



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 674

PRINTERS NO. 2624

PRIME SPONSOR: Bernstine

COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
General Fund	\$0	See fiscal impact
Tobacco Settlement Fund	\$0	\$359,822,000
Race Horse Development Fund	\$0	\$29,725,000
Other Special Funds	\$0	See Fiscal Impact

SUMMARY: House Bill 674, printer’s number 2624, amends The Fiscal Code to provide for FY 2017-2018 budget implementation; for FY 2017-2018 restrictions on appropriations for funds and accounts; and providing for other changes.

ANALYSIS and FISCAL IMPACT:

Article III. Treasury Department

Lottery Winnings Intercept

Requires the Department of Revenue (DOR) to determine whether an individual winning a single prize of more than \$2,500 from the Pennsylvania Lottery is delinquent and owes state taxes. If the prizewinner is found delinquent, the amount of state taxes owed will be deducted from the lottery winnings and paid to the Commonwealth after any amounts deducted pursuant to 23 Pa.C.S. § 4308 for child support. DOR, in conjunction with the Administrative Office of PA Courts, shall furthermore make reasonable efforts to determine if the prizewinner owes court-ordered obligations and also deduct such amounts from the lottery prize paid. DOR will notify the prize winner within 30 days that the winnings will be used to satisfy or partially satisfy a delinquent state tax obligation or court-ordered obligation. A taxpayer may appeal the intercept within 30 days of notification. DOR shall determine and set a fee to reflect the actual cost incurred to administer the program and deduct the calculated amount from the lottery winnings. DOR shall annually report to the House and Senate Finance Committees the amount of delinquent taxes and court-ordered obligations collected under the intercept program.

In addition, the DOR must request the Department of Human Services (DHS) to make a reasonable effort to determine if the prizewinner is currently a recipient of public assistance benefits in the Commonwealth and if so, the DHS must determine the prizewinner’s eligibility to continue to receive public assistance benefits.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds.

Article II-C. Ambulatory Surgical Center Data

Requires the submission of annual financial data reports for ambulatory surgical centers that are in operation or begin operation on or after July 1, 2017, to the Health Care Cost Containment Council.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds.

Article II- D. 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 December 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 December 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.

Section 311 (Provisions for General Assembly)

Specifies that funds available to the Senate or House of Representatives through a short-term agreement or other instrument executed with a lending institution shall be considered augmenting revenues and are hereby appropriated for the payment of salaries, wages and all other expenses incurred in the operation of the Senate or the House of Representatives.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds.

Article IV. Auditor General

Section 403 (Audit Response)

Adds language to Section 403 to require any person, association, corporation, or public agency that receives State aid to respond to recommendations made by the Department of the Auditor General as part of an audit authorized under Section 403. The person, association, corporation, or public agency must submit a response detailing adoption of the audit recommendations, or the reason why recommendations have not been adopted within 120 business days of the publication of the audit. If no response is made 60 days after the date of the audit's publication the Auditor General's Office must provide notice to the subject of the audit that future appropriations could be denied if a response is not made within the 120-day timeline. Failure to respond to audit recommendations within 120 business days may be considered by the Governor and the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives when determining future appropriations to the person, association, corporation, or public agency.

The Auditor General's Office shall regularly notify the Governor and the chairmen and minority chairmen of the Appropriations Committees of responses received, accompanied by any comments the Auditor General's Office may wish to submit. Responses shall be posted to the Auditor General's publicly accessible website. The Auditor General's Office shall work with the Governor and the majority and minority chairmen of the Appropriations Committees to determine the most effective method to communicate information concerning responses to audit recommendations based on the type of audit and significance of the recommendations.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds.

Section 410 (Audits of Interstate Commissions)

Authorizes the Auditor General to have exclusive examining and auditing rights to all of the books, documents, records, files and accounts of the Susquehanna River Basin Commission and Delaware River Basin Commission.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds.

Article XV: Disbursements of money from the State Treasury

Section 1507.1 (Settlement, Agreements; Enforcement)

Provides for the deposit in the General Fund of the amount received from a settlement in the 2017-18 fiscal year of \$30,409,055 notwithstanding the act of January 8, 1960 (1959 P.L. 2119, No. 787), known as the Air Pollution Control Act.

