



STATE REPRESENTATIVE

JOHN A. SCHLEGEL

101ST LEGISLATIVE DISTRICT

WINTER
2025

STATE BUDGET UPDATE

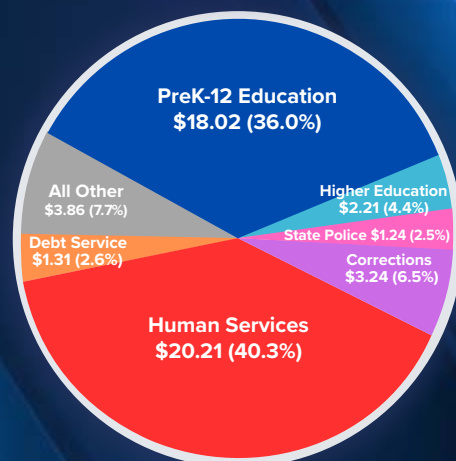
Dear Friends,

After a more than four-month stalemate, Pennsylvania now has a new state budget. The \$50.1 billion plan was approved by the General Assembly and signed into law by Gov. Josh Shapiro on Nov. 12, 2025. While the final budget is \$1.4 billion less than what the governor originally proposed last February, it still spends far too much.

I could not vote for that level of spending. However, there are many aspects of the budget with which I agree. One includes language to move Pennsylvania out of the Regional Greenhouse Gas Initiative (RGGI). I joined House and Senate Republican leaders at a news conference recently to celebrate the end of a years-long battle against RGGI, which has hampered energy development and economic growth in the Commonwealth.

Energy companies rely on certainty and stability. With RGGI they had neither. So, they took their business and good-paying jobs to neighboring states. By getting out of RGGI, we can say once again that Pennsylvania is open for business. Now, we can attract businesses and jobs back to the Commonwealth and rebuild a robust economy.

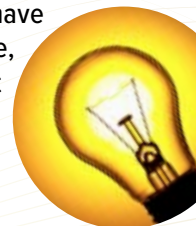
FY 2025-26 Budget - \$50.09 Billion
(Amounts in Billions)



BOOSTING ENERGY PRODUCTION

By removing Pennsylvania from the Regional Greenhouse Gas Initiative (RGGI), we are eliminating the major obstacle to revitalizing our energy economy and reducing utility bills. This move is a direct response to the rising energy costs that many of you have expressed concern about. Staying in RGGI, a carbon tax on energy generation, would have only exacerbated this issue, potentially increasing the average electric bill by up to 30%. Moreover, the additional cost to energy producers was not only deterring investment in Pennsylvania, but also jeopardizing the operation of power plants within the Commonwealth, destabilizing the electric grid for the entire region.

Removing Pennsylvania from RGGI will allow us to produce and export more energy and make our Commonwealth more attractive to businesses looking to invest.



PROTECTING TAXPAYER DOLLARS, HELPING PEOPLE IN NEED

House Republicans have been proactive in introducing legislation and advocating for the passage of benefit integrity measures to ensure taxpayer-funded benefits reach those who truly need them. Every dollar spent outside of that intended purpose is a dollar taken from the hard-working taxpayers of Pennsylvania. That's why this budget includes sensible reforms to Pennsylvania's benefit programs.

The Department of Human Services (DHS) is now required to cross-check death certificates, income and employment records, and lottery winnings against its records for recipients of Medical Assistance and the Supplemental Nutrition Assistance Program (SNAP). The agency also must screen for high SNAP account balances greater than \$2,000 and suspend Medicaid for those incarcerated for the duration of their incarceration.

This budget also addresses the looming child care cliff by ensuring funding so young families can continue to get child care services while working.



ENCOURAGING ECONOMIC GROWTH

This budget makes historic changes to Pennsylvania's permitting process, another common roadblock to economic growth. Permitting is important to ensure various development projects are done safely and responsibly, but people investing in those projects deserve transparency and efficient consideration of their proposals. Each state agency will now be required to establish a secure permit-tracking system so applicants can monitor the status of each pending permit. More permits will be added to the Streamlining Permits for Economic Expansion and Development (SPEED) Program to reduce wait times, and agencies will be required to keep a list of all permits on their publicly accessible websites.

This budget also implements long-sought-after "deemed approved" status for two of the Department of Environmental Protection's (DEP) more difficult permits—air pollution and water quality. Rather than dragging this process out and slowing down economic development opportunities, DEP will follow publicly accessible timelines. *Should DEP fail to complete its reviews within these timelines, the permit is "deemed approved" and the project can move forward as planned, with the understanding that environmental protection remains a top priority.*

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EDUCATION STRATEGY SEEKS EXCELLENCE

Recognizing reading as the foundation for a strong education, the 2025-26 state budget provides for a complete and structured literacy program to help Pennsylvania students become better readers and develop a greater appreciation for literature - regardless of where they live. The 2025-26 Public School Code will require school districts, intermediate units, career and technical schools, and charter and cyber charter schools to adopt an evidence-based reading instruction curriculum, professional development training program and a universal reading screener.

As a career educator and member of the House Education Committee, I have long taken issue with how student achievement is measured in Pennsylvania schools. I believe state mandated standardized testing has been woefully inadequate in measuring student success, and it's largely an issue of timing. Pennsylvania System of School Assessment (PSSA) tests are offered in the spring, and the results are not available until fall of the next school year. This schedule does not enable teachers to identify deficiencies in student achievement in real time and adjust their teaching strategies when it would have the greatest impact.

Last spring, I introduced legislation that aims to improve student assessments and teaching effectiveness in grades K-12. Under House Bill 2039, the Pennsylvania Department of Education could apply to its counterpart, the U.S. Department of Education, to pilot new assessment systems that could lead to more effective approaches to measuring student progress and changes in the way students are taught.

My goal is to encourage Pennsylvania schools to develop and implement new and innovative strategies that will provide students with better opportunities for success.



SUPPORT FOR WORKING PENNSYLVANIANS

Our economy grows best when people have more money in their pockets. However, raising the minimum wage as Democrats have proposed is shown to have the exact opposite effect; look no further than California. This budget includes the Asset Limited, Income Constrained, Employed (ALICE) Tax Credit Program to lower the tax burden on working Pennsylvanians.

The program works by extending 10% of the federal Earned Income Tax Credit toward a taxpayer's state tax liability. Many low- to moderate-income workers already use this federal program; extending it to the state means more money in the pockets of folks who work hard to earn a living for their families.

