



Funding Essential Services in Pennsylvania

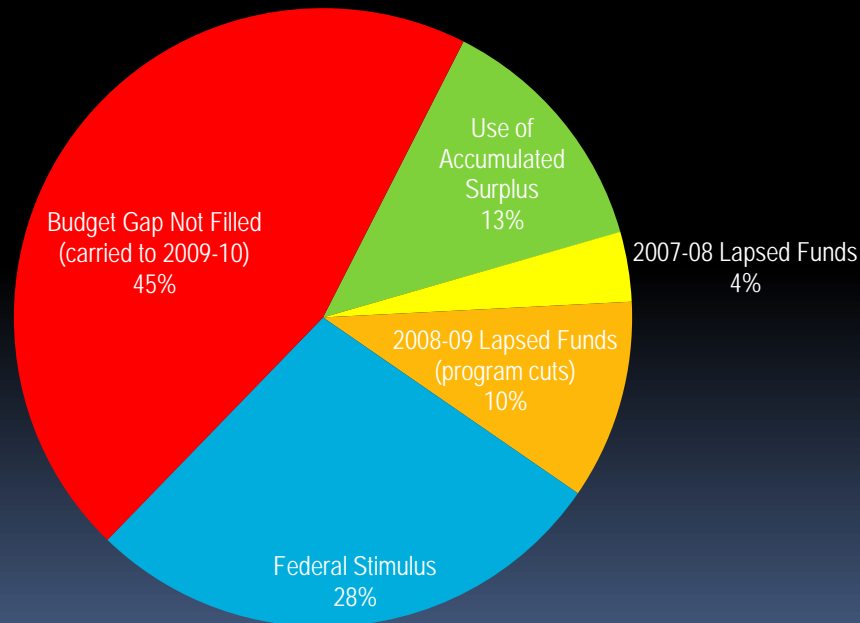
January 29, 2010



SCARY MOVIE 3

2008-09 Budget \$4 Billion Out of Balance

Slightly More than Half of 2008-09 Shortfall Was Offset With Cuts and
Federal Stimulus Funds



State Funds Down \$2 Billion in 2009/10

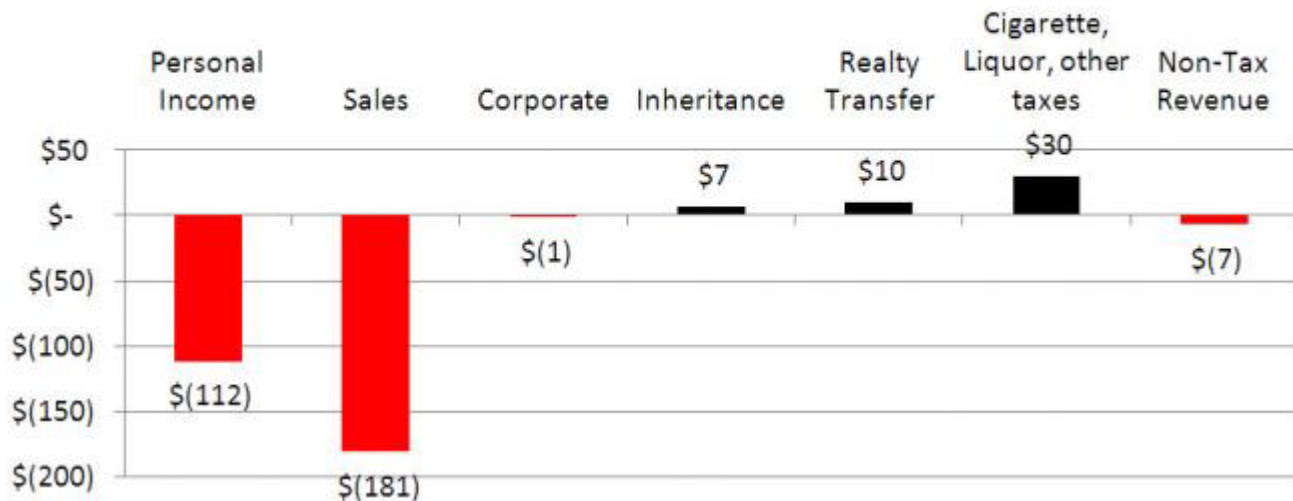
	2007-08 Actual	2008-09 Available	2009-10 Final	Change 2008-09	Percent Change
State Funds	\$ 26.9	\$ 27.1	\$ 25.2	\$ (1.9)	-7.0%
Federal Stimulus (ARRA)	\$ -	\$ 1.2	\$ 2.6	\$ 1.4	111.5%
General Fund Total	\$ 26.9	\$ 28.3	\$ 27.8	\$ (.5)	-1.8%

