



GOVERNOR WOLF

SCHOOLS THAT TEACH • JOBS THAT PAY • GOVERNMENT THAT WORKS

2020-21
GOVERNOR'S EXECUTIVE
BUDGET

Tom Wolf
Governor

Jen Swails
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Secretary of Policy

February 4, 2020



2020-21 PROPOSED BUDGET

General Fund expenditures: \$36.056B

- Invests in workforce initiatives, education across all levels and economic development
- Provides funding to prevent and reduce gun violence
- Supports vulnerable populations through intellectual disabilities and autism services, enhanced care for seniors and individuals with physical disabilities and expanding home visiting services
- Proposes a fair wage for all Pennsylvania workers



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2020-21 FINANCIAL STATEMENT

(Dollars in Thousands)

| | 2018-19 | 2019-20 | 2020-21 |
|---|--------------------|--------------------|--------------------|
| | <u>Actual</u> | <u>Available</u> | <u>Budget</u> |
| Beginning Balance | \$ 22,362 | \$ 0 | \$ 3,257 |
| Adjustments to Beginning Balance.. | (55,847) | 9,000 | - |
| Actual/Estimated Revenue..... | 34,857,878 | 35,696,800 | 37,299,800 |
| Refunds..... | <u>(1,306,000)</u> | <u>(1,306,000)</u> | <u>(1,316,000)</u> |
| Total Revenue | 33,518,393 | 34,399,800 | 35,987,057 |
| Prior-Year Lapses..... | <u>200,000</u> | <u>200,000</u> | <u>75,000</u> |
| Funds Available | 33,718,393 | 34,599,800 | 36,062,057 |
| Enacted/Proposed Expenditures.... | <u>33,401,521</u> | <u>34,595,457</u> | <u>36,055,896</u> |
| Total Expenditures | 33,401,521 | 34,595,457 | 36,055,896 |
| Preliminary Balance | 316,872 | 4,343 | 6,161 |
| Transfer to the Rainy Day Fund... | <u>(316,872)</u> | <u>(1,086)</u> | <u>(1,540)</u> |
| Ending Balance | \$ 0 | \$ 3,257 | \$ 4,621 |
| Cumulative Rainy Day Balance | 340,096 | 341,182 | 342,722 |
| CNIT Rate (Effective Jan. 1) | 9.99% | 9.99% | 8.99% |

2019-20 GENERAL FUND TAX REVENUE COLLECTIONS THROUGH JANUARY

| | <u>Estimated</u> | <u>Actual</u> | <u>\$ Difference</u> | <u>% Difference</u> |
|-------------------------|------------------------------|--------------------|----------------------|---------------------|
| | <i>(Dollars in Millions)</i> | | | |
| Tax Revenue: | | | | |
| Corporation Taxes | \$ 1,915.1 | \$ 1,785.2 | \$ (129.9) | -6.8% |
| Consumption Taxes | 7,731.0 | 7,804.0 | 73.0 | 0.9% |
| Sales & Use - Non-Motor | 5,891.4 | 5,939.1 | 47.7 | 0.8% |
| All Other | 1,839.6 | 1,864.9 | 25.3 | 1.4% |
| Other Taxes | 8,710.1 | 8,843.4 | 133.3 | 1.5% |
| PIT Withholding | 6,300.3 | 6,271.0 | (29.3) | -0.5% |
| PIT Non-Withholding | 1,355.0 | 1,480.5 | 125.5 | 9.3% |
| All Other | 1,054.8 | 1,091.9 | 37.1 | 3.5% |
| Non-Tax Revenue: | 197.3 | 279.4 | 82.1 | 41.6% |
| TOTAL | \$ 18,553.5 | \$ 18,712.0 | \$ 158.5 | 0.9% |

INVESTING IN OUR KIDS

Ensuring that children have access to quality child care, education, and prevention programs will set them on a path to success.

