



2020/21 Executive Budget Proposal

At-A-Glance

The 2020/21 executive budget proposal spends \$36.056 billion, an increase of \$1.46 billion, or 4.22 percent, over the current year, after considering the request of \$588 million in supplemental funding for the current year.

Increases the minimum wage:

- \$12 per hour effective 7/1/20, with 50¢ annual increases up to \$15 per hour on 7/1/26
- Generates \$133.3 million in additional Personal Income and Sales and Use Tax revenue for 2020/21
- \$10.7 million in costs for 2020/21 due to increased salaries for child care, direct care and other workers
- Addresses the Benefits Cliff:
 - o Utilizes \$23.4 million in federal funds to allow families to receive TANF longer through a work expense deduction to ease the transition
 - o Restructures co-payment contribution for Child Care Works program
 - o Invests \$15.3 million in federal funds in child care base rates to create stability of providers and ensure access to child care services

Provides a Quality Education to All Children:

- Basic Education: \$100 million increase
- Special Education: \$25 million increase
- Pre-K Counts: \$25 million increase
- Head Start: \$5 million increase
- Charter Reform: \$280 million savings to school districts
- Mandates full day kindergarten
- \$45,000 minimum teacher salary

Makes Higher Education Affordable and Attainable:

- PHEAA: Additional \$30 million to increase grant amounts
- Nellie Bly Scholarship Program:
 - o \$204 million for last-dollar, needs-based scholarship program for full-time PASSHE students with a commitment to stay in PA
 - o Funded through a transfer from the Race Horse Development Fund

Keeps Pennsylvania Safe:

- \$2.5 million increase for DEP operations: \$1 million Chesapeake Bay Watershed Implementation Plan and \$1.5 million Bureau of Air Quality
- \$1-per-ton increase to the tipping fee to provide solvency to the Hazardous Sites Cleanup Fund
- \$2.5 million increase for DCNR operations to hire additional state park and forest rangers
- Call for legislative action on pipeline safety
- School Safety and Security Fund:
 - o \$15 million transferred from the Judiciary directed toward mental health services and counselors in schools
 - o \$45 million transfer from personal income tax revenue discontinued
- Gun Violence initiatives:
 - o \$6 million for PCCD gun violence prevention and reduction grants
 - o \$4 million for the Gun Violence Task Force in Philadelphia
- Lead and Asbestos Remediation:
 - o \$1 billion in RACP projects to fix hazardous school facilities
 - o \$4 million in state CHIP funding, matched with \$10 million in federal funds, to remediate lead in homes and childcare centers and train additional inspectors



Protects Vulnerable Populations:

- Cost Savings Measures for 2020/21:
 - o Community Health Choices Cycle Roll
 - o Reauthorization of MCO Assessment
 - o Implementation of the Statewide Preferred Drug List
- No changes to delivery model for MA-Transportation
- Waiting List Initiatives:
 - o \$1.25 million for 20 Community Health Integration Projects Program (CHIPP) discharges
 - o \$8.1 million to fund 1,700 seniors on the OPTIONS in-home services waiting list
 - o \$15 million ID/Autism investment
 - 732 individuals added to the Community Living Waiver
 - 100 individuals added to the Consolidated Waiver
 - Up to 40 of these 832 individuals will be children with complex medical needs transitioning from congregate care settings to appropriate waivers
 - High school graduates will continue to be served through attrition
- \$1 million increase to the Pennsylvania Agricultural Surplus System

Assumes the following sources of revenue are legislatively enacted:

- PSP Fee on Municipalities (\$136 million)
- Business Tax Reform - reduces CNIT rate and implements Combined Reporting (raises \$240 million in first year, amount decrease over time)

	Executive Budget			
	2018/19 Actual	2019/20 Available	2020/21 Budget	% Chg
\$'s in 000's				
Adjusted Beginning Balance	\$ (33,485)	\$ 9,000	\$ 3,257	
REVENUE:				
Official estimate	\$ 34,857,878	\$ 35,496,800	\$ 37,299,800	
Revenues Over/(Under) Estimate		\$ 200,000		
Less Refund Reserves	(1,306,000)	(1,306,000)	(1,316,000)	
Plus prior year lapses	200,000	200,000	75,000	
Funds Available	\$ 33,718,393	\$ 34,599,800	\$ 36,062,057	
EXPENDITURES:				
Enacted Appropriations	\$ 33,401,521	\$ 34,007,687	\$ 36,055,896	6.0%
Supplemental Appropriation	-	587,770	-	
Total expenditures	\$ 33,401,521	\$ 34,595,457	\$ 36,055,896	4.2%
Preliminary Balance	\$ 316,872	\$ 4,343	\$ 6,161	
Less Transfer to Budget Stabilization Reserve Fund	(316,872)	(1,086)	(1,540)	
Ending Balance	\$ -	\$ 3,257	\$ 4,621	

