



## Highlights of the 2020-21 Budget.

### Revenues and Expenditures

- General Fund expenditures increase from \$34.6 billion in actual spending in 2019-20 to \$36.1 billion in proposed spending in 2020-21, an increase of \$1.5 billion 4.22%.
- General Fund revenues increase from \$34.4 billion in available funds in 2019-20 to \$36.0 billion in proposed revenues in 2020-21, an increase of \$1.6 billion or 4.63%.

### Minimum Wage and Worker's right.

- After the General Assembly failed to pass legislation to increase the minimum wage, the governor is again calling for an increase in the **minimum wage to \$12 per hour** effective July 1, 2020, with annual increases of \$0.50 until the minimum wage reaches **\$15 per hour** on July 1, 2026.
- The governor also calls, once again, to end employment discrimination for LGBTQ individuals.

### Child Care and Early Education

- **Early Intervention (EI)** is an effective program that helps infants through five-year-olds with developmental delays or difficulties. The 2020-21 budget includes a **\$2.5 million** investment to increase county administrative support for the program and **\$11 million** dollars for 2,000 additional slots for children age 3 to 5.
- Quality child care helps people hold jobs but it has become increasingly unaffordable. So the 2020-21 budget includes a **\$15.3 million increase** in federal funds to Child Care Works base rates to help child care facilities expand their services.
- The governor also proposed to expand pre-K programs which have a track record of boosting the long-term success of children in many ways. The 2020-21 budget proposes **\$25 million for Pre-K Counts** and **\$5 million for the Head Start Supplemental Program** which will allow about 3,270 additional children to secure places in a good pre-K program.

### K-12 Education

- Children in full-day kindergarten programs, have better nutrition and do better in school over the long-term. The governor's budget proposal calls for **providing free, full-day kindergarten** for all Pennsylvania students enrolled in public or charter elementary schools.
- The Governor's budget calls for an addition **\$405 million** in funding for K-12 education. **\$100 million is added to Basic Education funding** via the Fair Funding Formula. There is a **\$25 million increase in Special Education funding**.
- The additional **\$280 million for school districts** is generated by major and very much needed **reforms in the Charter School Law**. While many charter schools improve education, others have poor academic performance and questionable business practices. And their mostly unregulated growth has become increasingly costly, reducing spending for public schools and driving property taxes higher. The governor proposes to:

- apply the four-tiered Special Education funding formula to all charters to better align Special Education Funding with actual costs of providing services to special education students, saving school districts an estimated \$147 million annually; and
  - establish a statewide cyber charter tuition rate of \$9,500 per student to align tuition with the actual costs of providing an online education, saving school districts an estimated \$133 million annually.
- Governor Wolf again proposes to lift the minimum teacher salary in Pennsylvania to \$45,000 up from the \$18,500 floor that dates back to the 1980s. This is a necessary step at a time when teacher shortages are becoming more and more common.

### Higher Education

- After deep cuts in the Corbett years and slow increases in the last five years, the governor has chosen to make a major investment in higher education, in keeping with the State Board of Education's goal ensuring that 60% of working-age Pennsylvanians—including those who are historically underrepresented—have a postsecondary degree or credential by 2025. The 2020-21 budget proposes to repurpose **\$204 million** from the Pennsylvania Race Horse Development Trust Fund to support the **Nellie Bly Tuition Program**, which will provide financial assistance to targeted full-time students in the PASSHE system. The program is designed for students who agree to stay in Pennsylvania for the same number of years for which they receive the benefit and will convert to a loan if the student moves out of the Commonwealth early.
- To reduce the average \$37,000 in loans held by Pennsylvania college students, the governor a **\$60 million** investment in the Pennsylvania State Grant Program, with 30 million in new state funding, matched by \$30 million from PHEAA.
- The governor also proposes **\$12.9 million** in additional funding to support the shared IT infrastructure of PASSHE.

### Human Services

Governor Wolf proposes a number of relatively small but meaningful investments in human services. These proposals typically look for creative ways to maximize the impact of new spending and deliver services in innovative ways.

