



GOVERNOR'S PROPOSED  
**BUDGET 2024-2025**  
*Senate Democratic Appropriations Committee*

Governor Josh Shapiro  
FY 2024-2025  
General Fund Budget  
(Proposed)

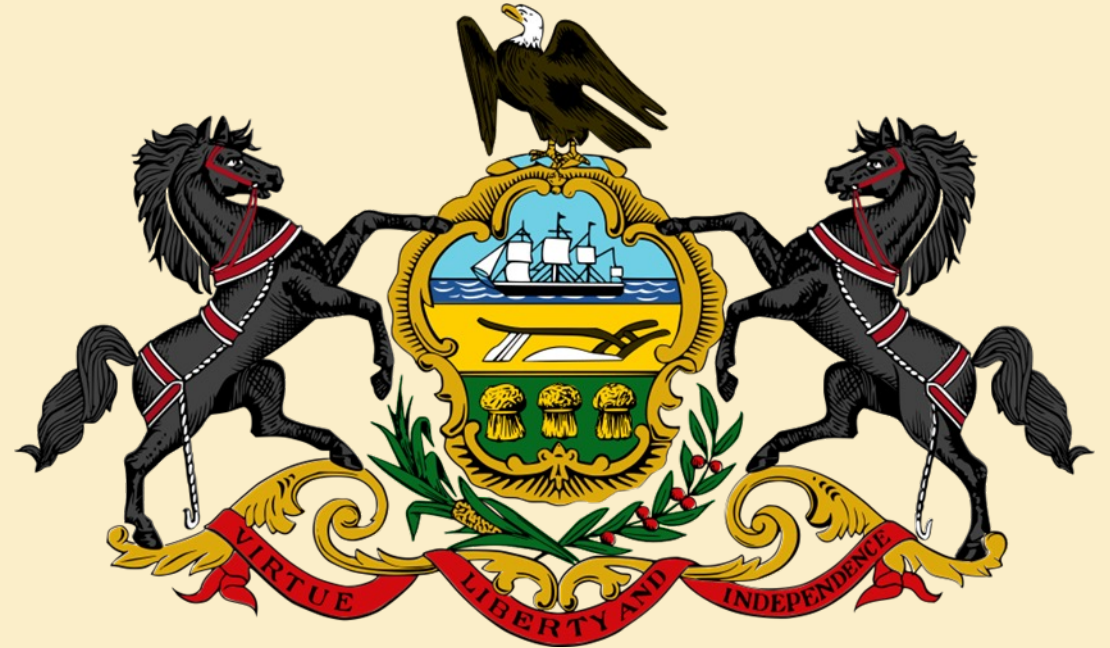
Senate Appropriations Committee (D)

Senator Vincent J. Hughes, Chair

Senator Tim Kearney, Vice-Chair

Mark W. Mekilo, Executive Director

February 6, 2024



# Financial Overview

# FY 2024-2025 General Fund Financial Statement

General Fund Financial Statement				
	2022-23	2023-24	2024-25	
	<u>Actual</u>	<u>Available</u>	<u>Budget</u>	<u>Gwth.</u>
Beginning Balance	\$ 5,537,421	\$ 8,084,871	\$ 7,070,402	
Adjustment to Beginning Balance	9,000	75,000	-	
Adjusted Beginning Balance	5,546,421	8,159,871	7,070,402	-13.4%
Revenue:				
Base Revenue Actual / Official Estimate	44,917,148	44,610,600	46,482,300	
Revision to Official Revenue Estimate	-	656,500	-	
Subtotal Base Revenue	44,917,148	45,267,100	46,482,300	2.7%
Proposed Tax and Revenue Modifications				
Adult Use Cannabis Tax	-	-	14,800	
Skill Games Tax	-	-	150,400	
Transfer to PHARE Fund	-	-	(20,400)	
Transfer to Public Transportation Trust Fund	-	-	(282,800)	
Debt Service	-	-	(125,200)	
Minimum Wage	-	-	56,700	
Subtotal Tax and Revenue Modifications	-	-	(206,500)	
Subtotal Revenue	44,917,148	45,267,100	46,275,800	
COVID-19 Enhanced FMAP	2,161,223	525,966	-	
Refunds	(1,489,400)	(1,436,600)	(1,427,900)	
Total Revenue	45,588,971	44,356,466	44,847,900	1.1%
Prior Year Lapses	810,000	426,026	250,000	
Funds Available	51,945,392	52,942,363	52,168,302	-1.5%
Expenditures:				
Appropriations <sup>1</sup>	40,800,979	45,022,342	48,338,491	
Proposed Supplementals	-	(411,947)	-	
Subtotal Appropriations	40,800,979	44,610,395	48,338,491	8.4%
COVID-19 Enhanced FMAP	2,161,223	525,966	-	
Current Year Lapses	-	(50,000)	-	
Total Expenditures	42,962,202	45,086,361	48,338,491	7.2%
Preliminary Balance	8,983,190	7,856,002	3,829,811	
Transfer to Rainy Day Fund	(898,319)	(785,600)	(382,981)	
Ending Balance	8,084,871	7,070,402	3,446,830	-51.2%