Fiscal Impact: Provides a deposit of \$30,409,055 to the General Fund for Fiscal Year 2017-2018.

Section 1603-D.1 (Payroll tax)

Authorizes that in the event that the payroll tax imposed by the city of the second class A produces less than the revenues projected in the first full year after the imposition of the tax, the city may for a second year adjust the rate to one that is sufficient to generate revenue equal to the revenue collected from the mercantile or business privilege tax in the final year it was levied.

Fiscal Impact: No adverse fiscal impact.

Article XVI-E. Oil and Gas Wells

Section 1601.2-E (Oil and Gas Lease Fund)

The Oil and Gas Lease Fund is continued as a special fund in the State Treasury. Money in the fund may only be used as specifically provided or as annually appropriated by the General Assembly. For fiscal year 2017-2018 the following annual transfers are made: \$20,000,000 from the fund to the Marcellus Legacy Fund for distribution to the Environmental Stewardship Fund and \$15,000,000 from the fund to the Marcellus Legacy Fund for distribution to the Hazardous Sites Cleanup Fund.

Fiscal Impact: The enactment of these provisions will have no adverse impact on Commonwealth funds. The transfer amounts to the Hazardous Sites Cleanup Fund is increased by \$10,000,000 from the prior year.

Section 1607-E (Oil and gas operations in the South Newark Basin)

Removes the expiration date for the provisions relating to drilling activity in the Newark River Basin.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds.

Section 1610-E (Temporary cessation of oil and gas wells)

Provides that a period of non-production under an oil and gas lease is a temporary cessation and is insufficient grounds to terminate the lease.

Article XVI-A. Transportation Network Companies, Motor Carrier Companies and Parking Authority of a City of the First Class

Section 1603-M (Regulation of taxicabs and limousines by the parking authority of a city of the first class)

Specifies for purposes of the temporary and final-form regulations required under 53 Pa.C.S. 57B02(c)(1) (relating to regulation of taxicabs and limousines) and notwithstanding 53 Pa.C.S. § 5707 (relating to budget and assessments), the owner of a taxicab authorized by the parking authority to provide taxicab in a city of the first class shall pay to the parking authority an assessment equal to 1% of the gross receipts from the fares charged to passengers for taxicab service in the city of the first class.

The authority may suspend or revoke the license of a transportation network company which fails to comply with operating regulations with regard to fees for personal vehicles to access international airport property to pick-up or drop off passengers.

Section 1603-M, 1604-M & 1605-M (Provision of transportation network service)

Provides that a vehicle up to 15 model years old may be used to provide transportation network service.

Fiscal Impact: Enactment of the new provisions regarding taxicab service in a city of the first class and transportation network service will have no adverse impact on Commonwealth funds.

Section 1774.1-A. (Other grants) of the Fiscal Code is amended to make available \$15,000,000 in 2017-18 for the distribution for water and sewer projects with a cost of not less than \$30,000 and not more than \$500,000. Additional funding for water and sewer grants totaling \$10,000,000 in FY 2017-18 will be transferred from the Commonwealth Financing Authority (CFA) Building Pennsylvania Program trust account for the distribution for water and sewer projects with a cost of not less than \$30,000 and not more than \$500,000.

Water and sewer projects under the section shall not be deemed ineligible if the project detailed in the application is for a portion of a larger project the total cost of which exceeds \$500,000.

Fiscal Impact: The enactment of these provisions will have no adverse fiscal impact on Commonwealth funds or CFA programs.

Article XVII-A.1 Additional Special Funds

Sub article B. Tobacco Settlement Fund

The legislation also provides for the distribution of Tobacco Settlement Fund payments for FY 2017-2018 as follows:

- 13% to home and community-based services (\$45,236,000);
- 4.5% for tobacco use prevention and cessation (\$15,659,000);
- 12.6% for health related research pursuant to Section 906 of Tobacco Settlement Act (\$43,845,000);
- 1% for health related research for section 909 of the Tobacco Settlement Act (\$3,480,000);

- 8.18% for uncompensated care (\$28,464,000);
- 30% for the purchase of Medicaid benefits for workers with disabilities (\$104,392,000); and
- 30.72% shall remain in the fund and be separately appropriated for health-related purposes (\$106,898,000).
Fiscal Impact: The percentage allocations together with prior year funds of \$11,849,000 results in appropriations from the Tobacco Settlement Fund for health related programs in FY 2017-2018 of \$359,822,000.

