



2023/24 Budget Summary

Updated December 15, 2023

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Overview

In total, the 2023/24 budget reflects \$44.947 billion in enacted state appropriations from the General Fund. This represents a \$4.15 billion (10.2%) increase from the prior fiscal year (2022/23). This increase is inflated by the fact that the 2023/24 budget reduced the prior year's state spending by \$1.97 billion through supplemental appropriation adjustments.

Year over year, \$1.68 billion of increased appropriations replace enhanced Federal Medical Assistance Percentage (FMAP) funds that offset Medical Assistance expenditures within the Department of Human Services in 2022/23. The enhanced federal match received by states during the pandemic was phased down and ended December 2023.

The 2023/24 budget package includes the following bills:

- General Appropriations (Act 1A/HB611) - signed in House July 5, 2023; approved by Governor August 3, 2023)
- Fiscal Code (Act 34/HB1300) - enacted December 13, 2023)
- School Code (Act 33/HB301 and Act 35/SB843 - both enacted December 13, 2023)
- Capital budget (Act 28/HB623 - enacted November 13, 2023)
- "Housekeeping" Appropriations – all enacted July 11, 2023
 - Bureau of Professional and Occupational Affairs (Act 2A/HB614)
 - Workers' Compensation Act Administration for the Department of Labor and Industry (Act 3A/HB 615)
 - Office of Small Business Advocate (Act 4A/HB616)
 - Office of Consumer Advocate (Act 5A/HB617)
 - Public School Employees' Retirement System (Act 6A/HB618)
 - State Employees' Retirement System (Act 7A/HB619)
 - Philadelphia Parking Authority (Act 8A/HB620)
 - Pennsylvania Public Utility Commission (Act 9A/HB621)
 - Pennsylvania Gaming Control Board (Act 10A/HB622)
- Non-Preferred Appropriations
 - State-related universities (Act 11A/HB1461 - enacted November 16, 2023)
 - Funding to the University of Pennsylvania for veterinary activities and for the Center for Infectious Diseases has not been provided (As of December 15, 2023, HB 613 has not passed)

Revenue

- The Pennsylvania Child and Dependent Care Enhancement Tax Credit will be expanded from the current 30 percent (30%) of a taxpayer's federal Child and Dependent Care Tax Credit amount to 100 percent (100%) of their federal credit beginning in tax year 2023.
 - Pennsylvanians earning less than \$43,000 will see their maximum tax credit increase from \$315 to \$1,050 for one child and \$630 to \$2,100 for two or more children.
 - Pennsylvanians earning more than \$43,000 will see their maximum credit increase from \$180 to \$600 for one child and \$360 to \$1,200 for two children.
- If an employee receives Dependent Care Assistance from their employer, this income will now be excluded from income for the state Personal Income Tax (PIT) beginning in tax year 2023. Previously, Dependent Care Assistance was only excluded from income for federal tax purposes.

Education

- Highlighted funding increases compared to 2022/23:
 - Basic education funding (BEF): \$567 million increase (7.8%)
 - \$567 million added to the BEF fair funding formula distribution, bringing the share of fair formula-driven funds to \$2 billion (25%) of the BEF total
 - Note: \$100 million originally appropriated for Level Up (targeted funding for PA's 100 lowest-spending school districts) was repurposed for the Public School Facility Improvement Grant Program
 - School Facilities



