



Pennsylvania Department of the

AUDITOR GENERAL

Facebook: Pennsylvania Auditor General

Twitter: @PaAuditorGen

News for Immediate Release

Aug. 3, 2017

Auditor General DePasquale Continues Raising Concerns About Impact of Unbalanced, Unfinished State Budget

Calls on General Assembly, Governor to finalize budget, focus on moving Pennsylvania forward

HARRISBURG – Auditor General Eugene DePasquale today issued the following statement on the unbalanced, unfinished state budget after signing a \$750 million line of credit to mitigate cash-flow problems:

“Today I added my signature to the \$750 million line of credit that Treasurer Joe Torsella authorized from Treasury’s Short Term Investment Pool (STIP) to prevent the state’s general fund cash balance from hitting zero this month. The fact the state is running out of money in the second month of the fiscal year should be a wake-up call to every elected official in Pennsylvania.

“My concern goes beyond the cash-flow problem that indicates the state’s unaddressed structural deficit. I am concerned that schools and county agencies across the state are once again worried about funding uncertainties.

“Currently, Penn State, Pitt, Temple and Lincoln universities are in limbo waiting for final approval of their state funding. As I said in my recent [audit of Penn State](#), it is becoming increasingly difficult for middle-class students to afford to attend our state-related universities. An unresolved budget will make this problem worse.

“Meanwhile, earlier this week Franklin County officials publicly voiced concerns about state funding in light of the unfinished, unbalanced commonwealth budget.

“The House must do the responsible thing and come back next week to address this budget situation. And once they are back, the House and Senate leadership and the governor should immediately lock themselves in a room and work until they figure out a way to provide Pennsylvanians with a balanced budget.”

In a joint letter to legislators last month, DePasquale and Torsella warned that the threat of a credit rating downgrade from Standard & Poor’s will ultimately result in a back-door tax increase for all Pennsylvanians because of the increased cost to pay off debt and borrow in the future.

###