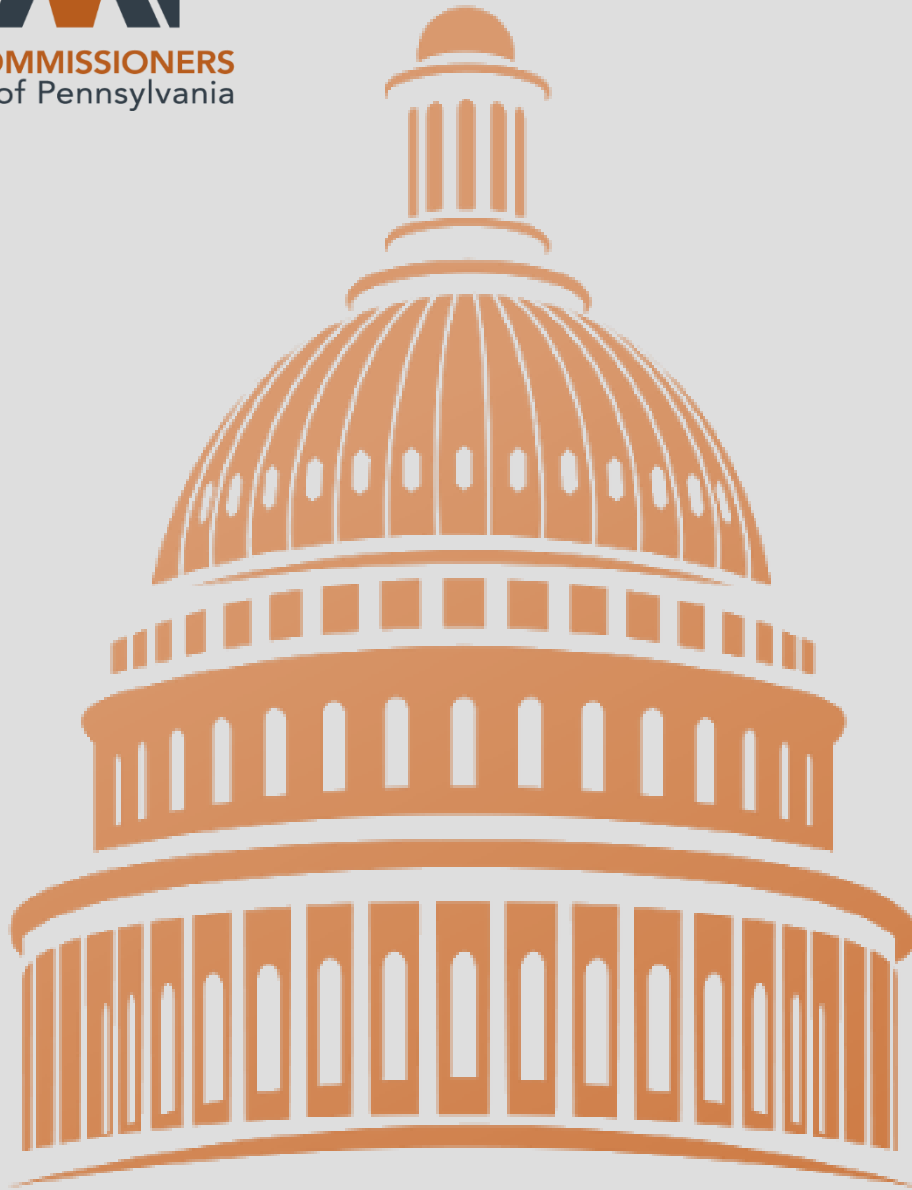




COUNTY COMMISSIONERS
Association of Pennsylvania



**FY 2024 - 2025
Commonwealth Budget
Guide for Counties**

FY 2024-2025 Commonwealth Budget – Guide for Counties
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OVERVIEW

On Thursday, July 11, Gov. Shapiro signed into law the commonwealth general appropriations and code bills for FY 2024-2025 which began on July 1. The \$47.6 billion state budget represents a \$2.72 billion (6.2%) increase from the prior fiscal year. The final budget also transfers \$740 million into the state "Rainy Day Fund". The complete budget package includes the following pieces of legislation:

- [Act 1A](#): FY 2024-2025 General Appropriations - Details the \$47.6 billion in expenditures
- [Act 54](#): Fiscal Code Amendments – Authorizes new programs and provides for how several appropriations are to be made
- [Act 56](#): Tax Reform Code – Contains any tax credits, cuts or adjustments
- [Act 55](#): Public School Code – Provides general K-12 education funding and programs
- [Act 89](#), [Act 90](#), [Act 69](#): Higher education school code package – higher education spending package and Grow PA components

Notably, the FY 2024-2025 state budget includes many lines and programs important to counties, but received flat funding or nominal increases, with a few exceptions. These exceptions include:

- \$134 million increase in funding for long-term care and nursing homes
- \$274 million increases for intellectual disabilities and autism services
- Increase in the Payment in lieu of Taxes (PILTs) for state forests and parks from \$2.40 to \$3.00 per acre for counties
- \$24 million for tourism initiatives
- \$5 million increase for the Homeless Assistance Program
- \$80.5 million in one-time funding for transit agencies
- \$15.7 million increase in community college funding

Key county programs that will see flat funding include:

- Child welfare (\$2.3 billion)
- Act 88 Election Integrity Grants (\$45 million)
- Indigent defense funding (\$7.5 million)

2024 COUNTY PRIORITIES RECAP

Community-based Mental Health Funding - \$20 million increase

- Counties called for a \$250 million increase in funding for county mental health services, regardless of investments made in other areas such as school mental health services.
- Final FY 2024-2025 state budget includes a nominal \$20 million increase in county mental health base funding for this year.
- Counties are deeply disappointed in this outcome as the \$20 million increase will not help expand services, stabilize the workforce, decrease patient wait times or provide any realistic path to rebuilding a system that has been and continues to be chronically underfunded.
- The FY 2024-2025 state budget includes \$100 million in state funding to continue provisions providing physical security and mental health services in schools.

911 Funding – *No changes at this time*

- As the \$1.95 911 surcharge officially took effect on March 1, 2024, information related collections and remittance of the surcharge is still being collected.
- While the surcharge is traditionally set outside of budget discussions, Act 34 of 2023 proposed a sunset of the existing \$1.95 surcharge for January 31, 2026.
- This leaves time for the Legislative Budget and Finance Committee to complete their study and report on the state's 911 system and time for comprehensive dialogue among stakeholders on a funding mechanism for the 911 system moving forward.

Juvenile Detention Capacity Crisis – *No additional funding*

- Counties requested one-time funds of \$15M for renovation costs to bring existing buildings up to the required standards to serve as regional juvenile facilities to aid in combatting capacity issues.
- This funding was not appropriated in the FY 2024-2025 budget

Election Funding – *No additional funding to counties*

- With the Presidential Election coming up in November, counties requested additional funding to counties for operations, including an increase in the Election Integrity Grant Program (Act 88).
- No additional funding was provided directly to counties.
- Funding was dedicated to Department of State General Government Operations for training and resources for election directors and to support the legacy SURE system.

More information on the priorities can be found on CCAP's Priorities [page](#). CCAP has also assembled a number of budget resources on its Budget News web [page](#) and highlights of specific lines of interest for counties to follow.

HUMAN SERVICES

Child Welfare – *Flat funded*

- Overall Budget for FY 2024-2025: \$2.313 billion
- Flat funded for a second year in the row - concerning since it could create shortfalls when counties are able to fill positions.
- Represents the reconciliation of the fourth quarter FY 2023-2024 expenses, and further rolls forward at least 12.5% of the determined needs for FY 2024-2025 to be paid in FY 2025-2026.
- Includes an increase of only \$2 million from the enacted FY 2023-2024 budget - those funds being replacement funds for some federal funding and does not even match the year-to-year inflation for the state and will result in a decrease in real-world funds available to provide child welfare services at a time when counties are struggling.
- This proposed budget carries over the dramatically increased projections for federal funding from FY 2023-2024 – it is still unclear whether those projections for federal revenue for FY 2023-2024 came to fruition, as we are still in the budget cycle.
- Includes an increase in funding for childcare services, with an additional \$27 million in state funding and an additional \$118 million in federal funds anticipated.

