

FISCAL NOTE

February 28, 2017

Bill No:	SB 173	Printer's No:	165	Sponsor:	Bartolotta (R)
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COST / (SAVINGS)

Fund (s)	2016-17	2017-18
General Fund	\$ 0	\$ 1.3 – 1.5 million See "Fiscal Impact"

SUMMARY: The bill would amend the Pennsylvania Constitution to impose a spending limit on the Commonwealth.

ANALYSIS: The bill would through joint resolution amend the Pennsylvania Constitution to artificially limit the commonwealth's spending based on a formula. Spending would be equal to the previous year's funding level and any increases would be based on the lesser of the average percentage change in personal income in Pennsylvania for the three previous calendar years or the average percentage change in inflation for the three previous calendar years as reported by the Consumer Price Index adjusted for changes in population after each decennial census.

The appropriation limits may be exceeded if funds are necessary to respond to a declared emergency or the Governor requests the increase at least 30 days prior to the beginning of the fiscal year and the request is affirmed by a two-thirds majority vote of each chamber of the General Assembly.

As a constitutional amendment, the Commonwealth would have to publish the bill and it would have to be passed by two consecutive sessions of the General Assembly. This legislation did not pass during the previous legislative session. As such, the earliest the bill could be enacted would be during the 2019 session, which could be during the 2018-2019 fiscal year.

FISCAL IMPACT: The costs for the bill would relate publication costs. The estimated amount of one round of advertisements is \$1.3-1.5 million for a full-page of advertising space. The total cost of publication may vary due to the size of the bill and the number of amendments that would need to be advertised. It should be noted that the cost of two rounds of publication could occur during the same fiscal year if in the next legislative session the General Assembly immediately passes the same constitutional amendment.

This constitutional amendment would limit the ability of the Governor, legislature and Budget Office in crafting a budget for the commonwealth by placing specific limitations on spending potentially beginning in Fiscal Year 2019-20.