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Months in the works, the Pennsylvania budget impasse is having significant impact on the State. Although some agreement has been reached, and some funding restored, the inability to come to an agreement on the remaining points is having negative effects in several areas that directly and indirectly affect business and employment.

As a result of the delay, state-related colleges and universities may have to borrow funds or increase tuition to stay open. In the interim, many school districts have resorted to freezing new hires and cutting school programs. In addition, county extension offices are in danger of closing as well, and along with them 4-H programs. The corrections system, health care providers and non-profit organizations lack necessary funding, some of which serve the most vulnerable populations and may not be able to continue operations. Even development projects across the state are on hold. These are just the obvious areas that are impacted by this delay. We don't know the full impact and damages this delay has caused for the commonwealth and its citizens.

Although the 2015-2016 budget issues haven't been resolved, Governor Wolf presented his proposed 2016-2017 budget in February as required by the PA constitution. Many Chamber members are disappointed that the proposed budget does not address the pension crisis, and the proposed additional tax on Marcellus Shale is seen by some as potentially damaging to the business environment.

Many proposals have been made, and legislation introduced, to improve the budget approval process. We hope not only that that agreement can be reached on the remaining budget items for 2015-2016, but that the impact of the current stalemate will encourage the executive and legislative branches to ensure that this does not happen in 2016-2017 budget process.