



PSCOA Political Update

Pennsylvania State Corrections Officers

www.pscoa.org

October 27, 2009

The following information on the current status of the Commonwealth budget was received today from our lobbyists, the Winter Group, and is being sent out for our membership's information. We ask that you share this information with all members of H-1.

Budget negotiators say the proposed state spending plan will be funded by about \$1 billion in new recurring revenues, which include a new 25-cent tax hike on cigarettes to garner \$114 million, a rededicated cigarette tax for a similar amount, a \$373 million revenue increase from restoring the Capital Stock and Franchise levy to its 2008 level of 2.89 mills from its 2009 level of 1.89 mills and a new sales tax on the tickets and punch cards and other items used in small games of chance, for \$100 million this year. The plan projects \$100 million to come from leasing more state lands for natural-gas drilling, and about another \$100 million from legalizing table games. The plan also includes tapping the Rainy Day Fund and using the surplus in the Health Care Provider Retention Account.

This morning House Democrats, Senate Democrats and Senate Republicans held a press conference today to announce that the three caucuses have come to an agreement on the budget and that they have the votes to get it through the General Assembly. Speaker Keith McCall began by apologizing to the state for the delay in implementing a budget but that they have come to a fair compromise. The agreed to plan is at \$27.945 billion. The Governor has not said he supports it yet but it was pointed out that \$300 million in education and \$1.1 billion in recurring revenues is met in this plan, as the Governor requested.

Appropriations Chairman Dwight Evans said that all staff members will be scrambling to get prepared for a Conference Committee meeting either late Sunday or early Monday. The Committee must agree to the bill and then it will be sent to the General Assembly for approval and then to the Governor. In order to make the budget bill work several other bills need to be passed as well including a tax code bill, a fiscal code bill and a small games of chance bill, to name three. Senator Dominic Pileggi said he hopes this can all be done next week but there is the possibility of it going into the week of the 21st.

As soon as a full report of all line items is available, we will send it to you.