

WINTER 2024

STATE REPRESENTATIVE

SETH GROVE



Serving the 196th Legislative District

Securing the Border

Securing the southern border and protecting Americans across the country from critically harmful levels of illegal immigration and organized criminal drug trafficking is the job of the federal government. Unfortunately, President Joe Biden has decided he doesn't want to do this part of his job. Fortunately, Gov. Greg Abbott of Texas has made the correct decision to step in where the Biden administration is failing us.

I recently signed a resolution supporting the ongoing efforts in Texas, which I hope will receive a vote when we return to session in March. While the U.S./Texas border is some 1,700 miles away, the effect on Pennsylvanians is real. York County is not a sanctuary county, meaning our law enforcement officials will work with U.S. Immigration and Customs Enforcement. Still, other counties in Pennsylvania are making them magnets for illegal immigrants.

The southern border also serves as a primary avenue for the trafficking of illicit narcotics and other activities of organized criminal organizations. According to data from the Commonwealth of Pennsylvania, at least 94 people died of drug overdoses in York County during 2023. The



Centers for Disease Control and Prevention reports 5,449 Pennsylvanians died of a drug overdose in the same year. A 2021 report by the Department of Justice noted 64% of all federal arrests in 2018 involved non-U.S. citizens.

In 2015, I visited the U.S./Mexico border at McAllen, Texas. The failure of the United States government to adequately address this crisis was apparent even then. The conditions have only worsened, leading Texas to act. Pennsylvania must stand in support of Texas as it seeks to secure the border for the benefit of all Americans.

Fighting Antisemitism on College Campuses

Following Liz Magill's defense of antisemitism at the University of Pennsylvania, I called for her resignation. I am glad common sense prevailed and Magill stepped down from her post.

The University of Pennsylvania's Code of Student Conduct has been used to silence free speech for years when it came from conservative voices. This includes threatening female students who didn't feel comfortable sharing a locker room and competing in swim meets against a man. For the university to stand by and allow

students, faculty and outside groups to call for the genocide of Jews is unconscionable.

The University of Pennsylvania School of Veterinary Medicine typically receives financial support from the Commonwealth through a non-preferred appropriation. Because this process requires a two-thirds vote to pass, I was able to rally enough House Republicans to block the funding. As long as I am able, I will work to block any state funds from going to the University of Pennsylvania until they present a plan to stop the madness on their campus.

Save the Date!

CONCEAL CARRY SEMINAR

April 13, from 9 a.m. to noon

Location: West Manchester Farmers and Sportsman's Association, 4900 Pine Hill Road, Dover

SHREDDING EVENT

April 6, from 9 a.m. to noon

Location: 334 Carlisle Ave., York, PA 17404 (use the Carlisle Road entrance)

Mid-Year Budget Update

As 2024 kicks off, we find ourselves halfway through the 2023-24 Fiscal Year. Through Dec. 31, 2024, the General Fund revenues, minus refunds, amount to \$19.03 billion. Expenditures so far have reached \$25.31 billion, which is 56% of the enacted 2023-24 state appropriations.

The economic outlook for the next six months is still very clouded. The Federal Reserve has kept the benchmark interest rate at 5.33% as inflation has eased and now appears to be leveling out around 3%. Unemployment has remained flat at 3.4% for three straight months.

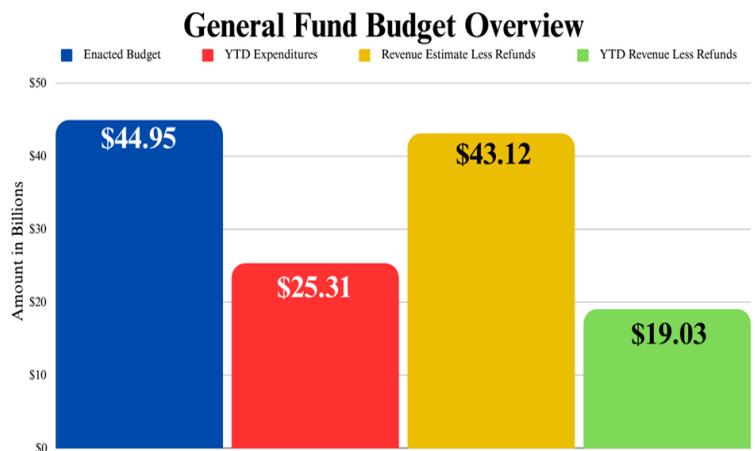
With the economy showing no significant improvement, Pennsylvania faces a structural deficit that will only be improved with substantial budgetary reform. In addition, there are also several emerging budget issues heading into the 2024-25 fiscal year.

