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2020/21 BUDGET PACKAGE

Due to the economic impact of the COVID-19 pandemic, the 2020/21 budget took shape in a very unique way with a partial stop-gap budget passed in May and the remainder enacted in November. During the usual budget planning time in the spring, Pennsylvania was under mitigation orders that closed non-essential businesses and schools. There was great uncertainty about for how long these efforts would be needed and what the revenue picture would look like as the commonwealth moved forward.

On May 29, 2020, the General Assembly and governor enacted a package of budget bills. The General Appropriations Act (Act 1A) included five-twelfths of annual funding for most line items, with a major exception being a full year of education funding at prior year levels. Separate bills provided full-year funding for independent boards and non-preferred appropriations, and budget implementation language through a Fiscal Code at that time. A separate appropriations act (Act 2A) and accompanying implementation bill detailed the use of \$2.6 billion in federal funds to help respond to the pandemic. The governor finally signed Act 17A on November 23, 2020, providing the remainder of funding for 2020/21, and another budget implementation bill amending the Fiscal Code.

The 2020/21 budget package includes the following, which were all signed by the governor:

- General Appropriations (Act 1A, 2A/HB 2387, SB1108) – May 29
- General Appropriations (Act 17A/ SB1350) – November 23
- “Housekeeping” Appropriations (Acts 8A-16A/HBs 2467-2475) – May 29
- Non-Preferred Appropriations (Acts 3A-7A/HBs 2441-2445) – May 29
- Fiscal Codes (Act 23, 24/HB 1083, HB 2510) – May 29
- Fiscal Code (Act 114/ HB 2536) – November 23
- Public School Code (Act 30/HB 1210) – June 5
- Administrative Code (Veto #8/SB 1027) – May 29

In total, the 2020/21 budget appropriates \$33.1 billion in state dollars from the General Fund, plus \$3.4 billion in federal offsets to state expenses for a total of \$36.5 billion in expenditures, which is \$1.4 billion, or 4.1 percent, more than 2019/20. Most programs and agencies generally received flat funding consistent with 2019/20. The enacted budget contains no tax increases.

The budget was balanced using a number of one-time accounting maneuvers including:

- Rainy Day Fund transfer of \$100 million;
- Special fund transfers of \$431.2 million;
- CARES Coronavirus Relief Fund offsets of \$1.33 billion; and
- Reduced payments for Retired Employees Health Plan (REHP) of approximately \$200 million.

The use of these one-time revenue sources and expenditure offsets creates significant challenges to adequately fund the 2021/22 budget.

RETIRED EMPLOYEES HEALTH PLAN (REHP)

Pennsylvania offers health insurance to some retired employees based on years of service and service class. One of these plans is known as Retired Employees Health Plan (REHP), and benefits are administered by the Pennsylvania Employees Benefit Trust Fund (PEBTF). Like other health insurance benefits, agencies are billed each payroll cycle to fund these benefits. Costs are charged to appropriations that cover personnel costs. Like pension liabilities, REHP liabilities are a long-term type of other post-employment benefit cost that the commonwealth is required to disclose in its comprehensive annual financial report and other financial reporting documents.

The commonwealth has largely paid these costs on a pay-as-you-go basis, but in recognition of the long-term liability, had started to build up assets to help address the costs over time. The enacted budget uses the accumulated balance to provide budgetary relief in the General Fund.

Specifically, this budget temporarily reduces contributions from the commonwealth into PEBTF for the REHP program, which will reduce reserves held by the fund by approximately \$200 million in June 2021. These temporary savings manifest throughout the budget as reductions to administrative appropriations. Most of the



reductions to executive agency general government operations appropriations are tied to changing REHP contributions.

REVENUE

The effect of COVID-19 and changes to tax due dates enacted by Congress and the General Assembly combined to create a \$3.2 billion, or 9.1 percent, revenue shortfall for the 2019/20 fiscal year, which filtered through the budget and left the General Fund with a \$2.7 billion negative ending balance at the end of June. Better than expected revenues play a key role in balancing this budget. The original 2020/21 official revenue estimate was certified in May. Thankfully, General Fund revenues have steadily outpaced that estimate each month this fiscal year, standing \$1.036 billion higher than expected through the end of November.

The Fiscal Code amendments passed with the supplemental General Appropriations Act in late November authorizes the Secretary of Revenue to revise the official revenue estimate upwards, which served as the basis for the budget through the end of the fiscal year. Current projections from the administration assume that the commonwealth will receive \$1.99 billion more than first projected in May.

Another source of revenue to balance the budget is \$431 million in transfers from special funds to the General Fund. \$50 million of these transfers were previously identified in the spring and used to help purchase COVID-related medical equipment and supplies before being reimbursed by the federal Coronavirus Relief Fund. These fund transfers had been reversed, but will again be transferred out of the funds. The remaining \$381 million in transfers are specifically enumerated in the Fiscal Code as part of the budget implementation language. These transfers provide one-time revenue to the General Fund that will not recur in 2021/22.

RAINY DAY FUND

Along with the special fund transfers, the Fiscal Code authorizes a \$100 million transfer to the General Fund from the Budget Stabilization Reserve Fund, commonly called the Rainy Day Fund. This piece is another one-time revenue. After the transfer, \$243.4 million remains in the Rainy Day Fund. This is equivalent to less than two-and-a-half days of operating expenses and is still one of the lowest balances of all states. The median number of days' worth of Rainy Day savings among states is 26.8 according to Pew.

TAX AND REVENUE CHANGES

This budget contains no tax increases. Property tax relief payments to homeowners remained consistent with prior years. The shutdown of casinos in the spring resulted in a shortfall of \$200 million, which was backfilled by a transfer of personal income tax from the General Fund to the Property Tax Relief fund, as designated in the Fiscal Code.

CORONAVIRUS RELIEF FUND

As part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, states were provided with flexible Coronavirus Relief Fund (CRF) dollars to respond to the COVID-19 pandemic. Pennsylvania was allocated \$4.9 billion in CRF, with \$1 billion of those dollars going directly to counties with populations greater than 500,000. The spring budget package allocated \$2.6 billion of the \$3.9 billion received directly by the commonwealth to various relief efforts including small business grants, hazard pay, higher education, human services, and mortgage and rental assistance, among others.

Initially, the U.S. Treasury held firm in their interpretation that CRF could not be used to backfill lost state and municipal revenues. However, over time, they relaxed their interpretations of how states and municipalities could use the funds, which has a similar effect of backfilling lost revenues. According to revised U.S. Treasury guidance, state and local governments can presume that public health and safety employees are substantially dedicated to mitigating or responding to the COVID-19 pandemic.

