



2024-25 Governor's Executive Budget

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2024-25 Proposed Budget

- **Since taking office, Governor Josh Shapiro has focused on getting stuff done by creating, directing, and advancing initiatives that benefit all Pennsylvanians:**
 - Expanding the Property Tax/Rent Rebate program
 - Delivering universal free breakfast for all K-12 students
 - Implementing the largest-ever increase in basic education funding
 - Providing mental health resources for students
 - Investing in vo-tech and apprenticeship programs
 - Allocating first-ever state funding for indigent defense, and more
- **The 2024-25 budget builds on this success by prioritizing:**
 - PreK-12 public education
 - Access to higher education
 - Economic competitiveness
 - Housing
 - Agriculture
 - Supporting the most vulnerable
 - Combatting gun violence
 - Sustainable environment



2024-25 General Fund Financial Statement

(dollars in thousands)

	2022-23	2023-24	2024-25
	<u>Actual</u>	<u>Available</u>	<u>Budget</u>
Beginning Balance	\$ 5,537,421	\$ 8,084,871	\$ 7,070,402
Adjustments to Beginning Balance	9,000	75,000	0
Revenue Actuals/Estimates	44,917,148	45,267,100	46,275,800
Federal Stimulus	2,161,223	525,966	0
Refunds	(1,489,400)	(1,436,600)	(1,427,900)
Total Revenue	51,135,392	52,516,337	51,918,302
Prior-Year Lapses	810,000	426,026	250,000
Funds Available	51,945,392	52,942,363	52,168,302
Enacted Expenditures	40,800,979	45,022,342	48,338,491
Estimated Supplemental Appropriations	0	(411,947)	0
Federal Stimulus	2,161,223	525,966	0
Current-Year Lapse	0	(50,000)	0
Total Expenditures	42,962,202	45,086,361	48,338,491
Preliminary Balance	8,983,190	7,856,002	3,829,811
Transfer to the Budget Stabilization Reserve Fund	(898,319)	(785,600)	(382,981)
Ending Balance	\$ 8,084,871	\$ 7,070,402	\$ 3,446,830

Cumulative Budget Stabilization Reserve Fund Balance	\$ 6,026,939	\$ 7,187,229	\$ 7,933,580
<i>(includes interest income)</i>			
Total Available Reserves	\$ 14,111,810	\$ 14,257,631	\$ 11,380,410

2023-24 General Fund Collections through January

	<u>Estimated</u>	<u>Actual</u>	<u>\$ Difference</u>	<u>% Difference</u>
Tax Revenue:				
Corporation Taxes	\$ 2,850.7	\$ 2,982.4	\$ 131.7	4.6%
Consumption Taxes	9,365.0	9,302.0	(63.0)	-0.7%
Sales & Use - Non-Motor	7,746.1	7,717.2	(28.9)	-0.4%
All Other	1,618.9	1,584.8	(34.1)	-2.1%
Other Taxes	11,007.3	10,729.2	(278.1)	-2.5%
PIT Withholding	7,632.6	7,612.0	(20.6)	-0.3%
PIT Non-Withholding	2,049.9	1,764.5	(285.4)	-13.9%
All Other	1,324.8	1,352.7	27.9	2.1%
Non-Tax Revenue:	523.3	739.3	216.0	41.3%
TOTAL	\$ 23,746.3	\$ 23,752.9	\$ 6.6	0.0%

Dollar amounts in millions.



Doubling Down on Investments in Children, Students, and Educators

Investing in Basic Education Funding

- **\$1.072 billion** increase in basic education funding
 - \$872 million for first-year adequacy investment per BEFC recommendation
 - \$200 million for the Basic Education Funding Formula
- **\$50 million** increase in special education funding

Instituting Cyber Charter Reform

- Implement reforms to align cyber tuition with the actual cost of online education, saving school districts **\$262 million** annually

Providing Career and Technical Education Opportunities

- Maintain **\$7 million** for dual enrollment programs
- **\$2.4 million** for Career and Technical Education

Doubling Down on Investments in Children, Students, and Educators, cont.

