

Dear Friends,

Faced with the worst economic decline since the Great Depression and a \$3.2 billion revenue shortfall, this year's budget process was particularly challenging. As your State Senator, I have always been committed to working toward a state spending plan that will allow for economic stability and keep money in the pockets of my constituents. It was no easy task to hold down taxes for this fiscal year. However, painful mistakes of the past have shown that solving a budget crisis with a tax increase will kill economic growth. I am pleased to report that the Legislature passed a new budget without broad-based tax increases, reduced state spending, and will provide the foundation for sustainability in the years ahead.

In fact, this year's budget was the first in at least 20 years that was significantly reduced from the previous year. I believe that by passing a fiscally responsible budget, we are moving in a direction that will help to make Pennsylvania more competitive and stable. This update provides more information on the 2009-2010 state budget as well as important initiatives to help Commonwealth residents weather the current economic downturn. I welcome your input on these and other state and local issues.

# **September 2009 State Revenue Report**

he most recent report from the Department of Revenue shows that Pennsylvania is still showing signs of a sluggish economy with overall General Fund collections for the month of September \$118 million, or 5.5 percent below the official estimate.

- Sales and Use Tax (SUT) collections of \$633.4 million were \$38.8 million, or 5.8 percent, below estimate. Year-to-date collections are \$52.2 million, or 2.5 percent, below estimate.
- Total Personal Income Tax (PIT) collections of \$835.4 million for the month of September were \$69.5 million, or 7.7 percent, below estimate. Year-to-date collections are

\$97.9 million, or 4.3 percent, below the official estimate.

# STATE BUDGET PROTECTS TAXPAYERS, LOWERS STATE SPENDING LEVELS

- The Legislature approved a budget package that reduces state spending and maintains state services and programs without a broadbased tax increase.
- The Senate successfully defeated a proposed 16 percent increase in Pennsylvania's Personal Income Tax (PIT) rate from 3.07 percent to 3.57 percent. This tax increase would have taken \$1.5 billion in additional tax

- dollars from Pennsylvania residents and small businesses, the majority of which pay the Personal Income Tax. Nearly 40 percent of that tax revenue comes from Southeastern Pennsylvania.
- The proposal sets General Fund spending at \$27.8 billion – more than \$1.172 billion less than the Governor's initial budget request and \$467 million less than the approved 2008-09 budget total of \$28.267 billion.
- This budget is built on spending that is in line with revenues. It will position our state to rebound quickly when the national economy starts to improve.

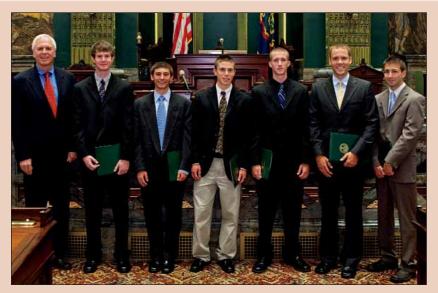
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# **Basic Education Receives \$300 Million Increase**

School districts will see an increase of more than \$1 billion, or 16 percent, when considering increases in Basic Education Funding and federal supplemental funds. The budget provides more than \$5.5 billion for Basic Education, an increase of \$300 million, or 5.7 percent.

Despite limited state revenues, there were no cuts to pre-kindergarten services under Pre-K Counts, which will receive \$86.4 million. Federal funds will provide \$360 million in new supplemental funding for Special Education to school districts, with the state appropriation at \$1.026 billion.

State and Federal Education Funding		
SCHOOL:	2009-2010 FUNDING	INCREASE
Centennial	\$16,339,750	13.5%
Central Bucks	\$26,114,095	15.6%
Bryn Athyn	\$ 45,181	12.2%
Hatboro-Horsham	\$ 7,706,316	18.3%
Lower Moreland	\$ 2,935,670	14.7%
North Penn	\$18,107,145	21.0%
Souderton	\$12,627,549	16.1%
Upper Dublin	\$ 5,291,615	22.4%
Upper Moreland	\$ 5,148,070	15.0%
Wissahickon	\$ 5,362,951	28.0%



JUNE 10, 2009 - Senator Stewart Greenleaf on the Senate Floor with the members of the Central Bucks South High School Track and Field Team who won the Class AAA Boy's 3200 Meter Relay event at the 2009 PIAA State Track and Field Championship with a time of 7:33:48, a new state record.

# Senator Greenleaf's Legislation to Avoid Home Foreclosure

As many Pennsylvanians face the possibility of home foreclosure, Senator Greenleaf continues to push for legislation that would help them stay in their homes.

Senate Bill 222 would require mediation between lenders and borrowers before the foreclosure process can move forward.

The bill requires the court of common pleas in each county to establish a residential mortgage foreclosure conciliation program to assist homeowners and mortgage lenders in achieving a mutually agreeable resolution to a mortgage foreclosure action.

All mortgage foreclosure actions involving a residential mortgage would be scheduled for a conciliation conference prior to the entry of a judgment in the foreclosure action.

### **State Revenue Report**

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- Many programs which are suspended in this budget will be able to resume when the economy improves. But just like families across this state are doing in their own personal budgets, state government has to make the difficult decisions necessary to live within its means.
- In order to balance revenues and expenditures, the budget eliminates or reduces spending across the board, including the Legislature. The Senate received a \$9.7 million reduction and the House received a \$7.3 million reduction in funding.

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## Mortgage Assistance Programs Available Through The Pennsylvania Housing Finance Agency

If you find yourself in danger of home foreclosure or are having difficulty with your monthly mortgage payments, the Pennsylvania Housing Finance Agency has a variety of programs to help qualified home owners refinance their mortgage or receive special loans.

For more information and to see if you qualify for these programs, visit the PHFA website at **www.phfa.org** or call PHFA's toll-free consumer information hotline at 1-800-822-1174.

# SENATOR GREENLEAF'S LEGISLATIVE OFFICES

sgreenleaf@pasen.gov • senatorgreenleaf.com

### DISTRICT OFFICE

711 N. York Rd., Suite 1, Willow Grove, PA 19090-2124 (215) 657-7700 • Toll Free (800) 924-3300 Mon. - Fri. • 9 a.m. - 5 p.m.

### HARRISBURG OFFICE

Senate Box 203012, Harrisburg, PA 17120-3012 (717) 787-6599 • Toll Free (800) 848-5013 • TTY (800) 364-1581