Therefore, the General Assembly appropriated \$1.33 billion in the fall budget package to offset salary and benefits costs in several agencies, focused mostly in the Department of Criminal Justice and Pennsylvania State Police. In doing so, it chose not to use any of the remaining resources to provide further assistance and relief to Pennsylvanians struggling in the pandemic.



Fiscal Year 2020/21 Coronavirus Relief Fund Uses - Fall 2020 Budget (amounts in thousands)		
Agency	Appropriation	Amount
Criminal Justice	State Correctional Institutions	968,000
Criminal Justice	Inmate Medical Care	95,000
Health	General Government Operations	4,000
Health	State Health Care Centers	10,000
Human Services	Youth Development Centers	30,000
State Police	General Government Operations	225,970
TOTAL		1,332,970

EDUCATION

PRE-K TO 12 EDUCATION

Due to state revenue constraints, most education appropriations received flat-funding in the final 2020/21 budget. This snaps a nine-year run of annual increases in state aid for school districts. It is worth noting that school funding was one of the few areas that received an initial appropriation for a full year, rather than 5/12ths funding like many other programs. Normally, state basic and special education funding is distributed through formulas that use annually updated factors, such as the latest student counts and relative measures of local wealth. However, since this budget did not add more funding, any changes in factors would have provided varying amounts to individual school districts through the distribution. To avoid this, the legislature specified that each school district's 2020/21 amount will be the exact same as its 2019/20 amount.

This temporary reinstatement of 'hold-harmless' (or, more accurately referred to as 'hold-harmed') means that, unless further action is taken, the state distribution of basic and special education subsidies for 2021/22 may have larger than normal shifts given that it will have been two years since the last update to the underlying factors. For some school districts, it could be like skipping a step when going down a set of stairs.

School district budgets were impacted by the COVID-19 pandemic as well. The final data is not in yet, but PASBO projected a 5.2 percent decrease in local revenues for the median school district. Beyond maintaining its existing level of support, the General Assembly did little to help school districts' financial situation during this crisis, let alone address Pennsylvania's longstanding inadequate and inequitable support for public education.

Fortunately, federal aid, detailed in a subsequent section, was allocated to help school districts with rising costs. House Democrats had proposals to use some of the federal aid that was ultimately used to balance the state budget for programs that would have helped schools, including more funding for nurses, technology and broadband access, and continuity of education grants.

PUPIL TRANSPORTATION

The \$606 million allocated for pupil transportation in 2020/21 will allow PDE to make timely payments and cover the full cost for the year. The year-over-year decrease compared to 2019/20 gives the appearance of a reduction, but it is actually the result of rightsizing the state subsidy for pupil transportation. The 2020/21 budget provided a \$157 million supplemental appropriation to the initial 2019/20 allotment to cover six years' worth of prior year shortfalls that had been causing delayed state reimbursements. Therefore, the appropriation went from a consciously underfunded \$549 million in 2018/19, to a catch-up payment inflated \$706 million in 2019/20, and finally settled at \$606 million for 2020/21 to cover current year reimbursements.

Act 136 of 2020 addressed two other issues regarding student transportation. First, it specified that school districts that normally provide transportation for nonpublic school students must continue to do so for the 2020/21 school year regardless of whether they themselves are conducting remote learning.

Second, Act 136 provides an opportunity to remedy two problems on the horizon: an aggravated school bus driver shortage and uncertain state pupil transportation subsidy payments in 2021/22. Since the state subsidy for pupil transportation operates on a one-year lag, school districts' 2021/22 reimbursements will be based upon the very abnormal activity (miles driven, students transported, etc.) from the COVID-19 disrupted 2020/21 school



year. A provision in Act 136 would grant school districts a 2021/22 pupil transportation subsidy equal to the amount they received in 2020/21 conditional upon the school district making payments to school bus contractors for fixed costs (e.g. not including the variable costs of labor, fuel, tolls, or maintenance) during the 2020/21 school year.

SCHOOL EMPLOYEES' SOCIAL SECURITY

The \$63.1 million increase in the Basic Education Funding appropriation is **not** a state subsidy increase for school districts.

Beginning in 2019/20, the state reimbursement for school employees' social security has been split between two appropriations. The sums needed for school district employees are appropriated within the Basic Education Funding appropriation, while the amount needed for employees of community colleges, career and technical education schools, and special program jointures is appropriated in the traditional School Employees' Social Security appropriation. The increases in both of these appropriations for 2020/21 represent the amounts needed to cover prior year shortfalls and revised estimates for the current year.

PA ASSESSMENT

The federal government granted Pennsylvania's request for an assessment waiver in 2019/20. As such, there are unspent 2019/20 PA Assessment funds that can be used in 2020/21 to cover the decreased funding (\$7.5 million or 15.2 percent reduction) in the 2020/21 budget.

It is an open question as to whether the federal government will provide an assessment waiver opportunity for the 2020/21 school year. The Trump administration had signaled no testing waivers, but it is unclear what the incoming Biden administration will do. Act 136 of 2020 gives the PDE Secretary the authority to pursue a federal testing waiver for 2020/21 if it is made available.

The PDE Secretary used about \$5 million of unspent PA Assessment funds to provide state-funded [Continuity of Education Equity Grants](#) in April 2020. A second round of equity funding in the summer was supported by federal funds.

COVID-19 FEDERAL FUNDING PROVIDED TO SCHOOLS

Pennsylvania received the following funds for education purposes from the CARES Act:

- \$471.4 million in Elementary and Secondary School Emergency Relief (ESSER) funds for local education agencies (LEAs)
 - These funds passed through the state to school districts and charter schools. Per the federal law, each eligible LEA received an amount proportional to its share of Title I, Part A funds.
 - Eligible uses included: cleaning supplies, educational technology, mental health supports, planning and coordination, summer and after school learning, training and professional development, and activities to address the unique needs of low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth.
 - There was a debate over the appropriate "[equitable services](#)" amount that public schools had to share with nonpublic schools, but ultimately, PDE's guidance to school districts was to provide equitable services in the same manner, as done with the regular Title I funding.
- \$104.4 million in Governor's Emergency Education Relief (GEER) funding for any level of education support
 - Pennsylvania's General Assembly did not direct these funds, allowing Gov. Wolf to allocate them at his discretion. [PA's GEER funds](#) have been announced for the following programs:
 - \$3 million for preschool Early Intervention programs to purchase PPE and pandemic-related supplies
 - \$5 million for preschool Early Intervention programs to provide services to students with special needs
 - \$27.7 million for [postsecondary](#) education institutions
 - \$500,000 for [Adult Basic Education programs](#)
 - \$10.5 million for Career and Technology Centers
 - \$10 million for students with special needs (provided to school districts and charter schools)



