THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

1843 Session of 2017

INTRODUCED BY GROVE, THOMAS, FEE, ROTHMAN, BARRAR, PHILLIPS-HILL, KAUFFMAN, LAWRENCE, BERNSTINE, McGINNIS AND MILLARD, OCTOBER 11, 2017

REFERRED TO COMMITTEE ON STATE GOVERNMENT, OCTOBER 11, 2017

AN ACT

- Amending Title 72 (Taxation and Fiscal Affairs) of the 1 Pennsylvania Consolidated Statutes, providing for 2 Commonwealth financial transparency. 3 4 The General Assembly of the Commonwealth of Pennsylvania 5 hereby enacts as follows: 6 Section 1. Title 72 of the Pennsylvania Consolidated 7 Statutes is amended by adding a chapter to read: 8 CHAPTER 19
- 9 COMMONWEALTH FINANCIAL TRANSPARENCY
- 10 Sec.
- 11 1901. Establishment of Financial Watch Program.
- 1902. Duties of State Treasurer. 12
- 13 1903. Duties of Commonwealth agencies.
- 14 1904. Corrective action plans.
- 15 1905. Withholding of funds.
- 16 1906. Legislative oversight.
- 17 § 1901. Establishment of Financial Watch Program.
- 18 The Financial Watch Program is established within the

- 1 Treasury Department for the purpose of ensuring that
- 2 Commonwealth programs do not expend money in excess of the
- 3 amount appropriated to the Commonwealth programs. The State
- 4 Treasurer shall be responsible for administering the Financial
- 5 <u>Watch Program. Information relating to the Financial Watch</u>
- 6 Program and findings of the Financial Watch Program shall be
- 7 placed on a publicly accessible Internet website.
- 8 § 1902. Duties of State Treasurer.
- 9 The State Treasurer shall have the following duties in
- 10 <u>administering the Financial Watch Program:</u>
- 11 (1) Compile an analysis of the appropriations for
- 12 <u>Commonwealth programs based on the appropriations at the</u>
- close of business for the prior day. The analysis shall
- include each appropriation, total budgeted appropriation,
- 15 total spent appropriation and percentage of the total
- appropriation spent on each Commonwealth program.
- 17 (2) Designate the fiscal condition of a Commonwealth
- program in accordance with the following:
- (i) If a Commonwealth program will not meet or
- 20 <u>exceed its budget based on the percentage of total budget</u>
- 21 spent, spending forecasts based on historical trends and
- 22 <u>the percentage of time remaining in the fiscal year, the</u>
- 23 <u>State Treasurer shall designate the Commonwealth program</u>
- as: Under Budget.
- 25 (ii) If a Commonwealth program will meet its budget
- 26 based on the percentage of total spent budget, spending
- forecasts based on historical trends and the percentage
- of time remaining in the fiscal year, the State Treasurer
- 29 <u>shall designate the Commonwealth program as: On Budget.</u>
- 30 <u>(iii) If a Commonwealth program will exceed its</u>

- 1 <u>budget based on the percentage of total budget spent</u>,
- 2 spending forecasts based on historical trends and the
- 3 percentage of time remaining in the fiscal year, the
- 4 <u>State Treasurer shall designate the Commonwealth program</u>
- 5 as: Over Budget.
- 6 § 1903. Duties of Commonwealth agencies.
- 7 <u>A Commonwealth agency shall provide the State Treasurer all</u>
- 8 <u>information requested to comply with this chapter.</u>
- 9 § 1904. Corrective action plans.
- 10 <u>Upon determining that a Commonwealth program will be over</u>
- 11 <u>budget under section 1902(2)(iii) (relating to duties of State</u>
- 12 <u>Treasurer</u>), the State Treasurer shall notify the Governor's
- 13 Office, the Independent Fiscal Office and the General Assembly.
- 14 Upon being notified that the Commonwealth program is projected
- 15 to be over budget, the Governor's Office shall develop a
- 16 corrective action plan to ensure that the Commonwealth program
- 17 does not exceed its budget. The corrective action plan shall be
- 18 finalized within 20 days from the notification of the State
- 19 <u>Treasurer. The finalized corrective action plan shall be sent to</u>
- 20 the General Assembly, Independent Fiscal Office and the State
- 21 <u>Treasurer</u>.
- 22 § 1905. Withholding of funds.
- 23 If the program designated as being over budget under section
- 24 1902(2)(iii) (relating to duties of State Treasurer) continues
- 25 to operate over budget after a corrective action plan under
- 26 <u>section 1904 (relating to corrective action plans) is in place</u>
- 27 for 60 days, the State Treasurer shall withhold all payments to
- 28 the over budgeted program, until the program is operating within
- 29 the Commonwealth agency's appropriated budget.
- 30 § 1906. Legislative oversight.

- 1 The Appropriations Committee of the Senate and the
- 2 Appropriations Committee of the House of Representatives shall
- 3 hold a public hearing on the details of the finalized corrective
- 4 <u>action plan.</u>
- 5 Section 2. This act shall take effect in 90 days.