<sup>1</sup>Includes Executive Authorizations.

Dollars in thousands.

## Governor Shapiro's proposed budget supports the legalization, regulation, and taxation of Adult Use Cannabis

### Legislative Proposal

- While the Governor's budget book does not contain legislative language or identify a previously introduced legalization bill, the book contains the following information:
  - Effective date:
    - Legalization of adult use cannabis: July 1, 2024.
    - Sales commence: January 1, 2025.
  - Regulatory Agency: Department of Agriculture
  - Proposed Taxes
    - 20% of the wholesale price of cannabis product sold through the regulated system. Revenues deposited into Adult Use Cannabis Restricted Account
    - Sales subject to state sales and use tax (6%).
  - Proposed uses of Adult Use Cannabis Restricted Account:
    - \$5.0 million for restorative justice.
    - \$5.0 million to the Department of Agriculture for operations.
    - \$2.0 million to State Police for enforcement.
    - \$500,000 to the Department of Revenue for administration.
    - The balance of the restricted account would be transferred to the General Fund.
  - Estimated tax revenues:
    - **FY 2024-25:** **\$14,800,000**
      - *Adult Use Cannabis Tax:* *\$3,100,000*
      - *Sales & Use Tax:* *\$11,700,000*
    - **FY 2025-26:** **\$77,100,000**
      - *Adult Use Cannabis Tax:* *\$42,900,000*
      - *Sales & Use Tax:* *\$34,200,000*
    - **FY 2026-27:** **\$157,300,000**
      - *Adult Use Cannabis Tax:* *\$109,900,000*
      - *Sales & Use Tax:* *\$47,400,000*
    - **FY 2027-28:** **\$228,000,000**
      - *Adult Use Cannabis Tax:* *\$165,200,000*
      - *Sales & Use Tax:* *\$62,800,000*
    - **FY 2028-29:** **\$254,700,000**
      - *Adult Use Cannabis Tax:* *\$166,800,000*
      - *Sales & Use Tax:* *\$87,900,000*

# Adult Use Cannabis

# Agriculture

**Governor Shapiro's proposed budget invests of \$20,000,000  
in our farmers and agriculture/dairy industry**

## **Department of Agriculture**

- **\$10.3 million in agriculture innovation that will support and attract new agriculture businesses.**
  - Funding will support staff for farmers and provide grants, loans, and technical and logistical assistance for innovative farming practices.
- **\$5.6 million to reform Dairy Margin Coverage Protections and for a new Dairy Development Specialist at the department to work and advocate for help to grow PA's dairy industry.**
- **\$5 million investment to a new state lab in western PA to assist with testing capacity and helping with rapid diagnosis and mitigation of future animal disease outbreaks.**

# Childcare Access & Affordability

**Governor Shapiro's proposed budget supports childcare providers and working families by increasing provider rates, providing additional funding for early intervention, and cutting taxes through the Child & Dependent Care Tax Credit**

## **Department of Human Services**

- **\$96,000 in state funds and \$62,000,000 in federal funds to increase reimbursement rates for childcare providers participating in the Child Care Works program.**
  - Rates will be increased to the nationally recommended 75<sup>th</sup> percentile of the current market cost of childcare services.
- **\$5,392,000 for childcare provider rate adjustments to support \$15/hr. minimum wage.**
- **\$17,000,000 to ensure that eligible children ages 0-3 can access DHS Early Intervention services.**

## **Child and Dependent Care Tax Credit**

- **\$124.9 million in tax relief will go to working families to offset child or dependent care costs through the Child and Dependent Care Enhancement Tax Credit.**
  - The Child and Dependent Care Tax Credit increased from 30% of the federal credit to 100% of the federal credit, beginning with tax year 2023.

