



GOVERNOR JOSH SHAPIRO

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Governor Shapiro Signs Bipartisan 2026-27 Budget, Securing Major Priorities from His Budget Proposal Including Historic Investments in Education, More Funding for Vo-Tech, More State Troopers, and Child Care Support for Families

With one of the only divided legislatures in the nation, Governor Shapiro brought legislative leaders in both parties together to pass a bipartisan, fiscally responsible budget for the fourth year in a row.

Working with Democrats in the state House and Senate, Governor Shapiro secured many of the priorities he laid out in his Budget Address in February – including more resources for our schools and students, expanded workforce development initiatives, nearly 400 more state troopers, support for start-ups, expanded mental health services, and more support for children and families.

Harrisburg, PA – Today, **Governor Josh Shapiro** signed into law the **2026-27 budget**, which delivers real results for the people of Pennsylvania and secures major investments the Governor called for in his 2026 Budget Address — building on three years of progress and anchored by a strong commitment to fiscal responsibility. With one of the only divided legislatures in the nation, **Governor Shapiro** once again brought Democrats and Republicans together to pass a state budget that invests in our schools, grows our economy, expands our workforce, and makes our communities safer.

This budget maintains the Commonwealth's strong fiscal position and will leave Pennsylvania with approximately \$8 billion in reserve as of July 1, 2027.

The Governor's remarks as prepared for the 2026-27 budget signing ceremony can be found [here](#).

"From day one, my Administration has been laser-focused on delivering results for the people of Pennsylvania — and what we're doing is working," said **Governor Shapiro**. "In a divided legislature, we've proven time and again that Democrats and Republicans can come together to get stuff done for the good people of Pennsylvania — cutting taxes, investing in education and workforce development, and keeping the economy growing. By listening to Pennsylvanians and working together, we're solving problems and building on the last three years of real progress."

"Under the Shapiro-Davis Administration, violent crime is down statewide because we're taking a comprehensive approach — supporting our law enforcement, investing in community-led prevention efforts, caring for victims, and addressing the root causes of violence," said **Lieutenant Governor Austin Davis**. "And this budget doubles down on that approach — putting more money back into Pennsylvanians' pockets while making strategic investments to keep our kids and communities safe. This bipartisan budget will continue to grow our economy, creating ladders of opportunity and making life more affordable for Pennsylvania families."

The 2026-27 budget invests \$50.85 billion to support our students, grow our economy, expand our workforce, and make our communities safer:

- **Historic Investments in Education**: As a result of this budget, the Shapiro Administration will invest **\$11.85 billion** in major K-12 education subsidies for Pennsylvania students for the first time ever – representing a nearly 35 percent increase compared to before Governor Shapiro took office. This budget builds on the progress we've made over the past three years, providing an overall increase in education funding **totaling more than \$678 million**, including a **\$565 million** increase through the bipartisan adequacy and tax equity formula, a **\$58 million** increase for Basic Education Funding, and a **\$55 million** increase for Special Education Funding.
- **Strengthening the Workforce**: This budget builds on Governor Shapiro's work to expand our workforce, increasing funding for career and technical education (CTE) by **another \$10 million**, bringing the total spent on workforce development initiatives to **\$193 million** – a 60 percent increase compared to before Governor Shapiro took office. This budget also continues to address critical workforce shortages, increasing the amount of funding available for the **Child Care Staff Retention and Recruitment Program by \$5 million for a total of \$30 million**, and the **Student Teacher Stipend Program by \$10 million, for a total of \$40 million**.

