
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1614 Session of
2009

INTRODUCED BY BELFANTI, GERGELY, MENSCH, BRENNAN, SIPTROTH,
HORNAMAN, CALTAGIRONE, PASHINSKI, DeLUCA, GEORGE, HALUSKA,
GRUCELA, FRANKEL, MURPHY, KORTZ, FABRIZIO, CARROLL, K. SMITH,
MAHONEY, MURT, MELIO AND YOUNGBLOOD, JUNE 5, 2009

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES,
OCTOBER 9, 2009

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for the settlement, assessment,
4 collection, and lien of taxes, bonus, and all other accounts
5 due the Commonwealth, the collection and recovery of fees and
6 other money or property due or belonging to the Commonwealth,
7 or any agency thereof, including escheated property and the
8 proceeds of its sale, the custody and disbursement or other
9 disposition of funds and securities belonging to or in the
10 possession of the Commonwealth, and the settlement of claims
11 against the Commonwealth, the resettlement of accounts and
12 appeals to the courts, refunds of moneys erroneously paid to
13 the Commonwealth, auditing the accounts of the Commonwealth
14 and all agencies thereof, of all public officers collecting
15 moneys payable to the Commonwealth, or any agency thereof,
16 and all receipts of appropriations from the Commonwealth,
17 authorizing the Commonwealth to issue tax anticipation notes
18 to defray current expenses, implementing the provisions of
19 section 7(a) of Article VIII of the Constitution of
20 Pennsylvania authorizing and restricting the incurring of
21 certain debt and imposing penalties; affecting every
22 department, board, commission, and officer of the State
23 government, every political subdivision of the State, and
24 certain officers of such subdivisions, every person,
25 association, and corporation required to pay, assess, or
26 collect taxes, or to make returns or reports under the laws
27 imposing taxes for State purposes, or to pay license fees or
28 other moneys to the Commonwealth, or any agency thereof,
29 every State depository and every debtor or creditor of the
30 Commonwealth," providing for method of filing; further

1 providing for the definition of "cigarettes"; providing for
2 the definition of "little cigars"; establishing the
3 independent fiscal office; further providing for notice and
4 publication of lists of property subject to custody and
5 control of the Commonwealth; providing for borrowing for
6 capital facilities and for oil and gas wells; further
7 providing for the State Workers' Insurance Board and for
8 sunset provisions relating to State Workers' Insurance Fund
9 investment authority; providing for Pennsylvania Gaming
10 Economic Development and Tourism Fund and for Water and Sewer
11 System Assistance Bond Fund; further providing for Department
12 of Corrections, for Department of Education, for Department
13 of Environmental Protection, for Pennsylvania State Police
14 and for Pennsylvania Emergency Management Agency; providing
15 for 2009-2010 budget implementation and for 2009-2010
16 restrictions on appropriations for funds and accounts;
17 abolishing the Board of Trustees of the Scranton State School
18 for the Deaf; and making related repeals.

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 Section 1. The act of April 9, 1929 (P.L.343, No.176), known
22 as The Fiscal Code, is amended by adding a section to read:

23 Section 10. Method of Filing.--(a) The Department of
24 Revenue may require any return, report or other document
25 required to be filed for a tax administered by the department
26 prepared by a third party who submits fifty or more returns per
27 year to be filed by any method prescribed by the department
28 including by telephonic, electronic or other method. Notice of
29 the method of filing shall be published in the Pennsylvania
30 Bulletin and on the Department of Revenue's Internet website at
31 least sixty days prior to the due date of the return, report or
32 other document required to be filed by telephonic, electronic or
33 other method. The notice shall refer to this section.

34 (b) Failure to file a return, report or other document by
35 the method required under subsection (a) shall subject the tax
36 preparer to a penalty of one percent of the tax due on the
37 return, report or other document up to a maximum of five hundred
38 dollars (\$500), but not less than ten dollars (\$10). This
39 penalty shall be assessed and collected in the manner provided

1 by the act of March 4, 1971 (P.L.6, No.2), known as the "Tax
2 Reform Code of 1971." This penalty shall be in addition to any
3 civil penalty imposed in the applicable article of the "Tax
4 Reform Code of 1971" for failure to file a return, report or
5 other document. The criminal penalty for failure to file a
6 return, report or other document by the method required under
7 subsection (a) shall be the same as the criminal penalty for
8 failure to file a return, report or other document under the
9 applicable article of the "Tax Reform Code of 1971."

10 (c) (1) The Department of Revenue may waive the requirement
11 to file by the method required under subsection (a) when the
12 department determines that any of the following apply:

13 (i) The prescribed filing method causes an undue hardship.

14 (ii) The preparer or taxpayer requests a waiver in writing
15 that clearly states why the filing method causes an undue
16 hardship.

17 (2) In determining whether filing by the method required
18 under subsection (a) causes an undue hardship, the Department of
19 Revenue may consider unusual circumstances that may prevent the
20 person from filing by the prescribed method or any other factor
21 that the department determines is relevant.

22 Section 1.1. The definition of "cigarettes" in section 202-A
23 of the act, added July 2, 1993 (P.L.250, No.46), is amended and
24 the section is amended by adding a definition to read:

25 Section 202-A. Definitions.--As used in this article--

26 * * *

27 "Cigarettes" shall mean and include any roll for smoking made
28 wholly or in part of tobacco, irrespective of size or shape, and
29 whether or not such tobacco is flavored, adulterated or mixed
30 with any other ingredient, the wrapper or cover of which is made

1 of paper or any other substance or material, excepting tobacco,
2 and shall not include cigars. For purposes of licensing under
3 this article only, the term shall include little cigars.

4 * * *

5 "Little cigars" shall mean any roll for smoking that weighs
6 not more than four pounds per thousand, where the wrapper or
7 cover is made of natural leaf tobacco or of any substance
8 containing tobacco.

9 * * *

10 Section 1.2. The act is amended by adding an article to
11 read:

12 ARTICLE V-A

13 INDEPENDENT FISCAL OFFICE

14 Section 501-A. Short title.

15 This article relates to independence in fiscal matters.

16 Section 502-A. Definitions.

17 The following words and phrases when used in this article
18 shall have the meanings given to them in this section unless the
19 context clearly indicates otherwise:

20 "Baseline budget." A draft budget using current dollar
21 values that projects current year levels of budget authority,
22 outlays and revenues and the deficit or surplus into the new
23 budget year and out years on the basis of current laws and
24 policies.

25 "Committee." The Independent Fiscal Office Selection
26 Committee.

27 "Commonwealth agency." Any office, department, authority,
28 board, multistate agency or commission of the executive branch.
29 The term includes:

30 (1) The Office of the Governor.

1 (2) The Office of Attorney General, the Department of
2 the Auditor General and the Treasury Department.

3 (3) An independent agency, as defined in the act of
4 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know
5 Law.

6 (4) A State-affiliated entity, as defined in the Right-
7 to-Know Law.

8 (5) The General Assembly.

9 (6) The Judiciary.

10 "Director." The director of the Independent Fiscal Office.

11 "Office." The Independent Fiscal Office established in
12 section 503-A.

13 Section 503-A. Office established.

14 There is established a nonpartisan Independent Fiscal Office
15 as an independent agency.

16 Section 504-A. Duties of office.

17 The office shall:

18 (1) Prepare revenue estimates to include Federal funds,
19 State revenues and funds from other resources, including any
20 projected revenue surplus or deficit for a given fiscal year,
21 as provided under section 505-A.

22 (2) By January 1, provide a baseline budget that
23 includes levels of spending necessary to retain the current
24 program and statutory requirements.

25 (3) Provide an analysis of the executive budget,
26 including budgetary projections, economic outlook, economic
27 impact and an analysis of all related tax and revenue
28 proposals. The budget analysis may include performance
29 recommendations to secure greater efficiency and economy.

30 (4) Develop and use econometric models to annually

1 forecast State revenues and update the models. The office
2 shall make the equations of a model and any historic
3 databases related to the model available to the
4 Appropriations Committee of the Senate, the Appropriations
5 Committee of the House of Representatives, the Majority
6 Leader and Minority Leader of the Senate and the Majority
7 Leader and Minority Leader of the House of Representatives.

8 (5) By November 15 of each year, provide an assessment
9 of the State's current fiscal condition and a projection of
10 what the fiscal condition will be during the next five years.
11 The assessment shall take into account the state of the
12 economy, demographics, revenues and expenditures.

13 (6) Monitor State taxes and other receipts.

14 (7) Develop performance measures for executive-level
15 programs and departments and evaluate performance measures
16 and results as promulgated and reported by executive-level
17 departments. Performance measurements shall be outcomes-based
18 and include activity cost analysis, measures of status
19 improvement of recipient populations, economic outcomes and
20 performance benchmarks against similar State programs.

21 (8) Establish an Internet website.

22 Section 505-A. Revenue estimates.

23 (a) Initial revenue estimate.--By the second week of
24 February, the office shall submit to the General Assembly an
25 initial revenue estimate for the next fiscal year.

26 (b) Official revenue estimate.--

27 (1) By June 15 of each year, the office shall submit to
28 the General Assembly an official final binding revenue
29 estimate for the next fiscal year. If the General
30 Appropriation Act is not enacted by July 1, the office shall

1 prepare a revised revenue estimate by the 15th of each
2 succeeding month until such time as the General Appropriation
3 Act is enacted. The revised revenue estimate prepared
4 immediately preceding enactment shall be binding.

5 (2) The revenue estimate submitted under this section
6 shall establish the maximum amount of tax revenue which may
7 be considered for the General Appropriation Act for the
8 ensuing fiscal year. No changes in the revenue estimates
9 shall be made by the office after submission under paragraph
10 (1) unless significant changes in economic assumptions or
11 changes in statutes affecting revenues and receipts are
12 enacted.

13 (3) The office shall publish the methodology used to
14 develop revenue estimates.

15 (4) Following the adoption of a General Appropriation
16 Act or Supplemental Appropriation Act by the General
17 Assembly, the Governor shall certify that the budget
18 appropriations made by the General Assembly do not exceed the
19 actual and estimated revenue and surplus available according
20 to the official final binding revenue estimate under
21 paragraph (1).

22 (c) Information.--The office shall provide the
23 Appropriations Committee of the Senate, the Appropriations
24 Committee of the House of Representatives and the Secretary of
25 the Budget all data, assumptions and econometric models used to
26 develop projections and revenue estimates.

27 (d) Required information.--

28 (1) A revenue estimate submitted by the office under
29 this subsection shall include all of the following:

30 (i) An assessment of the Pennsylvania economy and

1 the national economy and the impact of the existing or
2 emerging State or national economic trends on revenue
3 performance for the current year and the forecasted or
4 projected revenue collections for the budget year and the
5 succeeding year.

6 (ii) A summary of current year-to-date revenue
7 collections by specific tax or revenue source, including
8 Federal funds, the General Fund, the Lottery Fund and the
9 Motor License Fund and a detailed explanation of any
10 negative or positive variation from the prior year's
11 official revenue estimate, including the reasons or
12 events contributing to the variation.

13 (iii) Any projected revenue surplus or deficit for
14 the current budget year.

15 (2) A revenue estimate shall be based on existing
16 statutes and tax policy and existing or emerging State or
17 national economic trends.

18 (3) The office shall prepare a revenue estimate of any
19 change in State tax law proposed as part of the annual State
20 budget. If the proposed change in State tax law will have a
21 fiscal impact in excess of \$10,000,000 in any fiscal year,
22 the estimate shall be prepared on the basis of assumptions
23 that estimate the probable behavioral responses of taxpayers,
24 businesses and other persons to the proposed changes and
25 shall include a statement identifying those assumptions.

26 (e) Department of Revenue.--The Department of Revenue in
27 conjunction with the Secretary of the Budget shall make revenue
28 estimates for the use of the Governor in preparing the budget.
29 Section 506-A. Budget information.

30 The office shall be notified and shall attend any briefings

provided by the Governor or the Secretary of the Budget under
section 619 of the act of April 9, 1929 (P.L.177, No.175), known
as The Administrative Code of 1929.

Section 507-A. Expenditures.

(a) Expenditure reports.--Commonwealth agencies shall make
monthly expenditure data available to the office. The data shall
be provided within seven days after the end of each month. The
monthly data shall include a summary of the last monthly
submission. The data shall be provided in finished reports or
electronically, as determined by the office. The data shall be
provided by fund, by appropriation, by department and by
organization within each department and shall include:

(1) Number of filled personnel positions and their cost.

(2) Itemized personnel vacancies and their cost.

(3) New positions created and their cost.

(4) Wage and overtime costs.

(5) Allotments and expenditures for itemized personnel
expenses.

(6) Allotments and expenditures for itemized operating
expenses.

(7) Allotment and expenditures for itemized fixed
assets.

(8) The rate of expenditures in appropriations for major
subsidy and grant programs during the month.

(b) Budget requests.--Commonwealth agencies shall submit
their agency budget requests to the office and the Office of the
Budget. The Commonwealth agency budget requests shall be
submitted to both offices at the same time.

(c) Revenue reports.--The Governor shall make monthly
revenue reports to the office. The revenue reports shall show

1 the actual collection of revenue itemized by source and a
2 comparison of the actual collections with estimated collections
3 for each month. The comparison shall include an analysis of any
4 change in collection patterns which will cause a shortfall or
5 overrun on annual estimates of more than 1%.

6 (d) Other revenue data.--Commonwealth agencies shall cause
7 to be prepared any other revenue data as may be requested from
8 time to time by the office.

9 (e) Electronic access.--Except for information that is
10 confidential pursuant to statute, the office shall have access
11 to all information available under this section on inquiry-only
12 screens through an integrated central computer system.

13 Section 508-A. Revenue conference.

14 By January 31 of each year, the office shall convene a
15 meeting with the Secretary of the Budget and the chairman and
16 minority chairman of the Appropriations Committee of the Senate
17 and the chairman and minority chairman of the Appropriations
18 Committee of the House of Representatives to discuss the
19 following:

20 (1) An assessment of the Pennsylvania economy and the
21 national economy and the impact of the economic trends on
22 revenue performance for the budget year and the succeeding
23 year.

24 (2) Recommended changes to revenue forecasting and
25 econometric models being considered by the office.

26 (3) Current year-to-date revenue collections by specific
27 tax or revenue source, including Federal funds, the General
28 Fund, the Lottery Fund and the Motor License Fund and
29 variations that may be occurring in the revenue estimate
30 submitted under section 505-A(a).

1 (4) Any statutory or tax policy changes that may be
2 recommended by the Governor or the General Assembly for the
3 next succeeding fiscal year.

4 Section 509-A. Access to information.

5 (a) Agencies.--The director is authorized to secure
6 information, data, expense information, estimates and statistics
7 directly from a Commonwealth agency or a political subdivision.
8 All Commonwealth agencies and political subdivisions shall
9 furnish the director with all reports of expenditure for each
10 agency and any other available material or data which the
11 director determines to be necessary in the performance of the
12 duties of the office, other than material the disclosure of
13 which would be a violation of law. The director is also
14 authorized, upon agreement with the head of any Commonwealth
15 agency or political subdivision, to utilize the services,
16 facilities and personnel of the agency with or without
17 reimbursement.

