



GOVERNOR JOSH SHAPIRO

BUDGET IN BRIEF

2023-2024

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Commonwealth of Pennsylvania
Office of the Governor
Harrisburg

March 7, 2023

To the People of the Commonwealth of Pennsylvania:

When I took the oath of office seven weeks ago and was sworn in as the 48th Governor of the Commonwealth of Pennsylvania, I made a commitment to each and every one of you – whether you voted for me or not – that I would be a Governor for all Pennsylvanians. You, the people of Pennsylvania, have given us a mandate to reject extremism and division, and bring people together to focus on the challenges you face every single day.

Now, less than two months later, I am honored to present my first budget to address those issues – the issues that you have spoken to me about in your living rooms and on your main streets. Challenges that you and your families face, and challenges that I believe we can help you meet. I believe the 2023-24 Governor's Executive Budget is an opportunity to bring Republicans and Democrats together around common sense solutions that will make a real difference in people's lives. From investing in public safety, ensuring every child has access to a quality education, expanding access to critical mental health services, and opening up the doors of opportunity to anyone who wants to push through, this budget will benefit every resident of this Commonwealth.

I am proud to present a budget that places a significant emphasis on supporting law enforcement and first responders while investing in our communities. Every Pennsylvanian deserves to be safe and feel safe. The budget I lay out before you increases investments in the 911 system, creates a sustainable funding source for the Pennsylvania State Police while ending dependence on funding we rely on to fix our roads and bridges, and ensures the criminal justice system functions fairly and efficiently, as it should for all involved.

This budget provides large investments in our education system, from Pre-K through postsecondary education. Economic opportunity starts in our classrooms, and I believe every child in Pennsylvania deserves to have access to a quality education with all the necessary support and resources they need to succeed. This budget builds on recent investments into the basic education system to allow children to chart their own course, whether through postsecondary opportunities, or through vocational, technical, and career training.

As I've met with students, parents, and teachers across the Commonwealth, it has also become clear to me that too many Pennsylvanians are struggling with their mental health. Key proposals outlined in this Executive Budget will ensure everyone has access to support when they need it. We are making large investments into the 988 National Crisis and Suicide Hotline system, as well as ensuring that students and school staff have complete and anonymous support systems in place to deal with complex needs. Pennsylvanians are crying out for help, and we must be there for them.

This budget also addresses significant and persistent labor shortages that hold back our economy, stymie growth, and jeopardize public safety. Since the pandemic, a wide range of sectors – from law enforcement to manufacturing – have struggled to recruit and retain enough workers. This budget aims to address those issues by investing new resources to equip Pennsylvania workers with the skills and training to succeed, expanding the number of registered apprenticeships, incentivizing individuals to fill critically needed and currently unfilled jobs, attracting new businesses and supporting the expansion of our current Pennsylvania-based businesses, and providing critical funding to make our communities stronger and more prosperous.

Finally, the 2023-24 Executive Budget outlines supports for our Commonwealth's seniors and individuals with disabilities. Pennsylvania is an aging state, and as such, we have responsibilities to provide resources to all who want to remain in and actively participate within their community, whether that is the elderly or individuals with disabilities. This budget proposes to expand the Property Tax and Rent Rebate Program's eligibility and maximum benefit for the first time since 2006.

Throughout the first seven weeks of my Administration, we have been focused on creating real opportunity and advancing real freedom here in Pennsylvania. This Executive Budget will further those goals. I continue to be humbled by the trust you have placed in me to lead this great Commonwealth forward. I am now inviting all to the table to participate in the discussion and enact the proposals outlined in this budget.

Sincerely

A handwritten signature in black ink, appearing to read "Josh Shapiro".

Governor Josh Shapiro

Budget Highlights

Governor Josh Shapiro campaigned on investing in public safety and public health, creating opportunity by growing our economy and expanding our workforce, ensuring every child has access to a quality education, increasing access to mental health services, and advancing real freedom for all Pennsylvanians. The 2023-24 budget is an opportunity to address these issues in a way that benefits all Pennsylvanians.

The proposed budget prioritizes and invests heavily in public safety, childcare and early childhood learning, education (both K-12 and postsecondary), seniors and their needs, mental health, environment, agriculture, and improving our criminal justice system.

The 2023-24 budget also invests in Pennsylvania's economy by supporting our businesses and our workforce. It increases funding for registered apprenticeships and pre-apprenticeships. It strengthens the Commonwealth's commitment to workforce training and career and technical education that help Pennsylvanians gain the skills they need to chart their own course.

This budget will provide for family-sustaining jobs and business attraction and retention. This budget was crafted with one goal in mind: create real opportunity and advance the cause of real freedom here in Pennsylvania.

Ensuring Access to Effective Emergency Services and Public Safety Resources

- Proposes to extend the 911 surcharge to January 2029 and change the fee from **\$1.65 to \$2.03**, while tying to inflation to ensure effective operation and maintenance of the county-operated 911 system for future generations and eliminating the Gross Receipts Tax and the Sales and Use Tax currently imposed on wireless services. This increase of resources for emergency services will supplement the expected **\$36 million** current law increase for EMS and Fire in 2023-24.
- Creates a Public Safety and Protection Fund to sustainably fund the Pennsylvania State Police (PSP) while reducing reliance on the Motor License Fund (MLF) by **\$100 million** each year until eliminated in 2027-28. PSP funding will be dedicated from other revenue sources to ensure full funding of their operations
- Provides **\$16.4 million** in funding from the Public Safety and Protection Fund to fund four new trooper cadet classes in 2023-24 and to train 384 new troopers
- Invests **\$20 million** in PSP vehicle and helicopter replacements and equipment upgrades

Combatting Violence and Discrimination and Ensuring the Criminal Justice System Works for All Pennsylvanians

- Includes **\$105 million** in the Commonwealth's Violence Intervention and Prevention Program within the Pennsylvania Commission on Crime and Delinquency (PCCD)
- Continues to invest **\$5 million** in funding for the Nonprofit Security Grant Fund Program at PCCD
- Commits **\$479,000** in additional funds to the Pennsylvania Human Relations Commission to responsibly investigate discrimination and strengthen enforcement activities
- Addresses the lack of uniform resources and provides adequate access to competent legal counsel regardless of financial status by investing **\$10 million** through the PCCD and the Criminal Justice Advisory Committee
- Creates a new division program within the Department of Corrections (DOC) that will collaborate with the Board of Pardons to review and revise requested documentation of incarcerated individuals and improve efficiencies throughout the clemency process
- Proposes significant investment of **\$2 million** in the safety and oversight for everyone involved in the parole process
- Ensures individuals on probation receive necessary support to be productive members of the community by investing an additional **\$4 million** in county adult probation and parole services to reduce recidivism

Investing in Children and Students

- Invests an additional **\$10.4 million** into Preschool Early Intervention services to better support children with developmental or social-emotional service needs
- Proposes **\$2.7 million** increase to the Head Start Supplemental Assistance Program to create opportunities for eligible 3- and 4-year-olds to receive high-quality Pre-K education, health, nutrition, and parental involvement services
- Commits an additional **\$30 million** for the Pennsylvania Pre-K Counts Program to better support the workforce, offset rising costs, and provide quality pre-kindergarten resources and opportunities

- Proposes investing **\$4.2 million** to create a Public Library Facilities Improvement Fund which will provide rural public libraries access to grant funding for repairs and improvements
- Invests an additional **\$567.37 million, or 7.8 percent**, in basic education funding through the Basic Education Funding Formula
- Proposes an increase of **\$103.8 million, or 7.8 percent**, to special education programs, supports, and services throughout Pennsylvania's school districts

Ensuring Students have a Supportive and Safe Learning Environment

- Proposes an increase of **\$38.5 million** for critical investments in proper student nutrition by continuing to provide universal free breakfast for all Pennsylvania students, regardless of income, and covers the full cost of lunch for 22,000 school students whose families earn less than 185 percent of the federal poverty level
- Commits to creating healthy learning environments for all Pennsylvania students by investing **\$100 million** in matching grants for schools to make environmental repairs and improvements
- Invests **\$100 million** in school safety and security grants to address physical safety enhancements and provide security coordinator training

Investing in Higher Education and Supporting Students Pursuing Postsecondary Education

- Proposes a more than **\$60 million** increase in funding for higher education institutions across the Commonwealth to increase postsecondary access and completion
 - Community Colleges: **\$5.1 million**
 - Pennsylvania State System of Higher Education: **\$11 million**
 - Penn State University: **\$17.2 million**
 - Pennsylvania College of Technology: **\$1.9 million**
 - Transfer to Agricultural College Land Scrip Fund: **\$1.2 million**
 - University of Pittsburgh (including Rural Education Outreach): **\$11 million**
 - Temple University: **\$11.2 million**
 - Lincoln University: **\$1.1 million**
 - Thaddeus Stevens College of Technology: **\$389,000**
 - University of Pennsylvania School of Veterinary Medicine: **\$633,000**
 - University of Pennsylvania Center for Infectious Disease: **\$38,000**
- Proposes an additional \$1.6 million for Parent Pathways Learning Network to scale an exiting pilot program benefiting parenting students pursuing a postsecondary education
- Promotes the "It's On Us PA" initiative by investing an additional **\$250,000** to protect students from sexual violence at postsecondary institutions

Building Economic Prosperity Through Key Investments in Communities, Businesses, and Workers

- Proposes an increase of **\$23.8 million** to build partnerships between Career and Technical Education and industries, trades, and entities that need highly skilled workers
 - Dedicates more than **\$3.3 million** in new funding to ensure educational facilities and schools with Career and Technical Education programs can purchase and upgrade technology and equipment
 - Invests an additional **\$4 million** in career and technical centers to support employment and expand program offerings in high-demand areas of health care, STEM, energy, and infrastructure trades
 - Proposes another **\$5 million** in secondary career and technical education for increasing computer science and STEM programs statewide
 - Provides **\$2 million** to establish a state-level Industry in the School Program that will allow for industry professionals to teach and build interest among students within the classroom
 - Increases the states Apprenticeship Training program by **\$3 million** to strengthen the Commonwealth's commitment to an earn-and-learn model that will lead to family-sustaining wages
 - Creates a new PA Schools-to-Work program by investing **\$3.5 million** to support workforce development partnerships between schools, employers, organizations, and associations which will create robust employment and training pathways
 - Invests **\$3 million** in the creation of the Foundations in Industry program to cover costs related to in-classroom instruction that complements on-the-job learning with Registered Apprenticeships and Pre-Apprenticeships
- Includes roughly **\$1 million** to reduce financial barriers to completing a high school equivalency test by covering the testing fee costs

Incentivizing Individuals to Fill and Remain in Critical Job Classifications

- Proposes **\$24.7 million** in job retention and recruitment efforts to attract individuals into certified and licensed professions such as in the fields of nursing, education, and policing through a refundable tax credit of up to \$2,500 per year for three years
- Promotes teacher professional development opportunities by investing **\$2 million** through local education agencies
- Invests **\$1.28 million** to increase the number of labor law compliance investigators within the Department of Labor and Industry to investigate more cases, allow for more strategic enforcement of current laws, and provide additional education for businesses
- Increases funding by **\$12 million** for the Pennsylvania First Program, **\$2 million** of which is for the WEDnetPA program, to provide flexible financial assistance and train more incumbent workers to leverage and maximize the return on private investments to attract new businesses and remain competitive in the marketplace
- Proposes to invest **\$20 million** in historically disadvantaged businesses that were affected by the pandemic for the purpose of leveraging capital needed to expand or sustain business operations
- Provides an additional **\$1 million** for expansion of the Manufacturing Innovation Program to allow for more manufacturers to partner with universities in adopting new technologies and advancing new products and processes
- Provides **\$1.25 million** to expand financial stability, planning, and technical assistance resources for local governments to create a sustainable economy for residents and businesses and to avoid financial distress by preparing for potential economic downturns
- Invests **\$1.5 million** in the Municipal Assistance Program to financially assist communities with comprehensively planning around revitalization efforts, improvement processes, and sound management of development activities
- Expands the state's Keystone Communities Program by investing **\$8.6 million** in communities that are already on a path to revitalization and continue to facilitate greater participation from smaller, rural, and lower income communities
- Includes a **\$1 million** investment in the Pennsylvania Council on the Arts to expand financial assistance opportunities to enhance and drive retention and attraction of residents, talent, and visitors

Assistance for Seniors and Individuals with Disabilities

- Expands the Commonwealth's Property Tax and Rent Rebate Program to allow for an additional 173,000 new individuals and 398,000 currently eligible individuals to receive assistance as follows:
 - Increases the eligible income cap from \$35,000 to \$45,000 for homeowners
 - Increases the eligible income cap from \$15,000 to \$45,000 for renters
 - Allows for the maximum income threshold to grow with inflation, beginning in claim year 2024
 - Increases the rebate caps from \$650 to a maximum of \$1,000
- Invests **\$10 million** to support older Pennsylvanians by helping reduce the wait list for the OPTIONS Program, which aids eligible adults to stay in their homes, and provides additional funding to the Area Agency on Aging network to attract providers and retain staff
- Dedicates an additional **\$1 million** in grants to senior centers to improve safety and accessibility, repair or replace essential equipment, and cover the increased costs of purchasing and serving food
- Increases funding by **\$1.48 million** for individuals with disabilities to remain active in their own communities by bolstering the nine state Centers for Independent Living and providing additional resources to acquire and be trained in the use of assistive technology devices
- Addresses food insecurity among seniors and people living with disabilities by increasing the SNAP benefit from \$23 per month to \$35 per month with a state investment of **\$16 million**

Supporting the Mental Health of Every Pennsylvanian

- Establishes the School-Based Mental Health Supports Block Grant which will provide **\$100 million** in targeted funding to connect students and staff to mental health services and to develop a pipeline of trained school-based mental health professionals for future generations
- Increases community-based mental health services by increasing the base funding to counties by **\$20 million** to provide critical mental health services and address deepening workforce shortages
- Provides **\$4 million** for the creation of three community-based diversion programs that will further keep individuals out of incarceration

- Invests **\$5 million** for one-time build out costs of the 988 system while providing sustainable future funding for the 14-suicide prevention lifeline call centers throughout the Commonwealth by utilizing 2.75 percent of 911 surcharges on landline and mobile telephone services and invests **\$5 million** in one-time buildout costs for the 988 system
- Expands upon existing federal funding to assist farmers' mental health concerns by investing **\$200,000** for support services through outreach to the agricultural community

Providing Resources to Bolster Healthy Communities

- Increases child care services funding by **\$66.7 million** to allow 75,000 low-income families to continue to be enrolled in a subsidized program through the Child Care Works Program
- Expands maternal health programming by investing **\$2.3 million** in prevention strategies to reduce maternal mortality and morbidity and to allow the Commonwealth the opportunity to leverage an additional \$1.25 million in federal funding
- Invests **\$17.6 million** to serve an additional 750 people in the Community Living Waiver and 100 additional people in the Consolidated Waiver programs
- Designates **\$700,000** for specialized intellectual and developmental disability telemedicine by adding a Home and Community-Based Service waiver designated for individuals with ID/A to enable real time support, consultation, and coordination on health issues
- Expands Pennsylvania's lifesharing program by investing **\$3.4 million** to include a "Day Service" rate which will allow for more adults with disabilities to live with qualified adults who provide support in their home
- Includes **\$1.25 million** for Community Hospital Integration Projects Program (CHIPP) discharges to reduce state hospital populations
- Dedicates over **\$1.9 million** to long-term care facilities for the purpose of ensuring compliance and mitigating risks while also supporting the implementation of the provisions of Act 128 of 2022 and the Skilled Nursing Facility regulations
- An additional **\$1.2 million** in CMHDs operating budgets and **\$6.61 million** in environmental health including in the areas of water pollution, food safety, and direct health care services

Safeguarding Pennsylvania's Environment and Protecting Pennsylvanians' Rights to Clean Air and Pure Water

- Increases oversight and permitting efficiency at the Department of Environmental Protection by investing **\$5.75 million** to improve air quality testing program responsiveness and increase the number of dam safety investigations per year
- Invests **\$4 million** in the Clean Water Fund to allow for further safeguarding of Pennsylvania's water resources
- Commits **\$2.8 million** to expand resources at the Department of Conservation and Natural Resources that will improve maintenance infrastructure and emergency response coordination, support sustainable outdoor management, increase nursery capacity and forest restoration efforts and improve safety in outdoor environments
- **\$1 million** to create a new Organic Center of Excellence to improve and detect counterfeit organic goods
- **\$500,000** to create a Center for Plant Excellence that will expand supply chain opportunities and boost available resources for Pennsylvania's diverse plant industry
- **\$2.5 million** for technical and financial assistance to counties to ensure the integrity of their easement portfolios under the Farmland Preservation Program
- **\$2 million** for the Fresh Food Financing Initiative which will contribute to better health outcomes and improve access to Pennsylvania grown, processed, and produced agricultural products

Fiscal and Program Policy Direction and Budget Themes

Introduction

Governor Josh Shapiro campaigned on investing in public safety and public health, creating opportunity by growing our economy and expanding our workforce, ensuring every child has access to a quality education, increasing access to mental health services, and advancing real freedom for all Pennsylvanians.

The 2023-24 budget is an opportunity to address these issues in a way that will benefit all Pennsylvanians, from youngest to oldest, rural to urban, and everyone in between. The proposed budget prioritizes public safety, early childhood learning, education (both K-12 and postsecondary), seniors and their needs, mental health, environment and agriculture, and all aspects of the economy to both grow our economy and support our workers.

The budget invests heavily in public safety, primarily by proposing to sustainably fund the Pennsylvania State Police (PSP). This initiative will provide annual predictable funding for state law enforcement and will free up more capacity for road and bridge projects. It also proposes hiring and training nearly 400 additional PSP troopers.

Furthermore, this budget invests in efforts to make our criminal justice system more fair. For far too long, Pennsylvania has not provided needed resources to counties for indigent defense. Pennsylvania is one of two states that does not provide funding for this purpose. This budget ends that by allocating resources to local governments to provide legal representation to those that cannot afford it.

The budget also invests in Pennsylvania's economy, by supporting our businesses and our workers. By increasing funding for registered apprenticeships and pre-apprenticeships, this budget strengthens the Commonwealth's commitment to workforce training and career and technical education that help Pennsylvanians gain the skills they need to chart their own course and support their families. It also proposes a significant investment to improve Pennsylvania's competitiveness and will allow economic development professionals to move more swiftly to attract and retain businesses who want to grow in Commonwealth.

This budget is also focused on investing in Pennsylvania's education system, from pre-K through postsecondary years. Pennsylvania will continue to invest in high-quality, affordable, and accessible childcare and early learning opportunities for the families of three- and four-year-olds. It also responds to recent developments in how basic education is funded in Pennsylvania. This budget proposal will also ensure that 1.7 million school students have access to breakfast at school, regardless of income, while providing for a healthy and safe learning environment. Continued investment in higher education will support equitable access to Pennsylvania's public colleges and universities, that in turn addresses the Commonwealth's workforce development needs.

Pennsylvania students need robust mental health support. This budget proposes significant new funding for the mental health support our students and school staff need and deserve. To continue to support Pennsylvania's working families, this budget provides funding for up to 75,000 low-income families to be enrolled in subsidized child care.

The 2023-24 budget is an investment in Pennsylvania emergency responders, workers, businesses, families, and students. It supports community safety, educating future generations, and training the workforce that will provide for family-sustaining jobs and business attraction and retention. This budget will create real opportunity and advance the cause of real freedom here in Pennsylvania.

Ensuring Access to Effective Emergency Services and Public Safety Resources

As Governor Shapiro says, all Pennsylvanians deserve to both be safe and feel safe. That means not only should all Pennsylvanians live in communities free from the levels of violence too many experience, but they should also take comfort in the presence of law enforcement officers in their neighborhoods and have faith in the criminal justice system. Over the last few years, public safety and emergency services systems have taken steps to increase efficiencies, while combatting recruitment and retention staffing issues and the overall increasing cost of service provision. Safe communities, with access to emergency services, are the cornerstone of economic prosperity. For this reason, this budget places a heavy emphasis on providing critical resources through various avenues.

Funding for Emergency Services

Currently, counties provide one of the most important functions of public safety. The public safety system begins with a critical access point, the 911 system. Act 12 of 2015 modernized the responsiveness and effectiveness of emergency services by instituting a \$1.65 surcharge on telephone lines, with dedicated funding to the counties for administration of the 911 system and additional grants for statewide interconnectivity. However, the cost to operate and maintain the 911 system has increased, while the revenues received have remained flat. This means that counties do not have sufficient dedicated funding to ensure that the system can keep up with technology changes.

This budget proposes increased financial support to emergency services through a 911 surcharge increase to \$2.03, and ties future surcharge increases to inflation to ensure the dedicated funding remains in line with the increased costs of operations. The budget also proposes elimination of the Gross Receipts Tax currently imposed on wireless phones, as well as the Sales and Use Tax imposed on the services provided by wireless providers, to provide a net overall benefit for consumers, all while increasing critical emergency funding for counties. Also, under current law, the surcharge that funds emergency services will expire in January 2024. The proposed surcharge increase would take effect in January 2024 and would be effective through January 2029. Also, a portion of the surcharge (2.75 percent, or roughly \$.05) will fund an additional network of public safety, a dedicated resource for mental health services, which is further explained below.

The proposal will bring in an estimated **\$54 million** in additional funding for emergency services. Pennsylvania's first responders play a vital role in keeping every Pennsylvanian safe. These brave individuals often put themselves in danger to protect the community, and many do this without any compensation as volunteers. First responders must be properly supported with the resources they need to do their jobs safely and receive the recognition they deserve. This funding will supplement the expected **\$36 million** current law increase in resources in 2023-24 for emergency medical services (EMS) and fire services over a variety of sources. These include increases as a result of Act 74 of 2022 through the Emergency Medical Services Operating Fund, the Fire Company and Emergency Medical Services Grant Program operated through the Office of the State Fire Commissioner, and the scheduled increase in Medical Assistance rates to EMS providers.

Sustainable Funding for the Pennsylvania State Police to Build Capacity for Roads and Bridge Projects

The Pennsylvania State Police (PSP) has jurisdiction in all political subdivisions within the Commonwealth and routinely aids municipal, state, and federal law enforcement agencies. As a result, it is essential to the safety of Pennsylvania communities and residents that dedicated funding is in place to ensure the sustainability of the PSP and the services they provide. Therefore, this budget creates the Public Safety and Protection Fund to sustainably fund the Pennsylvania State Police while reducing the reliance on the Motor License Fund (MLF). The Public Safety and Protection Fund will be funded with revenue transferred from the liquor tax, other tobacco products tax, a portion of the motor vehicle sales and use tax, and various restricted revenues related to PSP services. This initiative has a broader impact than just public safety funding. This budget proposes transferring **\$400 million** from the MLF (down from \$500 million in 2022-23) to the Public Safety and Protection Fund, while filling the additional **\$100 million** from separate, dedicated sources. In addition to providing a flexible and steady funding stream for PSP, the proposal reduces transfers from the MLF to the PSP by \$100 million each year until there is no further reliance in 2027-28. By doing this, over the next five years, an additional **\$1.5 billion** will be made available for road and bridge projects. This approach also maximizes the expected federal funding from the Infrastructure Investment and Jobs Act.

Additionally, through the Public Safety and Protection Fund, this budget proposes **\$16.4 million** in funding for four new trooper cadet classes in 2023-24, which would hire and train 384 new troopers, bringing the total number of troopers in

Pennsylvania to the maximum amount allowed under current law. These new troopers will fill staffing gaps and provide more coverage across Pennsylvania, ensuring its residents are safer and have rapid access to law enforcement services. Adequate patrol coverage often means overtime hours for patrol shifts, which may cause a variety of avoidable issues. Having an appropriate number of troopers will mitigate the need for the Pennsylvania State Police to take drastic measures such as cutting services and closing facilities. There are additional benefits to increased trooper complement, such as, patrol visibility, decreased response times, and the ability to maintain a proactive posture in Pennsylvania's communities. Also, the number of local communities that have reduced or eliminated their own police departments have put added demand on the Pennsylvania State Police. Fully staffing the trooper allowance for the PSP will ensure that there is no disruption or lapse in coverage across the Commonwealth.

Finally, this budget provides over **\$20 million** to the Pennsylvania State Police for equipment replacement and upgrades. Funding replacements will address lifecycle issues, setting a standard variable replacement cycle of current high mileage vehicles and helicopters and ensure that troopers have reliable, mission critical technologies, while reducing future maintenance costs. This proposal also includes funding for new all-band mobile radios to be purchased and installed in new vehicles during fleet changeover to replace the current radios that are no longer serviced by the provider.

Combatting Violence and Discrimination

Violence has long-lasting impacts on Pennsylvania communities and residents. Combatting violence is a crucial building block to creating real opportunity and advancing real freedom for Pennsylvanians, and has rippling effects on Pennsylvania prosperity. A variety of programs have been funded in recent years at the state level from both state and federal sources. This budget makes record state funding investments in grants and technical assistance to address community violence throughout the Commonwealth. The 2023-24 budget includes **\$105 million** to be driven out through the successful Violence Intervention and Prevention program housed in the Pennsylvania Commission on Crime and Delinquency (PCCD). This program supports a wide range of models focused on reducing community violence.