- \$100 million for the new Public School Facility Improvement Grant Program
 - Eligible applicants: school districts and area career and technical schools
 - Eligible uses: roofs, windows, HVAC, plumbing, energy savings, health and safety, emergencies, accessibility projects, internet connectivity, demolition
 - 25% local match required; maximum \$5 million grant award
 - Prioritization: school entity wealth, building conditions, emergencies, and health, safety, or security considerations
- \$75 million for the new School Environmental Repairs Program
 - Eligible applicants: school districts, area career and technical schools, and charter schools
 - Eligible uses: abatement or remediation of environmental hazards (lead, asbestos, mold)
 - 50% local match required; maximum \$10 million grant award
 - Prioritization: projects addressing the greatest risk of exposure
- Special education funding (SEF): \$50 million increase (3.7%)
- School Food Services
 - \$46 million increase to provide universal free breakfast (and allow all students receiving reduced lunch prices to receive free lunch)
- Early Intervention (age 3-5): \$10 million increase (3%)
- Career and Technical Education (CTE)
 - \$14 million increase (13.3%)
 - \$12 million increase for the CTE subsidy
 - \$2 million for a new industry in the school program to bring trade and industry professionals into the classroom
 - \$9.45 million increase (170.3%) for Career and Technical Education Equipment Grants
- \$10 million for new Student Teacher Stipend program to support students who are doing their student teaching
- Educational Tax Credits - \$150 million total increase

Educational Tax Credits Summary	2022/23 Cap	2023/24 Cap	Year over Year Change	
EITC - Scholarship Organizations	\$ 263,000,000	\$ 325,000,000	\$ 62,000,000	24%
EITC - Supplemental Scholarships for Economically Disadvantaged	\$ 12,000,000	\$ 60,000,000	\$ 48,000,000	400%
EITC - Educational Improvement Organizations	\$ 44,500,000	\$ 54,500,000	\$ 10,000,000	22%
EITC - Pre-Kindergarten Scholarship Organizations	\$ 20,500,000	\$ 30,500,000	\$ 10,000,000	49%
Educational Improvement Tax Credit (EITC) Total:	\$ 340,000,000	\$ 470,000,000	\$ 130,000,000	38%
Opportunity Scholarship Tax Credit (OSTC) Total:	\$ 65,000,000	\$ 85,000,000	\$ 20,000,000	31%
Educational Tax Credits (EITC and OSTC) Total:	\$ 405,000,000	\$ 555,000,000	\$ 150,000,000	37%

- Funding maintained compared to 2022/23:
 - Ready to Learn Block Grant
 - Year-over-year decrease in amount reflects the transfer to the School Safety and Security Committee being funded elsewhere
 - Early childhood education:
 - Flat funding for both Pre-K Counts and Head Start Supplemental Assistance
- Funding decreases compared to 2022/23:
 - School Safety and Security Committee under PCCD: \$150 million, which is a decrease of \$50 million compared to 2022/23
 - \$100 million for school-based mental health grants
 - Using federal ARPA funds that were originally designated for comprehensive mental health services across all populations
 - Same amount as provided in 2022/23
 - \$50 million for physical safety grants
 - \$100 million was provided in 2022/23



Higher Education

- PA State System of Higher Education
 - Education and General - \$33.1 million increase (6%)
 - \$65.4 million supplemental appropriation for facilities transition to address PennWest debt challenges
- Community Colleges
 - Operating – \$5.1 million increase (2%)
 - Community college capital – flat funding
- State Related Universities
 - Flat funding for Penn State University, University of Pittsburgh, and Temple University
 - \$3.2 million (12%) increase for the Pennsylvania College of Technology
 - \$3.2 million (21%) increase for Lincoln University
- Thaddeus Stevens College - \$389,000 increase (2%)
- PHEAA Grants - \$15.9 million increase
- New appropriation – Parent Pathways - \$1.66 million to support students who are parents at postsecondary institutions