18 (b) Office of the Budget.--In carrying out the duties and
19 functions of the office, the director is authorized to obtain
20 information, data, estimates and statistics developed by the
21 Office of the Budget and all Commonwealth agencies. The Governor
22 shall submit to the office copies of final agency budget
23 requests.

24 (c) Computer database.--In order to carry out its duties
25 under this article, the office shall have access to the
26 computerized database of a State agency that is required to aid
27 the office in the performance of its duties under sections 504-A
28 and 505-A, except that any statutory requirements regarding
29 privacy of individuals' records shall be observed in providing
30 access.

1 (d) Daily revenue data.--

2 (1) The Secretary of Revenue and the Secretary of the
3 Budget shall post revenue collection data for each deposit
4 day and make the information available to the office and the
5 chairman and minority chairman of the Appropriations
6 Committee of the Senate and the chairman and minority
7 chairman of the Appropriations Committee of the House of
8 Representatives.

9 (2) The daily revenue data shall be presented in a
10 manner similar to and consistent with the daily revenue data
11 provided on June 30, 2007. In no case shall each deposit day
12 contain less information than was accessible during the
13 2006-2007 fiscal year as a result of changes in reporting
14 procedures, accounting systems or computer systems.

15 (3) The Governor, the Attorney General, the Auditor
16 General and the State Treasurer shall cause to be prepared
17 any other revenue data as may be requested by the office.

18 (e) Civil action.--If information is not made available by a
19 Commonwealth agency or political subdivision within a reasonable
20 time, the director may make a written request to the agency
21 head, stating the authority to receive the information. The
22 agency head shall have ten days to respond. If the information
23 is not provided within ten days of the receipt of the agency
24 response, the director may bring a civil action to require the
25 agency head to provide the information.

26 Section 510-A. Selection and organization committee.

27 (a) Selection and organization committee.--There is
28 established a committee to organize the office and select the
29 director of the office consisting of the following:

30 (1) The chairman and minority chairman of the

1 Appropriations Committee of the Senate and the chairman and
2 minority chairman of the Appropriations Committee of the
3 House of Representatives.

4 (2) The Majority Leader and the Minority Leader of the
5 Senate and the Majority Leader and the Minority Leader of the
6 House of Representatives.

7 (3) The President pro tempore of the Senate and the
8 Speaker of the House of Representatives.

9 (4) The Governor.

10 (b) Duties of committee.--The following shall apply:

11 (1) By ~~August~~ OCTOBER 31, 2010, the selection and ←
12 organization committee shall deliberate the following:

13 (i) The organizational structure of the office.

14 (ii) The procedures to be adopted to select the
15 director of the office.

16 (iii) The operational budget for the office.

17 (2) By ~~October 31~~ NOVEMBER 30, 2010, the selection and ←
18 organization committee shall submit a report to the Secretary
19 of the Budget, the chairman and minority chairman of the
20 Appropriations Committee and the chairman and minority
21 chairman of the Finance Committee of the Senate and the
22 chairman and minority chairman of the Appropriations
23 Committee and the chairman and minority chairman of the
24 Finance Committee of the House of Representatives setting
25 forth a plan to establish the office, including an
26 operational budget, and to select the director of the office.

27 Section 511-A. Appointment.

28 (a) Director.--The office shall be headed by a director
29 appointed by the selection committee under section 510-A. The
30 appointment shall be made without regard to political

affiliation and solely on the basis of fitness to perform the
duties of the office based on qualifications published by the
selection committee.

(b) Deputy director.--The director shall appoint a deputy
director who shall perform such duties as assigned by the
director and who shall during the absence or incapacity of the
director or a vacancy act as the director.

(c) Term.--The term of office of the director shall be six
years. An individual appointed as director to fill a vacancy
prior to the expiration of a term shall serve only for the
unexpired portion of that term. An individual serving as
director at the expiration of a term may continue to serve until
a successor is appointed.

(d) Removal.--The director may be removed by a concurrent
resolution passed by the Senate and the House of Representatives
and approval of the Governor.

Section 512-A. Powers and duties of director.

(a) Personnel.--The director shall appoint and fix the
compensation of personnel necessary to carry out the duties and
functions of the office. All personnel shall be appointed
without regard to political affiliation and solely on the basis
of their fitness to perform their duties.

(b) Experts and consultants.--In carrying out the duties and
functions of the office, the director may procure the temporary
or intermittent services of experts or consultants by contract.

SECTION 513-A. CONFLICT.

THIS ARTICLE SUPERSEDES SECTIONS 618 AND 618.1 OF THE ACT OF
APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE
CODE OF 1929.

SECTION 514-A. EXPIRATION.



1 THIS ARTICLE SHALL EXPIRE UPON ENACTMENT OF THE ACT OF ,
2 2010 (P.L. , NO.) , KNOWN AS THE GENERAL APPROPRIATION ACT OF
3 2010.

4 Section 2. Section 1301.12(c) and (d) of the act, amended
5 June 29, 2002 (P.L.614, No.91), are amended to read:

6 Section 1301.12. Notice and Publication of Lists of Property
7 Subject to Custody and Control of the Commonwealth under this
8 Article.--* * *

9 (c) The State Treasurer is not required to [publish in such
10 notice] include in such notice published in an English language
11 newspaper of general circulation any item of less than [one
12 hundred dollars (\$100)] two hundred fifty dollars (\$250) or to
13 include in such notice published in a legal newspaper any item
14 of less than two hundred fifty dollars (\$250), unless the State
15 Treasurer, in either instance, deems such publication to be in
16 the public interest.

17 (d) Within nine (9) months from the receipt of the report
18 required by section 1301.11, the State Treasurer shall mail a
19 notice to each person having an address listed who appears to be
20 entitled to property of the value of [one hundred dollars
21 (\$100)] two hundred fifty dollars (\$250) or more subject to
22 custody and control of the Commonwealth under this article. The
23 mailed notice shall contain:

24 1. A statement that, according to a report filed with the
25 State Treasurer, property is being held to which the addressee
26 appears entitled;

27 2. The name and address of the holder of the property and
28 any necessary information regarding changes of name and address
29 of the holder;

30 3. A statement that, if satisfactory proof of claim is not

presented by the owner to the holder by the date specified in the published notice, claims should thereafter be filed with the State Treasurer.

* * *

Section 3. The act is amended by adding articles to read:

ARTICLE XVI-B

BORROWING FOR CAPITAL FACILITIES

Section 1601-B. Scope.

This article relates to neighborhood improvement zones.

Section 1602-B. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Capital Facilities Debt Enabling Act." The act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act.

"City." A city of the third class with, on the effective date of this section, a population of at least 106,000 and not more than 107,000, based on the 2000 Federal decennial census.

"Contracting authority." An authority created under 53 Pa.C.S. Ch. 56 (relating to municipal authorities) for the purpose of designating a neighborhood improvement zone and constructing a facility or other authority created under the laws of this Commonwealth which is eligible to apply for and receive redevelopment assistance capital grants under Chapter 3 of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, and which is under a contract with the Office of the Budget to receive those grants.

"Facility." A stadium, arena or other structure owned or leased by professional sports organization at which professional

1 athletic events are conducted in the presence of individuals who
2 pay admission to view the event constructed or operated by the
3 contracting authority.

4 "Facility complex." A development or complex of residential,
5 commercial, exhibition, hospitality, conference, retail and
6 community uses which includes a stadium arena or other place
7 owned, leased or utilized by a professional sports organization
8 at which a professional athletic event or other events are
9 conducted in the presence of individuals who pay admission to
10 view the event.

11 "Fund." The Neighborhood Improvement Zone Fund established
12 under section 1604-B.

13 "Neighborhood improvement zone." A neighborhood improvement
14 zone designated by the contracting authority for the purposes of
15 neighborhood improvement and development within a city.

16 "Professional sports organization." A sole proprietorship,
17 corporation, limited liability company, partnership or
18 association that meets all of the following:

19 (1) Owns a professional sports franchise.

20 (2) Conducts professional athletic events of the sports
21 franchise at a facility.

22 "Qualified business." An entity authorized to conduct
23 business in this Commonwealth which is located or partially
24 located within a neighborhood improvement zone and is engaged in
25 the active conduct of a trade or business for the taxable year.
26 An agent, broker or representative of a business shall not be
27 considered to be in the active conduct of trade or business for
28 the business.

29 Section 1603-B. Facility.

30 The contracting authority may designate a neighborhood

improvement zone of not greater than 130 acres, in which a facility or facility complex may be constructed, and may borrow funds for the purpose of improvement and development within the neighborhood improvement zone and construction of a facility or facility complex within the zone.

Section 1604-B. Neighborhood Improvement Zone Fund.

(a) Special fund.--There is established a special fund known as the Neighborhood Improvement Zone Fund. Interest income derived from investment of the money in the fund shall be credited by the Treasury Department to the fund.

(b) Calculation.--Within 60 days of the end of each quarter, the Department of Revenue shall calculate the amounts under this subsection for improvement and development in the neighborhood improvement zone, the facility complex and the facility. The contracting authority shall provide good faith estimates of quarterly amounts to be calculated in a form and manner required by the Department of Revenue. The Department of Revenue shall estimate the quarterly amounts, subject to an annual reconciliation, and shall certify the amounts to the Office of the Budget within 90 days of the end of a fiscal quarter. An entity collecting a local tax within the neighborhood improvement zone shall, within 30 days of the end of a fiscal quarter, submit all of the local taxes collected that are to be calculated under this subsection to the State Treasurer for transfer to the fund under subsection (d). The following shall be the amounts calculated:

(1) An amount equal to all corporate net income tax, capital stock and franchise tax, personal income tax, business privilege tax, business privilege licensing fees and earned income tax related to the ownership and operation of a

1 professional sports organization conducting professional
2 athletic events at the facility or facility complex.

3 (2) An amount equal to all of the following:

4 (i) All personal income tax, earned income tax and
5 local services tax withheld from its employees by a
6 professional sports organization conducting professional
7 athletic events at the facility or facility complex.

8 (ii) All personal income tax, earned income tax and
9 local services tax withheld from the employees of any
10 provider of events at or services to, or any operator of
11 an enterprise in, the facility or facility complex.

12 (iii) All personal income tax, earned income tax and
13 local services tax to which the Commonwealth would be
14 entitled from performers or other participants, including
15 visiting teams, at an event or activity at the facility
16 or facility complex.

17 (3) An amount equal to all sales and use tax related to
18 the operation of the professional sports organization and the
19 facility and enterprises developed as part of the facility
20 complex. This paragraph shall include sales and use tax paid
21 by any provider of events or activities at or services to the
22 facility or facility complex, including sales and use tax
23 paid by vendors and concessionaires and contractors at the
24 facility or facility complex.

25 (4) An amount equal to all tax paid to the Commonwealth
26 related to the sale of any liquor, wine or malt or brewed
27 beverage in the facility or facility complex.

28 (5) The amount paid by the professional sports
29 organization or by any provider of events or activities at or
30 services to the facility or facility complex of any new tax

1 enacted by the Commonwealth following the effective date of
2 this section.

3 (6) An amount equal to all personal income tax, earned
4 income tax and local services tax withheld from personnel by
5 the professional sports organization or by a contractor or
6 other entity involved in the construction of the facility or
7 facility complex.

8 (7) An amount equal to all sales and use tax paid on
9 materials and other construction costs, whether withheld or
10 paid by the professional sports organization or other entity,
11 directly related to the construction of the facility or
12 facility complex.

13 (8) An amount equal to all of the following:

14 (i) All corporate net income tax, capital stock and
15 franchise tax, personal income tax, business privilege
16 tax, business privilege licensing fees and earned income
17 tax related to the ownership and operation of any
18 qualified business within the neighborhood improvement
19 zone.

20 (ii) All personal income tax, earned income tax and
21 local services tax withheld from its employees by a
22 qualified business within the neighborhood improvement
23 zone.

24 (iii) All personal income tax, earned income tax and
25 local services tax withheld from the employees of a
26 qualified business that provides events, activities or
27 services in the neighborhood improvement zone.

28 (iv) All personal income tax, earned income tax and
29 local services tax to which the Commonwealth would be
30 entitled from performers or other participants at an

1 event or activity in the neighborhood improvement zone.

2 (v) All sales and use tax related to the operation
3 of a qualified business within the neighborhood
4 improvement zone. This subparagraph shall include sales
5 and use tax paid by a qualified business that provides
6 events, activities or services in the neighborhood
7 improvement zone.

8 (vi) All tax paid by a qualified business to the
9 Commonwealth related to the sale of any liquor, wine or
10 malt or brewed beverage within the neighborhood
11 improvement zone.

12 (vii) The amount paid a qualified business within
13 the neighborhood improvement zone of any new tax enacted
14 by the Commonwealth following the effective date of this
15 section.

16 (viii) All personal income tax, earned income tax
17 and local services tax withheld from personnel by a
18 qualified business involved in the improvement,
19 development or construction of the neighborhood
20 improvement zone.

21 (ix) All sales and use tax paid on materials and
22 other construction costs, whether withheld or paid by the
23 professional sports organization or other qualified
24 business, directly related to the improvement,
25 development or construction of the neighborhood
26 improvement zone.

27 (x) An amount equal to any amusement tax paid by a
28 qualified business operating in the neighborhood
29 improvement zone. No political subdivision or other
30 entity authorized to collect amusement taxes may impose

1 or increase the rate of any tax on admissions to places
2 of entertainment, exhibition, amusement or upon athletic
3 events in the neighborhood improvement zone which are not
4 in effect on the date the neighborhood improvement zone
5 is designated by the contracting authority.

6 (9) Except for a tax levied against real property, an
7 amount equal to any tax imposed by the Commonwealth or any of
8 its political subdivisions on a qualified business engaged in
9 an activity within the neighborhood improvement zone.

10 (c) Income apportionment.--For the purpose of making the
11 calculations under subsection (b), the taxable income of a
12 corporation that is a qualified business shall be apportioned to
13 the neighborhood improvement zone by multiplying the
14 Pennsylvania taxable income by a fraction, the numerator of
15 which is the property factor plus the payroll factor plus the
16 sales factor and the denominator of which is three, in
17 accordance with the following:

18 (1) The property factor is a fraction, the numerator of
19 which is the average value of the taxpayer's real and
20 tangible personal property owned or rented and used in the
21 neighborhood improvement zone during the tax period and the
22 denominator of which is the average value of all the
23 taxpayer's real and tangible personal property owned or
24 rented and used in this Commonwealth during the tax period
25 but shall not include the security interest of any
26 corporation as seller or lessor in personal property sold or
27 leased under a conditional sale, bailment lease, chattel
28 mortgage or other contract providing for the retention of a
29 lien or title as security for the sales price of the
30 property.

1 (2) The following apply:

2 (i) The payroll factor is a fraction, the numerator
3 of which is the total amount paid in the neighborhood
4 improvement zone during the tax period by the taxpayer
5 for compensation and the denominator of which is the
6 total compensation paid in this Commonwealth during the
7 tax period.

