



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 118

PRINTERS NO. 2256

PRIME SPONSOR: Kaufer

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	See fiscal impact	See fiscal impact
State Lottery Fund	(\$10,000,000)	(\$15,000,000)

SUMMARY: This bill amends the act of April 9, 1929 (P.L. 177, No. 175), known as The Administrative Code.

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

Criminal History Background Checks

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

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

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

Pennsylvania Commission on Crime and Delinquency

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

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

Fiscal Impact - No fiscal impact.

Fee Increases

- Department of Health - The fee for a Certified copy of a death record (Section 609-A) is increased from \$9 to \$20. Each fee received by a local Department of Health (DOH) shall be distributed as follows: eleven dollars (\$11) will be retained by DOH; eight dollars (\$8) will be deposited into the General Fund; and one dollar (\$1) will be retained by DOH for distribution to the county coroner or medical examiner.

Fiscal Impact - The Governor's Office of the Budget estimates the increased fee for certified death records will generate \$2,030,000 annually to augment DOH's Vital Statistics appropriation.

- Department of Labor & Industry - Fees authorized for the Bureau of Occupational and Industrial Safety to augment the General Fund appropriation are being updated to reflect current market rates for inspections, permitting, plan reviews and other services. The fees would increase annually based on the rate of inflation in the Consumer Price Index for all Urban Consumers in the Northeast Region. The Department of Labor and Industry shall publish fee increases in the Pennsylvania Bulletin.

Fiscal Impact - Based on documents provided by Governor's Office of the Budget and the Department of Labor & Industry, the enhanced fees would generate between \$15,700,000 and \$18,800,000 in total revenue for the first full year. The General Fund portion would remain the same as the \$8,165,276 collected in 2016-17 and the remainder would be deposited into the augmentation account. Therefore, the augmentation account would receive between \$7,600,000 and \$10,700,000 in the first full year of the new fee schedule. The augmentation account supplements funds appropriated to the Bureau of Occupational and Industrial Safety.

- Criminal History Background Checks by the PSP - the bill provides that the PSP may increase the current \$8/\$10 fee for criminal history record information by publishing a notice in the Pennsylvania Bulletin.

Fiscal Impact - No adverse fiscal impact, any increased fee revenue will augment PSP's operating budget.

Collections by Attorney General

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

Fiscal Impact - No adverse fiscal impact, any increased collections revenue will augment the Attorney General's operating budget.

State Correctional Institution Closings

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

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

Higher Education Regulatory Restricted Account

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

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

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

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

Joint Underwriting Association

A new article is added to clarify the status of the Joint Underwriting Association as a Commonwealth entity, and provide the necessary framework for the transfer of \$200,000,000 in Commonwealth funds by November 1, 2017. The Supreme Court shall have exclusive jurisdiction to hear any challenge to or to render a declaratory judgment concerning the constitutionality of the article.

In the event the \$200,000,000 payment from the Joint Underwriting Association is not made by November 1, 2017, the provisions of Subchapter C of Chapter 7 of the Medical Care Availability and Reduction of Error (MCARE) Act shall expire on December 1, 2017.

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

Environmental Quality Board

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

Fiscal Impact - No adverse fiscal impact. The promulgation of water quality regulations will be covered under existing operations by the board and department.

Municipal Recycling Grants

The recycling fee is extended and shall continue to be imposed on and after January 1, 2020 and no transfer of funds from the Recycling Fund to the Solid Waste Abatement Fund shall be made.

Fiscal Impact - Extending the recycling fee for municipal waste landfills and resource recovery facilities ensures funds will be available in the Recycling Fund for expenditure. The \$2 per ton recycling fee generates approximately \$38,000,000 in annual revenue for the Recycling Fund.

Water Treatment Facilities

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

Fiscal Impact - No adverse fiscal impact.

State Park Feasibility Study

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

Fiscal Impact - No adverse fiscal impact.

Emergency Drug and Alcohol Detoxification Program

A new section establishes the Emergency Drug and Alcohol Detoxification program in the Department of Health (DOH) that will allow facilities already licensed by DOH as health care facilities to provide detoxification under the existing health care facility license. The program shall, to the greatest extent possible, utilize existing beds in health care facilities and DOH must provide a special priority review for applications for licensure under this section.