Human Services

- State funding increases compared to 2022/23 for Medical Assistance (MA) Programs:
 - The main driver for the increases for these programs is the decrease in enhanced federal funding that was available during the pandemic. This enhanced federal funding phases down starting in July ending in December 2023.
 - Physical and Mental Health programs:
 - \$616 million (18%) - MA Capitation
 - Allocates \$12 million will be used to make one-time payments to dentists enrolled in the MA program that provide specific dental services to individuals in the MA managed care program
 - Allocates \$12 million to increase the capitation rates for calendar year 2025 for specified dental services
 - \$167 million (28.3%) - MA Fee-for-Service
 - Allocates funding to certain hospitals at 2022/23 levels, as follows:
 - Community Access Fund grants
 - \$330,000 for Cleft Palate and other Craniofacial Anomalies
 - \$800,000 for clinical ophthalmological services located in Philadelphia
 - \$5 million to a hospital in the City of Chester in Delaware County
 - \$2 million shall be distributed to a university located in Philadelphia to research the impact of trauma-informed programs
 - \$3 million to an outpatient services provider located in the City of Pittsburgh in Allegheny County that provides behavioral health and medical rehabilitation pediatric outpatient services
 - \$1.25 million to a cancer treatment center in Unity Township in Westmoreland County
 - \$19.5 million (2.2%)- Mental Health Services
 - \$580,000 for web portals that provide support for individuals with mental health or substance abuse conditions
 - \$20 million for Mental Health Services is distributed to county mental health services in addition to the base county funding
 - Long-term care programs:
 - \$929 million (20.8%) - MA Community HealthChoices
 - \$17.7 million (13.4%) - MA Long-term Living (Nursing facilities)
 - Allocates funding to certain nursing facilities at 2022/23 levels, as follows:
 - No less than the fiscal year 2014/15 amount (\$2 million) to county nursing homes located in Delaware County, with more than 725 beds and a Medicaid acuity at 0.79 as of August 1, 2015



- No less than the fiscal year 2020/21 (\$1 million) to a nonpublic nursing home located in Philadelphia County with more than 395 beds and a Medicaid acuity at 1.06 as of August 1, 2022
 - \$5 million to a nonpublic nursing home located in Sullivan County with more than 119 beds and a Medicaid acuity at 1.11 as of August 1, 2022
 - \$500,000 to nursing facilities that provide ventilator care and tracheostomy care with greater than 90% of MA residents who require this care
 - \$16 million is for MA Day-One Incentive Payments
- \$19.8 million (12.9%) - Long-term Care Managed Care (LIFE)
- Intellectual Disability programs:
 - \$7.9 million (5.4%) - ID Base program
 - \$446 million (23.8%) - ID Waiver program
 - Maintains funding for the waitlist initiative.
 - Does not contain two initiatives proposed by the governor totaling \$4 million.
 - \$19.8 million (13.5%) - ID Intermediate Care Facilities
 - \$4 million (14.7%) - Autism Intervention and Services
 - Allocates funding for to certain autism providers at 2022/23 levels, as follows:
 - \$600,000 to a behavioral health facility located in Lebanon County that also operates both a general acute care hospital and a behavioral health facility that has a center for autism and developmental disabilities in Lebanon County
 - \$300,000 to an institution of higher education in Philadelphia that provides autism education and diagnostic curriculum in Montgomery County.
 - \$300,000 to an institution of higher education that provides autism education and diagnostic curriculum in Allegheny County
 - No less than the fiscal year 2014/15 amount (\$200,00) shall be allocated for programs that promote the health and fitness of individuals with developmental disabilities located in City of Philadelphia
 - \$600,000 to an entity that provides alternative educational services to individuals with autism and developmental disabilities in Lancaster County
- Expected savings from the ID state centers totaling \$10.8 million are transferred to Home and Community Based programs for individuals with Intellectual Disabilities.
- Other MA programs:
 - \$3 million (4.8%) - Medical Assistance Transportation
 - \$15.4 million (9.1%) - Early Intervention
- Funding increases compared to 2022/23 for Childcare programs:
 - \$90.4 million (49.8%) - Child Care Services
 - \$13.3 million (12.2%) - Child Care Assistance
 - Combined the increase to childcare programs over the prior year totals \$103.7 million
 - Maintains the same childcare rates that were in place in FY22/23
 - Allocates \$25 million to allow families to maintain eligibility based on established income limits
- Funding increases compared to 2022/23:
 - \$8 million (6.8%) - General Government Operations
 - \$2 million (31.9%) – Expanded Medical Services for Women
 - \$10 million (0.7%) – County Child Welfare
 - \$15.3 million (23.7%) - Youth Development Institutions and Forestry Camps
 - \$1 million (32.5%) - Blind and Visual Services
 - Allocates funds as follows:
 - \$4,084,000 to a statewide professional services provider association for the blind
 - \$618,000 to provide specialized services and prevention of blindness services in City of Philadelphia



