

**LEGISLATION INTRODUCED TO REDUCE, ELIMINATE OR FREEZE SCHOOL
PROPERTY TAXES**

2019-2020 Regular Session

Property Tax Reduction/Elimination

\$13.5 billion	<p><u>Senate Bill 76</u>, ARGALL - Property Tax Independence Act</p> <p><u>House Bill 13</u>, not introduced, RYAN School Property Tax Elimination Act</p>
\$8.5 billion	<p><u>House Bill 1200</u>, HAHN 100% homestead</p> <p><u>House Bill 1231</u>, GILLESPIE The Residential Property Tax Elimination Act</p> <p><u>Senate Bill 820</u>, BOSCOLA Exclude 100 percent of assessed value</p>
\$2.8 billion	<p><u>House Bill 714</u>, DELUCA All individuals currently over the age of sixty-five have taxes frozen</p> <p><u>House Bill 814</u>, KEEFER Freeze on real estate taxes for senior citizens in excess of a base payment</p> <p><u>House Bill 1247</u>, CALTAGIRONE Eliminate tax on homestead of those who qualify for Property Tax Rent Rebate</p>

Impacted Persons/Parcels

5.9 million parcels (4.3 million residential)*	<p><u>Senate Bill 76</u>, ARGALL - Property Tax Independence Act</p> <p><u>House Bill 13</u>, not introduced, RYAN School Property Tax Elimination Act</p>
3.3 million home-owners	<p><u>House Bill 1200</u>, HAHN 100% homestead</p> <p><u>House Bill 1231</u>, GILLESPIE The Residential Property Tax Elimination Act</p> <p><u>Senate Bill 820</u>, BOSCOLA Exclude 100 percent of assessed value</p>
416,000 older homeowners	<p><u>House Bill 714</u>, DELUCA All individuals currently over the age of sixty-five have taxes frozen</p> <p><u>House Bill 814</u>, KEEFER Freeze on real estate taxes for senior citizens in excess of a base payment</p> <p><u>House Bill 1247</u>, CALTAGIRONE Eliminate tax on homestead of those who qualify for Property Tax Rent Rebate</p>

*The Impacted Persons/Parcels figure was developed by the Legislative Budget and Finance Committee through a survey of the county chief assessors for its *Pennsylvania's System for Property Valuation and Reassessment* report released in July 2010. More recent statewide figures were not found. The remaining figures were obtained from the Independent Fiscal Office or the Pennsylvania Department of Education.

2017-2018 Regular Session

Property Tax Reduction/Elimination

\$13.5 billion	<p>House Bill 76, COX Property Tax Independence Act House Bill 1318 P.N. 1627, GILLESPIE Eliminate tax by increasing the state Personal Income Tax from 3.07% to 4.5%; adding food and clothing to the sales tax; and raise rate to 7%. House Bill 504 (as amended May 2015), GABLER Combination of Millage reduction, Homestead and Rent Rebate through sales, income taxes Senate Bill 76, ARGALL Property Tax Independence Act</p>
\$8.5 billion	<p>House Bill 2329 P.N. 3505, HAHN Provide for a 100% homestead and farmstead exclusion Senate Bill 1137 P.N. 1681, SCAVELLO Elimination of owner-occupied residential school property taxes via the homestead exclusion at 100 percent</p>
\$6.9 billion	<p>Senate Bill 768 P.N. 965, COSTA Home Rebate Plan-\$2,090 rebate to all Homesteads. Increases the PIT to 3.95% and sales tax to 6.6%</p>
\$2.8 billion	<p>House Bill 460 P.N. 481, DeLUCA All individuals currently over the age of sixty-five have taxes frozen House Bill 1512 P.N. 1937, MICCARELLI Age 65 or older/ homestead exemption for 3+ years House Bill 2689 P.N. 4157, FARRY No increases for seniors in excess of base payment Senate Bill 102 P.N. 76, BOSCOLA Taxes frozen for age 65 or older, in homes for 5+ years, make less than \$65,000 annually Senate Bill 356 P.N. 350, TOMLINSON Freeze on real estate taxes for senior citizens in excess of a base payment</p>

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[Home](#) / House Co-Sponsorship Memoranda

House Co-Sponsorship Memoranda

House of Representatives Session of 2019 - 2020 Regular Session

MEMORANDUM

Posted: December 3, 2018 11:42 AM
From: [Representative Francis X. Ryan](#)
To: All House members
Subject: LEGISLATION: PROPERTY TAX ELIMINATION

In the very near future, I intend to introduce a property tax elimination bill that calls for a full elimination of the school property tax within the Commonwealth within two years.