Sub article C: Distributions from PA Race Horse Development Fund

The bill updates statutory citations and establishes a formula to provide 22 equal weekly transfers to be deposited in the PA Race Horse Development Restricted Receipt Account. Transfers would begin on the effective date of the section and would be set at an amount necessary to provide \$19,659,000 by June 30, 2018. In addition, amended provisions require the department to transfer \$10,066,000 from the fund to the State Racing Fund for costs associated with the enforcement of medication rules in horse racing.

Fiscal Impact: The enactment of these provisions will provide \$19,659,000 for agricultural-related programs and \$10,066,000 for enforcement of medication rules in horse racing for FY 2017-2018.

Sub article D Miscellaneous Limitations and Transfers

Section 1733-A.1 (Drug and Alcohol Programs) is amended to direct the transfer of \$2,500,000 from the sale of liquor and alcohol to the Department of Drug and Alcohol Programs for FY 2017-2018.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds.

NEW Section 1734-A.1. (Workers' Compensation Security Fund)

Requires that any amount transferred from the Worker's Compensation Security Fund be repaid by July 1, 2019.

Fiscal Impact: The enactment of this provision will require the transfer of \$165,000,000 from the General Fund to the Workers' Compensation Security Fund by July 1, 2019 to repay funds transferred to the General Fund in 2016-2017.

Sub article E. Natural Gas Infrastructure Development Fund

Natural Gas Infrastructure Fund - Section 1743-A.1 is amended to provide for a transfer of \$6,000,000 in 2017-2018 from available funding in the CFA Building Pennsylvania Program to the Natural Gas Infrastructure Development Fund to provide grants from the CFA for projects which expand access to natural gas infrastructure, including costs associated with limiting environmental impacts and protecting public lands.

Fiscal Impact: The enactment of these provisions will have no adverse fiscal impact on Commonwealth funds or CFA programs.

Sub Article F (First Chance Trust Fund)

Establishes the First Chance Trust Fund to provide money for scholarships to students in areas with higher drop-out rates, incarceration rates and crime rates and provides grants to programs that benefit children in areas with higher drop-out rates, incarceration rates and crime rates. Eligible programs would include evidence-based or outcome-based programs for children aimed at reducing risk factors and producing positive outcomes, including mentoring, individual counseling and therapeutic service and family-strengthening activities. Contributions to the First Chance Trust Fund will be derived from payments from contractors equivalent to one percent of annual contract amounts in excess of \$5,000,000. The Auditor General will conduct an audit of the fund's revenue and expenditures no later than three years after the effective date and will conduct subsequent audits no more than once every three years from the date of the preceding audit.

Fiscal Impact: The Department of Corrections anticipates that the trust fund will generate \$500,000 to \$1,000,000 on an annual basis.

Article XVII-C. 2016-2017 Restrictions on Appropriations for Funds and Accounts

Section 1726-C (Fund Transfers) is amended to repeal subsection (6) relating to the transfer and repayment of \$200,000,000 from the Pennsylvania Professional Liability Joint Underwriting Association (MCare).

Article XVII-E: General Budget Implementation

Sub Article B: Executive Departments

Section 1718-E (Department of Agriculture) is amended to provide that the members of the Pennsylvania Malt and Brewed Beverage Industry Promotion Board will be entitled to reimbursement for reasonable and necessary expenses in connection with their performance of their duties as a member of the board.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds. The Department of Agriculture will accommodate the reimbursements of Board member expenses with currently appropriated funds.

Section 1719-E. (Department of Community and Economic Development (DCED)) is amended by adding a new subsection to provide that the Taxpayer-Funded Transparency Act will not apply to expenditures for media advertising authorized by DCED.