Additionally, this budget continues investing **\$5 million** a year through the Nonprofit Security Grant Fund program at PCCD to provide funding to nonprofit organizations for security enhancements. These improvements are designed to protect the safety and security of facilities used principally by individuals, groups, or institutions included within a bias motivation category for single bias hate crime incidents as identified by the Federal Bureau of Investigation. Finally, this budget provides **\$479,000** in additional funds to the Pennsylvania Human Relations Commission to responsively investigate discrimination through strengthened enforcement activities.

Ensuring the Criminal Justice System Works for All Pennsylvanians

Only if all Pennsylvanians stand on an even playing field can we expect our citizens to have confidence in the judicial system. That means everyone – regardless of income or financial status – must have access to competent legal counsel. Yet, Pennsylvania is one of only two states in the country that allocates no state funding for indigent defense. This results in wide disparities across counties in the quality of legal representation available to indigent Pennsylvanians. Too often, public defender offices lack the required personnel to effectively manage overwhelming caseloads, and attorneys lack the training and resources necessary to provide adequate representation in complex cases. As such, this budget addresses the lack of uniform resources in this space by investing **\$10 million** through PCCD and the Criminal Justice Advisory Committee (CJAC). The CJAC will determine how these funds will be best spent to ensure access to constitutionally required legal defense and ensure that public defenders have the resources they need to provide legal representation to defendants who cannot pay for it on their own.

After trial and during the incarceration period, the clemency process for incarcerated individuals has several points of bottleneck within the Department of Corrections (DOC). A new unit within the agency, funded by a **\$355,000** investment, and in collaboration with the Secretary of the Board of Pardons, will review and revise requested documentation and process efficiencies. The new staff, paired with necessary process improvements, will allow more cases to be developed accurately and supported for clemency, providing support to meritorious incarcerated persons and prioritizing applications for more successful outcomes.

On the opposite end of the judicial process, upon release from incarceration, both parolees and parole officers need additional support. The 2023-24 budget provides **\$2 million** to provide early services with social workers to parolees, as well as funding for body worn cameras for parole officers. These investments will enable safety and oversight for all involved in the parole process. State Parole Agents are routinely in situations which may compromise their safety. The use of body

cameras allows for recording of altercations and interactions which would provide both transparency and an investigatory tool to assist in the investigation of accusations.

In addition to parole, probation is a key element in ensuring those released from incarceration have the necessary support to be productive members of the community. With an additional **\$4 million** investment through PCCD, adult probation services will be made available at the county level with the aim of reducing recidivism. This additional funding will be for hiring probation staff to increase the use of evidence-based practices, enhance training and professionalism, reduce caseload sizes, improve the quality of services, and ultimately reduce recidivism. In doing so, strains on the state correctional institutional system are also eased, having a direct financial impact on the Commonwealth by reducing the number of incarcerated individuals as well as those under state parole supervision. County probation department officers supervise the majority of community-based criminal offenders in Pennsylvania. Therefore, the budget will invest in the county adult probation and parole system.

Investing in Children and Students

Supporting Pennsylvania's Youngest Learners

Not only should every child in Pennsylvania have access to a quality education, but they should also have the necessary support and resources they need to succeed. Some children experience developmental delays and benefit from specialized support. Early Intervention (EI) provides support and services to eligible children from birth to age five with developmental delays or other factors that put them at risk of substantial delays. It provides children with developmental and social-emotional services, including speech and language, occupational and physical therapies, and social work services. Families also receive the coaching and assistance they need to continue to support their children. Roughly 61,000 children of all income levels and in every county across Pennsylvania receive services through Preschool EI (age 3-5). An additional investment of **\$10.4 million**, to be distributed through the existing EI funding model, will help students receive high-quality Preschool EI program support, improving well-being, health, and educational outcomes.

Research shows that children who start their school careers in high-quality Pre-K programs perform better in school, are more likely to graduate, and earn more throughout their lives compared to peers without access to early learning programs. Current wage levels make it difficult for early childhood education programs to recruit, retain, and support staff. By providing an additional **\$2.7 million, or 3 percent**, in the Head Start Supplemental Assistance Program, this budget continues to create opportunities for children who may face higher socioeconomic risks. The investment helps providers mitigate impacts of inflation and allows for increased costs to enable them to remain competitive. The Head Start model provides comprehensive high-quality Pre-K education, health, nutrition, and parent involvement services to eligible 3- and 4-year-olds who live in families earning up to 100 percent of the federal poverty level or experiencing homelessness as well as foster children.

The Pennsylvania Pre-K Counts program makes quality pre-kindergarten opportunities available to children and families earning up to 300 percent of the federal poverty level at no cost. This budget proposes an increase of **\$30 million** to increase the rate for full-time seats to \$11,000 (\$1,000 increase per seat) and \$5,500 for part-time seats (\$500 increase per seat). Increased rates are necessary to support the workforce and rising costs to providers. This investment will allow providers to mitigate staffing concerns, increase salaries to competitive, family-sustaining wages, and provide professional development opportunities to meet state certification requirements. Pre-K Counts programs assist more than 29,600 3- and 4-year-olds to receive high-quality early education, preparing them for kindergarten.

Providing Investments in K-12 Education

To ensure that every Pennsylvania student has access to a quality education, it is imperative that this budget continues to invest in Pennsylvania's public education system. The 2023-24 budget includes the following new investments for classroom funding:

- **Basic Education Funding:** This budget includes an increase of **\$567.37 million, or 7.8 percent**, for basic education funding, on par on with recent inflationary and cost-of-living growth. Future investments are proposed to continue to grow with projected inflation rates. The 2023-24 increase will be distributed through the Basic Education Funding Formula. This formula directs money to school districts based on factors such as the number of students enrolled and the poverty level of those students. The formula also considers factors that reflect student and community differences such as the population density (sparsity-size adjustment), the household income of families in the district, the number of students attending charter schools and the district's ability to raise money through local taxes. This investment enables school districts to have the resources they need to provide a high-quality education for Pennsylvania students.
- **Special Education Funding:** The delivery of special education programs, supports, and services is mandated for all eligible students, while the cost for school districts to educate special education students continues to increase. A proposed increase of **\$103.8 million, or 7.8 percent**, will ensure school districts have the basic resources they need to provide high-quality special education services to students with disabilities and special needs. Similar to Basic Education Funding, future year investments in special education funding are proposed to increase with projected inflation rates.

Ensuring Students Have a Supportive and Safe Learning Environment

In addition to investing in vital classroom funding at schools across the Commonwealth, providing a supportive and safe learning environment for students is critical. 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. In addition to the critical investments in the School-Based Mental Health Supports Block Grant discussed further below, this budget includes resources and supports to address these areas.

The research is clear: when students get proper nutrition, they are both physically and mentally prepared to learn and therefore, perform better in school. Many Pennsylvania school children rely on national school breakfast and lunch programs to meet their daily nutritional needs. Federal pandemic guidelines allowed students to receive free school meals, beginning in March 2020, without having to apply to the National School Lunch Program (NSLP) for free or reduced-price lunch. However, most of these policies expired in 2022.

This budget proposes **\$38.5 million** to continue to provide universal free breakfast for all Pennsylvania students, regardless of income. This ensures that all students have access to a healthy, nutritious meal to start the school day and eliminates the stigma associated with free and reduced-price breakfast that may deter eligible students from participating. Additionally, this investment will cover the full cost of lunch for the 22,000 Pennsylvania school students who are eligible for reduced-price lunches through NSLP. This means that students whose families earn less than 185 percent of the federal poverty level will be able to eat a school lunch at no cost.

All students also deserve to have safe, healthy learning environments. The Pennsylvania Department of Education (PDE) already collaborates with the Pennsylvania Department of Environmental Protection (DEP) and PENNVEST to support local initiatives and leverage federal funding for testing. This budget expands on that work by providing an investment of **\$100 million** for matching grants for school environmental repairs and improvements. By abating or remediating environmental hazards in schools, more children will have the opportunity to grow and learn in healthy settings.

A safe and violence-free learning environment for Pennsylvania students is essential, too. PDE collaborates with other state agencies and Pennsylvania school communities and stakeholders to advance efforts to develop and sustain equitable trauma-informed learning environments that promote and support the academic, physical, and psychological safety and well-being of all students and staff. The 2023-24 Budget builds on previous investments by providing **\$100 million** for school safety and security grants through the Pennsylvania Commission on Crime and Delinquency's School Safety and Security Committee. School entities including school districts, area career and technical schools, intermediate units, and charter schools are eligible for these funds to address physical security enhancements. The funding will also continue to provide resources for school safety and security coordinator training.

Investing in Higher Education and Supporting Students Pursuing Postsecondary Education

Governor Shapiro believes every Pennsylvania should have the freedom to chart their own course and the opportunity to succeed – and that means ensuring Pennsylvanians have affordable options to pursue postsecondary education. This can come in the form of a career and technical education at one of our Commonwealth’s specialized institutions, a two-year degree from a community college, or a four-year or graduate degree from the Pennsylvania State System of Higher Education or state-related university.

Pennsylvania’s diverse postsecondary institutions create a wealth of options for career pathways and continue to be some of the Commonwealth’s greatest assets. A more than **\$60 million** increase in funding for higher education institutions will continue to support effective operations and increase postsecondary access and completion. Increased investments in the postsecondary sector include:

- Community Colleges: \$5.1 million
- Pennsylvania State System of Higher Education: \$11 million
- Penn State University: \$17.2 million
- Pennsylvania College of Technology: \$1.9 million
- Transfer to Agricultural College Land Scrip Fund: \$1.2 million
- University of Pittsburgh (including Rural Education Outreach): \$11 million
- Temple University: \$11.2 million
- Lincoln University: \$1.1 million
- Thaddeus Stevens College of Technology: \$389,000
- University of Pennsylvania School of Veterinary Medicine: \$633,000
- University of Pennsylvania Center for Infectious Disease: \$38,000

Nationally, at least one in five of college students is parenting a child while pursuing a postsecondary degree. Unfortunately, degree attainment rates among parenting students are low, signaling that there are many barriers that have yet to be removed to enable these students to succeed. This budget proposes an additional **\$1.6 million** for the Parent Pathways Learning Network to scale an existing pilot program to benefit additional parenting students pursuing a postsecondary education. With this support, PDE will work closely with other state agencies to remove barriers and enable parenting students to succeed. Increasing degree-attainment of parenting students benefits families, local communities, and the Commonwealth as a whole when that parent uses a degree to then enter the workforce. The collaborative cross-sector nature of this work will simultaneously lift Pennsylvanians out of poverty, remove barriers to postsecondary completion and increase access to family-sustaining wages.

The 2023-24 budget continues to expand resources and promote awareness of healthy relationships to protect students from sexual violence at postsecondary institutions by providing an additional **\$250,000** for the “It’s On Us PA” initiative. This initiative provides grant funding to promote awareness, prevention, and reporting of sexual assault incidents; remove and reduce barriers to reporting or accessing resources; and demonstrate leadership to ensure a safe and welcoming culture on campuses. Through this additional investment, the Commonwealth will strengthen protections for victims and support-related resources to provide safer postsecondary environments for all students.

Providing Resources for Small Rural Libraries

Libraries are vital hubs for Pennsylvanians, providing the space and resources for residents to learn, become informed about civic and municipal issues, access telehealth, and build community. Libraries provide access to job search materials and computers to apply for jobs. In fact, two PA CareerLink® Offices are co-located with public libraries.

Many of Pennsylvania’s public libraries have been unable to complete facility improvements necessary to serve all members of their communities. These deficiencies range from accessibility issues to insufficient electrical wiring and other infrastructure needed to offer spaces to access online services in a semi-private setting. This is particularly an issue for small rural public libraries that lack the matching funds necessary to apply for facility grants from the existing capital improvement programs.

With a **\$4.2 million** investment in a Public Library Facilities Improvement Fund, small rural public libraries that need minor facility repairs and improvements will have access to targeted funds. This facilities grant program will build the capacity of libraries to meet the needs of all community members by prioritizing accessibility, efficiency, necessary repairs, and upgrades of semi-private meeting rooms and digital skills and technology use spaces.

Building Economic Prosperity through Key Investments in Communities, Businesses, and Workers

The equation for economic prosperity involves more than just business expansion and development. It also requires a strong, skilled workforce – and vibrant communities for those workers to raise families in. Local governments need businesses to locate in their community to increase the tax base, both through economic output and from workers living in those communities. It is a complex ecosystem, and all closely tied together. In order to ensure widespread economic prosperity across Pennsylvania, this budget provides critical investments in workers, businesses, and communities, through a variety of channels. The 2023-24 budget includes funding for workers to get the skills they need to quickly gain employment; funding for businesses to expand or locate in Pennsylvania; and funding for communities, to ensure fiscal stability through financial and community planning and to attract residents, visitors, and new businesses.

Partnering the Career and Technical Education System with Employers to Build Opportunity

Career and technical education (CTE) is critical to ensuring businesses can find workers with the skills they are looking for and every Pennsylvanian has the opportunity to chart their own course. CTE enables secondary, postsecondary, and adult students to pursue technical education, in conjunction with a comprehensive academic education, that prepares them for high-quality and high-priority occupations. It is more critical than ever that students complete their secondary education with strong academic and technical skills that prepare them for successful careers. More than 220 school districts, charter schools, and career and technical centers offer nearly 2,000 PDE-approved CTE programs providing education and training to nearly 68,600 students. This system creates work-ready students with credentials to jump right into employment opportunities through a variety of avenues including, but not limited to, pre-apprenticeships, apprenticeships, and internships.

However, not all secondary students in Pennsylvania have access to CTE programs. This budget makes important targeted investments in the workforce system through these programs to expand the number of apprenticeships and students prepared to fill critical needs in the trades and other industries throughout Pennsylvania.

First, this budget proposes a 60 percent increase, or more than **\$3.3 million** in new funding, to ensure career and technical centers and schools with CTE programs can purchase and upgrade the technology and equipment students need to learn. The economy and technology that powers it are constantly changing, and specialized and technical equipment is expensive to acquire and maintain, but without it, students cannot be expected to enter the workforce properly prepared in their fields.

Second, an additional **\$4 million** investment in career and technical centers will support the hiring additional teachers and expanded program offerings in high-demand areas of health care, STEM, energy, and infrastructure trades. As a result of this funding, more students will have access to CTE programs and earn related industry credentials.

Third, this budget proposes an additional **\$5 million**, bringing total annual investment to \$25 million, to secondary career and technical education for increasing computer science and STEM programs statewide. This investment will allow larger, three-year grants to schools to establish new or expand existing CTE programs aligned to in-demand occupations.

Fourth, the budget provides **\$2 million** to establish a state-level Industry in the School Program, that will partner local trade and industry professionals with teachers and bring industry professionals into the classroom. Not only will this program help to develop partnerships that expand access to in-demand careers and trades, but it will also assist in filling another critical vacancy, by building an interest in students or industry professionals in becoming CTE teachers.

To build on this, the 2023-24 budget also calls for a 43 percent increase, or **\$3 million**, for Apprenticeship Training through the Department of Labor & Industry. This investment strengthens the Commonwealth's commitment to an earn-and-learn model that Pennsylvanians can utilize to gain skills and experience that lead to family-sustaining wages. Through the Apprenticeship and Training Office (ATO), these funds will increase the number of Registered Apprenticeship opportunities in Pennsylvania and further expand Registered Apprenticeships into non-traditional occupations as well as serve underrepresented populations. This funding will allow the ATO to provide technical assistance to businesses, unions, and training providers with the support and resources needed to align with nationally recognized standards and practices. A portion of the funding will be used develop a Registered Apprenticeship program that leads to certification as a CTE teacher.

In order to further partnerships between CTE programs and employers, a new investment of **\$3.5 million** will be made for the PA Schools-to-Work program. This represents a \$1 million increase over the current funding level of \$2.5 million, currently funded by Reemployment Funds. In addition to freeing up Reemployment Funds for other critical investments, this investment strengthens the Commonwealth's support of workforce development partnerships between schools, employers, organizations, and associations and facilitates the creation of robust employment and training pathways. Funded projects will prioritize interactive learning opportunities for participating students through a variety of classroom trainings, workplace visits, internships, registered apprenticeships, mentorships, employment opportunities, special education transition supports, job shadowing, and externships.

Finally, this budget proposes the creation of the Foundations in Industry program at the Department of Community and Economic Development. An investment of **\$3 million** will be provided to start the program and cover costs related to in-classroom instruction that complements on-the-job learning required through Registered Apprenticeships and Pre-Apprenticeships. This funding for the Commonwealth's registered apprenticeship and pre-apprenticeship ecosystem will grow the number of apprentices and pre-apprentices earning and learning and help employers find, hire, and retain the skilled workforce they need to thrive in Pennsylvania.

Collectively, this **\$23.8 million** investment will create opportunities for students to not only have a career pathway, but willing and waiting, businesses and trades with openings ready to fill immediately. Building robust pathways between school and the workforce is critical not only to ensure that students have the skills they need to earn family-sustaining wages in fulfilling occupations but also to help Pennsylvania businesses find the talent they need to be successful.

Reducing Financial Barriers to High School Equivalency Testing

The Commonwealth must do what it can to reduce barriers to economic prosperity. One such barrier is the cost of high school equivalency tests, the GED test and HiSET exam. This can be a barrier to many individuals who have prepared for and are ready to take the exam. These individuals may never complete the required subtests and remain without a high school equivalency credential, generally resulting in lower wages than those with a high school degree or equivalent. Adult education programs report that many of their students start taking the test one subtest at a time but end up not completing the full course of subtests due to the cost. The 2023-24 Budget includes roughly **\$1 million** to reduce financial barriers to completing a high school equivalency exam by covering the cost of the test fee. This initiative will broaden the Commonwealth's workforce and help Pennsylvanians gain the credential they might need develop skills and gain experience necessary to achieve economic security and financial stability.

Incentivizing Individuals to Fill and Remain in Critical Job Classifications

A persistent problem in Pennsylvania continues to be the outmigration of talented recent graduates that learn here but relocate to other states to live and work. This has resulted in an aging population and has constrained the labor pool, leaving critical positions with a deficiency in available and qualified individuals to fill these roles. As outlined, this budget proposes to make critical investments in education and public safety. But those investments also require residents to work in those professions.

Therefore, it is important that the Commonwealth provides additional support to those educators, police officers, troopers, and nurses that teach children in schools, ensure public safety, and provide critical access to necessary health care. As such, in addition to building a pipeline for those critically needed jobs in the future, this budget proposes investing **\$24.7 million** in 2023-24 in job retention and recruitment efforts to attract individuals into certified and licensed professions in the fields of nursing, teaching, and policing.

Current residents that either acquire a license or certification in these fields after January 2023 or individuals that move into Pennsylvania with a Pennsylvania-recognized credential in these fields will be eligible for a refundable tax credit **up to \$2,500 a year** for three years. This would be accomplished through Personal Income Tax returns to avoid extra burden in applying for the funding.

Pennsylvania is experiencing a critical shortage of certified teachers. In addition to incentivizing new teachers, Pennsylvania must retain current educators by investing in the skills of those already employed in schools. This budget allocates an additional **\$2 million** to provide teacher professional development through local education agencies. This funding will help to ensure that teachers have resources and support to develop new curriculum in line with updated educational standards and to assess student needs effectively to create goals to facilitate greater student success. Programming will include face-to-face and online training, online coursework, and virtual and on-site technical assistance. Teacher professional

development increases the likelihood that state initiatives are implemented with fidelity, therefore lessening the need to redirect or adjust misunderstandings, inaccuracies, or incorrect interpretation of requirements.

Also, this budget ensures that the Commonwealth will continue to protect workers' rights by increasing the number of labor law compliance investigators within the Department of Labor & Industry. By investing **\$1.28 million** to increase the number of investigators by one-third, L&I is able to quickly investigate more cases, while allowing for more strategic enforcement of current laws, and provide additional education for businesses.

Expanding Economic Opportunity through Critical Investments in Businesses

While support for workers is essential to keeping businesses open and thriving, the businesses themselves must also have ample support in order to create jobs and drive the economy. Business growth creates expansion, and with expansion comes new permanent jobs, as well as construction opportunities for jobs in the trades. In addition, a prosperous business creates downstream and upstream opportunities, with vital direct and indirect economic impacts for the local community. Building a thriving economy requires targeted investments in existing businesses to help them expand and generate additional economic output, as well as strategic investments in attracting new economic output to the Commonwealth. This budget expands the available resources at Department of Community and Economic Development (DCED) for these strategic investments.

Specifically, the 2023-24 budget provides an additional **\$12 million** to the Pennsylvania First Program. This program is a versatile economic development tool for DCED, providing flexible financial assistance for workforce training, land and building costs, and machinery and equipment. The funds provided through this program leverage significant private investment to maximize the return. This budget provides an important first step to making Pennsylvania competitive with its surrounding competitors, all vying to attract new businesses.

The current Pennsylvania First program also dedicates \$8 million to the Workforce and Economic Development Network of Pennsylvania (WEDnetPA). WEDnetPA serves as the Commonwealth's incumbent worker training, providing resources to improve the skill level and productivity of Pennsylvania's workforce. This budget includes an additional **\$2 million** to further develop and target the program to accommodate major needs that may arise through the business development process. Expanded funding to the PA First Program would allow for additional Pennsylvanians to be trained through WEDnetPA in addition to allowing for more grants to companies seeking to expand or relocate to Pennsylvania.

Additionally, this budget includes critical state funding previously provided by federal pandemic relief by proposing to invest **\$20 million** for historically disadvantaged businesses. It is well known that, on average, disadvantaged businesses have less access to capital, are three times more likely to be denied loans, pay a higher interest rate, and receive lower loan amounts than non-minority owned firms. During the pandemic, DCED partnered with a network of Community Development Financial Institutions (CDFI) to provide nearly \$100 million in relief payments to historically disadvantaged businesses. These funds proved to be a lifeline for many businesses impacted directly by the pandemic. Following that investment, an additional \$20 million in federal funding was made available for investment into these businesses. This budget proposes to continue that level of funding using sustainable, state support. These funds are vital for ensuring businesses that typically have difficulty securing traditional modes of support have access to capital needed to expand, or sustain, their business operations, providing access to new economic partnerships and opportunities.

The 2023-24 budget also invests an additional **\$1 million** specifically for the Manufacturing Innovation Program (MIP) through the Manufacturing PA appropriation. This program is a collaboration between Pennsylvania colleges and universities, the Industrial Resource Centers (IRCs), and DCED. It is open to any accredited Pennsylvania college or university and is annually oversubscribed by nearly 100 percent., The proposed increase would allow 14 more manufacturers to partner with universities in adopting new technologies and advancing new products and processes.

Finally, to accompany Executive order 2023-05, the budget provides funding for the Pennsylvania Office of Transformation and Opportunity to facilitate the implementation of transformational economic development projects, which will result in substantial quality job opportunities and capital investment in the Commonwealth. This will be done through coordinating and expediting interagency cooperation and maximizing available and future federal resources to help Pennsylvania compete, grow, and thrive in a global economy.

Creating Sustainable and Prosperous Communities

Businesses and workers can't succeed without strong, prosperous communities. In order to attract both businesses and workers to Pennsylvania, we need to invest in our communities, so that they are welcoming places that companies and workers want to live in and move to. Simply put, workers want to live where they have abundant and affordable access to services and opportunities for their families. Having a vibrant community provides a better chance that prospective workers will want to move to the Commonwealth, and will stay here, which in turn, helps businesses more easily fill positions.

Sustainable and prosperous communities need more than just corridor improvements and business assistance from the Commonwealth. They also need to have the financial capacity and stability to make these key investments on their own. There are existing programs through DCED that provide technical assistance and community planning funds so that local governments have a structured road map to follow to economic prosperity for residents and businesses. This budget builds on those programs by providing **\$1.25 million** for the expansion of resources available to local governments to provide assistance in sound financial planning. Avoiding financial distress and preparing for potential economic downturns are essential to ensuring a community maintains sustainability for generations. Sustainably planning on how to provide the necessary services that residents desire today requires careful budgeting methods.

Additionally, this budget proposes a 266 percent increase for funding available in the Municipal Assistance Program. This program, operated by DCED, was created to help local governments plan for and effectively implement a variety of services, improvements, and soundly managed development. This includes shared-services activities, such as regionalization, consolidation or merging of services, shared personnel, high-impact projects that serve multiple municipalities, and boundary change efforts. The program also provides financial assistance for communities to comprehensively plan around community revitalization efforts. This increase of nearly **\$1.5 million** will set the groundwork for the rehabilitation and growth of so many of our communities.

Building on this, the proposed budget provides an investment of **\$8.6 million** for communities that have already started on a path to revitalization, through the Keystone Communities program. These dollars will facilitate greater participation from smaller, rural, and lower income communities into the existing program and could increase applications for the Keystone Elm Street designation. This designation provides additional supports to the community, specifically in the neighborhoods surrounding central business districts. Additionally, these funds will allow DCED to support more projects already submitted for existing program resources. The Keystone Communities Program is designed to encourage the creation of partnerships between the public and private sectors in communities and to support the growth and stability of neighborhoods to secure a strong quality of life.