Ensuring Safe and Healthy School Facilities

- **\$300 million** in sustainable funding for environmental repairs
- **\$50 million** for school safety and security
- **\$3 million** for feminine hygiene products

Supporting PA's Youngest Learners

- **\$30 million** to Pre-K Counts to raise wages and stabilize the workforce
- **\$2.7 million** to the Head Start Supplemental Assistance Program

Recruiting and Retaining Top Talent in Education

- **\$10 million** for the Educator Talent Recruitment Account
- **\$5 million** to increase funding for student teacher stipends
- **\$5 million** for educator professional development





New Blueprint for Higher Education

Rethinking Governance Structure

- Establishes a new higher education system with unified governance for PASSHE universities and Community Colleges
- Invests **\$194 million** for higher education, of which **\$157 million** includes:
 - **15% increase** in funding for this new system
 - **5% increase** for state-related universities

Increasing Affordability for Postsecondary Students

- **\$279 million** annually, beginning in 2025-26, to alleviate student debt and empower graduates for career success.
 - Would assist an estimated 87,000 students and their families.
 - Ensures qualifying students would only pay up to \$1,000 per semester
 - Increase PHEAA state grants by \$1,000, bringing the maximum award up from \$5,760 to \$6,750

Making Pennsylvania a Leader in Economic Development, Job Creation, and Innovation



First PA Economic Development Strategy in Over 20 Years

- **\$500 million** in bond funds to expand PA SITES, supporting on-site development in priority industries
- **\$25 million** for Main Street Matters
- **\$20 million** to support large scale business innovation
- **\$18 million** for tourism and business marketing
- **\$3.5 million** for the PA Regional Economic Competitiveness Challenge
- **\$2 million** to support internships at PA-based businesses



Making Pennsylvania a Leader in Economic Development, Job Creation, and Innovation, cont.

Assisting Business through Corporate Tax Cuts

- **\$378.6 million** retained by businesses through the planned rate reduction in Corporate Net Income Tax

Prioritizing Permit Review

- **\$10 million** for environmental permitting streamlining and IT modernization

Supporting Public Transportation

- **\$283 million** for investment in mass transportation through additional SUT transfer to the Public Transportation Trust Fund

Growing Agriculture

- **\$10.3 million** in agriculture innovation, supporting and attracting new businesses
- **\$5.6 million** to reform Dairy Margin Coverage Protections, to include a dedicated advocate
- **\$5 million** investment in a new state laboratory for animal health, addressing threats like HPAI

Adult Use Cannabis

- Legalization effective July 1, 2024. Sales effective January 1, 2025
- **\$5 million** of proceeds for restorative justice initiatives

Addressing Critical Housing Needs

- Increase in the PHARE program funding cap to **\$100 million** by 2027-28, with a \$10 million per year increase
- **\$50 million** for the Whole Home Repairs Program
- **\$10 million** for the Homeless Assistance Program
- **\$5 million** for legal representation in eviction proceedings
- **\$5 million** to local governments for rapid response to emergency housing situations





Providing the Opportunity to Succeed

Supporting Workforce Investments and Innovations

- **\$2.2 million** for Industry Partnership investments
- **\$2 million** to promote skills-based hiring practices
- **\$2 million** to create a one-stop-shop for career pathways
- **\$1.2 million** to support labor law compliance to protect law-abiding businesses from unscrupulous competitors

Investing in the Child Care Workforce

- Invest **\$96,000** to leverage **\$62 million in federal funding**, addressing critical child care issues and increasing subsidies

Raising the Minimum Wage

- Raise the minimum wage to **\$15 per hour**, starting January 1, 2025

Addressing Public Challenges

Supporting Needs of Veterans

- **\$2 million** for a new outreach center

Reducing Medical Debt

- **\$4 million** for medical debt relief for low-income Pennsylvanians

Providing Food Security

- **\$16 million** to increase the minimum SNAP benefit, aiding over 100,000 households
- **\$3 million** to help children combat hunger while not in school for summer
- **\$3 million** to bolster food security programs, supporting both nutrition assistance and local farmers