The program is unique in that it breaks the elimination into two bills:

1. Property tax elimination bill which calls for full elimination of the school property tax and the creation of a commission to develop the replacement taxes subject to very strict criteria within 12 months.
2. Replacement tax bill which would be the result of the commission's work.

The details of the elimination bill are as follows:

1. The property tax elimination would be a total school tax elimination.
 - a. The elimination would take place in the September of two years after enactment
 - b. A lending facility for schools would be established to provide for emergency funding for schools facing a catastrophic local event interrupting tax collections \$250 Million would be set up initially in the fund and it would be administered by the Department of Education subject to specific emergency constraint measures and as verified by the Auditor General.
2. For the replacement revenue, the bill will call for the creation of a "Commission for Replacement Taxes" The Commission must report within 12 months of bill passage the replacement tax package to replace the school property taxes.
3. The Commission will be bound by the following constraints:
 - a. Replacement taxes cannot exceed the school property tax replaced and must come from any or all of the following sources.
 1. Personal income tax/Earned Income Tax
 2. Sales and use tax
 3. Tax on unearned income, with exclusion only for return of capital of funds taxes initially (deferred compensation, etc)
 4. Property tax rebate programs to be eliminated
 5. Social Security would NOT be taxable – this is put in the bill to prevent misunderstanding
 - b. Other constraints:
 1. Landlords would be required to separate rents as to rent and tax portion of the rent 12 months prior to property tax elimination. On the date of full school property tax elimination, the tax portion of the rent would be eliminated.
 2. Trust fund must be established to hold all new taxes with payments to schools to only source of repayment if collected by the state and payments from the trust funds must be permissible to in the event of a budget impasse
 3. Any report from the committee would be presented to the Legislature, Senate and House for full consideration to fund the replacement taxes.

Please join me in co-sponsoring this important legislation to better serve our Commonwealth residents.

Fiscal Year 2019/2020 Employer Contribution Rate

On December 7, 2018 the PSERS Board of Trustees certified an employer contribution rate of 34.29% for fiscal year (FY) 2019/2020, which begins July 1, 2019. The 34.29% rate is composed of a 0.84% rate for health insurance premium assistance, 0.09% for Act 5 Defined Contribution, and a pension rate of 33.36%. Over 75% of the employer contribution rate is for the payment of unfunded liability, which is primarily debt for past service already earned by members.

Funding Sources for the System

The Public School Employees' Retirement System (PSERS) is funded through three sources: contributions from employees (members), the employer contribution rate which includes contributions from school employers and the Commonwealth, and investment returns from the System.

Employee (Member) Contributions

- Employee (Member) contributions range from 5.25% to 10.30% of payroll depending on the class of membership of the employee and when they joined PSERS. Employees are expected to contribute an average of 7.59% of their salary to help fund their retirement benefit in FY 2019/2020. Employee (member) contributions of approximately \$1.1 billion are expected in FY 2019/2020.

Shared Investment Risk

- As of July 1, 2011 new members bear some of the investment risk via the shared risk provisions of Act 120 of 2010. Under the "shared risk" provisions, new members since July 1, 2011 share some of the risk when investments underperform. Since PSERS investment performance exceeded the Act 120 benchmarks during the last measurement period, the Board certified and retained the current T-E member contribution rate of 7.50% and T-F member contribution rate of 10.30% for the three year period from July 1, 2018 to June 30, 2021. The next measurement period for the "shared risk" provisions ends June 30, 2020.