- \$17.2 million for historically underserved students (provided to school districts, charter schools, and intermediate units designated as Additional Targeted Support and Improvement schools)
 - \$15 million for broadband and remote learning
 - \$14.1 million for equity grants (round 2)
 - About \$1.4 million remains unannounced as of December 2020
- Two federal funding streams were directed to the School Safety and Security Grant program:
 - \$49.8 million in ESSER funds for use by Pennsylvania’s State Education Agency
 - The General Assembly directed the entirety of these funds rather than leave it to the discretion of the Secretary of the Department of Education
 - \$150 million from Coronavirus Relief Fund (CRF)
 - A small portion of the nearly \$4 billion in CRF dollars allocated to Pennsylvania
 - These federal funds together with the existing \$15 million annual transfer from the Judicial Computer System Augmentation Account were used to provide \$215 million in school health and safety grants
 - Each school district received a minimum of \$120,000 (costing \$60 million)
 - Each school district received a proportional share of about \$114 million based on its share of statewide average daily membership (equates to roughly \$67 per student)
 - Each charter school, intermediate unit, and area career and technical school received \$90,000 (costing about \$25 million)
 - \$7.5 million for nonpublic school health and safety grants (maximum \$10,000 per school)
 - \$7.5 million for Community Violence Prevention grants
- \$2.6 million in ESSER funds to help cover administrative costs for the PA Department of Education
- \$1.16 million for Library Development Emergency Relief
- \$7 million for Pre-K Counts and \$2 million for Head Start Supplemental Assistance from the CRF
 - Funds were non-competitively prorated to each 2020-21 grantee based upon share of full-day-equivalent students (works out to be \$286 per FDE for Pre-K Counts and \$309 per FDE for HSSAP). Funds had to be used specifically for COVID preparedness and relief. Lead agencies were expected to pass through grants amounts to partner agencies.
- \$316.6 million for Food and Nutrition Emergency Relief funding
 - In addition to funding, the federal government approved numerous waivers to allow a more streamlined distribution of food during the pandemic

HIGHER EDUCATION

State funding for higher education is level-funded in the budget for 2020/21, a policy decision made by the General Assembly when it passed the interim budget back in May. This includes both institutional support for community colleges, the Pennsylvania State System of Higher Education (PASSHE), the Thaddeus Stevens College of Technology, and the four state-related universities – Lincoln University, Temple University, the University of Pittsburgh, and Penn State University. Programs under the Pennsylvania Higher Education Assistance Agency were also appropriated at the same state amount as last year.

On top of flat state funding, the General Assembly allocated \$72.2 million from the federal Coronavirus Relief Fund to help support higher education in the following ways:

- \$30 million for PASSHE universities, distributed based on fall 2019 headcount enrollment;
- \$30 million for PHEAA grants, increasing the maximum grant award to \$4,525 (previously \$4,123);
- \$5 million for institutional assistance grants to support private colleges and universities;
- \$5 million for the Act 101 program, which provides grants to schools for services to academically at-risk students from economically disadvantaged backgrounds seeking an undergraduate degree; and
- \$2.2 million in federal funds for a new debt relief program. These resources will provide an interest forbearance program for PHEAA-owned private loans for Pennsylvania borrowers not in default. Eligible borrowers were automatically placed into forbearance until September 30, 2020.

Though technically these appropriations were supplemental for the 2019/20 fiscal year, in most cases the resources were used during 2020/21.



These extra federal resources provide one-time support to these programs. However, because PHEAA awards increased using these dollars, the General Assembly will need to decide if it wants to appropriate additional resources in the 2021/22 budget to ensure that students do not see smaller grants next year.

PENSIONS

This budget fully funded the commonwealth’s two largest public pension funds, the State Employees Retirement System (SERS) and the Public School Employees Retirement System (PSERS). Payments to PSERS are contained within the budget for the Department of Education, while payments to SERS are included within various agencies’ general government operations appropriations.

After several years of systematic underfunding, reforms included in Act 120 of 2010 and Act 5 of 2017 have improved the overall health of the pension systems. This fiscal year will mark the fifth consecutive year of the commonwealth making its full actuarially required contribution (ARC) to PSERS and the sixth consecutive year of making the full ARC to SERS. Consistent payments of annual contributions have greatly improved the fiscal health of the systems, both of which have begun to see their unfunded liabilities shrink and their funded ratios improve. Approximately three-quarters of annual pension payments go toward paying the unfunded liabilities, which arose from unfunded benefit increases, poor investment performance during the Great Financial Crisis, and underfunding by the state and school districts.

The 2021/22 budget appropriated a total of \$2.7 billion for payments to PSERS and a total of \$2.1 billion for payments to SERS across all funds. Acts 12A and 13A appropriated funds for the administrative expenses of PSERS and SERS, respectively. The budget appropriated \$52.3 million for the general operations of PSERS and an additional \$1.1 million to administer the defined contribution plan that was established by Act 5 of 2017. The budget appropriated \$30.7 million for the general operations of SERS and an additional \$4.6 million to administer its defined contribution plan.

LABOR AND INDUSTRY

The state General Fund budget for the Department of Labor and Industry is relatively small. The department’s general government operations appropriation received a small \$175,000, 1.3 percent reduction tied to the planned smaller contributions into the retiree health care account. Industry partnerships received \$2 million less than last fiscal year, a reduction first proposed in the governor’s executive budget.

Funding for assistive technology, New Choices/New Options, Centers for Independent Living and apprenticeship training remains level-funded. Small reductions for occupational disease payment and workers compensation payments are due to fewer eligible recipients and align with the governor’s recommendations.

State support for the Office of Vocational Rehabilitation to help Pennsylvanians with disabilities gain and maintain employment also remains flat; however, this means the budget does not include any additional funds to help address the waiting list for services.

HEALTH AND HUMAN SERVICES

Final 2020/21 State Appropriations - Health and Human Services (amounts in thousands)				
Fund	Department			
	Aging	Health	Drug & Alcohol Programs	Human Services
General Fund		183,066	47,352	12,683,373
Lottery Fund	473,795			352,466
Tobacco Settlement Fund				139,551
Emergency Medical Services Operating Fund		13,300		

HEALTH

Funding to the Department of Health’s administrative and programmatic appropriations is largely funded at 2019/20 levels or the governor’s proposed budget if lower, and adjusted down by REHP savings, outlined earlier



in this document. Funding for legislative initiative items is maintained at the 2019/20 levels even though proposed to be eliminated by the governor.

