

facts about

your

KEYSTONE STATE



GOVERNMENT

Commonwealth of Pennsylvania
Joint State Government Commission of the
General Assembly
Capitol Building
Harrisburg, Pa.

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Vol. I No. 1

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FOREWORD

With this issue of FACTS ABOUT YOUR KEYSTONE STATE GOVERNMENT, the Joint State Government Commission begins publication of an informational bulletin on Pennsylvania's State Government affairs. In this, and the following issues, it will be the objective of the Commission to provide members of the General Assembly with pertinent facts about their State Government. This and future issues will not contain elaborate discussion. Rather, an attempt will be made, wherever possible, to present important facts mainly in tabular or chart form which will permit of ready analysis.

A. Alfred Wasserman,
Director.

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ABOUT CONSTITUTIONAL AMENDMENTS

Amendments to the Constitution of Pennsylvania, to be effective, must be passed by two consecutively-chosen Legislatures and then must be approved by a majority of the qualified electors voting on such amendments.

The following presents a brief statement of Joint Resolutions a/ amending the Constitution of Pennsylvania which were acted upon favorably at the regular session of 1939 and await action a second time by the General Assembly in 1941.

Joint Resolution No. 1 - Amending Article IX, Section 8
(AMOUNT OF MUNICIPAL DEBT LIMITED) Limits extent of municipal indebtedness, particularly in reference to the City and County of Philadelphia. 1/

Joint Resolution No. 2 - Amending Article IX, Sect. 8
(AMOUNT OF MUNICIPAL DEBT LIMITED) limits municipal indebtedness and permits cities, counties, boroughs, townships, etc., with consent of and electors thereof, to increase their indebtedness to the extent of three (3) percentum over and beyond any limitation fixed in the Constitution, toward the sole purpose of constructing or completing sewage treatment works. 2/

Joint Resolution No. 3 - Amending Article IX, Sect. 1,
(UNIFORMITY OF TAXATION - EXEMPTIONS UNDER GENERAL LAWS - REBATES) providing for graded or graduated income, inheritance and estate taxes, with exemption, and prohibiting State or local taxes on income or capital values on intangible personal property while income is collected therefrom. 3/

Joint Resolution No. 4 - Amending Article VIII, Sect. 1
(QUALIFICATION OF ELECTORS). Changing the qualifications of electors by requiring the payment of a county, municipal, or school tax to qualify for voting.

1/See table on page 2 for comparison with Proposal No. 2

2/See table on page 2 for comparison with Proposal No. 1

3/An analysis of the legal effect of this resolution will be fully discussed in another bulletin.

a/1939 P. L. 1214 - 1218

COMPARISON OF JOINT RESOLUTIONS 1 AND 2 AMENDING
CONSTITUTION IN THE MATTER OF MUNICIPAL DEBT LIMITS

<u>FEATURE</u>	<u>PROPOSAL NO. 1</u>	<u>PROPOSAL NO. 2</u>
1. Personal property and occupations eliminated from base on which debt limits are computed.	Yes	Yes
2. All debt limits fixed at percentages of average assessed valuation of taxable real estate over a long period of years.	9 year-average	10-year average
3. Councilmanic debt limit of all municipalities continued at 2%.	Yes	Yes
4. Total debt limit of all municipalities except counties and Philadelphia continued at 7%.	Yes	Yes
5. Deduction of revenue-producing debt from the debt chargeable against Philadelphia's debt limit provided for.	Yes	Yes
6. All present provisions applying specifically to Philadelphia's debt except for 5 continued.	Yes	Yes
7. Percentage debt limit of counties other than Philadelphia.	Increases from 7% to 10%	Continues at 7%
8. Philadelphia's debt limit.	Increases to 12%	Continues at 10%
9. Allowances for sewage-treatment works.	None	Gives municipalities with authority to construct sewage-treatment works an additional 3% debt limit for that purpose.

SPECIAL FUND BORROWINGS AND REPAYMENTS ^{a/}

Of the total sums borrowed prior to the 1939-41 biennium from all special funds, amounting to \$76,857,211, all but \$1,048,000. (borrowed from the State Insurance Fund) has been repaid.

