

LEGISLATIVE BULLETIN

COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA THE VOICE OF PENNSYLVANIA COUNTIES

COUNTY PRIORITIES SPOTLIGHT: COUNTY BUDGET PRIORITIES

The House and Senate return to session on June 3, anticipating a busy month of budget negotiations with the start of the 2024-2025 fiscal year less than a month away.

The Governor's initial \$48.3 billion **proposal** will be considered in coming weeks against the backdrop of the Independent Fiscal Office's prediction of a modest increase in FY 2024-2025 revenue estimates. At the same time, the House and Senate continue to publicly demonstrate disagreement about what they feel the total state budget spending amount should be.

The House and Senate have taken procedural action on two potential vehicles for the FY 2024-2025 budget, HB 2324 and SB 1001. Each bill currently contains the FY 2023-2024 budget numbers as a placeholder while negotiations continue between the General Assembly and Governor's office. Each bill remains before its respective chamber's Appropriations Committee for consideration.

Counties have prioritized two key areas related to the demand for increased mental health resources and relief: first, an increase in community mental health funding, and second, addressing the mental health needs of inmates. Both of these issues underscore the need for additional funding for mental health at the community level, which can aid in prevention and upfront service delivery, meeting people where they are before any behavioral health issues become more severe and produce more serious and costly outcomes.

Specifically, counties are seeking a \$250 million increase in FY 2024-2025 directly toward community mental health services, apart from any other state investments, such as funding for school-based mental health services. This substantial investment in county programs will begin the much-needed rebuild of the mental health system that can ultimately ease the burden on various system partners, including law enforcement, jails, emergency rooms and schools.

CCAP will continue to post information related to the state budget on the CCAP Budget News [webpage](#).

IFO RELEASES INITIAL REVENUE ESTIMATE FOR FY 2024-2025

On May 20, the Independent Fiscal Office (IFO) released its **initial revenue estimates** for FY 2024-2025 and its updated revenue estimate for the remainder of FY 2023-2024.

Specifically, the IFO estimated the state will end the current fiscal year with almost \$45.34 billion in revenue, which is an increase of more than \$140 million (0.3%) over what the Office had originally projected. Personal income tax (PIT), corporate profits and non-motor vehicle sales and use tax all experienced growth and outperformed initial estimates that had assumed declines in these revenue sources.

While this is good news for the current fiscal year, the IFO's initial estimate for revenue in the coming FY 2024-2025 anticipates a relatively modest revenue increase of 1.5% to approximately \$46.02 billion. This would include an estimated drop in corporate income tax of 1.4%, offset by a projected \$18.52 billion growth in PIT collections, an increase of 4.1%, for FY 2024-2025.

In all, revenues for FY 2024-2025 are looking up, but the outlook for next year suggests a more moderate increase.

HOUSE DEMOCRATIC POLICY COMMITTEE HEARING ON VOTING RIGHTS AND ACCESS

On March 22, the House Democratic Policy Committee held a public hearing to discuss critical issues related to voting rights and access.

Various community organizations from across the state provided testimony in support of proposed federal measures aimed at making voting more accessible and convenient for all eligible voters. U.S Congress has proposed two pieces of legislation, the Freedom to Vote Act and the John R. Lewis Voting Rights Advancement Act, which seek to modernize the Voting Rights Act of 1965 by enhancing voting accessibility for Americans through election reforms measures.

CCAP provided written testimony to the committee, emphasizing counties' responsibility in ensuring fair, secure, and accessible elections, and their dedication to working with the General Assembly on significant changes to the Election Code. The testimony also highlighted the need for clarification within Act 77, which expanded mail-in ballots to all eligible voters in the state, to best help counties fulfill their responsibilities in election administration and voter experience. Further, counties need the commonwealth to modernize and update the Election Code before significant changes are implemented. Any efforts by the General Assembly must ensure election officials have the resources necessary to properly administer elections and address the challenges of a changing landscape.