One-time use of the CRF reduced the General Fund appropriations for General Government Operations and State Health Care Centers by \$4 million and \$10 million, respectively. The temporary increase in the Federal Medical Assistance Percentage (FMAP) of 6.2 percent, enacted in the Families First Coronavirus Response Act, allowed for a \$360,000 reduction to the Maternal and Child Health appropriation. This appropriation is used to pay the costs of providing newborn screenings to Pennsylvania newborns. If a newborn screening is performed on a newborn whose mother is enrolled in Medical Assistance (MA), DOH is able to claim FMAP on the cost of that screening. An increase in FMAP on the costs of screening MA newborns reduces the General Funds needed to provide the service.

The spring Fiscal Code, Act 23, raised the calendar year cap of funds that can be retained by local registrars for the issuance of death certificates from \$60,000 to \$85,000 and provided direction on issuance of medical marijuana grower/processor permits should a licensee's permit become available for a number of reasons. New in the spring Fiscal Code was language that directed the department to distribute hemophilia, sickle cell anemia, adult cystic fibrosis, Cooley's anemia, and children with special needs funds in the same proportion as 2019/20. The department had planned to issue a competitive procurement for these programs.

The fall Fiscal Code, Act 114, provides direction on issuance of medical marijuana dispensary permits should a licensee's permit become available for a number of reasons and maintains the language directing how hemophilia, sickle cell anemia, Cooley's anemia, and children with special needs funds are to be distributed in 2020/21.

DRUG AND ALCOHOL PROGRAMS

Funding to the Department of Drug and Alcohol Program's administrative and programmatic appropriation is maintained at 2019/20 levels and adjusted down by REHP savings, outlined earlier in this document.

HUMAN SERVICES

The final enacted budget appropriates \$12.7 billion in state General Funds to the Department of Human Services (DHS). This is a \$90 million or 0.7 percent increase over 2019/20. This includes \$1 billion in 2019/20 costs that rolled forward to 2020/21 due to lack of funding. The state General Funds needed would have been larger due to increased costs and enrollment if not for the receipt of enhanced FMAP. The Families First Coronavirus Response Act provided an additional 6.2 percent FMAP on Medicaid eligible costs. The enhanced FMAP is available through the end of the quarter that contains the end of the federal public health emergency (PHE). The federal PHE currently ends January 20, 2021; however, the enacted budget assumes at least one additional 90-day extension, which would provide the enhanced 6.2 percent FMAP through at least June 30, 2021. The enacted budget assumes total enhanced FMAP for the 2020/21 fiscal year of \$2.07 billion, which reduces state General Fund need by the same amount.

The enacted budget includes additional items reducing General Fund need for DHS by approximately \$1.46 billion. Combined with the enhanced FMAP, this leads to a total of \$3.53 billion in one-time savings in the DHS enacted budget. Other balancing items include:

- Delay in managed care payments - The governor's proposed budget included a payment adjustment to Community HealthChoices managed care organizations, delaying payments for May program coverage from June to July. This proposal was included in the enacted budget, shifting approximately \$483 million in state General Fund costs from 2020/21 to 2021/22.
- Joint Underwriting Association (JUA) revenue - The enacted budget assumes \$200 million in revenues from the JUA. This revenue has been assumed for several years and when it has not been received by June 30 each year, it has been backfilled with General Funds and the revenue is assumed in the subsequent year. The court case is still pending. If the revenue is not received by June 30, 2021, this will once again need backfilled with General Funds.
- Program underfunding - We estimate state appropriations for several major programs may be underfunded by approximately \$780 million. The appropriations for Capitation, Community HealthChoices (CHC), and Fee-For-Service appear underfunded. As a result, there may be a need for a significant supplemental increase for these programs. In addition, the appropriation for County Child Welfare includes assumptions that maximize the use of funding on a cash basis.



Medical Assistance

After several years of relatively flat MA enrollment, as of October 2020, MA enrollment has grown more than 8 percent since February 2020, the month prior to the pandemic impacting Pennsylvania. Enrollment changes can be seen across categories of eligibility, but growth is most pronounced in the Medicaid Expansion group.

The appropriation Payments to Federal Government – Medicare Drug Program is used to pay the state share of prescription drug coverage for individuals dually eligible for Medicare and Medicaid. The rate billed by the federal government to states is reduced by the FMAP, unlike other MA programs that pay 100 percent of the costs and receive the FMAP as a reimbursement. Therefore, funding for this program is reduced due to the enhanced FMAP lowering the state share of costs. It is not offset by increased federal funds like other MA programs.

The Critical Access Hospitals appropriation is used to pay Medicare designated critical access hospitals up to 101 percent of their MA allowable costs. The appropriation includes an \$812,000 increase related to a newly designated critical access hospital, Conemaugh Miners Medical Center.

The budget fully restores funding for hospitals and medical centers in the physician practice plans and academic medical centers appropriations in line with the 2019/20 funding amounts.

The enacted budget does not include funding for the Access to Reproductive Health Care appropriation as proposed by the governor.

Long Term Living

The enacted budget contains the final transitional impacts of the implementation of CHC, the managed care program for Pennsylvanians dually eligible for Medicare and Medicaid, older Pennsylvanians, and individuals with physical disabilities requiring long-term services and supports. DHS has completed the three phases of CHC implementation: January 1, 2018, in the southwest; January 1, 2019, in the southeast; and, January 1, 2020, in the remainder of the state. As each phase of CHC was implemented, funding was moved from the historical appropriations to the Community HealthChoices appropriation. This enacted budget is the first time no funding is provided in the historical appropriations.

Enrollments in CHC have continued to steadily grow throughout the past year. Growth in the program by zone is as follows for the period September 2019 to September 2020:

- Southwest – 4.1 percent
- Southeast – 3.9 percent
- Lehigh/Capital – 4.4 percent
- Northwest – 4.7 percent
- Northeast – 3.5 percent

Growth in the two remaining fee-for-service programs, Act 150 and OBRA Waiver, have remained flat. Funding for the two programs has been moved to the Long-Term Living appropriation as proposed by the governor.

Enrollment in the Living Independence for the Elderly (LIFE) program has grown by 7 percent between September 2019 and September 2020. Therefore, total funding for the program has increased accordingly.