- A new Department of Community and Economic Development (DECD) competitive grant program will help **child care providers** and businesses with grants to support non-traditional child care, especially that which provides services during evening, weekend, and overnight hours.
- The governor proposes using **\$23.4 million** in federal funding to create a work expense deduction to address the **TANF benefits cliff** allowing recipients to stay on the program longer, making it more likely for them to attain self-sufficiency.
- The 2020-21 budget calls for restructuring the **Child Care Works (CCW)** program to gradually and equitably increase the family contribution as income increases.
- The governor proposes adding **\$1.4 million** to improve the **Ventilator Dependent Resident Grant Program**.

- An additional **\$1 million** is proposed to expand a program that provides legal assistance to **low-income individuals and families who are victims of abuse** who need emergency protective services and have incomes under 125% of the federal poverty level.
- The budget proposes an additional \$1.2 million to establish a **direct care worker training** program to support the workers providing long-term in-home services and supports to those who are aged or disabled.
- **\$4 million** in new spending will help counties provide better risk management and incident investigations to support individuals with intellectual disabilities and/or autism living in the community.
- **\$5.1 million** will be added to program areas within the Department of Human Services (DHS) to support timely inspections of facilities that serve vulnerable populations.
- The governor proposes an additional **\$1.25 million** targeted for individuals ready for **discharge from state mental hospitals** for whom community resources or programs are not yet available.
- The 2020-21 budget adds **\$8.1 million** to provide services to **1,700 older adults on the waiting list for OPTIONS in-home services program** building on previous efforts to help seniors age in place.
- Continuing the bi-partisan commitment to intellectual disability services, the 2020-21 budget proposes an additional **\$15 million to move 732 individuals with an intellectual disability and/or autism from the emergency waitlist** into the Community Living Waiver and 100 individuals into the Consolidated Waiver.
- An additional **\$1.3 million** for the **Court Appointed Special Advocate (CASA) Program** will support volunteer advocacy that help children who have been victims of abuse or neglect be safe and thrive in a permanent home.
- An additional **\$1 million** will maintain evidence-based home visiting programs that help young parents and children, replacing federal funding that has been cut.
- The governor proposes to add **\$1.4 million** to expand a Medicaid managed care program that provides **in-home services for new parents**.
- **\$450,000** in new funds for the **Primary Health Care Practitioner Program** will secure expanded access to quality, affordable primary health care in areas of need.
- The governor proposes an additional investment of **\$1 million** in the **Pennsylvania Agricultural Surplus System (PASS)** to reduce food insecurity. PASS provides funds to cover the costs associated with harvesting, processing, packaging, and transporting surplus products that are donated to the charitable food system.

### **Ensuring Adequate Community Support After Commonwealth Facility Closures**

- The governor proposes **\$5 million** for a **State Facility Closure Transition Fund** within the Department of Community and Economic Development to provide grants and loans to municipalities affected by the permanent closure of a state-operated or state-owned facility. The grants and loans may be used for economic development opportunities or the payment of expenses incurred by the local municipality related to the facility closure.

## Investing in Manufacturing and Business Development

Providing support for innovative businesses, and especially those in manufacturing, has long been a goal of Governor Wolf.

- The governor proposes an additional **\$2.5 million** in funding for the **Industrial Resource Centers (IRCs)** that provide support to small- and medium-sized manufacturers. The funds will be awarded competitively to IRCs that partner with institutions of higher education to deliver innovative services to companies.
- An additional **\$2.5 million** will be awarded competitively to the **Partnerships for Regional Economic Performance (PREP) Network, Small Business Development Centers, Local Development Districts, and Industrial Development Organizations**, again supporting partnership with institutions of higher education on entrepreneurial internships and business incubation and other programs that help new, innovative businesses thrive.
- An additional **\$2.35 million** will support **Invent Penn State**, which combines academic programs with business startup training and incubation. Like the other initiatives, this program funds university, community, and industry collaborations that help turn research into products and services that benefit Pennsylvanians.
- An additional **\$5 million** to the **Ben Franklin Technology Development Authority** will give competitive grants to provide startup funding and technical assistance to companies throughout the Commonwealth.