Finally, this budget includes **\$1 million** to the Pennsylvania Council on the Arts to expand the financial assistance opportunities available to specifically address the needs of communities through enhancements that drive retention and attraction of residents, talent, and visitors. Providing these resources to communities will assist them where the need for development is the greatest. The funding can assist communities with reactivating their main streets and commercial corridors, develop signature cultural events, or attract creative entrepreneurs and other key professional talent.

Assistance for Seniors and Individuals with Disabilities

Keeping Pennsylvanians in their Homes

Individuals that wish to remain in their community, and more specifically, their own homes, face ever increasing challenges to do so. As the cost of living continues to increase, it becomes harder for individuals on fixed incomes to afford their rent, mortgages, and pay rising property taxes.

To address this issue, the Property Tax and Rent Rebate program was established in 1971. The program's intent is to assist Pennsylvania's elderly, widows, and permanently disabled citizens in maintaining possession of their home through tax relief in the form of rebates. Current beneficiaries include eligible Pennsylvanians aged 65 and older, widows and widowers aged 50 and older, and people with disabilities age 18 and older. Since the passage of Act 1 of 2006, the eligible income limit has been \$35,000 a year for homeowners, and \$15,000 a year for renters. Act 1 of 2006 also increased the maximum rebate from \$500 to \$650 and supplemental rebates for qualifying homeowners are available can increase overall rebates up to \$975. However, the eligibility income levels as well as the maximum rebate amount for the program have remained

unchanged since 2006 and are not indexed to inflation. As incomes increase over time, individuals that rely on this rebate program have increased out of the eligibility threshold.

Because of this, fewer people are benefiting from this program. In fact, between 2015 and 2020, both the number of rebates issued, and the total rebate amounts have dropped by over 20 percent. As the program shrinks due to income levels exceeding the eligibility thresholds, the current economic climate demands programs like the Property Tax and Rent Rebate Program be expanded to assist individuals in need. This budget proposes an expansion to the current program in several ways beginning in 2024-25, all of which provide essential relief to Pennsylvania's older residents living at home.

First, the budget proposes increasing the income cap for homeowners from \$35,000 to \$45,000. Second, the proposal would increase the income cap for renters from \$15,000 to \$45,000 to match the cap for homeowners. Third, the proposal would allow the maximum income threshold to grow with inflation, beginning in claim year 2024. By 2026, the income cap would be projected to increase from the proposed \$45,000 to \$48,200. Finally, the proposal increases the rebate caps to a maximum rebate of \$1,000 from the current cap of \$650. All of these changes would allow an additional 173,000 new individuals to receive assistance, while increasing assistance to the 398,000 individuals that already benefit from the program.

This proposal builds upon the important steps taken by the previous Administration and General Assembly as it relates to assisting homeowners make the necessary repairs to continue living in their homes, through the Whole Home Repairs Program. This administration remains committed to working with counties to ensure that those critical dollars are spent effectively and understands that additional steps must be taken to assist more individuals to meet their needs.

Supporting Older Adults while Meeting their Needs

Help at Home, commonly referred to as the OPTIONS program, aids eligible older adults in Pennsylvania to stay in their homes. Because of higher demand than resources available, there is a waiting list for services through this program. If these older adults do not receive social supports and services, their health and well-being is susceptible to deteriorating to the point of losing independence. As such, they would be unable to remain in the community and likely require more extensive services and higher cost placements, such as in a skilled nursing facility.

Subsequently, the Area Agency on Aging (AAA) network does not have the resources to adequately compete in the marketplace and thereby creates a challenge to keep older adults safely in their homes and communities at a much lower cost than institutional care. This is further exacerbated by the changes at the federal level which included: the unwinding of the benefits put in place during the federal public health emergency through the Consolidated Appropriations Act; the ending of the emergency SNAP allotment; decrease in Medicaid coverage; and changes on the cost-of-living adjustment for Social Security Income (SSI). Investing **\$10 million** in the 2023-24 budget to support older Pennsylvanians will help reduce the wait list for the OPTIONS program and also provide additional funding to the AAA network to attract providers and retain staff.

Also, this budget invests an additional **\$1 million** in grants to senior centers through the Department of Aging. Additional resources will improve safety and accessibility, repair or replace essential equipment with new technologies, and cover the increased costs of purchasing and serving food. All of these investments ultimately create a safe center for older Pennsylvanians to attend and interact with other individuals in their own neighborhoods.

Independent Living

People with disabilities should also have opportunities to thrive and to do what they want to do, when, where, and how they want to do it—safely, without barriers, and with access to support as needed. An increased appropriation of **\$684,000** will be used to recruit and hire staff at the nine state Centers for Independent Living (CIL) with qualifications needed to respond to the needs of Pennsylvanians, including bilingual staff. The ability for CILs to provide independent living services to consumers with more diverse and significant disabilities is critical and will ensure that consumers are able to remain in and participate in their community. Additionally, this budget proposes an increase of **\$800,000** for financing opportunities for individuals to acquire assistive technology devices, as well as funding to provide training for these assistive technology devices to aid these individuals to live independently.

Supplemental Nutrition Assistance Program (SNAP) Minimum Increase

This budget proposes to address food insecurity among seniors and people with disabilities by increasing the minimum SNAP benefit from \$23 per month to \$35 per month with a state investment of **\$16 million**. Over 100,000 Pennsylvanians were receiving SNAP at the minimum benefit as of December 2022. In addition to increases in food prices and the end of the federal SNAP emergency allotment which have affected the SNAP-eligible individuals more broadly, this population in particular often experiences diet-related health challenges, and studies have shown that older adults with increased access to proper nutrition can live in a community setting longer than those who face food insecurity.

Supporting the Mental Health of Every Pennsylvanian

Over the past several years, it has become clear that mental health is just as important as physical health. Mental health struggles have been exacerbated by the pandemic, especially among students. The current mental health system is strained and at capacity, schools are unequipped to handle the student mental health crisis, while counties lack the resources to tackle the broader problems in local communities. Pennsylvanians need somewhere to turn in a moment of need. That is why this budget prioritizes a robust support system to assist with the complex and varying needs of all Pennsylvanians.

Providing School-Based Mental Health Supports

Pennsylvania students and school staff need robust mental health support, but the needs of every student, as well as every school district to meet those needs, vary. A complex issue requires a flexible funding stream to provide the resources to every school district that they need. This cannot be accomplished with a "one-size-fits-all" approach. Therefore, this budget proposes significant new mental health investments for staffing, community partnerships, and innovative programs in this space. The School-Based Mental Health Supports Block Grant will provide **\$100 million** in targeted funding through the Department of Education to connect students and staff to mental health services and ensure a pipeline of trained school-based mental health professionals in the future. These investments will allow more students and staff to access mental health supports through trained professionals they can trust, in places that are familiar to them, and without shame or stigma.

Eligible grant uses include hiring and maintaining school counselors, social workers, and psychologists, contracting with community and non-profit groups, and providing telemedicine behavioral health options. Funding will also support clinical mental health internships for individuals pursuing state certification in this field.

Restoring County Mental Health Funding

Pennsylvania's counties provide a spectrum of community-based mental health services which are critical to the well-being of Pennsylvania's residents. However, state support of these community-driven solutions has not kept up with the increasing demand of mental health services. Recognizing the increases in mental health concerns among Pennsylvanians in recent years, this budget proposes to increase base funding to counties to provide critical mental health services and address deepening workforce shortages. With an increase of **\$20 million** this fiscal year and additional funds in successive years, reaching a \$60 million per year increase in 2027-28, counties can rely on the Commonwealth to support their ability to address needs in their communities with quality services.

Diversion from the Criminal Justice System

People with serious mental illnesses who find themselves in the criminal justice system are often in need of more significant support. Often, these individuals come to the criminal justice system with an existing behavioral health problem. The 2023-24 budget provides **\$4 million** to create three community-based programs to serve people who do not require the level of forensic treatment provided at Norristown and Torrance State Hospitals, or who are being discharged from these institutions. By supporting these initiatives, the Commonwealth can reduce, or prevent, delays in admissions to state facilities for people requiring competency determinations or restorations, keeping Pennsylvania in compliance with Department of Human Services interim settlement agreements. In addition to preventing delays in intake for state facilities, supporting programs like these keeps these individuals out of incarceration.

988 Telephone Support for Mental Health and Suicide Prevention

With the federal designation of 988 as the 3-digit dialing code for mental health crisis and suicide prevention, federal grant funding is being distributed to the fourteen suicide prevention lifeline call centers in the Commonwealth. Increasing suicide rates, emergency room boarding challenges, and the desire to reduce the reliance on the criminal justice system for mental health care led the federal Substance Abuse and Mental Health Administration to make the full spectrum of mental health and crisis services a national priority. But Pennsylvania needs to dedicate additional resources in order to fully meet the needs of its residents. As such, this budget proposes to utilize 2.75 percent of 911 surcharges on landline and mobile telephone services to support Pennsylvania's call centers and ensure that a lifeline is always available for friends and neighbors in crisis. Additionally, this budget provides **\$5 million** in one-time buildout costs for the 988 system.

Farm Health and Safety

Farm safety and mental health continue to be significant challenges for farmers and ranchers, citing one of the highest rates of suicide in any profession. This budget builds on existing federal funding to support current efforts to assist farmers' mental health concerns. A **\$200,000** investment in state funding will provide support services such as a mental health hotline, specialized trainings, and outreach to the agricultural community.

Providing Resources to Bolster Healthy Communities

Investing in Pennsylvania's Families

Pennsylvania families rely on safe and enriching early learning environments for their children. High-quality, affordable, and accessible child care is essential to families with children who have to work or go to school. In order to support Pennsylvania's hard-pressed working families, it is critical to invest in and stabilize the child care sector. With an increase of **\$66.7 million** for Child Care Services in the 2023-24 budget, up to 75,000 low-income families will continue to be enrolled in a subsidized child care program through the Child Care Works Program. Pennsylvania's Office of Child Development and Early Learning makes subsidy rate payments directly to providers, which are informed by a market rate survey process. This budget sustains and builds on prior-year investments to ensure that Child Care Works reimbursements meet or exceed rates at 60 percent of child care facilities.

The health of mothers and children is interconnected, and avoidable complications and deaths during pregnancy or up to a year postpartum are devastating to families and communities. These complications and deaths are exacerbated by a number of factors, including lack of access to timely prenatal and postpartum care and interventions. Pennsylvania's Maternal Mortality Review Committee (MMRC) was established in 2018 to conduct multidisciplinary reviews of maternal deaths within the broader context of the national maternal mortality rate and disparities in care. Building on the dedicated and informative work of the MMRC, **\$2.3 million** will be used to expand maternal health programming to allow for implementation of prevention strategies to reduce maternal mortality and morbidity. Not only will this state investment allow for these prevention strategies, but the state funds would also put the Commonwealth in a position to leverage an additional \$1.25 million in federal funding.

Supporting and Protecting Vulnerable Populations

Many Pennsylvanians with intellectual disability and/or autism (ID/A) have to wait for home and community-based services. With over 12,000 ID/A individuals on the waiting list for services, these individuals are in the need of an initiative to relieve the pressure of emergency needs. This budget invests an additional **\$17.5 million** in state funds to allow the Department of Human Services (DHS) to serve at least 750 additional people in the Community Living Waiver and 100 in the Consolidated Waiver programs.

Adding telemedicine assessment and coordination that is designed for individuals with I/DD as a service in the Home and Community-Based Services waiver would enable real time support, consultation, and coordination on health issues. Furthermore, this **\$700,000** investment would assist individuals, families, and support providers to understand health symptoms and to identify the most appropriate next steps. In addition to providing specific medical attention to individuals, the service will also include family and direct support professionals in consultations otherwise unavailable in any other service. Through this budget's investment, Pennsylvania will improve health outcomes for people with intellectual and developmental disabilities.

Pennsylvania's lifesharing program allows adults with disabilities to live with qualified adults who provide support in their home, leading to better quality of life outcomes for many individuals with disabilities. In the 2023-24 budget, an investment of **\$3.4 million** will expand the program to include a "Day Service" rate for lifesharing services. Pennsylvania can then expect more individuals to see lifesharing as a viable alternative to group homes and expand the number of potential lifesharing families, reducing the need for more costly 24-hour group home settings.

In order to reduce administrative burden for DHS and the providers that serve individuals with disabilities, the Commonwealth will work to transition exceptional residential rates to a fee schedule. In addition, the criteria for requesting an exceptional rate will include elements of the Health Risk Screening Tool.

The 2023-24 budget includes **\$1.25 million** for Community Hospital Integration Projects Program (CHIPP) discharges to reduce state hospital populations. This integration program discharges individuals with complex service needs, who no longer need inpatient psychiatric treatment, into integrated community programs from state hospitals. The county program develops the community resources and services needed for each person discharged through CHIPP. The CHIPP program is a mechanism for reallocating funds to the community for the development of new alternative community-based treatment services and supports. The community services that are developed with CHIPP funds are not only available to persons discharged from state mental hospitals, but to other individuals with mental illness who would otherwise need hospitalization.

Long-term care facilities provide a variety of services, both medical and personal care, to people who are unable to live independently. Act 128 of 2022 directs Pennsylvania Department of Health to register and regulate temporary health care service agencies working in long-term care settings, though it did not include financial resources to the department to support implementation of the Act's requirements. The department will be unable to meet the requirements of the Act without financial support to hire staff and develop a registration system for oversight. In this budget, we are investing more than **\$1.9 million** to ensure compliance and mitigate risks, as well as support the implementation of the provisions of Act 128 of 2022 and the Skilled Nursing Facility regulations taking effect to ensure adequate care of residents and proper regulatory oversight of those facilities. Increased transparency and monitoring of facility owners' financial health will reduce the risk of facility closures and save current staff time related to facility closures and relocating residents. The proposal will assist the department in ensuring quality providers stay in Pennsylvania, and nursing facilities provide safe and stable services for long-term care residents.

Ensuring Local Response to Local Health Issues

This budget will continue to invest in public and environmental health by fully funding Pennsylvania's county and municipal health departments (CMHDs) up to the limits in legislation. More than 40 percent of Pennsylvanians live in a county or municipality served by a CMHD, and by investing an additional **\$1.2 million** in their operating budgets and **\$6.61 million** in environmental health, this budget supports their vital mission, including in the areas of water pollution, food safety, and direct health services to their communities.

Safeguarding Pennsylvania's Environment and Protecting Pennsylvanians' Rights to Clean Air and Pure Water

From the Chesapeake Bay Watershed to the Appalachian Mountains, Pennsylvania is home to some of America's great natural treasures. The Commonwealth is a proud steward of this rich environment, a role that is more important than ever as the evolving threat of climate change strains our environment. Rising temperatures and changing weather patterns put ecosystems and certain livelihoods at risk, requiring broad state-level solutions.

The investments in this budget will improve the ability to respond to pressing environmental challenges. These investments will also enable a new generation of Pennsylvanians, and visitors from across the world, to enjoy Pennsylvania's parks, trails, and forests, while capitalizing on economic development opportunities that arise from the state's natural resources. Finally, this budget supports innovative and forward-thinking agricultural practices and programs. These initiatives will help to further Pennsylvania's national leadership in agricultural development and expand access to fresh, healthy foods across the Commonwealth.

Improving Organizational Capacity to Protect the Environment and Responsibly Utilize Natural Resources

The Department of Environmental Protection (DEP) conducts important oversight to ensure that Pennsylvania's water, air, and ambient environment are safe for all. This budget expands DEP's capacity by providing **\$5.75 million** to grow the agency's oversight capabilities. In particular, this will expand resources at DEP to increase efficiency in permitting, which will raise the number of permits that the agency can issue each year. This funding will improve the responsiveness of the air quality testing program to community requests and will increase the number of dam safety investigations that are conducted yearly to ensure that those critical pieces of infrastructure are being safely maintained. Dam safety is an important public safety concern, as a failure in a dam could result in serious injury and loss of life, and significant damage to property and infrastructure. This funding will also provide resources for the CO2 Budget Trading Program.

In addition, this budget supports a funding increase for the Clean Water Fund (CWF), which helps support important water safety and quality measurement tools, including the Pennsylvania Water Quality Network. This **\$4 million** will allow for further safeguarding of Pennsylvania's water resources, rather than relying on increased fee revenue to support program operations. This will improve operational effectiveness while provide permittees more predictability.

Expanding Access to Outdoor Recreation and Improving Management and Safety on Public Lands

Managed by the Department of Conservation and Natural Resources (DCNR), Pennsylvania's state parks and forests cover more than 2.2 million acres and are enjoyed by more than 37 million visitors each year. State forests have become increasingly popular for a variety of recreational activities, including hiking, biking, camping, hunting, fishing, birdwatching, rock climbing, trail running, and more. They contribute over \$1 billion to the state's economy and support a dynamic outdoor recreation industry. This budget commits **\$2.8 million** to expand resources at DCNR that will improve and support sustainable outdoor management, infrastructure updates, and safety in these outdoor environments. Specifically, this funding will help improve maintenance infrastructure and emergency response coordination, including climate resiliency work, geological mapping, and 3D geologic modelling to capitalize on opportunities for carbon capture and storage. These funds will also increase nursery capacity and forest restoration efforts, including dedicated staff for watershed technical assistance and training.

This budget also provides a coordinated approach to outdoor recreational development, supporting a new Office of Outdoor Recreation to create a connecting hub between DCNR and outdoor private industries and communities seeking to leverage outdoor recreation for economic development, in addition to local and visitor recreation interest groups.

Innovative Investments to Improve Agricultural Programs, Farmer Health, and Fresh Food Resources

The Commonwealth's rich heritage of agricultural excellence will continue and expand with historic investments included in this budget.

Pennsylvania is already a national leader in the rapidly growing field of organic agriculture. The 2023-24 budget provides **\$1 million** to create a new Organic Center of Excellence, which improve the ability to detect counterfeit organic goods by adding the laboratory ability to test for pesticide contamination. This ability will continue a long tradition of leadership in food safety in the Commonwealth.

In addition, this budget includes **\$500,000** to create a Center for Plant Excellence that will expand supply chain opportunities and boost the resources available to Pennsylvania's diverse plant industries. The budget also provides **\$2.5 million** for technical and financial assistance resources to counties that will ensure the integrity of their easement portfolios under the Farmland Preservation Program.

Finally, this budget proposal will help more Pennsylvanians access fresh, quality produce and other farm products. A **\$2 million** investment for the Fresh Food Financing Initiative will contribute to better health outcomes by improving access to Pennsylvania grown, processed, and produced agricultural products, including fruit and vegetables, milk and dairy products, and meat products. This funding will specifically help to stimulate investment in lower-income communities and in food retailing businesses that are owned by people who are Black, Indigenous, and People of Color (BIPOC) and that serve lower-income BIPOC communities.

Department Funding Summary

(Dollar Amounts in Thousands)

Motor

	General Fund	License Fund	Lottery Fund	Federal Funds	Augment- ations	Restricted	Other Funds
Governor's Office.....	\$ 7,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lieutenant Governor.....	1,592	-	-	-	-	-	-
Executive Offices.....	112,430	-	-	19,520	522,623	34,793	-
Commission on Crime and Delinquency.....	185,286	-	-	205,978	5,050	22,780	114,210
Attorney General.....	138,590	-	-	18,167	434	67,452	1,655
Auditor General.....	45,431	-	-	-	13,820	-	384,903
Treasury.....	1,256,412	81,751	-	-	7,930	72,458	17,336
Aging.....	-	-	464,155	114,788	805	-	5,830
Agriculture.....	231,248	33,817	-	98,590	3,493	17,294	146,402
Banking and Securities.....	-	-	-	-	-	9,290	28,532
Community and Economic Development.....	191,414	-	-	715,345	7,235	57,310	82,050
Conservation and Natural Resources.....	165,484	7,000	-	83,140	60,883	18,341	286,645
Corrections.....	2,892,125	-	-	19,801	5,737	360	102,673
Drug and Alcohol Programs.....	48,111	-	-	277,998	36	13,625	29,754
Education.....	17,554,543	-	-	4,557,077	7,304	7,775	802,899
Higher Education Assistance Agency.....	414,459	-	-	-	39,948	-	2,544
Emergency Management Agency.....	24,278	-	-	523,719	1,405	13,355	418,255
Environmental Protection.....	202,430	-	-	1,061,477	16,534	109,660	896,467
Ethics Commission.....	3,331	-	-	-	-	-	-
Fish and Boat Commission.....	-	-	-	-	-	-	88,635
Game Commission.....	-	-	-	-	-	-	262,302
Gaming Control Board.....	-	-	-	-	-	-	54,412
General Services.....	144,861	9,000	-	-	76,549	1,500	-
Health.....	231,883	-	-	650,011	6,555	119,328	130,522
Health Care Cost Containment Council.....	3,481	-	-	-	850	-	-
Historical and Museum Commission.....	25,505	-	-	10,335	1,056	80	16,294
Human Services.....	19,072,636	-	352,966	33,797,713	4,000,629	30,730	472,688
Infrastructure Investment Authority.....	-	-	-	-	-	-	1,747,262
Insurance.....	-	-	-	5,000	-	-	508,297
Health Insurance Exchange Authority.....	-	-	-	-	-	-	103,620
Labor and Industry.....	89,823	-	-	492,895	10,080	2,275	860,588
Liquor Control Board.....	-	-	-	-	-	-	2,641,353
Military and Veterans Affairs.....	216,675	-	-	238,513	26,788	100	5,880
Milk Marketing Board.....	-	-	-	-	-	-	2,840
Public School Employees' Retirement System.....	-	-	-	-	-	-	100,425
Public Utility Commission.....	-	-	-	5,538	-	82,896	342,790
Revenue.....	250,673	58,864	1,064,532	250	8,085	-	20,435
State.....	35,231	-	-	11,110	-	99,665	150
State Employees' Retirement System.....	-	-	-	-	-	-	52,997
State Police.....	-	400,000	-	-	-	-	1,200,709
Transportation.....	2,735	2,612,649	170,907	2,886,724	110,300	2,131,866	2,312,087
Judiciary.....	406,660	-	-	2,370	-	46,572	-
Legislature.....	374,279	-	-	-	-	-	-
Government Support Agencies.....	67,132	-	-	-	-	-	400
Commonwealth Totals.....	\$ 44,396,715	\$ 3,203,081	\$ 2,052,560	\$ 45,796,059	\$ 4,934,129	\$ 2,959,505	\$ 14,244,841

Seven Year Financial Statement

(Dollar Amounts in Thousands)

	2021-22 Actual	2022-23 Available	2023-24 Budget	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Beginning Balance	\$ -	\$ 5,537,421	\$ 7,858,253	\$ 5,638,438	\$ 3,008,316	\$ 188,328	\$ -
Adjustment to Beginning Balance	4,450	4,000	-	-	-	-	-
Adjusted Beginning Balance	\$ 4,450	\$ 5,541,421	\$ 7,858,253	\$ 5,638,438	\$ 3,008,316	\$ 188,328	\$ -
Revenue:							
Corporation Taxes	\$ 7,316,983	\$ 7,581,200	\$ 7,365,600	\$ 7,173,100	\$ 6,891,000	\$ 6,592,400	\$ 6,340,700
Consumption Taxes	15,391,474	15,369,500	14,525,400	14,755,900	15,068,300	15,404,800	15,797,700
Other Taxes	20,780,186	19,988,100	20,245,900	21,073,800	22,024,200	23,156,400	23,934,200
Nontax Revenue	4,645,577	988,400	1,092,500	940,700	859,000	805,700	772,000
Total Revenue Receipts	\$ 48,134,220	\$ 43,927,200	\$ 43,229,400	\$ 43,943,500	\$ 44,842,500	\$ 45,959,300	\$ 46,844,600
Refunds	(1,420,000)	(1,294,400)	(1,257,500)	(1,281,300)	(1,299,400)	(1,276,200)	(1,253,200)
Total Revenue	\$ 46,714,220	\$ 42,632,800	\$ 41,971,900	\$ 42,662,200	\$ 43,543,100	\$ 44,683,100	\$ 45,591,400
Prior Year Lapses	270,012	795,929	205,000	175,000	175,000	175,000	175,000
Funds Available	\$ 46,988,682	\$ 48,970,150	\$ 50,035,153	\$ 48,475,638	\$ 46,726,416	\$ 45,046,428	\$ 45,766,400
Expenditures:							
Appropriations	\$ 41,795,141	\$ 44,940,133	\$ 44,882,421	\$ 45,440,481	\$ 46,520,888	\$ 47,352,300	\$ 48,270,955
Executive Authorizations	21,691	20,711	29,253	26,841	17,200	17,200	17,200
Proposed Supplementals	-	(1,657,720)	-	-	-	-	-
Less Federal Enhanced Medical							
Assistance Percentage	(2,465,571)	(2,191,227)	(514,959)	-	-	-	-
Current Year Lapses	-	-	-	-	-	-	-
Total Expenditures	\$ 39,351,261	\$ 41,111,897	\$ 44,396,715	\$ 45,467,322	\$ 46,538,088	\$ 47,369,500	\$ 48,288,155
Preliminary Balance	\$ 7,637,421	\$ 7,858,253	\$ 5,638,438	\$ 3,008,316	\$ 188,328	\$ (2,323,072)	\$ (2,521,755)
Transfer to Budget Stabilization							
Reserve Fund	(2,100,000)	-	-	-	-	2,323,072	2,521,755
Ending Balance	\$ 5,537,421	\$ 7,858,253	\$ 5,638,438	\$ 3,008,316	\$ 188,328	\$ -	\$ -

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

PROPOSED TAX AND REVENUE MODIFICATIONS

	2023-24
	Estimated
Tax Revenue:	
Gross Receipts Tax (GRT)	\$ (41,100)
Effective January 1, 2024, excluding mobile telecommunications services from GRT.	
Sales and Use Tax (SUT)	\$ (20,900)
Effective January 1, 2024, excluding mobile telecommunications services from SUT.	
Elimination of the Enhanced Revenue Collections Account (ERCA)	\$ 21,100
Effective July 1, 2023, revenues previously attributed to ERCA are included in General Fund revenue by tax type, estimated at \$8.7 million corporate net income tax; \$6.7 million personal income tax; \$5.1 million sales and use tax; and \$0.6 million inheritance tax. General Fund refunds are also adjusted to reflect avoidance of erroneous refund overpayments. The innovative collection activity that was previously funded by ERCA will now be included in the Department of Revenue's General Government Operations appropriation, since this work has been integrated into the department's procedures, making the need for a separate account obsolete.	
Transfer to Public Safety and Protection Fund	\$ (1,017,300)
A redirection of revenues collected from the other tobacco products tax and liquor tax and a \$400 million transfer of motor vehicle sales and use tax is proposed. The portion of revenue transferred from motor vehicle sales and use tax is proposed at \$450 million in 2024-25; \$500 million in 2025-26; \$550 million in 2026-27; and \$600 million in 2027-28.	
Transfer to Tobacco Settlement Fund	\$ (115,300)
A transfer of funds from the cigarette tax to the Tobacco Settlement Fund to replace monies deducted from the Master Settlement Agreement for deposit in the Tobacco Revenue Bond Debt Service Account is proposed.	
Transfer to Environmental Stewardship Fund	\$ (10,500)
A transfer of funds from the personal income tax to the Environmental Stewardship Fund for Growing Greener debt service payments is proposed.	
Adult Use Cannabis Tax	\$ -
A tax of 20 percent on the wholesale price of products sold through the regulated framework of the production and sales system, once legalized. Estimates assume sales commence January 1, 2025, with initial revenues realized in 2024-25.	
Nontax Revenue:	
Transfer from Medical Marijuana Program Fund	\$ 31,900
To comply with the intent of Act 16 of 2016, this budget reflects transfer of the unexpended fund balance of the Medical Marijuana Program Fund to the General Fund to offset Department of Health operations.	
TOTAL PROPOSED TAX AND REVENUE MODIFICATIONS	<u>\$ (1,152,100)</u>

This budget proposes the following revenue modification in 2023-24:

A new Individual Recruitment and Retention Tax Credit for wages earned by qualified newly certified and licensed professionals in the fields of nursing, teaching, and public policing, beginning January 1, 2023, is proposed. This credit is estimated to increase refunds by \$24.7 million in 2023-24.

