



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 446

PRINTERS NO. 1082

PRIME SPONSOR: McGarrigle

AS AMENDED BY: A02945

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	See fiscal impact	See fiscal impact

SUMMARY: This bill amends the act of April 9, 1929 (P.L. 177, No. 175), known as The Administrative Code, to require the Department of Drug and Alcohol Programs (DDAP) to license or certify drug and alcohol recovery houses which receive public funding and to implement the 2017-18 Commonwealth budget.

ANALYSIS and FISCAL IMPACT: The bill makes a number of amendments and additions to The Administrative Code as outlined below.

Criminal History Background Checks

A new section is added to comply with Federal law to require employees or prospective employees whose duties and responsibilities require access to Federal tax information to submit Federal criminal history background information and Pennsylvania criminal history record information from the Pennsylvania State Police (PSP) to employers or prospective employers. Employees must submit validation of eligibility to legally work in the United States and provide fingerprints to the PSP, its agent or an agent approved by the Federal government. Fingerprints may be used by the PSP to conduct a criminal background check and shall be forwarded to the Federal Bureau of Investigation for a national criminal background check. Individuals who have been cleared to access Federal tax information shall reapply for clearance within ten years of issuance of the prior clearance.

The Department of Revenue shall publish guidelines to implement the new section.

Fiscal Impact - The Department of Revenue estimates approximately 1,630 employees will have to be fingerprinted to comply with the new Federal requirements. Assuming fingerprinting costs \$50 per person, the cost for Revenue to have current employees fingerprinted is \$81,500. Employees and prospective employees in other agencies with access to Federal tax information will also have to comply with the Federal fingerprinting requirements, but the current estimate of other employees that may be affected is unknown at this time. It is assumed that any fingerprinting costs that agencies will have to accommodate can be done so within amounts appropriated.

Pennsylvania Commission on Crime and Delinquency

A section is added to provide that notwithstanding section 2 of the Pennsylvania Commission on Crime and Delinquency Law, the attorney general, the chairpersons of the Appropriations

Committee of the Senate and the House of Representatives, and members of the General Assembly on the Commission may appoint designees.

Fiscal Impact – No fiscal impact.

Higher Education Regulatory Restricted Account

A section is added to establish the Higher Education Regulatory Restricted Account as a restricted account within the General Fund for the deposit of fees for services provided to degree-granting institutions. Revenue in the account may be expended for the purpose of administering and implementing 24 Pa.C.S. Ch. 65 (relating to private colleges, universities and seminaries) and all other costs associated with regulation of degree-granting institutions.

<u>Service</u>	<u>Fee</u>
Application for approval of specialized associate degree.....	\$1,000
Application for approval of new degree or program.....	\$1,400
Application for new degree-granting institution or change from private licensed school to college or university.....	\$5,000
Application to change status from college or seminary to university.....	\$1,000
Application for education enterprise status.....	\$10,000
Renew status as an education enterprise.....	\$2,000
Registration of out-of-State distance education provider that is not a participant in the State Authorization Reciprocity Agreement.....	\$5,000
Application for approval to use words college/university/seminary in a business name.....	\$100

The State Board of Education shall increase the fees by regulation if the revenues raised by the fees are not sufficient to meet or exceed expenses projected for a two-year period.

Fiscal Impact –There should be no adverse impact on Commonwealth funds as State Board of Education is required to establish fees adequate to carry out the provisions relating to the regulation of degree-granting institutions. The Office of the Budget estimated that \$290,000 will be collected and will augment the Department of Education’s general government operations appropriation.

Fee Increases

- Fee for Certified copy of a death record (Section 609-A) is increased from \$9 to \$20.
Fiscal Impact –The increased fee for certified death records is estimated to generate an additional \$2,030,000 to support the operations of the Department of Health’s Vital Statistics activities.

- Department of Labor & Industry – fees authorized for the Bureau of Occupational and Industrial Safety to augment the General Fund appropriation are being updated to reflect current market rates for inspections, permitting, plan reviews and other services. The fees would increase annually based on the rate of inflation in the Consumer Price Index for all Urban Consumers in the Northeast Region. The Department of Labor and Industry shall publish fee increases in the Pennsylvania Bulletin.
Fiscal Impact – Based on documents provided by Governor’s Office of the Budget, the enhanced fees would generate approximately \$8,900,000 in additional revenue for the first full year. All the additional revenue would be deposited into the augmentation account as the General Fund portion would remain the same as collected in 2016-2017 (projected to

be \$6,800,000). The augmentation account supplements funds appropriated to the Bureau of Occupational and Industrial Safety.

- Criminal History Background Checks by the PSP – the bill provides that the PSP may increase the fees for criminal history record information by publishing a notice in the Pennsylvania Bulletin.

Fiscal Impact –No adverse fiscal impact.

Collections by Attorney General

A new section is added to create a restricted account to be known as the Collection Administration Account for the deposit of no more than 25% of debts, taxes, and accounts collected by the Attorney General by suit or otherwise. No more than \$2,500,000 may be deposited in the restricted account per fiscal year. Money in the account is appropriated to the Attorney General. The Attorney General shall submit to the Governor an estimate of the amount of money to be expended from the account during the next fiscal year as part of the Attorney General's annual budget request to the Governor.