Contrary to general misconception, all special fund borrowings are really short term loans, the money being repaid, in some cases, within a few months. An example of this being the 1937-39 deficiency appropriations made by the Regular Session of 1939. Here, the special fund borrowings, made in April and May, 1939 were returned in June, 1939.

The first time the special funds were tapped was in the Regular Session of 1933. Since then, every Legislature has made use of these funds, mainly for unemployment relief purposes.

As already mentioned, the only special fund which has not been repaid in full is the State Insurance Fund, ^{b/} from which \$548,000. was borrowed for general fund purposes on November 28, 1934, and \$1,000,000. on September 22, 1936. The Acts authorizing these transfers made no provision for their repayment, and it was not until the Act of June 1, 1937, P. L. 1125 was passed that the Legislature authorized the repayment of the \$1,000,000. during the two fiscal years beginning June 1, 1937, as the "Governor shall direct." Only \$500,000. has thus far been repaid.

^{a/} See next page for details

^{b/} The origin and purposes of this and other special and custodial funds will be discussed in a later issue.

1/

BORROWINGS FROM AND REPAYMENTS TO SPECIAL FUNDS

(For the Bienniums indicated)

MOTOR LICENSE FUND

	<u>Borrowed</u>	<u>Repaid</u>
1933-35	\$ 6,240,000	-0-
1935-37	18,116,211	5,140,000
1937-39	17,500,000	19,216,211
1939-41	-0-	17,500,000 a/
	<u>\$41,856,211</u>	<u>\$41,856,211</u>

FLOOD CONTROL FUND

	<u>Borrowed</u>	<u>Repaid</u>
1933-35	-0-	-0-
1935-37	-0-	-0-
1937-39	800,000	-0-
1939-41	-0-	800,000 a/
	<u>800,000</u>	<u>800,000</u>

LIQUID FUELS TAX FUND

	<u>Borrowed</u>	<u>Repaid</u>
1933-35	3,766,000	-0-
1935-37	5,500,000	9,266,000
1937-39	2,950,000	-0-
1939-41	-0-	2,950,000 a/
	<u>12,216,000</u>	<u>12,216,000</u>

LIQUOR LICENSE FUND

	<u>Borrowed</u>	<u>Repaid</u>
1933-35	2,637,000	-0-
1935-37	1,500,000	4,137,000
1937-39	4,000,000	-0-
1939-41	-0-	4,000,000 a/
	<u>8,137,000</u>	<u>8,137,000</u>

(more)

(1) Except those authorized by Special Session of 1940 which are detailed on Page 6.

FIRE INSURANCE TAX FUND

	<u>Borrowed</u>	<u>Repaid</u>
1933-35	2,300,000	-0-
1935-37	-0-	2,300,000
1937-39	1,500,000	-0-
1939-41	-0-	1,500,000 a/
	<u>3,800,000</u>	<u>3,800,000</u>

STATE SCHOOL FUND

	<u>Borrowed</u>	<u>Repaid</u>
1933-35	1,500,000	-0-
1935-37	-0-	1,500,000
1937-39	-0-	-0-
1939-41	-0-	-0-
	<u>1,500,000</u>	<u>1,500,000</u>

STATE INSURANCE FUND b/

	<u>Borrowed</u>	<u>Repaid</u>
1933-35	548,000	-0-
1935-37	1,000,000	-0-
1937-39	-0-	500,000
1939-41	-0-	-0-
	<u>1,548,000</u>	<u>500,000</u>

STATE STORES FUND

	<u>Borrowed</u>	<u>Repaid</u>
1933-35	-0-	-0-
1935-37	7,000,000	7,000,000
1937-39	-0-	-0-
1939-41	-0-	-0-
	<u>7,000,000</u>	<u>7,000,000</u>

a/ These repayments, made in June, 1939, were for 1937-39 deficiency appropriations made in April and May by the Regular Session of 1939.

b/ Repayments not required by original Acts. However, June 1, 1937, P. L. 1125 authorized repayment of the \$1,000,000 during two fiscal years beginning June 1, 1937, "as the Governor shall direct."