8 (ii) Compensation is paid in the neighborhood
9 improvement zone if:

10 (A) the person's service is performed entirely
11 within the neighborhood improvement zone;

12 (B) the person's service is performed both
13 within and without the neighborhood improvement zone,
14 but the service performed without the neighborhood
15 improvement zone is incidental to the person's
16 service within the neighborhood improvement zone; or

17 (C) some of the service is performed in the
18 neighborhood improvement zone and the base of
19 operations or, if there is no base of operations, the
20 place from which the service is directed or
21 controlled is in the neighborhood improvement zone,
22 or the base of operations or the place from which the
23 service is directed or controlled is not in any
24 location in which some part of the service is
25 performed, but the person's residence is in the
26 neighborhood improvement zone.

27 (3) The sales factor is a fraction, the numerator of
28 which is the total sales of the taxpayer in the neighborhood
29 improvement zone during the tax period and the denominator of
30 which is the total sales of the taxpayer in this Commonwealth

1 during the tax period.

2 (i) Sales of tangible personal property are in the
3 neighborhood improvement zone if the property is
4 delivered or shipped to a purchaser that takes possession
5 within the neighborhood improvement zone regardless of
6 the F.O.B. point or other conditions of the sale.

7 (ii) Sales other than sales of tangible personal
8 property are in the neighborhood improvement zone if:

9 (A) the income-producing activity is performed
10 in the neighborhood improvement zone; or

11 (B) the income-producing activity is performed
12 both within and without the neighborhood improvement
13 zone and a greater proportion of the income-producing
14 activity is performed in the neighborhood improvement
15 zone than in any other location, based on costs of
16 performance.

17 (d) Transfers.--

18 (1) Within ten days of receiving notification under
19 subsection (b), the Secretary of the Budget shall direct the
20 State Treasurer to, notwithstanding any other law, transfer
21 the amounts calculated under subsection (b) from the General
22 Fund to the fund.

23 (2) The State Treasurer shall provide quarterly payments
24 to the contracting authority until the bonds issued to
25 finance the improvement and development of the neighborhood
26 improvement zone and the construction of the contracted
27 facility or facility complex are retired. The payment in each
28 quarter shall be equal to the balance of the fund on the last
29 day of the prior calendar quarter.

30 (e) Restriction on use of funds.--Funds transferred under

1 subsection (d):

2 (1) May only be utilized for payment of debt service on
3 bonds issued for the improvement and development of all or
4 any part of the neighborhood improvement zone and the purpose
5 of constructing a facility or facility complex.

6 (2) May not be utilized for purposes of renovating or
7 repairing a facility or facility complex, except for capital
8 maintenance and improvement projects.

9 (f) Ticket surcharge.--The entity operating the facility may
10 collect a capital repair and improvement ticket surcharge, the
11 proceeds of which shall be deposited into the fund. The funds
12 shall be maintained and utilized as follows:

13 (1) The money deposited under this subsection may not be
14 encumbered for any reason and shall be transferred to the
15 entity for capital repair and improvement projects upon
16 request from the entity.

17 (2) Upon the expiration of the neighborhood improvement
18 zone under section 1606-B, any and all portions of the fund
19 attributable to the ticket surcharge shall be immediately
20 transferred to the contracting authority to be held in escrow
21 where they shall be unencumbered and maintained by the
22 contracting authority in the same manner as the fund. Upon
23 the transfer, any ticket surcharge collected by the operating
24 entity shall thereafter be deposited in the account
25 maintained by the contracting authority and dispersed for a
26 capital repair and improvement project upon request by the
27 operating entity.

28 Section 1605-B. Keystone Opportunity Zone.

29 Within 30 days of the effective date of this section, the
30 city shall apply to the department to decertify and remove the

designation of all or part of the Keystone Opportunity Zone in
accordance with section 309 of the act of October 6, 1998
(P.L.705, No.92), known as the Keystone Opportunity Zone,
Keystone Opportunity Expansion Zone and Keystone Opportunity
Improvement Zone Act. The department shall act on the
application within 30 days.

Section 1606-B. Duration.

The neighborhood improvement zone shall be in effect for a
period equal to the length of time of the bonds that are
initially issued.

ARTICLE XVI-E

OIL AND GAS WELLS

SUBARTICLE A

PRELIMINARY PROVISIONS

Section 1601-E. Definitions.

The following words and phrases when used in this article
shall have the meanings given to them in this subarticle unless
the context clearly indicates otherwise:

"Department." The Department of Conservation and Natural
Resources.

"Fund." The Oil and Gas Lease Fund established under the act
of December 15, 1955 (P.L.865, No.256), entitled, "An act
requiring rents and royalties from oil and gas leases of
Commonwealth land to be placed in a special fund to be used for
conservation, recreation, dams, and flood control; authorizing
the Secretary of Forests and Waters to determine the need for
and location of such projects and to acquire the necessary
land."

"Marcellus well." An active production well certified by the
Department of Environmental Protection as a well from which gas

1 from the Marcellus Shale formation as determined by the United
2 States Geological Survey was extracted during the fiscal year,
3 including wells on Commonwealth and non-Commonwealth land.

4 Section 1602-E. Appropriation.

5 Notwithstanding any other provision of law and except as
6 provided in section 1603-E, no money in the fund from royalties
7 may be expended unless appropriated by the General Assembly. In
8 making appropriations, the General Assembly shall consider the
9 adoption of an allocation to municipalities impacted by a
10 Marcellus well.

11 Section 1603-E. Department of Conservation and Natural
12 Resources.

13 Subject to the availability of money in the fund, up to
14 \$50,000,000 from the fund from royalties shall be appropriated
15 annually to the department to carry out the purposes set forth
16 in the act of December 15, 1955 (P.L.865, No.256), entitled "An
17 act requiring rents and royalties from oil and gas leases of
18 Commonwealth land to be placed in a special fund to be used for
19 conservation, recreation, dams, and flood control; authorizing
20 the Secretary of Forests and Waters to determine the need for
21 and location of such projects and to acquire the necessary
22 land." The department shall give preference to the operation and
23 maintenance of State parks and forests.

24 Section 1604-E. Transfer.

25 Notwithstanding section 1603-E or any other provision of law,
26 in fiscal year 2009-2010 the amount of \$60,000,000 shall be
27 transferred from the fund to the General Fund.

28 Section 3.1. Sections 1731-A and 1732-A of the act, added
29 July 7, 2005 (P.L.174, No.41), are reenacted and amended to
30 read:

1 Section 1731-A. State Workers' Insurance Board.

2 Notwithstanding any inconsistent provisions of section 1512
3 of the act of June 2, 1915 (P.L.736, No.338), known as the
4 Workers' Compensation Act, section 504 of the act of November
5 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965,
6 section 922 of the act of December 14, 1967 (P.L.746, No.345),
7 known as the Savings Association Code of 1967, and any other law
8 of this Commonwealth, the power of the State Workers' Insurance
9 Board to invest money shall include the power to hold, purchase,
10 sell, assign, transfer and dispose of securities, including
11 common stock with the following restrictions:

12 (1) Investments in equities may not exceed the lesser
13 of:

14 (i) 20% of the State Workers' Insurance Fund's
15 assets; or

16 (ii) the State Workers' Insurance Fund's statutory
17 surplus after discount, except that in the event that the
18 statutory surplus is less than 7 1/2% of the book value
19 of the assets of the State Workers' Insurance Fund, the
20 investment in equities may not exceed the percentage set
21 forth in the provisions applicable to savings banks in
22 section 504 of the Banking Code of 1965.

23 (1.1) Investments in equities shall be made subject to
24 the prudent man rule of section 504(c) of the Banking Code of
25 1965.

26 (2) The State Workers' Insurance Board shall establish a
27 policy for investments and shall meet at least annually to
28 develop a schedule for rebalancing its investments in
29 securities to meet the restriction of paragraph (1).

30 Section 1732-A. Expiration.

1 This subarticle shall expire June 30, [2009] 2010.

2 Section 3.2. Article XVII-A of the act is amended by adding
3 subarticles to read:

4 SUBARTICLE H

5 PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT

6 AND TOURISM FUND

7 Section 1771-A. Definitions.

8 The following words and phrases when used in this subarticle
9 shall have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Affiliated entity." Any of the following:

12 (1) A subsidiary or holding company of a lobbying firm
13 or other business entity owned in whole or in part by a
14 lobbying firm.

15 (2) An organization recognized by the Internal Revenue
16 Service as a tax-exempt organization under section 501(c) of
17 the Internal Revenue Code of 1986 (Public Law 99-514, 26
18 U.S.C. § 501(c)) established by a lobbyist or lobbying firm
19 or an affiliated entity.

20 "Authority." The Commonwealth Financing Authority.

21 "Eligible applicant." As defined in the H2O PA Act.

22 "H2O PA Act." The act of July 9, 2008 (P.L.908, No.63),
23 known as the H2O PA Act.

24 "High hazard unsafe dam." As defined in the H2O PA Act.

25 "Lobbying." The term shall have the meaning given to it in
26 65 Pa.C.S. § 13A03 (relating to definitions). The term shall
27 also include an effort to influence the action of the authority
28 or the Department of Community and Economic Development relating
29 to the approval, award, receipt or denial of a grant under the
30 H2O PA Act.

1 "Project." As defined in the H2O PA Act.

2 Section 1772-A. Certification of funds.

3 On or before January 1 of each year, the Secretary of the
4 Budget shall certify to the authority and the State Treasurer
5 the amount of funds available for transfer from the Gaming
6 Economic Development and Tourism Fund under the provisions of
7 section 301 of the H2O PA Act, for the next fiscal year.

8 Section 1773-A. Request for appropriation.

9 If inadequate funds are available to the authority to pay all
10 the costs related to indebtedness incurred to fund projects
11 under the H2O PA Act after the transfer of funds from the Gaming
12 Economic Development and Tourism Fund under section 301 of the
13 H2O PA Act, the Secretary of the Budget on behalf of the
14 authority shall seek an appropriation from the General Fund to
15 fully pay the costs.

16 Section 1774-A. Amount of grants.

17 Notwithstanding the provisions of section 501(d) of the H2O
18 PA Act, grants shall be made as follows:

19 (1) A minimum of \$85,000,000 shall be awarded to flood
20 control projects.

21 (2) A minimum of \$50,000,000 shall be awarded to high-
22 hazard unsafe dam projects. No more than \$20,000,000 may go
23 to an eligible applicant that is the Commonwealth or an
24 independent agency.

25 Section 1775-A. Eligible applicants.

26 Notwithstanding any other provision of the H2O PA Act to the
27 contrary, a not-for-profit organization that owns a high-hazard
28 unsafe dam and has filed with the authority an application for a
29 grant under section 502(a)(3) of the H2O PA Act prior to the
30 effective date of this section shall be an eligible applicant

1 for a grant under section 502(a)(3) of the H2O PA Act.

2 Section 1776-A. Prohibited activities.

3 (a) Limitation on giving compensation.--A person or its
4 affiliated entity may not compensate or incur an obligation to
5 compensate a person to engage in lobbying for compensation
6 contingent in whole or in part upon the approval, award, receipt
7 or denial of a grant under Chapters 1 through 7 of the H2O PA
8 Act.

9 (b) Limitation on receiving compensation.--A person or its
10 affiliated entity may not engage in or agree to engage in
11 lobbying for compensation contingent in whole or in part upon
12 the approval, award, receipt or denial of any grant under
13 Chapters 1 through 7 of the H2O PA Act.

14 (c) Inapplicability.--The provisions of this section shall
15 not apply to an eligible applicant that compensates a person to
16 prepare or assist in the preparation of a grant application and
17 related materials for submission to the authority under the H2O
18 PA Act if the following requirements are met:

19 (1) The person is not identified in the submitted
20 application.

21 (2) The person has no direct contact with the authority,
22 unless the person is responding to requests for additional
23 information or clarification.

24 (3) The person is paid a fixed fee for the preparation
25 or assistance or a percentage of the amount of any grant
26 approved, awarded or received of up to .5%.

27 (d) Violation.--A violation of this section shall be
28 considered an intentional violation of 65 Pa.C.S. § 13A09(e)
29 (relating to penalties).

30 SUBARTICLE I

1 WATER AND SEWER SYSTEMS

2 ASSISTANCE BOND FUND

3 Section 1781-A. Definitions.

4 The following words and phrases when used in this subarticle
5 shall have the meanings given to them in this section unless the
6 context clearly indicates otherwise:

7 "Assistance Act." The act of July 9, 2008 (P.L.915, No.64),
8 known as the Water and Sewer Systems Assistance Act.

9 "Fund." The Water and Sewer Systems Assistance Bond Fund.

10 "Issuing officials." The Governor, the Auditor General and
11 the State Treasurer.

12 "Nutrient credit." As defined in the Assistance Act.

13 "Project." As defined in the Assistance Act.

14 "Municipality." As defined in the Assistance Act.

15 Section 1782-A. Water and Sewer Systems Assistance Bond Fund.

16 (a) Establishment.--The Water and Sewer Systems Assistance
17 Bond Fund, which is created in the State Treasury, shall be the
18 source from which all payments are authorized, with the approval
19 of the Governor, to carry out the purposes of this section and
20 as otherwise provided for in the Assistance Act.

21 (b) Purpose of fund.--The money in the fund shall only be
22 utilized in accordance with the provisions of the Assistance Act
23 for grants and loans to municipalities, public utilities and
24 other entities implementing eligible projects and for the
25 purchase or trading of nutrient credits.

26 (c) Exemption.--Money in the fund is exempt and not to be
27 considered under the limitations of section 5(c)(2) of the act
28 of March 1, 1988 (P.L.82, No.16), known as the Pennsylvania
29 Infrastructure Investment Authority Act.

30 Section 1783-A. Commonwealth indebtedness.

1 (a) Borrowing authorized.--

2 (1) If the electorate approves a referendum question, in
3 accordance with the provisions of the Assistance Act, for
4 incurring indebtedness in the amount and for the purposes
5 prescribed in the Assistance Act and this article, the
6 issuing officials, pursuant to the provisions of section 7(a)
7 (3) of Article VIII of the Constitution of Pennsylvania, are
8 authorized and directed to borrow, on the credit of the
9 Commonwealth, money not exceeding in the aggregate the sum of
10 \$400,000,000, in increments of not more than \$150,000,000
11 every year over a three-year period after the effective date
12 of this section, not including money borrowed to refund
13 outstanding bonds, notes or replacement notes, as may be
14 found necessary to carry out the purposes of the Assistance
15 Act.

16 (2) As evidence of the indebtedness, general obligation
17 bonds of the Commonwealth shall be issued to provide money
18 necessary to carry out the purposes of the Assistance Act for
19 the total amounts, in the form, in the denominations and
20 subject to the terms and conditions of issue, redemption and
21 maturity, rate of interest and time of payment of interest,
22 as the issuing officials direct, except that the latest
23 stated maturity date shall not exceed 20 years from the date
24 of the first obligation issued to evidence the debt.

