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GPUAC News

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GPUAC Budget Watch

November 1-14, 2009

Budget Watch provides **information on and analysis of Pennsylvania's fiscal year 2010 budget implementation.** We will be taking a closer look **as the executive and legislative branches of government form the budget for fiscal year 2011.** As appropriate, we will also **report on local county and federal budget processes** and their impact on nonprofits, service providers and communities.

We welcome your feedback and input as we do our part to ensure an informed and engaged public and nonprofit sector in the Commonwealth of Pennsylvania. Please register any comments [here](#).

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BUDGET UPDATE

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Table Game Legislation

Legislation to permit casinos to add table games is still pending approval by the General Assembly. If the legislation is approved, it is anticipated that **\$200 million in revenue will be generated** to offset the approved spending levels in the bill signed by the governor in October.

Legislative leaders have been meeting with the governor to negotiate the outstanding issues around the table game legislation. One issue is the **tax rate for table game revenue.** Another is **whether counties or municipalities where casinos are located should get an additional 1 percent of tax revenue.**

It appears that all sides have agreed to a **licensing fee of \$15 million for casinos to add table games.**

Because the table game legislation is still being negotiated, approval of \$730 million in funding for 22 universities, hospitals and museums continues to be delayed. **This includes \$173 million for Temple; \$168 million for Pitt; \$34.5 million for Penn; \$14 million for Lincoln; and \$333 million for Penn State.**

The universities especially need this funding, given that they **kept tuition increases to a minimum for the 2009-2010 academic year,** responding to legislative requests.

The universities, hospitals and museums receive **state funding through what is referred to as "nonpreferred legislation,"** which is separate from the state's overall spending bill. The House is not taking action on the **nonpreferred legislation until after they finalize table game legislation.**

State of the State Budget

The Pennsylvania Budget and Policy Center has conducted an analysis of the funding contained in the final budget. It found that **nearly all state departments experienced funding cuts** - ranging from **7% in the Department of Public Welfare to 54% in the Department of Community and Economic Development.**

Some industries **benefited in the final Fiscal Year 2009-2010 state budget. Gambling groups, natural gas drillers and tobacco companies will either increase their revenue through expanded business opportunities or will not face additional taxes.** These industries spent a **combined \$45 million in lobbying campaigns** since January, according to expense reports filed with the state.

According to budget figures released by the Department of Revenue on November 2, **revenue projections are down \$160 million, or 1.8%.**

Philadelphia Funding Challenges in Fiscal Year 2011

The City of Philadelphia has **begun its process for the Fiscal Year 2011 budget.**

On November 9, Mayor Nutter told City Council that the city is facing a **\$31 million deficit at the end of the current Fiscal Year. This means that city funding cuts will likely need to be made before the end of this Fiscal Year and in the city's budget for Fiscal Year 2011.**

In anticipation of the projected budget deficit, city agencies have been asked to **prepare budgets for Fiscal Year 2011 that decrease spending by 7.5%.**

GREATER PHILADELPHIA URBAN AFFAIRS COALITION

The Coalition unites government, business, neighborhoods, and individual initiative to improve the quality of life in the region, build wealth in urban communities, and solve emerging issues. We strengthen the nonprofit sector and drive sustainable change through policies and programs that lead to economic growth and opportunities. Visit us online at www.gpuac.org