\$500 Million in Cuts

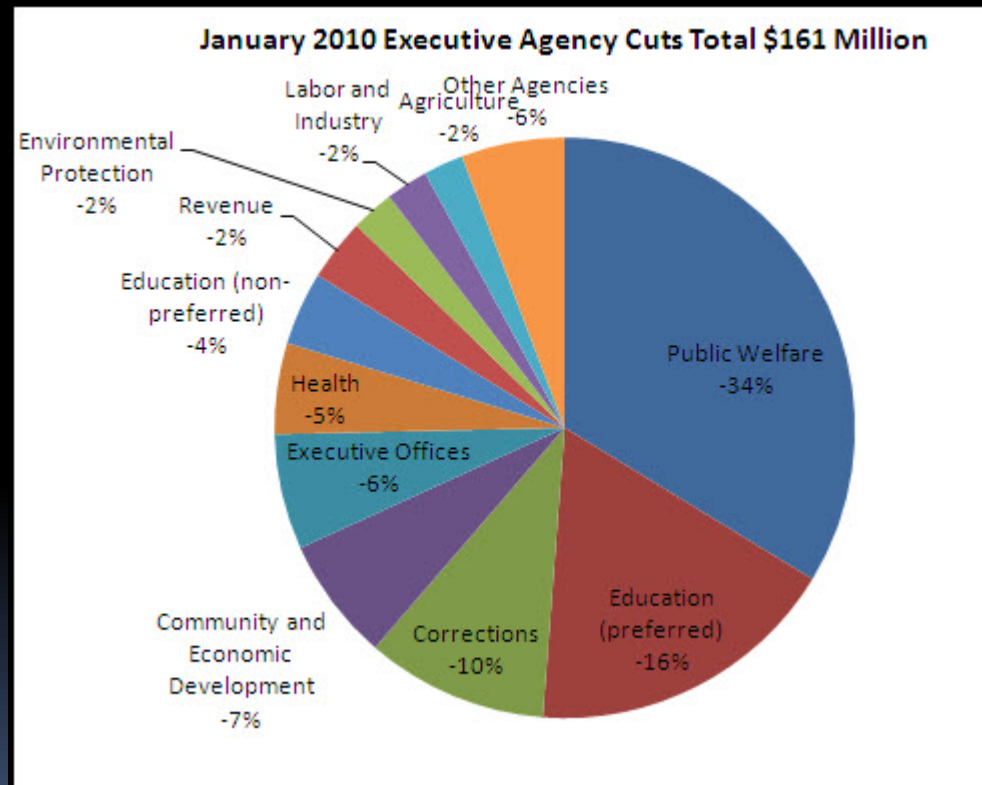
- 140 line items eliminated
- Environmental Programs: 24%
- Economic Development: 57%
- Public Libraries: 9%
- Literacy: 28%
- Supplemental Security Payments: 20%
- adultBasic premiums for 3400 adults: 80%
 - Higher out of pocket costs for enrollees

CURRENT YEAR DEFICIT

Figure 2. 2009-10 Revenue Surpluses (Deficits) by Type Through December 2009 (in \$ millions)



