



# PAACC Pennsylvania Update

January 2, 2019

## PAACC State Capitol Snap Shot

The 228 members of the House and Senate who won election for the 2019-2020 session were sworn into office on Tuesday, January 1, 2019. This included 50 new members of the General Assembly, including 43 representatives and seven senators, or nearly 20 percent of the total number of lawmakers. Rep. Mike Turzai (R) faced a challenge from Rep. Frank Dermody (D) for Speaker of the House. Rep. Turzai won the election along party lines, but Rep. Dermody subsequently withdrew his nomination, thereby giving Rep. Turzai a unanimous win. Sen. Joe Scarnati (R) also won re-election for the position of President Pro Tempore of the Senate. The legislature will return on January 15, 2019 for Governor Tom Wolf's inauguration.

In Allegheny County, Republicans had opposed seating Senator-elect Lindsey Williams (D) in the 38<sup>th</sup> district over residency questions. On Friday, December 28, President Pro Tempore Joe Scarnati released a statement recommending that Williams be seated. However, he suggested that the issue be re-examined should new documentation emerge. Senator Williams was sworn in with her colleagues on January 1<sup>st</sup>.

Following is the session calendar:

### 2019 SENATE SESSION SCHEDULE

January	1, 15, 16, 28, 29, 30
February	4, 5, 6
March	18, 19, 20, 25, 26, 27
April	8, 9, 10, 29, 30
May	1, 6, 7, 8
June	3, 4, 5, 10, 11, 12, 17, 18, 19, 24, 25, 26, 27, 28

## 2019 HOUSE SESSION SCHEDULE

January	1, 15, 16, 28, 29, 30
February	4, 5, 6, 19, 20, 21
March	11, 12, 13, 18, 19, 20, 25, 26, 27
April	8, 9, 10, 15, 16, 17, 29, 30
May	1, 6, 7, 8, 13, 14, 15, 22, <b>23 (Cancelled)</b>
June	3, 4, 5, 10, 11, 12, 17, 18, 19, 20, 24, 25, 26, 27, 28

## Cabinet Changes

---

### Gov. Wolf makes cabinet changes for new term

Acting Secretary of State Robert Torres will take over as Secretary of Aging. Torres worked in the health field under former Gov. Ed Rendell as well as an executive for Capital Blue Cross. Outgoing Aging Secretary Teresa Osborne is being nominated for the Pennsylvania Civil Service Commission.

To replace Torres, Kathy Boockvar will be nominated as the new Secretary of State. Boockvar currently serves as an election modernization advisor within the department. She also served as chief counsel to Auditor General Eugene DePasquale and was a Democratic candidate for Congress in 2012.

Wolf also brought on a former CFO of the Wolf Organization, Michael Newsome, to be his new Secretary of Administration. He is replacing Sharon Minnich, who is joining PASSHE.

The governor also named Randy Padfield as the acting director of the Pennsylvania Emergency Management Agency, replacing retiring director Rick Flinn, and Meg Snead the Secretary of Policy and Planning. Snead takes over from Sarah Galbally, who is taking a job in Philadelphia.

Budget Secretary Randy Albright left his position earlier in December to take on an advisor role with SERS. He'll be replaced by Jen Swails.

## Budget Outlook

---

In early December, the Independent Fiscal Office (IFO) released budget numbers for 2019 that project a \$1.7 billion deficit. The IFO chief Matthew Knittel said the projection was high because of a high quantity of one-time revenues last year, from gross receipts tax on managed care organizations to gambling licenses. However, at his mid-year budget briefing on December 11, outgoing Budget Secretary Randy Albright was more optimistic, citing a burgeoning state economy. "We're confident that we will end the year with not just a balanced budget but a surplus," he said, adding that "we don't think we face a \$1.5 billion deficit for the proposed budget year." From the Republican side, House Appropriations Chair Stan Saylor (R-York) questioned the IFO's projection, citing strong revenue numbers and a surplus projection from Gov. Wolf's administration.

He is calling for limited spending in the 2019 budget, with no new taxes. "As we head into the new legislative session, the focus of the House Republican Caucus will be on creating a budget that does not rely on new taxes or fees and that supports job creation," Saylor said in his statement.

Recently enacted sports gaming may also help. Newly released numbers show the Department of Revenue estimates Pennsylvania can anticipate between \$40 and \$50 million in tax revenue annually once all sports wagering licensees are fully operational. For fiscal year 2018-19, the department predicts \$11.2 million in tax revenue from the recent sports wagering expansion, allowed by a recent U.S. Supreme Court ruling. For fiscal year 2019-20, the number is expected to increase to \$33.6 million. By the 2020-21 fiscal year, when all sports wagering licensees are expected to be operational, the department anticipates \$44.8 million in revenue. Governor Wolf will hold his budget address on February 5.