Fiscal Impact - There should be no adverse fiscal impact related to allowing existing licensed facilities to provide detoxification services, as these facilities are already licensed by DOH. However, depending on the number of new facilities requesting licensure through the special priority review process, there may be a need for additional Health Care Facility Examiner positions which would cost approximately \$93,000 annually for each position.

PACE and PACENET Programs

This legislation changes the dispensing fee for the PACE and PACENET programs from \$13.00 per prescription to \$10.49 per prescription.

Fiscal Impact - The reduction in the dispensing fee is estimated to save the Lottery Fund \$10,000,000 in 2017-18 and \$15,000,000 in 2018-19 by reducing the amount transferred from the Lottery Fund to the Pharmaceutical Assistance Fund to cover program costs.

Older Adult Daily Living Centers

This legislation eliminates duplicative licensing requirements for providers of all-inclusive care for the elderly.

Fiscal Impact -No adverse fiscal impact.

Child Protective Services Fees

A new section is added to increase the fee charged by the Department of Human Services for a child abuse clearance check from \$8 to \$13. No fee shall be charged to individuals requesting child abuse clearance checks for purposes of applying to become a volunteer with Big Brothers/Big Sisters of America, a rape crisis center or a domestic violence shelter.

Fiscal Impact -The Governor's Office of the Budget estimates the increased fee for a child abuse clearance check will generate an additional \$2,881,000 annually to augment the Department of Human Services General Government Operations appropriation.

Jail Facilities

Article XXIV-B is added to provide the board of commissioners in a county of the third class with a population between 280,000 and 298,000 as of the 2010 census with the discretion to elect to use an alternative contracting procedure to achieve the adaptive reuse of former jail facilities or construction of new jail facilities. Alternative contracting procedures are defined as a procedure under which a proposer would be responsible for all aspects or phases necessary to achieve the development of a parcel of property, including but not limited to planning, design, financing, construction and management of property. If the board of commissioners elects to use an alternative contracting procedure a resolution must be adopted and written proposals from proposers shall be requested.

Fiscal Impact - No adverse fiscal impact.

Alternative Energy Portfolio Standards

Establishes criteria for a solar photovoltaic system to qualify as a solar renewable alternative energy source. In order to qualify as an alternative energy source the system must meet the photovoltaic share of this Commonwealth's compliance requirements under the "Alternative Energy Portfolio Standards Act."

Fiscal Impact - No adverse fiscal impact.

Judiciary and Judicial Administration Fees

- A section is included to provide for the continuation of the Senior Judge Operational Support grant program at existing reimbursement rates.

Fiscal Impact - Funds for Senior Judge Operational Support grants were appropriated in the General Appropriations Act of 2017 in the amount of \$1,375,000.

- The \$11.25 surcharge currently imposed under 42 Pa.C.S. § 3733.1(a)(1) is continued until December 31, 2020. The revenue from the surcharge is deposited in a separate reserve account within the Judicial Computer System Augmentation Account.

Fiscal Impact – The continuation of the surcharge will provide approximately \$25,000,000 for the operation of the Judicial Department.

- The \$2.25 fee on criminal and civil filings currently imposed under 42 Pa.C.S. § 3733.1(a) (2) and deposited in the Criminal Justice Enhancement Account is increased by \$0.25 to \$2.50.

Fiscal Impact – The increased fee is projected to provide approximately \$550,000 to \$600,000 in additional funding to the Criminal Justice Enhancement Account for an estimated total of \$5,450,000 to \$5,500,000. Funds in the Criminal Justice Enhancement Account are used for reimbursements to counties for 65% of full-time district attorneys salaries.

- An additional new fee of \$2.50 is imposed and will be deposited in a restricted account in the General Fund for allocation to the Office of Attorney General to augment general government operations funding.

Fiscal Impact – The new fee is projected to provide approximately \$5,500,000 for the operations of the Office of Attorney General.

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