# Corrections

**Governor Shapiro's proposed budget invests over \$30,000,000 in the Corrections system to improve conditions, provide opioid use disorder treatment, and promote correction officers' mental health and well-being**

## **Department of Corrections**

- **\$5 million for additional staff to facilitate an increase in out-of-cell time offered to inmates in Extended Restrictive Housing, formerly solitary confinement.**
- **\$29.6 million investment to continue providing Medication Assisted Treatment to the increasing number of inmates diagnosed with Opioid Use Disorder.**
  - The program has been federally funded since its inception in 2014 but has outgrown those resources and the US DOJ has indicated that treatment must continue if an inmate was previously receiving it in the community.
- **\$239,000 investment to support the mental health and wellness of corrections staff.**



# Economic Development

# Education

*Pre-K*

*Basic Education*

*Special Education*

*Career & Technical Education*

*Dual Enrollment*

*Early Intervention*

*Cyber Charter Funding Reform*

**Governor Shapiro's proposed budget invests over \$1,400,000,000 in Pre-K thru 12 education funding in response to the Commonwealth Court decision in the *William Penn* case and recommendations made by the Basic Education Funding Commission**

## **Department of Education**

- **\$1,072,000,000 increase for basic education funding allocated as follows:**
  - \$736,000,000 targeted to school district's that are inadequately funded.
  - \$136,000,000 targeted to school districts with high property taxes to promote tax equity.
    - The two investments will meet the first-year investment recommended by the BEFC to address Pennsylvania's unconstitutional school funding system.
  - \$200 million for all 500 school districts through the basic education funding line
    - This investment also follows the recommendation of the BEFC.
    - The BEFC recommended updating the current funding formula improve predictability and stability of funding. These included smoothing the poverty factors and resetting the BEF base to the 2023-24 allocation.
  - With this investment, total funding for basic education would reach \$8,944,000,000.
- **\$50,000,000 increase in special education funding, a 4% increase over FY 2023-24**
- **\$2,400,000 increase for career and technical education, a 2% increase over FY 2023-24**
- **\$7,000,000 for dual enrollment programs**
- **\$32,700,000 increase for Pre-K Programs**
  - \$30,000,000 for Pre-K Counts, an 11% increase over FY 2023-24.
  - \$2,700,000 for Head Start, a 3% increase over FY 2023-24
- **\$17,000,000 increase for Early Intervention, a 5% increase over FY 2023-24.**

## **Legislative Proposal**

- **Cyber Charter School Funding Reform**
  - The Governor proposes establishing a statewide cyber charter tuition rate of \$8,000 per student per year (current range is \$8,639 - \$26,564 per student per year).
  - Enacting this reform is estimated to save school districts \$262,000,000 annually.

# Education

*Student Health & Wellness  
Facilities/Infrastructure  
School Safety & Security*

**Governor Shapiro's proposed budget dedicates over \$480,000,000 to improve student health and wellness, fix toxic schools, and create safe learning environments**

## **Department of Education**

- **\$300,000,000 for the School Environmental Repairs Program.**
  - This program was created in FY 2023-24 and shifted to the Department of Education pursuant to Act 34 of 2023.
- **\$16,667,000 increase in School Food Services**
  - This increase continues funding for initiatives, including the universal free breakfast program adopted as part of the FY 2023-24 budget.

## **Pennsylvania Commission on Crime & Delinquency**

- **\$161,700,000 distributed by the PCCD's School Safety & Security Committee:**
  - \$100 million for K-12 Mental Health
    - General Fund dollars replace federal ARPA funds used in FY 2023-24.
  - \$50 million for School Safety and Security
    - Funding for physical upgrades or mental health services for school entities.
  - \$11.7 million for Target Safe Schools Grants to nonpublic schools.
    - This program was previously administered by the Department of Education but was transferred to the School Safety and Security Committee by Act 33 of 2023.
    - This year's appropriation reflects an \$11 million reduction, returning the program to FY 2022-23 funding levels.