- **Spurring Economic Development and Innovation:** Under **Governor Shapiro's** leadership, Pennsylvania is competing – and winning – major private sector investments. This budget builds on that progress by securing one of the Governor's major priorities – **\$125 million** to create the **Innovate in PA 2.0** program to provide capital for promising startups, fund clinical trials for the life sciences, and enhance the Commonwealth's innovation network to help these companies succeed. The budget also continues to cut business taxes, advance permitting reform, support Main Streets and small businesses, and expand economic opportunity for communities that have historically been left behind.
- **Investing in Law Enforcement & Supporting Public Safety:** This budget continues Governor Shapiro's investments in law enforcement, providing funding for another four cadet classes of Pennsylvania State Police Troopers and delivering in full on the Governor's promise to fund 2,000 more cops and state troopers on our streets. It also addresses some of the most pressing public safety challenges facing the Commonwealth, increasing support for rape crisis centers, the county child welfare system, older adult protective services monitoring through the Department of Aging, and mental health resources for Pennsylvanians in crisis.

See below for more details about what **Governor Shapiro** and Democrats secured in the 2026-27 budget:

Delivering Historic Investments in Education and Ensuring Pennsylvania's Children Have the Opportunity to Succeed

The Shapiro Administration has made historic investments to give every Pennsylvania student the freedom to chart their own course and the opportunity to succeed.

Under **Governor Shapiro's** leadership, Pennsylvania has increased funding for our schools by over **\$3 billion** since the Governor took office, totaling **\$11.85 billion** invested into Pennsylvania's students this year. The investments in this year's budget build on this foundation, including:

- **\$565 million increase through the bipartisan adequacy and tax equity formula for a total of \$1.9 billion driven out** to the schools that need them most.
- **\$58 million increase to Basic Education Funding, for a total of \$8.32 billion.**
- **\$55 million increase to Special Education Funding, for a total of \$1.58 billion to support students with disabilities and special needs.**
- **Maintains \$125 million for school infrastructure improvements** to create safe, healthy learning environments — including **\$25 million** for the **Solar for Schools** program to lower energy costs and promote sustainability.

- **Continues \$100 million in annual mental health and school safety funding for K–12 schools**, ensuring every student has access to the resources and support they need to thrive, continuing the Shapiro Administration’s strong commitment to expanding access to mental health care and support across the Commonwealth.
- **Continued Funding Universal Free Breakfast and Free Menstrual Hygiene Products for Students:** This budget continues funding for a key priority of Governor Shapiro – universal free breakfast for all 1.7 million students. It also **includes \$3 million** to ensure students have access to menstrual hygiene products at no cost.
- **Supporting Student Well-Being Through Daily Recess:** This budget establishes **30 minutes of daily recess for students in kindergarten through fifth grade** and directs the **State Board of Education to provide guidance on scheduled recess and breaks**, ensuring students have dedicated time each school day for movement, social interaction, and stress management so they return to the classroom refreshed and ready to learn. Recess is not an extra — it is a fundamental part of children's growth, teaching skills like collaboration, conflict resolution, and self-regulation that are just as essential as math, science, and reading.

Making Higher Education More Affordable and Accessible

The Shapiro Administration helped spur the first significant reforms to Pennsylvania’s higher education system in nearly three decades, ultimately leading to the creation of the Commonwealth’s first ever State Board of Higher Education and a comprehensive strategic plan to make higher education more affordable and accessible for all students – while equipping them with degrees that help fill workforce needs in our state.

This budget builds on that progress by funding the new performance-based funding formula for Penn State, the University of Pittsburgh, and Temple University for the first time ever. This funding will be distributed based on metrics that increase degree attainment, promote affordability, and meet the Commonwealth’s workforce needs, including graduation rates, transfers from community colleges, and enrollment from underrepresented high schools. The budget also makes higher education more affordable for students, and supports critical workforce development programs for teachers and nurses. The budget includes:

- **\$10 million** through the performance-based funding formula to Penn State, the University of Pittsburgh, and Temple University, **\$500,000** for University College at Temple University, and **\$1.1 million** for Lincoln University, the nation’s first college-degree-granting HBCU.
- **\$5.9 million increase** for the Pennsylvania State Grant program through the Pennsylvania Higher Education Assistance Agency (PHEAA) to maintain maximum awards.

