

House Appropriations Committee (D) Financial Statement Higher Education Fund

(\$ in millions)

1	Beginning Balance		0
2			
3	Revenues		
4	Dedicated Revenue Source for Higher Education	\$	1,300
5			
6	Expenditures		
7	Governor's Original Proposed Higher Education Expenditures		1,329
8	Less: House Appropriations Committee (D) Cuts		(57)
9	Higher Education Fund		1,272
10			
11	Higher Education Fund Ending Balance	\$	28
12			
13	Federal Fiscal Relief Offset		77
14			
15	Expenditures Including Federal Fiscal Relief	\$	1,349

** The Higher Education Fund Includes community colleges, State System of Higher Education, Thaddeus Stevens College, and the Pennsylvania Higher Education Assistance Agency (PHEAA). The proposed 2009/10 expenditure is a decrease in state spending (not including federal fiscal relief) of 12 million, or 1%, as compared to the 2008/09 expenditure.*

Possible funding sources for the dedicated revenue for higher education are as follows: (\$ in millions)

Other Tobacco Products Tax	\$	33.6
Severance Tax	\$	87.0
Sales and Use Tax Vendor Discount	\$	67.3
Cigarette Tax	\$	46.3
Personal Income Tax Rate Increase from 3.07% to 3.42% (0.35% increase)	\$	1,073.5
Sales and Use Tax Rate Increase from 6% to 7%	\$	1,171.4
Sales and Use Tax Exemption Repeals (various negotiable)	\$	1,000.0

House Appropriations Committee (D) Financial Statement

General Fund Revenue Modifications

(\$ in millions)

1	Proposed Tax Increases			
2	Capital Stock and Franchise Tax Freeze at 2.89 mills retroactive to 1/1/09			373.9
3	Total Proposed Tax Increases	\$	-	\$ 373.9
4				
5	Technical Revenue Changes			
6	Sales Tax Filing Acceleration (effective Date 6/1/2010)			217.5
7	Personal Income Tax Standardization of Withholding/Feds			164.5
8	Escheats (holding pd. reduced to 3 yrs.)			100.0
9	Total Proposed Technical Tax Changes	\$	-	\$ 482.0
10				
11	Proposed Fund Transfers			
12	Cigarette Tax - 25 cents from Health Care Provider Retention Account			198.9
13	Oil and Gas Lease Fund			143.0
14	Transfer of HCPRA Balance			350.0
15	Tobacco Endowment Fund to General Fund			150.0
16	Keystone Recreation, Park and Conservation Fund			21.3
17	Machinery Equipment Loan Fund			30.0
18	Transfer from Rainy Day Fund			750.0
19	Total Proposed Fund Transfers	\$	-	\$ 1,643.2
20				
21	Total Revenue Modifications	\$	-	\$ 2,499.1

House Appropriations Committee (D) Financial Statement General Fund, House Bill 1416 Amendment

(\$ in millions)

1	Beginning Balance	\$	585		(\$1,749)	
2						
3	Revenues					
4	Official Revenue Estimate		28,784		25,530	0.0%
5	Revenue Adjustment		(3,254)		-	
6	Subtotal: Adjusted Revenue Estimate		25,530		25,530	
7	Capital Stock and Franchise Tax at 2.89 mills		-		374	
8	Technical Revenue Changes		-		482	
9	Transfers		-		1,643	
10	Revenue Subtotal	\$	26,115	\$	26,280	0.6%
11						
12	Less: Refunds		(1,225)		(1,230)	
13	Plus: Prior Year Lapses		152			
14	Total Funds Available	\$	25,042	\$	25,050	
15						
16	Expenditures					
17	Governor's Original Request		27,150		25,234	*
18	Spring Update (June 2009)		111		276	
19	Subtotal: Governor's Updated Expenditures		27,261		25,510	
20	Less: House Appropriations Committee Cuts		(470)		(501)	
21	Total Expenditures (State Dollars)	\$	26,791	\$	25,009	-6.7%
22						
23	General Fund Ending Balance		(\$1,749)	\$	41	
24						
25	Federal Fiscal Relief Offset		1,060		2,827	
26						
27	General Fund Obligation					
28	Expenditures Plus Federal Fiscal Relief		27,851		27,836	0.1%
29	Rainy Day Fund Transfers (reflected in Transfers above)		-		750	

* The Governor's original proposed expenditures have been adjusted to exclude \$1.33 billion in higher education expenditures for FY 2009/10. Expenses for higher education have been shifted to a newly formed Higher Education Fund. The House Appropriations Committee (D) proposal is \$1.27 billion.