



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1001

PRINTERS NO. 1233

PRIME SPONSOR: Browne

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	See Fiscal Impact	See Fiscal Impact
State Worker’s Insurance Board	\$0	\$0
Tobacco Settlement Fund	\$409,116,000	\$322,081,000
Race Horse Development Fund	\$17,659,000	\$5,000,000

SUMMARY: Senate Bill 1001, printer’s number 1233, amends the Fiscal Code providing for 2015-16 budget implementation and for 2015-16 restrictions on appropriation for funds and accounts. This legislation provides allocations from the Tobacco Settlement Fund and transfers to the Race Horse Development Fund; provides for changes to the General Budget Implementation language; extends sunset provisions in the State Worker’s Insurance Board; makes clarifications to City Revitalization and Improvement Zones (CRIZ); and provides for payment directions for the Pennsylvania State Police.

The act shall be retroactive to July 1, 2015 and shall take effect immediately.

ANALYSIS:

**Budget Stabilization Fund (Rainy Day Fund)**

Language required to prevent the transfer of surplus revenue from FY 2014-15 to the Budget Stabilization Fund.

**State Worker’s Insurance Board**

Section 1732-A of the Fiscal Code (Act of April 9, 1929, P.L. 343, No. 176) Subarticle D (relating to State Workers’ Insurance Board investments) sunset on June 30, 2015. The bill reenacts and amends sections 1731-A and 1732-A to establish the sunset date as June 30, 2018. This bill applies the extension of the sunset provision retroactively to June 30, 2015.

*Fiscal Impact- No adverse impact on Commonwealth funds*

**Tobacco Settlement Fund**

The legislation provides that money in the fund from a payment received due to the recalculation of a prior annual payment shall remain in the Tobacco Settlement Fund to be separately appropriated for health-related purposes.

The legislation also provides for the distribution of Tobacco Settlement Fund payments for FY 2015-16 as follows:

- 13% to home and community-based services (2015-16 allocation is \$37,993,000);

- 4.5% for tobacco use prevention and cessation (2015-16 allocation is \$13,151,000);
- 12.6% for health related research pursuant to Section 906 of Tobacco Settlement Act (2015-16 allocation is \$36,824,000);
- 1% for health related research for section 909 of the Tobacco Settlement Act is (2015-16 allocation is \$2,923,000)
- 8.18% for uncompensated care (2015-16 allocation is \$23,906,000);
- 30% for the purchase of Medicaid benefits for workers with disabilities (2015-16 allocation is \$87,675,000) ; and
- 30.72% shall remain in the fund and be separately appropriated for health-related purposes (2015-16 allocation is \$89,778,000).

*Fiscal Impact – The percentage allocations together with anticipated Strategic Contribution payment of \$19,829,000 and prior year funds of \$10,002,000, results in appropriations of the Tobacco Settlement Fund for health related programs in 2015-16 of \$322,081,000.*

### **Distributions from PA Race Horse Development Fund**

Beginning October 5, 2015, the bill provides for weekly transfers of \$500,000; which shall not exceed an annual amount of \$5,000,000.

*Fiscal Impact: Total transfers for Fiscal Year 2015-16 will be \$5,000,000*

### **City Revitalization and Improvement Zones (CRIZ)**

The legislation provides for changes to the City Revitalization and Improvement Zones (CRIZ), under Article XVIII-C of the Tax Reform Code of 1971. The bill allows a contracting authority to be an authority that was established under the Third Class County Convention Center Authority Act. In addition, the bill includes the Hotel Occupancy tax as an eligible tax under the program.

*Fiscal Impact- No adverse impact on Commonwealth funds*

### **Pennsylvania State Police**

The legislation allows the Pennsylvania State Police to make payments relating to the reimbursement of expenses to municipalities limited to funds available. If funds are not available to make a full payment, the Municipal Police Officers’ Education and Training Commission shall make payments on a pro rata basis.

*Fiscal Impact- No adverse impact on Commonwealth funds*

## **Article XVII-L**

### **2015-2016 Budget Implementation**

The legislation provides for funds to the following agencies/offices as follows:

#### **Executive Offices**

Pennsylvania Commission on Crime and Delinquency (PCCD) for the following:

- Funds for intermediate punishment programs and intermediate punishment drug and alcohol shall be awarded as competitive grants to counties. The portion dedicated to drug and alcohol programs shall be based on the proportion of incarcerated individuals in a county and may be no less than 80% of the funds appropriated.
- Clarifies that funding PCCD receives shall be used for Statewide Automated Victim Information and Notification System (SAVIN), programs for at-risk youth, diversion programs and local police information sharing.
- Places restrictions on funds appropriated for violence prevention programs.