- Federal TANF Child Care Assistance was reduced by \$151 million.
- There continues to be substantial underspending from staffing shortages; however, that is increasingly being offset by dramatically higher placement costs, as many providers have increased rates to offset their increasing insurance and personnel costs.

Human Services Block Grant – *See related sections*

- Established for the purpose of allowing participating counties to allocate a portion of certain human services funds across program areas and thereby increasing their ability to match available dollars to local needs.
- There are currently 44 counties participating in the block grant program and funding continues to be provided from individual appropriations.
- The following funds are included in the block grant and further analysis is provided in this narrative: Mental health community base funded services, Behavioral Health Services Initiative (BHSI), Intellectual disabilities community base funded services, Act 152 drug and alcohol services, Homeless Assistance Program, Human Services Development Funds.

Homeless Assistance Program (HAP) – \$5 million increase

- Through HAP, counties provide case management, emergency shelter, bridge housing, innovative supportive housing, and rental assistance to those in immediate danger of becoming homeless.
- The enacted budget includes a \$5 million increase to HAP, its first increase in over a decade, to protect the commonwealth’s most vulnerable residents from housing instability.
- While this increase will enhance resources to address the rising demand of those at risk of homelessness, additional funding is needed, especially with the expiration of one-time federal funding for rental assistance.

Human Services Development Fund (HSDF) – *Flat funded*

- Funding for the HSDF remains flat at \$13.5 million in FY 2024-2025 for the thirteenth straight year.
- The HSDF allows counties to be flexible in the design and provision of programs and services for low-income adults, older adults, dependent and delinquent children, persons experiencing or at risk of homelessness, and individuals with substance use disorders, mental health conditions, or intellectual disabilities.

Long-term Care – *Significant increases*

- Provides for a 7.04% rate increase for the Medical Assistance Community HealthChoices (MA-CHC) line.
- This equates to approximately \$274 million when taking into consideration the federal matching component for this program (over double what counties requested).
- Additional funding in the amount of \$52.8 million was provided to other long-term care budget programs to help with all aspects of long-term care (coincides with the Governor’s request as well as CCAP/PACAH’s requests)

- This increase equates to a historic, over 24% rate increase, over the last three years.
- There are still a few allocation questions to be resolved.
- However, the additional funds for the FY 2024-2025 state budget are welcomed so new and future regulatory requirements can be addressed.

Medical Assistance Transportation Program (MATP) – *Flat funded*

- Includes generally level funding for MATP at \$69.5 million.

Mental Health - *\$20 million increase to counties*

- Shows an increase of nearly \$71 million to the mental health services line within DHS, which traditionally covers allocations to state hospitals, administration, and the county mental health base.
- Includes a \$20 million increase over FY 2023-2024 appropriations in state funds from that line to the county mental health programs.
- This \$20 million represents an overall increase of 8% to be allocated using a newly developed formula based on county population statistics from the most recent five-year estimate of the U.S. Census Bureau’s Community Survey. All other county program funding in this line is subject to the traditional state funding formula.
- Separate from the county funding, schools received an appropriation of \$100 million for physical safety and mental health grants, merging two prior school-based programs into one combined grant program, backfilling a one-time federal appropriation with a state-based allocation.
- Provides \$5 million for establishing and maintaining walk-in mental health crisis stabilization centers.
- Provides \$1.6 million in Community Hospital Integration Projects Program (CHIPP), which provides funding for community placements for state hospital bed closures and diversions.

Intellectual Disabilities, Autism and Early Intervention – *Significantly increased*

- The Intellectual Disabilities Community Based Program is slated to receive \$160.11 million in state funding, an increase of 6%.
- Intermediate Care Facilities see a state appropriation of \$192.15 million, an increase of 10%.
- Provides a significant investment in the Community Intellectual Disability Waiver Program— \$261 million in additional funding for a total of \$2.6 billion, an increase of 11.4%. These funds are intended to help reduce waiting lists for community services and increase payments to service providers, enabling them to attract and retain an appropriate workforce.
- Autism Intervention and Services receives a significant boost in funding at \$35.2 million, an increase of 11%.
- The budget funds Early Intervention Services (birth to three) at \$194.7 million, an increase of nearly 5%.