Intellectual Disabilities and Autism

Prior to the COVID-19 pandemic, the governor requested \$15 million in General Funds to serve an additional 832 individuals with intellectual disabilities or autism waiting for services. The initiative proposed serving 100 of those individuals in the Consolidated Waiver (includes residential services) and 732 individuals in the Community Living Waiver (no residential services and \$75,000 annual cap). The enacted budget includes \$3.8 million to serve 200 individuals experiencing an unanticipated emergency. The funding assumes 50 individuals will be served in the Consolidated Waiver and 150 individuals will be served in the Community Living Waiver for an average of six months. The enacted budget also contains sufficient funding to serve special education graduates in the Person/Family Directed Waiver (no residential services, \$33,000 annual cap) through attrition.

Finally, the enacted budget includes \$700,000 to continue the transition of individuals related to the Polk and White Haven closures.

Child Development



The enacted budget maintains state funding for child care at 2019/20 levels. The Community-Based Family Centers appropriation pays for many evidence-based home visiting models. The appropriation was increased by \$1 million to reflect an estimated decrease in federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) funding for the program. Funding for Nurse Family Partnership was reduced slightly to reflect decreased utilization and availability of enhanced FMAP.

Other

The enacted budget provides funding for Mental Health Services at the amount requested by the governor less adjustments for enhanced FMAP and REHP. Additionally, funding for Domestic Violence, Rape Crisis, Breast Cancer Screening, Human Services Development Fund, Legal Services, Homeless Assistance, Expanded Medical Services for Women, 211 Communications, and Services for the Visually Impaired appropriations is provided at the 2019/20 levels.

Funding to the DHS administrative and facility appropriations is generally maintained at 2019/20 levels and adjusted down by REHP savings. The General Fund appropriation for the Youth Development Centers additionally includes a reduction of \$30 million for the one-time use of CRF and a \$2.5 million increase to address the costs to the facilities related to COVID-19. Facilities that earn FMAP for the services they provide have been adjusted to reflect the 6.2 percent enhanced FMAP and offset state General Fund need for Medicaid eligible costs.

The spring Fiscal Code, Act 23, reauthorized the Managed Care Assessment for another five years until June 30, 2025. The value of the assessment to the DHS budget is over \$1.1 billion annually. New in the Fiscal Code this year is language that directs the department to continue the PA WorkWear program in 2020/21. The department had planned to discontinue the program.

The fall Fiscal Code, Act 114, requires providers of in-home personal care services or home health care services to use an electronic visit verification (EVV) system to electronically report to the department or its authorized contractor each visit conducted as part of the services. The department or its contractor may use this information to validate or deny claims submitted under the medical assistance program.

TOBACCO SETTLEMENT FUND

Act 43 of 2017 authorized the governor to issue \$1.5 billion in bonds backed by future revenues from the Tobacco Master Settlement Agreement (MSA). The act established procedures for the resulting debt payments, which allowed for repayment either from MSA revenues or from sales and use tax revenues.

The spring Fiscal Code, Act 23, continues the requirement that MSA revenues sufficient to make annual debt service payments must be deposited into the debt service account established by Act 43. Debt service payments will total \$115 million in 2020/21, representing more than one-third of expected MSA revenues for the fiscal year. However, Act 23 also continues to require revenues equal to the debt service amount will be transferred from cigarette tax collections and deposited into the Tobacco Settlement Fund. Consequently, the fund is again held harmless in 2020/21.

Act 23 also outlines how funds will be distributed. The formula is unchanged from 2019/20 and disburses money as follows:

- 4.5 percent for tobacco use prevention and cessation programs,
- 13.6 percent for health and related research (CURE),
- 8.18 percent for hospital uncompensated care,
- 30 percent for Medicaid benefits for workers with disabilities, and
- 43.72 percent for health-related purposes in the General Fund budget. Within this allocation, funds are provided to life sciences greenhouses and Community HealthChoices program.

LOTTERY FUND

The Lottery Fund includes \$987 million for senior programs in 2020/21. On the surface, this appears to be a decrease of \$464.8 million compared to 2019/20. However, Act 20 allowed for the payment of calendar year 2019 property tax and rent rebate claims to be paid based on an approved claim for calendar year 2018 and to be paid prior to June 30, 2020 due to the pandemic. This shifted \$239.1 million in payments originally planned



in the 2020/21 year back to 2019/20 year. If not for the expediting of these payments, Lottery Fund appropriations for 2020/21 would have increased by \$13.4 million.

The table below details Lottery Fund programmatic expenditures by agency and program. Funding for programs administered by the Departments of Aging and Human Services are appropriated from the Lottery Fund as part of the General and Supplemental Appropriations Acts. Programs administered by the Departments of Revenue and Transportation receive their funding through executive authorizations.

Lottery Fund Expenditures for Senior Programs (amounts in thousands)			
Agency/Program	2019/20 Revised	2020/21 Enacted	Increase/ (Decrease)
Department of Aging:			
PennCARE*	293,043	285,726	(7,317)
Pharmaceutical Assistance Fund*	145,000	155,000	10,000
Pre-Admission Assessment	8,750	8,750	-
Caregiver Support	12,103	12,103	-
Grants to Senior Centers	2,000	2,000	-
Alzheimer's Outreach	250	250	-
Department of Human Services:			
Medical Assistance Transportation	3,500	3,500	-
Community HealthChoices*	334,013	348,966	14,953
Department of Revenue:			
Property Tax and Rent Rebate (PTRR)	482,400	-	(482,400)
Department of Transportation:			
Transfer to Public Transportation Trust Fund	95,907	95,907	-
Shared Ride	75,000	75,000	-
TOTAL LOTTERY FUNDS	1,451,966	987,202	(464,764)
Act 20 PTRR payment expedite	239,100	239,100	-
TOTAL LOTTERY FUNDS (if not for Act 20)	1,212,866	1,226,302	13,436
<i>* 2019/20 reflects the following appropriation reductions: PennCare - \$12.281 million, Pharmaceutical Assistance Fund - \$10 million, Community HealthChoices - \$63 million</i>			

The 2019/20 enacted appropriations were adjusted downward in the 2020/21 budget by a total of \$85.3 million as requested by the governor in his February Executive Budget.

The 2020/21 enacted budget contains the final transitional impacts of the implementation of CHC, the managed care program for Pennsylvanians dually eligible for Medicare and Medicaid, older Pennsylvanians, and individuals with physical disabilities requiring long-term services and supports. DHS has completed the three phases of CHC implementation: January 1, 2018, in the southwest; January 1, 2019, in the southeast; and, January 1, 2020, in the remainder of the state. As each phase of CHC was implemented, Lottery Funds were moved from supporting the PennCARE appropriation to supporting the new delivery system for those individuals, CHC.