(more)

AUTHORIZED BY THE 1940 SPECIAL SESSION AND

AVAILABLE FOR BORROWING

Motor License Fund	\$37,000,000
Liquid Fuels Tax Fund	11,000,000
Liquor License Fund	7,250,000
Fire Insurance Tax Fund	2,300,000
State School Fund	<u>2,000,000</u>
Total	<u>\$59,550,000</u>

AMOUNTS BORROWED FROM FUNDS MADE AVAILABLE BY

SPECIAL SESSION 1940

Liquid Fuels Tax Fund

August 29, 1940	\$4,900,000	
November 13, 1940	1,500,000	
December 10, 1940	<u>1,000,000</u>	7,400,000

Liquor License Fund

August 29, 1940	2,600,000	
November 13, 1940	1,500,000	
December 10, 1940	<u>750,000</u>	4,850,000

Fire Insurance Tax Fund

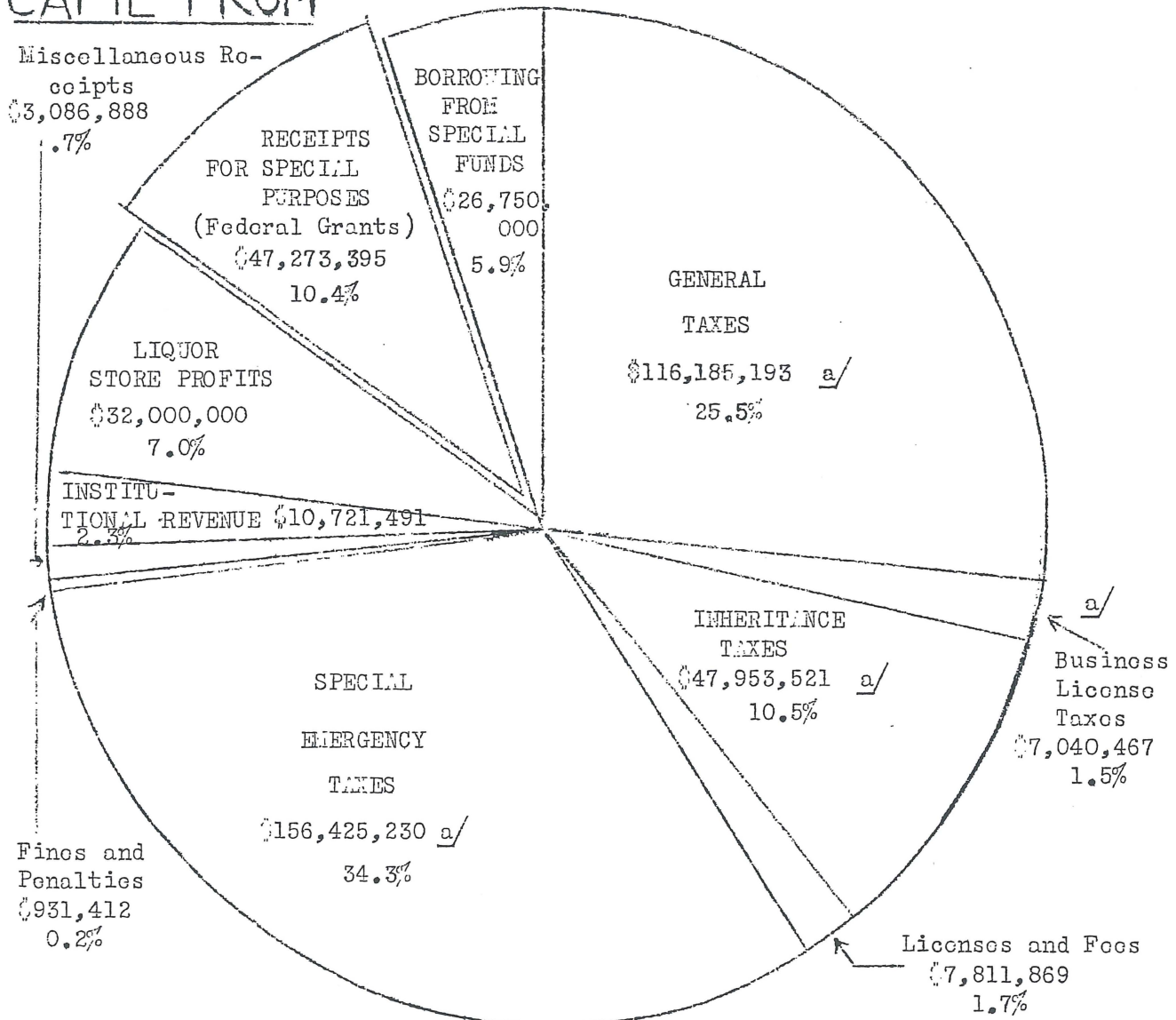
September 11, 1940	1,500,000	<u>1,500,000</u>
Total		<u>\$13,750,000</u>

