

# Pennsylvania FY 2004-05 Enacted Budget

A Review of Major Children's Programs

## Pennsylvania Department of Community and Economic Development

Program	(F)ederal or (S)tate Funding	Available 2003-04	Proposed 2004-05	Enacted 2004-05	% Change 03-04 to 04-05
Child Care Start-Up Challenge Grants-TANF -- Funding eliminated. Had provided challenge grants to increase the capacity of child care centers in areas with unmet need.	( F )	\$10,000,000	\$0	\$0	-100.0%
CyberStart -- Program eliminated. Had developed a program of free hardware, Internet access, and specialized software + training to DPW licensed child care centers and group homes.	( S )	\$1,000,000	\$0	\$0	-100.0%
Family Savings Accounts -- Government aid to promote savings by lower-income families. FSA matches savings dollar for dollar of families below 200% poverty in FSA program up to \$1,000 each year for up to 2 years. Since the inception in 1998, there have been a total of over 4,700 cases with savings of over \$3 million which will be matched dollar for dollar. To achieve the dollar match per dollar saved, the state funds here provide 50 cents and federal Assets for Independence provides the other 50 cents.	( S )	\$826,000	\$826,000	\$826,000	0.0%
Family Savings Account-TANF -- Funding eliminated.	( F )	\$2,000,000	\$0	\$0	-100.0%
Assets for Independence -- Complements and matches funds for the state Family Savings Account program.	(F)	\$1,800,000	\$1,800,000	\$1,800,000	0.0%

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<p><b>Programs Administering Tax Credits</b></p> <p>Educational Improvement Tax Credits -- Act 48 of 2003 increased this credit amount to \$40 million for corporations, financial institutions, and insurance companies on their corporate net income or similar taxes. . Business contributions of cash, property, or in-kind services (a) to scholarships for low- and middle-income students to attend non-public schools or (b) for innovative public school advanced academic programs. Eligible on a DCED-approved and first-come, first-served basis. Credits of 75% of contribution for one year or 90% of the annual amount for each of two years, with a maximum of \$100,000 credit per business per year.</p> <p>As of June 21, 2004, \$12.6 million (of a possible \$26.7 million) in credits approved for scholarship organizations and \$7.6 million (of a possible \$13.3 million) in credits approved for educational improvement organizations for fiscal year 2004-05. For fiscal year 2003-04, all but about \$2 million of the \$40 million was approved for tax credits.</p>	( S )	\$40,000,000	\$40,000,000	\$40,000,000	0.0%
<p>Prekindergarten Tax Credits -- Businesses would be able to receive up to \$5 million in state tax credits for donations to preschool scholarship organizations. Each business would earn a 100% tax credit for the first \$10,000 donated and 90% tax credits after that for the next \$100,000 donated. The tax credits would be non-refundable and could not be carried forward or backward from the current tax year. Eligible prekindergarten programs could include licensed child care providers and Head Start providers.</p>	(S)	\$0	\$5,000,000	\$5,000,000	N/A
<p>Neighborhood Assistance -- Business tax credits for impoverished areas. A longstanding program; total credits capped at \$18 million since 1999-00. DCED approves neighborhood programs within criteria and cap. Then the local agencies solicit business contributions of cash, technical assistance, or other in-kind donations. \$14.2 million of the \$18 million approved in tax credits for 2003-04.</p>	( S )	\$18,000,000	\$18,000,000	\$18,000,000	0.0%