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News

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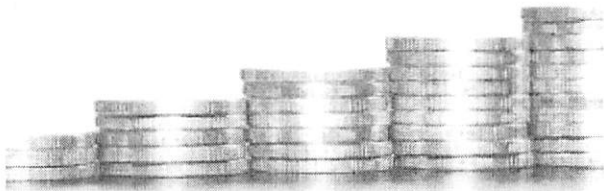
Pennsylvania Legislature grew reserves in tough budget times, audit says

By Andrew Staub | PA Independent

Pennsylvania lawmakers last summer passed a patchwork spending plan that contributed to a [credit rating downgrade](#) and exacerbated a budget shortfall expected to top \$2 billion this year.

Yet at the time the votes were cast, lawmakers were sitting on even bigger pile of cash reserves than they had at the close of the prior fiscal year.

An [audit](#) accepted by the Legislative Audit Advisory Commission on Monday revealed that, as of June 30, the General Assembly and its various departments and services agencies had amassed \$161.4 million in reserves, more than \$7.8 million more than it squirreled away the year before.



RAINY DAY FUND: The Pennsylvania General Assembly, as of June 30, had more than \$161 million in reserves, according to an audit released this week.

“It blows my mind that they were able to grow a surplus as they blew up the budget,” said Eric Epstein, a government reform activist who runs Rock the Capital.

The state Senate had \$53.7 million in reserves while the House had \$72.9 million. The Senate’s pile increased by almost \$3.6 million, and the House’s reserve jumped more than \$1.1 million. Ten of the 12 General Assembly departments and service agencies, including the Legislative Audit Advisory Commission, also saw increases.

The numbers, though just released this week, are already outdated. That’s because the audit covers the prior fiscal year, which ended in June. The law that created the commission and mandates the annual audit doesn’t say when it must be completed, but that’s often December.

State Rep. Mark Keller, R-Perry, chairs the commission and wanted to release the audit in January, but winter weather twice postponed the requisite public meeting.

Though the figures are outdated, Keller said in a statement reserves are being spent down after former Gov. Tom Corbett last year vetoed some legislative funding during a budget squabble.

“But it is important to remember that an adequate reserve be maintained to ensure the independent and continued operation of the General Assembly in the event of a government shutdown, including one created by a budget stalemate, for example,” Keller said.

There’s a chance that could happen this year, now that Democratic Gov. Tom Wolf is in office and pushing a severance tax and perhaps a progressive income tax.

Those policies won’t be popular with Republicans who control the Legislature. They want public pension reform, and the House GOP is again pushing liquor privatization, two things that Wolf is unlikely to support.

Epstein, though, has no sympathy for the Legislature’s argument that it needs the funding in case of a budget stalemate. Passing an annual spending plan on time is the General Assembly’s job, he said.

“If they can’t do their job, then I’m not interested in paying them overtime,” said Epstein, who also has been critical of lawmakers for failing to implement auditors’ recommendations.

Epstein said Wolf could use his bully pulpit to chastise lawmakers for holding to such extensive reserves, but the governor’s press secretary, Jeff Sheridan, was mum on whether Wolf would do that during his upcoming budget address.

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