### Department of Agriculture

- Provides funding for agricultural research including new funding for avian flu research.
- No less than 80% of funds appropriated for hardwood research and promotion shall be equally distributed among hardwood utilization groups.
- From funds appropriated for general government operations, a portion will be transferred to the Dog Law Restricted Account.
- Requires a portion of the funds transferred to agriculture college land scrip fund to be used for avian flu research.

### Department of Community and Economic Development (DCED)

- Funds appropriated from GGO will be used for the creation of an institute in a city of the second class to research and develop healthy building products; and for research to identify, characterize and manage issues related to the economic and environmental impact of Marcellus Shale development.
- Funds appropriated for marketing to attract tourists should receive 1/3 of the amount received in fiscal year 2014-2015.
- Appropriates funds through Keystone Communities, Main Street and Elm Street programs
- Appropriates reimbursement costs for papal visit.

### Department of Conservation and Natural Resources (DCNR)

- Allocates funding for the operation and maintenance of the Washington Crossing Historical Park.

### Department of Drug and Alcohol Programs (DDAP)

- Funds appropriated for GGO will be used for programs providing treatment for posttraumatic stress disorder for veterans.
- Funds appropriated for assistance to drug and alcohol programs, at least \$500,000 will be used to establish a Non-narcotic Medication Assistance Substance Abuse Treatment Grant Pilot Program in the Department of Drug and Alcohol, contingent on the enactment of enabling legislation.

### Department of Education

- From the appropriation for adult and family literacy programs, summer reading programs and the adult high school diplomas program, funds will be allocated for an after-school learning program for low-income students located in a county of the sixth class.
- Of funds appropriated for mobile science and mathematics education programs, funds will be allocated for a mathematics education program targeting middle school students, nautical science center, mathematics laboratory, allocation for the construction of a National Aeronautics and Space Administration center; a regional STEM center, and research and development center associated with the Commonwealth's Land Grant Institution for the promotion of economic development.
- Distributes funding for community education councils.
- Provides funding for regional community college services.
- Allocates funding for Pennsylvania Charter Schools for the Deaf and Blind to provide funding for public school employees' retirement payments.
- Provides funds for an Approved Private School that has not received payment from the department.
- Allocates a portion of funds set aside for extraordinary special education expenses to approved private schools.

- Maintains the Commonwealth's elimination of payments for Social Security and required contributions for public school employees' retirement to charter and cyber charter schools.
- Increases the amount of educational improvement tax credits available for scholarship organizations by \$3,000,000 for FY 2015-2016.
- Provides for distributions to job training and education programs that received funding in FY2014-15.

*Fiscal Impact- The provisions of this bill increase the total cap of educational improvement tax credits for FY 2015-16 by \$3,000,000.*

#### Department of Environmental Protection (DEP)

- Suspends statutory appropriation for the Consumer Energy Program which does not exist.
- Allocates funds for a project to improve infrastructure to provide clean drinking water.
- Provides for funds appropriated for sewage facilities.
- No later than 60 days after effective date, the departments will transfer its unexpended proceeds under the Alternative Energy Investment Act to the Commonwealth Financing Authority (CFA) for the payment of interest.

#### Department of Health (DOH)

- Ensures that the department continues to coordinate donated dental care services and provides for funds for Charcot-Marie-Tooth Syndrome.
- Provides for funds for a referral center for abnormal metabolic screenings.
- Requires that funds be used for adult cystic fibrosis and other childhood respiratory illnesses.
- Provides for funds for lupus will be distributed in the same proportion as 2014-2015.
- Funds appropriated for biotech research including allocations for regenerative medicine research; regenerative medicine medical technology, hepatitis and viral research; drug research and clinical trials related to cancer; and for genetic and molecular research for disease identification and eradication, and a study relating to nanotechnology and commercial applications.

#### Department of Labor and Industry (L&I)

- Appropriations for payment to the Vocational Rehabilitation Fund for work of the State Board of Vocational Rehabilitation Services includes funding for a statewide professional service provider association for the blind to provide specialized services and prevention of blindness and independent living services for older individuals.
- A portion of the funds appropriated for Industry partnerships will be allocated for workforce development for veterans.

