



2023-24 Governor's Executive Budget

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2023-24 Proposed Budget

General Fund Expenditures: \$44.397B

- Prioritizes public safety, reduces PSP reliance on Motor License Fund, and builds capacity for road & bridge projects
- Invests in all levels of education
- Increases minimum wage to \$15 per hour on Jan. 1, 2024
- Eliminates the GRT and SUT on wireless cellphone services
- Strengthens commitment to workforce, business, & community development
- Bolsters the Pennsylvania Office of Transformation and Opportunity to facilitate the implementation of transformational economic development projects
- Provides critical mental health supports
- Supports vulnerable populations
- Includes criminal justice reform
- Safeguards environment & natural resources



2023-24 Financial Statement

(dollars in thousands)

	<u>2021-22</u> <u>Actual</u>	<u>2022-23</u> <u>Available</u>	<u>2023-24</u> <u>Budget</u>
Beginning Balance	\$ -	\$ 5,537,421	\$ 7,858,253
Adjustments to Beginning Balance	4,450	4,000	-
Revenue Actuals/Estimates	48,134,220	43,927,200	43,229,400
Federal Stimulus	2,478,622	2,236,310	514,959
Refunds	<u>(1,420,000)</u>	<u>(1,294,400)</u>	<u>(1,257,500)</u>
Total Revenue	49,197,292	50,410,531	50,345,112
Prior-Year Lapses	<u>270,012</u>	<u>795,929</u>	<u>205,000</u>
Funds Available	49,467,304	51,206,460	50,550,112
Enacted Expenditures	39,351,261	42,769,617	44,396,715
Estimated Supplemental Appropriations		(1,657,720)	
Federal Stimulus	<u>2,478,622</u>	<u>2,236,310</u>	<u>514,959</u>
Total Expenditures	41,829,883	43,348,207	44,911,674
Preliminary Balance	7,637,421	7,858,253	5,638,438
Transfer to the Rainy Day Fund	<u>(2,100,000)</u>	-	-
Ending Balance	\$ 5,537,421	\$ 7,858,253	\$ 5,638,438
Cumulative Rainy Day Fund Balance <i>(includes interest income)</i>	\$ 4,968,521	\$ 5,117,281	\$ 5,270,799

2022-23 General Fund Collections through February

	<u>Estimated</u>	<u>Actual</u>	<u>\$ Difference</u>	<u>% Difference</u>
Tax Revenue:				
Corporation Taxes	\$ 2,756.9	\$ 3,266.1	\$ 509.2	18.5%
Consumption Taxes	10,223.0	10,379.3	156.3	1.5%
Sales & Use - Non-Motor	8,337.9	8,499.1	161.2	1.9%
All Other	1,885.1	1,880.2	(4.9)	-0.3%
Other Taxes	12,177.4	12,013.1	(164.3)	-1.3%
PIT Withholding	8,164.8	8,163.8	(1.0)	0.0%
PIT Non-Withholding	2,334.8	2,200.4	(134.4)	-5.8%
All Other	1,677.8	1,648.9	(28.9)	-1.7%
Non-Tax Revenue:	286.2	434.3	148.1	51.7%
TOTAL	\$ 25,443.5	\$ 26,092.8	\$ 649.3	2.6%

Dollar amounts in millions.



Committing More than \$400 Million in Recurring State Funds to Maintain One-Time Federal Investments

- **\$75 million** for violence intervention and prevention programming
 - **\$20 million** for historically disadvantaged businesses
 - Nearly **\$38.5 million** for universal free breakfast
 - **\$66.7 million** for stabilizing the base child care rates at 60th percentile
 - Expansion of PTRR program to build on one-time bonus payment
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- **\$29.8 million** for state-related universities
 - **\$2 million** to build on Fresh Food Financing investments
 - Continued support of rate increases made available through enhanced FMAP
 - **\$126.6 million** to carrying ID/A rate increases
 - **\$35.5 million** for increased Personal Assistance Services rates
 - **\$11 million** for community Participation Support Services rates through ODP waivers

Emergency Services and Public Safety Investments

- Current 911 surcharge of \$1.65 expires in January 2024
 - 5-year extension of surcharges and increase to \$2.03 to match inflation
 - Continues funding critical services while increasing resources
- Supplements current law increase of **\$36 million** for emergency services in 2023-24
- Public Safety and Protection Fund
 - Reduces reliance on Motor License Fund by \$100 million per year until \$0 in 2027-28
 - 4 new cadet classes to train 384 troopers
 - Upgrading PSP equipment and placing on a standard replacement cycle
- **\$10 million** for Commonwealth's first statewide investment in indigent defense
- Nearly **\$6.4 million** for criminal justice reforms to prioritize efficiency and reduce recidivism





Investing in Children and Students

Ensuring that children and students have access to quality education programs will set them on a path to success.