Employer (School District and Commonwealth) Contributions

- Both the employer and the Commonwealth are responsible for paying a portion of the employer contribution rate. Employers are divided into two groups: school entities and non-school entities. School entities are responsible for paying 100 percent of the employer share of contributions to PSERS. The Commonwealth reimburses school entities for one-half the payment for employees hired on or before June 30, 1994. School entities are reimbursed by the Commonwealth based on a statutory formula for employees hired after June 30, 1994, but not less than one-half of the payment. Non-school entities and the Commonwealth each contribute one-half of the total employer rate. Total employer contributions for FY 2019/2020 are estimated at \$4.8 billion.
- The employer contribution rate-setting methodology is set forth in statute. The chart below shows the employer contribution rate history beginning in FY 2001/2002 through the certified rate for next FY 2019/2020.

HISTORY OF EMPLOYER CONTRIBUTION RATES					
Fiscal Year	Employer Normal Cost %	Employer Pension Rate %	Act 5 Defined Contribution %	Health Care Contributions %	Total Employer Contribution %
01/02	5.63	0.00	NA	1.09	1.09
02/03	7.20	0.18	NA	0.97	1.15
03/04	7.25	2.98	NA	0.79	3.77
04/05	7.48	4.00	NA	0.23	4.23
05/06	7.61	4.00	NA	0.69	4.69
06/07	6.62	5.72	NA	0.74	6.46
07/08	6.68	6.44	NA	0.69	7.13
08/09	6.68	4.00	NA	0.76	4.76
09/10	7.35	4.00	NA	0.78	4.78

School District Property Tax Forecast

INTRODUCTION

The Independent Fiscal Office (IFO) has issued periodic school property tax forecasts in response to legislative requests and public interest. This report provides an updated forecast to facilitate discussion of proposals that contemplate changes to school property taxes.

The most recent school property tax data published by the Pennsylvania Department of Education (PDE, or department) is for fiscal year (FY) 2016-17. For that year, current-year collections were \$13.1 billion, Act 1 allocations were \$532 million and delinquent collections were \$552 million, resulting in a total of \$14.1 billion for school district revenues related to the property tax.¹

The department is expected to release actual collections for FY 2017-18 in late Spring 2019. This report provides estimates for that year and FY 2018-19 based on an IFO analysis of millage rate and property tax assessment data. Projections for FY 2019-20 through FY 2023-24 are made based on the statutory, economic and structural factors that affect growth rates of school property taxes.

FORECAST OVERVIEW

Table 1 provides a summary of the IFO’s estimate of school property taxes for FY 2017-18 and FY 2018-19, as well as projections for FY 2019-20 to FY 2023-24. The estimated total property tax collections for FY 2017-18 and FY 2018-19 are \$14.5 billion and \$14.9 billion, respectively. Collections are projected to increase by roughly 3.2 percent per annum during the forecast period, reaching \$17.3 billion in FY 2023-24.

The estimates for FY 2017-18 and FY 2018-19 generally are based on individual school district tax rate and tax base data. After the beginning of each fiscal year, PDE publishes the millage rates adopted by school districts for that year. The IFO utilizes that information, along with taxable assessed values published by the State Tax Equalization Board (STEB), to estimate current-year collections for school districts. Data on Act 1 allocations are released by PDE each fiscal year, and the amounts for FY 2017-18 and FY 2018-19 are actual amounts. The estimates for delinquent collections in these years are based on recent trends.

Forecasts of current-year collections for FY 2019-20 through FY 2023-24, which comprise approximately 92 percent of receipts related to the

Table 1: School Property Tax Forecast

Fiscal Year	Actual	Estimate		Forecast				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Current-Year	\$13,052	\$13,467	\$13,803	\$14,220	\$14,640	\$15,140	\$15,680	\$16,270
Act 1 Allocations ¹	532	533	533	530	530	530	530	530
Delinquent ²	552	546	541	535	530	525	520	515
Total	14,136	14,546	14,877	15,285	15,700	16,195	16,730	17,315

Note: Dollar amounts in millions.

¹ Actuals through FY 2018-19. Estimated at \$530 million annually thereafter.