- **\$10 million increase** for Grow PA scholarships to help students pursue affordable postsecondary programs and fill critical in-demand jobs, for a total of **\$42.5 million**.
- **\$2 million increase for teacher professional development**, ensuring educators have the training and tools needed to support students effectively.

Spurring Economic Growth and Development in the Northeast's Top State for Business

Thanks to **Governor Shapiro's** leadership, the Commonwealth is a national leader on economic development. Pennsylvania is **the only state in the Northeast with a [growing economy](#)** and the region's **[top state for business](#)** according to CNBC.

The **2026–27 budget** builds on that momentum by investing even more in long-term economic growth and innovation, ensuring communities across the Commonwealth can compete and win:

- **\$125 million** to create the **Innovate in PA 2.0** program, funded through Insurance Premium Tax Credits. This program will provide capital for promising startups, fund clinical trials for the life sciences, and enhance the Commonwealth's innovation network to help these companies succeed.
- **\$3.75 million increase** in state funding for small minority-owned businesses across the Commonwealth through the Historically Disadvantaged Business Program.
- **Maintains \$20 million** for main streets and small businesses through Main Street Matters to strengthen commercial corridors that are the heart of Pennsylvania's communities.

Since taking office, the Governor has already attracted over **\$41 billion in private-sector investment** which has created **more than 24,000 good-paying jobs** across the Commonwealth — including the **[largest private-sector investment](#)** and the **[largest life sciences investment](#)** in Pennsylvania history.

Rebuilding Pennsylvania's Infrastructure and Investing in Safer Roads

Since taking office, Pennsylvania has improved 20,538 miles of roadway and advanced work on 1,898 state and local bridges. The Governor also helped make Pennsylvania roadways safer by **[signing "Paul Miller's Law"](#)** into law to ban the use of hand-held devices while driving.

This budget builds on that progress by driving out **\$775 million** over the next two fiscal years for shovel-ready projects to repair state-owned roads across Pennsylvania, including \$500 million this fiscal year and \$275 million next fiscal year, getting money out for paving projects during this construction season.

From reopening I-95 just 12 days after its collapse to making record investments in highways, bridges, and local transportation projects, the Shapiro Administration is continuing to rebuild and invest in Pennsylvania's infrastructure, strengthen local economies, and ensure communities have the modern transportation network they need to compete and grow.

Making Life More Affordable for Pennsylvanians by Cutting Taxes and Putting Money Back in Their Pockets

This budget continues **Governor Shapiro's** commitment to making life more affordable for Pennsylvanians by cutting taxes for the fourth year in a row and putting money back in people's pockets.

Since taking office, **Governor Shapiro** has cut taxes in each budget he signed – in total, cutting taxes seven times for families, seniors, and small businesses and delivering billions of dollars in savings to Pennsylvanians.

This budget continues all seven of those tax cuts, including:

- **Working Pennsylvanians Tax Credit:** Providing \$216.7 million in tax relief to more than 876,000 working Pennsylvanians during this year's personal income tax filing season.
- **Property Tax/Rent Rebate Program:** Delivering more than \$1 billion through 1.84 million rebates over four years.
- **Child and Dependent Care Enhancement Tax Credit:** Providing more than \$444.5 million through nearly 858,500 tax credits over four years.
- **Corporate Net Income Tax:** Saving Pennsylvania businesses more than \$2.9 billion and strengthening the Commonwealth's economy by maintaining the scheduled phase-down, which drops to 6.99 percent.

As Pennsylvanians have navigated increased prices and a consistent rise in the cost of living, **pre-[Act 9](#) retirees — public servants like teachers, local law enforcement, and firefighters who retired before 2001** — have not received cost-of-living adjustments (COLAs) to their pensions since 2002. To ensure these public servants can enjoy the retirement they have earned and deserve, this budget delivers long-overdue COLAs for Pennsylvania's retired state employees, local law enforcement, teachers, and firefighters, ensuring these public servants can enjoy the retirement they earned through decades of service.

