



Save for the Future to Prevent Unnecessary Tax/Fee Hikes

Saving for our future – committed to fiscal responsibility:

- Year-over-year growth of 2.9 % in General Fund and federal relief funds.
- **Depositing \$2.1 billion into the Rainy-Day Fund**, a historic \$5 billion total.
- Preserves \$3.6 billion in the General Fund for use in future budgets, using the Independent Fiscal Office’s more conservative revenue estimate.

Paying off our debts:

- Pays back over \$2 billion worth of prior budget borrowing:
 - \$1.7 billion to bring Medicaid payments to timely payments.
 - \$350 million repaid to the Workers’ Compensation Security Fund.
- Provides \$42 million to pay off outstanding debt in the Unemployment Compensation Trust Fund – saving small businesses from a tax increase.

Return to taxpayers = Relief

Relief for Pennsylvanians:

- Creating a first ever PA child care tax credit equal to 30% of the federal credit to support working families.
- One-time 70% enhancement of Property Tax and Rent Rebates for seniors.
- Additional money for LIHEAP to help low-income residents (including seniors) cope with Biden’s inflation and higher utility costs.

Relief for job creators, large and small:

- **Small Business Tax Relief.** To help smaller job creators as they continue their recovery from the governor’s COVID Lockdown, and deal with Biden-flation, we expand expense deductions to help and encourage businesses to buy equipment and invest/grow in Pennsylvania. (\$25,000 to \$1.08 million, matching IRS limit and 33 other states.)
- Allowing **small businesses** to defer (or carry forward) tax liabilities on gains from similar property exchanges – as allowed in 49 other states.
- **Encouraging job growth**, by reducing the nation’s second highest CNI Tax from a job-crushing 9.99% to 8.99% this year, and 0.5% each year to 4.99%. More than a dozen states recently reduced corporate income taxes.

Investing in Pennsylvania

Safe communities:

- This budget will allow the Pennsylvania State Police to train two new cadet classes, which will add up to an additional 200 troopers to protect communities throughout the state.
 - Includes \$7.7 million for mobile video and body cameras.
- We continue \$30 million in state funding for **violence intervention and prevention** and are supplementing these funds with an additional \$75 million in one-time federal relief funds for a **\$105 million** total.
- To reduce the trend of increasing crime and diminished local law enforcement capacity, local police and law enforcement will also benefit from **\$135 million in one-time federal relief funds** for local law enforcement support grants.
- With gun violence on the rise, we allocate **\$50 million** in federal relief funds for **gun violence investigation and prosecution** grants.
- To improve access to mental health care in Pennsylvania, the budget allocates **\$100 million** in one-time federal relief funds for a **collaborative care mental health initiative**. This is expected to be integrated care to deliver timely psychiatric care in the primary care setting. The use of these funds will be developed in consultation with experts in the field over the summer with enacting legislation to follow.

Investing in transportation infrastructure:

- The budget significantly reduces the amount of Motor License Fund dollars used to support the State Police to \$500 million, freeing up an **additional \$175 million annually in state funding for road and bridge projects**. The General Fund will now support a larger share of State Police funding.
- These funds will help meet the roughly 20% match requirement for \$4 billion in federal transportation infrastructure funds.
- Total dollars committed to road and bridge improvements total \$3.9 billion.

Prioritizing Education:

- The 2022-23 budget continues House Republican efforts to support educational opportunities for children throughout Pennsylvania, whether they attend a traditional public school, a public charter school or a private/parochial school.
 - **Increases Basic Education Funding** by \$525 million to \$7.08 billion.
 - **Includes a Level Up Initiative** at \$225 million which will provide additional funding to the poorest 100 school districts.
 - **Increases Early Childhood Education Funding** by \$60 million for Pre-K Counts and \$19 million for Head Start Supplemental Assistance.
 - **Increases Special Education Funding** by \$100 million to \$1.3 billion.
 - **Includes School Safety and Security** at \$100 million through the School Safety and Security formula.
 - **Includes School Mental Initiative** at \$100 million through the School Safety and Security formula.
 - **Increases Career and Technical School Funding** by \$6 million.
 - This budget sets a **record high \$15 billion for PreK-12** education.
- Provides better **education choice and opportunities** for kids through the Educational Improvement Tax Credit to **\$405 million, an additional \$125 million or 45% increase.**
- **Repeals** the punitive Wolf Charter School Regulations that hinder growth.
- Supports the **Pennsylvania State System of Higher Education (PASSHE)** system redesign by allocating **\$125 million in federal relief funds** to help integration efforts. In addition, PASSHE is receiving a \$75 million increase in General Fund support, a 15.7% increase.
- To ensure students are trained for the jobs of today, we increase community college funding by 4.6% and funding for the Thaddeus Stevens College of Technology by 4.0%.
- Supports students attending college by increasing the maximum PHEAA grant award from \$5,000 to \$5,700.

