

## 2011-12 Enacted Budget Highlights

- The 2011-12 enacted budget is balanced with no tax increases.
- The budget refocuses the investment of tax dollars in the core functions of government, including:
  - adhering to fiscal discipline;
  - promoting limited, transparent and effective government;
  - supporting free enterprise and job creation;
  - funding students and promoting educational excellence;
  - protecting public health and safety; and
  - maintaining the human services safety net.
- The 2011-12 General Fund budget is \$27.15 billion – a decrease of \$1.17 billion, or 4.1 percent, from 2010-11. Overall, state spending is reset to near 2008-09 levels.
- The budget eliminates 66 appropriation line items – cutting \$822 million in annual spending. It reduces funding for 226 appropriations and consolidates an additional 52 appropriations to streamline government.
- Administrative spending in the budget is reduced by 4 percent and about 1,000 positions are eliminated.
- This budget consolidates and streamlines economic development programs to focus on job creation and attracting businesses to Pennsylvania.
- The budget maintains important tax credit programs at 2010-11 levels, including the Job Creation and Film Production tax credits, and increases the cap on the Research and Development Tax Credit from \$40 million to \$55 million.
- The budget reinstates the phase-out of the Capital Stock and Franchise Tax – providing more than 100,000 job creators with more than \$70 million of tax relief in 2011-12. The phase-out of this tax will continue until it is completely eliminated in 2014.
- The Basic Education Funding subsidy is reset to nearly the 2008-09 level – the last year before federal stimulus funds were available. This results in an average annual increase of 3 percent in this funding over the last 10 years.
- The budget increases total funding for the Department of Corrections and the Board of Probation and Parole and provides funding to maintain trooper strength on our highways and in our communities.
- The budget helps individuals achieve self-sufficiency through sensible welfare reforms while it preserves services for those in need who are eligible.