Strengthening Our Workforce and Addressing Critical Workforce Shortages

Governor Shapiro has made workforce development a cornerstone of his Administration, ensuring Pennsylvanians of all ages have the tools and opportunity to succeed.

This budget builds on three years of work to expand vo-tech, CTE, and apprenticeship programs, including a **\$10 million increase** for CTE programs, **for \$193 million in total annual workforce development funding**. With these new investments, even more students can take CTE classes, gain industry-recognized credentials in fields ranging from welding and nursing to dairy herd management, and prepare for stable, good-paying jobs.

Governor Shapiro has also taken significant steps to close workforce gaps in critical fields such as education, child care, and health care. This budget builds on this progress by funding:

- **\$5 million increase** for the **Child Care Staff Retention and Recruitment Program** Governor Shapiro created last year, for a total of \$30 million in funding, providing at least **\$540 per employee** annually to licensed Child Care Works providers – an increase on last year’s initial estimate by about \$100 per employee.
- **\$3.75 million increase** for **Pre-K Counts** rates to help providers raise wages and stabilize the early educator workforce.
- **\$10 million increase for the Student Teacher Stipend Program, bringing total support to \$40 million annually**. Administered through PHEAA, these stipends allow aspiring teachers to earn income while completing their full-time classroom training.
- **\$3 million investment** to create an optometrist training program.
- **\$2.5 million investment** in the Nurse Shortage Assistance Program to strengthen Pennsylvania’s health care workforce by providing tuition assistance to young nurses and setting them up with a hospital placement.

The 2026-27 budget also **continues funding for direct support professionals’ (DSP) wages**, supporting those who provide services to adults with physical disabilities and seniors, delivering on the Governor’s commitment to older adults and Pennsylvanians with disabilities. Under the Governor’s leadership, providers across the Commonwealth have successfully increased wages to support recruitment efforts, leading to significant reductions in the job vacancy rate for DSPs.

Reducing Costs, Increasing Government Efficiency, and Using Taxpayer Dollars Responsibly

Since taking office, Governor Shapiro has worked to implement new programs that save taxpayer dollars and improve government efficiency for Pennsylvania. These projects have included the creation of the [**Space Optimization and Utilization Project \(SOUP\)**](#) — the Commonwealth’s first comprehensive review of its real estate portfolio to improve operational efficiency, which reduces reliance on leased office space and reinvests in sustainable, modern work environments — and the [**Commonwealth Office of Digital Experience \(CODE PA\)**](#) to improve online services for Pennsylvanians and streamline the way they interact with the Commonwealth.

Since 2025, the Shapiro Administration has **delivered over \$5.8 million in recurring savings for taxpayers** and **reduced the statewide leased footprint by 328,000 square feet** through [SOUP](#). Over the next 10 years, SOUP will save the Commonwealth an estimated \$180 million and reduce rental costs by cutting leased space by two million square feet by 2033. This budget continues funding these efforts with a **\$16.1 million investment**.

Since its creation in 2023, the CODE PA and the Office of Administration (OA) have **saved taxpayers over \$37 million** by leveraging existing Commonwealth talent to lead digital projects rather than contracting with vendors to do the same work. CODE PA has launched dozens of new or improved digital services in collaboration with state agencies, including the redesign of PA.gov, a fully online clemency application with the Board of Pardons, and a searchable directory of 300 state grant programs. This budget **invests an additional \$10 million in cybersecurity infrastructure** to ensure Commonwealth data and systems are safe and secure.

Protecting Older Pennsylvanians

For the more than three million Pennsylvanians who are over the age of 60, **Governor Shapiro** has worked to strengthen services where they live and protect them from neglect and abuse.

Under the Shapiro Administration's leadership, Pennsylvania created its first-ever strategic plan to better serve older adults – called *Aging our Way, PA* – and launched a new, modern, transparent tool – called CAPE – to better review the performance of Area Agencies on Aging (AAAs) and give older adults and their loved ones more insight into how effectively and safely their local AAA operates.

