



GOVERNOR WOLF

SCHOOLS THAT TEACH • JOBS THAT PAY • GOVERNMENT THAT WORKS

2019-20 GOVERNOR'S EXECUTIVE BUDGET

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February 5, 2019





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2019-20 PROPOSED BUDGET

General Fund expenditures: \$34.146B

- Invests in workforce initiatives under the Statewide Workforce, Education, and Accountability Program (SWEAP)
- Increases opportunities for the agriculture industry
- Supports substance use disorder treatment, intellectual disabilities and autism services, and enhanced care for seniors
- Proposes a fair wage for all Pennsylvania workers





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2019-20 FINANCIAL STATEMENT

(Dollars in Thousands)

	2017-18 <u>Actual</u>	2018-19 <u>Available</u>	2019-20 <u>Budget</u>
Beginning Balance	\$ (1,539,333)	\$ 22,362	\$ 3,134
Adjustments to Beginning Balance.....	15,000	(55,847)	-
Official/Budget Revenue Estimate.....	34,566,948	34,399,664	35,296,274
Refunds.....	(1,339,000)	(1,341,000)	(1,343,000)
Total Revenue	31,703,615	33,025,179	33,956,408
Prior-Year Lapses.....	289,168	200,000	200,000
Funds Available	31,992,783	33,225,179	34,156,408
Enacted/Proposed Expenditures.....	31,948,059	33,218,912	34,146,277
Total Expenditures	31,948,059	33,218,912	34,146,277
Preliminary Balance	44,724	6,267	10,131
Transfer to the Rainy Day Fund.....	(22,362)	(3,133)	(5,065)
Ending Balance	\$ 22,362	\$ 3,134	\$ 5,066
Cumulative Rainy Day Transfer	22,362	25,495	30,560
CNIT Rate (Effective Jan. 1)	9.99%	9.99%	8.99%



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BALANCING THE BUDGET

Efforts made in the first four years to control growth
\$2B in budget cuts and cost savings:

- Complement management
- Corrections population decline and facility closures
- Agency consolidations and restructuring
- Debt management
- Bending the Medical Assistance cost curve

Continuing the focus in FY 2019-2020

- Revenue growth
- Minimum wage proposal
- State police fee
- DHS savings initiatives
- Debt management

February 2019



2018-19 GENERAL FUND TAX REVENUE COLLECTIONS THROUGH JANUARY

	<u>Estimated</u>	<u>Actual</u>	<u>\$ Difference</u>	<u>% Difference</u>
	<i>(Dollars in Millions)</i>			
Corporation Taxes	\$ 1,499.1	\$ 1,800.5	\$ 301.4	20.1%
Consumption Taxes	7,410.0	7,610.7	200.7	2.7%
Sales & Use - Non-Motor	5,616.7	5,758.4	141.7	2.5%
All Other	1,793.3	1,852.4	59.1	3.3%
Other Taxes	8,739.2	8,369.5	(369.7)	-4.2%
PIT Withholding	6,126.1	6,057.8	(68.3)	-1.1%
PIT Non-Withholding	1,591.3	1,309.9	(281.4)	-17.7%
All Other	1,021.8	1,001.9	(19.9)	-2.0%
Total Tax Revenue:	\$ 17,648.3	\$ 17,780.8	\$ 132.5	0.8%
Total Non-Tax Revenue:	\$ 216.8	\$ 374.3	\$ 157.5	72.6%
Total General Fund Revenue	\$ 17,865.1	\$ 18,155.1	\$ 290.0	1.6%



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BUILDING THE NATION'S STRONGEST WORKFORCE

SWEAP builds upon the successful PAsmart pilot program to further strengthen the commonwealth's ability to respond to changing market forces, technology, and societal needs.

- Creates the Keystone Economic Development and Workforce Command Center
- Modernizes compulsory school and dropout ages
- Provides additional training opportunities for teachers
- \$15 million for infants & toddlers on the waiting list into high quality child care
- \$10 million to incentivize quality child care for infants & toddlers
- \$5 million for Parent Pathways
- \$5 million additional for expanding home visiting services