25 (3) All bonds and notes issued under the authority of
26 the Assistance Act must bear facsimile signatures of the
27 issuing officials and a facsimile of the Great Seal of the
28 Commonwealth and must be countersigned by an authorized
29 officer of an authorized loan and transfer agent of the
30 Commonwealth.

1 (4) All bonds and notes issued in accordance with the
2 provisions of this section shall be direct obligations of the
3 Commonwealth, and the full faith and credit of the
4 Commonwealth is pledged for the payment of the interest on
5 them, as it becomes due, and for the payment of the principal
6 at maturity. The principal of and interest on the bonds and
7 notes shall be payable in lawful money of the United States.

8 (5) All bonds and notes issued under the provisions of
9 this section shall be exempt from taxation for State and
10 local purposes.

11 (6) The bonds may be issued as coupon bonds or
12 registered as to both principal and interest as the issuing
13 officials determine. If interest coupons are attached, they
14 shall contain the facsimile signature of the State Treasurer.

15 (7) The issuing officials shall provide for amortization
16 of the bonds in substantial and regular amounts over the term
17 of the debt so that the bonds of each issue allocated to the
18 project to be funded from the bond issue shall mature within
19 a period not to exceed the appropriate amortization period
20 for each project as specified by the issuing officials, but
21 in no case in excess of 20 years. The first retirement of
22 principal shall be stated to mature prior to the expiration
23 of a period of time equal to one-tenth of the time from the
24 date of the first obligation issued to evidence the debt to
25 the date of the expiration of the term of the debt.

26 Retirements of principal shall be regular and substantial if
27 made in annual or semiannual amounts, whether by stated
28 serial maturities or by mandatory sinking fund retirements.

29 (8) The issuing officials are authorized to provide by
30 resolution for the issuance of refunding bonds for the

1 purpose of refunding any debt issued under the provisions of
2 the Assistance Act and this article and outstanding, either
3 by voluntary exchange with the holders of the outstanding
4 debt or by providing funds to redeem and retire the
5 outstanding debt with accrued interest, any premium payable
6 on the debt and the costs of issuance and retirement of the
7 debt, at maturity or at any call date. The issuance of the
8 refunding bonds, the maturities and other details of the
9 refunding bonds, the rights of the holders of the refunding
10 bonds and the duties of the issuing official in respect to
11 the refunding bonds shall be governed by the applicable
12 provisions of this section. Refunding bonds, which are not
13 subject to the aggregate limitation of \$400,000,000 of debt
14 to be issued under the Assistance Act, may be issued by the
15 issuing officials to refund debt originally issued or to
16 refund bonds previously issued for refunding purposes.

17 (9) If action is to be taken or decision made by the
18 issuing officials and the issuing officials are not able
19 unanimously to agree, the action or decision of the Governor
20 and either the Auditor General or the State Treasurer shall
21 be binding and final.

22 (b) Sale of bonds.--

23 (1) When bonds are issued, they shall be offered for
24 sale at not less than 98% of the principal amount and accrued
25 interest and shall be sold by the issuing officials to the
26 highest and best bidder or bidders after due public
27 advertisement on the terms and conditions and upon open
28 competitive bidding as the issuing officials direct. The
29 manner and character of the advertisement and the time of
30 advertising shall be prescribed by the issuing officials. No

1 commission shall be allowed or paid for the sale of any bonds
2 issued under the authority of the Assistance Act and this
3 article.

4 (2) Any portion of any bond issue so offered and not
5 sold or subscribed for at public sale may be disposed of by
6 private sale by the issuing officials in the manner and at
7 prices, not less than 98% of the principal amount and accrued
8 interest, as the Governor directs. No commission shall be
9 allowed or paid for the sale of any bonds issued under the
10 authority of the Assistance Act.

11 (3) When bonds are issued, the bonds of each issue shall
12 constitute a separate series to be designated by the issuing
13 officials or may be combined for sale as one series with
14 other general obligation bonds of the Commonwealth.

15 (4) Until permanent bonds can be prepared, the issuing
16 officials may issue, in lieu of permanent bonds, temporary
17 bonds in the form and with the privileges as to registration
18 and exchange for permanent bonds as determined by the issuing
19 officials.

20 (5) The proceeds realized from the sale of bonds and
21 notes, except refunding bonds and replacement notes, under
22 the provisions of the Assistance Act and this article shall
23 be paid into the fund. The proceeds shall be paid by the
24 State Treasurer periodically to those Commonwealth officers
25 and Commonwealth agencies authorized to expend them at the
26 times and in the amounts necessary to satisfy the funding
27 needs of those Commonwealth agencies. The proceeds of the
28 sale of refunding bonds and replacement notes shall be paid
29 to the State Treasurer and applied to the payment of
30 principal, any accrued interest and premium and the cost of

1 redemption of the bonds and notes for which the obligations
2 shall have been issued.

3 (6) Pending application for the purposes authorized,
4 money held or deposited by the State Treasurer may be
5 invested or reinvested as are other funds in the custody of
6 the State Treasurer in the manner provided by law. All
7 earnings received from the investment or deposit of the funds
8 shall be paid into the State Treasury to the credit of the
9 fund. The earnings in excess of bond discounts allowed,
10 expenses paid for the issuance of bonds and notes and
11 interest arbitrage rebates due to the Federal Government
12 shall be transferred annually to the fund. Any interest or
13 investment income shall be applied to assist in the payment
14 of the debt service incurred in connection with the
15 Assistance Act and this article.

16 (7) The Auditor General shall prepare the necessary
17 registry book to be kept in the office of the authorized loan
18 and transfer agent of the Commonwealth for the registration
19 of any bonds, at the request of owners of the bonds,
20 according to the terms and conditions of issue directed by
21 the issuing officials.

22 (8) There is appropriated to the State Treasurer from
23 the fund as much money as may be necessary for all costs and
24 expenses in connection with the issue of and sale and
25 registration of the bonds and notes in connection with the
26 Assistance Act and this article and the payment of interest
27 arbitrage rebates or proceeds of the bonds and notes.

28 (c) Temporary financing authorization.--

29 (1) Pending the authorized issuance of bonds of the
30 Commonwealth, the issuing officials are authorized, in

1 accordance with the provisions of the Assistance Act and this
2 article and on the credit of the Commonwealth, to make
3 temporary borrowings not to exceed three years in
4 anticipation of the issue of bonds in order to provide funds
5 in the amounts deemed advisable prior to the issue of bonds.
6 In order to provide for and in connection with the temporary
7 borrowings, the issuing officials are authorized in the name
8 and on behalf of the Commonwealth to enter into any purchase,
9 loan or credit agreement or other agreement with any bank,
10 trust company or other lending institution, investment
11 banking firm or person, in the United States having power to
12 enter into the agreement. The agreement may contain
13 provisions which are not inconsistent with the provisions of
14 the Assistance Act or this article and authorized by the
15 issuing officials.

16 (2) All temporary borrowings made under this section
17 shall be evidenced by notes of the Commonwealth, which shall
18 be issued for amounts not exceeding in the aggregate the
19 applicable statutory and constitutional debt limitation in
20 the form and denominations and subject to terms and
21 conditions of sale and issue, prepayment or redemption and
22 maturity, rate of interest and time of payment of interest as
23 the issuing officials authorize and direct in accordance with
24 the Assistance Act and this article. The authorization and
25 direction may provide for the subsequent issuance of
26 replacement notes to refund outstanding notes or replacement
27 notes. The replacement notes shall, upon issuance, evidence
28 the borrowing and may specify other terms and conditions with
29 respect to the notes and replacement notes as the issuing
30 officials determine and direct.

1 (3) If the authorization and direction of the issuing
2 officials provide for the issuance of replacement notes, the
3 following shall apply:

4 (i) The issuing officials may, on behalf of the
5 Commonwealth, issue, enter into or authorize and direct
6 the State Treasurer to enter into an agreement with any
7 bank, trust company, investment banking firm or other
8 institution or person, in the United States having the
9 power to enter the agreement:

10 (A) To purchase or underwrite an issue or series
11 of issues or notes.

12 (B) To credit, enter into a purchase, loan or
13 credit agreement, draw money pursuant to the
14 agreement on the terms and conditions set forth in
15 the agreement and issue notes as evidence of
16 borrowings made under the agreements.

17 (C) To appoint an issuing and payment agent or
18 agents with respect to the notes.

19 (D) To do other acts necessary or appropriate to
20 provide for the payment, when due, of the interest on
21 and the principal of the notes.

22 (ii) The agreements may provide for the compensation
23 of purchasers or underwriters of notes or replacement
24 notes by discounting the purchase price of the notes or
25 by payment of a fixed fee or commission at the time of
26 issuance. All other costs and expenses, including fees
27 for agreements related to the notes, issuing and paying
28 agent costs and costs and expenses of issuance, may be
29 paid from the proceeds of the notes.

30 (4) If the issuing officials provide for the issuance of

1 replacement notes all subject to the authorization and
2 direction of the issuing officials, the following apply:

3 (i) At or prior to the time of delivery of the notes
4 or replacement notes, the State Treasurer shall determine
5 the principal amount, date of issue, interest rate or
6 procedure for establishing interest rate, rate of
7 discount, denominations and all other terms and
8 conditions relating to the issuance.

9 (ii) The State Treasurer shall perform all acts
10 necessary to pay or cause to be paid, when due, all
11 principal of and interest on the notes being refunded by
12 replacement notes and to assure that the replacement
13 notes may draw upon any money available for that purpose
14 pursuant to any purchase, loan or credit agreement
15 established with respect to the replacement notes.

16 (5) Outstanding notes evidencing the borrowings may be
17 funded and retired by the issuance and sale of the bonds of
18 the Commonwealth as authorized in this subarticle. The
19 refunding bonds shall be issued and sold no later than a date
20 three years after the date of issuance of the first notes
21 evidencing the borrowings to the extent that payment of the
22 notes has not otherwise been made or provided for by sources
23 other than proceeds of replacement notes.

24 (6) The proceeds of all the temporary borrowing shall be
25 paid to the State Treasurer to be held and disposed of in
26 accordance with the provisions of the Assistance Act and this
27 article.

28 (d) Debt retirement.--

29 (1) All bonds issued under the Assistance Act and this
30 article shall be redeemed at maturity, together with all

1 interest due on the bonds; and these principal and interest
2 payments shall be paid from the Water and Sewer Systems
3 Assistance Bond Sinking Fund, which is created. For the
4 specific purpose of redeeming the bonds at maturity and
5 paying all interest on the bonds in accordance with the
6 information received from the Governor, the General Assembly
7 shall appropriate money to the Water and Sewer Systems
8 Assistance Bond Sinking Fund for the payment of interest on
9 the bonds and notes and their principal at maturity. All
10 money paid into the Water and Sewer Systems Assistance Bond
11 Sinking Fund and all of the money not necessary to pay
12 accruing interest shall be invested by the State Treasurer in
13 the securities as are provided by law for the investment of
14 the sinking funds of the Commonwealth.

15 (2) The State Treasurer, with the approval of the
16 Governor, may use any of the money in the fund not necessary
17 to conduct the referendum authorizing the indebtedness
18 necessary to carry out the Assistance Act and this article to
19 purchase and retire of all or part of the bonds and notes
20 issued pursuant to the Assistance Act and this article. If
21 all or part of the bonds and notes are purchased, they shall
22 be canceled and returned to the loan and transfer agent as
23 canceled and paid bonds and notes. Following the purchase,
24 all payments of interest on the bonds and notes shall cease.
25 The canceled bonds, notes and coupons, together with any
26 other canceled bonds, notes and coupons, shall be destroyed
27 as promptly as possible, but no later than two years after
28 cancellation. A certification evidencing the destruction of
29 the canceled bonds, notes and coupons shall be provided by
30 the loan and transfer agent to the issuing officials. All

1 canceled bonds, notes and coupons shall be marked to make the
2 canceled bonds, notes and coupons nonnegotiable.

3 (3) The State Treasurer shall determine and report to
4 the Secretary of the Budget by November 1 of each year the
5 amount of money necessary for the payment of interest on
6 outstanding obligations and the principal of the obligations,
7 if any, for the following fiscal year and the times and
8 amounts of the payments. The Governor shall include in every
9 budget submitted to the General Assembly full information
10 relating to the issuance of bonds and notes under the
11 Assistance Act and this article and the status of the Water
12 and Sewer Systems Assistance Bond Sinking Fund for the
13 payment of interest on the bonds and notes and their
14 principal at maturity.

15 (4) The General Assembly shall appropriate an amount
16 equal to the sums necessary to meet repayment obligations for
17 principal and interest for deposit into the Water and Sewer
18 Systems Assistance Bond Sinking Fund.

19 (e) Expiration.--Authorization to issue bonds and notes, not
20 including refunding bonds and replacement notes, for the purpose
21 of the Assistance Act and this article shall expire ten years
22 from the effective date of this section.

23 Section 4. Sections 1721-E, 1722-E, 1723-E, 1733-E and 1735-
24 E of the act, added July 17, 2007 (P.L.141, No.42), are amended
25 to read:

26 Section 1721-E. Department of Corrections [(Reserved)].

27 The following shall apply to appropriations for the
28 Department of Corrections:

29 (1) When making expenditures from appropriations for the
30 operation of State correctional institutions, the Department

1 of Corrections shall give consideration to minimum relief
2 factor values calculated when determining staffing levels for
3 corrections officers and food service instructors at each
4 State correctional institution.

5 (2) (Reserved).

6 Section 1722-E. Department of Education [(Reserved)].

7 (a) General rule.--For the 2010-2011 school year and every
8 school year thereafter, payments under section 1376.1(b.2) of
9 the act of March 10, 1949 (P.L.30, No.14), known as the Public
10 School Code of 1949, for a chartered school that establishes a
11 satellite campus with the approval of the department for the
12 purpose of enrolling students previously enrolled in a school
13 for the deaf formerly operated by the Commonwealth shall, in
14 addition to any amount otherwise calculated under section
15 1376.1(b.2), include the amount provided in fiscal year
16 2009-2010 pursuant to section 1722-J(10)(ii). The total shall be
17 subject to the annual adjustment under section 1376.1(b.2)(1) of
18 the Public School Code of 1949.

19 (b) Additional funding.--For the 2010-2011 and 2011-2012
20 school years, in addition to any other funds provided to it, the
21 department shall provide to a chartered school that establishes
22 a satellite campus with approval of the department for the
23 purpose of enrolling students previously enrolled in a school
24 for the deaf formerly operated by the Commonwealth, out of funds
25 appropriated to the department, an amount equal to \$500,000
26 annually to the extent appropriated by the General Assembly.

27 Section 1723-E. Department of Environmental Protection

28 [(Reserved)].

29 The Department of Environmental Protection may assess a fee
30 to applicants who apply for funds under section 306 of the act

of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1), known as the
Alternative Energy Investment Act. The department shall publish
the fee on its publicly accessible Internet website. Proceeds
from the fee shall be used to administer the provision of loans,
grants, reimbursements or rebates under section 306 of the
Alternative Energy Investment Act. No fee authorized under this
section may exceed \$150 for commercial applicants and \$100 for
residential applicants.

Section 1733-E. Pennsylvania State Police [(Reserved)].