Effective January 1, 2024, an increase in the minimum wage from \$7.25 per hour to \$15.00 per hour is proposed.

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

PROPOSED SUPPLEMENTALS

	2022-23 Available
STATE SUPPLEMENTALS	
Education	
School Food Services	\$ 12,500
School Employees' Social Security	2,500
Education Total	<u>\$ 15,000</u>
Human Services	
Information Systems.....	\$ (271)
County Administration-Statewide	(217)
Mental Health Services	(9,641)
Intellectual Disabilities-State Centers.....	(7,624)
Supplemental Grants-Aged, Blind, and Disabled.....	(946)
Medical Assistance-Capitation	(403,018)
Medical Assistance-Fee-for-Service.....	(140,803)
Payment to Federal Government-Medicare Drug Program	(41,956)
Medical Assistance-Workers with Disabilities	(26,524)
Medical Assistance-Physician Practice Plans	(366)
Medical Assistance-Hospital-Based Burn Centers.....	(463)
Medical Assistance-Critical Access Hospitals.....	(1,694)
Medical Assistance-Obstetric and Neonatal Services.....	(696)
Medical Assistance-Trauma Centers	(902)
Medical Assistance-Academic Medical Centers	(2,571)
Medical Assistance-Transportation	(992)
Children's Health Insurance Program	(7,798)
Medical Assistance-Long-Term Living	(29,575)
Medical Assistance-Community HealthChoices.....	(713,699)
Long-Term Care Managed Care	(10,266)
Intellectual Disabilities-Community Base Program	(596)
Intellectual Disabilities-Intermediate Care Facilities.....	(27,128)
Intellectual Disabilities-Community Waiver Program	(234,107)
Autism Intervention and Services.....	(754)
County Child Welfare	(5,871)
Nurse Family Partnership.....	(43)
Early Intervention	(4,199)
Human Services Total	<u>\$ (1,672,720)</u>
TOTAL STATE SUPPLEMENTALS	<u><u>\$ (1,657,720)</u></u>

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

PROPOSED SUPPLEMENTALS

	2022-23 Available
FEDERAL SUPPLEMENTALS	
Executive Offices	
IIJA-State Cybersecurity.....	\$ (1,071)
EEOC-Special Project Grant.....	768
Executive Offices Total	\$ (303)
Commission on Crime and Delinquency	
Smart Probation	\$ 715
Community and Economic Development	
IIJA-Local Cybersecurity	\$ (4,282)
Education	
Food and Nutrition-Local.....	\$ 419,892
Emergency Management Agency	
IIJA- State and Local Cybersecurity	\$ 5,206
Human Services	
Suicide Prevention	\$ 2,000
Refugees and Persons Seeking Asylum-Social Services	26,665
Medical Assistance-Capitation	677,800
Medical Assistance-Fee-for-Service.....	119,284
Medical Assistance-Academic Medical Centers	(1,300)
Medical Assistance-Transportation	5,386
Medical Assistance-Autism Intervention Services.....	108
Education for Children with Disabilities-Early Intervention.....	416
Human Services Total	\$ 830,359
TOTAL FEDERAL SUPPLEMENTALS	\$ 1,251,587
TOTAL SUPPLEMENTALS	\$ (406,133)

Motor License Fund

The Motor License Fund is a special revenue and major operating fund of the Commonwealth. It receives revenues required by the Constitution of Pennsylvania to be used only for costs of construction, reconstruction, maintenance, repair of and safety on highways and bridges, and for the payment of debt service on obligations incurred for such purposes. The major sources of revenue to the Motor License Fund are from liquid fuels taxes, vehicle registration and titling fees, and permit and operator license fees. Certain revenues are further restricted to specific highway and aviation uses and are not included in the Motor License Fund estimate of revenue.

This budget proposes to decrease overall State Police reliance on the Motor License Fund to \$400,000,000 in 2023-24 to assure state match requirements for federal transportation infrastructure funding. Additionally, this budget proposes to further reduce the reliance on the Motor License Fund by \$100,000,000 annually until the support is eliminated in 2027-28.

Income and Outgo



Liquid Fuels Tax \$1,798,200
 Licenses and Fees \$1,137,400
 Other Nonrestricted \$55,500

Income
 (Dollar Amounts in Thousands)

TOTAL INCOME	\$2,991,100
Beginning Balance	237,355
TOTAL	\$3,228,455

Outgo
 (Dollar Amounts in Thousands)

TOTAL OUTGO	\$3,203,081
Ending Balance	25,374
TOTAL	\$3,228,455



Highways & Bridges \$1,910,266
 State Police \$400,000
 Local Subsidy \$324,887
 Licensing & Safety \$266,055
 Other \$249,483
 Debt Service \$52,390

Seven Year Financial Statement

Excludes Restricted Revenue and Expenditures

(Dollar Amounts in Thousands)

	2021-22 Actual	2022-23 Available	2023-24 Budget	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Beginning Balance	\$ 115,366	\$ 347,290	\$ 237,355	\$ 25,374	\$ 25,428	\$ 26,704	\$ 20,687
Adjustment to Beginning Balance.....	(1)	-	-	-	-	-	-
Adjusted Beginning Balance	\$ 115,365	\$ 347,290	\$ 237,355	\$ 25,374	\$ 25,428	\$ 26,704	\$ 20,687
Revenue:							
Liquid Fuels Taxes	\$ 1,746,970	\$ 1,783,800	\$ 1,798,200	\$ 1,730,700	\$ 1,726,400	\$ 1,722,100	\$ 1,717,800
Licenses and Fees	1,126,575	1,113,200	1,137,400	1,162,800	1,181,700	1,214,400	1,234,500
Other Nonrestricted	9,840	44,100	55,500	12,500	13,500	11,800	13,200
Total Revenue	\$ 2,883,385	\$ 2,941,100	\$ 2,991,100	\$ 2,906,000	\$ 2,921,600	\$ 2,948,300	\$ 2,965,500
Prior Year Lapses	40,391	94,858	-	-	-	-	-
Funds Available	\$ 3,039,141	\$ 3,383,248	\$ 3,228,455	\$ 2,931,374	\$ 2,947,028	\$ 2,975,004	\$ 2,986,187
Expenditures:							
Appropriations	\$ 2,370,456	\$ 2,815,425	\$ 2,868,481	\$ 2,571,346	\$ 2,580,724	\$ 2,614,717	\$ 2,632,392
Executive Authorizations	321,395	335,468	334,600	334,600	339,600	339,600	344,600
Proposed Supplementals	-	-	-	-	-	-	-
Current Year Lapses	-	(5,000)	-	-	-	-	-
Total Expenditures	\$ 2,691,851	\$ 3,145,893	\$ 3,203,081	\$ 2,905,946	\$ 2,920,324	\$ 2,954,317	\$ 2,976,992
Ending Balance	\$ 347,290	\$ 237,355	\$ 25,374	\$ 25,428	\$ 26,704	\$ 20,687	\$ 9,195

Seven Year Financial Statement

(Dollar Amounts in Thousands)

	2021-22 Actual	2022-23 Available	2023-24 Budget	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Beginning Balance	\$ 48,346	\$ 149,814	\$ 192,840	\$ 111,520	\$ 46,410	\$ 37,573	\$ 22,244
Adjustment to Beginning Balance....	1	-	-	-	-	-	-
Reserve from Previous Year	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Adjusted Beginning Balance.....	123,347	224,814	267,840	186,520	121,410	112,573	97,244
Revenue:							
Ticket Sales.....	\$ 5,783,117	\$ 5,816,258	\$ 5,705,662	\$ 6,014,792	\$ 6,339,239	\$ 6,594,640	\$ 6,834,109
Commissions.....	(250,438)	(247,105)	(242,512)	(255,885)	(269,921)	(280,397)	(289,962)
Field Paid Prizes	(3,680,046)	(3,619,101)	(3,589,551)	(3,823,091)	(4,039,547)	(4,218,344)	(4,391,142)
Net Collections	\$ 1,852,633	\$ 1,950,052	\$ 1,873,599	\$ 1,935,816	\$ 2,029,771	\$ 2,095,899	\$ 2,153,005
Gaming Transfers for Property							
Tax Relief.....	114,200	88,800	87,200	217,400	225,500	233,200	242,300
Miscellaneous	708	22,766	10,441	6,079	3,917	3,293	1,700
Total Revenue.....	\$ 1,967,541	\$ 2,061,618	\$ 1,971,240	\$ 2,159,295	\$ 2,259,188	\$ 2,332,392	\$ 2,397,005
Prior Year Lapses	102,411	66,649	-	-	-	-	-
Funds Available.....	\$ 2,193,299	\$ 2,353,081	\$ 2,239,080	\$ 2,345,815	\$ 2,380,598	\$ 2,444,965	\$ 2,494,249
Expenditures:							
Appropriations	\$ 802,733	\$ 805,205	\$ 817,121	\$ 917,245	\$ 917,370	\$ 962,495	\$ 962,619
Executive Authorizations	1,165,752	1,280,036	1,235,439	1,307,160	1,350,655	1,385,226	1,419,078
Proposed Supplementals	-	-	-	-	-	-	-
Current Year Lapses	-	-	-	-	-	-	-
Total Expenditures	\$ 1,968,485	\$ 2,085,241	\$ 2,052,560	\$ 2,224,405	\$ 2,268,025	\$ 2,347,721	\$ 2,381,697
Reserve for Current Year	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Ending Balance	<u>\$ 149,814</u>	<u>\$ 192,840</u>	<u>\$ 111,520</u>	<u>\$ 46,410</u>	<u>\$ 37,573</u>	<u>\$ 22,244</u>	<u>\$ 37,552</u>

Economic Outlook

Economic Outlook

The Pennsylvania [Department of Revenue](#) and the [Office of the Budget](#) utilize economic forecast data supplied by [S&P Global Market Intelligence](#) and [Moody's Analytics](#) in constructing the official tax revenue estimates and forecasts. Analysis and discussion throughout this section are based upon data from each source in addition to further analysis from the Department of Revenue and the Office of the Budget.

U.S. Recent Trends and Current Conditions

The 2023 projected forecast for real GDP growth has been revised from 0.3 percent to 0.5 percent. With the level of GDP projected higher, the S&P forecast for unemployment in late 2023 has been revised down from 5.3 percent to 5.1 percent. The forecast still includes a mild recession beginning Q1 of 2023, with recovery beginning Q3 of 2023.

S&P estimates that over the second half of 2022, GDP grew at an above-trend 2.7 percent annualized rate after declining at a 1.1 percent rate over the first half of the year. The reason for this growth can be attributed to unexpectedly strong net exports and inventory investment.

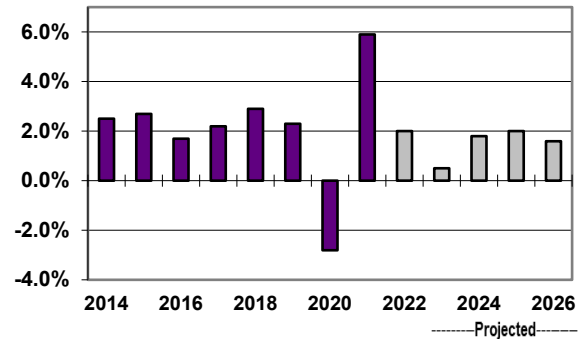
S&P projects the Federal Reserve to raise its policy rate to 4.75 percent-5.00 percent by March 2023 before reversing course in May 2024. However, another upward revision in the forecast shows an emerging risk: that a resilient economy remains stronger for longer than previously anticipated, requiring a more aggressive and persistent monetary tightening to contain inflation, and precipitating a recession that is later but more severe than the downturn shown in S&P base forecast.

The Forecast

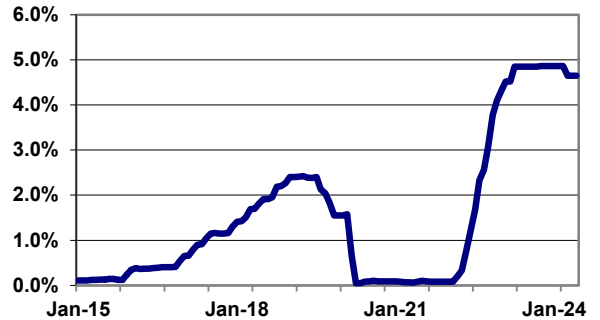
Consumer spending is expected to grow modestly through 2024, constrained by a rebound in the personal saving rate from recent unsustainable lows below 2 percent. In contrast, fixed investment is projected to decline 4.4 percent in 2023, with weakness concentrated in construction, both residential (-17.8 percent) and nonresidential (-4.3 percent).

Table 1 and Table 2 are U.S. macro forecast projections from S&P. Table 1 outlines the expected outlook for higher unemployment and a decrease in corporate profits in 2023. Table 2 notes there is a 55 percent probability exports will grow 3.2 percent in 2023. Table 2 also provides a narrative for each economic indicator.

**Chart 1
REAL GROSS DOMESTIC PRODUCT
Annual Growth**



**Chart 2
FEDERAL FUNDS RATE**



**Table 1
Forecast Change in
Key U.S. Economic Indicators
Annual Percentage Growth**

Indicator	2022	2023p	2024p	2025p
Nominal GDP	9.2	4.2	4.1	4.1
Real GDP	2.0	0.5	1.8	2.0
Total Consumption	2.9	1.5	1.2	1.7
Corporate Profits (After Tax)	6.7	-2.8	0.7	2.3
Unemployment Rate (Rate)	3.7	4.6	4.8	4.5
CPI	8.0	3.9	2.2	2.0
Federal Funds (Rate)	1.68	4.77	4.33	2.97

*Assumptions in this chart, as well as other assumptions, are incorporated in the 2023-24 fiscal year revenue estimates
p = projected

Economic Outlook

Table 2
U.S. Macro Forecast Projections from S&P Global
January 2023

Baseline Forecast (55 Percent Probability)	
GDP Growth	Rose 2.0 percent in 2022 as the aggressive recovery following the pandemic-induced downturn begins to slow. Growth slows to 0.5 percent in 2023 before rising to 1.8 percent in 2024.
Consumer Spending	Slipped from 8.3 percent in 2021 to a more subtle 2.9 percent in 2022. Growth continues in 2023 and 2024 at 1.5 percent and 1.2 percent, respectively.
Business Fixed Investment	Increased 3.7 percent in 2022 with growth slowing in 2023 and 2024 to 0.2 percent and 0.9 percent, respectively.
Housing	Started to shrink from 1.61 million in 2021 to 1.56 million in 2022 before continuing downward to 1.19 million in 2023 and popping slightly up to 1.26 million in 2024.
Exports	Grew 7.0 percent in 2022, dropping to 3.2 percent in 2023, and 5.2 percent in 2024.
Fiscal Policy	Reflects legislation enacted before December 29th but does not include the Consolidated Appropriations Act that funds the government for federal fiscal year 2023.
Monetary Policy	Upper end of the federal funds rate target expected to reach 4.86 percent by late 2023.
Credit Conditions	Eased in 2021 and remains mostly stabilized in 2022–2024.
Consumer Confidence	Dips through the middle of 2023 before gently escalating.
Oil Prices (Dollars/barrel)	Brent crude oil averages rose from \$71/barrel in 2021 to \$101 in 2022 before falling to \$90 in 2023 and \$87 in 2024.
Stock Markets	S&P 500 experienced a drop of 20.6 percent over 2022 with projections rising 1.0 percent over 2023.
Inflation (PCE)	Increased from 3.5 percent in 2021 to 5.0 percent in 2022, before moderating to 3.6 percent in 2023 and 2.4 percent in 2024.
Foreign Growth	Eurozone GDP rose 3.3 percent in 2022 and slips to -0.2 percent in 2023 after a 5.3 percent rebound in 2021.
U.S. Dollar	Appreciates through early 2023 before gently falling through the end of the forecast horizon.

Pennsylvania Outlook

Pennsylvania benefits from a highly diversified economy with a mix of industries. No single employment sector dominates Pennsylvania. The state includes two of the larger metro areas in the country in Philadelphia and Pittsburgh, with the remainder of the state featuring smaller cities and towns that support both service and goods-producing sectors. The state's education providers, especially its notable research universities, not only provide jobs on campus but also help develop new businesses. As of January 2023, Pennsylvania total nonfarm employment was up 0.8 percent from 2022 levels. The expected pullback in the national economy is projected to cause a gradual decrease in payrolls across the country in 2023. As a result, total nonfarm payrolls in the state are projected to drop by 1.0 percent over the period from Q1 2023 to Q1 2024.

Natural gas production in Pennsylvania has shown little growth for several months despite historically high output prices. The rapid increase in production over the last decade or so spurred a wave of pipeline-building to move the gas to markets, but that buildout has since stalled, creating a firm ceiling on output in the short-to-medium term. The state's massive reserve of natural gas in the Marcellus and Utica Shales also led to construction of a large plant in western Pennsylvania by Royal Dutch Shell. Part of the plant's activity includes turning natural gas liquids into 1.6 million metric tons of pellets to be used in producing plastics. The plant began production in late 2022 and employs 600. The state is also pursuing projects in developing hydrogen production and carbon capture and storage, part of the ongoing evolution of the energy sector.

Economic Outlook

The state's high-tech sectors continue to make immense contributions to Pennsylvania's economic growth. Pittsburgh has emerged as a leading center of research into commercial development of robotics, advanced manufacturing, artificial intelligences, and related technologies. Philadelphia's life science sector, in the meantime, is seeing a resurgence of investment in development and manufacturing of new technologies. Children's Hospital of Philadelphia is set to begin construction of a 290,000-square-foot research center on the east bank of the Schuylkill River. The new facility will continue the hospital's work in cell-and-gene therapy. Pittsburgh International Airport's cargo facility will undergo an expansion and upgrade that will bring new technology and increased capacity.

Pennsylvania has posted steady employment gains over the past year. However, health care services, notably in hospitals, nursing homes, and daycare centers, have had more difficulty in restoring jobs than initially anticipated. High-tech fields such as artificial intelligence, industrial automation, and biosciences will see the most growth, while more traditional fields such as legal services will see more moderate gains.

Table 3 shows various historical and projected key economic indicators for Pennsylvania and the U.S. economy.

Table 3
Key Economic Indicators for Pennsylvania and the United States

PENNSYLVANIA: Key Economic Indicators	2020	2021	2022	2023	2024	2025
Real Gross State Product (in millions, 2012 dollars)	680,957	710,973	725,664	732,000	745,982	759,088
Real Gross State Product (percentage change)	(4.8)%	4.4%	2.1%	0.9%	1.9%	1.8%
Total Employment (in thousands)	5,604.1	5,750.6	5,955.7	6,003.9	5,986.7	6,004.4
Total Employment (percentage change)	(7.6)%	2.6%	3.6%	0.8%	(0.3)%	0.3%
Manufacturing Employment (in thousands)	537.3	542.3	562.2	560.9	532.6	523.6
Nonmanufacturing Employment (in thousands.)	5,066.9	5,208.2	5,393.5	5,443.1	5,454.1	5,480.8
Population (in thousands)	13,000.8	13,007.1	12,970.4	12,964.5	12,973.0	12,984.2
Population (percentage change)	0.1%	0.0%	(0.3)%	0.0%	0.1%	0.1%
Unemployment Rate (percentage)	9.1%	6.4%	4.5%	5.1%	5.5%	5.1%
Personal Income (percentage change)	6.5%	5.7%	1.3%	4.5%	4.6%	4.4%
U.S. ECONOMY						
Real Gross Domestic Product (percentage change)	(2.8)%	5.9%	2.0%	0.5%	1.8%	2.0%
Employment (percentage change)	(5.8)%	2.8%	4.1%	0.7%	(0.2)%	0.5%

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2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24	2023-24 Budget Over	
	Available with Supplementals		Budget	\$ Change
Governor's Office				
Governor's Office.....	6,899	7,977	1,078	15.63%
Executive Offices				
Office of Administration.....	11,170	13,754	2,584	23.13%
Transfer to Nonprofit Security Grant Fund.....	5,000	5,000	-	-
Office of State Inspector General.....	5,176	5,948	772	14.91%
State Inspector General-Welfare Fraud.....	12,721	13,232	511	4.02%
Office of the Budget.....	25,128	24,354	(774)	-3.08%
Audit of the Auditor General.....	-	99	99	-
Office of General Counsel.....	6,007	7,552	1,545	25.72%
Human Relations Commission.....	9,713	10,686	973	10.02%
Council on the Arts.....	892	979	87	9.75%
Juvenile Court Judges' Commission.....	3,066	3,291	225	7.34%
Commission on Crime and Delinquency.....	16,927	18,035	1,108	6.55%
Transfer to Crime Victim Services and Compensation Fund.....	-	3,000	3,000	-
Office of Safe Schools Advocate.....	379	379	-	-
Improvement of Adult Probation Services.....	16,222	20,222	4,000	24.66%
Victims of Juvenile Offenders.....	1,300	1,300	-	-
Violence and Delinquency Prevention Programs.....	4,183	4,183	-	-
Violence Intervention and Prevention.....	30,000	105,000	75,000	250.00%
Intermediate Punishment Treatment Programs.....	18,167	18,167	-	-
Juvenile Probation Services.....	18,945	18,945	-	-
Grants to the Arts.....	9,590	10,590	1,000	10.43%
Law Enforcement Activities.....	8,000	3,000	(5,000)	-62.50%
Indigent Defense.....	-	10,000	10,000	-
Executive Offices Total	\$ 202,586	\$ 297,716	\$ 95,130	46.96%
Lieutenant Governor				
Lieutenant Governor's Office.....	1,108	1,592	484	43.68%
Attorney General				
General Government Operations.....	50,199	57,925	7,726	15.39%
Drug Law Enforcement.....	52,352	59,330	6,978	13.33%
Joint Local-State Firearm Task Force.....	7,601	8,931	1,330	17.50%
Witness Relocation.....	1,215	1,215	-	-
Child Predator Interception.....	6,207	6,975	768	12.37%
Tobacco Law Enforcement.....	1,406	1,678	272	19.35%
County Trial Reimbursement.....	200	200	-	-
School Safety.....	1,996	2,336	340	17.03%
Attorney General Total	\$ 121,176	\$ 138,590	\$ 17,414	14.37%
Auditor General				
Auditor General's Office.....	41,926	43,512	1,586	3.78%
Board of Claims.....	1,768	1,919	151	8.54%
Special Financial Audits.....	500	-	(500)	-100.00%
Security and Other Expenses-Outgoing Governor.....	100	-	(100)	-100.00%
Transition-Governor.....	175	-	(175)	-100.00%
Auditor General Total	\$ 44,469	\$ 45,431	\$ 962	2.16%
Treasury				
General Government Operations.....	39,637	41,386	1,749	4.41%
Board of Finance and Revenue.....	3,275	3,398	123	3.76%
Divestiture Reimbursement.....	15	132	117	780.00%
Intergovernmental Organizations.....	1,205	1,226	21	1.74%
Publishing Monthly Statements.....	5	-	(5)	-100.00%
Information Technology Cyber Security.....	1,000	1,000	-	-

