



2007-08 Enacted Budget Highlights

- The 2007-08 budget invests in the education of our children, promotes job creation, increases our state's global competitiveness and preserves the social safety net that protects the elderly, people with disabilities and other Pennsylvanians in need.
- The 2007-08 General Fund budget – including \$318 million of mass transit funds – was \$27.5 billion, an increase of 4.4 percent. As a result of the mass transit funds being transferred to the new Public Transportation Trust Fund, the 2007-08 General Fund budget is \$27.2 billion, a 3.2 percent increase.
- In the 2007-08 General Fund budget, \$600 million, or more than half of the increase in General Fund expenditures is for Education.
- Administrative spending in 2007-08 is 2.3 percent below 2002-03 levels.
- The 2007-08 budget re-invests savings realized through innovation and increased efficiency. By eliminating waste and improving government operations, the commonwealth has achieved more than \$1 billion in annual recurring cost savings since Governor Rendell took office.

Education – Investing in Our Children to Prepare Them for the Future

PreK-12 Education – Nearly \$9.4 billion in total funding for basic education, a \$558 million, or 6.3 percent, increase.

Basic Education Funding – \$4.95 billion in total, a 3.5 percent increase, to support PreK-12 education and to continue a foundation funding approach to assist school districts in reaching a research-based adequate funding level.

Special Education Funding – \$1 billion, a \$29.4 million, or 3 percent, increase.

Accountability Block Grant – \$275 million, a \$25 million increase. Provides an additional \$20 million for school districts to invest in full-day kindergarten programs by launching or expanding these essential early educational experiences across the commonwealth. This would increase full-day kindergarten participation from 55 percent to 65 percent of all Pennsylvania children.

Pennsylvania Pre-K Counts – \$75 million in new pre-kindergarten funding for public schools, Head Start programs, private child-care centers and nursery schools, so that 11,000 more children can get a vital early start to learning.

Classrooms for the Future – \$90 million, a \$70 million increase, to continue changing the way teachers teach and students learn in Pennsylvania high schools by putting a laptop on every student's desk and using the power of the Internet to engage the Technology Generation and make learning come alive. More than 350 schools will benefit.

Science: It's Elementary – \$13.5 million in total, a 35 percent increase, to help more than 41,000 additional students in 70 school districts become active science explorers.

Project 720 – \$11 million in total, a 38 percent increase, to transform 30 additional Pennsylvania high schools by increasing the rigor of academic programs. More than 100 high schools are already participating in Project 720.

Dual Enrollment – \$10 million in total, a 25 percent increase, to help high school students earn college credit. High school students are taking nearly 10,000 college-credit courses this year as a result of our current investment of \$8 million.



Caring for All Pennsylvanians

Prescription for Pennsylvania – \$17.5 million in state and federal funds to implement several key components of Prescription for Pennsylvania, including:

- development of a plan to eliminate hospital-acquired infections, which will save thousands of lives and billions of dollars each year;
- a proven new way to help those suffering from chronic conditions, such as diabetes and heart disease; and
- an initiative to address childhood obesity by providing financial incentives for school districts to adopt tough nutrition standards.

Long-Term Living – \$17.2 million in state funding for a variety of long-term living initiatives that continue toward the goal of achieving 50 percent home and community-based services and 50 percent institutional services in the next five years. One part of that goal is to expand by 2,200 the number of elderly people and by 1,000 the number of younger disabled people who can receive Medicaid-funded long-term living services in their homes and communities. In addition, this budget includes \$49.7 million in state funds to provide a three percent rate increase for nursing facilities.

Assisted Living – The Governor's Prescription for Pennsylvania called for and the General Assembly passed legislation to define and establish oversight for assisted living residences, which are a key component of a balanced long-term living system. Assisted living will provide a less costly alternative to nursing home care for individuals who need the availability of 24-hour support and will allow Medicaid payment for certain health care services in assisted living.

Cover All Kids – Second-year funding to provide access to affordable, comprehensive health care coverage for all uninsured children in Pennsylvania. Includes \$99 million in state funds and \$212.5 million in federal funds to provide access to affordable, comprehensive health care coverage for 175,000 children, an enrollment increase of 10 percent. Since Governor Rendell's plan for universal health care for children was adopted last fall, 7,900 additional children have been signed up for health insurance.