THE KEYSTONE

GENERAL
For 1937-1939

REVENUE
By Major Classifications
\$456,180,075

CAME FROM



a/ See p. 11 for analysis

TAX DOLLAR

FUND

Biennium

EXPENDITURES^{b/} By Major Functions

Note: Expenditures "Applicable" to a biennium are those expenditures legally chargeable to the biennium regardless of the date of actual payment.

*449,656,359

WENT TO

CONSERVATION OF
NATURAL RESOURCES

\$4,211,870

.9%

PUBLIC

EDUCATION

\$98,833,835

22.0%

PROTECTION OF PERSONS
AND PROPERTY

\$29,181,406

6.5%

GENERAL GOVERNMENT

\$34,311,812

7.6%

PUBLIC
WELFARE

\$37,272,130

8.3%

PUBLIC HEALTH

\$6,103,511

1.4%

PUBLIC
ASSISTANCE

\$239,731,794

53.3%

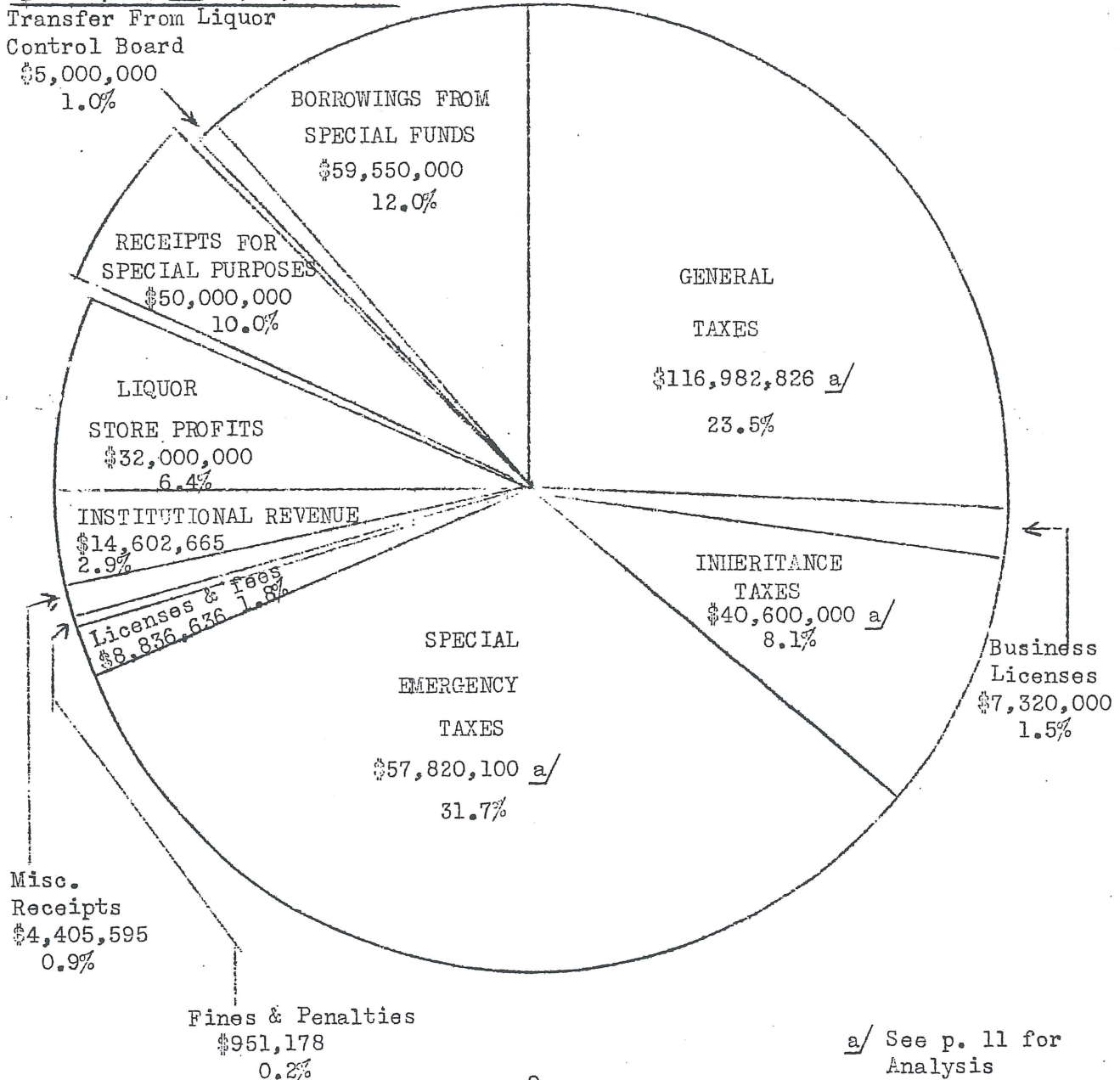
General Government includes General State Authority Rentals of \$370,467.