Ensuring Access to Legal Services

- **\$2.5 million** for indigent defense
- **\$1.8 million** for expanded legal services in civil cases





Providing Resources to the ID/A Community

- In September 2023, Governor Shapiro directed DHS to evaluate reimbursement rates for home and community-based services
- This budget invests over **\$480 million** in funding, consisting of **\$217 million** in state investment for enhanced reimbursement rates, a 12 percent rate increase, and an additional **\$266 million** in federal funding
- **\$34.2 million** to Community Waiver and **\$1.85 million** to the Community Based Program to expand home and community-based services to more individuals
- This new approach is projected to deliver services to an additional 1,500 individuals

Supporting and Protecting the Vulnerable

Aging our Way

- **\$11.7 million** investment in the Master Plan for Older Adults
- **\$10 million** increase to the PENNCARE program, supporting AAAs in stabilizing the elder care workforce
- **\$5.2 million** to address senior housing challenges
- **\$1.9 million** for the establishment of an Alzheimer's Disease and Related Disorders Division within PDA

Building Healthy Communities

- **\$50 million** to lower insurance premiums for an estimated 200,000 at-risk Pennsylvanians
- **\$10 million** to codify DOH's Long-Term Care Transformation Office
- **\$2.6 million** increase for prenatal care and maternal health education
- **\$765,000** to adequately inspect nursing homes





Combatting Gun Violence

Reducing Gun Violence

- **\$37.5 million** increase for the Violence Intervention and Prevention Program, supporting community-driven models to reduce violence
- **\$37.5 million** for the Gun Violence Investigation and Prosecution Program
- **\$11.5 million** investment in the Building Opportunity through Out of School Time program, impacting communities and reducing violence
- **\$11 million** for blight remediation, park construction, and improvement of amenities in communities affected by gun violence
- **\$5 million** increase in funding to the Nonprofit Security Grant Fund
- **\$1 million** to create the Office of Gun Violence at PCCD
- **\$1 million** for the Firearm Prevention Program

Ensuring Access to Effective Emergency Services

Providing Care and Opportunity to those in the Justice System

- **\$29.6 million** for DOC's Medication Assisted Treatment program
- **\$5 million** to DOC to increase out-of-cell time for inmates in Extended Restrictive Housing status, aligning with best practices
- **\$4 million** to enhance adult probation services, aiming to reduce recidivism

Responding to Emergency Situations

- **\$30 million** to the Fire and Emergency Medical Services Grant Program, addressing the recruitment, retention, and equipment needs crisis





Ensuring Access to Effective Emergency Services, cont.

Supporting Victims of Crime

- **\$5 million** transfer to the Crime Victims Compensation Fund
- **\$5 million** additional funding to support victims of domestic violence

Ensuring State Police Protection for Every Neighborhood

- **\$31 million** to enhance maintenance and timely replacement of PSP equipment
- **\$16 million** for four additional cadet classes, training 432 new State Troopers

Ensuring Access to Mental Health Services

- **\$100 million** investment in mental health funding for K-12 schools
- **\$20 million** increased funding for community-based mental health services, with planned annual increase to **\$60 million** by 2025-26
- **\$10 million** for 988 crisis line operations
- **\$5.8 million** to expand community-based diversion programs
- **\$5 million** for establishing and maintaining walk-in mental health crisis stabilization centers





Protecting Pennsylvania's Environment

Supporting Investments in Environmental Innovation

- **\$11 million** for ongoing efforts in locating and capping abandoned wells, addressing air quality, and mitigating methane gas emissions
- **\$2.5 million** for the Energy Programs Office to leverage federal funding in support of planning and environmental justice initiatives
- **\$1.5 million** to enhance testing capabilities for PFAS contamination
- **\$1.1 million** to upgrade air quality monitoring capabilities

Improving Public Lands

- **\$8.5 million** to expand and improve Pennsylvania's outdoor trail system
- **\$5 million** to expand the Pennsylvania Outdoor Corps program

Questions?

