



TREASURY DEPARTMENT
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG, PA 17120

JOSEPH M. TORSELLA
TREASURER

June 23, 2017

The Honorable Tom Wolf
Governor
Main Capitol Building, Room 225
Harrisburg, Pennsylvania 17120

Dear Governor Wolf:

Attached for your information is a description of legal standard Treasury will use to review agency requisitions during a budgetary impasse. Upon assuming the Office of State Treasurer, I directed the Department to reexamine how past budgetary impasse payments were considered and paid, with the goal of developing a new, well-reasoned standard to be used in the absence of direct appropriations authority. I am providing to you a copy of Treasury's legal standard and a Q&A sheet to help explain its impact in advance of any budgetary impasse so that all governmental stakeholders are informed as to how Treasury will oversee public expenditures under these circumstances.

To be clear, I am neither predicting nor assuming that a General Fund Budget will fail to be enacted prior to the end of the fiscal year. Rather, in 2015-16 Treasury found itself responding to rapidly unfolding and difficult circumstances, with limited legal precedent or administrative guidance, related to the unprecedented nine month impasse. With the benefit of hindsight, we wish to better prepare and inform all governmental agencies as to the expenditure implications if the Commonwealth were to encounter another protracted budgetary impasse.

Please do not hesitate to contact my office if I may provide any additional information or clarification.

Sincerely,

Joseph M. Torsella
State Treasurer

cc: Randy Albright, Budget Secretary
Tom Darr, AOPC