#### Department of Human Services (DHS)

##### Child care

- TANFBG Child Care Assistance may be transferred to CCDFBG Child Care Services for additional low-income families if no deficit results.
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#### County Children and Youth 2015-2016 Budget Impasse payment

- All funds appropriated by the budget stop-gap proposal for county Children and Youth services will be allocated to the counties in compliance with the payment requirements outlined in the Public Welfare Code.

### Medical assistance

- For FY 2015-2016, payments to Community Access shall be distributed under same formulas as FY 2014-15, or if insufficient funds are available, on a pro rata basis.
- Funds for medical assistance transportation shall only be utilized as payments of last resort for transportation for eligible medical assistance recipients.
- Amounts allocated from funds for fee-for services for Select Plan for Women Preventative Health Services shall be used for women's medical services, including noninvasive contraceptives.
- Funds appropriated, but not used by level III trauma centers shall, be used to make payments to level I and II trauma centers.
- Qualifying university-affiliated physician practice plans which received funds in FY 2014-2015 shall receive one-third of the state appropriation made available in fiscal year 2014-2015.
- Qualifying academic medical centers that received funds in FY 2014-2015 shall not receive any less than one-third of the amounts allocated during FY 2014-2015.
- Separate MA payments shall be made for general hospital stays for healthy newborns and mother's OB.
- Provides for funds for cleft palate treatment and other craniofacial abnormalities, ophthalmologic services and additional hospital payments.
- MA capitation appropriation includes funding for the treatment of depression in older Pennsylvanians.
- Provides for funding for a county nursing home with a Medical Assistance occupancy rate of at least 85%.
- Provides for quarterly day-one incentive payments under medical assistance long-term care pursuant to the Public Welfare Code.

### Breast cancer screening

- Permits funds for breast cancer screening to be used for women's medical service including noninvasive contraception supplies.

### Women's service programs

- Agencies whose primary function is to promote childbirth and to provide alternatives to abortion may expend funds to provide services to women until childbirth and for up to 12 months thereafter.
  - Allows agencies to subcontract with nonprofits.
  - Prohibits referral for abortion.
- Federal funds for alternatives to abortion shall be utilized solely for women whose gross family income is below 185% of Federal poverty guidelines.

### Illegal aliens

- References certain provisions of Federal law relating to who can receive services and reporting duties of providers in dealing with illegal aliens.

### Autism

- Provides for the distribution of funds to providers that participate in the State's Autism Program.

### Community Based Family Centers

- No funds appropriated for community-based family centers may be part of the base for calculation of county child welfare needs-based budget for a fiscal year.

### Mental health services

- Funds appropriated will be used for the continuation and maintenance of the existing network of web portals that provide comprehensive services and support for those with mental illness, and expansion to include resources for military veterans and their families.

ID Community Waiver

- Provides for funding for a provider serving individuals with intellectual disabilities in a community setting.

MAWD

- Permits the department to adjust premiums with federal approval.

Department of Revenue

The Enhanced Revenue Collection Account (ERCA) will continue through fiscal year 2019-2020.

Revenues collected will be deposited into the account.

- Funds in the account for each fiscal year 2015-2016 through 2019-2020, up to \$25,000,000 is appropriated to the department to fund the costs associated with the increased tax collection enforcement and reduction of tax refund errors.
- Balance in account on June 15, 2014 and each June 15 thereafter will be deposited into General Fund.
- The department will generate a report to the governor and General Assembly outlining administrative costs, etc.

Department of Transportation (PENNDOT)

- Prohibits the department from inserting direct mail pieces in mailings sent from the department.

Pennsylvania Emergency Management Agency (PEMA)

- Funds appropriated for local emergency relief will be used to create a State program to provide assistance to provide assistance to individuals and political subdivisions directly affected by natural and man-made disasters when federal assistance is not available.
- Funds appropriated for search and rescue programs will be used to support programs related to training working service dogs focusing on rescue and public safety at a center.

Pennsylvania Gaming Control Board

- Annual language that requires that any slot machine fee received by the Board after June 30, 2014 is to be deposited in the General Fund.

2015-2016 Restrictions on Appropriations for Funds and Accounts

- Funds appropriated for PENNCARE may not be used for administrative cost of the Department of Aging.
- Budget Secretary may create accounts to administer federal grants.

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House Appropriations Committee (R)

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