
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1452 Session of
2019

INTRODUCED BY KEEFER, MALONEY, WARNER, KAUFFMAN, BARRAR,
MILLARD, HERSHEY, RYAN, BERNSTINE, IRVIN, B. MILLER,
ZIMMERMAN, CIRESI, MOUL, GILLEN, GREINER, RADER, SCHEMEL,
GABLER, RAPP, FRITZ, JONES, GAYDOS, KNOWLES, NELSON AND HELM,
MAY 14, 2019

REFERRED TO COMMITTEE ON APPROPRIATIONS, MAY 14, 2019

AN ACT

1 Providing for zero-based budgeting.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Zero-Based
6 Budgeting Act.

7 Section 2. Findings.

8 The General Assembly finds and declares as follows:

9 (1) The traditional method of budget development, which
10 relies upon incremental adjustments to expenditures made in
11 the previous financial period, insulates governmental
12 activities from the thorough fiscal review expected by
13 taxpaying citizens.

14 (2) New and changing demands for public services are met
15 through excessive budget growth rather than by pruning
16 obsolete programs and redirecting existing funds. Some

1 programs were established so long ago that the original
2 statutory basis has either been forgotten or is out of date.
3 In time the budget is driven by inertia rather than by clear
4 and defensible purposes.

5 (3) Zero-based budgeting is an effective method to
6 counter the tendency toward perpetuation of outdated State
7 programs.

8 Section 3. Budget review.

9 (a) Review.--The Secretary of the Budget shall subject every
10 program in State government to zero-based budget review no less
11 often than once every five years. In order to implement this
12 schedule, approximately one-fifth of the budget shall be subject
13 to zero-based budgeting in each year beginning in 2022. In 2020,
14 the Governor shall submit a zero-based budget for agencies with
15 a cumulative total of expenditures of at least 20% of the
16 General Fund budget.

17 (b) Agency plan.--To accommodate zero-based budget review,
18 the Secretary of the Budget shall require agencies to prepare
19 and submit a zero-based budget plan in addition to any other
20 information that may be required by statute, rule or directive.
21 At a minimum, the plan shall contain the following information:

22 (1) A description of those discrete activities that
23 comprise the agency and a justification for the existence of
24 each activity by reference to statute or other legal
25 authority.

26 (2) For each activity, a quantitative estimate of any
27 adverse impacts that could reasonably be expected should the
28 activity be discontinued, together with a full description of
29 the methods by which the adverse impact is estimated.

30 (3) For each activity, an itemized account of

1 expenditures that would be required to maintain the activity
2 at the minimum level of service required by the statutory
3 authority, together with a concise statement of the quantity
4 and quality of services required at that minimum level.

5 (4) For each activity, an itemized account of
6 expenditures required to maintain the activity at current
7 levels of service, together with a concise statement of the
8 quantity and quality of services being provided.

9 (5) A ranking of all activities that shows the relative
10 contribution of each activity to the overall goals and
11 purposes of the agency at current service levels.

12 Section 4. Educational services.

13 Notwithstanding section 3, the following shall not be subject
14 to zero-based budget review within the Department of Education:

15 (1) Class size.

16 (2) School curriculum.

17 (3) Direct services offered to students by classroom
18 teachers in the public schools. Examples of direct services
19 are teaching, coaching, library and media services and career
20 counseling services provided within the public school system.

21 Indirect services such as overhead costs, administrative
22 costs and support services shall be subject to zero-based
23 budget review.

24 Section 5. Effective date.

25 This act shall take effect in 60 days.