The enacted budget does not include any new funding to serve individuals on the OPTIONS waiting list as proposed by the governor in his February Executive Budget. The governor proposed \$8.1 million to provide in-home services and supports to 1,700 individuals waiting for services, potentially delaying or avoiding more costly nursing facility services.

ENVIRONMENTAL PROTECTION

In a significant change to the prior year, when utilization of special funds was authorized through the Fiscal Code, the department's FY 2020/21 major appropriations saw funding return to the General Fund.

Year-over-year changes related to DEP's three major appropriation were driven by:



- Lapsing of Funds (Environmental Program Management & Environmental Protection Operations)
- Full General Fund utilization
- Reduction to REHP

2020/21 DEP Major Appropriations				
<i>(amounts in thousands)</i>				
Approp / FY	Actual 2019/20	Enacted 2020/21	2020/21 Less 2019/20	
			\$ Δ	% Δ
GGO	\$ 13,469	\$ 15,095	\$ 1,626	12.1%
Transfer in for Env. Programs (GGO)	\$ 1,810	\$ -	\$ (1,810)	-100.0%
GGO Subtotal	\$ 15,279	\$ 15,095	\$ (184)	-1.2%
Env. Program Management	\$ 27,920	\$ 32,041	\$ 4,121	14.8%
Transfer in for Env. Programs (EPM)	\$ 4,193	\$ -	\$ (4,193)	-100.0%
EPM Subtotal	\$ 32,113	\$ 32,041	\$ (72)	-0.2%
Env. Protection Operations	\$ 84,023	\$ 94,202	\$ 10,179	12.1%
Transfer in for Env. Programs (EPO)	\$ 11,446	\$ -	\$ (11,446)	-100.0%
EPO Subtotal	\$ 95,469	\$ 94,202	\$ (1,267)	-1.3%

Consistent with the overall budget theme, FY 2020/21 *Water Commissions* were level funded to the prior year, however the entirety of funding came from the General Fund. Along the same lines, *Transfer to Conservation District Fund* also came from the General Fund.

2020/21 DEP Water Commissions		
<i>(amounts in thousands)</i>		
Funding Source	ESF*	GF*
Appropriation	2019/20	2020/21
Delaware River Master	\$ 38	\$ 38
Susquehanna River Basin Commission	\$ 205	\$ 205
Interstate Commission on the Potomac River	\$ 23	\$ 23
Delaware River Basin Commission	\$ 217	\$ 217
Ohio River Valley Water Sanitation Commission	\$ 68	\$ 68
Chesapeake Bay Commission	\$ 300	\$ 300
Interstate Mining Commission	\$ 15	\$ 15
	\$ 866	\$ 866

* *ESF - Environmental Stewardship Fund*

* *GF - General Fund*

CONSERVATION AND NATURAL RESOURCES

Consistent with the FY 2020/21 budget theme, the *Heritage & Other Parks* appropriation is funded to the prior year level; however, in a significant change to 2019/20, funding comes entirely from the General Fund.

- The department's budget saw an increased utilization of the General Fund, and a decreased reliance on the Oil & Gas Lease fund, for its major appropriations.
- Net General Fund (GF) utilization increased by 13.9 percent
- Net Oil & Gas Lease Fund (OGLF) utilization decreased by 30 percent
 - Decrease in usage of Oil & Gas Lease Fund was driven by decrease in revenues to the fund.
- Diminished OGLF funding, translated to an overall reduction in, two of the three major appropriations
- GF and Oil & Gas Lease Fund Summary of changes can be found below.



2020/21 DCNR GF and Oil & Gas Lease Fund Major Approps				
<i>(amounts in thousands)</i>				
	Actual	Enacted	2020/21 Less 2019/20	
Funding Source/FY	2019/20	2020/21	\$ Δ	% Δ
General Fund (GF)				
General Gov't Ops	\$ 25,804	\$ 26,717	\$ 913	3.5%
State Parks Ops	\$ 55,311	\$ 54,326	\$ (985)	(1.8%)
State Forests Opts	\$ 25,742	\$ 40,635	\$ 14,893	57.9%
GF Subtotal	\$ 106,857	\$ 121,678	\$ 14,821	13.9%
Oil & Gas Lease Fund (OGLF)				
General Gov't Ops	\$ 37,786	\$ 14,827	\$ (22,959)	(60.8%)
State Parks Ops	\$ 17,706	\$ 17,000	\$ (706)	(4.0%)
State Forests Opts	\$ 14,282	\$ 17,000	\$ 2,718	19.0%
OGLF Subtotal	\$ 69,774	\$ 48,827	\$ (20,947)	(30.0%)
GF/OGLF Total	\$ 176,631	\$ 170,505	\$ (6,126)	-3.5%

State Forests Operations				
<i>(amounts in thousands)</i>				
	Actual	Enacted	2020/21 Less 2019/20	
Funding Source/FY	2019/20	2020/21	\$ Δ	% Δ
GF	\$ 25,742	\$ 40,635	\$ 14,893	57.9%
OGLF	\$ 14,282	\$ 17,000	\$ (3,000)	(15.0%)
TOTAL	\$ 40,024	\$ 57,635	\$ 11,893	29.7%

State Parks Operations				
<i>(amounts in thousands)</i>				
	Actual	Enacted	2020/21 Less 2019/20	
Funding Source/FY	2019/20	2020/21	\$ Δ	% Δ
GF	\$ 55,311	\$ 54,326	\$ (985)	(1.8%)
OGLF	\$ 17,706	\$ 17,000	\$ (3,000)	(15.0%)
TOTAL	\$ 73,017	\$ 71,326	\$ (3,985)	(5.5%)

General Gov't Operations				
<i>(amounts in thousands)</i>				
	Actual	Enacted	2020/21 Less 2019/20	
Funding Source/FY	2019/20	2020/21	\$ Δ	% Δ
GF	\$ 25,804	\$ 26,717	\$ 913	3.5%
OGLF	\$ 37,786	\$ 14,827	\$ (22,959)	(60.8%)
TOTAL	\$ 63,590	\$ 41,544	\$ (22,046)	(34.7%)

As part of the FY 2020/21 budget, the Fiscal Code created the Regional ATV Pilot Program within the department. Details related to the program can be found, as part of the Committee's analysis [here](#).