b/ See p. 12 for analysis

THE KEYSTONE GENERAL For 1939-1941

REVENUE (estimated)
By Major Classifications
\$498,069,000

CAME FROM



TAX DOLLAR

FUND

Biennium

EXPENDITURES^{b/} (estimated)

BY MAJOR FUNCTIONS

"APPLICABLE" TO THE BIENNIUM

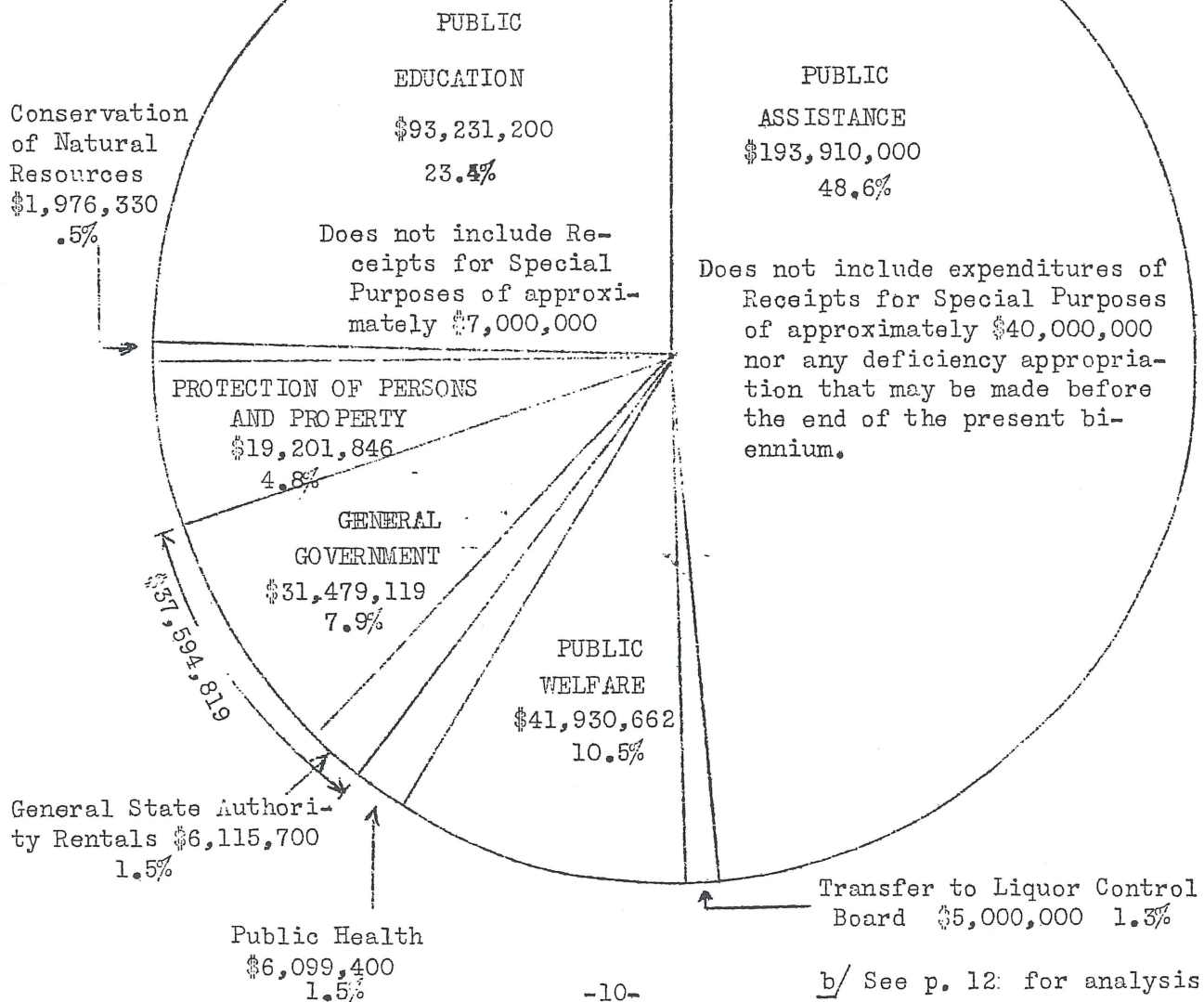
\$448,924,257

Expenditures
shown..... 448,924,257
Deficiency
Approp.
1937-39
biennium... 49,767,867
498,692,124

Estimated
lapses..... 900,000
Net Expend. 497,792,124 (Est.)
Estim. Surplus 276,876
\$498,069,000

Note: Includes \$50,000,000 in expenditures of Receipts for Special Purposes. Only \$398,924,257, the estimated expenditures as adjusted by the 1940 Special Session, appear in this Chart since the \$50,000,000 cannot be allocated.