Substance Use Prevention and Treatment Services – *Nominally increased*

- Contains a very minimal increase in general government operations funding for Department of Drug and Alcohol Programs (DDAP).
- Substance use disorder funding remains stable and unchanged from the current fiscal year.
- Behavioral Health Services Initiative (BHSI) fundings remains the same
- Act 152 funds are unknown until a more detailed budget is available from the Department of Human Services.
- Intermediate Punishment services are level funded.

JUDICIARY

Courts – *Flat funded*

- Maintains level funding from the enacted FY 2023-2024 budget for judicial line items that impact the counties, the third year of level funding.
- Fails to restore the 33% decrease for court cost reimbursement that occurred in the FY 2016-2017 budget, keeping funding at the current year level for the eighth straight year.
- Fails to account for increased costs to counties with 11 additional Court of Common Pleas judges created by Act 58 of 2023.
- Funding for grants to counties to meet mandates for assuring access to those with limited English proficiency received an additional \$156,000, a 6.3% increase.
- Two fees, which are collected by counties, had annual CPI increases extended to January 1, 2024 (previously set to expire January 1, 2025):
 - Costs in civil, custody, and criminal cases - 42 Pa.C.S. § 1725.1(f)(1)
 - Costs in magisterial district judge proceedings - 42 Pa.C.S. § 3571(c)(4)

Criminal Justice – *Flat funded*

- Flat funded at the amount of \$16.2 million.
- While not funded through the state's General Fund, the district attorney salary reimbursement, funded through court document surcharge revenues deposited into the Criminal Justice Enhancement Account, is estimated to see a slight increase to \$9.7 million.

Indigent Defense – *No program changes*

- The grant fund was created in FY 2023-2024 within the Pennsylvania Commission for Crime and Delinquency (PCCD) to address current inadequacies of the indigent criminal defense system.
- The enacted budget continues the same \$7.5M investment as the initial program.
- The program maintains language related to supplementing current funding, not replacing existing investments.

Juvenile Justice – *No additional funding to counties*

- No additional funding to counties to address juvenile detention capacity or related concerns.

- An additional \$55 million was invested in state Youth Development Institutions and Forestry Camps to address increased capacity concerns for delinquent youth.
- While this significant investment aims at addressing capacity concerns, those are state-level investments to increase YDC capacity, but placements are already filled and additional capacity is still needed.
- Funding levels for juvenile justice services are unavailable at press time; yet juvenile probation is slated for level funding in FY 2024-2025.
- Juvenile services are funded through the needs-based budget and the Department of Human Services will provide a breakdown of the specific funding levels.
- While diversion and deinstitutionalization efforts continue, residential programs are experiencing denser populations of high-risk youth.
- This change in demographics results in increased programmatic expectations to provide high quality specialized services and increased supervision, driving up daily costs.
- While overall system costs appear to decrease due to lower overall demand, the investment per child for moderate and high-risk offenders needs to increase as providers intensify services which are more likely to result in reduced recidivism (future victimization) and ultimately reduced long-term costs.

AGRICULTURE AND THE ENVIRONMENT

Conservation Districts – *Flat funded*

- Provides level funding for conservation districts, maintaining \$10.2 million in total General Fund dollars from the departments of Agriculture and Environmental Protection.
- Conservation districts are also set to receive more than \$9.65 million from Act 13 funds, according to [PUC distribution reports](#).

Agriculture – *Generally flat funded*

- Maintains level funding for agricultural preparedness and response at \$34 million, which partially provides funding to monitor and response to invasive species.
- Includes separate federal funding for spotted lanternfly management, to be funded at \$12 million, the same rate as last year.
- Provides level funding for the State Food Purchase Program totaling roughly \$26.7 million
- Maintains level funding for county fairs at \$4 million.
- The State Farmland Preservation Board has set the 2024 state funding threshold for farmland preservation at \$43 million, and counties certified an additional \$17.8 million, making the total state and county funds \$60.8 million. Also includes a \$6 million federal appropriation for farmland protection.
- The Agriculture College Land Script Fund, which includes revenue for the Penn State Extension program, receives level funding of \$57.7 million.

Environment – *Moderately increased*

- Funding for gypsy moth control is wrapped into the overall appropriation for state forest operations within the Department of Conservation and Natural Resources (DCNR); the

overall program is slated for a substantial to \$51.4 million, an increase of more than \$7 million.