A second new subsection is added to provide municipal authorities with the authority to perform replacement or remediation of private water laterals and private sewer laterals for customers of the authority, if the municipal authority has determined that replacement or remediation will benefit the public health. The municipal authority may use public funds and utilize authority employees for the replacement or remediation of private water laterals and private sewer laterals; and construct and maintain water or sanitary sewer public stations, public water distribution systems, and public sewer collection systems within the service area of the authority or by contract or agreement with the authority.

Fiscal Impact: No adverse impact on Commonwealth funds.

Section 1722-E. (Department of Education)

Provides for educational access program funding received in FY 2017-2018 by a school district identified for financial watch status during the 2016-2017 school year shall be considered part of the district's base allocation for basic education funding.

Fiscal Impact-This provision will have a fiscal impact of \$14,000,000 in the 2018-2019 fiscal year and each fiscal year thereafter.

Beginning July 1, 2017, for the purpose of the aid ratio and market value/income aid ratio, a school district's market value shall not exceed \$47,000,000,000 and shall increase each year by no more than the percentage increase in market value for all school districts.

Fiscal Impact-For a school district whose market value is capped at \$47,000,000,000 beginning July 1, 2017, this provision may over time increase the school district's subsidy payments for school employees' retirement, social security, and any other subsidy calculations that use the market value/income aid ratio.

Section 1724.1-E. (Pennsylvania Gaming Control Board)

Adds requirement that for Fiscal Year 2017-2018 any slot machine license issued in the fiscal year by the board will require the slot machine license fee to be paid in full no later than June 30, 2018.

Fiscal Impact: To the extent that a slot machine license is issued in 2017-2018, this amendment would result in \$50,000,000 being deposited in the General Fund by the end of the fiscal year.

Section 1729-E. (Department of Human Services – Federal and State Medical Assistance Payments)

Amended to revise the nursing facility assessment to ensure payments align with the Community HealthChoices (CHC) calendar year rate-setting process. A nursing facility shall remit assessments electronically in periodic submissions, not to exceed five times per year. A nursing facility shall report the total assessment amount owed on forms and in accordance with instructions prescribed by DHS.

Fiscal Impact: According to DHS, the change to the nursing facility assessment will have no adverse fiscal impact.

A new subsection is added to require that a nursing facility satisfying certain criteria be deemed a public agency and eligible to participate in the intergovernmental transfer program.

Fiscal Impact: According to DHS, there is no adverse fiscal impact as this nursing facility already participates in the intergovernmental transfer program.

Section 1753.1-E (Commonwealth Financing Authority Restricted Revenue Account)

Adds a subsection to require the Secretary of the Budget to provide a quarterly report to the chairpersons and minority chairpersons of the Appropriations Committees of the Senate and the House of Representatives on the actual and

projected transfers of sales tax revenues to the CFA Restricted Revenue for the purpose of paying CFA-related debt service. The reports shall also include a list of projected and actual debt service payments made and the total amount of outstanding CFA debt to be paid from the restricted revenue account.

Fiscal Impact: No adverse impact on Commonwealth funds.

Sub Article D (Judicial Department)

Section 1795.1-E. (Surcharges) is amended to extend the \$10 surcharge on certain court documents to December 31, 2020, and extends the surcharge to summary traffic citations.

Fiscal Impact: The continuation of this surcharge will provide approximately \$22,000,000 for the operation of the Judicial Department. Also, applying this surcharge to summary traffic citations is projected to provide approximately an additional \$10 million for the operation of the Judicial Department.

An additional amendment provides for a \$2 increase in all court filing fees in the Commonwealth to be deposited into the Access to Justice Account. The \$2 increase expires December 31, 2020.

Fiscal Impact: The enactment of this provision would increase court filing fees, resulting in an increase of approximately \$7,000,000 annually deposited in the Access to Justice Account.

The bill repeals section 4907 of Title 42, which addresses the expiration date for the Access to Justice Account, making the chapter permanent. The expiration date is currently November 1, 2017.

Sub Article E (Restrictions on Appropriations for Funds and Accounts)

Section 1798.3-E. (Multimodal Transportation Fund) is amended to allow the Secretary of Transportation to waive the local match requirement for good cause if the applicant is a municipality. In addition, a municipality may not be required to provide a local match for financial assistance from the CFA Multimodal Transportation Program. This section will expire December 31, 2018.

