

OTHER TOP PRIORITIES

Critical to the future financial stability and economic well-being of the Commonwealth are pension reform and the privatization of liquor sales. The House and the Senate passed both, with historic votes.

Pension Reform

- Pennsylvania faces a \$53 billion public pension debt.
- The state's pension obligations grew by \$1 billion this fiscal year alone.
- For school districts, pension costs are one of the primary cost drivers behind property tax increases.
- Without reform, the public pension systems will fail and the benefits earned by current state employees, teachers and retirees will be in jeopardy.
- Senate Bill 1*, which passed the House and Senate in June, would place all future state and public school employees into a hybrid 401(K)-style and cash balance plan. No current employee would have had his or her benefits taken away, and no retiree would have been impacted by the pension benefit changes.
- The reform plan would bring the state more in line with what is offered in the private sector and would have saved taxpayers an estimated \$11 billion over the next 30 years.

***Senate Bill 1 was vetoed by Gov. Wolf.**

Liquor Privatization

- House Bill 466*, which passed the House and the Senate in June, would privatize the state-run liquor system in Pennsylvania, which is one of just two states in the country that maintain full control of the wholesale and retail sale of wine and spirits.
- The bill requires the closure of state-run liquor stores. However, stores will close over time, taking into consideration the availability of private-sector service in the area.
- Beer distributors would have six months to obtain permits to sell wine and liquor. After six months, any remaining permits not obtained by distributors will be offered to the general public through auction.
- The number of permits available would be based on the current number of licensed distributors in a county.
- Through the sale of license fees to wholesalers and the enhancement of permit fees, approximately \$220 million would be generated for the Commonwealth.

***House Bill 466 was vetoed by Gov. Wolf.**



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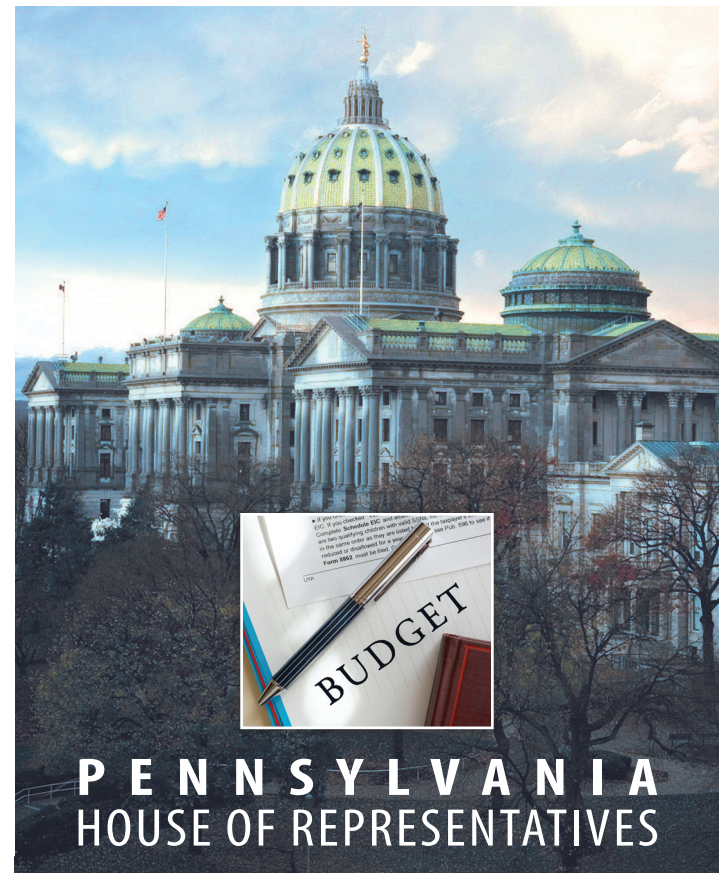
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2015-16

BUDGET

As Approved by the House and Senate

Policy Committee Issue Brief



PENNSYLVANIA HOUSE OF REPRESENTATIVES

2015-16 Budget Overview

In June, the House and Senate adopted a **\$30.18 billion state budget** which invested the highest amount of state funding ever in public education, supported key public safety and human services programs, and did so without raising taxes. Here's a closer look at what would be accomplished under this budget plan:

Health and Human Services

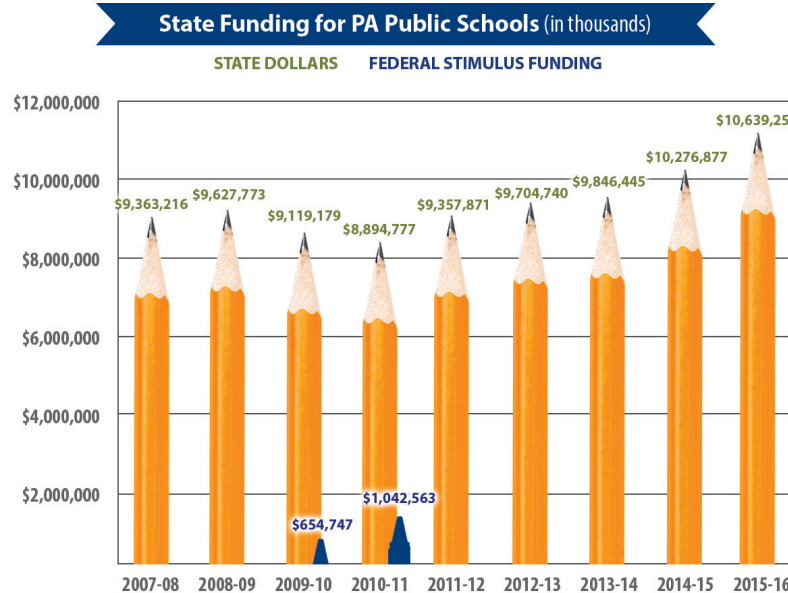
- Home- and community-based services would be increased by \$96 million, including funds to expand services to an additional 3,756 senior citizens.
- Long-term managed care would increase by \$16 million, including funds to serve an additional 480 seniors.
- Funding for services to adults with physical disabilities would increase by \$52.2 million and provide services to an additional 2,076 adults.
- The budget also would invest an additional \$10 million to serve 1,075 more people with intellectual disabilities.
- Several programs cut or eliminated under Gov. Tom Wolf's proposal are restored, including neonatal services, hospital burn centers, critical access hospitals, poison control centers and bio-technology research.

Agriculture- The state's top industry would see \$23 million in new funding and several vital programs the governor sought to eliminate in his proposal would be restored, including agriculture excellence, agriculture research, and hardwoods research and promotion.

Public Safety- The Pennsylvania State Police would receive \$246 million in funding, including \$25 million more to support new cadet classes of 350 troopers.

Education

The budget would invest a record \$10.6 billion in our public schools, including a \$100 million increase in basic education funding that would be distributed under a new funding formula designed by a bipartisan commission to better reflect the needs of our schools. Higher education would receive \$1.7 billion in funding, including \$355.2 million for PHEAA grants to students and \$222.1 million for community colleges.



The budget passed by the Legislature would make historic investments in pre-K, K-12 and higher education.

Investment Breakdown:

- \$100 million increase in basic education funding
- \$25 million increase for Pre-K counts
- \$5 million increase for Head Start
- \$20 million increase for special education
- \$5 million increase in Educational Improvement Tax Credit
- \$8.4 million increase to the Pennsylvania State University
- \$4.2 million increase to the University of Pittsburgh
- \$4.2 million increase to Temple University
- \$12.38 million increase to PASSHE universities like Lock Haven, Slippery Rock, IUP, Millersville and West Chester
- \$395,000 increase to Lincoln University
- \$370,000 to Thaddeus Stevens College of Technology
- \$10.38 million increase to PHEAA for grants to students
- \$3.39 million increase to Penn State's Agricultural Research and Extension program
- \$840,000 to the University of Pennsylvania's Veterinary School
- \$6.47 million increase for the state's community colleges

Budget Stalemate: Citizens at Risk

Shortly after it was approved by the House and Senate, Gov. Tom Wolf vetoed the entire budget, withholding billions in state and federal funding from service providers and programs that support Pennsylvania's most vulnerable and in-need populations. Vetoing the entire budget was a choice, as 274 of the 401 total line items in the budget were identical to or increased funding over what Wolf proposed. If the budget stalemate continues, the following are just a few of the hundreds of programs and services that will be in jeopardy.

- Domestic Violence Services
- Rape Crisis Services
- Cancer Screening
- Homeless Assistance
- Gun Checks
- County Child Welfare
- Higher Education
- Medical Assistance
- Basic Education
- Special Education
- Safe School Initiative
- School Food Services
- Public Libraries
- Job Training Programs
- Veterans Outreach Services
- Municipal Police Training