Early Intervention – \$292.8 million in state funds, an increase of \$48.8 million or 20 percent, to serve 76,325 eligible at-risk infants, toddlers and children up to age five with developmental delays. Early intervention services minimize the need for special education and related services and assist families in meeting the special needs of their children.

Autism – \$23 million in state and federal funds, an \$18.2 million increase, for autism programs for adults, including prepaid inpatient health care, statewide training and technical assistance, information outreach, assessment procedures and program monitoring.

PACE Plus Medicare – \$276.4 million in second-year funding for a comprehensive state pharmaceutical benefits program that complements Medicare Part D and ensures that PACE enrollees will not incur an increase in out-of-pocket costs. Includes funding to enable an additional 32,000 people to be served by PACE, for a total of more than 357,000 enrollees by June 2008.

Making Pennsylvania More Competitive

New Transportation Investments – \$750 million of new investment in the 2007-08 budget, with investments averaging \$946 million per year in the first ten years to ensure smoother and safer roads and bridges, as well as crucial mass transit funding. This is the most significant funding devoted to transportation needs in the history of the commonwealth.

Business and Job Development – \$20 million for multi-year grants, a \$5 million increase, for new infrastructure and facility improvement projects.



Film Production Tax Credits – Up to \$75 million per year in tax credits for film and television production expenses incurred in the commonwealth in order to continue to competitively attract film and television production business.

Creating a New Office of Goods Movement and Intermodal Coordination – \$2 million in 2007-08 to create a one-stop shop to coordinate goods movement across all transportation sectors. The office will serve as the commonwealth's central resource to support the transportation needs of companies Pennsylvania is trying to attract or retain.

Returning to Fiscal Stability

Rainy Day Fund – In January 2003, Governor Rendell inherited a \$2.4 billion General Fund budget deficit, a near-bankrupt Pennsylvania Employees Benefit Trust Fund, and a depleted Rainy Day Fund – the commonwealth's savings account.

PEBTF – In July 2007, under the Governor's leadership, the commonwealth has seen five enacted balanced General Fund budgets, a stabilized PEBTF — the fund's \$65 million reserve balance is the highest since 2001-02; and a replenished Rainy Day Fund — its nearly \$715 million balance is also the highest since 2001-02.

Environment

State Parks – Provides \$6.3 million in additional funding for state parks operations to ensure a quality experience for visitors to our state parks.

Gypsy Moth – Provides a \$3 million increase to help combat gypsy moth infestation in our forests and to enable more counties to participate in the program and keep local share costs as low as possible.

Public Safety – A Commonwealth Priority

State Police – Provides funding for the largest number ever of state troopers in the commonwealth.

Corrections and Probation & Parole – Provides \$192 million, a 13 percent increase, in new funding to address continuing increases in the inmate and post-incarceration population, and to reduce the growth. In May 2007, Pennsylvania's inmate population was 45,505 – 2,596 people, or six percent higher than a year before. The prison population is projected to grow to nearly 51,000 inmates by July 2011, without corrective action.

First Responders – \$25 million for the Volunteer Company Grants program from the State Gaming Fund.

Pandemic and Avian Flu Preparedness – \$14.1 million to purchase and store antiviral medications.



***The Following Initiatives will be Pursued
in the Fall 2007 Legislative Session:***

Energy Independence Fund – A special session will be held on the Energy Independence Fund proposal to conserve energy, stimulate the economy and save consumers money through reduced energy costs.

The Jonas Salk Legacy Fund: Accelerating Medical Research in Pennsylvania – \$500 million of accelerated investments, from a portion of Tobacco Settlement Funds, which will leverage another \$500 million in matching funds to promote biomedical research in Pennsylvania.

Cover All Pennsylvanians – A critical component of Prescription for Pennsylvania that will provide an affordable basic health insurance plan for small businesses and uninsured individuals.

Property Tax Relief – Pursue proposals to accelerate property tax relief.

Hazardous Sites Cleanup Fund – Achieve a funding solution for the commonwealth program responsible for cleaning up our hazardous sites.