



Economic Brief

Rep. Stan Saylor, Republican Chairman

November 2018

Pennsylvania Brings in \$2.34 Billion in Revenue Collections

General Fund revenue collections for the month of November were \$2.34 billion, which was \$95 million more than the Department of Revenue’s Official Estimate.

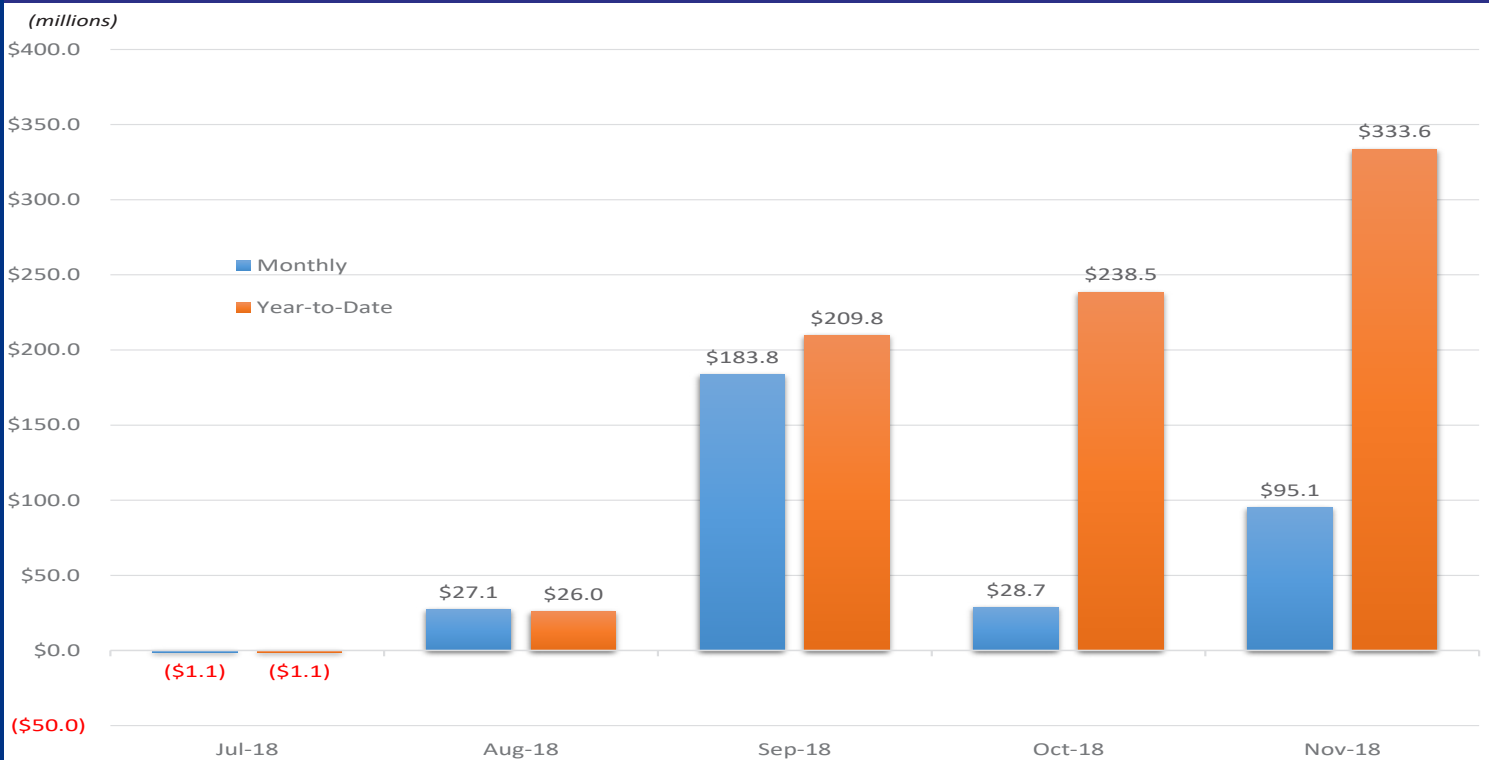
Collections of \$138 million for corporation taxes came in above the Official Revenue Estimate projections by \$27 million. Sales tax collections of \$910 million were higher than expected, coming in \$45 million above the Official Estimate. The Personal Income Taxes collected were \$835 million, which was below estimate by \$30 million.

