



Pennsylvania Senate Appropriations Committee

Senator Pat Browne
Chairman



Monthly Report May 2022

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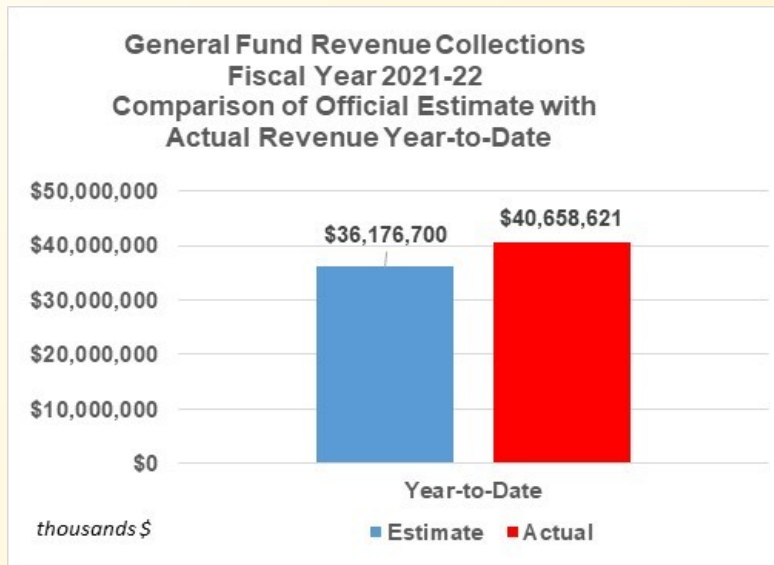
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April General Fund Revenues Historic

General Fund revenue collections for April exceeded the monthly estimate by \$1.8 billion. General Fund revenues are nearly \$4.5 billion above estimate for the year-to-date with two months remaining in the fiscal year. General Fund revenues were bolstered by continued strong collections in corporate net income tax, sales and use tax, and a historic month for non-withheld (i.e., annual and estimated) personal income tax payments eclipsed all expectations as these collections came in at \$1.34 billion above estimate for the month.



May is National Water Safety Month! Pennsylvanians know how to enjoy their time on the water. Don't let a moment of carelessness ruin your fun. Wear a life jacket when you are on, in, or near water. Check these safety tips for more information:
<http://ow.ly/LKWU50IVCwG>



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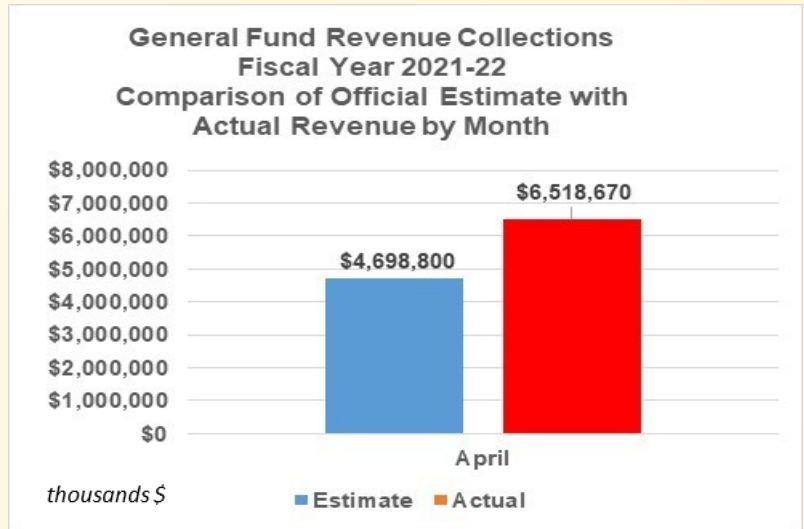
April General Fund Revenues Historic Continued....

April General Fund Revenue:

- General Fund revenue collections of \$6.5 billion were above the monthly estimate by \$1.82 billion, or 38.7%.
- General Fund tax revenues were ahead of estimate by \$1.82 billion, or 40.9%.
- Corporation taxes were \$306.4 million, or 82.9%, above estimate.
- Sales and use tax (SUT) collections exceeded estimate by \$120.7 million, or 11.1%, for the month.
 - General SUT collections were \$121.9 million, or 13.1%, above estimate.
 - SUT collections on motor vehicle sales were \$1.2 million, or 0.8%, below estimate.
- Personal income tax (PIT) collections were above estimate by \$1.36 billion, or 48.9%.
 - Withheld PIT was \$23.6 million, or 2.5%, above estimate.
 - Non-withheld PIT (annual & estimated payments) was \$1.34 billion, or 72.6%, above estimate.
- Non-tax revenues were below estimate by \$4 million, or 1.7%.