- Funding maintained at 2022/23 levels:
 - Nurse Family Partnership
 - Domestic Violence
 - Rape Crisis
 - Legal Services
 - Homeless Assistance
 - 211 Communications
 - Human Services Development Fund
- Note - Maintains MA payments to hospitals under the Critical Access, OB/NICU, Trauma Centers, Academic Medical Centers appropriations

Conservation & Natural Resources

- General Government Operations – General Fund and Oil and Gas Lease Fund (OGLF) combined increase \$4.38 million
- State Parks Operations – GF and OGLF combined increase \$11.66 million
- State Forests Operations – GF and OGLF combined increase \$4.73 million
- State Parks and Infrastructure Projects - \$56 million increase within OGLF
- General Funds appropriated to DCNR are largely flat, while increasing support from the OGLF

Environmental Protection

Funding increases compared to 2022/23:

- General Government Operations – \$1.67 million (9%)
- Environmental Program Management – \$3.97 million (11.1%)
- Environmental Protection Operations – \$13.73 million (13.4%)

Funding maintained compared to 2022/23:

- Water Commissions

Agriculture

Funding increases compared to 2022/23:

- State Food Purchase Program (SFPP) - \$2 million (8.1%)
- Fresh Food Financing Initiative - \$2 million (not funded in 22/23)
- Animal Health and Diagnostic Commission - \$5.35 million (moves RHDF portion to GF)
- Hardwoods Research and Promotion - \$251,000 (53%)
- Agricultural Excellence - \$250,000 (8.2%)
- Agricultural Business and Workforce Investment - \$300,000 (6.7%)

Transportation

- Motor License Fund increases compared to 2022/23:
 - Highway & Safety Improvements – \$150 million (30%)
 - Highway Maintenance – \$73.41 million (7.6%)
 - Welcome Centers - \$317,000 (7%)
 - Real ID – \$1.17 million (3.9%)
- Motor License Fund decreases compared to 2022/23:
 - Municipal Traffic Signals - \$5 million (11%)
 - Local Road Maintenance - \$8.8 million (3.5%)

Health

- \$2.3 million for Health Promotion and Disease Prevention, which was not included in the 2022/23 budget
- Funding increases compared to 2022/23:
 - Quality Assurance – \$4.0 million (15.8%)
 - State Health Care Centers – \$3.1 million (12.5%)



- Local Health Departments – \$2.8 million (8.4%)
- Primary Health Care Practitioner Programs – \$1.3 million (18.4%)
- Regional Cancer Institutes – \$800,000 (66.7%)
- State Laboratory – \$314,000 (6.5%)
- Achieving Better Care – \$144,000 (4.8%)
- Sexually Transmitted Disease Screening and Treatment – \$65,000 (3.7%)
- Maternal and Child Health – \$62,000 (4.5%)
- Health Innovation – \$45,000 (6.0%)
- Funding and allocations maintained at 2022/23 levels:
 - Newborn Screenings
 - Cancer Screening Services
 - AIDS Programs and Special Pharmaceutical Services
 - School District Health Services
 - Tuberculosis Screening and Treatment
 - Renal Dialysis
 - Services for Children with Special Needs
 - Adult Cystic Fibrosis and Other Chronic Respiratory Illnesses
 - Cooley's Anemia
 - Hemophilia
 - Lupus
 - Sickle Cell
 - Lyme Disease
 - Regional Poison Control Centers
 - Trauma Prevention
 - Epilepsy Support Services
 - Bio-Technology Research
 - Tourette Syndrome
 - Amyotrophic Lateral Sclerosis (ALS) Support Services
 - Community Based Health Care Subsidies

State Police

- \$114.3 million combined increase (9.2%) across General Fund and Motor License Fund
 - \$100.5 million increase (8.8%) for General Government Operations
- Total State Police Motor License Fund expenditures reduced to \$375 million
- \$13 million increase (100%) for Patrol Vehicles
- \$282,000 increase (1%) for the Statewide Public Safety Radio System
- Fiscal Code increased PSP cap by 100 to 4,410