The following shall apply to appropriations for the
Pennsylvania State Police:

(1) The Pennsylvania State Police may not close a
barracks until the Pennsylvania State Police conducts a
public hearing and provides 30 days' notice, which shall be
published in the Pennsylvania Bulletin and in at least two
local newspapers.

(2) (Reserved).

Section 1735-E. Pennsylvania Emergency Management Agency

[(Reserved)].

The Pennsylvania Emergency Management Agency shall provide
semiannual reports of all grants awarded by the Pennsylvania
Emergency Management Agency from Federal disaster assistance or
relief funds, homeland security and defense funds, avian
flu/pandemic preparedness or other public health emergency funds
to the chairman and minority chairman of the Appropriations
Committee of the Senate and the chairman and minority chairman
of the Appropriations Committee of the House of Representatives.
The reports shall include information relating to the entity
receiving grant money from the agency, including the name and
address of the entity, the amount of the grant, the date of

issuance and the purpose of the grant. Reports shall be
submitted by August 15 for grants awarded during the period from
January 1 through June 30 and by February 15 for grants awarded
during the period from July 1 through December 31.

Section 5. The act is amended by adding articles to read:

ARTICLE XVII-J

2009-2010 BUDGET IMPLEMENTATION

SUBARTICLE A

PRELIMINARY PROVISIONS

Section 1701-J. Applicability.

Except as specifically provided in this article, this article
applies to the General Appropriation Act of 2009, the
Supplemental Appropriation Act of 2009 and, as appropriate, all
other appropriation acts of 2009.

Section 1702-J. Definitions and abbreviations.

(a) Definitions.--The following words and phrases when used
in this article shall have the meanings given to them in this
section unless the context clearly indicates otherwise:

"General Appropriation Act." The act of August 5, 2009 (P.L.
, No.1A), known as the General Appropriation Act of 2009, and
the act of , 2009 (P.L. , No.), known as the
Supplemental Appropriation Act of 2009.

"Secretary." The Secretary of the Budget of the
Commonwealth.

(b) Abbreviations.--The following abbreviations when used in
this article shall have the meanings given to them in this
section:

"AIDS." Acquired Immune Deficiency Syndrome.

"ARC." Appalachian Regional Commission.

"ARRA." The American Recovery and Reinvestment Act of 2009

1 (Public Law 111-5, 123 Stat. 115).
2 "BG." Block Grant.
3 "CCDFBG." Child Care and Development Fund Block Grant.
4 "Chartered school." A school chartered by the Commonwealth.
5 "CSBG." Community Services Block Grant.
6 "DCSI." Drug Control and Systems Improvement Formula Grant
7 Program.
8 "DFSC." The Safe and Drug-Free Schools and Communities Act
9 (Public Law 107-110, 20 U.S.C. § 7101 et seq.).
10 "DOE." Department of Energy.
11 "EEOC." Equal Employment Opportunity Commission.
12 "EPA." Environmental Protection Agency.
13 "ESEA." The Elementary and Secondary Education Act of 1965
14 (Public Law 89-10, 20 U.S.C. § 6301 et seq.).
15 "FEMA." Federal Emergency Management Agency.
16 "FTA." Federal Transit Administration.
17 "HUD." Department of Housing and Urban Development.
18 "LIHEABG." Low-Income Home Energy Assistance Block Grant.
19 "LSTA." The Library Services and Technology Act (Public Law
20 104-208, 20 U.S.C. § 9101 et seq.).
21 "MCHSBG." Maternal and Child Health Services Block Grant.
22 "MHSBG." Mental Health Services Block Grant.
23 "MR." Mental Retardation.
24 "PAFE." Pennsylvania Agricultural Food Exposition.
25 "PHHSBG." Preventive Health and Health Services Block Grant.
26 "RSAT." Residential Substance Abuse Treatment.
27 "SABG." Substance Abuse Block Grant.
28 "SCDBG." Small Communities Development Block Grant.
29 "SDA." Service Delivery Area.
30 "SSBG." Social Services Block Grant.

1 "TANF." Temporary Assistance for Needy Families.

2 "TANFBG." Temporary Assistance for Needy Families Block
3 Grant.

4 "TEFAP." Temporary Emergency Food Assistance Program.

5 "WIA." The Workforce Investment Act of 1998 (Public Law
6 105-220, 112 Stat. 936).

7 "WIC." Women, Infants and Children Program.

8 Section 1703-J. Warrants (Reserved).

9 SUBARTICLE B

10 EXECUTIVE DEPARTMENT

11 Section 1711-J. Governor (Reserved).

12 Section 1712-J. Executive Offices.

13 The following shall apply to appropriations for the Executive
14 Offices:

15 (1) Funds appropriated for public television station
16 grants shall be paid in an amount equal to the formula award
17 amount determined by the Pennsylvania Public Television
18 Commission for fiscal year 2008-2009. If insufficient funds
19 are appropriated, such payments shall be paid on a pro rata
20 basis.

21 (2) (Reserved).

22 Section 1713-J. Lieutenant Governor (Reserved).

23 Section 1714-J. Attorney General (Reserved).

24 Section 1715-J. Auditor General (Reserved).

25 Section 1716-J. Treasury Department (Reserved).

26 Section 1717-J. Department of Aging (Reserved).

27 Section 1718-J. Department of Agriculture (Reserved).

28 Section 1719-J. Department of Community and Economic

29 Development.

30 The sum of \$12,000,000 shall be transferred from the Small

Business First Fund to the Machinery and Equipment Loan Fund to be used in accordance with 12 Pa.C.S. § 2905 (relating to eligibility for loans; terms and conditions).

Section 1720-J. Department of Conservation and Natural Resources (Reserved).

Section 1721-J. Department of Corrections (Reserved).

Section 1722-J. Department of Education.

The following shall apply to appropriations for the Department of Education from the General Appropriation Act:

(1) Notwithstanding any other provision of law, funds received under the ARRA shall be spent in accordance with the ARRA and applicable rules and guidelines developed by the Federal Government.

(2) Notwithstanding any other provision of law, a board of school directors of a school district may reopen its 2009-2010 budget to reflect Federal and State allocations for fiscal year 2009-2010 provided by the General Appropriation Act.

(3) Annual payments from the appropriation to institutions of higher learning for defraying the expenses of hearing-impaired or sight-impaired students shall not exceed \$500 per student.

(4) Notwithstanding any other provision of law, Federal and State funds shall be distributed to each community college in an amount equal to the amount paid under section 1913-A(b) (1.6) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, during the 2008-2009 fiscal year. If insufficient funds are appropriated, the payments shall be made on a pro rata basis.

(5) Funds appropriated for special education payments to

1 school districts shall be distributed to each school district
2 in an amount equal to the amount paid during the 2008-2009
3 school year under section 2509.5(zz) of the Public School
4 Code of 1949. If insufficient funds are appropriated, the
5 payments shall be made on a pro rata basis.

6 (6) (i) Funds appropriated for the Educational
7 Assistance Program shall be distributed to each school
8 entity in an amount equal to the amount paid during the
9 2008-2009 school year. If insufficient funds are
10 appropriated, the payments shall be made on a pro rata
11 basis.

12 (ii) For purposes of the Educational Assistance
13 Program established in section 1502-C of the Public
14 School Code of 1949 and this paragraph, "school entity"
15 shall mean any of the following located in this
16 Commonwealth: a school district, joint school district,
17 area vocational-technical school or independent school.

18 (7) Funds appropriated for Pennsylvania accountability
19 grants shall be distributed to each school district in an
20 amount equal to the amount paid during the 2008-2009 school
21 year. If insufficient funds are appropriated, the payments
22 shall be made on a pro rata basis.

23 (8) The following shall apply to professional and
24 temporary professional employees of a school formerly
25 operated by the Commonwealth:

26 (i) The Commonwealth shall create a pool for each
27 school comprised of the professional and temporary
28 professional employees who have received formal notice of
29 suspension from the Commonwealth as a result of the
30 Commonwealth's decision to cease Commonwealth operation

1 of the school.

2 (ii) For the three school years immediately
3 following the formal notice of suspension from the
4 Commonwealth, employees in a pool created under
5 subparagraph (i) shall be offered employment by each
6 eligible school entity as determined under subparagraph
7 (iv) associated with the applicable pool created under
8 subparagraph (i), when that eligible school entity has a
9 vacancy for a position that an employee in the applicable
10 pool is properly certified to fill, provided that no
11 employee of the eligible school entity in which the
12 vacancy exists, including a suspended or demoted
13 employee, has a right to the vacancy under the Public
14 School Code of 1949 or the collective bargaining
15 agreement of the respective eligible school entity.

16 (iii) For the three school years immediately
17 following the formal notice of suspension from the
18 Commonwealth, no new employee shall be hired by an
19 eligible school entity as determined under subparagraph
20 (iv) associated with the applicable pool created under
21 subparagraph (i), until the position has been offered, in
22 order of seniority, to all properly certified members of
23 the applicable pool created under subparagraph (i).

24 (iv) For the purpose of subparagraphs (ii) and
25 (iii), an "eligible school entity" shall be determined as
26 follows:

27 (A) a school district, vocational-technical
28 school or intermediate unit, the administration
29 building of which is 17 miles or less from the
30 administration building of a school formerly operated

1 by the Commonwealth or a school district which is
2 adjacent to the school district in which a school
3 formerly operated by the Commonwealth was situate; or
4 (B) a school district with average daily
5 membership greater than or equal to 8,000, the
6 administration building of which is 45 miles or less
7 from the administration building of a school formerly
8 operated by the Commonwealth, and which relies on
9 State revenue for no less than 50% of the school
10 district's total budget in the most recent year for
11 which data has been published on the Department of
12 Education's public Internet website.

13 (9) (i) Employees hired from a pool under paragraph (8)
14 and former employees of a school formerly operated by the
15 Commonwealth who resigned from a school formerly operated
16 by the Commonwealth within the six months prior to the
17 effective date of an act of the General Assembly
18 declining to fund the school and who accepted employment
19 at a school district, intermediate unit or vocational-
20 technical school shall be credited by the hiring school
21 district, intermediate unit or vocational-technical
22 school for all sick leave accumulated in the school and
23 shall be credited for years of service in the school for
24 purposes of salary schedule placement. Employees shall
25 further be credited for their years of service in the
26 school for purposes of sabbatical leave eligibility,
27 suspension and realignment rights and eligibility for any
28 retirement incentives or severance payments in a hiring
29 school district, intermediate unit or vocational-
30 technical school.

1 (ii) Nothing in this paragraph shall be construed to
2 supersede or preempt any provision of an individual
3 employment agreement between a school district,
4 intermediate unit or vocational-technical school and an
5 employee entered into prior to the effective date of this
6 paragraph, or any provision of a collective bargaining
7 agreement in effect as of the effective date of this
8 paragraph and negotiated by a school entity and an
9 exclusive representative of the employees in accordance
10 with the act of July 23, 1970 (P.L.563, No.195), known as
11 the Public Employe Relations Act.

12 (10) The appropriation for the Scranton State School for
13 the Deaf - Transition funding shall be distributed as
14 follows:

15 (i) In addition to any other funding provided
16 pursuant to section 1376.1(b.2) of the Public School Code
17 of 1949, the Department of Education shall provide to
18 each chartered school in the 2009-2010 school year for
19 enrollment during the 2009-2010 school year for one or
20 more students who were enrolled as of May 1, 2009, in a
21 school for the deaf formerly operated by the
22 Commonwealth, an amount equal to the product of the
23 following:

24 (A) The number of students enrolled in the
25 chartered school as of October 1, 2009, who were
26 enrolled as of May 1, 2009, in a school for the deaf
27 formerly operated by the Commonwealth, divided by the
28 total number of such students enrolled in all
29 chartered schools as of October 1, 2009, who were
30 enrolled as of May 1, 2009, in a school for the deaf

1 formerly operated by the Commonwealth.

2 (B) Three million three hundred thousand
3 dollars.

4 (ii) In addition to any other funds provided to a
5 chartered school under subparagraph (i), the department
6 shall provide to each chartered school that establishes a
7 satellite campus with approval of the department for the
8 purpose of enrolling students previously enrolled in a
9 school for the deaf formerly operated by the
10 Commonwealth, the amount of \$27,273 multiplied by the
11 number of students enrolled in the chartered school as of
12 October 1, 2009, who were enrolled as of May 1, 2009, in
13 a school for the deaf formerly operated by the
14 Commonwealth, provided that the total amount under this
15 subparagraph shall not exceed \$2,100,000.

16 (11) The Department of Education, with assistance from
17 the Department of Public Welfare and the Juvenile Court
18 Judges Commission, shall submit a report to the General
19 Assembly by June 1, 2010, detailing the costs to school
20 districts and the Commonwealth to provide educational
21 services to children who are adjudicated delinquent and
22 committed to nonpublic residential facilities pursuant to 42
23 Pa.C.S. § 6352 (relating to disposition of delinquent child)
24 for the 2008-2009 school year. The report shall identify the
25 following information relating to each facility:

26 (i) Facility location.

27 (ii) School district where each facility is located.

28 (iii) Provider of educational services at each
29 facility, including whether those services are under
30 contract or provided by an entity other than the

facility.

(iv) Department of Education's classification of the education program at each facility.

(v) Number of students committed by the court receiving educational services at each facility.

(vi) School district of residence for each student committed by the court at each facility.

(vii) Tuition fee charged by the educational services provider per student committed by the court at each facility.

(viii) Entity responsible for each tuition payment for each student committed by the court at each facility.

The term "facility" shall mean any nonpublic program supervised or licensed pursuant to the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, that provides out-of-home, residential services to a child who is adjudicated delinquent.

(12) (i) Each school district shall take such steps as necessary during fiscal year 2009-2010 in order to have or maintain a certified safety committee by December 31, 2010, for the purposes of section 1002(b) of the act of June 2, 1915 (P.L.736, No.338), known as the Workers' Compensation Act. The Department of Labor and Industry shall provide the Department of Education with the list of school districts who have a certified safety committee. In the case of a school district that does not submit evidence to the Department of Education that complies with this paragraph, the Department of Education shall deduct from any allocation from the Commonwealth to which the school district is entitled the amount of the

discount the school district would otherwise receive under section 1002(b) of the Workers' Compensation Act.

(ii) Subparagraph (i) shall not apply to a school district that cannot receive a premium discount under section 1002(b) of the Workers' Compensation Act, or an equivalent reduction in contribution rates, by establishing and maintaining a certified safety committee because it is authorized to self-insure its liabilities under section 305 of the Workers' Compensation Act or pool its liabilities under section 802 of the Workers' Compensation Act.

(13) Notwithstanding the provisions of 24 Pa.C.S. § 8329(a) (relating to payments on account of social security deductions from appropriations) when calculating payments by the Commonwealth under 24 Pa.C.S. § 8329, the Department of Education shall treat wages paid out of the ARRA State Stabilization Fund or out of ARRA funds appropriated for Individual with Disabilities Education (Part B - Preschool - Age 3-5) as covered wages which are not federally funded.