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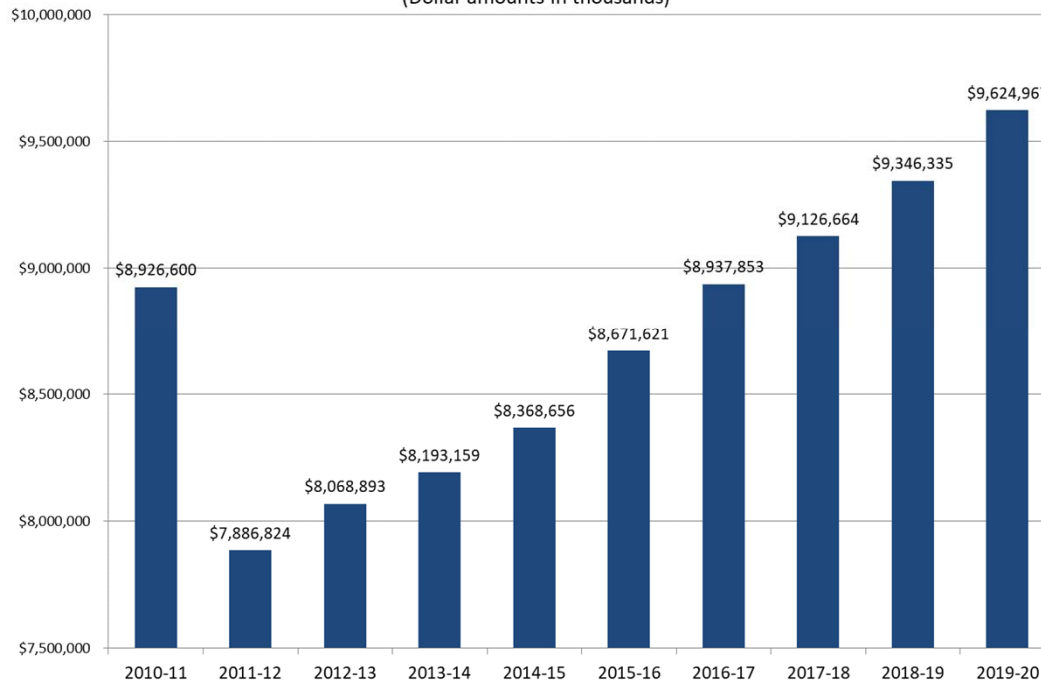
BUILDING THE NATION'S STRONGEST WORKFORCE

This budget continues Governor Wolf's commitment to investing in education at all levels.

- \$200M in basic education funding
- \$50M for Pre-K and HeadStart
- \$50M in special education funding
- \$8M for Stay in PA
- \$10M for PAsmart
- \$7M for PASSHE

Pre-K to 12 Education Funding

(Dollar amounts in thousands)



Note: Excludes Authority Rentals and Sinking Fund Requirements.



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MAKING PENNSYLVANIA A BETTER PLACE FOR WORKERS AND BUSINESSES

Pennsylvania must be a state where hard work is rewarded and our workers have the ability to grow in the 21st Century economy.

- Increases the minimum wage to \$12 per hour on July 1, 2019 with annual increases to \$15 per hour by July 1, 2025
- Builds on the PA Business One-Stop Shop
- Reduces the Corporate Net Income Tax
- \$12 million to the Employer Skills Fund to develop innovative solutions to the skills gap
- \$5 million to PA First for job creation





SECURING THE FUTURE OF PENNSYLVANIA'S AGRICULTURAL INDUSTRY

Through the PA Farm Bill, a comprehensive package of funding opportunities and resources will be made available to expand and support this important industry.

- \$2 million to establish the PA Agricultural Business Development Center
- \$3 million to expand the Resource Enhancement and Protection (REAP) tax credits
- \$2.6 million toward bolstering the state's organic industry





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KEEPING PENNSYLVANIA SAFE AND PROTECTING ELECTIONS AND RESTORING TRUST IN GOVERNMENT

- Provides fair funding for local police coverage by the PA State Police (PSP) through a sliding scale fee
- \$25 million for PSP infrastructure and agency radio purchases
- \$24.7 million to state agencies to comply with new radio system
- \$15 million to assist counties in paying for updated voting machines
- \$2 million to upgrade the Statewide Uniform Registry of Electors (SURE)
- Continues deposits into the Rainy Day Fund that are projected to reach more than \$278 million by 2024





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PROTECTING THE MOST VULNERABLE

- \$15 million to serve an additional 765 individuals with intellectual disabilities and autism currently on the waiting list through the Community Living Waiver and 100 individuals through the Consolidated Waiver
- Includes funding for individuals transitioning out of special education programs to be covered as soon as they graduate
- \$6.8 million to provide a 3 percent rate increase to Infant/Toddler Early Intervention providers
- \$1.5 million for naloxone to continue to fight the opioid epidemic
- Final phase of implementation of Community HealthChoices on January 1, 2020





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2019-20 BUDGET PRIORITIES

- Governor Wolf maintains his commitment to education progress, essential support programs, and family-sustaining wages while proposing a no tax budget.
- The 2019-20 Budget focuses on building a strong Pennsylvania workforce for the 21st Century.
- Through the PA Farm Bill, a comprehensive package of funding opportunities and resources will be made available to expand this important industry.