AGRICULTURE

For FY 2020/21, the department's state budget was mostly flat-funded to the prior year's levels, with two exceptions:



General Government Operations was reduced for REHP and Agricultural Preparedness & Response was reduced by \$1 million or 25 percent. As part of the level funding status quo along with federal support, the State Food Purchase Program was funded at \$19.68 million. Furthermore, a number of PA Farm Bill components received funding.

PA Farm Bill 2020/21 Budget Components		
(amounts in thousands)		
Item	Amount	Description
Agricultural Business and Workforce Investment (\$4.5 million)	\$ 2,000	PA Business Development Center
	\$ 500	Incentivizing Access to Meat Processing Inspections
	\$ 500	Agriculture and Rural Youth Organization Grant Program
	\$ 500	PA Farm to School Grant Program
	\$ 500	State-Level Specialty Crop Block Grant Program
	\$ 500	Urban Agriculture
Agricultural Excellence	\$ 1,000	Center for Animal Agriculture Excellence
Transfer to Nutrient Management Fund (\$3 million)	\$ 2,500	Conservation Excellence Grant Program
	\$ 500	Agriculture Linked Investment Program
Agricultural Preparedness and Response	\$ 3,000	PA Rapid Response Disaster Readiness Account
PA Preferred (\$2.6 million)	\$ 1,600	PA Preferred Organic Initiative
	\$ 1,000	PA Preferred and Homegrown by Heroes Programs
	\$ 14,100	

Farm Bill components, previously funded through the PA Farm Bill, not included in FY 2020/21 were the *Resource Enhancement and Protection Tax Credit (REAP)* and *PA Dairy Investment Program*.

Additionally, the General Assembly appropriated federal Coronavirus Relief Fund dollars in support of food insecurity:

- \$10 million for COVID – Emergency Food Assistance
- \$20 million for COVID Relief – State Food Purchase Program
- \$20 million for COVID Relief – Dairy Assistance Program

COMMUNITY AND ECONOMIC DEVELOPMENT

The 2020/21 budget for Department of Community and Economic Development (DCED) has several significant differences compared to 2019/20. One of the most noteworthy differences is the \$12 million decrease in the PA First appropriation. The \$20 million appropriation will fund grants for job creation and retention, infrastructure projects and the popular incumbent workforce development program, WEDNetPA.

Additionally, the enacted budget increases the Keystone Communities appropriation by \$3.15 million, compared to 2019/20. The \$24.22 million appropriation provides resources to assist communities in achieving revitalization goals and other improvements.

Moreover, funding for the Local Municipal Emergency Relief appropriation increased by \$6.23 million compared to 2019/20. The \$20.45 million appropriation is used to assist people or political subdivisions directly affected by disasters or public safety emergencies that do not qualify for federal assistance. Grants are made available for reimbursement when an area is not covered under the Presidential disaster declaration or DCED determines a public safety emergency has occurred.

Lastly, the enacted budget established a new \$5 million State Facilities Closure Transition appropriation. This appropriation will provide grants and loans to local municipalities impacted by the permanent closure of a state-operated or owned facility.

Overall, DCED's state General Fund budget of \$181.645 million is \$2.259 million, or 1.3 percent, increase compared to 2019/20.

CRIMINAL JUSTICE

The budget appropriates \$2.6 billion to the Department of Criminal Justice, and the vast majority (\$2.1 billion) is for state correctional institutions, despite the closure of SCI Retreat in 2020.



The General Assembly appropriated federal Coronavirus Relief Fund dollars to fund Inmate Medical Care and State Correctional Institutions:

- \$95 million for Medical Care
- \$968 million for State Correctional Institutions

Major Department of Criminal Justice Appropriations				
(amounts in thousands)	2019/20	2020/21	Change	Percent Change
GGO	\$ 45,035	\$ 44,268	\$ (767)	-1.7%
State Correctional Institutions	\$ 2,043,718	\$ 2,098,038	\$ 54,320	2.7%
Medical Care	\$ 308,710	\$ 331,486	\$ 22,776	7.4%
Board of Probation and Parole	\$ 12,104	\$ 11,859	\$ (245)	-2.0%
State Field Supervision	\$ 140,602	\$ 141,527	\$ 925	0.7%

Though the governor again proposed merging the Department of Corrections and the Board of Probation and Parole, the General Assembly has yet to enact the merger in statute. The two agencies have combined operations through a memorandum of understanding. (As defined, all references to the Department of Criminal Justice throughout the budget package refer either to the Department of Corrections or to the Board of Probation and Parole, as necessary.)

The appropriation for the Office of the Victim Advocate is eliminated in the budget; the office will continue to exist but will derive its funding through the Department of Criminal Justice’s general government operations.

STATE POLICE

The general fund appropriation for state police general government operations is \$409.2 million, \$67.1 million more than 2019/20. \$226 million dollars were appropriated to state police general government operations from the Coronavirus Relief Fund.

A portion of the appropriation increase is because the governor’s proposed fee on all municipalities for state police coverage of \$136 million was not enacted. Additional state funding is appropriated in lieu of this proposal. The increase is also necessary to cover a legislatively mandated decrease in state police use of the motor license fund.

The Pennsylvania Instant Check System (PICS) provides instant background checks for sales and transfers of firearms through licensed dealers. PICS is primarily funded by two sources: the Firearms Records Check Fund and a General Fund appropriation for gun checks. The General Fund appropriation is level-funded at 2019/20 amounts, but is less than what was requested in the Governor’s Executive Budget. Increased gun sales during 2020 have provided additional revenue for the program, and an additional \$575,000 was requested from the Firearms Records Check Fund to cover a portion of the decreased appropriation.

The state police receive a portion of their funding from the State Gaming Fund. The state police had a \$12.8 million cut in Act 16A of 2020 because casinos were shut down for several months.

COMMISSION ON CRIME AND DELINQUENCY

The budget appropriates \$9.63 million to the Pennsylvania Commission on Crime and Delinquency, a 1.1 percent decrease from 2019/20. The Office of Safe Schools Advocate and Improvement of Adult Probation Services line items, previously under Education and Criminal Justice respectively, were both level-funded.

Most federal appropriations to PCCD were level funded. However, spending on criminal identification technology increased by \$4 million, or 100 percent, and the appropriation for a comprehensive opioid abuse site-based program increased by \$1 million, or 83.3 percent.

The budget did not include the requested \$6 million in additional funds for comprehensive gun violence prevention and reduction grants. These funds would have been directed toward community programs that focus on implementing evidence-based strategies or promising practices recommended by the Special Council on Gun Violence. The budget also left unfunded a \$1.3 million proposed initiative to support court-appointed advocacy for children who have been victims of abuse or neglect through the Court Appointed Special Advocate (CASA) program.