- **\$567.4 million** in Basic Education Funding through the Fair Funding Formula
 - **\$103.8 million** in Special Education Funding
 - **\$10.4 million** for Early Intervention services for children ages 3 to 5
 - **\$2.7 million** to Head Start programs for workforce investments
 - **\$30 million** in Pre-K Counts funding to raise the per-child rate
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- **\$29.8 million** for state-related universities
 - **\$60 million** to increase postsecondary access and completion
 - **\$1.6 million** to support parenting postsecondary students
 - **\$250,000** in new funding for the It's On Us initiative
 - **\$4.2 million** to provide capital improvements at small rural libraries

Providing a Supportive and Safe Learning Environment

Access to school-based mental health services, adequate nutrition, and buildings with proper safety measures and free of environmental concerns are essential for student success.

- **\$38.5 million** to continue school breakfast for all PA students
- **\$100 million** for school facility environmental repairs and improvements
- **\$100 million** for continued grants for School Safety and Security





Workforce Development

Investing in the career pipeline ensures workers gain the skills they need to chart their own course and support their families.

- **\$24.7 million** in refundable personal income tax credits for filling critical, credentialed positions for up to three years
- **\$3.3 million** for CTE equipment purchase and upgrades
- **\$4 million** to CTE programs
- **\$5 million** increase for PAsmart grants
- **\$2 million** for Industry in the School program to foster professional partnerships
- **\$3 million** to increase registered apprenticeship opportunities
- **\$3.5 million** for further expansion of Schools-to-Work program
- **\$3 million** for Foundations in Industry to support pre-apprenticeships
- **\$1 million** to reduce financial barrier to high school equivalency tests
- **\$1.28 million** to increase the number of Labor Law Compliance Investigators by one-third
- Providing a more efficient safeguard for workers in the event of unplanned circumstances, with reduced wait times for the Unemployment Compensation System.

Business and Community Development

Prosperous businesses create downstream and upstream opportunities, with vital direct and indirect economic impacts for local communities.

- Continues the planned decrease in Corporate Net Income Tax rate to **8.49 percent in tax year 2024**, with a path to 4.99 percent
- **\$12 million** increase to PA First program, including \$2 million for WEDnetPA
- **\$20 million** to continue support for Historically Disadvantaged Businesses
- **\$1 million** for the Manufacturing Innovation Program
- **\$1.25 million** for financial sustainability planning & \$1.5 million for the Municipal Assistance Program
- **\$8.6 million** for community revitalization through Keystone Communities
- **\$1 million** for the Council on the Arts





Supporting Vulnerable Populations

Dedicated resources to keeping Pennsylvania's most vulnerable residents active members of our communities.

- First expansion of the eligibility and maximum rebate for the Property Tax Rent Rebate Program since 2006 reaching 173,000 new individuals and increasing benefits for 400,000
- **\$10 million** to reduce the OPTIONS program waiting list and retain AAA network staff
- **\$1 million** for additional grants to Senior Centers
- **\$1.48 million** to help individuals with disabilities in their communities
- **\$17.5 million** to reduce the ID/A waitlist
- **\$1.25 million** to provide home and community-based services for individuals currently residing in state hospitals
- **\$3.4 million** to expand Lifesharing service rates for increased participation

Supporting Vulnerable Populations

- **\$16 million** for an increase in the minimum SNAP benefit for over 100,000 individuals
- **\$1.4 million** to promote quality care for residents in Skilled Nursing Facilities
- **\$7.81 million** to fully support the work of County and Municipal Health Departments
- **\$2.2 million** for DHS to improve efficiency of licensing activities and reduce licensing processing times
- **\$2.3 million** to implement prevention strategies to reduce maternal mortality and morbidity rates





Expanding Mental Health Supports

This budget prioritizes a robust mental health support system to assist with the complex and varying needs of all Pennsylvanians.

- **\$100 million** for the School-Based Mental Health Supports Block Grant for resources for school students and staff
- **\$20 million** in increased funding for county mental health services
- **\$4 million** to expand community-based diversion programs
- Dedicated, sustainable, funding for 988 telephone support and **\$5 million** for one-time system buildout
- Increased mental health supports for farmers and ranchers

Safeguarding PA's Natural Resources

Investments will protect Pennsylvania's rich environment and support agricultural development.

- **\$5.75 million** for DEP resources to increase permitting efficiency and investigation capacity
- **\$4 million** to safeguard water resources
- **\$2.8 million** to expand DCNR resources to support state park & forest infrastructure
- Double infrastructure investments with increase of **\$56 million** from Oil and Gas Lease Fund
- **\$1 million** to create an Organic Center of Excellence & \$500,000 for a Center of Plant Excellence
- **\$2.5 million** for the Farmland Preservation Program
- **\$2 million** to improve access to fresh, quality produce





Questions?