CCAP continues to urge the General Assembly to bring counties to the table when developing elections-related legislation, aiming for collaborative efforts towards meaningful reforms without disruption to the upcoming November election.

LEGISLATIVE COMMITTEES CONSIDER BILLS OF INTEREST

On May 22, [SB 126](#), introduced by Sen. Doug Mastriano (R-Franklin), was unanimously reported out of the House Finance Committee and is now on the House floor.

This legislation aims to exempt 100% of disabled veterans benefit payments from income calculations for any commonwealth program or benefit, including the disabled veteran real estate tax exemption program. Under the current tax exemption program, veteran disability payments are considered income for purposes of determining financial need, and so exempting these payments from income calculations could grant the exemption to some veterans who might not otherwise have been eligible due to their income level.

[House Bill 451](#), introduced by Rep. Freeman (D- Northampton), was also reported by the House Local Government on May 22, making its way to second consideration on the House Floor.

This legislation aims to establish an annual revenue-sharing program to support municipalities, providing dedicated state funding to towns and cities where 15% or more of the total property value is tax-exempt. The funding comes from the 18% tax on liquor sales and is allocated to the newly created Tax-Exempt Property Municipal Assistance Fund. As currently written, this bill does not provide any revenue to counties, who have consistently sought local taxing options to reduce their reliance on the property tax as their only source of locally generated general fund revenues.

LAWSUIT FILED TO CHALLENGE VOTER BALLOT DATING

On May 28, a new lawsuit was filed in the Commonwealth Court by several voter interest groups, including the American Civil Liberties Union of Pennsylvania, challenging Pennsylvania election law regarding whether voters must date their mail-in ballot for the ballot to be counted. In bringing the lawsuit, the plaintiffs pointed to several prior court rulings suggesting the date is not essential in determining whether a ballot arrives on time or voter eligibility, thus implying undated or incorrectly dated mail-in ballots should be counted.

This is one of several cases still pending action related to mail-in ballots, including a separate challenge in federal court to determine whether requirements to date mail-in ballots violate the 1964 Civil Rights Act or the U.S. Constitution's equal protection clause, after a divided U.S. 3rd Circuit Court of Appeals ruling in March indicated that the date requirement does not violate the Civil Rights Act.

GOVERNOR LAUNCHES STATE TOURISM CAMPAIGN

Governor Shapiro recently announced Pennsylvania's new statewide tourism campaign, "Pennsylvania: The Great American Getaway," designed to encourage travel to the

commonwealth during the upcoming summer season. The Governor's campaign not only aims to boost tourism but also reflect Pennsylvania commitment to economic growth and community development, inviting visitors to discover the treasures of the commonwealth.

As a key priority of the Governor's economic development strategy, the administration's budget proposal calls for an \$18 million increase for tourism and business marketing, with the goal of fostering small businesses growth, bolstering communities, and expanding opportunities. This funding is crucial for counties, as they stand to benefit significantly from increased tourism activity. In 2022, Pennsylvania's tourism industry generated \$76.7 billion in revenue, bolstered 486,817 jobs, and contributed \$4.7 billion in state and local taxes.

The influx of tourism dollars directly impacts counties, as it contributes to the local economy through spending at businesses, hotels, restaurants, and attractions. The success of the state tourism holds significant promise for counties across Pennsylvania, as it has the potential to drive economic growth, create jobs, and greater sense of community.

NACo ANNUAL CONFERENCE AND POLICY RESOLUTIONS

The National Association of Counties (NACo) Annual Conference will be held in Hillsborough County, Florida, July 12-15, with additional details and registration for the conference available on the NACo [website](#).

Ahead of the conference, NACo members are invited to submit policy resolutions and platform changes to be considered by NACo's membership at the conference. The NACo resolutions process provides members the ability to participate in national policy decisions affecting county governments by proposing changes to NACo's platform or policy resolutions which, if approved, will be added to the platform for one year. All resolutions and platform changes must be submitted electronically to resolutions@naco.org. More information is available at www.naco.org.

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