



Economic Brief

State Representative Donna Oberlander

September 2019

Pennsylvania Brings in \$3.19 Billion in Revenue Collections

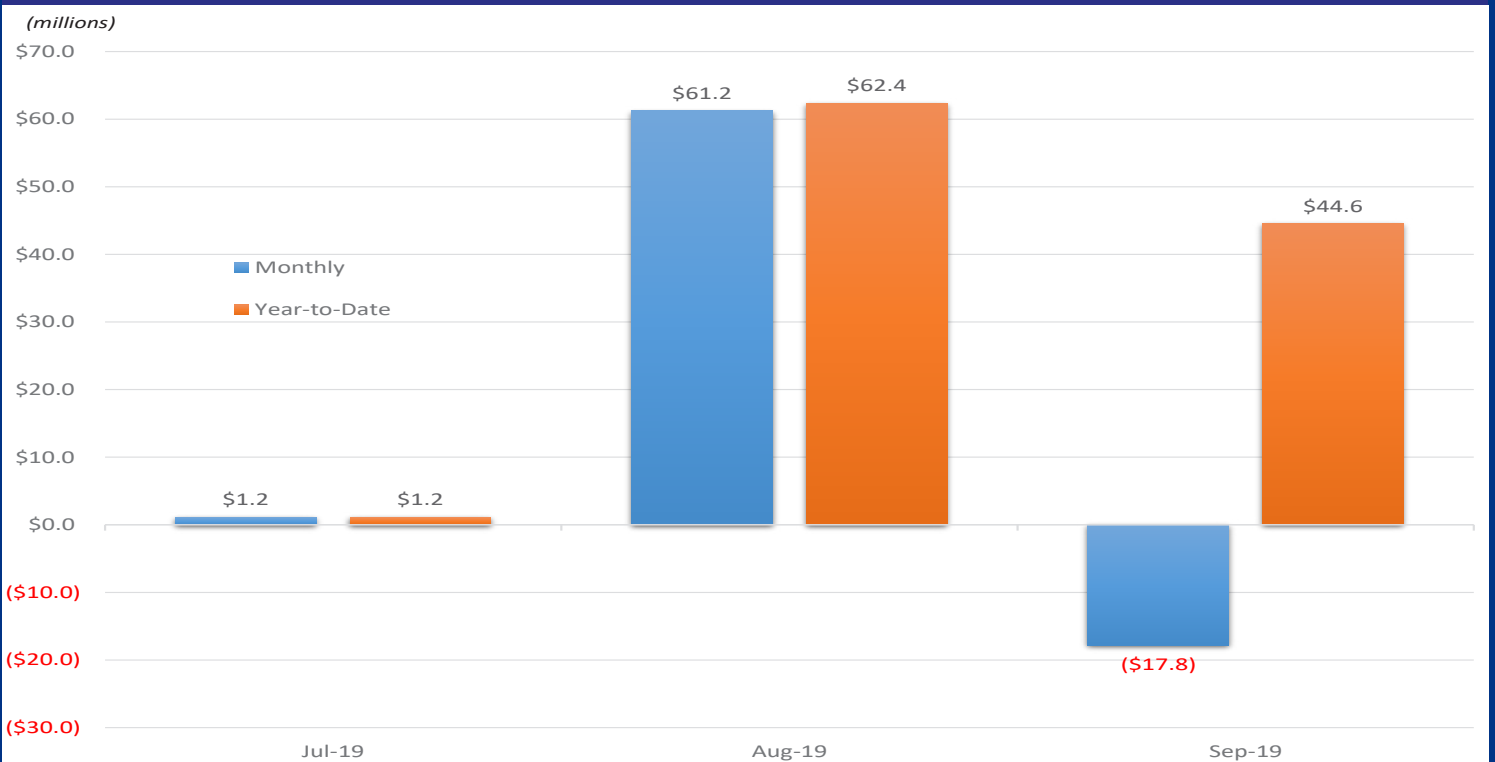
General Fund revenue collections for the month of September were \$3.19 billion, which was \$18 million less than the Department of Revenue’s Official Estimate.

Collections of \$627 million for corporation taxes came in below the Official Revenue Estimate projection by \$72 million. Sales tax collections of \$946 million were lower than expected, coming in \$800,000 below the Official Estimate. The Personal Income Taxes collected were \$1.28 billion, which was above estimate by \$32 million.