² Reported by PDE for FY 2016-17, estimated by IFO thereafter.

utilization rate is based on historical collections and Act 1 indexes. A utilization rate of 75 percent, which is consistent with recent trends, is applied throughout the forecast.

Table 3 displays historical detail and the forecast of the Act 1 index (base and weighted average) and its components (SAWW and ECI). The base index and its two components are based on data published by PDE through FY 2019-20 and they are forecast by the IFO for subsequent years. The weighted average index is calculated by the IFO for all years.

During the forecast period, the base index increases from 2.3 in FY 2020-21 to 3.2 in FY 2023-24. The SAWW, which is projected by the Pennsylvania Department of Labor and Industry, increases from 2.0 to 3.5. The annual SAWW increase is calculated using the growth rate between two overlapping three-year (calendar) periods. For example, the increase for FY 2019-20 is equal to the growth in the SAWW between January 2014 – December 2016 and January 2015 – December 2017. The significant increase in the SAWW for FY 2021-22 occurs because calendar year 2016, which exhibited weak wage growth, becomes part of the three-year period in the baseline for computing the growth rate. For the ECI, there are no available projections for education-specific employment costs, so the general ECI projection from IHS Markit is used, with adjustments by the IFO. This component of the index increases more modestly, from 2.6 in FY 2020-21 to 3.0 in FY 2023-24.

ACT 1 EXCEPTIONS

A school district that seeks to increase its millage rate by a percentage that exceeds its Act 1 index (base or adjusted, as applicable) may seek approval for an exception.⁵ The statute currently authorizes four exceptions: pension obligations, special education expenditures, grandfathered debt service and electoral debt service.⁶ The exceptions process is administered by PDE, which reviews the data submitted by the school district and validates that the request complies with the law. If the request is approved, the school district is permitted to increase the millage rate sufficient to generate revenues up to the amount approved.

Table 3: Act 1 Index History and Forecast

Fiscal Year	SAWW ¹	ECI ²	Base Index ³	Weighted Index ⁴
2007-08	2.8%	4.0%	3.4%	4.3%
2008-09	4.3	4.5	4.4	4.9
2009-10	4.6	3.6	4.1	4.6
2010-11	2.7	3.0	2.9	3.3
2011-12	0.9	1.9	1.4	2.0
2012-13	2.1	1.3	1.7	1.9
2013-14	2.0	1.4	1.7	1.9
2014-15	2.6	1.6	2.1	2.5
2015-16	2.4	1.4	1.9	2.5
2016-17	2.5	2.2	2.4	2.7
2017-18	2.6	2.3	2.5	2.9
2018-19	2.2	2.6	2.4	2.7
2019-20	2.2	2.4	2.3	2.6
2020-21	2.0	2.6	2.3	2.6
2021-22	2.8	2.9	2.8	3.2
2022-23	3.0	3.0	3.0	3.4
2023-24	3.5	3.0	3.2	3.6

¹ Statewide Average Weekly Wage.
² Employment Cost Index.
³ Average of the SAWW and ECI.
⁴ Average of the index for each school district weighted by property tax collections.

Sources: Pennsylvania Department of Education, Pennsylvania Department of Labor and Industry and IHS Markit. Weighted index calculated by the IFO.

The forecast projects that school districts will qualify for exceptions valued between \$60 million and \$70 million annually. The value of the pension exception gradually declines because school district contribution rates are projected to stabilize. The exception for special education expenditures is projected to remain flat throughout the forecast. The value of that exception is affected by state funding, and the value increases if state funding for special education does not keep pace with the costs incurred by school districts. The remaining exceptions (pertaining to debt service) contribute small amounts to the forecast.

School districts are not required to utilize approved exceptions, and many do not use the full amount. PDE issues annual reports that detail the

Longtime Owner Occupants Program (LOOP) and the ten-year abatements for residential units that have been rehabilitated or newly constructed.