MILITARY AND VETERANS AFFAIRS

The budget appropriates \$366 million to the Department of Military and Veterans Affairs, which includes \$156.8 million in state funds and \$209.2 million in federal funds. Spending for general government operations decreased by \$553,000, or 1.7 percent.

The budget provides a 364 percent increase for Army maintenance and repair, which brings the appropriation to \$1.15 million. Funding for the National Guard Youth Program was increased by 49.9 percent to \$1.49 million. The program, established in 2019/20, is part of a national effort to help youths between the ages of 16 and 18 who are struggling to complete traditional high school. Act 51 of 2018 authorized a Pennsylvania Youth Challenge Program, but provided no funding for startup. The 2019/20 appropriation was \$1 million.

TRANSPORTATION

Affected by the COVID-19 pandemic, Motor License Fund (MLF) revenues have been strained and ultimately adjusted down. The resulting effect in the FY 2020/21 budget represents a \$66.48 million, or 3.9 percent, decrease from FY 2019/20. Programs within the MLF that saw significant reduction from prior year include:

- Highway Safety & Improvement - \$20 million
- Highway Maintenance - \$41.5 million
- Facilities Reinvestment - \$11 million
- Local Road Maintenance & Construction - \$13.7 million

2020/21 PennDOT State Motor License Fund				
(amounts in thousands)				
	Actual	Enacted	2020/21 less 2019/20	
Appropriation	2019/20	2020/21	\$ Δ	% Δ
General Government Operations				
GGO	\$ 62,421	\$ 63,900	\$ 1,479	2.4%
Welcome Centers	\$ 4,115	\$ 4,115	\$ -	0.0%
General Gov't Operations Subtotal	\$ 66,536	\$ 68,015	\$ 1,479	2.2%
Safety Administration & Licensing				
Driver and Vehicle Services	\$ 186,403	\$ 208,403	\$ 22,000	11.8%
Homeland Security - Real ID	\$ 29,599	\$ 25,901	\$ (3,698)	-12.5%
Safety Admin & Licensing Subtotal	\$ 216,002	\$ 234,304	\$ 18,302	8.5%
State & Local Hwy/Bridge				
Highway Safety & Improvement	\$ 190,000	\$ 170,000	\$ (20,000)	-10.5%
Highway Maintenance	\$ 882,054	\$ 840,546	\$ (41,508)	-4.7%
Highway Systems Technology & Innovation	\$ 16,000	\$ 16,000	\$ -	0.0%
Reinvestment - Facilities	\$ 16,000	\$ 5,000	\$ (11,000)	-68.8%
Municipal Roads and Bridges	\$ 30,000	\$ 30,000	\$ -	0.0%
Local Road Maintenance & Constr Pmts	\$ 253,576	\$ 239,816	\$ (13,760)	-5.4%
Supplemental Local Rd Maintenance & Constr Pmt	\$ 5,000	\$ 5,000	\$ -	0.0%
Maintenance & Constr of County Bridges	\$ 5,000	\$ 5,000	\$ -	0.0%
Municipal Traffic Signals	\$ 10,000	\$ 10,000	\$ -	0.0%
State & Local Hwy/Bridge Subtotal	\$ 1,407,630	\$ 1,321,362	\$ (86,268)	-6.1%
MLF STATE TOTAL	\$ 1,690,168	\$ 1,623,681	\$ (66,487)	-3.9%

In addition to year-over-year reductions, the ripple effect of the pandemic affected the MLF's cash flows. This issue necessitated PennDOT to request that the General Assembly include bonding language in the Fiscal Code as part of the FY 2020/21 budget. Ultimately, the department was not given the opportunity to borrow funds in order to adjudicate the fund's short-term cash flow problem.



ROW OFFICES

Funding for the row offices was generally flat this year, with small cuts to most agency personnel lines due to the reduction in Retired Employees Health Plan spending.

Row Office Personnel Appropriations	FY 2019/20	FY 2020/21	Dollar Change	Percent Change
Attorney General				
GGO	\$47,496	\$46,657	(\$839)	-1.80%
Drug Law Enforcement	\$49,682	\$49,054	(\$628)	-1.30%
Joint Local-State Firearm Task Force	\$6,878	\$6,815	(\$63)	-0.90%
Child Predator Interception Unit	\$5,375	\$5,280	(\$95)	-1.80%
School Safety	\$1,696	\$1,664	(\$32)	-1.90%
Auditor General				
GGO	\$36,455	\$35,681	(\$774)	-2.10%
Board of Claims	\$1,910	\$1,880	(\$30)	-1.60%
Treasury				
GGO	\$36,593	\$35,715	(\$878)	-2.40%
Board of Finance and Revenue	\$2,931	\$2,877	(\$54)	-1.80%

General obligation debt service is appropriated through the Treasury and increased by \$38.4 million, or 3.4 percent, to a total of \$1.18 billion.

JUDICIARY

This budget appropriates \$335.79 million to the judiciary for 2020/21. With the exception of a small federal funding increase for the Supreme Court, all appropriations are at the same level as 2019/20. Aside from this minor increase, funding for the judiciary has remained flat for several fiscal years.

Act 114 of 2020, the Fiscal Code, directed a fund transfer of \$30 million from the Judicial Computer System Augmentation Account to the General Fund. The money in this account is used to fund the Judicial Computer System and for Judicial operations.

JUVENILE COURT JUDGE'S COMMISSION

The JCJC was appropriated \$2.98 million for 2020/21, a 2.1 percent decrease from 2019/20. Grants for juvenile probation services are level funded at \$18.9 million.

EMERGENCY MANAGEMENT AGENCY

General Fund appropriations for PEMA are predominately level funded. Funding to general government operations decreased by 1 percent. Funding to the Office of the State Fire Commissioner was reduced by 1.4 percent.

Disaster relief funds are used to respond to natural or manmade disasters. State appropriations supplement and provide necessary matching funds for federal grants. \$16.7 in state disaster relief was appropriated in the 2020/21 budget.

DEPARTMENT OF STATE

The 2020/21 budget does not differ immensely from the 2019/20 budget for the Department of State. One of the most notable differences is the \$9.044 million allocation to fund the election code debt service, pursuant to Act 77 of 2019. In addition, the enacted budget provided a \$1.409 million increase to the department's Publishing Constitutional Amendments appropriation.

Overall, the enacted budget for the Department of State provides for a \$10.363 million increase in state funding, or 72.9 percent.

