

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 2487

PRINTER NO. 3772

AMOUNT

\$3,179,000 (savings)

FUND

General Fund
Special Funds

DATE INTRODUCED

May 5, 2020

PRIME SPONSOR

Representative Ryan

DESCRIPTION

House Bill 2487 amends the Public Official Compensation Law to provide for the suspension of the annual cost of living adjustment (COLA) for one year.

Specifically, the legislation provides for the annual COLA for elected officers of the Commonwealth, heads of departments and members of boards and commissions to be suspended beginning January 1, 2021, through December 31, 2021, and for the annual COLA for members of the General Assembly to be suspended beginning December 1, 2020, through November 30, 2021. The legislation also requires notice of the COLA suspension to be published in the Pennsylvania Bulletin prior to December 1, 2020.

The legislation also includes a severability clause related to the provisions suspending the annual judicial COLA and repeals provisions in Title 42 (Judiciary and Judicial Procedure) insofar as they are inconsistent with the provisions related to the annual judicial COLA.

The legislation is scheduled to take effect immediately.

FISCAL IMPACT:

The annual COLA provided in the Public Official Compensation Law is based on the change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area for the most recent 12-month period reported by the United States Department of Labor, Bureau of Labor Statistics immediately prior to the date of the adjustment. For the COLA that was effective December 1, 2019, and January 1, 2020, the change in the CPI-U was 1.9%. Using the current salary data for elected officers of the Commonwealth, heads of departments, members of boards and commissions and the members of the General Assembly and assuming an increase in the CPI-U similar to the prior year (1.9%), the enactment of House Bill 2487 will result in an estimated savings to the Commonwealth of \$3,179,000.