Pennsylvania Emergency Management Agency (PEMA)

- 911 Surcharge extended and increased to \$1.95 beginning in March 2024

Corrections

- \$157.8 million or 5.8% increase for the Department of Corrections
- \$3.2 million or 7.3% decrease in General Government Operations from 2022/23
- \$3.5 million in funding for the Office of Victim Advocate transferred out of General Government Operations and into a separate appropriation
- \$121.2 million or 5.7% increase for State Correctional Institutions
- \$15.3 or 9.7% increase for State Field Supervision
- Funding maintained for Correctional Education and Training

Pennsylvania Commission on Crime and Delinquency (PCCD)

- \$6.7 million or 39.3% increase for General Government Operations
- \$40 million in State funds for Violence Intervention and Prevention grants
- \$7.5 million for Indigent Defense



Military and Veterans' Affairs

- \$3.4 million increase (11.6%) to General Government Operations
- \$9.7 million increase (6.9%) to State Veterans Homes
- \$500,000 increase (29.9%) for the National Guard Youth Challenge Program

Community and Economic Development

- Funding increases compared to 2022/23:
 - \$1.79 million increase (5.8%) for General Government Operations
 - \$1.2 million increase (20.2%) for the Office of International business Development (World Trade PA)
 - \$1.4 million increase (4.7%) for Marketing to Attract Tourists
 - \$48,000 increase (2.4%) for Marketing to Attract Businesses
 - \$13 million increase (65%) for Pennsylvania First
 - \$1.45 million increase (266%) for Municipal Assistance Program
 - \$3 million increase (60%) for workforce development
 - \$20 million for Historically Disadvantaged Business Assistance (new line item)
 - \$3 million for Foundations in Industry (new line item)
 - \$50 million for Hospital and Health System Emergency Relief (new line item)
 - \$50 million for Whole Home Repairs (new line item)
 - \$2.5 million for America 250 PA (new line item)
- Funding maintained compared to 2022/23:
 - Tourism – Accredited Zoos
 - Supercomputer Center Projects
 - Infrastructure and Facilities Improvement Grants
 - Partners for Regional Economic Performance
 - Transfer to Ben Franklin Tech. Development Authority Fund
 - Food Access Initiative
 - The Invent Penn State appropriation is not renewed.
- The budget allocated \$50 million for Whole Home Repairs. In a [memo](#) to legislative leaders, the budget secretary made a commitment to not release funding for certain appropriations – including Whole Home Repairs – absent enabling legislative language. To date, no such language has been enacted for Whole Home Repairs; therefore, that funding will remain unspent. Unless a waiver is approved, unspent funds will lapse back to the General Fund at the end of the fiscal year.

Row Offices

- Attorney General
 - \$1.3 million increase (2.6%) in General Government Operations (GGO)
 - Fiscal Code gave the Attorney General authorization to use \$4 in restricted revenue funds for GGO
 - \$6.4 million increase (83.8%) for the Joint Local-State Firearm Task Force

Judiciary

- \$32.7 million total increase for the Judiciary, a 9% increase compared to 2022/23
- Act 49 judicial fees reauthorized and one fee was expanded to traffic citations

Labor and Industry

- Apprenticeship Training - \$3 million increase
- Schools to Work program - \$3.5 million
- New Choices/New Options – level funding
- Centers for Independent Living - \$484,000 increase
- Assistive Technology
 - Assistive Technology Financing, supporting the Pennsylvania Assistive Technology Foundation - \$250,000 increase



- Assistive Technology Demonstration and Training, supporting TechOWL at Temple University
- \$400,000 increase
- \$65 million transferred to the Service Infrastructure and Improvement Fund

American Rescue Plan Funds

- Within the supplemental appropriations section of the bill, \$100 million of federal American Rescue Plan – State Fiscal Recovery Funds are redirected from Mental Health Services to School Mental Health grants.

