



COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE
HARRISBURG

CHARLES B. ZOGBY
SECRETARY
OFFICE OF THE BUDGET

September 12, 2014

The Honorable Samuel H. Smith, Speaker
Pennsylvania House of Representatives
Room 139 Main Capitol
Harrisburg, PA 17120

The Honorable Mike Turzai, Majority Leader
Pennsylvania House of Representatives
Room 110 Main Capitol
Harrisburg, PA 17120

The Honorable William F. Adolph Jr.
Majority Appropriations Committee Chair
Pennsylvania House of Representatives
Room 245 Main Capitol Building
Harrisburg, PA 17120

Gentlemen:

Thank you for your letter dated September 8, 2014, regarding payments to charter schools for fourth quarter pension costs incurred by school districts. After reviewing your request, the Office of General Counsel has determined that the Commonwealth has the legal authority to make this final payment to charter schools for the quarter ending June 30, 2014; the statutory change to charter school pension payments contained in section 1722-J(9) of the Fiscal Code, Act 126 of 2014, is effective as of the enactment date, July 10, 2014. 72 P.S. §1722-J(9). In the near future, my office will coordinate with the Department of Education and the Public School Employees' Retirement System to ensure that all payments are made.

In making this payment, however, I should point out that funding for the fourth quarter payment was not included in this year's budget as passed by the General Assembly. Because this funding was not assumed in the budget, my office will closely monitor spending in the School Employees' Retirement program over the coming months. If we determine that a funding shortfall exists, a supplemental appropriation request may be necessary as part of the FY 2015-16 budget.

Sincerely,

A handwritten signature in black ink, appearing to be 'Charles B. Zogby', with a long horizontal line extending to the right.

Charles B. Zogby

September 12, 2014

Page 2

cc: The Honorable Joseph B. Scarnati III
The Honorable Dominic Pileggi
The Honorable Jake Corman
Leslie Gromis-Baker, Chief of Staff to the Governor
The Honorable Katie True
The Honorable Carolyn Dumaresq
The Honorable James Schultz
Jennifer Branstetter, Director of Policy and Planning
Luke Bernstein, Deputy Chief of Staff, Office of Public Liaison