\$161 MILLION CUT IN DECEMBER





RECIPE FOR TROUBLE

ELECTION YEAR

+ACCELERATED TIMETABLE

+ ANTI-GOVERNMENT SENTIMENT

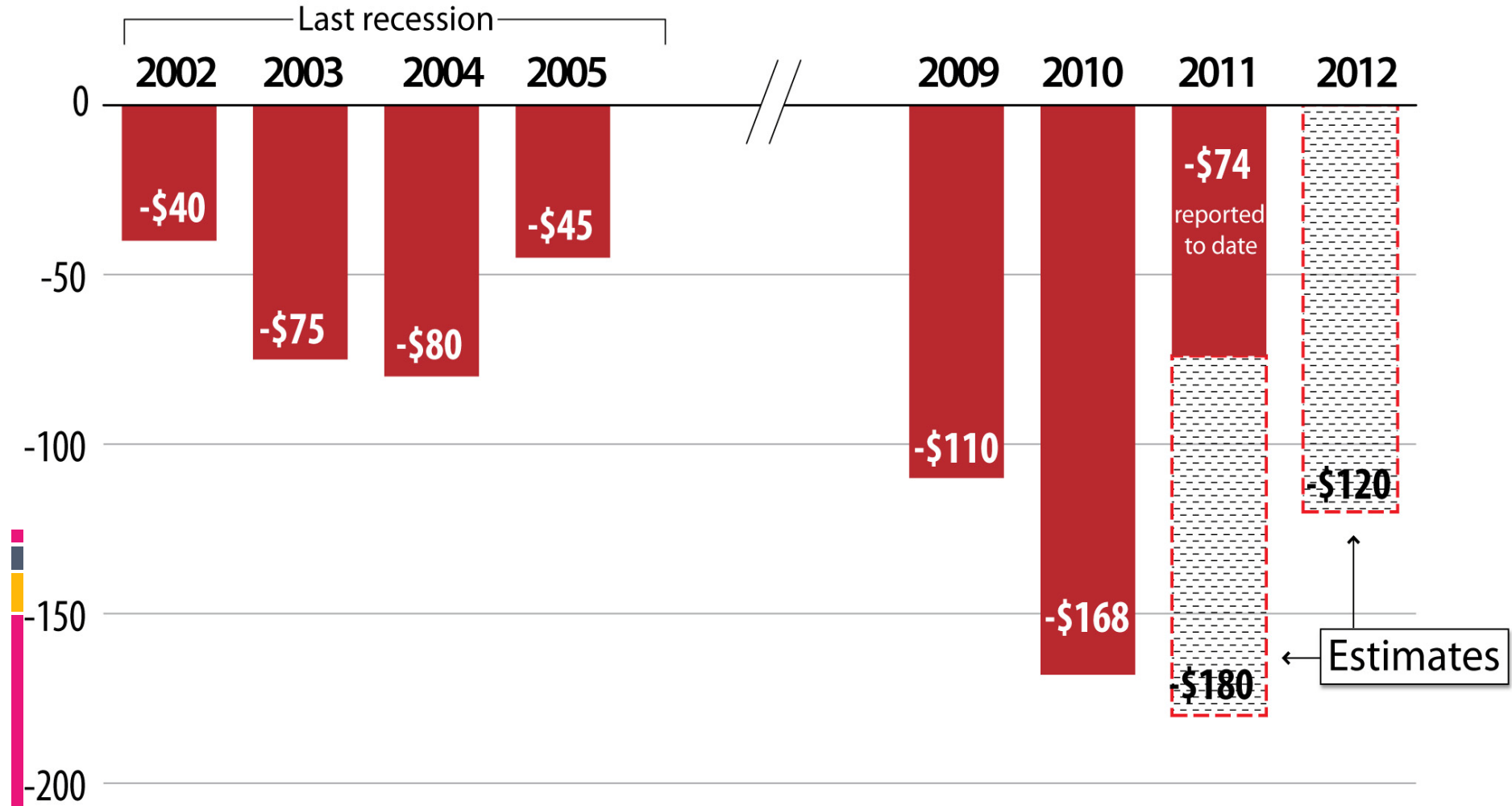
+ LACK OF PUBLIC AWARENESS

MORE BUDGET CUTS



How Bad Will It Get?

Total state budget shortfall in each fiscal year, in billions



Source: CBPP survey

BUT WAIT TIL NEXT YEAR

- Pension contribution increases
 - \$2 billion - \$3.4 billion
- Loss of federal recovery (ARRA) funds
 - \$2.6 billion
- Growth in essential services
 - Education
 - Medical Assistance enrollment, service costs
 - Prison growth
 - Transportation

THE OPTIONS

- EVERY MAN FOR HIMSELF
- CUT HER, NOT ME
- HANG TOGETHER (OR HANG SEPARATELY)
- OPPOSE CUTS
- PROTECT VULNERABLE
- SENSIBLE REVENUE MEASURE