## **Department of Health**

- **\$3,000,000 increase for School District Health Services to provide feminine hygiene products at no cost to students in schools.**
  - Nationally, 1 in 4 teens have missed class due to a lack of access to menstrual hygiene supplies.
  - Schools will be able to purchase product dispensation devices as one-time purchases and procure hygiene products on an ongoing basis to be made readily available to students.

# Education

## *Teacher Supports*

**Governor Shapiro's proposed budget recognizes the need to address Pennsylvania's current teacher shortage by investing over \$28,000,000 in teacher recruitment/retention and professional development**

### **Department of Education**

- **\$10,000,000 for the Educator Talent Recruitment Account.**
- **\$450,000 to support the Talent Recruitment Office at PDE.**
  - This office is dedicated to helping ease barriers secondary school students face enrolling in college coursework before high school graduation.
  - Funds are also intended to support Grow Your Own programs.
- **\$5,000,000 increase for the Student Teacher Stipend Program at PHEAA.**
  - Represents a 50% increase over FY 2023-24 funding of \$10,000,000.
- **\$8,000,000 for technological upgrades to the Teacher Information Management System (TIMS).**
  - To ease barriers to teacher certification.
- **\$5,000,000 increase for Teacher Professional Development.**
  - A 100% increase over FY 2023-24.

# Higher Education *Blueprint for Higher Education*

## Governor Shapiro's Blueprint for Higher Education

Governor Shapiro's proposed budget recommends placing the Pennsylvania State System of Higher Education and the Community Colleges together under one consolidated governance structure and moving all higher education funding to a performance-based model.

To date, no additional details have been provided regarding either implementation or the composition or structure of a new board.

Continued funding to member colleges and universities of the consolidated system will be through a yet-to-be established performance-based funding formula.

While not mentioned explicitly in his budget proposal, the Governor has separately stated in his [Blueprint for Higher Education](#) release that the formula would take into consideration several factors, including but not limited to: increasing enrollment, the number of first-generation college students receiving credentials, and graduation rates.

The formula is planned to further incentivize institutions to recruit and graduate students who are studying in fields that are facing workforce shortages.

Also separately stated in the Governor's blueprint is that the new funding formula will be driven out through PDE.

State-related universities are currently considered non-preferred appropriations, which require a 2/3 vote in each chamber for passage.



# Higher Education *Funding*





# Higher Education

*Affordability*



# Election Security

**Governor Shapiro's proposed budget includes \$5,724,000 for election security measures and voter education/outreach as Pennsylvania again will be a critical state in the 2024 Presidential Election**

## **Department of State**

- \$250,000 within the General Government Operations line for an initiative relating to operations, election security and voter integrity.
- \$474,000 for an initiative to aid the promotion of secure and fair elections within the Statewide Uniform Registry of Electors.
  - This funding will be used to support increased technical staff within the Department to assist counties, to collect and analyze election-related data, and to hire full-time investigators to investigate allegations of unlawful voting.
- \$5 million for voter education and direct voter outreach through the Department of State. The additional funds will be used to communicate directly with voters, to disseminate accurate information, reduce the knowledge gap about voting, and ease the process of updating voter rolls.



# Emergency Management/Services

**Governor Shapiro's proposed budget invests over \$40,000,000 in emergency response and emergency service providers to protect the health and safety of Pennsylvanians**

## **Pennsylvania Emergency Management Agency**

- \$2.7 million for the department to work closely with county partners during all phases of disaster planning and management.
- \$10.7 million increase for the Disaster Relief state match for federally funded projects
- \$101,000 increase for the State Fire Commissioner to provide technical advice and support to local fire services.

## **Fire and Emergency Medical Services Grant Program**

- \$30,000 increase in the Fire and Emergency Medical Services Grant Program paid through the Property Tax Relief Fund.

# Environment/Climate

## *RGGI*

### **A Note on the Regional Greenhouse Gas Initiative (RGGI)**

Unlike Governor Shapiro's first budget proposal, revenue from the Regional Greenhouse Gas Initiative (RGGI) has not been booked for the Clean Air Fund for FY 2024-25.