Fiscal Year 2021-22 vs. the Official Revenue Estimate To-Date:

- Total General Fund revenues are \$4.48 billion, or 12.4%, higher than the Official Revenue Estimate through the month of April.
- General Fund tax revenue is \$4.36 billion, or 13.7%, higher than estimated.
- Corporation taxes are \$1.12 billion, or 23.7%, above estimate.
- Sales and use taxes are \$888.5 million, or 8.4%, above estimate.
 - General SUT collections are \$828.9 million, or 9.1%, above estimate.
 - SUT collections on motor vehicle sales are \$59.6 million, or 4.1%, over estimate.
- Personal income tax collections exceed estimate by \$2.05 billion, or 15.4%.
 - Withheld PIT is \$342.2 million, or 3.5%, above estimate.
 - Non-withheld PIT (annual & estimated payments) is \$1.71 billion, or 46.6%, above estimate.
- Non-tax revenues are \$122.3 million, or 2.7%, over estimate.



Fiscal Year 2021-22 vs. FY 2020-21:

- Total General Fund revenues through April are \$7.98 billion, or 24.4%, more than last year at this time. \$3.84 billion of the overage is the result of a transfer of federal stimulus funds into the General Fund for revenue loss replacement.
- General Fund tax revenue is \$4.46 billion, or 14.1%, higher than last year.
- Corporation taxes are \$645 million, or 12.4%, higher than FY 2020-21.
- Sales and use tax collections are \$1.02 billion, or 9.7%, higher than last year through April.
- Personal income tax collections exceed last year's collections by \$2.44 billion, or 18.9%, even though the prior fiscal year's PIT revenues included significant one-time amounts shifted into FY 2020-21 from FY 2019-20 due to the pandemic.
- Non-tax revenues are \$3.53 billion more than last fiscal year through April because of the \$3.84 billion deposit of federal stimulus money into the General Fund this fiscal year.

Motor License Fund:

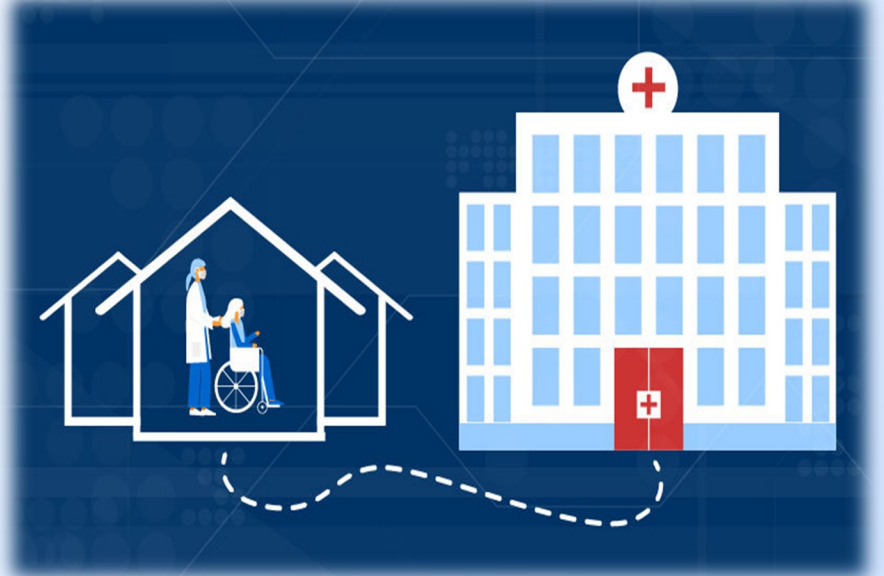
- Motor License Fund revenues are above estimate by \$19.5 million, or 0.8%, through April.
- Motor License Fund revenues are \$13.3 million, or 0.6%, higher than last fiscal year at this time.

Stability and Strength of the Commonwealth's Nursing Facilities and Hospitals

During the appropriation hearing for the Department of Health in April of 2021, Senator Browne asked then Acting Secretary of Health Beam and her department to assess the stability and strength of the Commonwealth's nursing facilities and hospitals. The Department of Health will soon release the report entitled *Health Care Resiliency* on its website. Below is the Executive Summary from the report:

The impact of COVID, coupled with recent hospital closures has created lingering concerns about the overall viability of Pennsylvania's network of hospitals and long-term care facilities. This study was initiated to provide an evaluation of the hospitals and long-term care facilities (including skilled nursing facilities, assisted living facilities, and personal care homes) in Pennsylvania to understand their current financial health and longer-term financial outlook.

Based on available data, through FY 2020 for most facilities, average short-term financial resiliency of Pennsylvania hospitals and long-term care facilities has been weakened by the COVID-19 pandemic but is largely not in an immediate crisis. However, there are a subset of facilities that may require intervention in the short-term to prevent access issues across the state.



