

MEMO



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To: Chamber of Commerce
From: Wanner Associates
Date: May 18, 2018
Subject: 2018 Budget Summary

This year the Pennsylvania State Legislature and the Governor passed a state budget before the June 30th deadline and thanks to steady revenues this budget does not seek to increase taxes on residents and business.

The FY2018/19 budget represents a \$718.9 million (2.2 percent) increase in General Fund state expenditures compared with the 2017/18 available year (adjusting for supplemental appropriations). With the exception of education increases, much of the increase pays to simply maintain current programs and services. In other words, a cost-to-carry budget. The cornerstone of the governor's first term has been a commitment to education and the compromise budget plan moving today delivers on this commitment. Within this package of bills is an increase to higher education that assumes at least a three percent increase.

Specifically, the budget includes:

- An increase of \$189.6 million for Pre-K through 12, including \$25 million for Pre-K/Head Start, \$100 million for Basic Education Funding, and \$10 million for Career and Technical education.
- Increases funding for higher education, including additional investments in Pennsylvania's community colleges, the Pennsylvania State System of Higher Education, and the state-related universities.
- Launches the PAsmart initiative to align workforce development efforts across commonwealth agencies to more efficiently deliver services for all Pennsylvanians, which will prioritize \$30 million for investments in computer science and STEM education programs and expand apprenticeship and industry partnerships.
- \$74.5 million will go into the Rainy Day Fund, which is the first time money has been put into that fund since FY2006-07 budget

For more information on specific line items or programs please contact the Chamber offices or Alex Rahn, our Government Affairs consultant at 717-378-3388 or arahn@wannerasso.com.