## Workforce Training

- The **Keystone Economic Development and Workforce Command Center**, which Governor Wolf created last year, identified number of barriers that prevent job-seeking Pennsylvanians from connecting to workplaces needing employees. The 2020-21 budget provides **\$12 million** to establish a new competitive grant program through the Department of Community and Economic Development (DCED) to address those barriers. Eligible applicants will include, but not be limited to, businesses, education and workforce partners.
- **\$2 million** in additional funding will be provide for the **Workforce and Economic Development Network of Pennsylvania (WEDnetPA)**, to help companies assess their training needs and develop training plans.

## Public Safety

- The governor proposes **\$6 million** in new funds for comprehensive gun violence prevention and reduction grants within the newly created **Pennsylvania Commission on Crime and Delinquency (PCCD)**. These funds will implement evidence-based strategies recommended by the Special Council on Gun Violence to prevent suicide by firearms, reduce community gun violence, prevent domestic violence-related shootings, and reduce the likelihood of accidental shootings.
- The governor calls for adding an additional **\$4 million** for the **Philadelphia Gun Violence Task Force**, a collaboration between the Philadelphia District Attorney's Office, State Police, the Federal Bureau of Investigation, and the Bureau of Alcohol, Tobacco, Firearms and Explosives that seeks to reduce criminal access to guns and conducts origin-of-crime-gun investigations.

- After failing in the past two years to convince the General Assembly to require local communities that rely on the **Pennsylvania State Police to police their communities to pay a share of the cost**, the governor is taking a different approach in the 2020-21 budget. He calls for a **service fee** paid by communities based on station coverage costs adjusted by other factors including population, income, and whether municipalities benefit from full- or part-time police services. The fee will pay for four additional cadet classes that will bring the trooper complement to the highest level ever by the end of 2020-21.

## Environmental Protection and Restoration

After many years of shrinking or static budgets for environmental protection, Governor Wolf proposes new initiatives for environmental protection, smart energy, and conservation.

- The budget invests an additional **\$2.5 million** in **DEP core programs**.
- The budget includes **\$1 million** for Pennsylvania's Phase 3 **Chesapeake Bay Watershed Implementation Plan** (Phase 3 WIP).
- The governor proposes an additional **\$1.5 million** for the Department of Environmental Protection's **Bureau of Air Quality**.
- This budget provides an additional **\$2.5 million** for **state park and forest rangers**.
- The budget calls for an increase of **\$1 per ton** to the tipping fee on municipal waste landfill deposits to generate an additional **\$22.6 million** and maintain the solvency of the **hazardous sites cleanup fund**.
- The budget does not include any detailed discussion of the **Regional Greenhouse Gas Initiative**, a regional cap-and-trade program that limits carbon dioxide emissions and, depending on how it is implemented could generate substantial new revenues for the state.
- The governor's budget calls for new legislation to **regulate pipeline placement and safety**.
- The governor proposes that the Capital Budget include **\$1 billion in grant authority** for Redevelopment Assistance Capital Program (RACP) projects dedicated to **lead and asbestos remediation projects**, with the inclusion of schools as eligible grantees. This proposal is addressed to the discovery and removal of lead and asbestos in public schools in Philadelphia and elsewhere in the Commonwealth.

## Infrastructure Repairs and Improvements

- The governor proposes to take advantage of a new program that allows a state to transfer up to 5% of the cumulative amount of the federal grant dollars awarded for its clean water state revolving fund to address lead in drinking water. Under this authority, **PENNVEST** will provide grants for **lead service line replacement** in 2020 and identify shovel-ready projects that can be funded in 2021.1.
- The governor again proposes **Restore Pennsylvania**, an infrastructure improvement plan that would invest **\$4.5 billion** over four years in projects that increase high-speed internet access, combat blight, assist communities with storm preparedness and disaster recovery, eliminate contaminants, clean up brownfields, build green infrastructure, repair rural roadways and develop new business sites. The bonds issued for the Restore Pennsylvania program will be repaid with a severance tax.

## Taxation

- The governor again proposes to close the **Delaware loophole** in the Corporate Net Income Tax by instituting combined reporting while gradually lowering the rate to 5.9%.