Implementation of RGGI was struck down by the Commonwealth Court on the basis that it constitutes a tax which the Administration cannot unilaterally impose.

The Administration has appealed that ruling to the Supreme Court.

Pennsylvania is prevented from collecting RGGI fees until the appeal is resolved.

# Food Insecurity

## Governor Shapiro's proposed budget provides over \$42,000,000 to address food insecurity

### Department of Human Services

- **\$17,000,000 to increase federal SNAP benefits for seniors and persons with disabilities** through a state supplement.
  - \$16 million for benefits/\$1 million for related IT system updates.
  - The effective minimum benefit would increase from \$23 per month to \$35 per month.

### Department of Agriculture

- **\$8.5 million increase to PA Agricultural Surplus System**
  - Funds shifted from the State Food Purchase Program
    - \$7,500,000 for the program
    - \$1 million for the Senior Food Box
- **\$3,000,000 to reduce food insecurity and increase access to healthy meals.**
  - \$2,000,000 in State Food Purchase Program
  - \$1,000,000 for State Food Purchase Program

### Department of Human Services

- **\$3,750,000 in state funds to expand the summer EBT food services program to school children during the break.**
  - \$3,000,000 for program expansion
  - \$750,000 for IT upgrades

# Government Services

## Governor Shapiro's proposed budget makes significant investments to improve government services

### Commonwealth Office of Digital Experience

- **\$34,052,000 to improve online services for Pennsylvanians and streamline the way they interact with the Commonwealth online.**
  - \$16,700,000 to build a new customer service platform.
  - \$6,547,000 to create a centralized repository of agency data.
  - \$6,500,000 to provide internal cross-agency services for scoping and building digital solutions.
  - \$2,808,000 to allow for alignment of business or individual profiles across various Commonwealth networks or applications.
  - \$1,497,000 to anonymize production data in non-production environments to limit access to personally identifiable information.

### Executive Offices

- **\$38,000,000 for required migration of the enterprise resource platform at the end of its supported lifecycle.**

### Office of Administration

- **\$1,701,000 increase for the following:**
  - \$402,000 to meet federal infrastructure matching requirements.
  - \$562,000 to fund generative AI pilot project
  - \$370,000 for legal and contracting support
  - \$367,000 to meet Commonwealth state and federal accessibility requirements.

# Gun Violence Prevention

## Governor Shapiro's proposed budget invests over \$100,000,000 to curb Pennsylvania's gun violence epidemic

### Pennsylvania Commission on Crime and Delinquency

- **\$60,000,000 increase in the Violence Intervention and Prevention program:**
  - \$37,500,000 for the traditional VIP program which provides grants and technical assistance to municipalities, district attorneys, institutions of higher education, and community-based organizations for programs designed to reduce community violence.
  - \$11,500,000 to create a statewide Building Opportunity through Out of School Time (BOOST) program focused on after school programming.
  - \$11,000,000 for a new program that will provide resources to communities most impacted by gun violence. Funds will be used for community improvement projects (e.g., blight remediation and improvement of shared spaces)
- **\$37.5 million for Gun Violence Investigation and Prosecution**
  - Senate Democrats led the effort to fund this grant program in 2022 using ARPA funding. The program will provide grants to district attorneys' offices and local law enforcement agencies to investigate and prosecute firearms related crimes.
- **\$1 million to establish the Office of Gun Violence Prevention**
  - New PCCD office to assist all Pennsylvania communities impacted by gun violence.

