



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 327

PRINTERS NO. 1655

PRIME SPONSOR: Argall

### COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	See fiscal impact	See fiscal impact

**SUMMARY:** This legislation amends the Administrative Code by adding new articles regarding emergency COVID-19 provisions and amends Article XXIV requiring the Department of General Services (DGS) to conduct an annual survey of state facility usage.

**ANALYSIS:** The legislation adds new articles regarding emergency COVID-19 provisions and amends Article XXIV as follows:

#### COVID-19 Cost and Recovery Task Force

This article creates the COVID-19 Cost and Recovery Task Force. The Task Force shall consist of the following members:

- The Governor or a designee;
- The President Pro Tempore of the Senate or a designee;
- The Majority Leader of the Senate or a designee;
- The Minority Leader of the Senate or a designee;
- The Speaker of the House of Representatives or a designee;
- The Majority Leader of the House of Representatives or a designee;
- The Minority Leader of the House of Representatives or a designee;
- The Chief Justice of the Supreme Court or a designee;
- A judge of the Superior Court or Commonwealth Court or a judge of the court of common pleas appointed by the Chief Justice of the Supreme Court;

#### Task Force Executive Advisors:

- An officer or employee of the Department of Agriculture to represent the Secretary of Agriculture;
- An officer or employee of the Department of Banking and Securities to represent the Secretary of Banking and Securities;
- An officer or employee of the Department of Community and Economic Development to represent the Secretary of Community and Economic Development;

- An officer or employee of the Department of Education to represent the Secretary of Education;
- An officer or employee of the Department of Human Services to represent the Secretary of Human Services;
- An officer or employee of the Insurance Department to represent the Insurance Commissioner;
- An officer or employee of the Department of Labor and Industry to represent the Secretary of Labor and Industry; and
- An officer or employee of the Department of Transportation to represent the Secretary of Transportation

Individuals appointed to an advisory committee who are not members of the task force shall represent the geographic, racial, gender and socioeconomic diversity of the Commonwealth. Individuals appointed to an advisory committee who are not members of the task force may not be a lobbyist or an officer or an employee of a political party or political committee.

The Task Force shall 1) monitor and track the response by the Commonwealth to the COVID-19 public health emergency 2) identify immediate and urgent issues relating to the COVID-19 public health emergency that require executive, legislative or judicial action 3) develop a recovery plan that includes a documented, structured approach that describes how the Commonwealth and its subdivisions can expeditiously resume mission-critical functions and 4) make a final report no later than six months after the declaration of disaster emergency related to COVID-19 is terminated.

The amount of \$1,000 is appropriated from the General Fund to the Department of Community and Economic Development for payment of reasonable expenses of the Task Force.

This article shall expire six months after the declaration of disaster emergency related to COVID-19 is terminated.

#### **COVID-19 Emergency Statutory and Regulatory Suspensions and Waivers Reporting Requirements**

This article places notification requirements on the Office of the Governor when a specific statute or regulation is suspended, modified or waived under the authority of the declaration of disaster emergency related to COVID-19. Notifications required under this article shall be made within the timelines specified to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Majority and Minority Leaders of the Senate and the Majority and Minority Leaders of the House.

#### **COVID-19 Debt Cost Reduction Review**

This article requires the Treasury Department, in conjunction with the Secretary of the Budget, the Auditor General and any chairperson of an authority, commission, agency, board or other state-authorized entity that has the power to issue debt, to identify and review all outstanding debt obligations of the Commonwealth and identify options for the refinancing of outstanding debt obligations to reduce costs. The Treasury Department and the aforementioned entities shall submit a report of its findings in this regard to the General Assembly by June 30, 2020.

### Emergency Regulatory Tolling

Tolling - except as set forth in subsection (c), a time period applicable under the act of June 25, 1982 (P.L. 633, No. 181), known as the Regulatory Review Act, to a proposed regulation, a final-form regulation or a final-omitted regulation as of the effective date of this section is tolled under subsection (b). The following apply:

1. A proposed regulation under this subsection may not be submitted as a final-form regulation;
2. A final-form regulation under this subsection may not be promulgated as a regulation;
3. A final-omitted regulation under this subsection may not be promulgated as a regulation.

Tolled Period - a time period under subsection (a) is tolled until 90 days after the declaration is terminated by executive order, proclamation or operation of law.

Waiver - Subsection (a) does not apply if there is a waiver through the following process:

1. Prior to the expiration of the tolled period tolling under subsection (b), a Commonwealth agency may petition to the appropriate standing committees of the Senate and House of Representatives under section 7(d) of the Regulatory Review Act, for a waiver of the tolling under subsection (a). The petition must be:
  - (i) In writing;
  - (ii) Signed by the head of the Commonwealth agency or its governing body; and
  - (iii) Submitted to the chair of each standing committee for distribution to members.
2. The waiver must be granted by a majority vote of each standing committee.

In addition, the legislation also amends Article XXIV to require executive agencies, independent agencies, and state-affiliated entities to report to DGS on an annual basis their space usage for each habitable structure which is under its control or which it uses. It requires the report to, at a minimum, include the following information:

- Whether the state facility is state-owned or leased;
- Whether the state facility is occupied or vacant;
- The size of the state facility as measured in square feet;
- The total expenditures for utilities per state facility for the preceding twelve months;
- The amount of rent paid for the preceding twelve months for any state facility that is leased;
- The purpose of the state facility; and
- How to reduce costs associated with the facility.

The legislation requires the survey information to be reported to DGS no later than June 30<sup>th</sup> of each year. It also requires DGS to compile and report the survey information it receives to the majority and minority chairpersons of the State Government Committee of the Senate and the State Government Committee of the House of Representatives on or before July 31<sup>st</sup> of each year.

The new articles would be effective immediately and the amendment to Article XXIV would be effective in 180 days.

**FISCAL IMPACT:** Article XXI-E includes a \$1,000 appropriation to the Department of Community and Economic Development for the expenses of the COVID-19 Cost and Recovery Task Force created in this new article. Any amount of this appropriation unexpended or uncommitted upon the expiration of the Task Force shall lapse back to the General Fund. The addition of the other new articles will have no adverse fiscal impact on Commonwealth funds. Regarding the amendment of Article XXIV, according to DGS the personnel costs associated with compiling the survey information into an annual report are estimated to not exceed \$25,000 annually.

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**DATE:** April 20, 2020

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