WENT TO



GENERAL FUND RECEIPTS BY MAJOR CLASSIFICATIONS

<u>GENERAL TAXES</u>	<u>1937-39</u>	<u>1939-41</u> (Estimated)
Bonus Tax - Domestic and Foreign.....	1,165,958	900,000
Capital Stock Tax - Domestic and Foreign.....	57,461,229	59,800,000
Tax on Shares-Bank and Trust Companies.....	8,746,713	6,100,000
Tax on Stock - B. & L. Assoc.....	128,788	2,000
Loans Tax-Corp. - Domestic and Foreign.....	7,718,452	8,050,000
Loans Tax-Political Subdivisions.....	4,223,058	5,799,000
Gross Receipts Tax - Transportation, Private Bankers, Boxing and Wrestling.....	6,298,967	6,155,000
Gross Insurance Premium-Domestic and Foreign.....	13,745,862	13,676,000
Tax on Net Incomes-Saving Fund Societies.....	245,328	250,000
Malt Liquor Tax.....	14,276,699	14,225,000
Miscellaneous Taxes.....	71,999	43,300
Stock Transfer Stamp Tax.....	669,395	650,000
Tax on Writs, Rules and Deeds.....	575,408	591,300
Penalties and Interest.....	857,337	741,226
	<u>116,185,193</u>	<u>116,982,826</u>
 <u>BUSINESS LICENSE TAXES</u>		
Retail.....	5,167,718	5,280,000
Wholesale.....	1,336,404	1,420,000
Restaurant and Eating Houses.....	496,864	500,000
Billiards, Bowling Alleys, etc.....	339,868	350,000
Brokers and Agents.....	267,072	260,000
Auctioneers.....	70,883	80,000
Public Amusements.....	102,973	90,000
Peddlers.....	460	400
Appraisers Fees.....	25,057	25,000
	<u>7,807,299</u>	<u>8,005,400</u>
Less Commissions and Expenses.....	766,832	685,400
	<u>7,040,467</u>	<u>7,320,000</u>
 <u>INHERITANCE TAXES</u>		
Transfer Inheritance & Estate Tax- Resident and Non-Resident.....	48,961,028	41,582,000
Direct Inheritance Tax.....	9,772	15,200
Collateral Inheritance Tax.....	313,720	463,600
	<u>49,284,510</u>	<u>42,060,800</u>
Less Expenses.....	1,330,999	1,460,800
	<u>47,953,511</u>	<u>40,600,000</u>
 <u>SPECIAL EMERGENCY TAXES</u>		
Amusement Tax.....	968,340	---
Cigarette Tax.....	22,450,008	22,800,000
Gasoline Tax.....	27,832,559	29,420,000
State Personal Property Tax.....	24,015,034	25,000,000
Corporate Net Income Tax.....	44,533,212	44,000,000
Documentary Stamp Tax.....	57,690	100
Gross Receipts Tax.....	8,707,773	9,750,000
