



Budget Facts 2010

from the COMMONWEALTH FOUNDATION

February 2010

Spending Increases by Department

Pennsylvania faces a projected General Fund tax revenue shortfall of at least \$500 million. Governor Rendell proposed a \$29 billion budget for 2010-11, that increases businesses taxes, imposes new taxes on natural gas and tobacco products, and expanding the sales tax to include many goods and services currently exempt. This is the second in a series of fact sheets on the state budget.

THE EXECUTIVE BUDGET MAINTAINS ABOVE-INFLATION INCREASES IN SPENDING OVER RENDELL TENURE

- The FY 2010-11 budget proposal represents a **44.8% increase in total General Fund spending** since Rendell took office in January 2003.
 - ⇒ The Executive Budget increases spending over fiscal year 2002-03 by inflation and population growth, plus an additional \$4.8 billion.

Pennsylvania General Fund Spending, FY 2002-03 to FY 2010-11

in thousands of dollars

Department	2002-03 to 2010-11			
	2002-03	2010-11 (proposed)	Change in %	Change in \$
Governor's Office	\$8,034	\$6,831	-14.97%	(\$1,203)
Executive Offices	\$327,197	\$183,989	-43.77%	(\$143,208)
Lt. Governor's Office	\$927	\$1,053	13.59%	\$126
Attorney General	\$75,058	\$85,657	14.12%	\$10,599
Auditor General	\$47,634	\$48,070	0.92%	\$436
Treasury	\$393,100	\$1,071,673	172.62%	\$678,573
Agriculture	\$74,205	\$62,435	-15.86%	(\$11,770)
Community & Economic Development	\$396,498	\$297,304	-25.02%	(\$99,194)
Conservation & Natural Resources	\$105,503	\$91,375	-13.39%	(\$14,128)
Corrections	\$1,247,059	\$1,922,079	54.13%	\$675,020
Education	\$8,509,157	\$11,824,090	38.96%	\$3,314,933
Higher Ed	\$1,473,769	\$1,521,820	3.26%	\$48,051
K-12 Education & Support	\$7,035,388	\$10,302,270	46.43%	\$3,266,882
Environmental Protection	\$241,835	\$157,013	-35.07%	(\$84,822)
General Services	\$112,464	\$123,749	10.03%	\$11,285
Health	\$252,509	\$232,183	-8.05%	(\$20,326)
Higher Education Assistance Agency	\$412,838	\$455,170	10.25%	\$42,332
Historical & Museum Commission	\$32,801	\$19,348	-41.01%	(\$13,453)
Insurance	\$57,219	\$126,570	121.20%	\$69,351
Labor & Industry	\$107,066	\$88,961	-16.91%	(\$18,105)
Military & Veterans Affairs	\$100,992	\$115,646	14.51%	\$14,654
Probation & Parole Board	\$99,369	\$125,842	26.64%	\$26,473
Public Welfare	\$6,529,896	\$10,986,936	68.26%	\$4,457,040
Revenue	\$210,488	\$203,881	-3.14%	(\$6,607)
State	\$6,744	\$9,648	43.06%	\$2,904
State Police	\$169,830	\$184,697	8.75%	\$14,867
Transportation*	\$315,383	\$412,925	30.93%	\$97,542
Legislature	\$258,100	\$301,411	16.78%	\$43,311
Judiciary	\$235,012	\$276,860	17.81%	\$41,848
TOTAL	\$20,320,174	\$29,430,399	44.83%	\$9,110,225