- Black fly control receives a nominal increase of \$723,000, totaling slightly over \$8.4 million for FY 2024-2025.
- West Nile Virus and other mosquito-borne viruses received a slight increase of funding at \$6.5 million.
- Provides for a \$10 million increase in environmental protection operations, totaling funds at \$30 million, with a focus on expediting permitting and review processes within the agency.

ELECTIONS – *No new funding for counties*

- \$7.1 million increase for the Statewide Uniform Registry of Electors (SURE) to nearly \$20.6 million.
- Minor increase to \$10.5 million for General Government Operations at Department of State, which may include funding for operations, election security, and voter integrity.
- Funding for voter registration and education remains flat funded at \$546,000.
- Budget assumes the \$45 million set aside annually by [Act 88 of 2022](#) for the Election Integrity Grant Program (DCED).

COMMUNITY AND ECONOMIC DEVELOPMENT

Local Government Services (DCED) – *Nominally increased*

- Provides for nearly a half a million dollar increase in the funding for the Center for Local Government Services to \$5.3 million total.
- Flat funds the Municipal Assistance Program, which funds shared services, community planning and flood plain management activities for local governments, at \$2 million.

Marketing, Training and Tourism – *Significant investments*

- The Pennsylvania First program, focused on investment and job creation in Pennsylvania, receives a \$5 million increase for FY 2024-2025, most of which is earmarked to provide financial assistance to facilitate increased economic investment as part of the Governors State Economic Development 10-year Strategy (SEDS).
- Funding for marketing to attract tourism receives a significant increase of \$24 million, which is consistent with the administration's tourism initiative, Pennsylvania: The Great American Getaway.
- Marketing to attract historically disadvantaged businesses receives flat funding at \$20 million.
- The Office of Open Records sees a nominal increase, receiving \$4 million.
- The Keystone Communities program, designated to encourage creation of partnerships between the public and private sector in communities, receives a significant increase of \$7 million, bring total funds to \$45.3 million.
- Invests \$20 million in a new initiative, Main Street Matters, which specifically targets investments in PA Main Street and small businesses.

INFRASTRUCTURE

Broadband – *No state funding at this time*

- No state funding at this time.
- Over \$1 billion has been allocated to the commonwealth through the Broadband Equity, Access, and Deployment (BEAD) program.
- Nearly \$40 million in IIJA federal funding for State Digital Equity Capacity available.

Cybersecurity - *No state funding at this time*

- Includes approximately \$25 million total in one-time, federal funds from the IIJA for state and local cybersecurity programs housed under the Pennsylvania Emergency Management Agency.
- Counties were unsuccessful in securing their requested \$2.5 million in state funding for county cybersecurity efforts.

Libraries – *Flat funded*

- The public library improvement subsidy maintains flat funding at \$70.4 million for FY 2024-2025 (PDE budget)

TRANSPORTATION – *Funding shifts*

- Reflects ongoing funding for roads, bridges, transit systems and other infrastructure under Act 89 of 2013.
- \$80.5 million in one-time funding for transit agencies as discussions on funding options continue.
- While not directly included in the budget, [Act 85](#) imposes an annual fee on electric vehicles and plug-in hybrid electric vehicles and provides for an alternative fuels tax on electricity.
- This new fee is a response to decreased fuel tax collections due to more fuel efficient and electric powered vehicles, which directly impacts transportation funding in the commonwealth, including road and bridge funding to local governments.

HIGHER EDUCATION – *Program shifts*

- Community Colleges are set to receive \$277.4 million in state funding, a \$15.7 million or 6% increase over FY 2023-2024.
- This increase was part of Governor Shapiro’s blueprint for higher education and the final budget included elements from both the Governor’s proposal and the Senate Republican caucus’s higher education proposal - [Grow PA](#).
- Creates a new state Board of Higher Education, tasked with promoting coordination between the PASSHE and community college systems, developing a strategic plan for higher education and creating a comprehensive data system.
- Establishes the Performance Based Funding Council within the new State Board of Higher Education to make recommendations for a process to distribute funds to Penn State University, the University of Pittsburgh, and Temple University.