

STATE BUDGET CRISIS

The nonprofit sector is facing fatal cuts both because of actions from the federal government and the Commonwealth.

- The state revenue package did not pass, leaving us staring at a projected \$450 million hole.
 - On top of that, Congress is struggling over what to do with FMAP (Federal Medical Assistance Program)
- If FMAP is not continued, add on top of the \$450 million another \$850 million. Total: **\$1.3 BILLION in PA state cuts.**
- **ALL corners of the nonprofit sector in Pennsylvania are in serious serious danger.** Governor projects 25,000 people will be out of work. This largely includes the staff of PA's nonprofits.

All indicators are Pennsylvania will have a budget passed by mid-July, with or without the \$850 million from Washington. Should that occur, there will be a hole at least as large as the FMAP monies.

The FMAP funding issue currently rests in the U. S. Senate. Pennsylvania and thirty other states will be negatively impacted.

The Commonwealth has been shifting dollars it would normally allocate to its share of Medicaid to other services, programs, and community provider contracts. **With this deficit looming, the Governor and State Assembly have only two options---new revenues and/or cuts.**

Phone calls/emails work best.

Congresswoman Kathy Dahlkemper

Senator Jane Earll

Senator Mary Jo White

Hon. Curtis Sonney

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Hon. John Hornaman

814-835-2880 (Erie office)

Hon. Patrick Harkins

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Hon. Florindo Fabrizio

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Suggested general talking points:

- The nonprofit sector will be directly impacted in the most negative way if cuts are forthcoming.
- Nonprofits are an essential network in Pennsylvania, providing cost-efficient and effective delivery of necessary and vital services, programs and activities that touches literally every citizen in the Commonwealth.
- Without the nonprofit sector, government would have to step up, greatly raising taxes and growing the size of both local and state government.
- Family Services' serves approximately 4,000 clients in northwestern PA a year
- The majority of our clients are low-income without other alternatives
- We need an extension to FMAP (Senator Harry Reid will bring this bill to the floor)