Fiscal Impact: The enactment of these provisions will have no adverse fiscal impact on Commonwealth funds or CFA programs.

Section 1799.1-E. (Pennsylvania Liquor Control Board (PLCB)) is amended to specify that any unallocated grant money provided to the Malt and Brewed Beverages Industry Promotion Board in a fiscal year may be made available for grants in subsequent fiscal years.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds.

Section 1799.5-E (Sales by distilleries) – a section is added to provide that notwithstanding any provisions of the Liquor Code, the holder of a distillery or limited distillery license may sell liquor to the PLCB and to persons not licensed by the board. A distillery or limited distillery licensee may also directly sell liquor to any license or permit holder that is otherwise authorized to sell liquor. Aggregate sales to the license and permit holders may not exceed 50,000 gallons during a calendar year.

Fiscal Impact: According to the PLCB, the enactment of this section will have no adverse impact on Commonwealth funds.

Section 1799.6-E (Liquor Code suspension for deficiency) – a section is added to provide a mechanism for the PLCB to immediately impose an administrative suspension of the operating privileges of a licensee if the licensee does not meet a requirement that would render the licensee ineligible for the license, including the licensee no longer meeting the seating, square footage, food, health license or room requirements.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds. It is projected that the PLCB will be able to accommodate licensee inspections and hearings related to suspensions with currently allocated funds.

Section 1799.5-E. (State Employees Retirement System Restricted Account) – provides as part of amounts transferred to the State Employees' Retirement Board \$5,269,000 shall be placed in a restricted account for costs associated with the implementation of the State Employees Defined Contribution Plan.

Section 1799.6-E (Public School Employees' Retirement System Restricted Account) – transfers \$6,801,000 in prior year unexpended appropriations for school employees' retirement to the PSERS board for costs associated with the implementation of the Public School Employees Defined Contribution Plan.

Article XVII-E.2 (School District Debt Refinancing Bonds (Plan Con))

Section 1706 E.2 (Sinking fund charges for school building projects) is amended to provide that school districts, which submitted completed applications prior to April 25, 2016, must vote to proceed with construction and award bids for construction no later than July 1, 2021.

Fiscal Impact: No adverse fiscal impact to Commonwealth funds.

Section 1708-E.2 (Public School Building Construction and Reconstruction Advisory Committee) is amended to extend the date by which the Public School Building Construction and Reconstruction Advisory Committee must issue their report to January 31, 2018.

Fiscal Impact: No adverse fiscal impact to Commonwealth funds.

Article XVII-F

2017-2018 Budget Implementation

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

Sub Article A: Preliminary Provisions

Section 1703-F (Department of Criminal Justice)

Adds language to specify that for purposes of the General Appropriation Act of 2017, a reference to the Department of Criminal Justice shall be deemed to be a reference to the Department of Corrections, the Board of Probation or Parole, or both, as applicable.

Sub Article B: Executive Departments

Section 1711-F Governor

Authorizes the Governor to transfer appropriated but unused funds for disasters under the multi-state Emergency Management Assistance Compact in the amount of \$30,000,000 for fiscal year 2017-2018.

Fiscal Impact: The potential amount of unused funds that may be transferred for disasters under this section is increased by \$15,000,000 from the prior year.

Executive Offices

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

- Funds for intermediate punishment treatment programs shall be awarded as competitive grants to counties. The portion dedicated to drug and alcohol and mental health treatment programs shall be based on the proportion of incarcerated individuals in a county and shall be no less than 80% of the funds appropriated;
- Clarifies that funding PCCD receives shall be used in part for the Statewide Automated Victim Information and Notification System (SAVIN) and a residential treatment program for at-risk youth;
- Provides no less than the amount allocated in 2014-2015 for a residential treatment community facility for at-risk youth in a county of the fifth class;
- Provides funds for an innovative police data sharing pointer index system;
- Provides funds for a diversion program for first time nonviolent offenders facing prison sentences; and
- Places restrictions on funds appropriated for violence prevention programs.

Attorney General

From funds available, \$100,000 will be allocated to dedicated emergency response organizations or municipal police departments for the training and the purchase of personalized radio transmitting devices or other technology that enables caregivers to search for and locate missing persons with special needs.

