



Economic Brief

State Representative George Dunbar

May 2017

Pennsylvania Brings in \$2.58 Billion in Revenue Collections

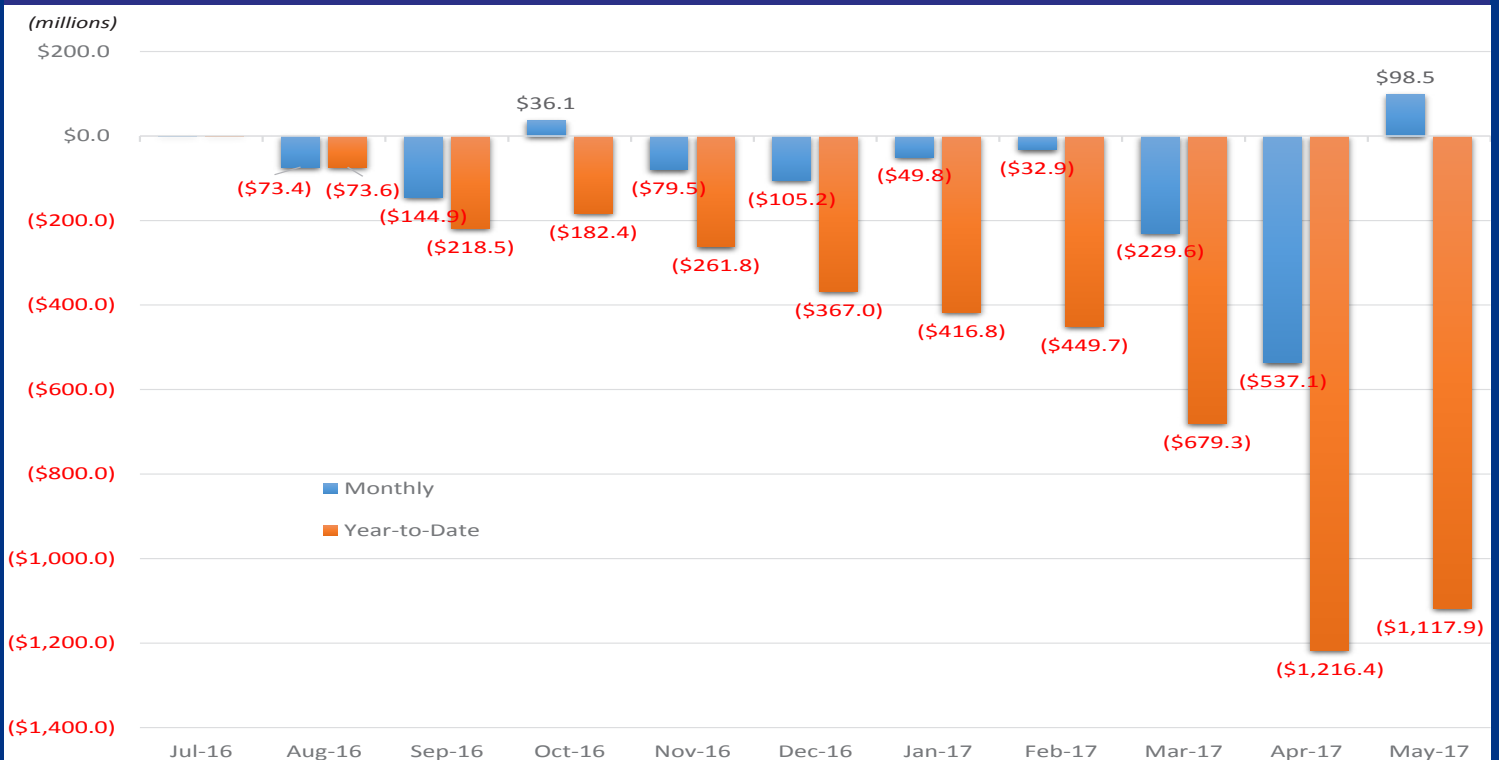
General Fund revenue collections for the month of May were \$2.58 billion, which was \$99 million more than expected.

Collections of \$231 million for corporation taxes came in above Department of Revenue projections by \$132 million. Sales tax collections of \$824 million were lower than expected, coming in \$6 million below the official estimate. The Personal Income Taxes collected were \$912 million, which was below estimate by \$38 million.