In FY 2020, which includes roughly one fiscal quarter of COVID-19 impact, the following were identified as lower-resiliency:

- 25 hospitals, representing nearly 5,000 beds (14% of state acute care beds) and 24,000 jobs:
 - **Key drivers:** Low occupancy, no/low system support, unfavorable payer mix, higher debt burden following recent acquisition (varies by hospital).
 - **Geographies most at risk of access issues:** Beaver, Fayette, Fulton, Lawrence, Mercer, and Schuylkill counties.
- 82 skilled nursing facilities, representing 10,800 beds (14% of state SNF beds) and 8,300 jobs:
 - **Key drivers:** Low occupancy, payer mix, disproportionate CARES funding from the federal government.
 - **Geographies most at risk of access issues:** Northumberland, Carbon, Tioga, and Juniata counties.

Additionally, assisted living facilities and personal care homes experienced a 4% decrease in net patient revenue and a 2% increase in operating expenses from FY 2019-20.



Fiscal Year 2021-22
Senate Appropriations Committee
Monthly Revenue Report
(\$ thousands)

REVENUE SOURCES	YTD FY 2020-21	April 2022 Actual	April 2022 Estimated	Surplus/ (Deficit)	YTD Actual	YTD Estimated	Surplus/ (Deficit)
TOTAL - GENERAL FUND	32,676,383	6,518,670	4,698,800	1,819,870	40,658,621	36,176,700	4,481,921
TOTAL - NON-TAX REVENUE	1,051,670	230,640	234,600	(3,960)	4,577,919	4,455,600	122,319
TOTAL - TAX REVENUE	31,624,713	6,288,030	4,464,200	1,823,830	36,080,702	31,721,100	4,359,602
TOTAL - Corporation Taxes	5,189,141	676,070	369,700	306,370	5,834,117	4,717,100	1,117,017
Accelerated Deposits	27,772	(1,426)	0	(1,426)	(2,694)	0	(2,694)
Corp. Net Income	3,294,726	627,223	329,600	297,623	3,876,535	2,852,200	1,024,335
Gross Receipts	990,402	1,445	1,700	(255)	1,019,989	1,016,000	3,989
PURTA	12,041	6,669	8,500	(1,831)	8,616	10,600	(1,984)
Insurance Premiums	456,622	34,426	24,300	10,126	490,878	439,500	51,378
Financial Institutions	407,577	7,732	5,600	2,132	440,792	398,800	41,992
TOTAL - Consumption Taxes	11,731,013	1,227,860	1,116,100	111,760	12,689,899	11,820,900	868,999
Sales and Use	10,478,492	1,213,035	1,092,300	120,735	11,494,060	10,605,600	888,460
General (net of transfers)	8,972,459	1,053,378	931,400	121,978	9,985,298	9,156,400	828,898
Motor Vehicle Sales	1,506,033	159,657	160,900	(1,243)	1,508,763	1,449,200	59,563
Cigarette Tax	776,915	(35,131)	(22,300)	(12,831)	692,495	720,400	(27,905)
Other Tobacco Products	111,228	12,943	11,800	1,143	124,464	118,300	6,164
Malt Beverage	19,075	1,977	1,800	177	18,365	18,800	(435)
Liquor	345,303	35,036	32,500	2,536	360,515	357,800	2,715
TOTAL - Other Taxes	14,704,560	4,384,101	2,978,400	1,405,701	17,556,687	15,183,100	2,373,587
Personal Income	12,932,041	4,148,563	2,785,900	1,362,663	15,374,614	13,324,400	2,050,214
Withholding	8,997,320	965,116	941,500	23,616	9,999,188	9,657,000	342,188
Non-Withholding	3,934,721	3,183,447	1,844,400	1,339,047	5,375,427	3,667,400	1,708,027
Realty Transfer	518,223	77,555	51,700	25,855	701,836	561,800	140,036
Inheritance & Estate	1,108,650	132,971	111,000	21,971	1,296,492	1,152,300	144,192
Minor & Repealed	(50,282)	(5,117)	1,600	(6,717)	(76,916)	(95,500)	18,584
Gaming	195,928	30,129	28,200	1,929	260,660	240,100	20,560
TOTAL - MOTOR LICENSE FUND	2,315,824	247,154	283,220	(36,066)	2,329,089	2,309,550	19,539
TOTAL - Liquid Fuels Taxes	1,385,276	148,778	163,200	(14,422)	1,443,171	1,464,300	(21,129)
Motor Carriers/IFTA	94,341	2,416	2,200	216	102,468	99,800	2,668
Alternative Fuels	9,732	1,434	1,100	334	12,835	11,600	1,235
Oil Company Franchise	1,281,244	144,927	159,900	(14,973)	1,327,862	1,352,900	(25,038)
Minor & Repealed	(41)	1	0	1	6	0	6
TOTAL - Licenses, Fees & Other	930,548	98,376	120,020	(21,644)	885,917	845,250	40,667
Licenses and Fees	909,499	94,606	119,400	(24,794)	877,233	838,500	38,733
Other Motor Receipts	21,049	3,771	620	3,151	8,684	6,750	1,934