Loans Tax - Domestic and Foreign.....	6,669,313	6,400,000
Tax on Shares-Banks and Trust Companies.....	5,816,342	5,250,000
Liquor Tax.....	15,374,959	15,200,000
	<u>156,425,230</u>	<u>157,820,100</u>

HOW GENERAL FUND EXPENDITURES

ARE CLASSIFIED BY MAJOR FUNCTIONS

AND EXPENDITURES FOR BIENNIUMS SHOWN

	<u>1937-39</u>	<u>1939-41</u>
	(Applicable to Biennium)	(Estimated)
<u>PROTECTION OF PERSONS & PROPERTY</u>		
Agriculture.....	\$3,332,672	\$3,214,000
Banking.....	160,941	125,000
Insurance.....	669,937	560,000
Public Utility Commission.....	2,789,068	1,866,000
Military Affairs.....	2,960,241	3,111,500
Labor & Industry.....	5,111,133	3,255,850
Mines.....	679,236	625,000
Judiciary.....	5,117,719	5,244,496
Pennsylvania Motor Police.....	8,060,459	1,000,000
Milk Control Board.....	300,000	200,000
Liquor Control Board.....	-0-	-0-
Total.....	\$29,181,406	19,201,846
 <u>GENERAL GOVERNMENT</u>		
Governor's Office.....	329,154	334,750
Lieut. Governor's Office.....	29,527	26,750
Auditor General.....	1,445,651	1,479,000
Treasury.....	17,869,433	16,469,988
Internal Affairs.....	620,652	575,750
Property and Supplies.....	5,055,153	9,304,200
Justice.....	968,867	1,086,000
Revenue.....	4,048,427	3,249,000
State.....	252,593	1,903,370
Administrative Misc. & Comms.....	1,624,718	850,600
Legislative.....	2,077,637	1,937,411
Commerce.....	-0-	358,000
Total.....	\$34,311,812	37,574,819
 <u>CONSERVATION OF NATURAL RESOURCES</u>		
Forests & Waters.....	4,221,870	1,976,330
 <u>PUBLIC HEALTH, WELFARE AND PUBLIC ASSISTANCE</u>		
Health.....	6,103,511	6,099,400
Welfare.....	37,272,130	41,930,662
Public Assistance.....	239,731,794	193,910,000
Total.....	\$283,107,435	241,940,062
 <u>PUBLIC EDUCATION</u>		
Public Instruction.....	98,833,835	93,231,200
 <u>LOAN BY GENERAL FUND</u>		
Transfer to Liquor Control Board.....		5,000,000

AN EXPLANATION OF SOME OF THE EXPENDITURES
FOR GENERAL GOVERNMENT

While most of the items included as expenditures under General Government show an estimated decrease for 1939-41 from the biennium 1937-39, three departments, namely, State Department, Property and Supplies and Justice show an increase.

