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GPUAC News

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## GPUAC Budget Watch

October 18-31, 2009

Welcome to the first bi-monthly issue of *Budget Watch*.

*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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#### State of the State Budget

Twenty days since the state's fiscal year 2010 spending plan was signed into law, **legislators have still not agreed on the provisions to implement table game legislation.** This legislation is needed to generate **\$200 million in revenue** to offset the approved spending levels.

The Senate passed table game legislation, which was then referred to the House for its approval. However, there is disagreement between the House and Senate over **the licensing fee for table games and the percentage of tax on winnings.**

If table game legislation is not approved, the state will **lose the projected \$200 million in revenue** needed to balance the budget and support the approved spending. **If the projected revenue is not generated, additional spending cuts will need to be made.**

Because the table game legislation is stalled, **approval of \$730 million in funding for 22 universities, hospitals and museums is also being 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.**

These institutions 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 the table game legislation.**

The House is currently **not scheduled to be in session to consider** either the table game or nonpreferred legislation **until November 9.**

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### **Payments to Nonprofits**

While the General Assembly works on the final piece of budget legislation for fiscal year 2010, **payments are being expedited to K-12 education and social service agencies.**

As of October 19, the state has **expedited payments totaling \$3 billion that had been delayed** during the budget impasse. These payments were made to services and programs identified by the governor as high priorities, including: **basic education, special education, child care, the Children's Health Insurance Program, Pre-K Counts and Head Start.**

**Pennsylvania Treasurer Rob McCord has developed an accelerated payment schedule.** The Department has also created a **Priority Payment Processing web feature to track the status of priority payments to school districts and social service agencies.**

If you are part of an agency that provides a high-priority service and is due payment from the state, **go to [www.patreasury.org/payments](http://www.patreasury.org/payments) for information on Priority Payment Tracking.**

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### **Agencies Still Challenged**

Even though state payments are being expedited, **social service agencies are challenged to address financial and staff losses** experienced during the budget impasse.

According to a spokesperson from the state Treasury Department, **the state accumulated \$3.1 million in interest** from July to October. The **state interest earnings could be used to reimburse social service agencies** for the additional interest costs they incurred.

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## **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](http://www.gpuac.org)