



Pennsylvania Senate Appropriations Committee

Senator Pat Browne
Chairman



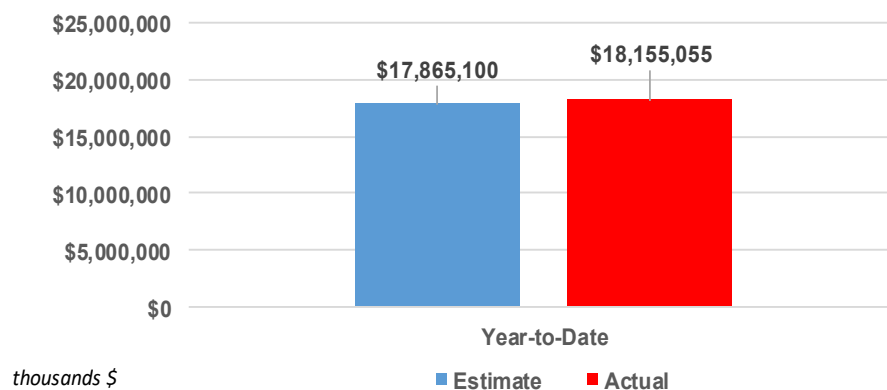
Monthly Report February 2019

General Fund Surplus Shrinks

General Fund revenue collections for the month of January were below the estimate by \$113.7 million. General Fund tax revenues were \$120.2 million lower than the monthly estimate, but non-tax revenue was \$6.5 million above the estimate. General Fund revenue collections thus far this fiscal year are \$290 million ahead of estimate.

Final individual estimated personal income tax payments for the 2018 tax year, which were due January 15th, were \$119.4 million below estimate for the month, making up the lion's share of the monthly shortfall. It is too early to know for sure, but the weakness in this subset of PIT payments was likely a combination of there being unused overpayments resulting from last year's rush to make significant state and local tax payments ahead of changes in federal tax law and a drop-off in the stock market at the end of the year.

**General Fund Revenue Collections
Fiscal Year 2018-19
Comparison of Official Estimate with Actual Revenue Year-
to-Date**



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Senate Appropriations Staff

John Guyer, Director
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Elizabeth Richardson, Administrative Assistant
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William Joraskie (Environment/Labor)
Russ Miller (Education/Agriculture)
Meaghan Sprout (DHS Cost Containment)
Bill Witmer (Criminal Justice/Capital)

Senate Appropriations Committee

281 Main Capitol Building
Harrisburg, PA 17120
Phone: 717-787-1349
Fax: 717-772-3458

<http://appropriations.pasenategop.com/>

Senator Browne's District Office

702 W. Hamilton Street, Suite 101
Allentown, PA 18101
Phone: 610-821-8468
Fax: 610-821-6798

www.senatorbrowne.com

Game Fund Review

With a majority of hunting seasons in Pennsylvania now concluded, it seems appropriate to take a look at the revenues generated to support the Game Fund (fund) and the work done by the Game Commission (commission). The main revenue categories include license fees paid by hunters, the sale of resources from game lands including oil and gas drilling leases and timber sales, the federal government via the Pittman-Robertson distributions, and fines and penalties.