The State Department for the 1937-39 biennium showed expenditures of \$252,593. In the 1939-41 biennium it is estimated that the expenditures will be \$1,903,370. The difference can be accounted for by an appropriation in the 1939-41 biennium of \$1,687,470 for pensions for the retirement of State employees. In the prior biennium the retirement fund was in the State Treasury Department, and the appropriations were accordingly made to that department.

The Justice Department shows an increase of \$200,000 over the previous biennium because of allocations of \$50,000 each for the study of anthracite and bituminous freight rates, and an appropriation of \$100,000 for the grand jury investigation. None of these appropriations had been provided for in the 1937-39 biennium, otherwise, the Department shows no increase in appropriation.

The big increase is in the Department of Property and Supplies, with an expenditure of \$5,055,153 in the 1937-39 biennium, as against an estimated \$9,304,200 in the 1939-41 biennium.

The expenditures in Property and Supplies for the 1937-39 biennium, as shown, are net. The original appropriation included an allocation of \$4,750,000 for General State Authority rentals, which were not used.

The present biennium showing an estimated expenditure of \$9,304,200 by Property and Supplies, includes allocations of \$6,115,700 for General State Authority Rentals. The actual amount invoiced for the fiscal

year ending May 31, 1940 was \$2,299,721, and the amount invoiced for the next six months as of Nov. 30, 1940 was \$1,527,997.

It is obvious that superficial examination of the amounts shown does not offer sufficient information without detailed analysis. We will, therefore, discuss these and other items in a future issue.

WHAT WE KEEP CURRENT

The Joint State Government Commission maintains in its files important data relative to the Department of Public Assistance and the Unemployment Compensation Division of the Department of Labor and Industry. The type of information and whether it is maintained by the Commission on a weekly, monthly, or yearly basis is set forth as follows:

DEPARTMENT OF PUBLIC ASSISTANCE

UNEMPLOYMENT COMPENSATION

Weekly - For State

Weekly

1. Number of applications received
2. Unduplicated number of persons and cases on General Assistance and W. P. A.
3. W.P.A. relief employees
4. General Assistance cases, persons expenditures
5. Total State expenditures
6. Cumulative expenditures
7. Balance in Appropriations
8. Estimated exhaustion of appropriations
9. Reasons for net change in General Assistance case load

1. Original claims
2. Placements
3. Total receipts
4. Benefits paid
5. Balance in fund

Monthly - By Counties

Monthly

1. W.P.A. certified employees
2. General Assistance cases, persons, expenditures
3. R.W.P. employees
4. Aid to Dependent Children - cases - persons - expenditures
5. Old Age - cases - expenditures
6. Blind Pensions - cases - expenditures

1. Contributions
2. Benefits
3. Balance in Fund
4. Federal Reserve employment and payroll index
5. Unemployment Compensation employment figures
6. Active applications in files
7. Placements
8. Claims - original and total pending
9. Number of reporting employers

Yearly (1932 through 1939)
State Totals and by Counties

1. Cases, persons, expenditures (Federal, State, County)
 - a) General Assistance
 - b) Work Relief
 - c) Aid to Dependent Children
 - d) Old Age
 - e) Blind Pensions
 - f) Special Programs and Administration
 - g) Totals and cumulative totals
2. Persons per case

-
3. Percent of population
 4. Average monthly expenditures per case.

FOR YOUR INFORMATION

We have included, on the preceding page, a compendium of the statistical data and information collected by the Commission in connection with the surveys and studies it has undertaken. This data, kept current, is for YOUR information.

We also have in our library and files information on many other subjects. May we be of service to you.