### Department of Health

- **\$1,000,000 for a statewide firearm injury prevention program to enhance data collection/analysis, educate communities, and support evidence-based interventions.**

### Office of Attorney General

- **A \$700,000 increase for the Joint Local-State Firearms Task Force, which operates in the city of Philadelphia and, beginning in FY 2023-24, Allegheny County.**

### Pennsylvania State Police

- **\$1,500,000 to increase capacity for the PA Criminal Intelligence Center and federal firearms license compliance.**
- **\$1,612,000 to supplement gun check fees to cover Pennsylvania Instant Check System (PICS) costs.**

# Hate Crimes

**Responding to the increase in attacks against certain racial, ethnic, and religious populations, Governor Shapiro's proposed budget designates \$5,600,000 to protect Pennsylvanians from hate crimes**

## **Pennsylvania Commission on Crime and Delinquency**

- **\$5,000,000 increase for the Nonprofit Security Grant Program**
  - A signature policy initiative of Senate Democrats, this grant program supports religious and other nonprofit organizations who are targets of hate crimes

## **Pennsylvania Human Relations Commission**

- **\$600,000 to protect the civil rights of Pennsylvanians against ideologies of hate.**
  - These funds will help the commission promote equal opportunity and enforce Pennsylvania's civil rights laws, ensuring that allegations of discrimination receive a timely and fair review.
  - The PHRC's complement is projected to increase by 5 people to fulfill this mission.

# Housing

**Governor Shapiro's proposed budget invests \$95,200,000 in housing initiatives through direct investment and tax policy.**

## **Department of Aging**

- **\$5,200,000 through the Lottery Fund's PENNCARE appropriation for emergency housing or placement for seniors in need.**

## **Department of Human Services**

- **\$10,000,000 for the county administered Homeless Assistance program.**
  - Funding can be used for where rental assistance, bridge housing, emergency shelter, eviction prevention, and other supportive housing services.
- **\$5,000,000 for legal services targeted at helping renters avoid eviction.**

## **Department of Community & Economic Development**

- **\$50,000,000 for the Whole Home Repairs program.**
  - The program was included in the FY 23/24 General Fund budget but ultimately not implemented. Consequently, if adopted and implemented, FY 24/25 will mark the first-time state general funds are committed to the program.
- **\$5,000,000 for Local Government Emergency Housing Support to provide flexible emergency housing response funding for local governments.**

## **Pennsylvania Housing Affordability and Rehabilitation Enhancement (PHARE) Fund**

- **\$10,000,000 increase in the Pennsylvania Housing Affordability and Rehabilitation Enhancement (PHARE) Fund.**
  - Funded by Realty Transfer Tax receipts, funding is formula driven and currently capped at \$60,000,000.
    - The budget proposes to eliminate the current formula in favor of a guaranteed \$70 million transfer in the budget year and increase the amount by \$10 million each year. If adopted, the PHARE program will have the following caps:
      - \$70.0 million in FY 2024-25.
      - \$80.0 million in FY 2025-26.
      - \$90.0 million in FY 2026-27.
      - \$100.0 million in FY 2027-28 and each year thereafter.

# Justice System

## *Civil*

## *Criminal*

## *Juvenile*

**Governor Shapiro's proposed budget builds on previous investments to designed to improve Pennsylvania's civil, criminal, and juvenile justice systems**

### **Department of Human Services**

- **\$1,839,000 increase for statewide legal services support for civil cases.**
- **\$18,109,000 increase for Youth Development Institutions and Forestry Camps.**
  - Funds will be used to repurpose a vacant facility in Montgomery County into a 48-bed secure facility for adjudicated male youth.
- **\$23,268,000 to increase staff capacity in the Youth Development Institution system (both public and private) in response to increased court-directed placements.**

### **Department of Education**

- **\$2,518,000 increase for Youth Development Institutions to provide required education services.**

### **Pennsylvania Commission on Crime and Delinquency**

- **\$2,500,000 increase for Indigent Defense**
  - Act 34 of 2023 established the Indigent Defense Advisory Committee within PCCD to provide resources, training, and grants for indigent defense services.
  - With proposed increase, total appropriation = \$10,000,000

### **Executive Offices**

- **\$4 million increase for the Improvement of Adult Probation Services.**
  - This initiative is designed to increase the use of evidence-based practices to reduce county probation costs. \$5 million transfer to the Crime Victim Services and Compensation Fund to stabilize the fund.