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24	2023-24 Budget Over	
	Available with Supplementals		Budget	\$ Change
Law Enforcement and Emergency Response Death Benefit.....	3,330	3,330	-	-
Transfer to ABLE Fund.....	900	900	-	-
Loan and Transfer Agent.....	40	40	-	-
General Obligation Debt Service.....	1,132,000	1,205,000	73,000	6.45%
Treasury Total	\$ 1,181,407	\$ 1,256,412	\$ 75,005	6.35%
Agriculture				
General Government Operations.....	38,748	46,012	7,264	18.75%
Agricultural Preparedness and Response.....	34,000	34,000	-	-
Agricultural Excellence.....	3,050	3,550	500	16.39%
Agricultural Business and Workforce Investment.....	4,500	5,000	500	11.11%
Farmers' Market Food Coupons.....	2,079	2,079	-	-
Agricultural Research.....	2,187	2,187	-	-
Agricultural Promotion, Education, and Exports.....	303	303	-	-
Hardwoods Research and Promotion.....	474	474	-	-
Livestock and Consumer Health Protection.....	1,000	-	(1,000)	-100.00%
Animal Health and Diagnostic Commission.....	6,000	-	(6,000)	-100.00%
Livestock Show.....	215	215	-	-
Open Dairy Show.....	215	215	-	-
Youth Shows.....	169	169	-	-
State Food Purchase.....	24,688	24,688	-	-
Food Marketing and Research.....	494	494	-	-
Fresh Food Financing Initiative.....	-	2,000	2,000	-
Transfer to Nutrient Management Fund.....	6,200	6,200	-	-
Transfer to Conservation District Fund.....	2,669	2,669	-	-
Transfer to Agricultural College Land Scrip Fund.....	57,710	58,864	1,154	2.00%
PA Preferred Program Trademark Licensing.....	3,205	2,905	(300)	-9.36%
Transfer to Farm Products Show Fund.....	5,000	5,000	-	-
University of Pennsylvania-Veterinary Activities.....	31,660	32,293	633	2.00%
University of Pennsylvania-Center for Infectious Disease.....	1,893	1,931	38	2.01%
Agriculture Total	\$ 226,459	\$ 231,248	\$ 4,789	2.11%
Community and Economic Development				
General Government Operations.....	30,747	26,397	(4,350)	-14.15%
Center for Local Government Services.....	4,424	4,707	283	6.40%
Office of Open Records.....	3,627	3,870	243	6.70%
Office of International Business Development.....	5,969	6,152	183	3.07%
Marketing to Attract Tourists.....	29,965	4,136	(25,829)	-86.20%
Marketing to Attract Business.....	2,016	2,057	41	2.03%
Base Realignment and Closure.....	556	573	17	3.06%
Local Municipal Relief.....	45,850	-	(45,850)	-100.00%
Foundations in Industry.....	-	3,000	3,000	-
Transfer to Municipalities Financial Recovery Revolving Fund.....	4,500	6,500	2,000	44.44%
Transfer to Ben Franklin Tech. Development Authority Fund.....	17,000	17,000	-	-
Intergovernmental Cooperation Authority-3rd Class Cities.....	100	100	-	-
Pennsylvania First.....	20,000	33,000	13,000	65.00%
Municipal Assistance Program.....	546	2,000	1,454	266.30%
Keystone Communities.....	36,970	15,000	(21,970)	-59.43%
Partnerships for Regional Economic Performance.....	10,880	10,880	-	-
Appalachian Regional Commission.....	-	750	750	-
Manufacturing PA.....	12,000	13,000	1,000	8.33%
Strategic Management Planning Program.....	2,367	3,617	1,250	52.81%
Tourism-Accredited Zoos.....	1,000	1,000	-	-
Infrastructure Technology Assistance Program.....	2,500	2,500	-	-
Super Computer Center.....	500	500	-	-
Powdered Metals.....	100	100	-	-

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24	2023-24 Budget Over	
	Available with Supplementals		Budget	\$ Change
Rural Leadership Training.....	100	100	-	-
Infrastructure and Facilities Improvement Grants.....	10,000	10,000	-	-
Public Television Technology.....	-	875	875	-
Invent Penn State.....	2,350	2,350	-	-
America250PA.....	-	250	250	-
Food Access Initiative.....	1,000	1,000	-	-
Community and Economic Assistance.....	66,735	-	(66,735)	-100.00%
Workforce Development.....	5,000	-	(5,000)	-100.00%
Historically Disadvantaged Business Assistance.....	-	20,000	20,000	-
Community and Economic Development Total	\$ 316,802	\$ 191,414	\$ -125,388	-39.58%
Conservation and Natural Resources				
General Government Operations.....	29,465	31,924	2,459	8.35%
State Parks Operations.....	60,787	70,959	10,172	16.73%
State Forests Operations.....	44,431	47,741	3,310	7.45%
Forest Pest Management.....	3,000	3,000	-	-
Heritage and Other Parks.....	4,852	2,425	(2,427)	-50.02%
Parks and Forests Infrastructure Projects.....	900	900	-	-
Annual Fixed Charges-Flood Lands.....	70	70	-	-
Annual Fixed Charges-Project 70.....	88	88	-	-
Annual Fixed Charges-Forest Lands.....	7,932	7,962	30	0.38%
Annual Fixed Charges-Park Lands.....	430	415	(15)	-3.49%
Conservation and Natural Resources Total	\$ 151,955	\$ 165,484	\$ 13,529	8.90%
Corrections				
General Government Operations.....	43,097	41,414	(1,683)	-3.91%
Medical Care.....	338,156	356,443	18,287	5.41%
Correctional Education and Training.....	43,833	47,010	3,177	7.25%
State Correctional Institutions.....	2,127,197	2,248,910	121,713	5.72%
State Field Supervision.....	158,090	171,606	13,516	8.55%
Pennsylvania Parole Board.....	12,774	13,283	509	3.98%
Office of Victim Advocate.....	-	3,457	3,457	-
Board of Pardons.....	2,157	2,697	540	25.03%
Sexual Offenders Assessment Board.....	6,891	7,305	414	6.01%
Corrections Total	\$ 2,732,195	\$ 2,892,125	\$ 159,930	5.85%
Drug and Alcohol Programs				
General Government Operations.....	3,193	3,379	186	5.83%
Assistance to Drug and Alcohol Programs.....	44,732	44,732	-	-
Drug and Alcohol Programs Total	\$ 47,925	\$ 48,111	\$ 186	0.39%
Education				
General Government Operations.....	36,404	40,595	4,191	11.51%
Recovery Schools.....	250	250	-	-
Information and Technology Improvement.....	3,740	3,940	200	5.35%
PA Assessment.....	47,128	48,850	1,722	3.65%
State Library.....	2,238	2,466	228	10.19%
Youth Development Centers-Education.....	8,525	8,935	410	4.81%
Basic Education Funding.....	7,625,124	8,421,751	796,627	10.45%
Level-Up Supplement.....	225,000	-	(225,000)	-100.00%
Dual Enrollment Payments.....	7,000	7,000	-	-
Ready to Learn Block Grant.....	395,500	295,500	(100,000)	-25.28%

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23 Available with Supplementals	2023-24 Budget	2023-24 Budget Over 2022-23 Available	
			\$ Change	% Change
Transfer to School Safety and Security Fund.....	100,000	100,000	-	-
School-Based Mental Health Supports Block Grant.....	-	100,000	100,000	-
Pre-K Counts.....	302,284	332,284	30,000	9.92%
Head Start Supplemental Assistance.....	88,178	90,878	2,700	3.06%
Mobile Science and Math Education Programs.....	7,164	-	(7,164)	-100.00%
Teacher Professional Development.....	5,044	9,062	4,018	79.66%
Adult and Family Literacy.....	12,475	16,310	3,835	30.74%
Career and Technical Education.....	105,138	119,138	14,000	13.32%
Career and Technical Education Equipment Grants.....	5,550	8,880	3,330	60.00%
Authority Rentals and Sinking Fund Requirements.....	212,422	217,007	4,585	2.16%
Pupil Transportation.....	602,746	593,100	(9,646)	-1.60%
Nonpublic and Charter School Pupil Transportation.....	79,442	72,255	(7,187)	-9.05%
Special Education.....	1,336,815	1,440,641	103,826	7.77%
Early Intervention.....	346,500	356,895	10,395	3.00%
Tuition for Orphans and Children Placed in Private Homes.....	49,374	45,321	(4,053)	-8.21%
Payments in Lieu of Taxes.....	171	173	2	1.17%
Education of Migrant Laborers' Children.....	853	853	-	-
PA Chartered Schools for the Deaf and Blind.....	62,502	71,139	8,637	13.82%
Special Education-Approved Private Schools.....	129,120	149,019	19,899	15.41%
School Food Services.....	42,500	91,536	49,036	115.38%
School Employees' Social Security.....	71,219	72,463	1,244	1.75%
School Employees' Retirement.....	2,986,000	2,971,000	(15,000)	-0.50%
Services to Nonpublic Schools.....	91,808	91,808	-	-
Textbooks, Materials, and Equipment for Nonpublic Schools.....	27,928	28,300	372	1.33%
Public Library Subsidy.....	70,470	70,470	-	-
Public Library Facilities Improvement.....	-	4,228	4,228	-
Library Services for the Visually Impaired and Disabled.....	2,567	2,567	-	-
Library Access.....	3,071	3,071	-	-
Job Training and Education Programs.....	30,320	-	(30,320)	-100.00%
Safe School Initiative.....	11,000	11,000	-	-
School Environmental Repairs and Improvements.....	-	100,000	100,000	-
Trauma-Informed Education.....	1,000	-	(1,000)	-100.00%
Safe Driving Course.....	-	1,100	1,100	-
Community Colleges.....	256,510	261,640	5,130	2.00%
Transfer to Community College Capital Fund.....	54,161	54,161	-	-
Regional Community Colleges Services.....	2,221	2,221	-	-
Northern PA Regional College.....	7,280	7,280	-	-
Community Education Councils.....	2,489	2,489	-	-
Hunger-Free Campus Initiative.....	1,000	1,000	-	-
Parent Pathways.....	-	1,661	1,661	-
Sexual Assault Prevention.....	1,250	1,500	250	20.00%
The Pennsylvania State University				
General Support.....	242,096	259,285	17,189	7.10%
Pennsylvania College of Technology.....	26,736	28,634	1,898	7.10%
University of Pittsburgh				
General Support.....	151,507	162,264	10,757	7.10%
Rural Education Outreach.....	3,346	3,584	238	7.11%
Temple University				
General Support.....	158,206	169,439	11,233	7.10%

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24	2023-24 Budget Over	
	Available with Supplementals		Budget	\$ Change
Lincoln University				
General Support.....	15,166	16,243	1,077	7.10%
Education Total	\$ 16,056,538	\$ 16,971,186	\$ 914,648	5.70%
State System of Higher Education				
State Universities.....	552,470	563,519	11,049	2.00%
Thaddeus Stevens College of Technology				
Thaddeus Stevens College of Technology.....	19,449	19,838	389	2.00%
Higher Education Assistance Agency				
Grants to Students.....	331,370	331,370	-	-
Pennsylvania Internship Program Grants.....	468	468	-	-
Ready to Succeed Scholarships.....	23,939	23,939	-	-
Matching Payments for Student Aid.....	13,646	13,646	-	-
Institutional Assistance Grants.....	26,521	26,521	-	-
Higher Education for the Disadvantaged.....	5,000	5,000	-	-
Higher Education of Blind or Deaf Students.....	51	51	-	-
Bond-Hill Scholarships.....	832	832	-	-
Cheyney Keystone Academy.....	3,980	3,980	-	-
Targeted Industry Cluster Scholarship Program.....	8,652	8,652	-	-
Higher Education Assistance Agency Total	\$ 414,459	\$ 414,459	\$ 0	-
Environmental Protection				
General Government Operations.....	18,545	19,774	1,229	6.63%
Environmental Program Management.....	35,739	38,068	2,329	6.52%
Chesapeake Bay Agricultural Source Abatement.....	3,539	3,621	82	2.32%
Environmental Protection Operations.....	102,719	114,126	11,407	11.11%
Black Fly Control and Research.....	7,645	7,707	62	0.81%
Vector Borne Disease Management.....	5,880	6,267	387	6.58%
Delaware River Master.....	38	126	88	231.58%
Susquehanna River Basin Commission.....	740	740	-	-
Interstate Commission on the Potomac River.....	23	51	28	121.74%
Delaware River Basin Commission.....	217	1,047	830	382.49%
Ohio River Valley Water Sanitation Commission.....	68	182	114	167.65%
Chesapeake Bay Commission.....	325	325	-	-
Transfer to Conservation District Fund.....	7,516	7,516	-	-
Interstate Mining Commission.....	15	37	22	146.67%
Environmental Protection Total	\$ 183,009	\$ 199,587	\$ 16,578	9.06%
General Services				
General Government Operations.....	56,329	63,298	6,969	12.37%
Capitol Police Operations.....	15,396	16,360	964	6.26%
Rental, Relocation, and Municipal Charges.....	26,701	27,794	1,093	4.09%
Utility Costs.....	25,393	27,272	1,879	7.40%
Excess Insurance Coverage.....	3,477	3,637	160	4.60%
Transfer to State Insurance Fund.....	1,500	1,500	-	-
Capitol Fire Protection.....	5,000	5,000	-	-
General Services Total	\$ 133,796	\$ 144,861	\$ 11,065	8.27%
Health				
General Government Operations.....	31,245	33,493	2,248	7.19%
Health Promotion and Disease Prevention.....	-	2,316	2,316	-
Quality Assurance.....	25,349	29,717	4,368	17.23%
Health Innovation.....	753	794	41	5.44%

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24 Budget	2023-24 Budget Over 2022-23 Available	
	Available with Supplementals		\$ Change	% Change
State Laboratory.....	4,829	5,119	290	6.01%
State Health Care Centers.....	24,972	27,956	2,984	11.95%
Sexually Transmitted Disease Screening and Treatment.....	1,757	1,824	67	3.81%
Achieving Better Care-MAP Program.....	2,973	3,112	139	4.68%
Diabetes Programs.....	212	212	-	-
Primary Health Care Practitioner.....	7,050	5,550	(1,500)	-21.28%
Community-Based Health Care Subsidy.....	2,000	2,000	-	-
Newborn Screening.....	7,092	7,092	-	-
Cancer Screening Services.....	2,563	2,563	-	-
AIDS Programs and Special Pharmaceutical Services.....	10,436	10,436	-	-
Regional Cancer Institutes.....	1,200	1,200	-	-
School District Health Services.....	34,620	34,620	-	-
Local Health Departments.....	32,999	34,188	1,189	3.60%
Local Health-Environmental.....	2,700	9,310	6,610	244.81%
Maternal and Child Health Services.....	1,376	1,438	62	4.51%
Tuberculosis Screening and Treatment.....	913	913	-	-
Renal Dialysis.....	6,678	6,678	-	-
Services for Children with Special Needs.....	1,728	1,728	-	-
Adult Cystic Fibrosis and Other Chronic Respiratory Illness.....	795	795	-	-
Cooley's Anemia.....	106	106	-	-
Hemophilia.....	1,017	1,017	-	-
Lupus.....	106	106	-	-
Sickle Cell.....	1,335	1,335	-	-
Lyme Disease.....	3,180	3,180	-	-
Regional Poison Control Centers.....	742	742	-	-
Trauma Prevention.....	488	488	-	-
Epilepsy Support Services.....	583	583	-	-
Bio-Technology Research.....	10,600	-	(10,600)	-100.00%
Tourette's Syndrome.....	159	159	-	-
Amyotrophic Lateral Sclerosis Support Services.....	1,501	901	(600)	-39.97%
Leukemia/Lymphoma.....	212	212	-	-
Health Total	\$ 224,269	\$ 231,883	\$ 7,614	3.40%
Human Services				
General Government Operations.....	120,016	127,455	7,439	6.20%
Information Systems.....	93,694	104,049	10,355	11.05%
County Administration-Statewide.....	51,799	60,272	8,473	16.36%
County Assistance Offices.....	299,473	321,490	22,017	7.35%
Child Support Enforcement.....	19,488	20,121	633	3.25%
New Directions.....	20,712	22,096	1,384	6.68%
Youth Development Institutions and Forestry Camps.....	64,565	77,134	12,569	19.47%
Mental Health Services.....	866,093	912,010	45,917	5.30%
Intellectual Disabilities-State Centers.....	111,110	99,057	(12,053)	-10.85%
Transfer to HCBS-Individuals with Intellectual Disabilities.....	-	12,053	12,053	-
Cash Grants.....	13,740	32,240	18,500	134.64%
Supplemental Grants-Aged, Blind, and Disabled.....	130,535	129,574	(961)	-0.74%
Medical Assistance-Capitation.....	3,614,505	4,566,618	952,113	26.34%
Medical Assistance-Fee-for-Service.....	606,049	727,131	121,082	19.98%
Payment to Federal Government-Medicare Drug Program.....	859,969	991,580	131,611	15.30%
Medical Assistance-Workers with Disabilities.....	42,522	62,555	20,033	47.11%
Medical Assistance-Physician Practice Plans.....	9,706	10,071	365	3.76%
Medical Assistance-Hospital-Based Burn Centers.....	3,975	4,437	462	11.62%
Medical Assistance-Critical Access Hospitals.....	11,364	13,057	1,693	14.90%
Medical Assistance-Obstetric and Neonatal Services.....	2,986	3,681	695	23.28%
Medical Assistance-Trauma Centers.....	7,755	8,656	901	11.62%
Medical Assistance-Academic Medical Centers.....	22,111	24,681	2,570	11.62%

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24	2023-24 Budget Over	
	Available with Supplementals		Budget	\$ Change
Medical Assistance-Transportation.....	64,373	67,485	3,112	4.83%
Expanded Medical Services for Women.....	6,263	6,263	-	-
Children's Health Insurance Program.....	87,294	64,131	(23,163)	-26.53%
Medical Assistance-Long-Term Living.....	136,406	126,276	(10,130)	-7.43%
Medical Assistance-Community HealthChoices.....	4,347,903	5,208,487	860,584	19.79%
Long-Term Care Managed Care.....	156,648	181,224	24,576	15.69%
Intellectual Disabilities-Community Base Program.....	146,126	154,025	7,899	5.41%
Intellectual Disabilities-Intermediate Care Facilities.....	151,892	181,460	29,568	19.47%
Intellectual Disabilities-Community Waiver Program.....	2,112,142	2,496,201	384,059	18.18%
Intellectual Disabilities-Lansdowne Residential Services.....	200	-	(200)	-100.00%
Autism Intervention and Services.....	29,375	34,843	5,468	18.61%
Behavioral Health Services.....	57,149	57,149	-	-
Special Pharmaceutical Services.....	500	500	-	-
County Child Welfare.....	1,482,362	1,492,635	10,273	0.69%
Community-Based Family Centers.....	34,558	34,558	-	-
Child Care Services.....	181,482	248,182	66,700	36.75%
Child Care Assistance.....	109,885	109,890	5	- %
Nurse Family Partnership.....	14,087	14,112	25	0.18%
Early Intervention.....	170,548	190,786	20,238	11.87%
Domestic Violence.....	20,093	20,093	-	-
Rape Crisis.....	11,921	11,921	-	-
Breast Cancer Screening.....	1,828	1,828	-	-
Human Services Development Fund.....	13,460	13,460	-	-
Legal Services.....	4,161	4,161	-	-
Homeless Assistance.....	18,496	18,496	-	-
211 Communications.....	750	750	-	-
Health Program Assistance and Services.....	36,790	-	(36,790)	-100.00%
Services for the Visually Impaired.....	3,702	3,702	-	-
Human Services Total	\$ 16,372,561	\$ 19,072,636	\$ 2,700,075	16.49%
Labor and Industry				
General Government Operations.....	14,243	16,217	1,974	13.86%
Occupational and Industrial Safety.....	2,945	3,419	474	16.10%
Occupational Disease Payments.....	147	101	(46)	-31.29%
Transfer to Vocational Rehabilitation Fund.....	47,942	47,942	-	-
Supported Employment.....	397	397	-	-
Centers for Independent Living.....	2,150	2,634	484	22.51%
Workers' Compensation Payments.....	278	200	(78)	-28.06%
New Choices/New Options.....	1,000	750	(250)	-25.00%
Assistive Technology Financing.....	750	1,000	250	33.33%
Assistive Technology Demonstration and Training.....	450	850	400	88.89%
Industry Partnerships.....	2,813	2,813	-	-
Schools-to-Work.....	-	3,500	3,500	-
Apprenticeship Training.....	7,500	10,000	2,500	33.33%
Labor and Industry Total	\$ 80,615	\$ 89,823	\$ 9,208	11.42%
Military and Veterans Affairs				
General Government Operations.....	29,567	32,793	3,226	10.91%
Keystone State ChalleNGe Academy.....	1,675	2,171	496	29.61%
Burial Detail Honor Guard.....	187	187	-	-
American Battle Monuments.....	50	50	-	-
Armory Maintenance and Repair.....	2,645	3,145	500	18.90%
Special State Duty.....	35	70	35	100.00%
Veterans Homes.....	141,468	155,423	13,955	9.86%
Education of Veterans Children.....	135	135	-	-
Transfer to Educational Assistance Program Fund.....	13,525	13,525	-	-

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24	2023-24 Budget Over	
	Available with Supplementals		Budget	\$ Change
Blind Veterans Pension.....	222	222	-	-
Amputee and Paralyzed Veterans Pension.....	3,951	3,951	-	-
National Guard Pension.....	5	5	-	-
Supplemental Life Insurance Premiums.....	164	164	-	-
Civil Air Patrol.....	100	120	20	20.00%
Disabled American Veterans Transportation.....	336	336	-	-
Veterans Outreach Services.....	3,756	4,378	622	16.56%
Military and Veterans Affairs Total	\$ 197,821	\$ 216,675	\$ 18,854	9.53%
Revenue				
General Government Operations.....	142,954	180,114	37,160	25.99%
Technology and Process Modernization.....	4,750	22,089	17,339	365.03%
Commissions-Inheritance and Realty Transfer Taxes.....	15,811	15,500	(311)	-1.97%
Distribution of Public Utility Realty Tax.....	33,309	32,970	(339)	-1.02%
Revenue Total	\$ 196,824	\$ 250,673	\$ 53,849	27.36%
State				
General Government Operations.....	6,085	11,358	5,273	86.66%
Statewide Uniform Registry of Electors.....	11,791	11,791	-	-
Voter Registration and Education.....	502	545	43	8.57%
Publishing Constitutional Amendments.....	4,500	1,300	(3,200)	-71.11%
Lobbying Disclosure.....	714	561	(153)	-21.43%
Voting of Citizens in Military Service.....	20	20	-	-
Election Code Debt Service.....	9,264	9,256	(8)	-0.09%
County Election Expenses.....	400	400	-	-
State Total	\$ 33,276	\$ 35,231	\$ 1,955	5.88%
Transportation				
Vehicle Sales Tax Collections.....	552	496	(56)	-10.14%
Infrastructure Projects.....	1,900	-	(1,900)	-100.00%
Voter Registration.....	577	639	62	10.75%
Transfer to Aviation Restricted Account.....	-	1,600	1,600	-
Transportation Total	\$ 3,029	\$ 2,735	\$ -294	-9.71%
State Police				
General Government Operations.....	720,208	-	(720,208)	-100.00%
Law Enforcement Information Technology.....	6,899	-	(6,899)	-100.00%
Statewide Public Safety Radio System.....	7,043	-	(7,043)	-100.00%
Municipal Police Training.....	1,708	-	(1,708)	-100.00%
Automated Fingerprint Identification System.....	885	-	(885)	-100.00%
Gun Checks.....	5,970	-	(5,970)	-100.00%
State Police Total	\$ 742,713	\$ 0	\$ -742,713	-100.00%
Emergency Management Agency				
General Government Operations.....	11,124	13,659	2,535	22.79%
State Fire Commissioner.....	2,777	3,009	232	8.35%
Hazard Mitigation.....	8,000	2,000	(6,000)	-75.00%
Search and Rescue.....	250	250	-	-
Firefighters Memorial Flags.....	10	10	-	-
Red Cross Extended Care Program.....	350	350	-	-
State Disaster Assistance.....	5,000	5,000	-	-
Emergency Management Agency Total	\$ 27,511	\$ 24,278	\$ -3,233	-11.75%