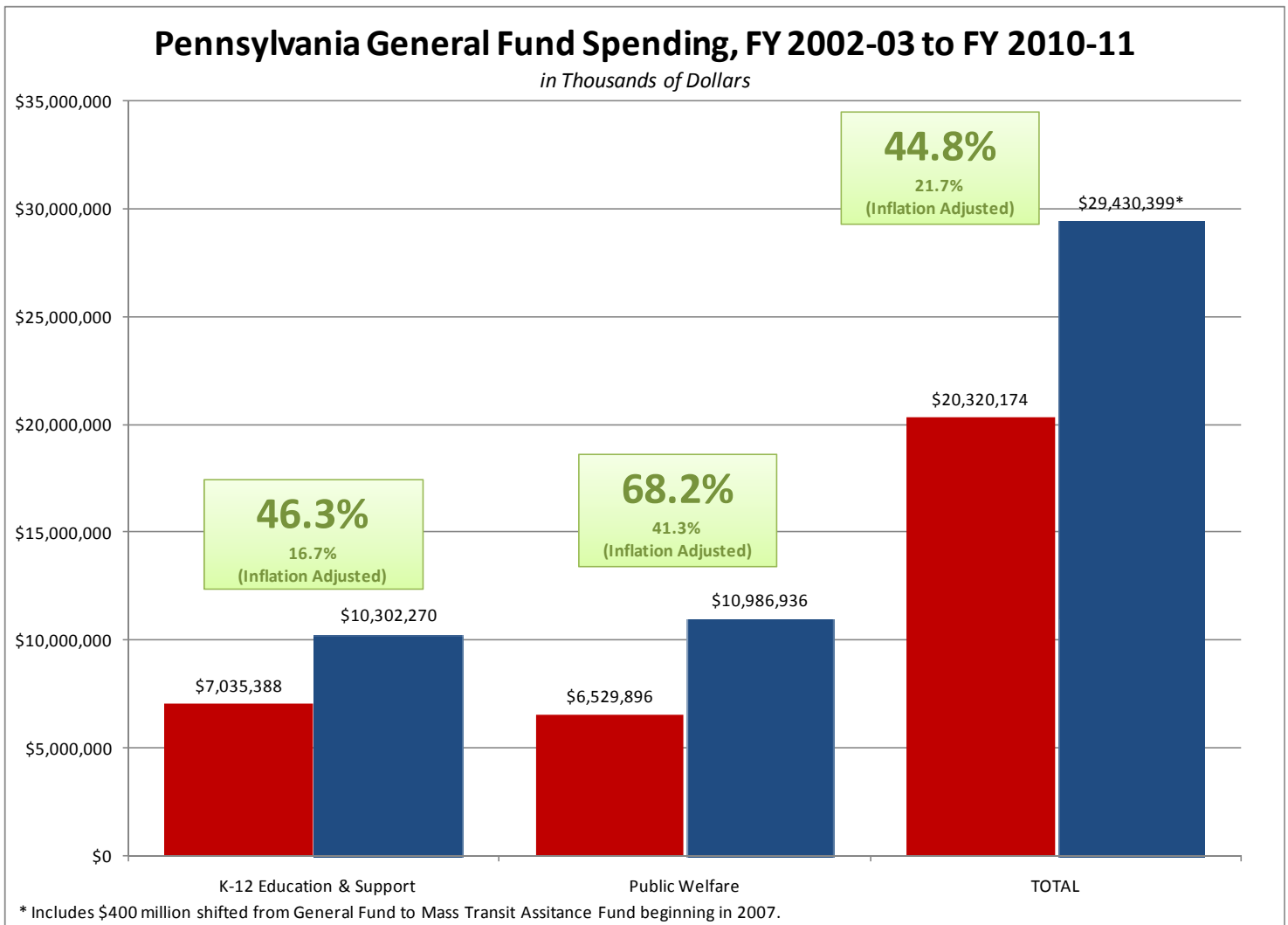
SOURCES: Governor's Executive Budget, FY 2004-05; FY 2010-11

* \$400 million shifted from transportation to mass transit fund.

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THE EXECUTIVE BUDGET PROPOSAL INCREASES SPENDING IN K-12 EDUCATION AND PUBLIC WELFARE

- **K-12 Education and Public Welfare**—the two largest items in the General Fund Budget (representing 80% of all General Fund spending)—would receive increased funding in FY 2010-11.
 - ⇒ Contrary to the Governor’s claim, these **programs are not “mandated spending.”** The Commonwealth Foundation has suggested a variety of policy solutions, including expanding the Educational Improvement Tax Credit and Medicaid reforms (which would continue these services at a lower cost to taxpayers).
 - ⇒ **K-12 Education** would receive \$443 million more in FY 2010-11 than in FY 2009-10—a **46.3% increase in spending since 2003** (16.7% in inflation-adjusted spending).
 - ⇒ **Public Welfare** would receive \$482 million more in FY 2010-11 than in FY 2009-10—a **68.2% increase in spending since 2003** (41.3% in inflation-adjusted spending).



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For more information on the **Pennsylvania State Budget**, visit CommonwealthFoundation.org.