As a result of that work to deliver better support and protection for older adults and their loved ones and caregivers, in 2025 the AARP designated Pennsylvania an Age-Friendly State. This budget builds on that progress with:

- **\$1 million increase** for the [Comprehensive Aging Performance Evaluation \(CAPE\)](#), which standardizes AAA oversight and publicly reports AAA performance in key areas, like protective services, for the first time.
- **\$1 million increase** for [Aging Our Way, PA](#) — the Shapiro Administration's comprehensive 10-year strategy to transform services and strengthen support for older adults, people with disabilities, and their caregivers.
- **Increased Support for Nursing Homes:** This budget also provides more stability to nursing homes across the Commonwealth by increasing their minimum reimbursement rate to 86 cents on the dollar under the Budget Adjustment Factor (BAF). This important investment will provide critical support for patient safety, quality, and the nursing home workforce.

Providing Support to People in Need, When and Where They Need It

Pennsylvania has built an integrated crisis response system to ensure people experiencing a mental health or substance use crisis can get help quickly — someone to call, someone to respond, and somewhere to go. Since taking office, the Shapiro Administration has [established a Behavioral Health Council](#) to increase accessibility of behavioral health services across the Commonwealth, **delivered \$40 million in new funding for counties** — the first increase since 2008 — and helped nearly 800 schools expand mental health services, including the hiring of more than 200 mental health counselors. The **2026–27 budget** strengthens that system with:

- **\$10 million in dedicated state funding for the 988 crisis hotline.** Last year, the Commonwealth’s 14 crisis call centers handled more than 145,000 calls. Additional funding supports 211 Communication Services, ensuring Pennsylvanians can connect to critical resources in moments of need.
- **\$5 million** for mental health walk-in centers to provide timely and accessible options for Pennsylvanians who need support outside of regular business hours.

Throughout his career, the Governor has consistently fought for survivors of sexual abuse, and since 2023, he has pushed for reform to the statute of limitations and signed several laws requiring a statewide electronic system to track sexual assault evidence kits and to update public information on hospitals that have a Sexual Assault Nurse Examiner program. Building on this record, **Governor Shapiro secured a \$12 million increase for rape crisis centers across the Commonwealth** in this year’s budget — the largest increase in history and nearly doubling their overall support.

Supporting Farmers and Making Critical Investments in the Future of Pennsylvania Agriculture and Food Access

Pennsylvania’s agriculture sector is the backbone of the Commonwealth, with more than 48,800 farms contributing over \$132 billion a year to the economy and supporting nearly 600,000 jobs in Pennsylvania. **Governor Shapiro** has prioritized strengthening both agriculture and food security — helping farmers, families, and communities thrive. The 2026-27 budget continues this work with:

- **\$10 million** to create **Fruit Grower Freeze Impact Grants**, supporting farmers who were impacted by this year’s devastating spring freeze — in addition to [USDA streamlined assistance](#) secured after the Shapiro Administration [called for federal support](#) in May.
- **\$5 million** from the existing [Highly Pathogenic Avian Influenza \(HPAI\) fund](#) to expand education for farmers working to combat the spread of HPAI.
- **Maintains \$10 million for the [Agricultural Innovation Grant Program](#)** to continue driving innovation in Pennsylvania agriculture.
- **\$13.8 million** to fully fund the [Pennsylvania Farm Bill](#) to support business planning, infrastructure, and workforce development.

This budget also invests **\$7 million** to modernize Pennsylvania's **Supplemental Nutrition Assistance Program (SNAP)**, upgrading SNAP EBT cards from magnetic stripes to chip-enabled cards. Modernizing the Commonwealth's SNAP EBT cards will strengthen food security in Pennsylvania by using technology to randomize transaction numbers, protecting SNAP recipients against fraud and theft and preventing benefits loss.