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24	2023-24 Budget Over	
	Available with Supplementals		Budget	\$ Change
Historical and Museum Commission				
General Government Operations.....	21,764	23,505	1,741	8.00%
Cultural and Historical Support.....	2,000	2,000	-	-
Historical and Museum Commission Total	\$ 23,764	\$ 25,505	\$ 1,741	7.33%
Environmental Hearing Board				
Environmental Hearing Board.....	2,668	2,843	175	6.56%
Health Care Cost Containment Council				
Health Care Cost Containment Council.....	3,167	3,481	314	9.91%
Ethics Commission				
State Ethics Commission.....	3,197	3,331	134	4.19%
Judiciary				
Supreme Court				
Supreme Court.....	17,493	20,176	2,683	15.34%
Interbranch Commission.....	350	363	13	3.71%
Court Management Education.....	73	80	7	9.59%
Rules Committees.....	1,595	1,595	-	-
District Court Administrators.....	20,050	24,556	4,506	22.47%
Justice Expenses.....	118	118	-	-
Office of Elder Justice in the Courts.....	496	496	-	-
Judicial Council.....	141	141	-	-
Judicial Center Operations.....	830	1,129	299	36.02%
Court Administrator.....	11,809	13,608	1,799	15.23%
Integrated Criminal Justice System.....	2,372	2,372	-	-
Unified Judicial System Security.....	2,002	2,002	-	-
Subtotal	\$ 57,329	\$ 66,636	\$ 9,307	16.23%
Superior Court				
Superior Court.....	33,025	36,097	3,072	9.30%
Judges Expenses.....	183	183	-	-
Subtotal	\$ 33,208	\$ 36,280	\$ 3,072	9.25%
Commonwealth Court				
Commonwealth Court.....	21,616	23,104	1,488	6.88%
Judges Expenses.....	132	132	-	-
Subtotal	\$ 21,748	\$ 23,236	\$ 1,488	6.84%
Courts of Common Pleas				
Courts of Common Pleas.....	120,094	136,469	16,375	13.64%
Senior Judges.....	4,084	4,283	199	4.87%
Judicial Education.....	1,272	1,468	196	15.41%
Problem-Solving Courts.....	1,103	1,358	255	23.12%
Subtotal	\$ 126,553	\$ 143,578	\$ 17,025	13.45%
Magisterial District Judges				
Magisterial District Judges.....	84,458	94,506	10,048	11.90%
Magisterial District Judge Education.....	759	939	180	23.72%
Subtotal	\$ 85,217	\$ 95,445	\$ 10,228	12.00%

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation	2022-23	2023-24	2023-24 Budget Over	
	Available with Supplementals		Budget	\$ Change
Philadelphia Courts				
Municipal Court.....	7,950	9,469	1,519	19.11%
Subtotal	\$ 7,950	\$ 9,469	\$ 1,519	19.11%
Judicial Conduct				
Judicial Ethics Advisory Board.....	62	214	152	245.16%
Judicial Conduct Board.....	2,555	2,555	-	-
Court of Judicial Discipline.....	618	618	-	-
Subtotal	\$ 3,235	\$ 3,387	\$ 152	4.70%
Reimbursement of County Costs				
Juror Cost Reimbursement.....	1,118	1,118	-	-
County Court Reimbursement.....	23,136	23,136	-	-
Senior Judge Reimbursement.....	1,375	1,375	-	-
Court Interpreter County Grant.....	1,500	3,000	1,500	100.00%
Subtotal	\$ 27,129	\$ 28,629	\$ 1,500	5.53%
Judiciary Total	\$ 362,369	\$ 406,660	\$ 44,291	12.22%
Legislature				
Senate				
Senators' Salaries.....	9,307	9,307	-	-
Employees of Chief Clerk.....	3,239	3,239	-	-
Salaried Officers and Employees.....	14,672	14,672	-	-
Incidental Expenses.....	3,775	3,775	-	-
Expenses-Senators.....	1,487	1,487	-	-
Legislative Printing and Expenses.....	8,450	8,450	-	-
Committee on Appropriations (R).....	1,583	-	(1,583)	-100.00%
Committee on Appropriations (D).....	1,583	-	(1,583)	-100.00%
Committee on Appropriations (R) and (D).....	-	3,166	3,166	-
Caucus Operations (R).....	48,804	-	(48,804)	-100.00%
Caucus Operations (D).....	41,722	-	(41,722)	-100.00%
Caucus Operations (R) and (D).....	-	88,526	88,526	-
Subtotal	\$ 134,622	\$ 132,622	\$ -2,000	-1.49%
House of Representatives				
Members' Salaries, Speaker's Extra Compensation.....	37,940	37,940	-	-
Caucus Operations (R) and (D).....	-	140,044	140,044	-
Caucus Operations (R).....	72,823	-	(72,823)	-100.00%
Caucus Operations (D).....	67,221	-	(67,221)	-100.00%
Speaker's Office.....	1,703	1,703	-	-
Bi-Partisan Committee, Chief Clerk, Comptroller, and EMS.....	14,834	14,834	-	-
Mileage-Representatives, Officers, and Employees.....	672	672	-	-
Chief Clerk and Legislative Journal.....	2,816	2,816	-	-
Speaker.....	20	-	(20)	-100.00%
Chief Clerk.....	2,000	-	(2,000)	-100.00%
Floor Leader (D).....	7	-	(7)	-100.00%
Floor Leader (R).....	7	-	(7)	-100.00%
Whip (D).....	6	-	(6)	-100.00%
Whip (R).....	6	-	(6)	-100.00%
Chairman-Caucus (D).....	3	-	(3)	-100.00%
Chairman-Caucus (R).....	3	-	(3)	-100.00%
Secretary-Caucus (D).....	3	-	(3)	-100.00%

2023-24 General Fund Tracking Run
(amounts in thousands)

Department/Appropriation			2023-24 Budget Over	
	2022-23 Available with Supplementals	2023-24 Budget	\$ Change	% Change
Secretary-Caucus (R).....	3	-	(3)	-100.00%
Chairman-Appropriations Committee (D).....	6	-	(6)	-100.00%
Chairman-Appropriations Committee (R).....	6	-	(6)	-100.00%
Chairman-Policy Committee (D).....	2	-	(2)	-100.00%
Chairman-Policy Committee (R).....	2	-	(2)	-100.00%
Caucus Administrator (D).....	2	-	(2)	-100.00%
Caucus Administrator (R).....	2	-	(2)	-100.00%
Administrator for Staff (D).....	20	-	(20)	-100.00%
Administrator for Staff (R).....	20	-	(20)	-100.00%
Contingent Expenses (R) and (D).....	-	2,118	2,118	-
Incidental Expenses.....	7,569	7,569	-	-
Expenses-Representatives.....	4,251	4,251	-	-
Legislative Printing and Expenses.....	11,174	11,174	-	-
Committee on Appropriations (R).....	3,223	3,223	-	-
Committee on Appropriations (D).....	3,223	3,223	-	-
Special Leadership Account (R).....	7,045	6,045	(1,000)	-14.19%
Special Leadership Account (D).....	7,045	6,045	(1,000)	-14.19%
Subtotal	\$ 243,657	\$ 241,657	\$ -2,000	-0.82%
Legislature Total	\$ 378,279	\$ 374,279	\$ -4,000	-1.06%
Government Support Agencies				
Legislative Reference Bureau				
Legislative Reference Bureau-Salaries and Expenses.....	10,285	10,285	-	-
Printing of PA Bulletin and PA Code.....	886	886	-	-
Contingent Expenses.....	25	25	-	-
Subtotal	\$ 11,196	\$ 11,196	\$ 0	-
Miscellaneous and Commissions				
Legislative Budget and Finance Committee.....	2,020	2,020	-	-
Legislative Data Processing Center.....	32,255	32,255	-	-
LDP-Information Technology Modernization.....	2,500	2,500	-	-
Joint State Government Commission.....	1,701	1,701	-	-
Local Government Commission.....	1,283	1,283	-	-
Local Government Codes.....	24	24	-	-
Legislative Audit Advisory Commission.....	285	285	-	-
Independent Regulatory Review Commission.....	2,155	2,155	-	-
Capitol Preservation Committee.....	827	827	-	-
Capitol Restoration.....	3,157	3,157	-	-
Commission on Sentencing.....	2,553	2,553	-	-
Center for Rural Pennsylvania.....	1,250	1,250	-	-
Commonwealth Mail Processing Center.....	3,583	3,583	-	-
Independent Fiscal Office.....	2,343	2,343	-	-
Subtotal	\$ 55,936	\$ 55,936	\$ 0	-
Government Support Agencies Total	\$ 67,132	\$ 67,132	\$ 0	-
TOTAL	\$ 41,111,897	\$ 44,396,715	\$ 3,284,818	7.99%



2023-24 Governor's Executive Budget

JOSH SHAPIRO
Governor

URI MONSON
Secretary of the Budget

AKBAR HOSSAIN
Secretary of Policy and Planning

March 7, 2023

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
-
- **\$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
-
- **\$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?

2023-2024 Fact Sheets

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3. Other Public Safety
 - a. Indigent Defense
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Public Safety and Protection Fund and Pennsylvania State Police Cadet Classes

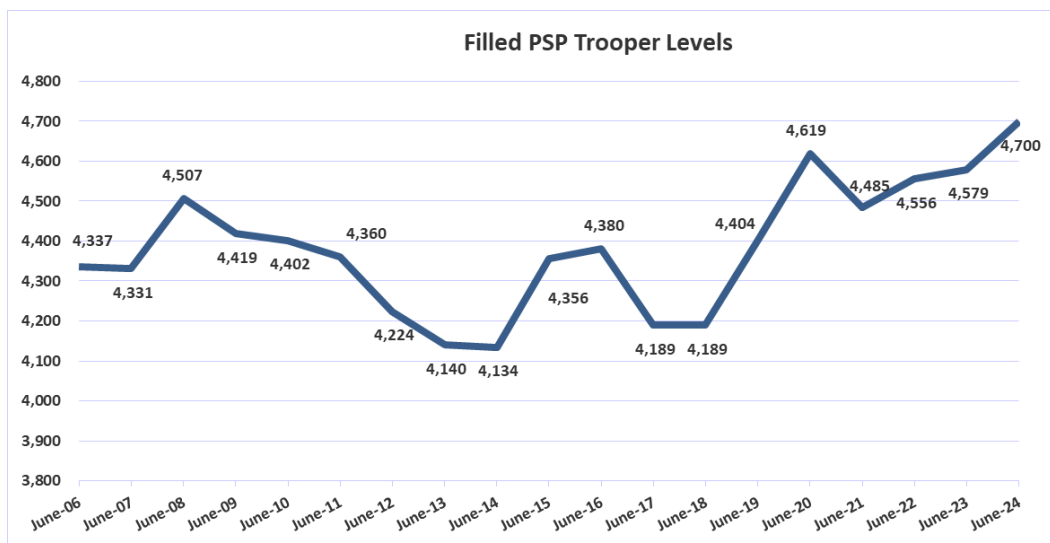
To sustainably fund the Pennsylvania State Police, the 2023-24 budget proposes to create a new Public Safety and Protection (PSP) Fund. The PSP Fund would receive a transfer of \$400 million in 2023-24 from the Motor License Fund, in addition to other revenue sources that include transfers of liquor tax, other tobacco products tax, a portion of the motor vehicle sales and use tax, and various restricted and federal funding sources.

This budget also proposes the continued reduction of Motor License Fund transfers to the PSP Fund by \$100 million annually until 2027-28. By doing so, this will allot \$1.5 billion dollars over the next five years for additional road and bridge projects. The reduction in Motor License Fund use will be offset by increasing motor vehicle sales and use tax transfers.

Staying true to Governor Shapiro's commitment to invest in public safety, **this budget proposes \$16.401 million in funding for four new trooper cadet classes in 2023-24**, which would train 384 new troopers. The classes are necessary to maintain maximum trooper strength as allowed by current law.

Additionally, through the PSP Fund, **the budget proposes an additional \$13 million to begin a standard replacement cycle of high mileage trooper vehicles**, and **\$2.827 million to replace vehicle radio systems that are no longer maintained by the network**.

Finally, through the PSP Fund, **\$4.6 million is outlined to maintain an appropriate replacement cycle of the current Pennsylvania State Police helicopter fleet**.



Emergency Services/911 Fund

The Governor's 2023-24 budget reflects a 911 surcharge increase from \$1.65 to \$2.03, while tying future increases to inflation to ensure effective operation and maintenance of the 911 system. This proposal provides increased financial support to both emergency services and mental health services.

- This proposal eliminates the Gross Receipts Tax and Sales and Use Tax on the service supplied by wireless providers, reducing consumer billings while increasing critical emergency response funding to counties.
- Under this proposal:
 - 82 percent of revenues would be directed to counties for local operations of the 911 emergency system. The 2023-24 surcharge increase would only effect half of the fiscal year for funding to the counties. The first full fiscal year the increase is in effect, 2024-25, the estimated total increase for counties under this proposal is **\$54 million**.
 - Current law sees 83 percent of revenues to counties
 - 2.75 percent of surcharge revenues, or \$2.838 million in 2023-24, would be directed to the Department of Human Services to fund the 988 Suicide and Crisis Lifeline.
 - This is a new proposed use of the surcharge as current law does not include funding for this purpose.
 - 13.5 percent would be for statewide interconnectivity grants.
 - Current law is 15%. Although the percentage to this purpose decreases, because of the surcharge increase, the amount for statewide interconnectivity grants is projected to increase.
 - 1.75 percent would be directed to the Pennsylvania Emergency Management Agency for administrative costs.
 - Current law is 2%. PEMA will not lose administrative money under this proposal.
- Under current law, the surcharge that funds emergency services will sunset in January 2024. This proposal would take effect in January 2024 and would be effective through January 2029.
- This funding will supplement the expected \$36 million current law increase in resources in 2023-24 for emergency medical services (EMS) and fire services over a variety of sources.
- These include increases as a result of Act 74 of 2022 through the Emergency Medical Services Operating Fund, the Fire Company and Emergency Medical Services Grant Program operated through the Office of the State Fire Commissioner, and the scheduled increase in Medical Assistance rates to EMS providers.

Other Public Safety and Criminal Justice Initiatives

As Governor Shapiro says, all Pennsylvanians deserve to both be safe and feel safe. That means not only should all Pennsylvanians live in communities free from the levels of violence too many experience, but they should also take comfort in the presence of law enforcement officers in their neighborhoods and have faith in the criminal justice system.

- Pennsylvania is one of only two states in the country that do not provide some level of state assistance for indigent defense. All persons have a constitutional right to effective legal representation in a criminal proceeding regardless of their ability to pay. The absence of such representation leads to unfair results, negatively contributes to the overburdened and wasteful prison system, and creates significant fiscal problems for Pennsylvania counties. This budget proposes a **\$10 million** investment through the Pennsylvania Commission on Crime and Delinquency (PCCD) and the Criminal Justice Advisory Committee (CJAC).
- Gun violence continues to rise and threaten public safety in Pennsylvania communities. The Pennsylvania Commission on Crime and Delinquency (PCCD) provides for violence intervention and prevention grants that concentrate on the adoption and implementation of innovative, evidence-based violence reduction strategies and focuses on local interventions and preventative measures. This budget proposes a record state investment of **\$105 million** for grants and technical assistance to support community-led gun violence prevention efforts to the Violence Intervention and Prevention Program.
- Through the Non-Profit Security Fund Program PCCD to administer grants to nonprofit organizations who principally serve individuals, groups, or institutions that are included within a bias motivation category for single bias hate crime incidents identified by the FBI's Hate Crime Statistics Publication. This budget proposes the continued funding of **\$5 million** that can be used for security enhancements designed to protect the safety and security of the users of a facility located in the Commonwealth that is owned or operated by the nonprofit organization.
- One of the main responsibilities of the Pennsylvania Human Relations Commission (PHRC) is to investigate and adjudicate complaints alleging discrimination in employment, housing, education, and public accommodations. These enforcement duties are statutory and non-delegable, and all complaints must be investigated. This budget includes an increase of **\$479,000** to the PHRC to bring on additional complement who will handle larger areas of concern while ensuring these professionals have manageable caseloads and allow more thorough investigations be completed effectively and quickly.
- The use of body-worn-cameras (BWCs) is becoming the norm throughout the nation's criminal justice system. The value of this tool has been demonstrated through increased transparency and accountability resulting in improved community relations. These devices are an asset for training curricula development, in the investigation of allegations of wrongdoing and use of force incidents, and also provide a layer of officer/agent protection by deterring violent behavior. This budget proposes **\$1.492 million** for BWCs for Parole Agents. This budget also proposes **\$358,000** for additional field supervision staff to increase the expansion of early service with social workers to parolees. The social worker positions will work with reentrants to aid in the deterrent of the violent behavior.
- County probation officers supervise a preponderance of the community-based criminal offender population in Pennsylvania. County supervision caseloads have increased and the proportion of felony offenders on an average caseload has also increased. To ensure those released from incarceration have the support to be productive members of the community, this budget proposes **\$4 million** in additional funding for the Pennsylvania Commission on Crime and Delinquency. This funding will be made available at the county level to hire additional resources for adult probation services.

Early Childhood Education

- **\$30 million or 9.9 percent increase for Pre-K Counts.**
 - This will allow for an increase to the rate for full-time seats to \$11,000 (\$1,000 increase per seat) and \$5,500 for part-time seats (\$500 increase per seat). Increased rates are necessary to support the workforce and rising costs to providers.
 - This investment will allow providers to mitigate staffing concerns, increase salaries to competitive, family-sustaining wages, and provide professional development opportunities to meet state certification requirements.
 - Pre-K Counts programs assist more than 29,600 3- and 4-year olds to receive high-quality early education, preparing them for kindergarten.
- **\$2.7 million or 3.1 percent increase for Head Start Supplemental Assistance.**
 - This investment helps providers mitigate impacts of inflation and allows for increased costs to enable them to remain competitive.
 - The Head Start model provides comprehensive high-quality Pre-K education, health, nutrition, and parent involvement services to eligible 3- and 4-year olds who live in families earning up to 100 percent of the federal poverty level or experiencing homelessness as well as foster children.
- **\$10.4 million or 3 percent increase for Early Intervention.**
 - This investment is to be distributed through the existing EI funding model and will help students receive high-quality Preschool EI program support, improving well-being, health, and educational outcomes.
 - Roughly 61,000 children of all income levels and in every county across Pennsylvania receive services through Preschool EI (age 3-5).
 - This investment will allow approximately 2,000 additional children to receive services for a total of roughly 63,000 children.
- **This budget includes a \$66.7 million increase in the Child Care Services appropriation to maintain the Child Care Works subsidy rate at the 60th percentile.**
 - Maintaining the subsidy base rate will help the Child Care Works program support providers and remain competitive relative to regional private pay rates based on the market rate survey.
 - This increased investment also mitigates the risk of being out of CCDF compliance while attempting to prevent increases to the wait list for childcare.
 - The subsidy base rate increase will utilize \$48.5 million in federal ARPA discretionary funds bringing the total investment to \$115.2 million.

K-12 Classroom Investments

- **\$567.37 million or 7.8 percent increase in Basic Education Funding to continue sustained investment in school district basic education programs. This is on par with recent inflationary and cost-of-living growth. Future investments are proposed to continue to grow with projected inflation rates. The 2023-24 increase will be distributed through the Basic Education Funding Formula.**
 - **Governor Shapiro's proposed 2023-24 fiscal year budget includes \$8,421,751,000 for the Basic Education Funding appropriation. This amount is a \$796,627,000 (10.45%) increase over the 2022-23 fiscal year appropriation. The proposed budget includes:**
 - **Increase of \$567,000,000 in the student-weighted distribution formula (\$7,872,444,000) to continue sustained investment in school districts.**
 - **As required by the Pennsylvania Public School Code, \$225,000,000 for those schools that received the Level-Up Supplement in 2022-23 will be added to their base allocations in 2023-24.**
 - **The Basic Education Funding appropriation for 2023-24 includes \$549.307 million for school district social security payments, a \$4.262 million increase.**
- **\$103.8 million or 7.8 percent increase in Special Education Funding. The delivery of special education programs, supports, and services is mandated for all eligible students, while the cost for school districts to educate special education students continues to increase. This increase ensures school districts have the basic resources they need to provide high-quality special education services to students with disabilities and special needs. Future year investments in special education funding are proposed to increase with projected inflation rates.**
 - **For the Special Education funding component, new dollars after the 2013-2014 fiscal year total approximately \$386,928,000.**
 - **The proposed 2023-24 Special Education appropriation also includes funding of approximately \$106,178,000 for the following components, per Pennsylvania School Code: Special Education Contingency Fund, Core Services funding to Intermediate Units, Institutionalized Children's Program funding, special education for wards of state students and special education for students placed out of state.**

Safe Learning Environment

- **\$38.5 million for School Food Services.**
 - Continues to provide universal free breakfast for all Pennsylvania students, regardless of income.
 - Ensures that all students have access to a healthy, nutritious meal to start the school day and eliminates stigma associated with free and reduced-price breakfast that may deter eligible students from participating.
 - Covers the full cost of lunch for the 22,000 Pennsylvania school students who are eligible for reduced price lunches through the National School Lunch Program.
- **\$100 million for Transfer for School Safety and Security Fund.**
 - Builds on previous investments by providing \$100 million for school safety and security grants through the Pennsylvania Commission on Crime and Delinquency's School Safety and Security Committee. School entities including school districts, area career and technical schools, intermediate units, and charter schools are eligible for these funds to address physical security enhancements.
 - Continues to provide resources for ongoing school safety and security coordinator training.
- **\$100 million for School Environmental Repairs and Improvements**
 - Provides grants for environmental improvement capital projects at school facilities. By abating or remediating environmental hazards in schools, more children will have the opportunity to grow and learn in healthy settings.
- **\$4.12 million for Public Library Improvements**
 - Creates the Public Library Facilities Improvement Fund to assist small, rural, public libraries that need minor facility repairs and improvements. Libraries are vital hubs for Pennsylvanians, providing the space and resources for residents, and children, to learn, become informed about civic and municipal issues, access telehealth, and build community. However, many of Pennsylvania's public libraries have been unable to complete facility improvements necessary to serve all members of their communities. These deficiencies range from accessibility issues to insufficient electrical wiring and other infrastructure needed to offer spaces to access online services in a semi-private setting. This is particularly an issue for small rural public libraries that lack the matching funds necessary to apply for facility grants from the existing capital improvement programs.

Higher Education Funding

Investing in Higher Education and Supporting Students Pursuing Postsecondary Education

- **More than \$60 million increase in funding for Higher Education Institutions**
 - **\$5.1 million – Community Colleges**
 - **\$11 million – Pennsylvania State System of Higher Education**
 - **\$17.2 million – Penn State University**
 - **\$1.9 million – Pennsylvania College of Technology**
 - **\$1.2 million – Transfer to Agricultural College Land Scrip Fund**
 - **\$11 million – University of Pittsburgh (including Rural Education Outreach)**
 - **\$11.2 million – Temple University**
 - **\$1.1 million – Lincoln University**
 - **\$389,000 – Thaddeus Stevens College of Technology**
 - **\$633,000 – University of Pennsylvania School of Veterinary Medicine**
 - **\$38,000 – University of Pennsylvania Center for Infectious Diseases**
- **This budget proposes an additional \$1.66 million for the Parent Pathways Learning Network to scale an existing pilot program to benefit additional parenting students pursuing a postsecondary education.**
- **\$250,000 increase for the “It’s On Us PA” initiative to expand resources and promote awareness of healthy relationships to protect students from sexual violence at postsecondary institutions.**

Workforce Development

This budget focuses on building the necessary pathways, and partnerships, for students to learn the skills needed to succeed while securing family sustaining jobs as they enter the workforce. The budget does so by partnering schools, students, industry, businesses and trade professionals through every step of the process to ensure employers have access to prospective workers with the skills they need, and workers have access to open positions that fit their skills, while also furthering the skillset of Pennsylvania's current workers.