Supporting agriculture:

- The budget includes \$25 million to **combat avian flu** through assistance to farmers who are suffering tremendous losses right now. Another \$6 million will support the Animal Diagnostic Laboratory System to test for avian flu.
- We provide \$4 million in additional funding, for a total of \$6 million, to increase testing capacity at the Penn State and Penn Vet laboratories to test for avian flu, African swine fever, and other threats to our meat and poultry supplies.
- Penn Vet receives a \$1.6 million increase for a significant expansion of the Center for Infectious Diseases' work on avian, equine and swine diseases.
- Penn State Ag Extension will receive a 5% increase to continue to support our agriculture community with science-based education and information.
- We continue funding \$3 million to combat spotted lantern flies.

The largest environmental program in a decade:

- **A clean streams** initiative is established using \$220 million in federal relief funds, focusing on agricultural projects such as:
 - The Agricultural Conservation Assistance Program through the State Conservation Commission, which will provide training, education, and technical assistance as well as funding to participating conservation districts to prevent nutrient and sediment pollution.
 - The Clean Water Procurement Program, which will provide for the purchase of verified nutrient or sediment reduction through a competitive bidding process through the Pennsylvania Infrastructure Investment Authority.
- One-time federal relief funds are used to establish a \$100 million program to support the rehabilitation, repair, and development of **parks and forest areas** within the Commonwealth. An additional \$56 million in oil and gas lease revenue is also allocated for a total of **\$156 million**.
- The **H2O and Small Water and Sewer programs** through the Commonwealth Financing Authority (CFA) is refunded using \$320 million in federal relief funds to fund grants for water, sewer and stormwater infrastructure projects.
- Provides **conservation districts** with a \$6.8 million increase to improve nutrient management, flood control, permitting and other conservation related projects.

Preserving access to health care:

- Recognizing the strain our **local EMS providers** are under, the budget includes funds to increase Medicaid rates for basic life support by \$145, advanced life support by \$100 and mileage by \$2/mile.
- We continue to support the nurse loan forgiveness program by allocating an additional \$35 million in federal relief funds.
- We increased the primary care loan repayment program by \$1.3 million to provide 50 additional awards for physicians practicing primary care in medically underserved areas, which includes some of our rural communities.

Protecting our most vulnerable citizens:

- Recognizing the ongoing costs related to COVID-19 and workforce struggles, this budget allocates **\$250 million in federal relief funds** to help long-term care providers, including nursing homes, assisted living facilities, personal care homes and home and community-based services.
- Recognizing the strain our nursing homes are under, funding is included to provide for a **\$35/day increase** in the Medicaid reimbursement rates effective in January.
 - We ensure 70% of this funding will make its way to the bedside.
- We increased the state supplemental grant **for personal care home and domiciliary care residents** by \$200 a month, the first increase since 2006.
- This budget includes money to take care of those with intellectual disabilities, allowing services for over 800 additional people living with intellectual disabilities.
- To ensure people get continued care, the savings from the closure of any of the state centers will be reinvested into community-based services.
- Includes funding to increase supports for Pennsylvanians living with rare diseases.

Supporting families:

- Funding is included to expand evidence-based home visiting programs for **new mothers**, including Nurse Family Partnership.
- We allocate \$90 million in federal relief funds to preserve access to child care. We also included \$25 million in state funds to address **the child care cliff for working families**.
- \$325 million in federal relief funds are used to expand affordable housing, reduce construction costs and target blight remediation.
- We increased the state food purchase program by \$2 million.