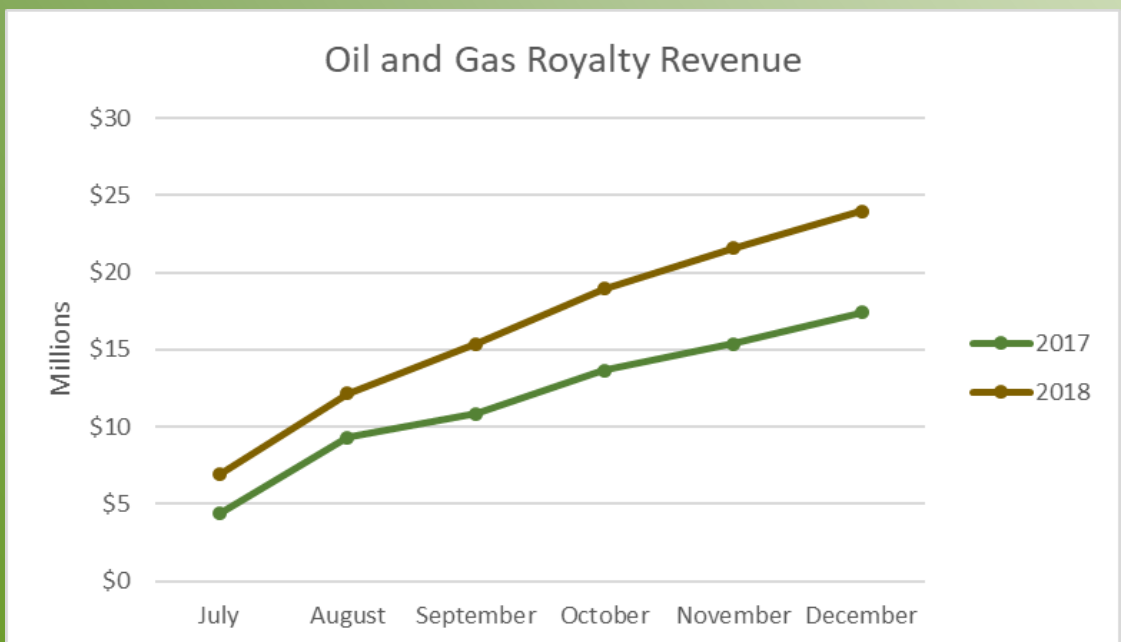
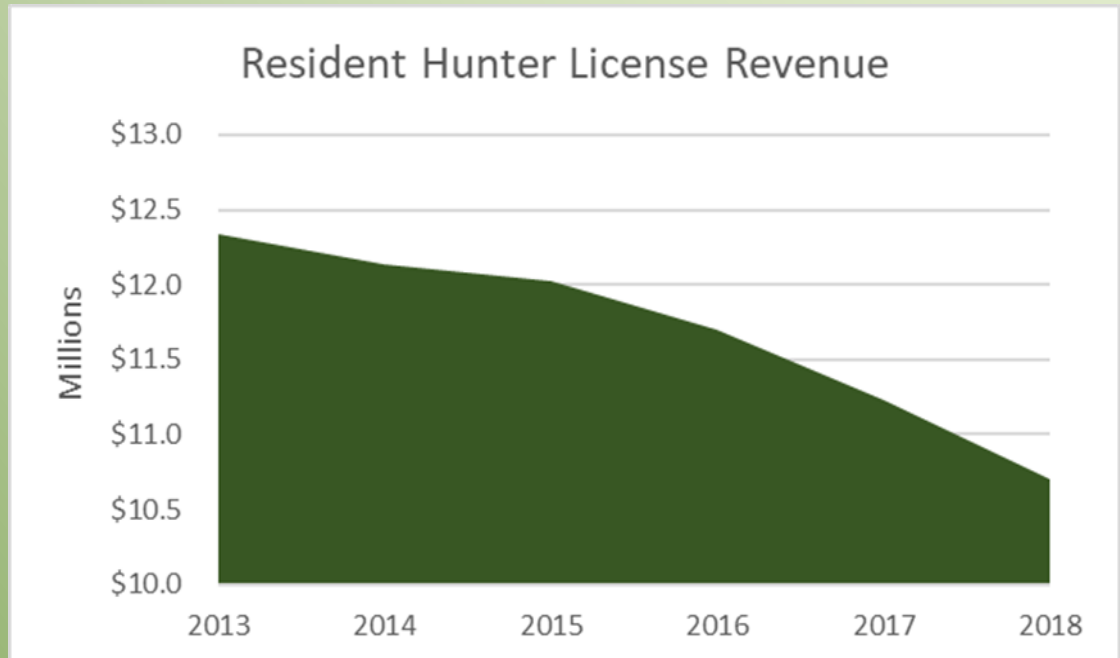
The end of January signals the end of the most popular and highest revenue generating seasons of whitetail deer, bear and elk seasons, and a majority of the license revenue has been

collected, giving the commission an estimate on how the fund's financial picture will look for the year. An area of concern for the commission is the continuing decrease in revenue generated by the resident deer hunting license. While doe, archery and nonresident license revenues have remained relatively stable over the past few years, the same can't be said for resident licenses, which continue to decline. One area that has helped stabilize the fund has been the rebound in drilling activity and the revenues generated from leases on commission land. Royalty revenues are on pace in fiscal year 2018 to again exceed prior year revenues.