### **Pennsylvania Supreme Court**

- **\$3,490 for Unified Judicial System Cybersecurity and Disaster Recovery program to improve capabilities and redundancies against cybersecurity and disaster threats.**



# Mental/Behavioral Health

# Military & Veterans

**Governor Shapiro's proposed budget makes investments in our National Guard and supports veterans and their families**

## **Department of Military and Veterans Affairs**

- **\$500,000 to develop a Military Occupational Crosswalk, a user-friendly web portal for military families.**
- **\$2 million to establish a Veterans Outreach program.**
  - Veteran Outreach is a new walk-in outreach center that aids veterans, servicemembers, and their families.
- **\$242,000 to increase outreach sources to assist veterans in accessing available benefits.**
- **\$12,000,000 increase for Veterans Homes.**
  - Includes \$4,000,000 to replace federal Covid-19 response funds.
- **\$20,000 increase for the Civil Air Patrol program**
- **\$25,000 to support the Pennsylvania Air National Guard's compliance with environmental laws and regulations.**
- **\$500,000 for Armory Maintenance and Repair to stabilize the Armory Fund**
- **\$222,00 increase to continue the Amputee and Paralyzed Veterans Pension program.**

# Minimum Wage

Governor Shapiro's proposed budget calls on lawmakers to increase the Minimum Wage to \$15 per hour for non-tipped workers and \$9.00 per hour for tipped workers.

## Legislative Proposal

- Increased minimum wage effective January 1, 2025
  - Non-tipped workers: \$15.00 per hour
  - Tipped workers: \$9.00 per hour
  
- Estimated tax revenues:
  - FY 2024-25: **\$56,700,000**
    - *Personal Income Tax:* \$22,600,000
    - *Sales & Use Tax:* \$34,100,000
  - FY 2025-26: **\$113,400,000**
  - FY 2026-27: **\$113,500,000**
  - FY 2027-28: **\$113,700,000**
  - FY 2028-29: **\$113,700,000**

# Older Pennsylvanians

## Governor Shapiro's proposed budget invests over \$150,000,000 to protect older Pennsylvanians

### Department of Aging/State Lottery Fund

- **\$11,730,000 from the State Lottery Fund for a new program, "Aging Our Way, PA."**
  - This program implements provisions of the department's Master Plan for Older Adults, including a focus on caregiver support and streamlining resources.
- **\$10,000,000 increase for Area Agencies on Aging paid for through the State Lottery Fund.**
- **\$1,900,000 in State Lottery Funds to create the Alzheimer's Disease and Related Disorders Division within the department.**
- **\$15,000,000 in additional State Lottery funding to support the growing Pharmaceutical Assistance Contract for the Elderly (PACE) program.**

### Department of Human Services

- **\$765,000 for increased monitoring of long-term care facilities.**
- **\$10,000 for the Long-Term Care Transformation Office to support long-term care facilities.**

### Department of Revenue

- **Property Tax/Rent Rebate expansion.**
  - Act 7 of 2023 expanded the income eligibility limits and increased the rebate amounts under the Senior Citizen Property Tax & Rent Rebate program.
  - The expanded program will provide an additional \$116.8 million in property tax and rent rebate assistance for older Pennsylvanians in FY 2024-25.

# Public Safety

## Governor Shapiro's proposed budget enhances public safety by investing over \$50,000,000 in the Pennsylvania State Police, Office of Attorney General, and the Crime Victims Compensation Fund

### Office of Attorney General

- \$2,720,000 for the Office of Deputy Attorney General for Organized Retail Crime Theft.
- \$759,000 to create a unit to combat human trafficking.

### Executive Offices

- \$5 million to the Crime Victim Services and Compensation Fund to stabilize the fund.

### Pennsylvania State Police

- \$15,979,000 for four (4) new cadet classes to train 432 new cadets.
- \$15,000,000 to maintain appropriate replacement cycle and improve capabilities of helicopter fleet.
- \$9,000,000 for fixed-wing aircraft replacement.
- \$7,000,000 to improve the patrol vehicle replacement compliance. cycle and replace additional high-mileage vehicles.