Auditor General

Authorizes the Auditor General to conduct audits on the Susquehanna River Basin Commission and Delaware River Basin Commission and identifies that certain data be included in the audits.

Department of Agriculture

- From funds appropriated for general government operations, a portion will be transferred to the Dog Law Restricted Account.
- At least \$250,000 will be used for the creation of the Commission of Agricultural Education Excellence to assist with the development and implementation of agricultural education programs.
- Money appropriated for agricultural research shall include funds for an agricultural resource center and agricultural law research programs, including those addressing energy development, in conjunction with a land-grant university.
- No less than 80% of funds appropriated for hardwood research and promotion shall be equally distributed among hardwood utilization groups that were in existence prior to the effective date of the section.
- The department may use up to \$165,000 of the Agricultural Conservation Easement Purchase Fund to issue grants not to exceed \$3,000 for succession planning to ensure that agricultural operations continue on land subject to agricultural conservation easements.

Department of Community and Economic Development (DCED)

- Funds appropriated for general government operations shall be used in part to support an engineering study related to infrastructure investment and marketing for an industrial development area.
- Allocates funding appropriated for marketing to attract tourists.
- Funds appropriated for Keystone Communities to be distributed to the following:
 - Main Street, Elm Street and Enterprise Zone programs;
 - an anti-violence task force, in consultation with the Office of the Attorney General, in a county of a second class A that is also a home rule county;
 - a community development and remediation project in a city of the third class; and
 - projects supporting economic growth, community development and municipal assistance.
- Funds appropriated for local municipal emergency relief will be used to provide State assistance to individuals and political subdivisions directly impacted by a natural and man-made disasters or public safety emergencies.

Department of Conservation and Natural Resources (DCNR)

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

Department of Criminal Justice

- Allocates funding for the establishment of a nonnarcotic medication assisted substance abuse treatment grant pilot program.

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.
- Allocates a portion of the funds appropriated for the Pennsylvania Charter Schools for the Deaf and Blind to public school employees' retirement payments.
- Inserts language concerning funds and payments for approved private schools.
- Provides for the use of funding for regional community college services.
- Allocates specific amounts to various community education councils.
- Maintains the Commonwealth's elimination of payments for Social Security and required contributions for public school employees' retirement to charter and cyber charter schools.

Department of Environmental Protection

- Provides for the use of the appropriations to the Susquehanna River Basin Commission and the Delaware River Basin Commission.

Department of General Services

- Requires the city of Harrisburg to use funds appropriated for Capitol fire protection to support fire services to the Capitol complex.

Department of Health

- Ensures that the department continues to coordinate donated dental care services and provides for funds for outreach for Charcot-Marie-Tooth Syndrome.
- Requires that funds for adult cystic fibrosis and other chronic respiratory illnesses include funds to be used for research.
- Provides that funds appropriated for lupus will be distributed in the same proportion as 2014-2015.
- Provides for the use of funds for biotechnology research.

Department of Labor and Industry

- The appropriation for payment to the Vocational Rehabilitation Fund includes funding for services under the Work Experience for High School Students with Disabilities Act.
- A portion of the funds appropriated for industry partnerships will be allocated for workforce development for veterans.

Department of Military and Veterans Affairs

- Provides for the use of funds for behavioral health support for veterans suffering from post-traumatic stress disorder.

Department of Human Services (DHS)

Statewide 2-1-1 system

- Of funds appropriated to DHS, \$750,000 will be allocated to establish statewide 2-1-1 system services 24 hours a day.

Child care

- TANFBG Child Care Assistance may be transferred to CCDFBG Child Care Services for additional low-income families if no deficit results.
- CCDFBG Child Care Assistance may be transferred to CCDFG Child Care Services for additional low-income families if no deficit results.
- Child Care Services includes an allocation to an early education center with both a 4-STAR rating from Keystone STARS and accreditation by the National Association for the Education of Young Children.

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.

