



FY2015-16 Budget Hearing Recap Monday, March 16, 2015

Department of Education

Testifying: Acting Secretary Pedro Rivera

For FY 2015-16, Governor Wolf is proposing to increase the education budget by \$3.4 billion dollars or 33% when factoring in the School Employees Retirement line item and the transfer to the Property Tax Relief Account.

One of the goals of the Wolf Administration is to get Pennsylvania state funding of K-12 education to 50% for the state share. This is on the aggregate which means that not every school district will see 50% state funding.

The Acting Secretary stated that it was a goal of the Wolf Administration to make education fair and equitable. The Acting Secretary was pressed on this with members noting that the top 125 wealthiest school districts make up 32% of the student population and receive only 15% of the K-12 education budget, whereas the 125 poorest districts educate 28.5% of the student population and receive 47% of the K-12 education budget. Members reminded the Acting Secretary that Pennsylvania is already driving more money to low wealth school districts.

With the increases to various education line items, the Department of Education plans to have some accountability measures tied to the funding. The Acting Secretary stated that the increases will be steered towards proven programs but didn't elaborate what those programs were. The Acting Secretary also stated that the accountability measures would be things such as graduation rate, literacy rate, reducing drop-out rate. No further detail was given.

Members expressed concern that, despite the Governor's claims, property taxes will continue to rise since there is few cost controls tied to the new education funding.

The Governor's budget proposal has a net reduction for library line items.

The Governor's proposal level funds the Authority Rentals and Sinking Fund line item, commonly known as PlanCon. The Acting Secretary was questioned why this line item was level-funded when there is a high need by school districts throughout the Commonwealth. The Administration believes that by increasing funding to other areas, school districts will feel less pressure on their building budgets.

The Acting Secretary also stated the Administration is planning on a new moratorium for new PlanCon projects starting in the 2015-16 fiscal year. A previous moratorium expired at the beginning of the 2014-15 fiscal year.

Department of Conservation & Natural Resources

Testifying: Acting Secretary Cindy Adams Dunn; Dan Devlin, Bureau Director of Forestry; Pam Pasi, Bureau Director of Administrative Services

For FY 2015-16, Governor Wolf is proposing to increase DCNR General Fund spending by \$19.7 million. Most the increases in DCNR are a result of shifting costs from the Oil & Gas Lease Fund to the General Fund.

There is a new \$2.2 million initiative related to providing support for the Washington Crossing State Park. This is a result of language that was included in the FY 2014-15 Fiscal Code. The funding initiative will include money for 15 positions.

Chairman Adolph expressed disappointment with Heritage Parks being cut from the budget. Heritage Parks provides good economic return for the Commonwealth and is funded at \$2.25 million in FY 2014-15.

The Acting Secretary was unaware if the \$55 million debt service on the proposed \$675 million economic improvement bond would be paid by the proposed severance tax.

DCNR is engaged in early conversations about how to handle drilling issues in Loyolasock State Forest.

For the current year, DCNR expects to collect \$137 million in royalty payments from drilling on state land. The Department estimates that to drop to \$117 million next year. The falling price of natural gas is the main reason for the expected reduction in royalty collections.

Department of Military & Veterans Affairs

Testifying: Acting Adjutant General Major James Joseph; Brig General Anthony Carrelli, Deputy Adjutant General- Air National Guard; Colonel Marc Ferraro, Acting Deputy Adjutant General- Army; Brig General Jerry Beck, Deputy Adjutant General- Veterans Affairs; Dee McPherson, Deputy of Office of Administration; Mark Austin, Deputy Bureau of Facilities & Engineering

For FY 2015-16, the Governor is proposing an increase of \$12 million or 10% over the current fiscal year.

Although often considered a small agency, DMVA manages a comprehensive budget totaling over \$894 million dollars. In state FY 2014-15, the state general fund allocation was \$121 million (or 13.52% of the total); while federal funds accounted for 86% of DMVA's budget. Additionally, the federal government contributes roughly 96% of the funding for the Pennsylvania National Guard (PNG).

Based on last year's Point-In-Time Homeless Survey DMVA estimate that there are approximately 1,500 homeless veterans in the commonwealth.

There are two coalitions in the commonwealth that support homeless veterans in the two largest cities of the Commonwealth. They receive their funding from the federal VA in the form of grants through the Supportive Services for Veteran Families (SSVF) Grants. These grants are provided by the U.S. Department of Veterans Affairs (USDVA) and are directly targeted at homeless or near-homeless veterans.

Through the Veterans Trust Fund, the department provides \$350,000 in grants to non-profit organizations to support their efforts focusing on homelessness, behavioral health, and/or other outreach services.

DMVA's state veterans' homes appropriation is DMVA's largest state appropriation in terms of the funds and the staff and resources that support it. The six state veterans' homes provide high quality long-term care to 1,522 veterans and their spouses. There are 1,160 skilled nursing care beds that are 94% filled, and there is a waiting list of 255 applicants.

The Pennsylvania National Guard is the third largest National Guard force in America. They prepare personnel for combat so that the Guard can perform worldwide combat and combat support operations, provide global reach, and project U.S. military power in support of national objectives.

Since 2001, more than 44,000 tours of duty have been performed by Pennsylvania National Guard Soldiers and Airmen in active federal service.