- **Career and Technical Education (CTE)**
 - \$5 million increase to increase exposure to CTE programs and develop additional CTE programs statewide.
 - \$4 million increase to support the hiring of additional teachers and expanded program offerings in high-demand areas of health care, STEM, energy, and infrastructure trades.
 - \$2 million increase to establish a state-level Industry in the School Program to bring trade and industry professionals into the classroom.
- \$3.33 million or 60 percent increase for Career and Technical Education Equipment Grants to provide resources for additional equipment purchases and maintenance.
- \$3 million or 43 percent increase for Apprenticeship Training at Labor & Industry. These funds will:
 - Increase the number of Registered Apprenticeship opportunities in Pennsylvania.
 - Expand Registered Apprenticeships into non-traditional occupations as well as serve underrepresented populations.
 - Allow the Apprenticeship and Training Office to provide technical assistance to businesses, unions, and training providers with the support and resources needed to align with nationally recognized standards and practices.
 - Be used to develop a Registered Apprenticeship program that leads to certification as a CTE teacher.
- \$3.5 million for PA Schools-to-Work program - \$1 million increase to current funding level by Reemployment Funds. These funds will:
 - Strengthen partnerships between schools, employers, trades and CTEs for employment and training pathways.
 - Prioritize interactive learning opportunities for participating students through a variety of classroom trainings, workplace visits, internships, registered apprenticeships, mentorships, employment opportunities, special education transition supports, job shadowing, and externships.
- \$3 million to Foundations In Industry (DCED) to cover costs related to in-classroom instruction that complements on-the-job learning required through Registered Apprenticeships and Pre-Apprenticeships. This funding will grow the number of apprentices and pre-apprentices earning and learning and help employers find, hire, and retain that skilled workforce they need to thrive in Pennsylvania. This program is currently funded by claw backs of recaptured grants from businesses that do not meet their contractual obligations.
- \$1.05 million initiative in Adult and Family Literacy to reduce the financial barrier to high school equivalency testing by covering the cost of the test fee.
- \$2 million initiative in Teacher Professional Development to provide professional development including training, online coursework, and technical assistance.

Individual Recruitment and Retention Tax Credit

A persistent problem in Pennsylvania continues to be the outmigration of talented recent graduates that learn here but relocate to other states to live and work. This has resulted in an aging population and has constrained the labor pool, leaving critical positions with a deficiency in available and qualified individuals to fill these roles. As outlined, this budget proposes to make critical investments in education and public safety. But those investments also require residents to work in those professions.

Therefore, it is important that the Commonwealth provides additional support to those educators, police officers, troopers, and nurses that teach children in schools, ensure public safety, and provide critical access to necessary health care. As such, in addition to building a pipeline for those critically needed jobs in the future, this budget proposes investing **\$24.7 million** in 2023-24 in job retention and recruitment efforts to attract individuals into certified and licensed professions in the fields of nursing, teaching, and policing.

Eligibility:

- Pennsylvania residents who file a PA-40
- Can show proof of certification, and employment, in an eligible professional field:
 - Teaching – new accreditation as recognized and required by the Pennsylvania Department of Education
 - Nursing – by the PA Department of State’s Board of Nursing
 - Policing – Completion through the Training and Certification System as required by the Municipal Police Officers’ Education and Training Commission or the Pennsylvania State Police Academy.
- Certification and employment date must be obtained after January 1, 2023.

Process:

- Completed as part of annual Personal Income Tax filing (PA-40). Simple form schedule will be added for the credit.
- Begins in Tax Year 2023 (April 15, 2024, due date).

Type and Amount of Assistance:

- Refundable, non-saleable, tax credit against Pennsylvania Personal Income Tax
- 3 years of eligibility per person, credit program in place for 5 years
- Maximum award is \$2,500 per year, for up to three years.
- Calculated based on actual wages received in tax year
 - Annual credit amount = W-2 wages earned X 3.07%

Estimated Cost:

	3 year average certifications	Average Salary	Estimated Cost	
Teacher	5,883	\$47,160	\$8,517,478	
Nurse	7,491	\$61,309	\$14,099,458	
Municipal	919	\$44,824	\$1,264,633	
Trooper*	384	\$65,000	\$766,272	
Total	14,677		\$24,647,841	
2023-24	2024-25	2025-26	2026-27	2027-28
\$24,647,841	\$49,295,681	\$73,943,522	\$49,295,681	\$24,647,841

*Trooper total is equal to expected trooper cadets trained for Fiscal Year 2023-24 and Average Salary is starting salary of PA Troopers with Pennsylvania State Police.

Business Development

The Governor's 2023-24 budget invests in workers and businesses to create expansion and bring new permanent jobs, as well as construction opportunities for jobs in the trades. Building a thriving economy requires targeted investments in existing businesses to help them expand and generate additional economic output, as well as strategic investments in attracting new economic output to the Commonwealth.

Expanding Economic Opportunity through Critical Investments in Business

This budget expands the available resources at Department of Community and Economic Development for these strategic investments including:

- **\$12 million** increase to Pennsylvania First to provide additional financial assistance for economic investment across Pennsylvania. This program provides flexible financial assistance for workforce training, land and building costs, and machinery and equipment. The funds provided through this program leverage significant private investment to maximize the return. The current program also dedicates \$8 million to the Workforce and Economic Development Network of Pennsylvania (WEDnetPA) which serves as the Commonwealth's incumbent worker training, providing resources to improve the skill level and productivity of Pennsylvania's workforce. This budget includes an additional \$2 million to further develop and target the program to accommodate major needs that may arise through the business development process. This expanded funding allows for additional Pennsylvanians to be trained through WEDnetPA in addition to allowing for more grants to companies seeking to expand or relocate to Pennsylvania.
- **\$20 million** provided for Historically Disadvantaged Business Assistance to dedicate state investment to ensure continuance of the ARPA funded Historically Disadvantaged Business initiative. This funding provides critical resources to small businesses that have traditionally been unsuccessful in accessing capital. These funds are vital for ensuring businesses that typically have difficulty securing traditional modes of support have access to capital needed to expand, or sustain, their business operations, while providing access to new economic partnerships and opportunities.
- **\$1 million** increase to the Manufacturing PA Innovation Program (MIP) to pair universities with manufacturers to adopt new technologies while advancing new products and processes. This program, through the Manufacturing PA program, is a collaboration between Pennsylvania colleges and universities, the Industrial Resource Centers (IRCs), and Department of Community and Economic Development. It is open to any accredited Pennsylvania college or university and is annually oversubscribed by nearly 100 percent. This increase allows 14 more manufacturers to partner with universities in adopting new technologies and advancing new products and processes.
- **\$2.9 million** provided for the Pennsylvania Office of Transformation and Opportunity to facilitate the implementation of transformational economic development projects, which will result in substantial job opportunities and capital investment in the Commonwealth.
 - Implements provisions of Executive Order 2023-05.

Community Development

Businesses and workers cannot succeed without strong, prosperous communities. In order to attract both businesses and workers to Pennsylvania, we need to invest in our communities, so that they are welcoming places that companies and workers want to live in and move to.

Creating Sustainable and Prosperous Communities

Workers want to live where they have abundant and affordable access to services and opportunities for their families. Having a vibrant community provides a better chance that prospective workers will want to move to the Commonwealth which helps businesses fill positions. This budget includes:

- **\$1.25 million** increase to provide financial planning assistance to local governments to avoid financial distress and Act 47 status through the **Strategic Management Planning Program**. Avoiding financial distress and preparing for potential economic downturns are essential to ensuring a community maintains sustainability for generations.
- **\$1.5 million** increase in resources for local governments for community planning and shared services to implement efficiencies. The **Municipal Assistance Program** was created to help local governments plan for and efficiently implement a variety of services, improvements, and soundly managed development. This includes shared services activities such as regionalization, consolidation of services, shared personnel, high-impact projects that serve multiple municipalities, and boundary change efforts. The program also provides financial assistance for communities to comprehensively plan around community revitalization efforts. This increase will set the groundwork for rehabilitation of communities.
- **\$8.6 million** increase to the **Keystone Communities** program to provide additional support for community revitalization and add additional communities into the Main Street and Elm Street programs. This increase will facilitate greater participation from smaller, rural, lower-income communities.
- **\$1 million** increase for **Grants to the Arts** through the PA Council on the Arts for expansion of financial assistance programs to specifically address community needs.

Unemployment Compensation—Service and Infrastructure Improvement Fund

\$113.063 million in total Service and Infrastructure Improvement (SIIF) funds to operate the Commonwealth’s Unemployment Compensation program. This includes a new SIIF authorization of \$76.067 million for 2023-24 and the use of \$36.996 million in funds remaining from the prior SIIF authorization in 2017.

- This proposal includes the addition of **50 new UC Service Center positions** to improve customer service.
- The remaining Act 60 of 2017 SIIF funding (\$36.996 million) expires 12/31/23.
- SIIF was first created in 2013 (Act 34 of 2013) and provided a temporary 4-year state funding stream to maintain and modernize operations of the UC system during the implementation of technological upgrades to the UC payment delivery system.
- SIIF funding is authorized by the General Assembly (legislation is required) and comes from a portion of the employee share of UC tax. This is funding that would otherwise be deposited into the Unemployment Compensation Trust Fund for the payment of UC benefits.
- When the original 2013 SIIF authorization expired without a replacement funding source, a furlough of more than 450 UC employees occurred (Dec. 2016). Most of these employees were eventually rehired by the program.
- SIIF was reauthorized by Act 60 of 2017, creating another temporary, multi-year state funding stream (\$115.2M total). Act 60 also created the Benefit Modernization Advisory Committee.
- Rather than continuing multi-year funding authorizations, this budget proposes to revisit SIIF needs every year with an annual authorization process.
- In addition to SIIF, other funding sources for UC operations include federal Administration of UC, Special Administration Fund and federal Reed Act monies. COVID-UC funding (within the federal USDOL allocation for Admin of UC) expires 6/30/23 and will no longer be available to support program costs. All remaining Reed Act money will be fully expended in 2023-24.

Service and Infrastructure Improvement Fund (Dollars in Thousands)

	2023-24 Budget	2024-25 Est.	2025-26 Est.	2026-27 Est.	2027-28 Est.
Remaining Act 60 SIIF Funding	\$36,996	-	-	-	-
NEW SIIF Authorization	76,067	118,259	121,807	128,645	129,320
Total	\$113,063	\$118,259	\$121,807	\$128,645	\$129,320

Seniors and Individuals with Disabilities

OPTIONS

- This budget includes a **\$10 million** increase in the PENNCARE appropriation for funding to support programs for seniors, including:
 - **\$5 million** investment to reduce the wait list for the OPTIONS program by an estimated 1,200 people.
 - **\$5 million** in additional funding to the Area Agency on Aging (AAA) network to assist in recruitment and retention of staff who serve older adults in their homes.

Senior Centers

- This budget includes a **\$1 million** increase in the Grants to Senior Centers appropriation. This funding will improve safety and accessibility while increasing participation and programming throughout Pennsylvania's senior community centers.

CILS

- **\$684,000 or 35 percent** increase in Centers for Independent Living Funding. This increase will be used to recruit and hire staff, including bilingual staff, at the nine state Centers for Independent Living to provide independent living services to consumers with more diverse and significant disabilities.
- **\$800,000 or 75 percent** increase in Assistive Technology Funding to provide individuals with financing and training for assistive technology devices.

ID/A Waiting List

- This budget includes **\$17.5 million** for a home and community-based services initiative that would reduce the current 12,000 person waiting list for ID/A services by at least 850 individuals, including 750 in the Community Living Waiver and 100 in the Consolidated Waiver programs.

CHIPPs

- This budget proposes **\$1.25 million** to fund 20 Community Hospital Integration Projects Program slots for one-half year (startup costs) with an annualization in the subsequent year.
- This funding enables individuals with complex needs, who longer require inpatient treatment, to be integrated into community programs.

Day Service

- This budget includes **\$700,000** for adding telemedicine assessment and coordination that is designed for individuals with I/DD as a service in the Home and Community-Based Services waiver to enable real time support, consultation, and coordination on health issues.

Lifesharing

- This budget includes **\$3.4 million** to expand the Lifesharing Service program to include a "Day Service" rate for Lifesharing services. This is a viable alternative to group homes and will expand the number of Lifesharing families, which will reduce the need for 24-hour group home settings.

Supporting Vulnerable Populations

SNAP

- This budget includes **\$16 million** to increase the minimum monthly SNAP benefit from \$23 to \$35 for seniors and people with disabilities, impacting over 100,000 Pennsylvanians. This budget also includes an additional **\$1 million** in one-time build out costs for needed system upgrades.

Maternal Health

- This budget proposes **\$2.32 million** to implement prevention strategies to reduce maternal mortality and morbidity.
- Background: Act 24 of 2018, Maternal Mortality Review Act, established the Maternal Mortality Review Committee to confidentially review all pregnancy-associated deaths and provide recommendations to reduce preventable pregnancy-related deaths in Pennsylvania.

Skilled Nursing Facility Regs

- This budget proposes **\$1.36 million** to implement provisions of Act 128 of 2022 and monitor for regulatory compliance to ensure adequate resident care and facility operation. The additional oversight is intended to prevent facility closures and increase resident safety.
- This budget proposes **\$611,000** for compliance monitoring. Will expand and formalize fiscal compliance monitoring to ensure federal (2 C.F.R. §§ 200.0 – 200.521) and state requirements are met.

County and Municipal Health Departments

- This budget proposes **\$6.61 million** to support local health departments through full funding per Local Health Administration Law. Provides for \$1.50/per capita. (Act 12 of 1975 established, Act 95 of 1985 increased to \$1.50)
- This budget includes **\$1.2 million** to maintain funding for local health departments per Local Health Administration Law. \$6/per capita or 50% of the county/municipal estimated calendar year budget. (Act 315)

DHS Licensing Staff

- This budget includes a **\$2.18 million** increase in the General Government Operations appropriation. These funds will provide resources to improve the efficiency of licensing activities and reduce licensing processing time and will allow the hiring of 20 additional staff.

Expanding Property Tax and Rent Rebate

The Property Tax and Rent Rebate Program (PTRR) has been providing financial assistance for seniors trying to remain at home. However, the program has not had been expanded or had income limits adjusted since 2006. This has caused fewer people to be eligible each year.

The 2023-24 Executive Budget proposes change this situation by substantially expanding both the income eligibility and the maximum amount of the rebate, benefiting over 570,000 elderly and disabled Pennsylvanians.

Here is a summary of the proposed changes to the Property Tax and Rent Rebate Program, beginning claim year 2023 (payable in July 2024):

- Increasing the income cap for homeowners from \$35,000 to \$45,000.
- Increasing the income cap for renters to match the cap for owners at \$45,000, whereas the current income cap for renters is \$15,000.
- Increasing the income cap to grow with inflation according to consumer price index (CPI) growth beginning with claim year 2024.
 - By 2026 the \$45,000 income cap is projected to increase to \$48,200.
- Increasing the rebate caps to a maximum of \$1,000 instead of \$650.

Property Tax Rent Rebate Fiscal Impact Estimates							
(Dollars in Millions)							
	Claimants Impacted*			Cost			
	Current Receiving Increase	New Claimants	Total Claimants Impacted	2024-25	2025-26	2026-27	2027-28
Maximum Rebate Increases to \$1,000 and Inflationary Increase on Income Caps							
Owner Income Cap to \$45k and Renter Income Cap to \$45k	397,811	172,578	570,389	-\$136.2	-\$150.1	-\$163.5	-\$178.1

*Applies to 2023 claim year

Rebate Caps		
Current Eligibility Income - Claim Year 2023 Income Caps Increase with CPI Each Year	Current Rebate Cap	Proposed Rebate Cap
OWNERS		
Up to \$8,000	\$650	\$1,000
\$8,001 to \$15,000	\$500	\$770
\$15,001 to \$18,000	\$300	\$460
\$18,001 to \$35,000	\$250	\$380
\$35,001 to \$45,000	-	\$380
High Burden Supplement Limit		
\$30,000		
RENTERS		
Up to \$8,000	\$650	\$1,000
\$8,001 to \$15,000	\$500	\$770
\$15,001 to \$18,000	-	\$460
\$18,001 to \$35,000	-	\$380
\$35,001 to \$45,000	-	\$380

Mental Health

School-Based

- This budget proposes a **\$100 million** initiative for School-Based Mental Health Supports Block Grants to provide mental health services and resources to students and staff. Eligible grant uses include hiring and maintaining school counselors, social workers, and psychologists, contracting with community and non-profit groups, and providing telemedicine behavioral health options.
 - School districts and charter schools will be eligible for the funding.
 - \$80 million will be for block grants to the eligible school entities
 - \$10 million for internships
 - \$10 million will be used for training of school-based mental health providers

County Mental Health

- This budget proposes a **\$20 million** increase in 2023-24 for county based mental health programs and includes additional increases of \$10 million per year for each of the four succeeding years, reaching a total increase of **\$60.97 million** per year in 2027-28.
- The additional funds would help restore base funding cuts made in 2012-13 and help counties cope with the increasing demands for mental health services.

Forensic Initiative

- This budget proposes **\$4 million** to expand diversion and discharge programs for individuals with mental illness in the criminal justice system.
- This funding will create three community-based programs to serve people who do not require the level of forensic treatment provided at the state hospitals or are being discharged.

988 National Suicide and Crisis Hotline

- This budget includes **\$5 million** in one-time build out costs for the 988 Suicide and Crisis Lifeline.
 - Sustained funding for the 988 crisis network will be provided through 2.75 percent of the proposed increase in the 911 surcharge. This budget proposes increasing the 911 surcharge from \$1.65 to \$2.03 (while also eliminating the Gross Receipts Tax and the Sales & Use Tax on wireless phone bills).
 - Once in effect for a full fiscal year, the expected funds available for 988 will be more than \$11 million, and tied to inflation to ensure adequate resources continue to be available.

Mental Health for Farmers

- The budget includes **\$200,000** for farmer health and safety initiative. This funding will provide support services such as a mental health hotline, specialized trainings, and outreach to the agricultural community.

Safeguarding Pennsylvania's Natural Resources

Regional Greenhouse Gas Initiative

The Regional Greenhouse Gas Initiative (RGGI) is a market-based collaboration among Northeast and Mid-Atlantic states to reduce greenhouse gas emissions and combat climate change, while generating economic growth. Pennsylvania's energy landscape has changed rapidly over the past decade due to shifts in market demand, and all forecasts anticipate that these shifts will continue.

RGGI implementation will lower Pennsylvania's CO₂ emissions by between 97 and 225 million tons by 2030. Emission of other harmful pollutants like nitrogen oxides, sulfur dioxide, and particulate matter emissions will also drop significantly. These reductions will particularly benefit those most often impacted by marginal air quality, such as children and at-risk seniors, especially in low income and environmental justice communities.

With the projected **\$663 million** in proceeds in 2023-24 from participation in the RGGI auctions, Pennsylvania is well-positioned to:

- Help support communities and employees impacted by the energy transition by providing crucial resources, while making targeted investments in greenhouse gas abatement, energy efficiency and clean and renewable energy programs that help to reduce air pollution in Pennsylvania.
- Ensure that we continue to support communities and businesses that have helped create Pennsylvania's rich energy history, even as we do our part to address climate change, the greatest environmental threat facing our world.

DEP Staffing

The Department of Environmental Protection (DEP) conducts important oversight to ensure that Pennsylvania's water, air, and ambient environment are safe for all. This budget expands DEP's capacity by providing \$5.75 million to grow the agency's oversight capabilities. In particular, this will expand resources at DEP to increase efficiency in permitting, which will raise the number of permits that the agency can issue each year. This funding will improve the responsiveness of the air quality testing program to community requests and will increase the number of dam safety investigations that are conducted yearly to ensure that those critical pieces of infrastructure are being safely maintained. Dam safety is an important public safety concern, as a failure in a dam could result in serious injury and loss of life, and significant damage to property and infrastructure. This funding will also provide resources for the CO₂ Budget Trading Program.

This budget invests **\$5.75 million to expand resources at DEP to increase efficiency in permitting, air quality testing, dam safety investigations.**

- This includes 41 new staff members to carry out the mission of the agency to include timelier processing of permits, completion of inspections, and proper program oversight, technical assistance, and training.
- Also directs funds from the auction of carbon emission to clean air programming. Injects \$4 million into the Clean Water fund to offset personnel costs to complete more projects.
- Expands access to outdoor recreation and improving management and safety on public lands.

DCNR Staffing/Infrastructure

Managed by the Department of Conservation and Natural Resources (DCNR), Pennsylvania's state parks and forests cover more than 2.2 million acres and are enjoyed by more than 37 million visitors each year. State forests have become increasingly popular for a variety of recreational activities, including hiking, biking, camping, hunting, fishing, birdwatching, rock climbing, trail running, and more. They contribute over \$1 billion to the state's economy and support a dynamic outdoor recreation industry. This budget commits \$2.8 million to expand resources at DCNR that will improve and support sustainable outdoor management, infrastructure updates, and safety in these outdoor environments. Specifically, this funding will help improve maintenance infrastructure and emergency response coordination, including climate resiliency work, geological mapping, and 3D geologic modelling to capitalize on opportunities for carbon capture and storage. These funds will also increase nursery capacity and forest restoration efforts, including dedicated staff for watershed technical assistance and training. This budget also provides a coordinated approach to outdoor recreational development, supporting a new Office of Outdoor Recreation to create a connecting hub between DCNR and outdoor private industries and communities seeking to leverage outdoor recreation for economic development, in addition to local and visitor recreation interest groups.

This budget invests \$2.8 million to expand resources at DCNR to protect and support outdoor management, recreation, and safety.

- This includes 21 new staff positions to carry out the mission of the agency.
- \$422,000 for expanding the office of outdoor recreation to create a connecting hub between DCNR and outdoor private industries and communities seeking to leverage outdoor recreation for economic development.
- \$2.379 million for providing staff to improve and support outdoor management, infrastructure updates, and safety in the outdoor environments.

Expanding Agricultural Investments

This 2023-24 budget proposal includes innovative investments to improve agricultural programs, farmer health, and fresh food resources.

- **\$1 million to create a new Organic Center of Excellence**, which improve the ability to detect counterfeit organic goods by adding the laboratory ability to test for pesticide contamination.
 - This effort will leverage the scientific work of the Bureau of Food Safety and Laboratory Services with the work consumer and producer relationships of the Bureau of Market Development, which already makes a special effort to help Pennsylvania consumers identify certified organic products produced in the commonwealth. Bringing the work of the two bureaus together will create efficiencies in serving and expanding the organic industry in PA. Offering sample testing in the Food Safety Lab will build on decades of Pennsylvania’s leadership in food safety.
- **\$500,000 to create the Center for Plant Excellence** to expand supply chain opportunities and boost the resources available for PA’s diverse plant industries.
 - This proposal aims to advance the industries through a centralized, dedicated, and mutually beneficial “Center for Plant Excellence” that provides a concentration and streamline of resources and interdisciplinary expertise to collaborate, research, create, promote, and disseminate specialized information and create a viable supply chain in order to better address the needs and challenges of Pennsylvania’s diverse plant industries. This model has been successful for other agricultural commodities such as dairy, beef, and poultry.
- **\$2.5 million** for technical and financial assistance resources to counties that will ensure the integrity of their easement portfolios under the Farmland Preservation Program.
 - This includes two new staff positions at the PA Department of Agriculture to assist with the program.
- **\$2 million** investment to help more Pennsylvanians access fresh, quality produce and other farm products.
 - The Fresh Food Financing Initiative will contribute to better health outcomes by improving access to Pennsylvania grown, processed, and produced agricultural products, including fruit and vegetables, milk and dairy products, and meat products.
 - This funding will specifically help to stimulate investment in lower-income communities and in food retailing businesses that are owned by people who are Black, Indigenous, and People of Color (BIPOC) and that serve lower-income BIPOC communities.
 - Builds off of the success of the PA Fresh Food Financing Initiative that utilized \$10 million on CARES Act funding to increase access to fresh produce.

Dog Law

This 2023-24 budget proposes an increase in dog law fees to avoid reliance on the General Fund to support the Dog Law program. The fee increase will:

- Restore the Dog Law Fund to a self-sustaining fund.
 - For the first time in 26 years:
 - \$3 increase to annual individual licenses.
 - Lifetime license fees increased by \$50 and \$30 for individuals and senior/persons with disabilities, respectively.
 - Kennel fees will also increase.
 - For the first time in 57 years:
 - 25 percent increase to kennel licenses.
- Provide funding for **18 critical positions** needed to meet statutory obligations under the Dog Law and the Department of Agriculture's mission of providing safety to the general public as well as to the dogs within the Commonwealth through enforcement, education, and awareness and reducing the reliance on state and local police.
- Ensure Dog Law program IT modernization needs are met.
- Generate a projected \$4.5 million in additional revenue in 2023-24.

- An annual license currently costs \$8.50 (\$6.50 if spayed/neutered), and a lifetime license is \$51.50 (\$31.50 if spayed/neutered), including county fees. Discounts are available to older adults and people with disabilities.
- Beginning January 1, 2027, the Secretary of Agriculture may increase the license and kennel fees by the annual percentage change in the Consumer Price Index.
- Revenue from the sale of dog licenses allows dog wardens to:
 - Inspect more than 2,500 state-licensed kennels, a minimum of twice annually
 - Investigate and prosecute illegal kennel operations "puppy mills"
 - Control the spread of infectious and contagious diseases
 - Track and monitor more than 600 dangerous dogs
 - Pick up stray or abandoned dogs
 - Reimburse shelters for holding stray dogs
 - Reimburse farmers for damages to livestock caused by dogs or coyotes

- Philadelphia County and the cities of Altoona, Erie, Harrisburg, Pittsburgh, and Scranton administer their own dog license sales, retain all income and information generated.
- There were 805,663 individual dog licenses sold in 2021, including 749,903 annual and 55,730 lifetime licenses.