The governor's Office of Administration tracks personnel costs as a percentage of the budget. FY 2022-23 marked the first time this number increased since FY 2014-15. This is especially alarming as this calculation includes federal dollars, which decreased in FY 2022-23. In FY 2021-22, personnel costs reached \$8.6 billion, which was 7.5% of the total budget; in FY 2022-23, this jumped to \$9.1 billion, which resulted in 8% of the budget.

Over the course of the former administration, the average salary for a state employee jumped from \$53,843 to \$65,656. The average salary will be increased significantly over the next four years as Gov. Josh Shapiro signed off on a 22.1% increase for AFSCME employees. Traditionally, this increase has also been applied to non-union and management employees.

It is also important to remember salary is only one part of the total costs for employees. The average cost of benefits for employees in FY 2022-23 was \$49,096, or 74.8% of the average salary. Taken together, that equals a total compensation package of \$114,752. Additionally, new contracts for the Pennsylvania State Police (PSP) and state corrections officers have yet to be finalized.

In FY 2022-23, the Commonwealth spent \$372 million on overtime. Of that total, \$170 million was spent by the Department of Corrections (DOC), and \$46 million was spent by the PSP alone. The DOC already accounts for 6.4% of the budget, and the PSP budget continues to increase its reliance on the General Fund as costs shift



away from the Motor License Fund.

Another issue on the horizon is the Section 1115 waiver. The PA Department of Human Services (DHS) announced its intention to submit a Section 1115 Medicaid demonstration waiver to address Health-Related Social Needs (HRSN) and continuous Medicaid eligibility for specific populations. The waiver demonstration would be for five years – Jan. 1, 2025, through Jan. 1, 2030. The application is subject to Centers for Medicare and Medicaid (CMS) approval.

The demonstration would include four main components: re-entry supports, housing supports, food and nutrition supports, and continuous eligibility for children aged 0-6 years old. Section 1115 waiver demonstrations are typically required to be budget-neutral for the federal government. CMS has allowed services that could otherwise be enacted without Section 1115 waiver authority through a state plan change to be exempt from this requirement. DHS stated that all four components of this waiver application do not have to meet the traditional budget neutrality requirement.

DHS does not anticipate cost savings in the current fiscal year for DHS and DOC from the waiver demonstration due to the federal maintenance of effort requirement. This funding must supplement, not supplant, current spending. Any "savings" would need to be reinvested.

We still need a complete picture of the financial impact of this waiver. While the goals of the waiver are certainly areas that can be improved, it is still unclear why this proposal is the best path forward.

Democrat BEFC Plan Will Raise School Property Taxes, 46% State Income Tax Increase

The adopted Basic Education Funding Commission report calls for a \$291 million increase in spending for school districts (property taxes!) and more than \$7 billion in recurring revenue over the next seven budget cycles for the state. When added with the current state structural deficit of \$1.8 billion – and without accounting for any other increases which may be in Gov. Josh Shapiro's 2024-25 budget proposal – the Commonwealth needs to find \$8.9 billion in recurring revenue. Democrats would need to increase our state income tax by almost a percentage and a half to cover this spending spree, bringing the overall rate from 3.07% to near 4.5%. Even more concerning, this \$7 billion is a conservative estimate, other initiatives highlighted in the report have the potential for billions more in spending.

As I have previously warned, Pennsylvania's bond rating will be tied to how the governor and Legislature handle education funding moving forward following the Commonwealth Court decision in William Penn SD v. PA

Department of Education. In addition, the bond rating agencies have recommended against spending down our reserves to pay for recurring costs like the BEFC recommends; we must have stable revenue streams.