(14) The following apply to libraries:

(i) Funds appropriated for libraries shall be distributed to each library under the following formula:

(A) Divide the sum of the amount of funding that the library received in fiscal year 2007-2008 under section 2316 of the Public School Code of 1949 by the total State-aid subsidy for fiscal year 2007-2008.

(B) Multiply the quotient under clause (A) by the total State-aid subsidy for 2009-2010.

(ii) Following distribution of funds appropriated for State aid to libraries, any remaining funds may be

1 distributed at the discretion of the State Librarian.

2 (iii) If funds appropriated for State aid to
3 libraries in fiscal year 2009-2010 are less than funds
4 appropriated in fiscal year 2002-2003, the State
5 Librarian may waive standards as prescribed in section
6 103 of the act of June 14, 1961 (P.L.324, No.188), known
7 as The Library Code, relating to hours of operation,
8 continuing professional development, collections,
9 expenditures and other aspects of library operation.

10 (iv) (A) Each library system receiving State aid
11 under this subsection may distribute the local
12 library share of that aid in a manner as determined
13 by the board of directors of the library system.

14 (B) This subparagraph shall not apply to a
15 library system operating in a county of the second
16 class.

17 (15) (i) The Department of Education may utilize up to
18 \$4,500,000 of undistributed funds not expended,
19 encumbered or committed from appropriations for grants
20 and subsidies made to the department to assist school
21 districts certified as an education empowerment district
22 under section 1705-B(h)(3) of the Public School Code of
23 1949.

24 (ii) There is hereby established a restricted
25 account in the State Treasury from which payments under
26 this paragraph shall be paid. Funds shall be transferred
27 by the Secretary of the Budget to the restricted account
28 to the extent necessary to make payments under this
29 paragraph. Funds in the restricted account are hereby
30 appropriated to carry out the purposes of this paragraph.

1 The subsidy payment from this restricted account shall be
2 utilized to supplement the operational budget of the
3 eligible school districts.

4 (16) Notwithstanding section 2510.1 of the Public School
5 Code of 1949, payments made to school districts for the
6 instruction of homebound children shall only be made to the
7 extent funds are appropriated for this purpose.

8 (17) The appropriation for basic education funding shall
9 be distributed as follows:

10 (i) The Commonwealth shall pay to each school
11 district a basic education funding allocation for the
12 2008-2009 school year which shall consist of the sum of
13 the following:

14 (A) An amount equal to the allocations received
15 by the school district for the 2007-2008 school year
16 under section 2502.48(d)(1) and (2) and (e) of the
17 Public School Code of 1949.

18 (B) If a school district has been declared a
19 Commonwealth partnership school district under
20 Article XVII-B of the Public School Code of 1949, an
21 amount equal to \$2,000,000.

22 (C) (I) For a school district subject to
23 section 2502.48(d)(3)(i) of the Public School
24 Code of 1949, 27.82% of the amount determined
25 under section 2502.48(c)(1) of the Public School
26 Code of 1949.

27 (II) For a school district subject to
28 section 2502.48(d)(3)(ii) of the Public School
29 Code of 1949, 21.4% of the amount determined
30 under section 2502.48(c)(1) of the Public School

1 Code of 1949.

2 (III) Any additional amount required so that
3 the total amount provided under clause (A) and
4 this clause equals 2% greater than the amount
5 provided under section 2502.48(d) and (e) of the
6 Public School Code of 1949.

7 (ii) For the purpose of the calculation under
8 section 2502.48(c)(1) of the Public School Code of 1949,
9 for payments made under this subsection:

10 (A) The amount per student under section
11 2502.48(a) of the Public School Code of 1949 shall be
12 increased by the index for the school year in which
13 funding will be paid. The term "index" shall have the
14 meaning given to it under section 2501 of the Public
15 School Code of 1949.

16 (B) The number used for the purpose of each
17 school district's calculation under section
18 2502.48(b)(5)(ii)(B) of the Public School Code of
19 1949 shall not be less than one.

20 (iii) Any increase in basic education funding under
21 this subsection shall qualify as an increase in basic
22 education funding for the purpose of section 2502.49 of
23 the Public School Code of 1949. The Department of
24 Education may grant a waiver for the use of up to 25% of
25 the funds subject to section 2502.49(a)(1) of the Public
26 School Code of 1949 if all of the following apply:

27 (A) The school district would otherwise be
28 required to reduce or eliminate one or more of the
29 programs listed under section 2502.49(a)(1) of the
30 Public School Code of 1949 due to a projected budget

1 shortfall.

2 (B) The funds subject to the waiver will be used
3 to maintain one or more existing programs listed
4 under section 2502.49(a)(1) of the Public School Code
5 of 1949.

6 (C) The school district has, in the
7 determination of the Department of Education, pursued
8 alternative opportunities for greater efficiency and
9 internal savings in order to fund the program or
10 programs without need for a waiver.

11 (D) The program to be maintained addresses a
12 significant need of the school district's students
13 and has demonstrated effectiveness at increasing
14 student achievement in the school district, in the
15 determination of the Department of Education.

16 (iv) The decision to grant a waiver shall be at the
17 sole discretion of the Department of Education and shall
18 not be subject to appeal.

19 (18) Community colleges shall comply with the provisions
20 of section 1737-J.

21 (b) Definitions.--The words and phrases used in this section
22 shall have the meanings given to them in the Public School Code
23 of 1949.

24 Section 1723-J. Department of Environmental Protection.

25 The following shall apply to appropriations for the
26 Department of Environmental Protection in the General
27 Appropriation Act:

28 (1) Appropriations include funds for the Water Resources
29 Technical Assistance Center in an amount to be determined by
30 the department in cooperation with the Water Conservation

1 Subcommittee of the Statewide Water Resources Committee.

2 (2) Notwithstanding the provisions of section 502 of the
3 act of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1), known as
4 the Alternative Energy Investment Act, in fiscal year
5 2009-2010, no funds shall be appropriated from the General
6 Fund to the department for the Consumer Energy Program. The
7 appropriation for fiscal year 2009-2010 is revoked.

8 Section 1724-J. Department of General Services (Reserved).

9 Section 1725-J. Department of Health.

10 The following shall apply to appropriations for the
11 Department of Health in the General Appropriation Act:

12 (1) Funds appropriated for lupus programs shall be
13 distributed in the same proportion as distributed in fiscal
14 year 2008-2009.

15 (2) Funds appropriated for arthritis outreach and
16 education shall be equitably distributed among the central,
17 western and eastern regions of this Commonwealth based on the
18 ratio of population served in each region to the total
19 population served in this Commonwealth.

20 (3) Funds appropriated for biotechnology research
21 include \$1,100,000 for a regenerative medicine center located
22 in a county of the second class and \$1,500,000 for an
23 institution for hepatitis and virus research located in
24 county of the second class-A, which conducts research related
25 to developing new therapies for viral hepatitis and liver
26 cancer.

27 Section 1726-J. Insurance Department (Reserved).

28 Section 1727-J. Department of Labor and Industry.

29 The following shall apply to appropriations for the
30 Department of Labor and Industry in the General Appropriation

1 Act:

2 (1) The appropriation for payment to the Vocational
3 Rehabilitation Fund for work of the State Board of Vocational
4 Rehabilitation includes \$2,153,000 for a Statewide
5 professional service provider association for the blind to
6 provide specialized services and prevention of blindness
7 services and \$431,000 to provide specialized services and
8 prevention of blindness services in cities of the first
9 class.

10 (2) For the "Reed Act-Unemployment Insurance" and "Reed
11 Act-Employment Services and Unemployment Insurance"
12 appropriations, the total amount which may be obligated shall
13 not exceed the limitations under section 903 of the Social
14 Security Act (49 Stat. 620, 42 U.S.C. § 1103).

15 Section 1728-J. Department of Military and Veterans Affairs
16 (Reserved).

17 Section 1729-J. Department of Public Welfare.

18 The following shall apply to appropriations for the
19 Department of Public Welfare from the General Appropriation Act:

20 (1) Authorized transfers for child-care services. The
21 following shall apply:

22 (i) The department, upon approval of the secretary,
23 may transfer Federal funds appropriated for TANFBG Child
24 Care Assistance to the CCDFBG Child Care Services
25 appropriation to provide child-care services to
26 additional low-income families if the transfer of funds
27 will not result in a deficit in the appropriation. The
28 secretary shall provide notice ten days prior to a
29 transfer under this subparagraph to the chairman and
30 minority chairman of the Appropriations Committee of the

Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives.

(ii) The department, upon approval of the secretary, may transfer Federal funds appropriated for CCDFBG Child Care Assistance to the CCDFBG Child Care Services appropriation to provide child-care services to additional low-income families provided that the transfer of funds will not result in a deficit in the appropriation. The secretary shall provide notice ten days prior to a transfer under this subparagraph to the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives.

(2) Federal and State medical assistance payments. The following shall apply:

(i) When making payments for medical assistance outpatient or capitation services, the department shall not require a recipient to obtain a physician referral in order to receive chiropractic services.

(ii) No funds appropriated for approved capitation plans shall be used to pay a provider who fails to supply information in a form required by the department in order to facilitate claims for Federal financial participation for services rendered to general assistance clients.

(iii) For fiscal year 2009-2010, additional Federal and State inpatient funding is included to provide for Community Access Fund payments. Payments to hospitals for Community Access Fund grants shall be distributed under the formulas utilized for these grants in fiscal year

1 2008-2009. If the total funding available for Community
2 Access Fund payments in fiscal year 2009-2010 is less
3 than that available in fiscal year 2008-2009, payments
4 shall be made on a pro rata basis.

5 (iv) Qualifying State-related academic medical
6 centers shall not receive any less funding than received
7 for the fiscal year 2004-2005 State appropriation level
8 if Federal funding for academic medical centers is not
9 made available to those academic medical centers during
10 fiscal year 2009-2010.

11 (v) If supplemental Federal funding for physician
12 practice plans is not made available during fiscal year
13 2009-2010, qualifying universities and affiliated
14 physician practice plans shall not receive any less
15 funding than the amount received for the fiscal year
16 2007-2008 State appropriation level.

17 (vi) Funds appropriated for medical assistance
18 transportation shall only be utilized as a payment of
19 last resort for transportation for eligible medical
20 assistance recipients.

21 (vii) The department shall consider pharmaceutical
22 services a covered benefit for recipients who are
23 eligible for such services and whose care is managed
24 through contracts between the department and managed care
25 contractors. Pharmaceutical benefits shall remain a
26 covered benefit in the contracts between the department
27 and managed care contractors for fiscal years 2008-2009
28 and 2009-2010. If the department elects to bid a contract
29 for fiscal year 2010-2011 that does not include
30 pharmaceutical services as a covered benefit for

1 recipients whose care is managed through contracts
2 between the department and managed care contractors, the
3 Secretary of Public Welfare shall do all of the
4 following:

5 (A) By March 30, notify in writing the chair and
6 minority chair of the Appropriations Committee of the
7 Senate, the chair and minority chair of the
8 Appropriations Committee of the House of
9 Representatives, the chair and minority chair of the
10 Public Health and Welfare Committee of the Senate and
11 the chair and minority chair of the Health and Human
12 Services Committee of the House of Representatives.

13 (B) Additionally bid a contract for fiscal year
14 2010-2011 that does include pharmaceutical services
15 as a covered benefit for recipients who are eligible
16 for such services and whose care is managed through
17 contracts between the department and managed care
18 contractors.

19 (C) Conduct any procurement for existing or new
20 zones in a public manner, including publication of
21 any request for proposal on the Department of Public
22 Welfare's publicly accessible Internet website.

23 (viii) Amounts allocated from funds appropriated for
24 medical assistance outpatient services for the Select
25 Plan for Women Preventative Health Services shall be used
26 for women's medical services, including noninvasive
27 contraception supplies.

28 (ix) Federal or State funds appropriated under the
29 General Appropriation Act in accordance with the act of
30 March 24, 2004 (P.L.148, No.15), known as the

Pennsylvania Trauma Systems Stabilization Act, not used
to make payments to hospitals qualifying as Level III
trauma centers shall be used to make payments to
hospitals qualifying as Level I and II trauma centers.

(3) Breast cancer screening. The following shall apply:

(i) Funds appropriated for breast cancer screening
may be used for women's medical services, including
noninvasive contraception supplies.

(ii) (Reserved).

(4) Women's service programs. The following shall apply:

(i) Funds appropriated for women's service programs
grants to nonprofit agencies whose primary function is to
provide alternatives to abortion shall be expended to
provide services to women until childbirth and for up to
12 months thereafter, including food, shelter, clothing,
health care, counseling, adoption services, parenting
classes, assistance for postdelivery stress and other
supportive programs and services and for related outreach
programs. Agencies may subcontract with other nonprofit
entities which operate projects designed specifically to
provide all or a portion of these services. Projects
receiving funds referred to in this subparagraph shall
not promote, refer or perform abortions or engage in any
counseling which is inconsistent with the appropriation
referred to in this subparagraph and shall be physically
and financially separate from any component of any legal
entity engaging in such activities.

(ii) Funds appropriated for women's service programs
shall be used for women's medical services, including
noninvasive contraception supplies.

1 (iii) Federal funds appropriated for TANFBG
2 Alternatives to Abortion shall be utilized solely for
3 services to women whose gross family income is below 185%
4 of the Federal poverty guidelines.

5 (5) County children and youth programs. The following
6 shall apply:

7 (i) No more than 50% of funds allocated from the
8 State appropriation for county children and youth
9 programs to each county shall be expended until each
10 county submits to the department data for the prior State
11 fiscal year, and updated quarterly, on the unduplicated
12 caseloads, unduplicated services and number of
13 caseworkers by county program. Data shall be submitted in
14 a form acceptable to the department. A copy of the data
15 shall be sent to the chairman and minority chairman of
16 the Appropriations Committee of the Senate and to the
17 chairman and the minority chairman of the Appropriations
18 Committee of the House of Representatives.

19 (ii) Reimbursement for children and youth services
20 made pursuant to section 704.1 of the act of June 13,
21 1967 (P.L.31, No.21), known as the Public Welfare Code,
22 shall not exceed the amount of State funds appropriated.
23 It is the intent of the General Assembly that counties do
24 not experience any adverse fiscal impact due to the
25 department's maximization efforts.

26 (6) Community-based family centers. No funds
27 appropriated for community-based family centers may be
28 considered as part of the base for calculation of the county
29 child welfare needs-based budget for a fiscal year.

30 Section 1730-J. Department of Revenue (Reserved).

Section 1731-J. Department of State (Reserved).

Section 1732-J. Department of Transportation (Reserved).

Section 1733-J. Pennsylvania State Police.

The following shall apply to appropriations for the
Pennsylvania State Police from the General Appropriation Act:

(1) Payments made to municipalities under 53 Pa.C.S. §
2170 (relating to reimbursement of expenses) shall be limited
to funds available. If funds are not available to make full
payments, the Municipal Police Officers' Education and
Training Commission shall make payments on a pro rata basis.

(2) (Reserved).

Section 1734-J. State Civil Service Commission (Reserved).

Section 1735-J. Pennsylvania Emergency Management Agency
(Reserved).

Section 1736-J. Pennsylvania Fish and Boat Commission
(Reserved).