Lottery Fund

- The Pennsylvania Lottery funds programs to support older Pennsylvanians. Lottery programs provide assistance for prescription drugs, long-term care services to allow our seniors to remain in a community setting, free or reduced fares for mass transit, and property tax relief and rent rebate assistance for eligible seniors.
- The Lottery Fund provides funds for services for older Pennsylvanians in the Department of Aging and Department of Human Services. For 2023-24, \$349 million is again provided for the Community HealthChoices appropriation to reflect the transition of older Pennsylvanians who were previously funded from Long-Term Care and the PENNCARE appropriations. In addition, \$293 million is provided for PENNCARE.
- The 2023-24 Budget presumes a slight decrease in sales growth (-1.9 percent). 2022-23 sales included multiple large jackpots which cannot be guaranteed to occur in the budget year.
- The Lottery continues to replace outdated equipment and expand points of distribution. This budget includes significant funding for the purchase of new equipment.
- “Skill games” are now in a large number of Lottery retail locations and bleed significant sales from the Lottery annually.
- Profit margin relief was extended to help the Pennsylvania Lottery better compete with other alternatives, develop new products, and increase profits – and more programs for older Pennsylvanians. The 20 percent profit mandate was extended until June 30, 2029, and will revert to 25 percent on July 1, 2029. Higher margin requirement limits the types of games that can be offered and reduces sales.

Lottery Fund						
(dollars in thousands)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Available	Budget	Projected	Projected	Projected	Projected
Total Beginning Balance	\$149,814	\$192,840	\$111,520	\$46,410	\$37,573	\$22,244
Prior Year Reserve	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Adjusted Beginning Balance	\$224,814	\$267,840	\$186,520	\$121,410	\$112,573	\$97,244
REVENUE:						
Collections and Transfers	\$2,061,618	\$1,971,240	\$2,159,295	\$2,259,188	\$2,332,392	\$2,397,005
Prior Year Lapse	\$66,649	\$0	\$0	\$0	\$0	\$0
<u>Current Year Lapse (est.)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Funds Available	\$2,353,081	\$2,239,080	\$2,345,815	\$2,380,598	\$2,444,965	\$2,494,249
EXPENDITURES:						
Total Expenditures	\$2,085,241	\$2,052,560	\$2,224,405	\$2,268,025	\$2,347,721	\$2,381,697
Current Year Reserve	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Ending Balance	\$192,840	\$111,520	\$46,410	\$37,573	\$22,244	\$37,552

Motor License Fund

Pennsylvania’s aging transportation infrastructure continues to be an obstacle to maximizing commerce. To further modernize the state’s transportation infrastructure and thereby spur the economy, the 2023-24 budget continues historic levels of new investment in all modes of transportation. The passage of the federal Infrastructure Investment and Jobs Act (IIJA) will afford the opportunity to maintain increased lettings for 2023 and the next several calendar years.

2023-24 BUDGET PROPOSAL							
MOTOR LICENSE FUND							
COMMONWEALTH HIGHWAY AND BRIDGE SPEND							
(dollars in thousands)							
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Available	Budget	Projection	Projection	Projection	Projection
Highway Construction:							
Highway and Safety Improvements	\$ 190,000	\$ 500,000	\$ 650,000	\$ 430,000	\$ 530,000	\$ 645,000	\$ 745,000
(A) Contributions and Reimbursements	18,222	13,000	13,000	13,000	13,000	13,000	13,000
Highway Capital Projects (EA)	230,000	240,000	240,000	240,000	245,000	245,000	250,000
State Funds	\$ 438,222	\$ 753,000	\$ 903,000	\$ 683,000	\$ 788,000	\$ 903,000	\$ 1,008,000
(R) Highway Capital Projects - Excise Tax (EA) (26177) Act 26	\$ 379,200	\$ 385,339	\$ 375,640	\$ 370,880	\$ 369,560	\$ 368,240	\$ 366,920
(R) Highway Bridge Projects (EA) (26185)	135,000	140,000	145,000	145,000	145,000	140,000	140,000
(A) Contributions and Reimbursements	13,111	3,003	3,003	3,203	3,003	3,003	3,003
(R) Bridges - Excise Tax (EA) (26178) Act 26	123,465	125,235	122,083	120,536	120,107	119,678	119,249
Restricted Accounts	\$ 650,776	\$ 653,577	\$ 645,726	\$ 639,619	\$ 637,670	\$ 630,921	\$ 629,172
Federal	\$ 2,184,746	\$ 2,323,039	\$ 2,377,384	\$ 2,452,617	\$ 2,498,754	\$ 1,615,000	\$ 1,616,000
Highway Construction	\$ 3,273,744	\$ 3,729,616	\$ 3,926,110	\$ 3,775,236	\$ 3,924,424	\$ 3,148,921	\$ 3,253,172
Highway Maintenance:							
Highway Maintenance	\$ 896,879	\$ 960,000	\$ 987,766	\$ 1,009,547	\$ 1,027,094	\$ 1,044,641	\$ 1,062,188
(A) Contributions and Reimbursements	20,457	32,226	32,491	32,491	32,491	32,491	32,491
(A) Sale of Equipment and Supplies	2,513	5,000	5,000	5,000	5,000	5,000	5,000
Highway Systems Technology and Innovation	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Reinvestment - Facilities	16,000	16,500	16,500	15,000	15,000	15,000	15,000
(R) Delegated Facility Projects	2,018						
(A) Bond Proceeds	7,910						
State Funds	\$ 961,777	\$ 1,029,726	\$ 1,057,757	\$ 1,078,038	\$ 1,095,585	\$ 1,113,132	\$ 1,130,679
(R) Highway Maintenance - Excise Tax (EA) (26181) Act 26	\$ 178,795	\$ 183,036	\$ 178,429	\$ 176,168	\$ 175,541	\$ 174,914	\$ 174,287
(R) Highway Maintenance Enhancement (EA) (26174) Act 3	266,520	270,319	263,160	259,640	258,720	257,800	256,880
(R) Expanded Highway & Bridge Maintenance (EA) (26409) Act 3	320,624	324,383	315,792	311,568	310,464	309,360	308,256
(A) Expanded Maintenance Contributions	896	10,000	10,000	10,000	10,000	10,000	10,000
Restricted Accounts	\$ 766,835	\$ 787,738	\$ 767,381	\$ 757,376	\$ 754,725	\$ 752,074	\$ 749,423
Federal	\$ 72,684	\$ 218,665	\$ 205,465	\$ 205,465	\$ 205,465	\$ 205,465	\$ 205,465
Highway Maintenance	\$ 1,801,296	\$ 2,036,129	\$ 2,030,603	\$ 2,040,879	\$ 2,055,775	\$ 2,070,671	\$ 2,085,567
Unrestricted	\$ 1,348,879	\$ 1,732,500	\$ 1,910,266	\$ 1,710,547	\$ 1,833,094	\$ 1,965,641	\$ 2,088,188
Restricted	1,405,622	1,428,312	1,400,104	1,383,792	1,379,392	1,369,992	1,365,592
Augmentations	63,109	63,229	63,494	63,694	63,494	63,494	63,494
Federal	2,257,430	2,541,704	2,582,849	2,658,082	2,704,219	1,820,465	1,821,465
Highway Construction & Maintenance	\$ 5,075,040	\$ 5,765,745	\$ 5,956,713	\$ 5,816,115	\$ 5,980,199	\$ 5,219,592	\$ 5,338,739

While Motor License Fund revenues are projected to surpass pre-pandemic levels for the available, budget, and planning years, additional state funds for construction will be necessary. To mitigate this funding gap, the budget proposes to decrease overall Pennsylvania State Police budget reliance on the Motor License Fund to \$400 million in 2023-24 to assure state match requirements for federal transportation infrastructure funding allowing a continued lettings program of over \$2.5 billion for the foreseeable future. Additionally, this budget proposes to further reduce the reliance on the Motor License fund by \$100 million annually until the support is eliminated in 2027-28.

2023-24 BUDGET PROPOSAL							
MOTOR LICENSE FUND							
UNRESTRICTED FINANCIAL STATEMENT							
<i>(amounts in thousands)</i>							
	2021-22 Actual	2022-23 Available	2023-24 Budget	2024-25 Projection	2025-26 Projection	2026-27 Projection	2027-28 Projection
Beginning Balance.....	\$ 115,366	\$ 347,290	\$ 237,355	\$ 25,374	\$ 25,428	\$ 26,704	\$ 20,687
Adjustment to Beginning Balance.....	(1)						
Revenue:							
Liquid Fuels Taxes	\$1,746,970	\$1,783,800	\$1,798,200	\$1,730,700	\$1,726,400	\$1,722,100	\$1,717,800
Licenses and Fees	1,126,575	1,113,200	1,137,400	1,162,800	1,181,700	1,214,400	1,234,500
Other Nonrestricted	9,840	44,100	55,500	12,500	13,500	11,800	13,200
Total Revenue.....	\$2,883,385	\$2,941,100	\$2,991,100	\$2,906,000	\$2,921,600	\$2,948,300	\$2,965,500
Prior Year Lapses.....	\$ 40,391	\$ 94,858					
Funds Available.....	\$3,039,141	\$3,383,248	\$3,228,455	\$2,931,374	\$2,947,028	\$2,975,004	\$2,986,187
Expenditures:							
Treasury.....	\$ 88,069	\$ 87,314	\$ 81,751	\$ 82,587	\$ 83,946	\$ 86,270	\$ 87,255
Agriculture.....	33,817	33,817	33,817	33,817	33,817	33,817	33,817
Community and Economic Development..	500	750	-	-	-	-	-
Conservation and Natural Resources.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Education.....	1,100	1,100	-	-	-	-	-
General Services.....	9,383	9,381	9,000	9,000	9,000	9,000	9,000
Revenue.....	53,792	58,622	58,864	58,864	58,864	58,864	58,864
Transportation.....	1,998,190	2,452,909	2,612,649	2,414,678	2,527,697	2,659,366	2,781,056
State Police.....	500,000	500,000	400,000	300,000	200,000	100,000	-
Current Year Lapses.....		(5,000)					
Total Expenditures.....	\$2,691,851	\$3,145,893	\$3,203,081	\$2,905,946	\$2,920,324	\$2,954,317	\$2,976,992
Ending Balance.....	\$ 347,290	\$ 237,355	\$ 25,374	\$ 25,428	\$ 26,704	\$ 20,687	\$ 9,195

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

- **\$75 million** for violence intervention and prevention programming (ARPA)
 - 2023-24 budget proposes to fund this program at \$105 million in state dollars.
 - 2022-23 budget appropriated \$75 million federal and \$30 million state.
- **\$20 million** for historically disadvantaged businesses (ARPA)
- Nearly **\$38.5 million** for universal free breakfast (federal waivers)
- **\$66.7 million** for stabilizing the base child care rates at 60th percentile (ARPA)
 - Calendar year 2023 rates are being stabilized with Discretionary ARPA-Child Care Development Block Grant funding but state funds are needed to continue the current rate when those dollars are exhausted.
- Expansion of PTRR program to build on one-time bonus payment (ARPA)
 - Bonus payments of 70 percent of the regular base payment.
 - This proposal:
 - Expands eligibility income to \$45,000 for both renters and homeowners
 - Increases maximum base rebates to \$1,000 for both renters and homeowners
 - Nearly 400,000 current claimants get an increased rebate
 - Over 170,000 new individuals will be eligible for benefits
- **\$29.8 million** for state-related universities (ARPA)
 - 2023-24 budget carries these amounts in the base funding and then provides an additional 2 percent in funding.
- **\$2 million** to build on Fresh Food Financing investments (CARES)
 - Successful program (\$10 million) operated by PA Department of Agriculture
 - Focus will be on non-traditional food retailers and low-income communities.
- Continued support of rate increases made available through enhanced FMAP
 - **\$126.6 million** to carry ID/A rate increases forward
 - **\$35.5 million** to maintain increased Personal Assistance Services rates
 - **\$11 million** for community Participation Support Services rates through ODP waivers

Overview: State Fiscal Recovery Funds

ARPA Coronavirus State Fiscal Recovery Funds

The Coronavirus State Fiscal Recovery Funds program, enacted as a part of the federal American Rescue Plan Act (ARPA) of 2021, delivered \$7.291 billion to Pennsylvania.

The Coronavirus State Fiscal Recovery Funding program is helping ensure Pennsylvania has the resources needed to respond to the pandemic, including supporting families, health care providers, and businesses struggling with the pandemic's economic impacts, maintaining vital public services, and building a strong and equitable recovery.

The Pennsylvania General Assembly appropriated funds through [Act 1A of 2021](#), [Act 1A of 2022](#), [Act 2 of 2022](#), and [Act 10 of 2022](#). The funds were appropriated for 30 specific uses, five of which fall under the revenue replacement provisions of ARPA and the remaining 25 of which fall under expenditure categories other than revenue replacement. A full list of fiscal recovery reports filed with the U.S. Treasury can be found on the Governor's Budget Office [webpage](#).

SUMMARY

This table illustrates the distribution of award from the federal American Rescue Plan Act of 2021 Coronavirus State Fiscal Relief Funds.

(Dollar Amounts in Thousands)

	2021-22 Actual	2022-23 Available	2023-24 Budget	2024-25 Estimated	Total
Executive Offices					
COVID-SFR Transfer to the General Fund	\$ 3,841,000	\$ -	\$ -	\$ -	\$ 3,841,000
COVID-SFR Transfer to the Emergency Medical Svcs Operating Fund.....	5,000	-	-	-	5,000
COVID-SFR Pandemic Response	62,482	2,147	-	-	64,629
COVID-SFR Transfer to UC Trust Fund.....	-	42,328	-	-	42,328
DEPARTMENT TOTAL.....	\$ 3,908,482	\$ 44,475	\$ -	\$ -	\$ 3,952,957
Commission on Crime and Delinquency					
COVID-SFR Pandemic Response PCCD	\$ 19,500	\$ -	\$ -	\$ -	\$ 19,500
COVID-SFR Local Law Enforcement Support	135,000	-	-	-	135,000
COVID-SFR Gun Violence Investigation & Prosecution	50,000	-	-	-	50,000
COVID-SFR Violence Intervention and Prevention.....	75,000	-	-	-	75,000
DEPARTMENT TOTAL.....	\$ 279,500	\$ -	\$ -	\$ -	\$ 279,500
Agriculture					
COVID-SFR Agriculture Conservation	\$ -	\$ 154,000	\$ -	\$ -	\$ 154,000
COVID-SFR NM Planning Grants & Technical Assistance....	-	20,500	-	-	20,500
DEPARTMENT TOTAL.....	\$ -	\$ 174,500	\$ -	\$ -	\$ 174,500
Community and Economic Development					
COVID-SFR Construction Cost Relief (PHFA).....	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
COVID-SFR Development Cost Relief (PHFA).....	-	150,000	-	-	150,000
COVID-SFR Affordable Housing Construction (PHFA).....	-	100,000	-	-	100,000
COVID-SFR Pandemic Response	176,098	-	-	-	176,098
COVID-SFR Transfer to CFA/Water & Sewer Projects.....	320,000	-	-	-	320,000
COVID-SFR Whole Home Repairs Program.....	-	125,000	-	-	125,000
COVID-SFR Historically Disadvantaged Business Assistance	-	20,000	-	-	20,000
COVID-SFR Transfer to CFA/Cultural & Museum Preservation Grants	-	15,000	-	-	15,000
DEPARTMENT TOTAL.....	\$ 546,098	\$ 410,000	\$ -	\$ -	\$ 956,098
Conservation and Natural Resources					
COVID-SFR State Parks and Outdoor Recreation Program..	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
COVID-SFR Keystone Tree Account	8,800	-	-	-	8,800
DEPARTMENT TOTAL.....	\$ 108,800	\$ -	\$ -	\$ -	\$ 108,800

Overview: State Fiscal Recovery Funds

ARPA Coronavirus State Fiscal Recovery Funds, continued

	(Dollar Amounts in Thousands)				
	2021-22	2022-23	2023-24	2024-25	Total
	Actual	Available	Budget	Estimated	
Education					
COVID-SFR-State System of Higher Education	\$ 50,000	\$ 125,000	\$ -	\$ -	\$ 175,000
COVID-SFR Pandemic Response	<u>32,605</u>	<u>29,853</u>	<u>-</u>	<u>-</u>	<u>62,458</u>
DEPARTMENT TOTAL	<u>\$ 82,605</u>	<u>\$ 154,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,458</u>
Higher Education Assistance Agency					
COVID-SFR Pandemic Response	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
COVID-SFR PA Student Loan Relief for Nurses.....	<u>15,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
DEPARTMENT TOTAL	<u>\$ 20,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,000</u>
Emergency Management Agency					
COVID-SFR EMS Recovery Grant Program.....	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>
Environmental Protection					
COVID-SFR Transfer to Clean Streams Fund	\$ - *	\$ -	\$ -	\$ -	\$ -
COVID-SFR Storm Water Management Grants.....	-	8,800	-	-	8,800
COVID-SFR Acid Mine Drainage Abatement & Treatment....	-	4,400	-	-	4,400
COVID-SFR NM Ed Research & Technical Assistance	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
DEPARTMENT TOTAL	<u>\$ -</u>	<u>\$ 14,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,700</u>
Health					
COVID-SFR Pandemic Response	\$ 12,850	\$ -	\$ -	\$ -	\$ 12,850
COVID-SFR Biotechnology Research.....	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
DEPARTMENT TOTAL	<u>\$ 12,850</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,850</u>
Human Services					
COVID-SFR Pandemic Response	\$ 61,965	\$ -	\$ -	\$ -	\$ 61,965
COVID-SFR Hospital Workforce Assistance.....	100,000	-	-	-	100,000
COVID-SFR Health Care Workforce Assistance.....	110,000	-	-	-	110,000
COVID-SFR Long-Term Living Programs	282,000	250,000	-	-	532,000
COVID-SFR Child Care Stabilization	90,000	-	-	-	90,000
COVID-SFR Mental Health	-	100,000	-	-	100,000
COVID-SFR Low-Income Home Energy Assistance Program.....	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
DEPARTMENT TOTAL	<u>\$ 643,965</u>	<u>\$ 375,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,018,965</u>
Infrastructure Investment					
COVID-SFR Clean Water Procurement Program	<u>\$ -</u>	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
Labor and Industry					
COVID-SFR Pandemic Response	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>
Revenue					
COVID-SFR Property Tax Rent Rebate.....	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,000</u>
Transportation					
COVID-SFR Highway and Safety Capital Projects	<u>\$ 279,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,000</u>
Legislature					
COVID-SFR Pandemic Response	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,000</u>
TOTAL ARPA CORONAVIRUS STATE FISCAL RECOVERY FUNDS	<u>\$ 5,907,800</u>	<u>\$ 1,383,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,291,328</u>

* \$220,000,000 was appropriated to the Department of Environmental Protection in 2021-22. These funds were subgranted in 2022-23 as follows: Department of Agriculture (\$174,500,000); Pennsylvania Infrastructure Investment Authority (\$22,000,000); Department of Environmental Protection (\$14,700,000); and Department of Conservation and Natural Resources (\$8,800,000).

Overview: Infrastructure Investment and Jobs Act

Infrastructure Investment and Jobs Act (IIJA)

The federal [Infrastructure Investment and Jobs Act](#) is providing a once-in-a-generation investment of federal funds into critical infrastructure projects across the nation.

The Commonwealth of Pennsylvania is receiving billions of federal dollars over the next several years to invest in roads, bridges, water and sewer systems, and other traditional infrastructure. Funding is also allocated to critical investments in cybersecurity, energy efficiency, water quality, clean air, and broadband access. The Commonwealth will also compete for additional federal discretionary grant funding that has been made available via the IIJA.

Below is a list of program funding by Commonwealth agency currently expected through 2027-28. Dollars represent federal funds only and do not include any required state matching funds. For more information on agency efforts, please visit the the [DCED](#), [DEP](#), or [DOT](#) IIJA websites.

SUMMARY

This table illustrates the distribution of award from the federal Infrastructure Investment and Jobs Act.

	(Dollar Amounts in Thousands)					
	2022-23 Available	2023-24 Budget	2024-25 PY1	2025-26 PY2	2026-27 PY3	2027-28 PY4
Community and Economic Development						
(F)IIJA-DOE-Weatherization Administration.....	\$ 2,791	\$ 5,500	\$ 5,500	\$ 162	\$ -	\$ -
(F)IIJA-DOE-Weatherization Program.....	47,209	80,000	44,879	-	-	-
(F)IIJA-Broadband Equity, Access, and Deployment....	100,000	330,000	405,000	405,000	405,000	-
(F)IIJA-State Digital Equity Capacity	1,605	14,438	8,021	8,021	8,018	-
DEPARTMENT TOTAL.....	\$ 151,605	\$ 429,938	\$ 463,400	\$ 413,183	\$ 413,018	\$ -
Conservation and Natural Resources						
(F)IIJA-Community Wildfire Defense Grant Program....	\$ 400	\$ 400	\$ -	\$ -	\$ -	\$ -
Emergency Management Agency						
(F)IIJA- State and Local Cybersecurity	\$ 5,206	\$ 10,699	\$ 8,024	\$ 2,675	\$ -	\$ -
Environmental Protection						
(F)IIJA-Solid Waste Infrastructure for Recycling	\$ -	\$ 1,101	\$ -	\$ -	\$ -	\$ -
(F)IIJA-DOE-Energy Programs	22,300	22,300	-	-	-	-
(F)IIJA-Orphan Well Plugging	105,000	105,000	40,000	40,000	40,000	-
(F)IIJA-Energy Efficiency and Conservation	4,000	4,000	-	-	-	-
(F)IIJA-Assistance for Small and Disadvantaged Communities.....	28,103	103,189	65,646	65,646	65,646	-
(F)IIJA-Electric Grid Resilience	13,236	16,250	13,236	13,236	13,236	-
(F)IIJA-Chesapeake Bay	1,800	1,800	1,800	1,800	1,800	-
(F)IIJA-Brownfields.....	2,000	4,000	-	-	-	-
(F)IIJA-Water Quality Management Planning Grants....	1,000	1,000	-	-	-	-
(F)IIJA-USDA Good Neighbor Authority	660	2,000	-	-	-	-
(F)IIJA-National Dam Safety Program.....	100	100	-	-	-	-
(F)IIJA-NFWF America the Beautiful Challenge.....	7,500	7,500	-	-	-	-
(F)IIJA-Coastal Zone Management.....	8,154	8,454	-	-	-	-
(F)IIJA-Resilient and Efficient Codes Implementation...	-	3,000	-	-	-	-
(F)IIJA-Energy Auditor Training Grant.....	-	2,000	-	-	-	-
(F)IIJA-Energy Efficiency Revolving Loan Fund.....	-	3,700	-	-	-	-
(F)IIJA-Abandoned Mine Reclamation (EA)	19,904	469,904	244,904	244,904	244,904	244,904
DEPARTMENT TOTAL.....	\$ 213,757	\$ 755,298	\$ 365,586	\$ 365,586	\$ 365,586	\$ 244,904

Overview: Infrastructure Investment and Jobs Act

Infrastructure Investment and Jobs Act, continued

	(Dollar Amounts in Thousands)					
	2022-23 Available	2023-24 Budget	2024-25 PY1	2025-26 PY2	2026-27 PY3	2027-28 PY4
Fish and Boat Commission						
(F)IIJA-Delaware River Basin Conservation Act (EA) ...	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure Investment Authority						
(F)IIJA-Drinking Water Projects Revolving Loan Fund..	\$ -	\$ 318,809	\$ 169,327	\$ 174,863	\$ 174,863	\$ -
(F)IIJA-Loan Program Administration	6,639	7,062	7,299	7,535	7,535	-
(F)IIJA-Technical Assistance to Small Systems	3,319	3,531	3,650	3,767	3,767	-
(F)IIJA-Assistance to State Programs	1,000	1,158	1,200	1,200	1,200	-
(F)IIJA-Local Assistance and Source Water Pollution...	-	1,000	1,000	1,000	1,000	-
(F)IIJA-Sewage Projects Revolving Loan Fund	-	166,784	99,443	97,921	107,016	-
DEPARTMENT TOTAL	\$ 10,958	\$ 498,344	\$ 281,919	\$ 286,286	\$ 295,381	\$ -
State Police						
IIJA-Motor Carrier Safety - General Fund	\$ 8,100	\$ -	\$ -	\$ -	\$ -	\$ -
IIJA-Motor Carrier Safety - Public Safety and Protection Fund	-	8,500	8,500	8,500	8,500	-
DEPARTMENT TOTAL	\$ 8,100	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ -
Transportation						
IIJA-Highway and Safety Capital Projects	\$ 1,013,192 *	\$ 792,384	\$ 837,617	\$ 883,754	\$ -	\$ -
TOTAL INFRASTRUCTURE INVESTMENT AND JOBS ACT FUNDING	\$ 1,403,218 *	\$ 2,495,563	\$ 1,965,046	\$ 1,959,984	\$ 1,082,485	\$ 244,904

* This amount includes \$265,153,000 related to fiscal year 2021-22.