Among the initiatives the commission undertakes, is communicating the importance of identifying and preventing the devastation brought by Chronic Wasting Disease (CWD) in our whitetail deer population. CWD has affected populations in 25 other states and three Canadian provinces and was detected in Pennsylvania in 2012.

With three disease management areas in the state the commission continues to test throughout the state, and attempt to manage where it exists.

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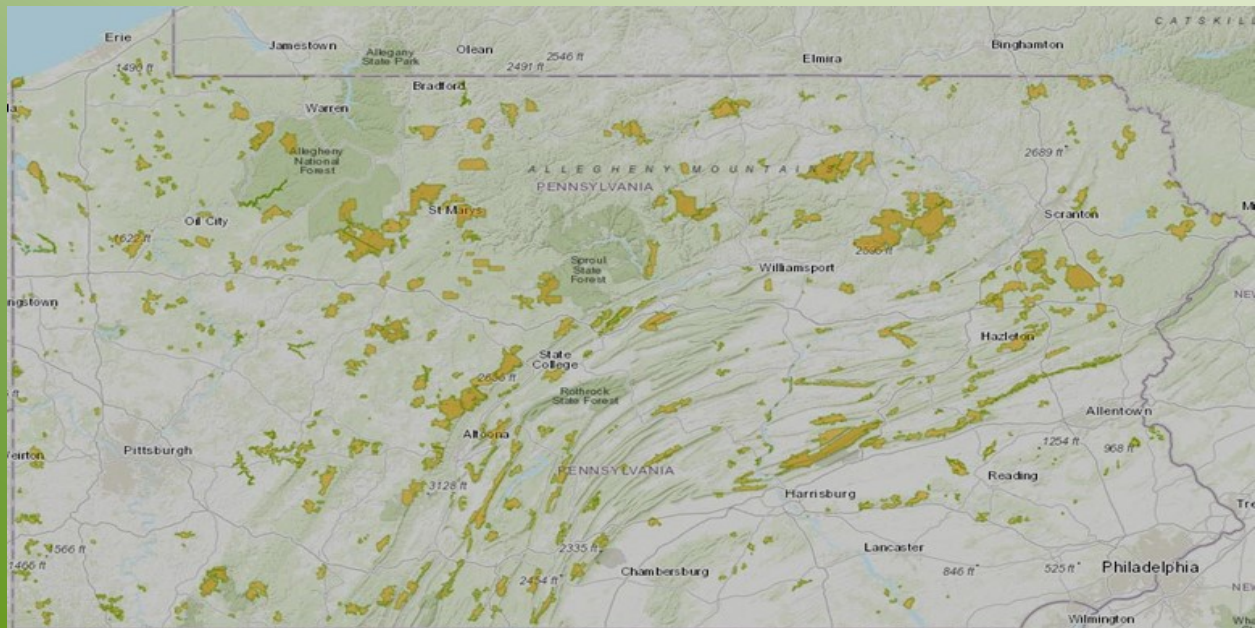
Department of Corrections Overtime

	2016	2017	2018
Total Overtime Spending	\$101.9 Million	\$95.6 Million	\$114 Million
Maximum Individual Overtime Earned	\$131,000	\$114,000	\$115,000
Average Overtime Earned (>\$1,000)	\$9,600	\$8,600	\$9,600
Median (>\$1,000)	\$6,000	\$5,300	\$5,900
Number of Individuals Earning:			
Overtime >\$100,000	5	1	3
Overtime >\$75,000 but <\$100,000	14	6	15
Overtime >\$50,000 but <\$75,000	70	44	90
Overtime >\$25,000 but <\$50,000	745	591	837
Overtime >\$10,000 but <\$25,000	2,566	2,520	2,832
Overtime >\$5,000 but <\$10,000	2,483	2,607	2,740

Department of Corrections' overtime spending increased by nearly \$20 million last year, driven by the opening of the new SCI Phoenix and additional security measures to stem the influx of drugs into the state's prisons. As of December 2018, the average Corrections Officer earned about \$65,000 a year, excluding the overtime.