Based on the survey and data provided, the IFO estimates that approximately 54 percent of current -year school property tax collections are from homestead properties.¹¹ The same percentage is applied to delinquent tax collections. The Act 1 allocations are used to offset property taxes for homestead properties, and the homestead estimates include 100 percent of such allocations.

Table 5 does not include Philadelphia’s locally funded property tax relief for owner-occupied residential properties. The IFO estimates that 40 percent of taxable property in the City is homestead property, but that 34 percent of property tax collections are from homesteads after applying the local tax relief. The differential of six percentage points represents the impact of the local relief. Proposals to replace property taxes on homesteads may either include or exclude the value of the local relief when determining the dollar value targeted for replacement.

Table 5: School Property Tax - Estimated Homestead Share

Fiscal Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Current-Year	\$7,048	\$7,272	\$7,453	\$7,679	\$7,906	\$8,176	\$8,467	\$8,786
Act 1 Allocations	532	533	533	530	530	530	530	530
Delinquent	298	295	292	289	286	284	281	278
Total	7,878	8,000	8,279	8,498	8,722	8,989	9,278	9,594

Note: Dollar amounts in millions.

SCHOOL DISTRICT PROPERTY TAX REVENUES

Data provided by the PA Department of Education

Fiscal Year	Collections	Property Tax Reduction Allocation	TOTAL SD PROPERTY TAXES	Dollar Increase	Percent Growth	Property Tax Reform Legislation	Governor	
1981-82	\$2,050,979,037	\$0	\$2,050,979,037					
1982-83	\$2,193,101,486	\$0	\$2,193,101,486	\$142,122,449	6.9%			
1983-84	\$2,339,435,213	\$0	\$2,339,435,213	\$146,333,727	6.7%			
1984-85	\$2,524,232,976	\$0	\$2,524,232,976	\$184,797,763	7.9%			
1985-86	\$2,685,042,553	\$0	\$2,685,042,553	\$160,809,577	6.4%			
1986-87	\$2,867,390,954	\$0	\$2,867,390,954	\$182,348,401	6.8%		Thornburgh	
1987-88	\$3,076,914,647	\$0	\$3,076,914,647	\$209,523,693	7.3%		Casey	
1988-89	\$3,332,122,683	\$0	\$3,332,122,683	\$255,208,036	8.3%		Casey	
1989-90	\$3,662,695,292	\$0	\$3,662,695,292	\$330,572,609	9.9%		Casey	
1990-91	\$4,056,825,920	\$0	\$4,056,825,920	\$394,130,628	10.8%	10-year Compound Annual Growth	Casey	
1991-92	\$4,405,277,006	\$0	\$4,405,277,006	\$348,451,086	8.6%		Casey	
1992-93	\$4,736,230,626	\$0	\$4,736,230,626	\$330,953,620	7.5%		Casey	
1993-94	\$4,981,119,211	\$0	\$4,981,119,211	\$244,888,585	5.2%		Casey	
1994-95	\$5,246,096,758	\$0	\$5,246,096,758	\$264,977,547	5.3%		Casey	
1995-96	\$5,435,100,936	\$0	\$5,435,100,936	\$189,004,178	3.6%		Casey	
1996-97	\$5,692,123,743	\$0	\$5,692,123,743	\$257,022,807	4.7%			
1997-98	\$5,899,792,892	\$0	\$5,899,792,892	\$207,669,149	3.6%			
1998-99	\$6,192,461,158	\$0	\$6,192,461,158	\$292,668,266	5.0%			
1999-00	\$6,474,133,936	\$0	\$6,474,133,936	\$281,672,778	4.5%			
2000-01	\$6,815,613,742	\$0	\$6,815,613,742	\$341,479,806	5.3%	10-year Compound Annual Growth	Ridge	
2001-02	\$7,197,452,017	\$0	\$7,197,452,017	\$381,838,275	5.6%		Ridge	
2002-03	\$7,762,009,750	\$0	\$7,762,009,750	\$564,557,733	7.8%		Ridge	
2003-04	\$8,304,228,974	\$0	\$8,304,228,974	\$542,219,224	7.0%		Ridge	
2004-05	\$8,909,888,069	\$0	\$8,909,888,069	\$605,659,095	7.3%		Schweiker	
2005-06	\$9,450,862,131	\$0	\$9,450,862,131	\$540,974,062	6.1%		Schweiker	
2006-07	\$10,010,719,092	\$0	\$10,010,719,092	\$559,856,962	5.9%		Act 1 of 2006, Special Session ¹	Randell
2007-08	\$10,474,050,306	\$0	\$10,474,050,306	\$463,331,214	4.6%			Randell
2008-09	\$10,438,463,356	\$525,855,205	\$10,964,318,561	\$490,268,255	4.7%			Randell
2009-10	\$10,759,581,531	\$527,228,703	\$11,286,810,235	\$322,491,673	2.9%			Randell
2010-11	\$11,153,412,490	\$530,485,018	\$11,683,897,507	\$397,087,273	3.5%	Randell		
2011-12	\$11,480,468,871	\$525,937,407	\$12,006,406,278	\$322,508,770	2.8%	Randell		
2012-13	\$11,695,781,857	\$529,442,155	\$12,225,224,012	\$218,817,734	1.8%	Act 25 of 2011 ²		Corbett
2013-14	\$11,947,430,324	\$525,317,048	\$12,472,747,373	\$247,523,361	2.0%			Corbett
2014-15	\$12,280,755,102	\$529,916,829	\$12,810,671,931	\$337,924,558	2.7%			Corbett
2015-16	\$12,614,952,889	\$530,856,880	\$13,145,809,769	\$335,137,838	2.6%			Wolf
2016-17	\$13,052,096,839	\$531,821,696	\$13,583,918,535	\$438,108,766	3.3%		Wolf	
2017-18	\$13,510,411,979	\$533,022,457	\$14,043,434,436	\$459,515,902	3.4%		Wolf	

