



Pennsylvania FY 2018 Budget

Governor Tom Wolf delivered his third budget address on February 7 and emphasized a "new way of doing business" that does not involve deep cuts to important community programs or broad based tax plans.

The 2017-2018 spending plan totals a slim 1.8% increase over last year's budget; however we'll start the new fiscal year with a \$3 billion deficit. In an effort to fill that ever-growing budget hole, the Governor suggests \$2 billion in cost saving measures and budget cuts, a slight increase in revenues, as well as a \$1 billion tax package.

To balance the budget, the Governor proposed multiple cost-saving tactics such as department consolidation, finding efficiencies in government, and new fiscal management practices. He also emphasized a commitment to seniors, education, and addressing the opioid epidemic. Gov. Wolf's budget also includes proposed funding reductions for line items that support community services such as job training, health programs, and STEM education, just to name a few.

We will keep you updated as more information becomes available. Here is what we know so far:

Early Learning

A \$75 million increase in high-quality early childhood education, which will allow more than 8,400 additional children to enroll in Pennsylvania Pre-K Counts (44.1%) and the Head Start Supplemental Assistance Program (2.3%).

K-12, Basic Education

The Governor is proposing a \$100 million (1.7%) increase in Basic Education, which will be distributed throughout the new Basic Education Funding Formula, enacted just last year, and a \$25 million increase in Special Education. The Governor is also proposing \$2 million in new funding for students in our poorest school districts. A combination of funds from state and federal government, under the Every Student Succeeds Act, will subsidize school improvements efforts at three districts serving 15 persistently low-achieving schools.

Workforce

The 2017-2018 budget partners the Commonwealth's research universities with our Industrial Resource Centers to create and retain manufacturing jobs. Additionally, the Governor is proposing a new apprenticeship program, offering businesses up to \$2,000 in grant funds for each apprentice employed, as well as \$5 million for a manufacturing-to-career grant program.

Health and Human Services

For Health and Human Services programs, based on what we can decipher at this point in time, most human services which are delivered locally seem to be level-funded or received increases for special initiatives which follow. There is a waiting list initiative for ID and autism services, as well as an increase in funding which can be used for provider rates. There is also \$10 million to increase access to naloxone and \$3.4 million to expand specialty drug courts in order to fight the opioid epidemic. The budget also anticipates maximizing federal funding under the CURES Act to draw down \$26.5 million in each of the next two years to expand access to drug treatment services. There is also an initiative

to reduce the waiting list for child care services in the proposed budget. Under the DHHS consolidation, the Department believes it will be able to strengthen and provide more Home and Community Based Services which will help bend the cost curve on healthcare and human services.

For more information on the state budget, click here <https://www.governor.pa.gov/2017-18-budget/#documentation>

What's Next?

Governor Wolf's budget proposal is just the first step in Pennsylvania's budget process.

Adopting the state budget can be quite a challenge for the Governor and the General Assembly, particularly in light of our current deficit and structural deficit.

Now is the time for you to submit feedback on the Governor's budget to the Appropriations Committees and your elected officials. The Governor and Legislature have a difficult job to do, and United Way appreciates their support for programs and services that change lives and strengthen communities – once child, one adult and one family at a time.