Game Fund Review Continued....

The commission was fortunate enough to add 4,299 acres during the 2017-18 fiscal year to the already over 1.5 million acres under management.



General Fund Surplus Shrinks continued.....

January 2019 General Fund Revenue vs. Monthly Estimate:

- General Fund revenue collections of \$2.88 billion were below the monthly estimate by \$113.7 million, or 3.8%.
- General Fund tax revenues were below estimate by \$120.2 million, or 4.0%.
- Corporation taxes were \$6.8 million, or 5.0%, above the estimate.
- Sales and use tax collections beat the estimate by \$37.2 million, or 3.9%, for the month.
- Personal income tax collections were below estimate by \$146.3 million, or 9.0%.
- Non-tax revenues exceeded the estimate by \$6.5 million.

Fiscal Year 2018-19 vs. the Official Revenue Estimate To-Date:

- Total General Fund revenues are \$290 million, or 1.6%, higher than the Official Revenue Estimate through the month of January.
- General Fund tax revenue is \$132.5 million, or 0.8%, above estimate.
- Corporation taxes are \$301.4 million, or 20.1%, above the estimate.
- Sales and use taxes are \$200.4 million, or 3.1%, above the estimate.
 - * General SUT collections are \$141.7 million, or 2.5%, above estimate.
 - * SUT collections on motor vehicle sales are \$58.7 million, or 7.2%, higher than the estimate.
- Personal income tax collections are short of the estimate by \$349.7 million, or 4.5%.
 - * Withheld PIT is \$68.3 million, or 1.1%, below the estimate.
 - * Non-withheld PIT (annual & estimated payments) is \$281.4 million, or 17.7%, short of estimate.
- Non-tax revenues are \$157.5 million, or 72.6%, higher than the estimate.

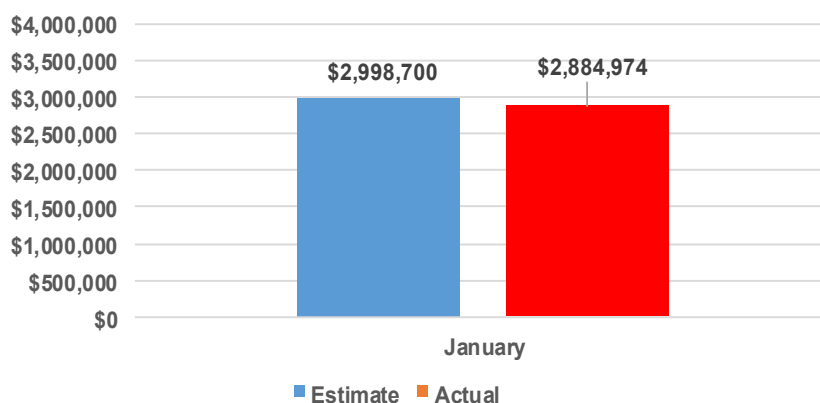
Fiscal Year 2018-19 vs. Fiscal Year 2017-18:

- Total General Fund revenues through January are \$787.3 million, or 4.5%, higher than last year at this time.
- General Fund tax revenue is \$957.1 million, or 5.7%, higher than last year.
- Corporation taxes are \$359.8 million, or 25.0%, higher.
- Sales and use tax collections are \$504.4 million, or 8.2%, higher than last year through January.
- Personal income tax collections exceed last year's collections by \$63.7 million, or 0.9%.
- Non-tax revenues are \$169.8 million, or 31.2%, less than last fiscal year through January.

Motor License Fund:

- Motor License Fund revenues are below the estimate by \$56.8 million, or 3.5%, through January.
- Motor License Fund revenues are \$120.2 million, or 7.1%, less than last fiscal year at this time.