6.5%	20- year average growth prior to Act 1 of 2006	1986-87 through 2005-06
4.1%	Average growth from Act 1 of 2006 to Act 25 of 2011	2006-07 through 2011-12
2.6%	Average growth since passage of Act 25 of 2011	2012-13 through 2017-18

¹ Act 1 of 2006, Special Session, provided that a tax increase proposed by any board of school directors shall not exceed the index unless one or more backend referendum exceptions are approved beginning with the 2006-07 school year.

² Act 25 of 2011 repealed the majority of the exceptions for the backend referendum requirement beginning with the FY2012-13 school year. The exceptions which still remain are for increases in pension costs and increases in special education costs which exceed the index.

Year	14,877,000,000	IFO Estimate for 2018-19	
1	15,353,064,000	3.2%	3%
2	15,844,362,048	3.2%	7%
3	16,351,381,634	3.2%	10%
4	16,874,625,846	3.2%	13%
5	17,414,613,873	3.2%	17%
6	17,971,881,517	3.2%	21%
7	18,546,981,725	3.2%	25%
8	19,140,485,141	3.2%	29%
9	19,752,980,665	3.2%	33%
10	20,385,076,046	3.2%	37%
11	21,037,398,480	3.2%	41%
12	21,710,595,231	3.2%	46%
13	22,405,334,279	3.2%	51%
14	23,122,304,975	3.2%	55%
15	23,862,218,735	3.2%	60%
16	24,625,809,734	3.2%	66%
17	25,413,835,646	3.2%	71%
18	26,227,078,386	3.2%	76%
19	27,066,344,895	3.2%	82%
20	27,932,467,931	3.2%	88%
21	28,826,306,905	3.2%	94%
22	29,748,748,726	3.2%	100%
23	30,700,708,685	3.2%	106%
24	31,683,131,363	3.2%	113%
25	32,696,991,567	3.2%	120%
26	33,743,295,297	3.2%	127%
27	34,823,080,747	3.2%	134%
28	35,937,419,330	3.2%	142%
29	37,087,416,749	3.2%	149%
30	38,274,214,085	3.2%	157%
31	39,498,988,936	3.2%	166%
32	40,762,956,582	3.2%	174%
33	42,067,371,192	3.2%	183%
34	43,413,527,070	3.2%	192%
35	44,802,759,937	3.2%	201%

From: Myers, Daniel <DMyers@paauditor.gov>
Sent: Friday, June 14, 2019 10:58 AM
To: Frank Ryan <Fryan@pahousegop.com>
Cc: Julianne Naccarato <Jnaccara@pahousegop.com>; Dugan, Stephany <SDugan@paauditor.gov>
Subject: following up

Rep. Ryan

I wanted to circle back with you on your correspondence regarding the CAFR and PSERS pension liability. I also want to apologize for there being a delayed response.