Fiscal Impact –No adverse fiscal impact.

State Correctional Institution Closings

Language is included to require the Department of Corrections to provide advance notice and a public hearing prior to the closure of a state correctional institution for 2017-18. Notice of the public hearing must be provided in the Pennsylvania Bulletin and two local newspapers at least 30 days prior to the public hearing.

Fiscal Impact –No adverse fiscal impact. It is assumed that the Department of Corrections will be able to accommodate the cost for newspaper advertising with general government operations funding.

Joint Underwriting Association

A new article is added to clarify the status of the Joint Underwriting Association as a Commonwealth entity, and provide the necessary framework for the transfer of \$200 million in Commonwealth funds by September 1, 2017. The Supreme Court shall have exclusive jurisdiction to hear any challenge to or to render a declaratory judgment concerning the constitutionality of the article.

Fiscal Impact – Provides \$200,000,000 to the General Fund in 2017-18.

Environmental Quality Board –

Section 1920-A is amended to provide that within 90 days, the Environmental Quality Board (EQB) must promulgate proposed regulations to apply water quality criteria for manganese to an upstream area within five miles or less of a known potable water supply or water intake.

The Department of Environmental Protection must provide for an extension of permits until December 31, 2019 for water treatment facilities that provide water disposal services exclusively to conventional oil and gas wells.

The recycling fee is extended until January 1, 2023 and no transfer of funds from the Recycling Fund to the Solid Waste Abatement Fund shall be made.

Fiscal Impact – No adverse fiscal impact. The promulgation of water quality regulations will be covered under existing operations by the board and department, while extending the recycling fee for municipal waste landfills and resource recovery facilities until January 1, 2023 ensures additional money will be available in the Recycling Fund for expenditure. The \$2 per ton recycling fee generates approximately \$38 million in annual revenue for the Recycling Fund.

State Park Feasibility Study

The Department of Conservation and Natural Resources is directed to conduct a feasibility study for the establishment of a State park in Wyoming County. The study shall include an appraisal of the fair market value of the real property proposed for the State park. The results of the study are to be reported to the General Assembly within one year.

Fiscal Impact –No adverse fiscal impact.

Older Adult Daily Living Centers

Duplicative licensing requirements for providers of all-inclusive care for the elderly are eliminated.

Fiscal Impact –No adverse fiscal impact.

Child Protective Services Fees

A new section is added to the Administrative Code to authorize the Department of Human Services to charge a fee not to exceed \$13 for a child abuse clearance check. The current fee is \$8.

Fiscal Impact – The increased fees will generate an additional \$2,881,000 to augment the Department of Human Services General Government Operations appropriation.

Alternative Energy Portfolio Standards

A new section is added to establish requirements for a photovoltaic system to qualify as an alternative energy source eligible to meet the photovoltaic share of the requirements under the Commonwealth's alternative energy portfolio standards.

Fiscal Impact – Requiring a certification for a solar photovoltaic system energy generator within the geographical boundaries of this Commonwealth will have no adverse fiscal impact on Commonwealth funds. However, it is possible this could decrease the number of solar energy credits available and thereby increase the price of solar energy credits received by a solar photovoltaic systems generator.

Drug and Alcohol Recovery House Licensure

The bill adds a section to require the Department of Drug and Alcohol Programs (DDAP) to license or certify drug and alcohol recovery houses which receive public funding directly or through a contracted entity, which shall adhere to National Alliance for Recovery Residences standards. All referrals from State agencies or State-funded facilities shall be to licensed or certified drug and alcohol recovery houses, and only these houses may be eligible to receive Federal or State funding to deliver drug and alcohol recovery housing services.

Fiscal Impact –There should be minimal fiscal impact on Commonwealth funds as DDAP is required to establish fees adequate to carry out the provisions of this section.

Judiciary and Judicial Administration Fees

- A section is included to provide for the continuation of the Senior Judge Operational Support grant program at existing reimbursement rates.
Fiscal Impact – Funds for Senior Judge Operational Support grants were appropriated in the General Appropriations Act of 2017 in the amount of \$1,375,000.
- The \$11.25 surcharge currently imposed under 42 Pa.C.S. § 3733.1(a)(1) is continued. The revenue from the surcharge is deposited in a separate reserve account within the Judicial Augmentation Account.
Fiscal Impact – No adverse fiscal impact. The continuation of the surcharge will provide \$25,040,000 for the Judicial Computer System Augmentation Account.
- The \$2.25 fee on criminal and civil filings that is deposited in the Criminal Justice Enhancement Account is increased by \$0.25 to \$2.50.
Fiscal Impact – The increased fee is projected to provide approximately \$700,000 in additional funding to the Criminal Justice Enhancement Account for an estimated total of \$5,600,000. Funds in the Criminal Justice Enhancement Account are used for reimbursements to counties for 65% of full-time district attorneys salaries.
- An additional new fee of \$2.50 is imposed and will be deposited in a restricted account in the General Fund for appropriation to the Office of Attorney General to supplement general government operations funding.
Fiscal Impact – The new fee is projected to provide approximately \$5,600,000 to supplement the operations of the Office of Attorney General.

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Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.