General Fund Revenue Collections
Fiscal Year 2018-19
Comparison of Official Estimate with Actual Revenue by
Month



Fiscal Year 2018-19

Senate Appropriations Committee

Monthly Revenue Report

(\$ thousands)

REVENUE SOURCES	YTD FY 2017-18	January 2019 Actual	January 2019 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	17,367,783	2,884,974	2,998,700	(113,726)	18,155,055	17,865,100	289,955
TOTAL - NON-TAX REVENUE	544,062	18,758	12,300	6,458	374,276	216,800	157,476
TOTAL - TAX REVENUE	16,823,721	2,866,216	2,986,400	(120,184)	17,780,779	17,648,300	132,479
TOTAL - Corporation Taxes	1,440,724	143,122	136,300	6,822	1,800,492	1,499,100	301,392
Accelerated Deposits	2,382	524	0	524	910	0	910
Corp. Net Income	1,323,673	95,762	103,100	(7,338)	1,650,724	1,383,400	267,324
Gross Receipts	39,792	1,419	2,200	(781)	56,659	29,900	26,759
PURTA	1,503	11	0	11	1,428	1,400	28
Insurance Premiums	48,238	30,342	29,900	442	53,834	56,300	(2,466)
Financial Institutions	25,135	15,064	1,100	13,964	36,936	28,100	8,836
TOTAL - Consumption Taxes	7,135,232	1,103,441	1,062,400	41,041	7,610,745	7,410,000	200,745
Sales and Use	6,125,387	1,002,064	964,900	37,164	6,629,770	6,429,400	200,370
General (net of transfers)	5,325,671	886,716	861,500	25,216	5,758,372	5,616,700	141,672
Motor Vehicle Sales	799,716	115,348	103,400	11,948	871,397	812,700	58,697
Cigarette Tax	704,034	62,241	59,500	2,741	661,049	664,600	(3,551)
Other Tobacco Products	68,799	10,133	9,100	1,033	75,795	69,900	5,895
Malt Beverage	14,468	1,751	1,800	(49)	13,939	14,600	(661)
Liquor	222,544	27,251	27,100	151	230,192	231,500	(1,308)
TOTAL - Other Taxes	8,247,765	1,619,654	1,787,700	(168,046)	8,369,543	8,739,200	(369,657)
Personal Income	7,304,014	1,483,378	1,629,700	(146,322)	7,367,684	7,717,400	(349,716)
Withholding	5,847,753	1,010,775	1,035,000	(24,225)	6,057,761	6,126,100	(68,339)
Non-Withholding	1,456,261	472,604	594,700	(122,096)	1,309,923	1,591,300	(281,377)
Realty Transfer	306,660	42,897	51,300	(8,403)	319,762	333,900	(14,138)
Inheritance & Estate	558,073	80,168	87,900	(7,732)	597,930	605,400	(7,470)
Minor & Repealed	9,188	1,657	5,800	(4,143)	12,575	500	12,075
Gaming	69,829	11,553	13,000	(1,447)	71,592	82,000	(10,408)
TOTAL - MOTOR LICENSE FUND	1,693,523	203,855	223,770	(19,915)	1,573,300	1,630,140	(56,840)
TOTAL - Liquid Fuels Taxes	1,105,719	140,560	147,100	(6,540)	1,070,996	1,084,700	(13,704)
Liquid Fuels	5	1	0	1	6	0	6
Fuels	0	0	0	0	0	0	0
Motor Carriers/IFTA	68,407	2,010	2,700	(690)	68,661	68,000	661
Alternative Fuels	8,319	1,215	1,300	(85)	8,379	8,600	(221)
Oil Company Franchise	1,028,988	137,334	143,100	(5,766)	993,950	1,008,100	(14,150)
TOTAL - Licenses, Fees & Other	587,804	63,296	76,670	(13,374)	502,304	545,440	(43,136)
Licenses and Fees	546,549	59,881	74,500	(14,619)	494,453	536,900	(42,447)
Other Motor Receipts	41,255	3,414	2,170	1,244	7,850	8,540	(690)