- **\$15.3 million** in federal funds for Child Care Works base rates to ensure equal access to child care services
- **\$11 million** to add 2,000 slots for Early Intervention services for children ages 3 to 5
- **\$2.5 million** to increase county administrative allocations for Early Intervention services for children birth to age 3
- **\$2.4 million** to continue existing home visiting programs and to expand home visiting for Medicaid recipients

PROMOTING FAIRNESS, EQUITY, AND QUALITY IN OUR PUBLIC EDUCATION SYSTEM

Strengthening Pennsylvania's educational opportunities positively influences nearly every other part of society, including building a strong workforce and reducing crime.

- Proposes universal, free, full-day kindergarten for all students
- Calls for an increase of the minimum teacher salary from \$18,500 to \$45,000
- Comprehensive Charter School Law reform that will allow school districts to retain \$280 million more in funding while maintaining choice



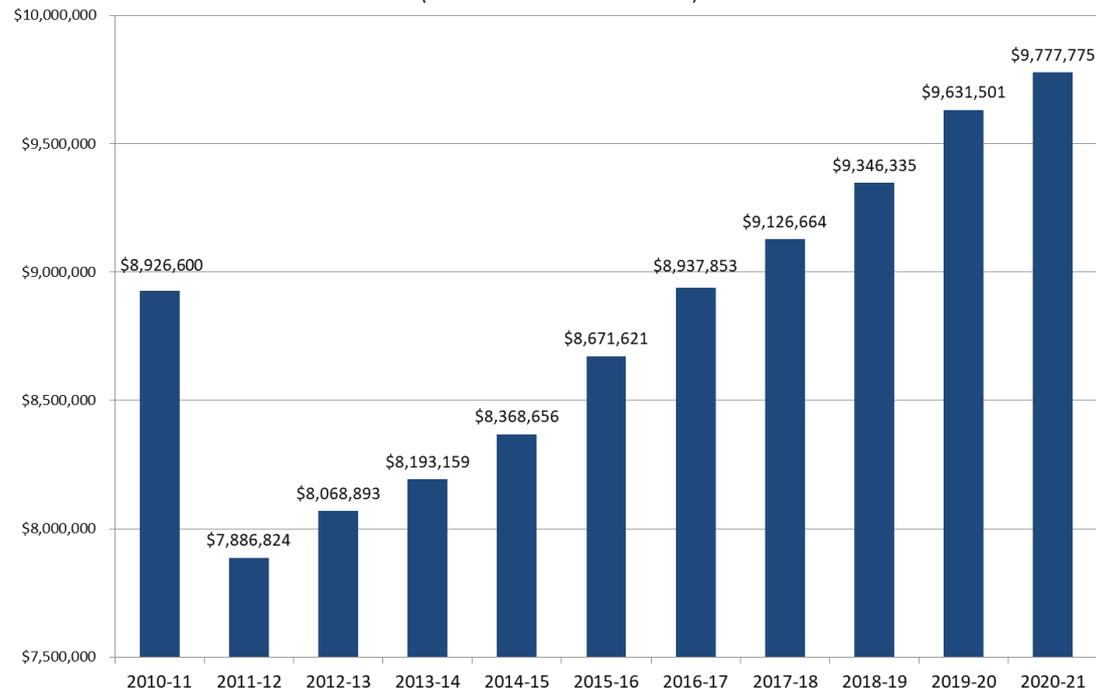
PROMOTING FAIRNESS, EQUITY, AND QUALITY IN OUR PUBLIC EDUCATION SYSTEM

This budget continues Governor Wolf’s commitment to investing in education at all levels.

- \$100M in basic education funding
- \$30M for Pre-K and Head Start
- \$25M in special education funding
- \$12.9M for PASSHE
- \$60M for PHEAA Grants to Students
- \$204M for Nellie Bly Tuition Program

Pre-K to 12 Education Funding

(Dollar amounts in thousands)



Note: Excludes Authority Rentals and Sinking Fund Requirements, School Employees' Social Security, and School Employees' Retirement.

MAKING COLLEGE MORE AFFORDABLE

Investing in our college students and in our system of higher education will support our workforce needs and grow our economy.