The Democrat BEFC report isn't based in reality, nor is this a workable solution for our budget circumstances. This will raise both local school property taxes and our state taxes – the prudent measures the General Assembly have taken over the past several years to ensure our sound financial footing will be evaporated as neither our General Fund nor our Rainy Day Fund reserves, nor a combination thereof, is enough to cover these recurring costs. Further, the report takes direct aim at effective alternatives for parents and students by attacking charter schools, and completely ignores options for school choice like Lifeline Scholarships.

Moody's: Significant growth in leverage (debt or other unfunded liabilities) or the state's fixed cost burden.

AROUND THE 196th



Spring Grove Christmas

Thank you to everyone who came out to the Spring Grove Tree Lighting Ceremony! It was great seeing everyone getting into the Christmas spirit! I'm already looking forward to next year.



Spring Grove Halloween Parade

I had a great time at the Spring Grove Halloween Parade serving as judge, along with Spring Grove Mayor Beverly R. Hilt and York County Commissioner Doug Hoke. Sen. Kristin Phillips-Hill and I handed out over 14,000 pieces of candy! The performances and floats were incredible.



St. Rose of Lima Elementary School

Students in fourth and sixth grade from St. Rosa of Lima School came to Harrisburg to learn more about state government, it was my pleasure to join them for a tour and take their questions.



Town Hall

Thank you to everyone who attended one of my four, in-person Town Halls this fall. It was great to get your feedback on what issues matter to you. I will be keeping all the thoughts and opinions shared throughout this year.



West York High School

I was able to meet with 11th- and 12th-grade American and Pennsylvania politics students at West York High School. The future of York County is in very good hands!



Windy Hill

Sen. Kristin Phillips-Hill and I visited the Windy Hill on the Campus - Senior Center. Thank you to everyone who braved the rainstorm and allowed us to join your intense game of chair volleyball! We hope you enjoyed the cookies and hot chocolate!



NEW PODCAST GROVE UNLEASHED!

Looking for information on state government issues without the bull? Then the Grove Unleashed podcast is for you! In each episode, I am joined by staffer Anders Thoman and producer Chuck Nickols to discuss news out of Harrisburg and beyond and bring it right to you.

You can check out the last episode, and all episodes, at RepGrove.com/mypodcasts.

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OFFICE LOCATIONS

DISTRICT OFFICE:

2501 Catherine St., Suite 10 • York, PA 17408 • Phone: **717-767-3947**

CAPITOL OFFICE:

245 Main Capitol Building • P.O. Box 202196 • Harrisburg, PA 17120-2196 • Phone: **717-783-2655**

I Want to Hear From You!

As part of my weekly e-news updates, I am seeking feedback from district residents. Each update will include a survey on an issue and readers are encouraged to follow a link to submit their feedback.

If you don't subscribe to my e-news updates, simply visit my website at RepGrove.com to sign up.



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EXPANDED Property Tax/Rent Rebate Program Now Open

The application period for the state's 2023 Property Tax/Rent Rebate Program is now open for eligible Pennsylvanians to begin claiming rebates on property taxes or rent paid last year.

Income limits increased this year to \$45,000 annually for both homeowners and renters, so if you were earning too much to qualify before, you may be eligible now. Remember to exclude 50% of Social Security when determining your income.

The program is open to residents age 65 years and older; widows and widowers 50 years and older; and people with disabilities 18 years and older.

Remember – you do not need to pay anyone for assistance to apply for the rebates. Apply online at my.path.pa.gov, or contact my office for help.

Thanks to the new law which I supported, more than 150,000 additional individuals will be eligible for assistance.

Claimants are encouraged to file their rebate applications online by visiting www.mypath.pa.gov. No account is required. Applicants who still wish to file a paper application form may obtain Property Tax/Rent Rebate claim forms (PA-1000) and related information on the Department of Revenue's website at www.revenue.pa.gov or by contacting my office. We will also provide free assistance with filing the forms.

Please call 717-767-3947 to schedule an appointment or stop by 2501 Catherine St. Suite 10, York PA, 17408 between the hours of 9:00 am and 4:00 pm Monday through Friday.