of the overall achievement gap between students from low- and middle-income families. Students from low-income families fall about two months behind their middle-income classmates over the course of the summer, also known as the summer slide. You can learn more about the benefits of out-of-school time programs in this brief here.***

**(2) What strategies would your administration support or promote to close the achievement gap between low and middle/high income students?**

Pennsylvania receives federal funding to participate in the 21st Century Community Learning Centers. Unfortunately, while demand has increased, federal funding has remained flat. I am aware that over the last 10 years, over \$4 billion in local grant requests were denied due to competition and lack of federal funding. As multiple studies have shown, participation in these programs has a significant benefit for the students involved, including better school attendance, improvement in grades as well as higher graduation rate. As Governor, I would lobby the federal government and request that they increase their funding so that we are able to increase access to these beneficial programs statewide. Even with additional federal funding, this too is an area where access to private funding would be most beneficial. Incentivizing local businesses and individuals to donate to these valuable programs will keep the money local and enable these programs to continue to be successful for all. We can expand the current EITC program to include summer and after school programs.

***High quality child care programs across the state provide care and education to low income families using government subsidies for which rates have not increased in 10 years. Today only 30 percent of subsidized children are accessing high-quality STAR 3 and 4 care, families are waiting almost 25 days to access subsidies they need to work, 43 percent of child care staff are receiving public assistance and child care subsidy reimbursements do not cover the cost of quality care.***

**(3) If elected Governor, what would you propose the Commonwealth do to address these issue and ensure high-quality child care programs are available for working Pennsylvanians and their families?**

Our system is so broken right now that we have too many politicians who measure their success on things like how many people are on public assistance. I will be a Governor who measures my success on the number of people I can get off public assistance and into the workforce with good family sustaining jobs. A key thing that prevents people from going back into the work force is their inability to afford child care. I am in favor of doing everything we can to increase aid to Star 3 and Star 4 facilities and also make the subsidies expedited.

## **Community Strengthening**

*The PA 2-1-1 system connects 97% of Pennsylvanians with health and human services needs, as well as information during disasters. The 2-1-1 system was created in 2001 and possesses the most comprehensive database of public and private resources available in communities which can provide policymakers with data that identifies the most pressing unmet health and human service needs. The service is available to 97 percent of Pennsylvanians as of 2018. In 2017, over 199,000 contacts were made to PA 2-1-1, showing a need for easy access to health and human services information. The 2-1-1 system is funded by a combination of United Way support, grants and private contributions, and contracts, as well as a first-time investment by the Commonwealth in the FY 2017-18 budget, as a way to increase efficiency and save taxpayer dollars by connecting Pennsylvanians in need to the right services at the right time. You can learn more about the PA 2-1-1 system, its benefits and current work here.*

**(1) If elected Governor, would you support future investments into the PA 2-1-1 system? Additionally, would you support strengthening the public-private partnership between PA 2-1-1 through contracts and other arrangements that make it easier and more cost-effective for Pennsylvanians to access health and human services in their communities?**

The PA 2-1-1 system has proven to be a valuable asset to Pennsylvania's citizens when they are in need. As Governor I would support further investments in the system, as the budget allows, especially to ensure that all counties within PA have access. Without strong public-private partnerships to ensure that there is access to the services that our citizens need, the success of PA 2-1-1 would be severely limited. I would strive to work with these organizations to secure their participation in the system to ensure that the success of PA 2-1-1

## Health

***CHIP provides essential health benefits, including behavioral health services, to over 100,000 children in Pennsylvania and over 9 million children in the United States. Healthcare contributes to financial stability since an emergency for someone who does not have healthcare can push a working family into poverty.***

**(1) As Governor, what would you do to make sure working families have access to quality, affordable health care for their children through CHIP? What policy changes would you support at a state level to increase access and affordability for working adults who don't have employer-sponsored healthcare?**

CHIP is a legacy item for Pennsylvania. While I often disagreed with Governor Casey, I commend his leadership in creating the CHIP Program. The program has become a national model for other states and even the federal government. Unfortunately, the CHIP funding from the federal government has become another issue in the partisan food fight in Washington DC. The Federal Government should do their job and pass budgets that prioritize important programs like CHIP. Funding for CHIP must continue regardless if federal aid ceases. Over \$400 million is provided to Pennsylvania from the federal government to pay for CHIP currently. If it's not funded, it will either require us to make some tough budget decisions or to limit those eligible for the program. But as Governor you can trust that I will always defend and fund CHIP.

1 continues.