For the 2016-17 Fiscal Year, General Fund collections of \$28.41 billion are below the official estimate by \$1.12 billion.

May Revenue Collections	
Estimate	Actual
Total General Fund	Total General Fund ↑
\$2.48 Billion	\$2.58 Billion
Corporation Taxes	Corporation Taxes ↑
\$98 Million	\$231 Million
Sales Taxes	Sales Taxes ↓
\$830 Million	\$824 Million
Personal Income Taxes	Personal Income Taxes ↓
\$950 Million	\$912 Million
All Other Taxes	All Other Taxes ↓
\$319 Million	\$291 Million
Non-Tax Revenue	Non-Tax Revenue ↑
\$287 Million	\$325 Million

Difference From the Official General Fund Revenue Estimate





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Chairman's Budget News

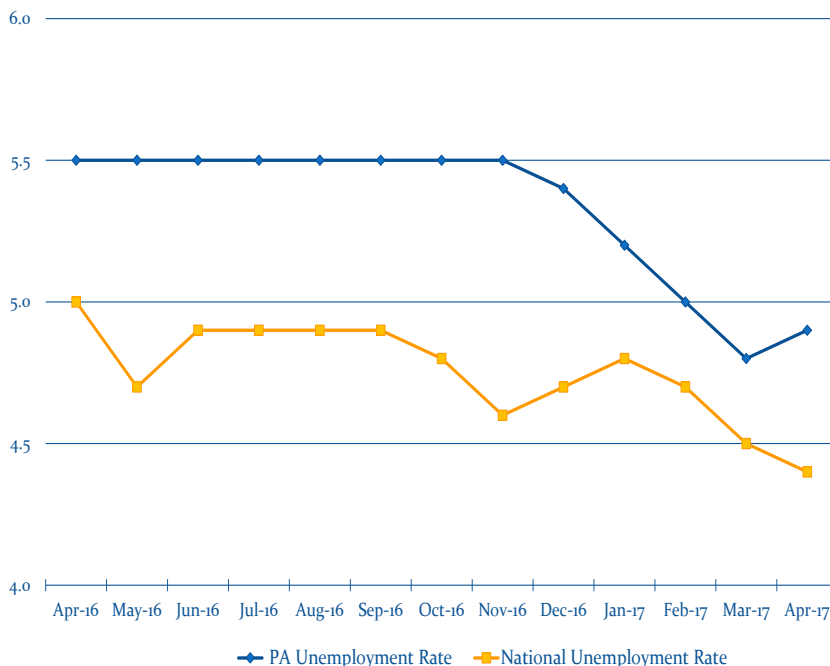
In June, the General Assembly will be taking up pension reform in an effort to help get our pension costs under control. Since 2011, our rapidly rising pension costs have put enormous budgetary pressure on the Commonwealth and have limited our ability to make additional investments in areas such as education and public safety. Currently, Pennsylvania operates two pension systems- the State Employees-Retirement System (SERS) for state workers and the Public School Employees' Retirement System (PSERS) for public school employees.

In the upcoming 2017-18 fiscal year the Commonwealth will spend \$2.28 billion for PSERS and \$879 million for SERS. To put that in context, in the 2010-11 fiscal year we spent \$400 million on PSERS and \$137 million on SERS. This means our costs for PSERS have grown 472% and our costs for SERS have grown 542%! Clearly this is unsustainable and the General Assembly needs to take action.

The goal of pension reform is to create a financially stable benefit for employees without overburdening the taxpayer. It is important to note that the benefit for current employees and for retirees would not change. The new benefit offering will be prospective meaning that it will only affect new hires. These new hires will still enjoy a great benefit that will be extremely competitive with the private sector.

When looking at pension reform we must examine this problem in a holistic manner and focus on the long-term impact of any reform measure. It is my hope that by taking up this crucial issue we can save taxpayer money in future years and hold up our obligation to our employees to have a financially sound retirement system.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

	April 2017	Monthly Change
Labor Force	6.46 Million	+22,000 ↑
Unemployment Rate	4.9%	+0.1%
Total Employment	6.15 Million	+18,000 ↑
12-Month Change		
Total Employment	+61,000	
Unemployment Rate	-0.6%	

Surrounding States Unemployment Rates

DE	4.6%	NY	4.3%
MD	4.3%	OH	5.0%
NJ	4.1%	WV	4.8%