Supporting Law Enforcement and Further Reducing Crime

Governor Shapiro believes Pennsylvanians deserve to be safe — and feel safe — in their communities, and creating safer communities is his top priority. Every single year, he has signed a budget that puts more cops and state troopers on the beat and invests in community-driven violence prevention programs.

Under the **Shapiro-Davis Administration**, PCCD has provided more than \$1 billion in funding through 6,764 grants across Pennsylvania to address and prevent violence in our communities, and these efforts are delivering results — violent crime is down 16 percent statewide — including a 39 percent drop in homicides, a 45 percent decrease in robberies involving a firearm, and a 25 percent reduction in firearm assaults.

This budget builds on that progress:

- **\$16.2 million** investment to train four additional PSP cadet classes — delivering in full on a core promise the Governor made to put 2,000 more cops and troopers on the beat in our communities.
- **Continues \$62.1 million** for the **Pennsylvania Commission on Crime and Delinquency's (PCCD) [Violence Intervention and Prevention \(VIP\) Program](#)**, which drives dollars out to community-based organizations to reduce gun violence.
- **Includes \$11.5 million** for the **[Building Opportunity through Out of School Time \(BOOST\) Program](#)** to keep kids safe, supported, and engaged in after school programs.

Protecting Pennsylvania's Children, Families, and Communities

Pennsylvania's child welfare system was established to keep our kids safe from abuse and neglect — but it's overburdened, and not set up to effectively distinguish between real abusers and parents who've fallen on hard times, and doesn't offer the ability to connect families who just need a little extra help to support services.

To address these issues, the 2026-27 budget:

- **Invests \$658,000 to enhance ChildLine staffing** and provide more training to all workers — which will allow caseworkers more time and resources to effectively triage calls before referring them to the counties or appropriate agency.

- **Increases** the Commonwealth's investment into the county child welfare system **by \$50 million** to ensure counties have the resources to hold abusers accountable and keep our kids safe.

Investing in Environmental Cleanup and Public Health to Protect Pennsylvania's Air, Water, and Land

Since taking office, **Governor Shapiro** has worked to protect the Commonwealth's natural environment and defend Pennsylvanians' Constitutional right to clean air, pure water, and the preservation of the environment.

Since 2023, the Administration has **plugged over 400 orphaned and abandoned wells** — more than in the previous ten years combined.

The Hazardous Sites Cleanup Fund — used to finance the cleanup and restoration of abandoned hazardous waste sites in the Commonwealth — has also been vital to this work. For the last 10 years, however, the program has struggled with insufficient funding. The 2026-27 budget:

- Authorizes a one-time transfer of **\$20 million from the General Fund to the [Hazardous Sites Cleanup Program](#)**, protecting Pennsylvanians from the most dangerous toxic waste sites throughout the Commonwealth.
- Authorizes a one-time transfer of **\$19 million to the [Well Plugging Program](#)** so the Commonwealth can continue to plug abandoned oil and gas wells that pose a potential threat to Pennsylvanians' health and the environment.

With the Governor's signature on the 2026-27 budget, Pennsylvania is building on a strong foundation of fiscal responsibility, economic growth, and historic investments in better schools, safer communities, and economic opportunity.

This budget reflects **Governor Shapiro's** commitment to delivering results and solving problems — ensuring Pennsylvania remains on a path of sustained growth, stronger communities, and greater opportunity for all — while leaving the Commonwealth with **a healthy surplus of approximately \$8 billion by the end of the 2026-27 fiscal year.**

Governor Shapiro also signed [HB 1505](#), [SB 146](#), [HB 2400](#), [HB 2412](#), [HB 2413](#), and [HB 2401](#) into law, in addition to [HB 96](#), [SB 604](#), [SB 971](#), [SB 972](#), and [SB 1259](#).

The Governor's remarks as prepared for the 2026-27 budget signing ceremony can be found [here](#).

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