As you know the school districts contribute annually for their employees pension to PSERS and when at the time that the employee retires that responsibility the pension payments transfers to PSERS. Once we received your correspondence, we reached out to PSERS to pose your question. After acknowledging that it was a very good question, they stated that they feel if a school district became insolvent they would step in as a creditor to collect as much as it could through the Commonwealth's Intercept Program to ensure that payments for existing employees were still being met. They feel that since the pension system is a cost-sharing plan, the state would have to carry some of the burden but the remaining districts would have to carry the bulk of the liability. They wanted to note that a school district has never become insolvent.

I should also note that it has been impressed upon us that this situation is very unlikely because school districts are actually barred by law from declaring bankruptcy, and generally there is a debate on whether the constitution prohibits the state from taking on the debt of other governmental units.

Please let me know if you have any questions or want to discuss further.
Thanks and have a great weekend.
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Senior Care Funding - FY 2015-16 through FY 2019-20

(Dollar Amounts in Thousands)

Appropriation/Source	2015-16	2016-17	2017-18	2018-19	2019-20	Increase over 2018-19	
	Actual	Actual	Actual	Available	Enacted	\$	%
Long-Term Care Managed Care - provides funding for the Living Independently for the Elderly (LIFE) Program that provides the full continuum of long-term services and supports							
State - General Fund	\$ 116,133	\$ 127,066	\$ 138,294	\$ 149,039	\$ 156,933	\$ 7,894	5.3%
Federal	131,872	146,594	164,347	171,363	171,722	359	0.2%
Total	\$ 248,005	\$ 273,660	\$ 302,641	\$ 320,402	\$ 328,655	\$ 8,253	2.6%

In 2010-11, Long-Term Care Managed Care funding was included in the Long-Term Care appropriation.

Payment to Federal Government - Medicare Drug Program - mandated payment to federal government to cover the cost of prescription drug coverage for individuals dually eligible for Medicare and Medicaid

State - General Fund	\$ 584,518	\$ 731,917	\$ 658,174	\$ 754,726	\$ 775,602	\$ 20,876	2.8%
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Medical Assistance - Transportation Services - funding for seniors to go to medical appointments

State - Lottery Fund	\$ 4,900	\$ 3,300	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	0.0%
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Department of Aging:

PENNCARE - provides funding to Area Agencies on Aging including the OPTIONS Program that provides home and community-based services to seniors

State - Lottery Fund	\$ 314,282	\$ 331,246	\$ 336,062	\$ 338,725	\$ 305,324	\$ (33,401)	-9.9%
Federal	141,828	131,807	148,218	140,170	107,622	(32,548)	-23.2%
Other	291	359	709	684	725	41	6.0%
Total	\$ 456,401	\$ 463,412	\$ 484,989	\$ 479,579	\$ 413,671	\$ (65,908)	-13.7%

Caregiver Support - provides services to reduce caregiver stress when caring for older individuals including reimbursement for services, supplies and home modifications

State - Lottery Fund	\$ 12,103	\$ 12,103	\$ 12,103	\$ 12,103	\$ 12,103	\$ -	0.0%
Federal	10,000	10,000	10,000	10,000	10,000	-	0.0%
Total	\$ 22,103	\$ 22,103	\$ 22,103	\$ 22,103	\$ 22,103	\$ -	0.0%

Pharmaceutical Assistance Fund - transfer from the Lottery Fund to support the PACE/PACENET Program

State - Lottery Fund	\$ 175,000	\$ 205,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ -	0.0%
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