General Fund collections year-to-date total \$7.7 billion. Total Revenue Collections are \$44.6 million above the official estimate for the fiscal year.

| September Revenue Collections | |
|-------------------------------|--------------------------------|
| Official Estimate | Actual Collections |
| Total General Fund | Total General Fund ↓ |
| \$3.20 Billion | \$3.19 Billion |
| Corporation Taxes | Corporation Taxes ↓ |
| \$699 Million | \$627 Million |
| Sales Taxes | Sales Taxes ↓ |
| \$946.4 Million | \$945.6 Million |
| Personal Income Taxes | Personal Income Taxes ↑ |
| \$1.25 Billion | \$1.28 Billion |
| All Other Taxes | All Other Taxes ↑ |
| \$288 Million | \$292 Million |
| Non-Tax Revenue | Non-Tax Revenue ↑ |
| \$23 Million | \$43 Million |

Difference From Official General Fund Revenue Estimate





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Chairman's Budget News

Recently, the Executive Branch has signed collective bargaining contracts with four separate unions (AFCME, SEIU, UFCW, and ISSU) covering the four-year period July 1, 2019 through June 30, 2023. The Independent Fiscal Office does an analysis of each contract to examine the fiscal impact on the state. Below is a brief summarization of each contract and its costs to the General Fund.

The four-year contract that was signed between AFSCME and the Administration covers 30,307 employees. The contract will cost the General Fund \$23.3 million in the current fiscal year and \$51.9 million in fiscal year 2020-2021. The contract will cost the General Fund \$269 million over four years and will cost all funds \$827 million over four years. The contract will have four general pay increases effective July 2019 (3.00%), October 2020 (2.00%), October 2021 (2.50%) and October 2022 (2.50%). In addition, there will be three step increases effective April 2020, April 2021, and January 2023.

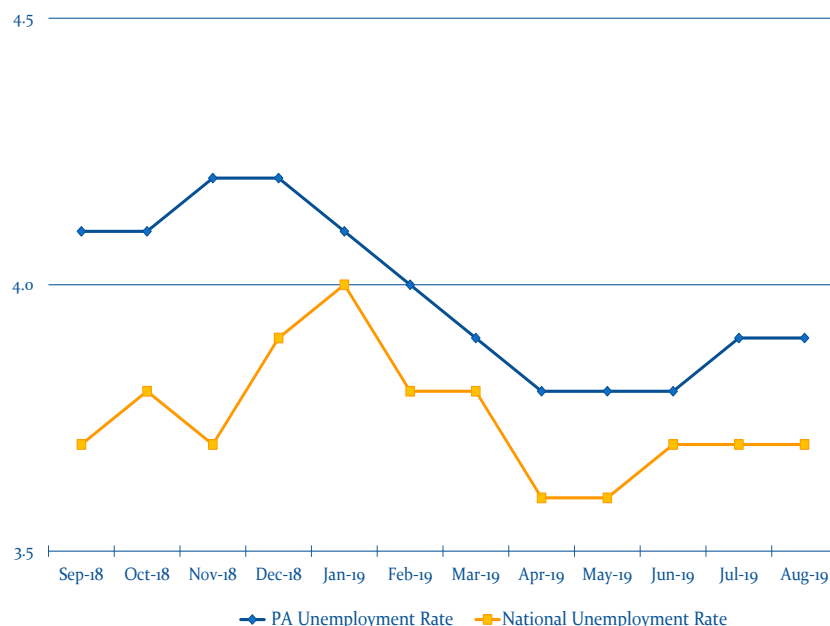
If the administration extends the pay increases provided for in the AFSCME contract to the 12,490 employees classified as management, this will cost the General Fund \$164.6 million over four years and will cost all funds \$553 million over the four years.

The four-year contract between the Commonwealth and SEIU covers 9,375 employees. The contract will cost the General Fund \$10.1 million in the current fiscal year and \$22.3 million in fiscal year 2020-2021. The contract will cost the General Fund \$115 million over four years and will cost all funds \$290 million over the four years. The contract includes four general pay increases effective July 2019 (3.00%), October 2020 (2.00%), October 2021 (2.50%) and October 2022 (2.50%). In addition, there will be three step increases effective April 2020, April 2021, and January 2023.

The four-year contract with the UFCW will have no General Fund Impact but will cost a total of \$30.7 million over four years. The four-year contract with the ISSU will have no impact on the General Fund but will cost the State Stores Fund \$19.3 million over the four years.

For additional information about any of the union contracts please visit www.ifo.state.pa.us.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

| | August 2019 | Monthly Change |
|---------------------------|--------------|--|
| Labor Force | 6.48 Million | +9,000 |
| Unemployment Rate | 3.9% | 0.0% |
| Total Nonfarm Jobs | 6.05 Million | +16,500 ↑ |
| 12-Month Change | | |
| Total Nonfarm Jobs | +38,400 | |
| Unemployment Rate | -0.3% | |

Surrounding States Unemployment Rate

| | | | |
|----|------|----|------|
| DE | 3.4% | NY | 4.0% |
| MD | 3.8% | OH | 4.1% |
| NJ | 3.2% | WV | 4.6% |