

League Link

A Newsletter of [The Pennsylvania Municipal League](#)



July 2022



Advocacy Action

2022/2023 State Budget Overview

After being delayed for a week, the General Assembly passed the state budget with little public discussion or debate. The House passed the measure 180-20 on July 7; and the Senate agreed to the House budget the following day 47-3. The Governor signed the budget bill and its corresponding legislation on July 8.

In negotiating this year's budget, the Administration and General Assembly had a multibillion dollar surplus to work with including \$2.16 billion in unspent ARPA funds. The 2022/23 spending plan is a 3% increase over last year and comes in at \$42.8 billion. In addition to ARPA allocations, there are funding increases across most, if not all, state agencies, as well as \$2 billion for the state's rainy day fund. There are also unspent funds totaling \$3.6 billion.

Following are some highlights of interest to local government.

Basic education received \$750 million, an 11.4% increase, with \$525 million distributed through the fair funding formula and an additional \$225 million distributed to the 100 lowest-spending districts. Districts are also receiving over \$200,000 each for mental health grants and physical safety grants. Early childhood education, public libraries and career and technical education also received increases. The State System of Higher Education received a \$200 million increase, as did the state's higher education grant programs.

The PA Commission on Crime and Delinquency received ARPA funds for several programs: \$135 million for Local Law Enforcement Support grants; \$50 million for Gun Violence Investigation and Prosecution grants; and \$75 million for Violence Intervention and Prevention grants. Additionally, community violence reduction programs received \$30 million.

Under Community and Economic Development, ARPA funds are providing the Commonwealth Financing Agency with \$320 million for water and sewer projects under the existing H²O PA Program and the PA Small Water and Sewer Program. A new program called Whole Home Repairs will receive

\$125 million in ARPA funds for a comprehensive approach to updating current housing stock making available grants for homeowners and loans for small landlords. The Keystone Communities Program will receive a nearly 25% increase for a total of \$36.9 billion. Of that, \$6.37 million supports the Main Street, Elm Street and Enterprise Zone and accessible housing programs.

Under Environmental Protection and Conservation and Natural Resources, \$100 million in ARPA funds are supporting the State Parks and Outdoor Recreation Program, as well as a \$220 million infusion into the Clean Streams Fund.

Under the Motor License Fund, there is a \$25 million increase in local road maintenance and construction payments. And, a \$5 million increase in municipal traffic signalization grants with no matching fund requirement. There is also a continued reduction in funds taken from the Motor License Fund to pay for the State Police.

A new provision in the Tax Code updates and stabilizes the Insurance Premium Tax (IPT) revenue, a portion of which that is transferred to the Fire Insurance Tax Fund and the Municipal Pension State Aid Fund annually. Beginning with the 2022/23 fiscal year, The Fire Insurance Tax Fund will receive the greater of \$85 million or 8.5% of the IPT. The Municipal Pension State Aid Fund will receive the greater of \$345 million or 38% of the IPT revenue. This change locks in a minimum amount of annual funding and allows for growth through the percentages, and the distribution of these funds to municipalities does not change.

Finally, ARPA funds are being used for a \$140 million supplement for the Property Tax/Rent Rebate Program. Recipients will receive an additional payment at 70% of their 2021 payment. There is a rate reduction of the Corporate Net Income Tax from the current 9.9% down to 4.9% by 2031. Lastly, the budget includes a new tax child care tax credit equal to 30% of the federal child care tax credit.

For more details on the state budget, click [HERE](#)

Executive Director's Report



Check out the section on our website dedicated to member [Community Response During Coronavirus](#).



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TOGETHER



League's Latest

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Municipal Leadership Summit

PITTSBURGH  OCTOBER 6-9, 2022



[West Penn Park Playground Build](#) – This will be the 13th playground project The League has successfully built since 2010. We are honored to once again partner with KaBOOM!, a national nonprofit whose mission is to end playspace inequity. Build week is October 3, 4 and 5 and there will be plenty of volunteer opportunities available during this time so stay tuned to the website for registration information. There are also [sponsorship opportunities which can be found here](#).

Register now for the [PELRAS Leadership Primer Workshops](#) coming up in September and early November – they will be divided into regions. The [West Region](#) will be held on September 13 at the DoubleTree by Hilton Pittsburgh – Monroeville; the [Central Region](#) will be held on September 28 at the Hilton Harrisburg; and the [East Region](#) will be held on November 1 at the Delaware Valley Trusts Headquarters in Horsham.

League Business Leader, Constellation has a monthly webcast called Fortunato & Friends, hosted by their Chief Economist Ed Fortunato. [Click here](#) for a link to the main page where you can subscribe to the monthly event.

We have compiled a list of articles for [League member actions regarding ARPA funding](#). We will continue to update this list as more information becomes available.

For more information, see our [News & Announcements and newsfeed](#) on our homepage.

Also be sure to check out our [COVID-19 Resources for Local Leaders](#) webpage.

Resource Roundup

[Keystone Recreation, Park and Conservation Fund](#) – Pennsylvania Department of Education recently distributed a press release about this program.

Redevelopment Assistance Capital Program Application Window Open July 25 – A second application window for the Redevelopment Assistance Capital Program (RACP) has been announced by the Wolf Administration. This RACP window opening is only for new projects and the previous window will be closed. Applications will open on Monday, July 25, and close on Friday, August 19. New applications will be posted and the 30-day public comment period will begin shortly after applications close. Please visit the [Office of the Budget's website](#), for more information and application instructions.

[How Your Community Can Match Federal Infrastructure Funds](#) – (from the National League of Cities) The historic Bipartisan Infrastructure Law is an opportunity for investments directly to municipalities, but local governments must still consider methods to provide the cost sharing funds tied to many of the projects. Learn more about different ways your community can match federal infrastructure funds.

REGISTRATION OPEN: Fall Swimming Pool Workshops – The PA Recreation & Park Society and the Park Maintenance Institute are offering the 2022 Fall Swimming Pool Workshops.

[Competitive Applications for Keystone Communities OPEN, Grant Writing Webinar, Building Codes on Main Street](#) – FY2022 guidelines are now posted on the [DCED website](#) and competitive applications will be accepted 7/1/22 through 8/31/22.

HUD Lead Grant Application Resources – Apply by August 8 – Applications are due August 8th and the Lead-Free Promise Project would be more than happy to set up an information session for interested municipal leaders to answer any questions or assist in applying for funding.

An interesting [interview](#) provided by the Director of the Michigan Economic Center and published by Reimagining Civic Commons regarding the power of investments in people, places and quality of life as a more effective path for community economic development than traditional notions.

Remember, you can access all archived editions of The League Link as well as other member publications, forms and resources in your [Member Dashboard](#).

Pennsylvania Municipal League

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