



DATE OF MAILING: January 29, 2016

Honorable Scott Wagner
Senate Box 203028
Harrisburg, PA 17120-3028
Room: 187 Main Capitol

**Re: Right-to-Know Law Request received December 22, 2015;
Request for copies of "all Ledger 5 appropriations excluding
Unemployment Compensation and the State Workers Insurance
Fund for fiscal years 2013-2014, 2014-2015 and 2015-2016."**

Dear Senator Wagner:

On December 22, 2015, the Office of the Budget's Agency Open Records Office received your written request made pursuant to the Commonwealth's Right to Know Law (RTKL), 65 P.S. §§ 67.101 *et seq.* In your request, you sought copies of "all Ledger 5 appropriations excluding Unemployment Compensation and the State Workers Insurance Fund for fiscal years 2013-2014, 2014-2015 and 2015-2016."

Pursuant to Section 902 of the Right to Know Law, 65 P.S. § 67.902, by letter dated December 30, 2015, the Office of the Budget extended its time to respond to your December 22 request until January 29, 2016. The Office of the Budget has completed its review of your request and its records and provides you with this final response.¹

In response to your request, the Office of the Budget has enclosed with this letter a compact disc (CD) to which copies of all ten (10) Expenditure Symbol Notifications (ESNs) which were issued during fiscal years 2013-14; 2014-15; and 2015-16 (up to and including the date of your request) have been saved as PDF files.

Expenditures are recorded on ledger 5 records for one of three reasons. First, certain special funds (including the Unemployment Compensation Fund, the State Workers Insurance Fund, and the Purchasing Fund) always operate

¹ Today, the Office of the Budget mailed a substantively identical response to Representative Seth Grove.

from non-budgeted funding, and are therefore regularly established and operated as ledger 5 expenditures.

Second, in the course of routine operations during any fiscal year, a program may hit the limit of its appropriated spending authority prior to the end of the fiscal year. Certain programs are deemed essential to the Commonwealth's direct provision of services necessary to protect and preserve the health, welfare, and safety of Commonwealth citizens, or to provide necessary care and services to persons under the direct care, custody, and control of the Commonwealth, or both, or expenditures which must continue to be made pursuant to federal constitutional or statutory law, or to state or federal case law. If a program has exhausted its appropriation authority but the program is deemed essential, a ledger 5 is established to continue charging and paying the program's expenses. For example, the Medical Assistance Program is essential to the protection and preservation of the health, safety, and welfare of citizens of the Commonwealth, and these payments must also continue to be made pursuant to federal constitutional and statutory law. Therefore, payments for Medical Assistance continue to be made even when the program has exhausted its appropriation authority. The ledger 5 for Public Health and Safety Payments is then charged with the expenditures, pending supplemental funding to the applicable appropriation or enactment of the subsequent fiscal year's appropriation. These expenditures are posted directly to the ledger 5 in the Commonwealth's accounting system, and are paid against the ledger 5 by the Pennsylvania Treasury Department. Once additional appropriation authority becomes available, the expenditures are recorded to the applicable appropriation in the Commonwealth's SAP accounting system.

Third, in the unique case of a budget impasse, a ledger 5 is established for each activity which the Commonwealth must maintain during an impasse, *i.e.*, the essential activities as well as the expenditures which must continue to be made pursuant to federal constitutional or statutory law, or to state or federal case law. For example, the federal Fair Labor Standards Act requires that Commonwealth employees be timely paid for work performed, notwithstanding the general prohibition on the spending of non-appropriated funds contained in Article 3, Section 24 of the Pennsylvania Constitution. *Council 13, AFSCME v. Commonwealth*, 986 A.2d 63 (Pa. 2009). Once appropriations have been made via supplemental funding or other appropriation acts that provide spending authority for these expenditures, the charges posted to the ledger 5 during the impasse are recorded on their respective program's appropriation. The Office of the Budget

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and the Treasury Department then reconcile their accounting records to ensure that all expenditures have been recorded accurately.

Expenditures which were temporarily recorded on a ledger 5 but which were subsequently recorded on their respective program's appropriation are no longer reflected as ledger 5 balances in the Commonwealth's SAP accounting system. Such expenditures may, however, be maintained on the PeopleSoft system maintained by the Pennsylvania Treasury Department. You may wish to submit a new RTKL request to the Treasury Department. Contact information for its Agency Open Records Office is as follows.

Geraldine Williams
Right-to-Know Law Officer
Room 201 Finance Building
Harrisburg, PA 17102-0018
Phone: 717.787.4586
Email: OpenRecordsOfficer@patreasury.gov

Also saved as a PDF file to the enclosed CD is a report from the Commonwealth's accounting system which details all expenditures made from the Purchasing Fund during fiscal years 2013-14; 2014-15; and 2015-16 (up to and including the date of your request). Purchasing Fund expenditures are initially recorded via ledger 5, but are subsequently recorded as paid from the applicable agency or department operating appropriation.

I have personal knowledge of the factual statements made in this letter, and they are true to the best of my knowledge, information, and belief. I understand that any false statements herein are made subject to the penalties (including perjury) of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

This letter, and the enclosed CD, closes this RTKL request made to the Office of the Budget.

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Sincerely,



BY: DANIEL SHARAR
AGENCY OPEN RECORDS OFFICER
OFFICE OF THE BUDGET
COMMONWEALTH OF PENNSYLVANIA

Enclosure

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cc: Daniel Sharar
Office of the Budget RTKL File 20150059
OB Legal File OB-2015-RTK-000677