# Public Transit

**Governor's Shapiro's proposed budget takes a significant step to address the Commonwealth's public transit funding with a \$282,800,00 increase in state Sales and Use Tax revenues dedicated to local transit agencies across Pennsylvania**

## **Public Transportation Trust Fund (PTTF)**

- **Increases the share of total sales and use tax collections (SUT) transferred to the PTTF and dedicated to public transit by 1.75% beginning July 1, 2024.**
  
- **The additional 1.7% transfer is estimated to generate the following amounts:**
  - FY 2024-25: \$282,800,000
  - FY 2025-26: \$290,200,000
  - FY 2026-27: \$297,700,000
  - FY 2027-28: \$304,400,000
  - FY 2028-29: \$312,900,000
  
- **The 1.75% transfer would be in addition to the following transfers from total sales tax collections to the PTTF currently authorized under law:**
  - 4.4 percent of total sales tax revenues.
  - A formula-based transfer equal to roughly 3.28 percent of total sales tax revenues.

# Skill Games

## Governor Shapiro's proposed budget assumes the legalization and regulation of skill games in Pennsylvania.

### Pennsylvania Gaming Control Board

- **\$4.697 million to the Gaming Control Board for administration**
  - Funded with skill games tax revenues.

### Legislative Proposal

- **The budget book provides no details about the skill games proposal other than the following:**
  - A 42% tax on gross gaming revenue from electronic gaming machines that involve an element of skill.
  - Skill games regulated by the Pennsylvania Gaming Control Board.
  - Deposits tax proceeds into a restricted account to be used as follows:
    - \$4,697,000 to the Pennsylvania Gaming Control Board for regulation.
    - The balance of the restricted account would be transferred to the General Fund.
  - Effective date: July 1, 2024.
  - Estimated tax revenues:

▪ FY 2024-25:	\$150,400,000
▪ FY 2025-26:	\$313,400,000
▪ FY 2026-27:	\$314,800,000
▪ FY 2027-28:	\$316,800,000
▪ FY 2028-29:	\$317,900,000
- **The issue of whether skill games are legal under current Pennsylvania law is being litigated. Commonwealth Court has ruled the games are legal under current law, however, that ruling has been appealed to the Pennsylvania Supreme Court.**

# Vulnerable Populations

## Governor Shapiro's proposed budget provides over \$50,000,000 to increase funding for programs benefitting vulnerable populations

### Department of Human Services

- **\$5,000,000 increase for services to victims of domestic violence.**
- **\$4,000,000 for medical debt relief for low-income Pennsylvanians.**
  - In addition, the proposal calls for health care providers to implement transparent practices to limit medical debt from being incurred.

### Pennsylvania Insurance Department

- **\$1,460,000 from the Insurance Regulation and Oversight Fund for the following:**
  - \$917,000 to facilitate the review of health insurance denials as required under the provisions of Act 146 of 2022.
  - \$443,000 to reduce insurance investigation backlogs and achieve closure for victims of fraud, theft, forgery, and dishonest practices. .
    - In 2023, the number of enforcement cases increased by over 30 percent, reaching an all-time high of 627 cases in one calendar year, half of which have been open for over 6 months.

### Pennsylvania Health Insurance Exchange Fund

- **\$44,000,000 for a pilot "subsidy wrap" insurance program.**
  - Administered by the Public Health Insurance Exchange Authority, the pilot program aims to reduce insurance premiums for low- and middle-income Pennsylvanians.
  - In prior fiscal years, monies in the Pennsylvania Health Insurance Exchange Fund (PHIEF) were transferred to the Reinsurance Fund to provide stable funding for the Reinsurance Program.
  - To ensure the Reinsurance Fund is not harmed, a one-time transfer of \$50,000,000 from the Workers' Compensation Security Fund to the Reinsurance Fund is proposed for FY 2024-25.



# Women's Health

**Governor Shapiro's proposed budget supports women's health by ensuring access to health care services, investing in programs for new mothers and pregnant women, and ensuring students have access to menstrual hygiene products.**

## **Department of Health**

- \$3,000,000 increase for School District Health Services to provide feminine hygiene products at no cost to students in schools.
  - Nationally, 1 in 4 teens have missed class due to a lack of access to menstrual hygiene supplies.
  - Schools will be able to purchase product dispensation devices as one-time purchases and procure hygiene products on an ongoing basis to be made readily available to students.
- \$2,557,000 increase in Health Promotion and Disease Prevention to implement prevention strategies to reduce maternal mortality and morbidity.

## **Department of Human Services**

- \$1,372,000 increase in the Medical Assistance program to increase rates in the family planning fee schedule.

# Workforce Development

# Questions