Section 1737-J. State System of Higher Education.

The following shall apply to appropriations for the State
System of Higher Education from the General Appropriation Act:

(1) Each public institution of higher education as
defined in Article XX-C of the Public School Code of 1949
shall do all of the following:

(i) Agree to accept with full junior standing the
Associate of Arts or Associate of Science degree into a
parallel baccalaureate program as outlined in
subparagraph (iii) by the timelines established by the
Transfer and Articulation Oversight Committee but no
later than December 31, 2011. For purposes of this
paragraph, an Associate of Arts or Associate of Science
degree is a degree designed primarily for transfer to a

1 baccalaureate institution and must contain a minimum of
2 60 credits.

3 (ii) Submit to the Department of Education interim
4 reports outlining the actions that the public institution
5 of higher education has undertaken or intends to
6 undertake to comply with subparagraph (i), which shall be
7 filed by December 31, 2009, June 30, 2010, and December
8 31, 2010.

9 (iii) As a member of the Transfer and Articulation
10 Oversight Committee established in section 2004-C of the
11 Public School Code of 1949:

12 (A) By December 1, 2009, consult with the
13 Department of Education on a process and timeline,
14 subject to approval by the department, to identify
15 the Associate of Arts or Associate of Science degree
16 aligned with the graduation requirements of the
17 parallel baccalaureate degree in all public
18 institutions of higher education in consultation with
19 faculty and personnel.

20 (B) Identify Associate of Arts or Associate of
21 Science degree programs for transfer with full junior
22 standing into a parallel baccalaureate degree in
23 consultation with faculty and personnel in those
24 degree programs by December 31, 2011.

25 (C) Identify modifications that may be required
26 in existing associate or baccalaureate degrees to
27 satisfy external accreditation or licensure
28 requirements in consultation with faculty and
29 personnel. Approved modifications shall recognize all
30 competencies attained within either the associate or

1 baccalaureate programs.

2 (D) Define requirements, in consultation with
3 faculty and personnel, for education degrees,
4 including Early Childhood Education degrees, leading
5 to certification to be included in an associate
6 degree and to be accepted for transfer with full
7 junior standing into a parallel baccalaureate degree
8 program.

9 (2) (Reserved).

10 Section 1737.1-J. State-related institutions.

11 The following shall apply to State-related institutions:

12 (1) (i) No later than June 15, 2010, each State-related
13 institution shall identify 30 credit hours of course
14 content from equivalent courses identified under Article
15 XX-C of the Public School Code of 1949 that it will
16 accept from a student accepted for transfer from an
17 institution of higher education participating in Article
18 XX-C of the Public School Code of 1949. A State-related
19 institution shall count a course in the same manner that
20 it would count the same or equivalent course if taken by
21 a student at the State-related institution.

22 (ii) Each State-related institution shall make the
23 information identified in subparagraph (i) available to
24 the Department of Education for posting on the
25 department's publicly accessible Internet website.

26 (iii) Nothing in this paragraph shall be construed
27 to:

28 (A) Require a State-related institution to apply
29 a course to graduation or degree requirements if that
30 course or its equivalent course would not be applied

1 to graduation or degree requirements if taken at the
2 State-related institution.

3 (B) Infringe on a State-related institution's
4 sole authority to accept a student for transfer, to
5 determine acceptance into a major, to determine the
6 campus assignment of such student or to determine how
7 many and which credit hours shall apply for the
8 transfer student toward the completion of a degree.
9 The manner in which accepted courses apply toward
10 completion of a degree and whether they are counted
11 for general education, major or free elective credit
12 shall be subject to the requirements established by
13 the accepting State-related institution for each
14 individual major or program of study.

15 (C) Prohibit a State-related institution's
16 ability to enter into discussions with the Department
17 of Education to increase the number of credits
18 pursuant to subparagraph (i).

19 (iv) For the purpose of this paragraph, "State-
20 related institution" shall have the meaning given to it
21 in Article XX-C of the Public School Code of 1949.

22 (2) (Reserved).

23 Section 1738-J. Pennsylvania Higher Education Assistance
24 Agency.

25 The following shall apply to appropriations for the
26 Pennsylvania Higher Education Assistance Agency from the General
27 Appropriation Act:

28 (1) Maximization of funds. The Pennsylvania Higher
29 Education Assistance Agency shall use funds appropriated for
30 matching payments for student aid funds to maximize the

1 receipt of Federal funds to the fullest extent possible.

2 (2) Limitation. No college, university or institution
3 receiving a direct appropriation from the Commonwealth shall
4 be eligible to participate in the institutional assistance
5 grants program.

6 (3) Agricultural loan forgiveness. In distributing funds
7 appropriated for agricultural loan forgiveness, the agency
8 shall give preference to renewal applicants.

9 Section 1739-J. Pennsylvania Historical and Museum Commission
10 (Reserved).

11 Section 1740-J. Pennsylvania Infrastructure Investment
12 Authority (Reserved).

13 Section 1741-J. Environmental Hearing Board (Reserved).

14 Section 1742-J. Pennsylvania Board of Probation and Parole
15 (Reserved).

16 Section 1743-J. Pennsylvania Public Television Network
17 Commission (Reserved).

18 Section 1744-J. Pennsylvania Securities Commission (Reserved).

19 Section 1745-J. State Tax Equalization Board (Reserved).

20 Section 1746-J. Health Care Cost Containment Council.

21 (1) The Health Care Cost Containment Council shall
22 submit a report to the chairman and minority chairman of the
23 Appropriations Committee of the Senate and the chairman and
24 minority chairman of the Appropriations Committee of the
25 House of Representatives specifying the amount and source of
26 proceeds received from the sale of data by the council. The
27 report shall supplement the annual report of financial
28 expenditures required under section 17.1 of the act of July
29 8, 1986 (P.L.408, No.89), known as the Health Care Cost
30 Containment Act. Twenty-five percent of the proceeds received

1 from the sale of data may be used for the operations of the
2 council. The remainder of the proceeds shall be deposited in
3 the General Fund and shall not be expended unless
4 appropriated by the General Assembly.

5 (2) The sum of \$2,300,000 is transferred from the Health
6 Care Cost Containment Council to the General Fund, to include
7 money appropriated to or received by the council prior to
8 2008-2009 that is unspent or uncommitted.

9 Section 1747-J. State Ethics Commission (Reserved).

10 Section 1748-J. State Employees' Retirement System (Reserved).

11 Section 1749-J. Thaddeus Stevens College of Technology

12 (Reserved).

13 Section 1750-J. Pennsylvania Housing Finance Agency (Reserved).

14 Section 1751-J. LIHEABG (Reserved).

15 Section 1752-J. Budget Stabilization Reserve Fund (Reserved).

16 SUBARTICLE C

17 LEGISLATIVE DEPARTMENT

18 (Reserved)

19 SUBARTICLE D

20 JUDICIAL DEPARTMENT

21 Section 1781-J. Supreme Court (Reserved).

22 Section 1782-J. Superior Court (Reserved).

23 Section 1783-J. Commonwealth Court (Reserved).

24 Section 1784-J. Courts of common pleas (Reserved).

25 Section 1785-J. Community courts; magisterial district judges

26 (Reserved).

27 Section 1786-J. Philadelphia Traffic Court (Reserved).

28 Section 1787-J. Philadelphia Municipal Court (Reserved).

29 Section 1788-J. Judicial Conduct Board (Reserved).

30 Section 1789-J. Court of Judicial Discipline (Reserved).

Section 1790-J. Juror cost reimbursement (Reserved).

Section 1791-J. County court reimbursement (Reserved).

Section 1792-J. Senior judges (Reserved).

Section 1793-J. Transfer of funds by Supreme Court (Reserved).

ARTICLE XVII-K

2009-2010 RESTRICTIONS ON APPROPRIATIONS

FOR FUNDS AND ACCOUNTS

Section 1701-K. Applicability.

Except as specifically provided in this article, this article applies to the act of August 5, 2009 (P.L. , No.1A), known as the General Appropriation Act of 2009, the act of , 2009 (P.L. , No.), known as the Supplemental Appropriation Act of 2009, and as appropriate, all other appropriation acts of 2009.

Section 1702-K. State Lottery Fund.

(1) Funds appropriated for PENNCARE shall not be utilized for administrative costs by the Department of Aging.

(2) (Reserved).

Section 1703-K. Energy Conservation and Assistance Fund

(Reserved).

Section 1704-K. Judicial Computer System Augmentation Account.

The Supreme Court and the Court Administrator of Pennsylvania are prohibited from augmenting the amount appropriated to the Judicial Computer System Augmentation Account by billings to other appropriations to the judicial branch for the Statewide Judicial Computer System or for any other purpose.

Section 1704.1-K. Access to Justice Account.

Notwithstanding 42 Pa.C.S. § 4906 (relating to distribution of funds), moneys in the Access to Justice Account may be distributed at any time upon requisition of the Court

Administrator of Pennsylvania to the Pennsylvania Interest on
Lawyers Trust Account Board.

Section 1705-K. Emergency Medical Services Operating Fund
(Reserved).

Section 1706-K. State Stores Fund (Reserved).

Section 1707-K. Motor License Fund (Reserved).

Section 1708-K. Hazardous Material Response Fund (Reserved).

Section 1709-K. Milk Marketing Fund (Reserved).

Section 1710-K. Home Investment Trust Fund (Reserved).

Section 1711-K. Tuition Payment Fund (Reserved).

Section 1712-K. Banking Department Fund (Reserved).

Section 1713-K. Firearm Records Check Fund (Reserved).

Section 1714-K. Ben Franklin Technology Development Authority
Fund (Reserved).

Section 1715-K. Tobacco Settlement Fund.

(a) Deposits.--

(1) Notwithstanding sections 303(b)(2), (3) and (4) and
306 of the act of June 26, 2001 (P.L.755, No.77), known as
the Tobacco Settlement Act, the following shall apply:

(i) For fiscal year 2009-2010, the strategic
contribution payments received in fiscal year 2008-2009
pursuant to the Master Settlement Agreement shall be
deposited in the Tobacco Settlement Fund.

(ii) For fiscal year 2009-2010, \$15,000,000 of the
funds derived under section 303(b)(3) of the Tobacco
Settlement Act shall be deposited into the Tobacco
Settlement Fund.

(iii) For fiscal year 2009-2010, \$10,000,000 of the
funds derived under section 303(b)(4) of the Tobacco
Settlement Act shall be deposited into the Tobacco

1 Settlement Fund.

2 (iv) For fiscal year 2009-2010, 25% of the money
3 appropriated under section 306(b)(1)(iii) of the Tobacco
4 Settlement Act may not be expended, transferred or lapsed
5 but shall remain in the Tobacco Settlement Fund.

6 (v) For fiscal year 2009-2010, 33.3% of the money
7 appropriated under section 306(b)(1)(vi) of the Tobacco
8 Settlement Act may not be expended, transferred or lapsed
9 but shall remain in the Tobacco Settlement Fund.

10 (2) Money deposited into the fund under paragraph (1)
11 shall be appropriated for health-related purposes. If
12 applicable, the amount appropriated in accordance with this
13 paragraph shall be matched by appropriated Federal augmenting
14 funds.

15 (b) Transfers.--

16 (1) Notwithstanding sections 306 and 307 of the Tobacco
17 Settlement Act, the following shall apply.

18 (i) For fiscal year 2009-2010, 37.5% of the money
19 appropriated under section 306(b)(1)(iii) of the Tobacco
20 Settlement Act is transferred from the Tobacco Settlement
21 Fund to the General Fund.

22 (ii) For fiscal year 2010-2011, 37.5% of the money
23 appropriated under section 306(b)(1)(iii) of the Tobacco
24 Settlement Act is transferred from the Tobacco Settlement
25 Fund to the General Fund.

26 (iii) For fiscal year 2009-2010, 100% of the money
27 received in fiscal year 2008-2009 appropriated under
28 section 306(b)(1)(i) of the Tobacco Settlement Act shall
29 be transferred from the Tobacco Endowment Account for
30 Long-Term Hope to the Tobacco Settlement Fund.

1 (iv) For fiscal year 2009-2010, \$150,000,000 is
2 transferred from the Tobacco Endowment Account for Long-
3 Term Hope to the General Fund.

4 (v) For fiscal year 2010-2011, \$250,000,000 is
5 transferred from the Tobacco Endowment Account for Long-
6 Term Hope to the General Fund.

7 (2) Money transferred under paragraph (1)(iii) shall be
8 appropriated for health-related purposes. If applicable, the
9 amount appropriated in accordance with this paragraph shall
10 be matched by appropriated Federal augmenting funds.

11 (c) Allocation.--Funding for local programs under section
12 708(b) of the Tobacco Settlement Act shall be allocated as
13 follows:

14 (1) Thirty percent of grant funding to primary
15 contractors for local programs shall be allocated equally
16 among each of the 67 counties.

17 (2) The remaining 70% of grant funding to primary
18 contractors for local programs shall be allocated on a per
19 capita basis of each county with a population greater than
20 60,000. The per capita formula shall be applied only to that
21 portion of the population that is greater than 60,000 for
22 each county.

23 (3) Budgets shall be developed by each primary
24 contractor to reflect service planning and expenditures in
25 each county. Each primary contractor will ensure that
26 services are available to residents of each county and must
27 expend the allocated funds on a per-county basis pursuant to
28 paragraphs (1) and (2).

29 (4) The Department of Health shall compile a detailed
30 annual report of expenditures per county and the specific

1 programs offered in each region. This report shall be made
2 available on the Department of Health's publicly available
3 Internet website 60 days following the close of each fiscal
4 year.

5 (5) During the third quarter of the fiscal year, funds
6 which have not been spent within a service area may be
7 reallocated to support programming in the same region.

8 (d) Use of money for lobbying prohibited.--No money derived
9 from an appropriation by the General Assembly from the Tobacco
10 Settlement Fund may be used for the lobbying of any State public
11 official.

12 Section 1716-K. Community Health Reinvestment Restricted
13 Account.

14 (a) Establishment.--There is established in the State
15 Treasury a restricted receipts account in the Tobacco Settlement
16 Fund to be known as the Community Health Reinvestment Restricted
17 Account. Interest earned on money in the account shall remain in
18 the account.

19 (b) Agreement on community health reinvestment.--Each
20 calendar year, a corporation under 40 Pa.C.S. Ch. 61 (relating
21 to hospital plan corporations) or 63 (relating to professional
22 health services plan corporations) that is a party to the
23 Agreement on Community Health Reinvestment entered into February
24 2, 2005, by the Insurance Department and the Capital Blue Cross,
25 Highmark, Inc., Hospital Service Association of Northeastern
26 Pennsylvania and Independence Blue Cross, and published in the
27 Pennsylvania Bulletin at 35 Pa.B. 4155 (July 23, 2005), shall
28 pay to the account the amount calculated for such calendar year
29 in section 5 of the agreement, published at 35 Pa.B. 4156.

30 (c) Appropriation.--The money in the account, including all

interest earned, is appropriated to the Insurance Department to be used in accordance with the agreement on community health reinvestment described in subsection (b).

