



Fast Facts

House Bill 1316 (Warner)

House Bill 1316 proposes an amendment to the Pennsylvania Constitution to create a General Fund spending limit.

- The factors used in HB 1316 to adjust its proposed General Fund spending limit do not reflect the mix of services purchased by state government, especially with an aging population. Health care represents well over one-fourth of all state General Fund spending.
 - Health care costs rise much more quickly than the consumer price index and our population growth.
- HB 1316 hinders the commonwealth's ability to adapt to changes by the federal government, such as:
 - Federal budget cuts impacting programs that children, elderly, and disabled Pennsylvanians depend on.
 - Federal restrictions changing how the commonwealth uses assessments and other revenue sources to pay for Medicaid programs.
 - Previous federal changes forced Pennsylvania to find replacement revenue to avoid deep program cuts.
- HB 1316 does not take into consideration federal mandates that drive spending over which the state has no control.
 - For example, states are required to help pay the cost of the Medicare Part D drug program in accordance with a funding formula in federal law. Each month, Pennsylvania receives an invoice from the federal government identifying its mandated share of program costs.
- Spending limits like the ones in HB 1316 have the potential to shift costs to local government when the state cuts its spending.
 - State budget cuts have significant and far-reaching consequences for counties and school districts.
 - These cuts impact human services, child welfare, law enforcement, agriculture, the environment and economic development.
 - Shifting costs to local government increases the property tax burden on taxpayers.
- The bill harms Pennsylvania's ability to help our constituents in an economic downturn.
 - Medical Assistance costs grow during an economic downturn as unemployment rises. Individuals lose employer-sponsored insurance and incomes decline, increasing enrollments.
- Mandated costs will not magically disappear under HB 1316.
 - It only limits our ability to solve problems.