Medical assistance

- For FY 2017-2018, payments to Community Access shall be distributed under same formulas as FY 2014-2015, or if insufficient funds are available, on a pro rata basis.
- Amounts allocated from funds for fee-for services for the Select Plan for Women Preventative Health Services shall be used for women's medical services, including noninvasive contraceptives.
- Separate MA payments shall be made for general hospital stays for healthy newborns and mother's obstetrical care.
- Provides for distributions from fee-for-service care for treatment of cleft palates and other craniofacial abnormalities, clinical ophthalmologic services, improvements at an intensive care facility in an acute care hospital and to a university to expand research and treatment protocols for combating opioid addiction.
- MA Capitation includes funding for the treatment of depression in older Pennsylvanians.
- Provides for funds in long-term care for a county nursing home with more than 725 beds and a Medicaid acuity at .79 and allocations for two nonpublic nursing homes.
- Provides funds in long-term care to be allocated to a special rehabilitation facility in Peer Group Number 13 and to nursing facilities with a percentage of medical assistance recipient residents who require medically necessary ventilator care or tracheostomy care greater than 90%.

- Includes funds in long-term care to provide disbursements to nonpublic nursing facilities for Medical Assistance Day-One Incentive payments.
- Funds appropriated, but not used by level III trauma centers shall, be used to make payments to level I and II trauma centers.
- Provides for the allocation of funds to qualifying university-affiliated physician practice plans and qualifying academic medical centers.
- Funds for medical assistance transportation shall only be utilized as payments of last resort for transportation for eligible medical assistance recipients.

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.

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.
- Provides for no less than \$235,000 for a program for early literacy and school readiness which is labeled as a promising approach under the Maternal, Infant and Early Childhood Home Visiting Program.

Services for the Visually Impaired

- The appropriation includes an allocation for a statewide professional service provider association for the blind to provide training and supportive services for individuals who are blind and preschool vision screenings and eye safety education.

Medical Assistance for Workers with Disabilities (MAWD)

- Permits the department to adjust premiums with federal approval.

Illegal aliens

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

County Child Welfare

- Requires providers to submit documentation to DHS of their costs of providing out-of-home placement services to support the department's claim for federal funding and for state reimbursement of allowable direct and indirect costs for placement services.

Department of Revenue

The Enhanced Revenue Collection Account (ERCA) will continue through FY 2019-2020. Revenues collected will be deposited into the account.

- Of the funds in the account, for each of the fiscal years from FY 2017-2018 through FY 2019-2020, up to \$30,000,000 is appropriated to the department to fund the costs associated with the increased tax collection enforcement and reduction of tax refund errors.
- By June 1, 2018, and each June 1 thereafter, the department will generate a report to the governor and General Assembly including a detailed breakdown of administrative costs, the amount of revenue collected and the amount of refunds avoided.

Department of Transportation (PENNDOT)

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

Pennsylvania Emergency Management Agency (PEMA)

Money appropriated for search and rescue programs will be used to support programs related to training working service dogs focusing on rescue and public safety.

Pennsylvania Higher Education Assistance Agency (PHEAA)

- PHEAA will enter into an agreement with the Department of Health to transfer up to \$4,550,000 from the Higher Education Assistance Fund to the Department of Health for the Primary Health Care Practitioners Program in medically underserved areas.
- PHEAA will allocate \$500,000 from the Higher Education Assistance Fund for the Cheyney University Keystone Academy.
- From funds appropriated for payment of education assistance grants, \$500,000 will be allocated to a state-owned university located in Tioga County for merit scholarships.

Article XVII-G 2017-2018 Restrictions on Appropriations for Funds and Accounts

Section 1702-G (State Lottery Fund)

Money appropriated for PENNCARE shall not be utilized for administrative costs by the Department of Aging.

Section 1726-G (Fund Transfers)

The bill provides that during fiscal year 2017-2018, \$300,000,000 will be transferred from amounts unexpended, unencumbered and uncommitted in special funds and restricted accounts to the General Fund. The Governor will send a list of amounts to be transferred from special funds and restricted accounts to the State Treasurer, upon receipt the State Treasurer will transfer funds

Fiscal Impact: The enactment of this portion of the amendment provides an estimated \$300,000,000 to the General Fund in the 2017-2018 fiscal year.

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Ritchie LaFaver
Jeff Miller
Tim Rodrigo
Jenny P. Stratton
Lisa Taglang
House Appropriations Committee (R)

DATE: October 24, 2017

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