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**JOE PITTMAN**

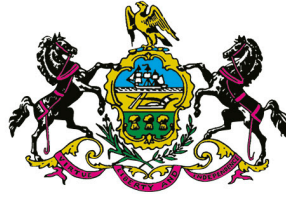
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# Majority Leader



## Senate of Pennsylvania

### COMMITTEES

RULES & EXECUTIVE NOMINATIONS, CHAIR

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July 11, 2023

Honorable Matthew Bradford  
110 Main Capitol Building  
Harrisburg, PA 17120-2070

Dear Leader Bradford:

I wholeheartedly agreed with Governor Shapiro in his budget address this past March when he emphatically and rightfully stated “while we should hold firm to our individual values, that should not preclude us from opening up our minds and our hearts to one another to find common ground so that we can deliver the results the people of Pennsylvania deserve.” That is what the Senate Republicans have been doing since January, and it is what we will continue to do throughout the remainder of this budget process.

The Governor reiterated his sentiment in a statement last week. He said Senate Republicans must “give more than they’re used to” and House Democrats cannot “expect to get everything they’ve wanted over the last decade in one budget.” The Senate Republicans fulfilled our role in delivering the first step in the budget process by passing House Bill 611 on June 30, 2023. This legislation, as amended in the Senate, provides for a fiscally responsible budget that funds many key priorities, including funding for the landmark PASS Scholarship program, which provides financial support for students in the lowest performing schools. However, this budget was a compromise and included priorities of both your caucus and the Governor, clearly indicating the Senate Republicans willingness to give more than they’re used to giving. In passing this compromise budget, our caucus fully recognized divided government does not have to be, and should not be, dysfunctional government.

The budget process is not complete. Several other pieces of legislation must be enacted to fully effectuate a budget for the 2023-2024 fiscal year. Many appropriations contained in House Bill 611 will need implementation language before the programs can be funded. This has been recognized by the Governor’s Office of General Counsel as well as the state Treasurer, whose spokesman affirmed last week that without relevant code bills it “could lead to some payment requests being returned due to a lack of sufficient spending authority.”

Like the PASS Scholarships line item, there are many new lines contained in House Bill 611 where the General Assembly has not statutorily provided for adequate standards or guidance to spend the money that has been appropriated. A few examples include, but are not limited to, Indigent Defense, Foundations in Industry, and Teacher Stipends.

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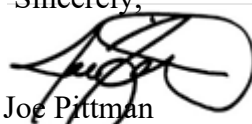
Furthermore, there are several lines contained in House Bill 611 that fund new programs similar to COVID-era programs previously funded by federal ARPA dollars. While statutory guidance existed to spend this money in the past, it was specifically to drive out federal money and not a new state appropriation. Examples of these types of lines include, but are not limited to, the Whole Home Repairs program and the Historically Disadvantaged Businesses program.

There are also initiatives contained in House Bill 611 where new implementation is required each year because the program has only been authorized for one fiscal year or has sunset. A good example of this type of appropriation is the Level-up line item. While the appropriation has existed for the last two fiscal years, implementation language has only been authorized on a year-to-year basis. This is also true for certain programmatic lines in departments such as the Community and Economic Development, Education, Health, and Human Services.

Finally, new implementation language will be required for certain lines where House Bill 611 conflicts with the current implementation language. For example, the Basic Education Funding line item in the legislation conflicts with the current implementation language in state law. Current law requires the appropriation for basic education to contain funding for both basic education to school districts and payments for the Commonwealth's share of social security costs for school district employees. However, House Bill 611 separates the funding for basic education and social security into two distinct line items. Without a change to the current law, payments to school districts for basic education would be \$550 million less than it appears in House Bill 611, as the social security payments would also be made from the appropriation.

We are now in day eleven of the new fiscal year. We still do not have a completed budget product. Please let me know if you plan to vote on any of the remaining budget implementation legislation. The Senate sees little value in returning to session and allowing House Bill 611 to reach the Governor's desk without addressing the remaining work needed to implement a budget. Furthermore, please give me a clear understanding whether you plan to coordinate with the Governor and speak as a unified voice in future discussions, as was previously thought to be the case throughout budget negotiations prior to June 30<sup>th</sup>.

Sincerely,



Joe Pittman  
Senate Majority Leader

cc: Governor Josh Shapiro  
Honorable Stacy Garrity