Section 1717-K. Health Care Provider Retention Account.

The sum of \$708,000,000 is transferred from the Health Care Provider Retention Account established under section 1112(a) of the act of March 20, 2002 (P.L.154, No.13), known as the Medical Care Availability and Reduction of Error (Mcare) Act, to the General Fund.

Section 1717.1-K. Medical Care Availability and Reduction of Error Fund.

The following shall apply:

(1) The sum of \$100,000,000 is transferred from the Medical Care Availability and Reduction of Error Fund established under section 712 of the act of March 20, 2002 (P.L.154, No.13), known as the Medical Care Availability and Reduction of Error (Mcare) Act, to the General Fund.

(2) Notwithstanding section 712(m) of the act of March 20, 2002 (P.L.154, No.13), known as the Medical Care Availability and Reduction of Error (Mcare) Act, and 75 Pa.C.S. § 6506(b) (relating to surcharge), for fiscal years 2009-2010 and 2010-2011, all surcharges collected under 75 Pa.C.S. § 6506 by any division of the Unified Judicial System shall be deposited in the General Fund upon receipt.

Section 1718-K. Budget Stabilization Reserve Fund.

(a) General provisions.--Notwithstanding section 1703-A(b), the sum of \$755,000,000 is transferred from the Budget Stabilization Reserve Fund to the General Fund.

(b) Surplus.--No amount of the surplus in the General Fund in fiscal year 2009-2010 shall be deposited into the Budget

1 Stabilization Reserve Fund.

2 Section 1718.1-K. Gaming Economic Development and Tourism Fund.

3 Notwithstanding the provisions of 4 Pa.C.S. Part II (relating
4 to gaming) and the act of July 9, 2008 (P.L.908, No.63), known
5 as the H2O PA Act, \$5,080,000 is hereby appropriated from the
6 Gaming Economic Development and Tourism Fund to the Department
7 of General Services to meet additional payment obligations for
8 the project itemized in section 3(2)(i)(D) of the act of July
9 25, 2007 (P.L.342, No.53), known as the Pennsylvania Gaming
10 Economic Development and Tourism Fund Capital Budget Itemization
11 Act of 2007.

12 Section 1719-K. Restricted Receipt Accounts.

13 (a) General provisions.--The secretary may create restricted
14 receipt accounts for the purpose of administering Federal grants
15 only for the purposes designated in this section.

16 (b) Department of Community and Economic Development.--The
17 following restricted receipt accounts may be established for the
18 Department of Community and Economic Development:

19 (1) ARC Housing Revolving Loan Program.

20 (2) (Reserved).

21 (c) Department of Conservation and Natural Resources.--The
22 following restricted receipt accounts may be established for the
23 Department of Conservation and Natural Resources:

24 (1) Federal Aid to Volunteer Fire Companies.

25 (2) Federal Land and Water Conservation Fund Act.

26 (3) National Forest Reserve Allotment.

27 (4) Federal Land and Water Conservation Fund Act -
28 Conservation and Natural Resources.

29 (d) Department of Education.--The following restricted
30 receipt accounts may be established for the Department of

1 Education:

2 (1) Education of the Disabled - Part C.

3 (2) LSTA - Library Grants.

4 (3) The Pennsylvania State University Federal Aid.

5 (4) Emergency Immigration Education Assistance.

6 (5) Education of the Disabled - Part D.

7 (6) Homeless Adult Assistance Program.

8 (7) Severely Handicapped.

9 (8) Medical Assistance Reimbursements to Local Education

10 Agencies.

11 (e) Department of Environmental Protection.--The following
12 restricted receipt accounts may be established for the

13 Department of Environmental Protection:

14 (1) Federal Water Resources Planning Act.

15 (2) Flood Control Payments.

16 (3) Soil and Water Conservation Act - Inventory of
17 Programs.

18 (f) Department of Health.--The following restricted receipt
19 accounts may be established for the Department of Health:

20 (1) Share Loan Program.

21 (2) (Reserved).

22 (g) Department of Transportation.--The following restricted
23 receipt accounts may be established for the Department of
24 Transportation:

25 (1) Capital Assistance Elderly and Handicapped Programs.

26 (2) Railroad Rehabilitation and Improvement Assistance.

27 (3) Ridesharing/Van Pool Program - Acquisition.

28 (h) Pennsylvania Emergency Management Agency.--The following
29 restricted receipt accounts may be established for the
30 Pennsylvania Emergency Management Agency:

1 (1) Receipts from Federal Government - Disaster Relief -
2 Disaster Relief Assistance to State and Political
3 Subdivisions.

4 (2) (Reserved).

5 (i) Pennsylvania Historical and Museum Commission.--The
6 following restricted receipt accounts may be established for the
7 Pennsylvania Historical and Museum Commission:

8 (1) Federal Grant - National Historic Preservation Act.

9 (2) (Reserved).

10 (j) Executive Offices.--The following restricted receipt
11 accounts may be established for the Executive Offices:

12 (1) Retired Employees Medicare Part D.

13 (2) Justice Assistance.

14 (3) Juvenile Accountability Incentive.

15 Section 1720-K. State Gaming Fund.

16 (a) Deduction of certain appropriations.--Notwithstanding
17 the provisions of section 504(c)(1) of the act of June 27, 2006
18 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief
19 Act, funds appropriated to the Pennsylvania Gaming Control Board
20 from the State Gaming Fund shall be deducted from the amount
21 transferred to the Property Tax Relief Reserve Fund under
22 section 504(b) of the Taxpayer Relief Act and loaned to the
23 Pennsylvania Gaming Control Board for payment of the board's
24 administrative and operating expenses for the fiscal year
25 commencing July 1, 2009. Funds loaned to the board under this
26 section and sections 1720-G and 1720-I shall be repaid from the
27 accounts established under 4 Pa.C.S. § 1401 (relating to slot
28 machine licensee deposits) in accordance with subsection (b).

29 (b) Assessment for repayment.--Notwithstanding the
30 provisions of 4 Pa.C.S. § 1901.1 (relating to repayments to

1 State Gaming Fund), the Pennsylvania Gaming Control Board shall
2 assess slot machine licensees for repayment of funds transferred
3 and loaned to the board under subsection (a) from the State
4 Gaming Fund in accordance with 4 Pa.C.S. § 1402 (relating to
5 gross terminal revenue deductions) for repayment to the Property
6 Tax Relief Reserve Fund at such time as at least 11 slot machine
7 licenses have been issued and 11 licensed gaming entities have
8 commenced the operation of slot machines. The board shall adopt
9 a repayment schedule that assesses to each slot machine licensee
10 costs for the repayment of amounts appropriated under this
11 section in an amount that is proportional to each slot machine
12 licensee's gross terminal revenue.

13 (c) Property tax relief.--

14 (1) Notwithstanding the provisions of section 504 of the
15 Taxpayer Relief Act, until the loan to the Pennsylvania
16 Gaming Control Board under subsection (a) is repaid, the
17 Secretary of the Budget is authorized to provide for property
18 tax relief under section 503(d) of the Taxpayer Relief Act,
19 regardless of whether the amount deposited in the Property
20 Tax Relief Reserve Fund is less than required by section 504
21 of the Taxpayer Relief Act.

22 (2) Notwithstanding the provisions of 4 Pa.C.S. §
23 1901.1, beginning January 1, 2011, if the Secretary of the
24 Budget determines that the moneys in the Property Tax Relief
25 Reserve Fund are needed for property tax relief, the
26 secretary shall notify the Pennsylvania Gaming Control Board
27 and upon notification, the board shall immediately assess
28 each slot machine licensee for the repayment of the loan in
29 an amount that is proportional to each slot machine
30 licensee's gross terminal revenue.

1 (d) Other appropriations solely from assessment.--

2 (1) All funds for the operation of the Pennsylvania
3 State Police, Department of Revenue and Attorney General are
4 appropriated solely from an assessment on gross terminal
5 revenue from accounts under 4 Pa.C.S. § 1401 in an amount
6 equal to that appropriated by the General Assembly for fiscal
7 year 2009-2010. The Pennsylvania State Police, Attorney
8 General or Department of Revenue shall not assess any charge,
9 fee, cost of operations or other payment from a licensed
10 gaming entity in excess of amounts appropriated for fiscal
11 year 2009-2010, unless specifically authorized by law.

12 (2) This subsection shall not apply to any voluntary
13 payment made by a new slot machine licensee in accordance
14 with similar payments voluntarily made by existing licensees.

15 Section 1721-K. Pennsylvania Racehorse Development Fund.

16 (Reserved).

17 Section 1722-K. Straw Purchase Prevention Education Fund.

18 Notwithstanding the provisions of 18 Pa.C.S. § 6187 (relating
19 to transfer for initial funding), in fiscal year 2009-2010, no
20 funds shall be transferred from the General Fund to the Straw
21 Purchase Prevention Education Fund established in 18 Pa.C.S. §
22 6186 (relating to Straw Purchase Prevention Education Fund).

23 Section 6. Notwithstanding any other provision of law, the
24 Scranton State School for the Deaf and the Board of Trustees of
25 the Scranton State School for the Deaf are abolished.

26 Section 7. Repeals are as follows:

27 ~~(1) The General Assembly declares that the repeal under~~ ←
28 ~~paragraph (2) is necessary to effectuate the addition of~~
29 ~~Article V A of the act (RESERVED).~~ ←

30 ~~(2) Sections 618 and 618.1 of the act of April 9, 1929~~ ←

1 ~~(P.L.177, No.175), known as The Administrative Code of 1929,~~
2 ~~are repealed~~ (RESERVED). ←

3 (3) The General Assembly declares that the repeals under
4 paragraph (4) are necessary to effectuate the addition of
5 section 1722-J(8), (9) and (10) of the act.

6 (4) The following acts or parts of acts are repealed
7 insofar as they are inconsistent with this act:

8 (i) Sections 3 and 4 of the act of May 8, 1913
9 (P.L.163, No.112), entitled "An act providing for an
10 examination of the Pennsylvania Oral School for the Deaf,
11 at Scranton, Lackawanna County, Pennsylvania; providing
12 for the transfer, under certain conditions, of the said
13 Oral School for the Deaf to the Commonwealth; regulating
14 said school in the event of such transfer; and making an
15 appropriation to carry out the purposes of this act."

16 (ii) Sections 2 and 202 of the act of June 7, 1923
17 (P.L. 498, No. 274), known as The Administrative Code.

18 (iii) Sections 202, 401 and 1311 of the act of April
19 9, 1929 (P.L.177, No.175), known as The Administrative
20 Code of 1929.

21 (iv) Section 5.1 of the act of July 8, 1957
22 (P.L.579, No.321), entitled, "An act establishing minimum
23 compensation and increments for members of the faculty
24 and administration of the Thaddeus Stevens State School
25 of Technology, the Scotland School for Veterans'
26 Children, and the Scranton State School for the Deaf,
27 providing leave of absence with pay for faculty members
28 and the superintendent of schools and imposing duties on
29 the Board of Trustees of such schools and the Secretary
30 of Education."

(v) Section 1.2 of the act of December 12, 1973 (P.L.397, No.141), known as the Professional Educator Discipline Act.

(vi) 24 Pa.C.S. §§ 8102 and 8327.

(4.1) The General Assembly declares that the repeal under paragraph (5) is necessary to effectuate the addition of section 1717.1-K of the act.

(5) Chapter 11 of the act of March 20, 2002 (P.L.154, No.13), known as the Medical Care Availability and Reduction of Error (Mcare) Act, is repealed.

(6) The act of July 9, 2008 (P.L.908, No.63), known as the H2O PA Act, is repealed insofar as it is inconsistent with this act.

(7) All other acts and parts of acts are repealed insofar as they are inconsistent with this act.

(8) The following appropriations in the act of August 5, 2009 (P.L. , No.1A), known as the General Appropriation Act of 2009, vetoed in part, are repealed:

(i) The State appropriation for smoke free Pennsylvania enforcement in section 215 of the act is repealed.

(ii) The State appropriation for a separate State-funded vocational rehabilitation program to provide vocational rehabilitation services leading to competitive employment for OVR-eligible persons with disabilities unable to receive services through the Federal Vocational Rehabilitation Program in section 217 of the act is repealed.

(iii) The Federal appropriation for "Home Visitation to Prevent Child Maltreatment" in section 219 of the act

1 is repealed.

2 (iv) The Federal appropriation for "Emergency Food
3 Assistance" in section 1712 of the act is repealed.

4 (v) The Federal and State appropriations for
5 payments for early intervention services, for
6 "Individuals with Disabilities Education," for "Food and
7 Nutrition - Local," for "Esea - Title I - Local" and for
8 "ARRA - Education for Homeless Children and Youth" in
9 section 1714 of the act are repealed.

10 (vi) The Federal appropriations for "Survey Studies"
11 and "State Energy Program (SEP)" in section 1715 of the
12 act are repealed.

13 (vii) The Federal appropriations for "Programs for
14 the Aging - Title III," and "Programs for the Aging -
15 Title V" in section 1731 of the act are repealed.

16 Section 8. The provisions of this act are severable. If any
17 provision of this act or its application to any person or
18 circumstance is held invalid, the invalidity shall not affect
19 other provisions or applications of this act which can be given
20 effect without the invalid provision or application.

21 Section 9. This act shall apply as follows:

22 (1) The addition of section 1776-A of the act shall
23 apply to contracts entered into on or after the effective
24 date of this paragraph.

25 (1.1) The following provisions shall apply retroactively
26 to July 1, 2009:

27 (i) The amendment of section 1721-E of the act.

28 (ii) The amendment of section 1722-E of the act.

29 (iii) The amendment of section 1733-E of the act.

30 (iv) The amendment of section 1735-E of the act.

1 (v) Except as set forth in paragraph (3), the
2 addition of Article XVII-J of the act.

3 (vi) The addition of Article XVII-K of the act.

4 (2) The amendment of section 1723-E of the act shall
5 apply retroactively to May 1, 2009.

6 (3) Paragraph (1.1)(v) does not apply to the addition of
7 section 1722-J(8) and (9) of the act.

8 (4) The reenactment and amendment of sections 1731-A and
9 1732-A shall apply retroactively to June 30, 2009.

10 Section 10. This act shall take effect as follows:

11 ~~(1) Notwithstanding paragraph (2)(i), the addition of~~ ←
12 ~~section 510-A of the act shall take effect July 1, 2010, or~~
13 ~~immediately, whichever is later.~~

14 ~~(2) The following provisions shall take effect November~~
15 ~~30, 2010.~~

16 ~~(i) Except as set forth in paragraph (1), the~~
17 ~~addition of Article V-A of the act.~~

18 ~~(ii) Section 7(1) and (2) of this act.~~

19 (1) NOTWITHSTANDING PARAGRAPH (2), THE ADDITION OF ←
20 SECTION 510-A OF THE ACT SHALL TAKE EFFECT OCTOBER 15, 2010.

21 (2) THE ADDITION OF ARTICLE V-A OF THE ACT SHALL TAKE
22 EFFECT NOVEMBER 30, 2010.

23 (3) The remainder of this act shall take effect
24 immediately.