For the 2018-19 Fiscal Year, General Fund collections of \$12.36 billion are above the official estimate by \$333.6 million or 2.77%.

November Revenue Collections

Official Estimate	Actual Collections
Total General Fund	Total General Fund ↑
\$2.24 Billion	\$2.34 Billion
Corporation Taxes	Corporation Taxes ↑
\$110.7 Million	\$138 Million
Sales Taxes	Sales Taxes ↑
\$865 Million	\$910 Million
Personal Income Taxes	Personal Income Taxes ↓
\$865 Million	\$835 Million
All Other Taxes	All Other Taxes ↑
\$292 Million	\$296 Million
Non-Tax Revenue	Non-Tax Revenue ↑
\$109 Million	\$157 Million

Difference From Official General Fund Revenue Estimate





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Chairman's Budget News

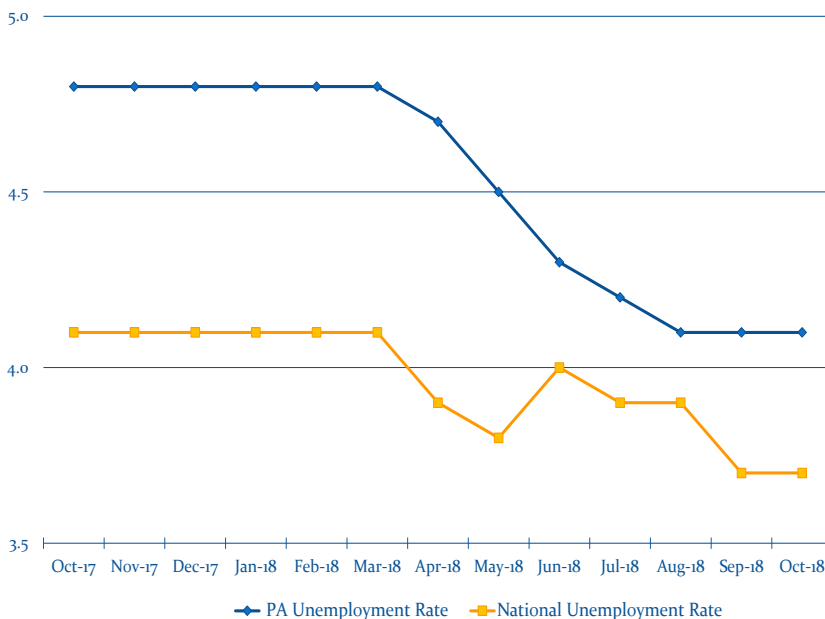
Recently, the Pennsylvania State System of Higher Education Board of Governors voted 14 to 1 to approve a budget request of \$505.8 million from the Commonwealth, which includes a potential 3% tuition increase for the 2019-20 school year. This would be an increase of \$38 million or 8% compared to what the state schools received in the state budget that was passed in June of this year. Any increase in state funding would require a vote in the General Assembly.

The PASSHE schools continue to have big challenges and structural issues that so far, the Board of Governors has not addressed. The budget in June included an increase of \$15 million for the system, which was an increase of 3.3%. This increase was given to the system with the expectation that serious discussions would occur about badly needed reforms to help strengthen the system. So far, PASSHE has given little indication that serious changes are underway.

The Fall 2018 enrollment numbers show that the PASSHE schools continue to lose students. With the exception of West Chester University and Millersville University, each PASSHE school saw a decline in enrollment. Five of the PASSHE schools had enrollment declines of more than 10%. The current four-year graduation rate is 42% with only two schools graduating more than 50% of their students in four years. The current way that PASSHE is operating is just not working. This is not simply a funding problem. The Board of Governors needs to take a hard look at reorienting the system to better serve students and position them for jobs after graduation.

Before any increase is considered, the General Assembly needs to see real reform. We cannot just throw taxpayer money at a problem hoping that it will go away.

12-Month Unemployment Rates



PA EMPLOYMENT STATISTICS

	Oct. 2018	Monthly Change	
Labor Force	6.42 Million	+23,000	▲
Unemployment Rate	4.1%	0.0%	
Total Nonfarm Jobs	6.06 Million	+18,500	▲
12-Month Change			
Total Nonfarm Jobs	+92,300		
Unemployment Rate	-0.7%		

Surrounding States Unemployment Rate

DE	3.9%	NY	4.0%
MD	4.1%	OH	4.6%
NJ	4.1%	WV	5.2%