- **\$204 million** repurposed into the Nellie Bly Tuition Program to assist and retain PASSHE students in PA after graduation
- **\$60 million** to increase the maximum award for the Pennsylvania State Grant Program
- **\$12.9 million** to support the PASSHE System Redesign to increase collaboration and leverage the strengths of our universities

MAKING PA A BETTER PLACE FOR WORKERS AND BUSINESSES

Based on recommendations from the Keystone Economic Development and Workforce Command Center, this budget tackles barriers to success for employers and employees.

- Calls for combined reporting and a decrease to the CNIT rate
- **\$12 million** grant program to address barriers such as transportation, child care, training, licensure, and re-entry
- **\$14.8 million** in federal funds to redesign DHS employment and training programs
- Increases the minimum wage to **\$12 per hour** on July 1, 2020 with annual increases to \$15 per hour by July 1, 2026
- Addressing the benefits cliff with **\$23.4 million** in federal funds for a Work Expense Deduction and restructuring child care co-payments
- **\$14 million** to encourage innovation and increase job training

KEEPING PENNSYLVANIANS SAFE

Pennsylvanians must feel safe and free of the threat of gun violence in their homes, work, places of worship, and community.

- **\$6 million** in grants to community programs for evidence-based strategies and promising practices to prevent and reduce gun violence
- **\$4 million** to the Philadelphia Gun Violence Task Force to enhance their efforts
- Prioritizing school safety funding to address the gap in mental health and counseling services in our schools.
- Fair service fee for police coverage by the State Police

PROTECTING THE MOST VULNERABLE

Helping to ensure all Pennsylvanians are treated with care and dignity, the Council on Reform brought forth recommendations to protect vulnerable populations and improve their wellbeing.

- **\$1 million** for legal services for low-income individuals and victims of domestic violence
- **\$1.4 million** to grow the Ventilator Dependent Resident Grant Program
- **\$1.3 million** for the Court Appointed Special Advocate Program to give a voice to children facing abuse and neglect
- **\$5.1 million** for DHS staff to implement changes in the law, regulations, and licensing
- **\$1 million** for the Pennsylvania Agricultural Surplus System

PROTECTING THE MOST VULNERABLE

Growing the success of the statewide implementation of Community HealthChoices, this budget continues Governor Wolf's commitment to serve more individuals in their communities.

- **\$1.2 million** for direct care worker training
- **\$15 million** to serve an additional 732 individuals with intellectual disabilities and autism currently on the waiting list through the Community Living Waiver and 100 individuals through the Consolidated Waiver
- **\$4 million** for risk management to support individuals with intellectual disabilities and autism living in the community
- **\$8.1 million** at serve 1,700 seniors on the OPTIONS waiting list

INVESTING IN OUR ENVIRONMENTAL PROTECTION AND RESTORATION

Action must be taken to ensure that generations of future Pennsylvanians will be able to enjoy our beautiful lands and waterways.

- **\$2.5 million** for DEP staff to grow air quality programs and implement the Chesapeake Bay Watershed Implementation Plan
- **\$2.5 million** for DCNR state park and forest rangers
- Proposes a **\$1 per ton** increase to the tipping fee on municipal waste landfill deposits to fund the Hazardous Site Cleanup Fund
- Calls for legislative action to increase pipeline safety

REPAIRING AND IMPROVING OUR INFRASTRUCTURE

Key investment will help communities address Pennsylvania's aging infrastructure and improve the quality of life for Pennsylvanians.

- Expansion of the eligibility for RACP to allow for **\$1 billion** in lead and asbestos remediation projects in schools
- **\$4.4 million** to leverage an additional \$10 million for lead testing, services, and remediation through the Health Services Initiative
- Additional federal funds through PENNVEST for lead service line replacement
- Call for the enactment of a severance tax on natural gas drilling to invest in critical repairs and improvements through Restore Pennsylvania

INVESTING IN THE ARTS

Access to the arts grows a vibrant culture, stirs emotion, and expands economic development. Unfortunately, not all communities are afforded the same access.

- **\$1 million** to increase support to rural and minority communities that historically lack equitable access to the arts
- **\$500,000** to expand the Creative Communities Initiative for community-driven, arts-based projects that promote economic development and community connectedness



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QUESTIONS?

