



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 712

PRINTERS NO. 1082

PRIME SPONSOR: Argall

As Amended by: A02603, A02615

INCREASE /(DECREASE)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	See fiscal impact
Tobacco Settlement Fund	\$0	\$354,345,000
Tobacco Revenue Bond Debt Service Account	\$0	\$115,336,900
Race Horse Development Fund	\$0	\$29,725,000
Farm Show Complex Restricted Revenue Account	\$0	\$13,262,325
Other Special Funds	\$0	See Fiscal Impact

SUMMARY: Senate Bill 712, printer’s number 1082, as amended by A02603 and A02615, amends the act of April 9, 1929 (P.L. 343, No. 176), as amended, and known as The Fiscal Code, to provide for FY 2019-2020 budget implementation; for FY 2019-2020 restrictions on appropriations for funds and accounts; and providing for other changes.

ANALYSIS and FISCAL IMPACT:

Article III. Treasury Department

Section 301.1 (Investment of Moneys)

The bill extends the State Treasurer’s prudent person investment authority from December 31, 2019 to December 31, 2024.

Fiscal Impact: The enactment of this provision will have no adverse impact on Commonwealth funds.

Article XVI-E. Oil and Gas Wells

Section 1601.2-E (Oil and Gas Lease Fund)

A subparagraph is added to specify that no amount shall be transferred in the 2019-2020 fiscal year from the Oil and Gas Lease Fund to the Marcellus Legacy Fund for distribution to the Environmental Stewardship Fund.

Fiscal Impact: In the prior year \$20,000,000 had been transferred from the Oil and Gas Lease Fund for distribution to the Environmental Stewardship Fund.

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

NEW Section 1606-M. (Transportation network company extension) is added to extend the expiration date to December 31, 2020, for the assessment a transportation network company operating in a city of the first class shall pay to the parking authority. The assessment is equal to 1.4% of the gross receipts from the fares charged to passengers for prearranged rides that originate in the city.

Fiscal Impact – The enactment of this provision will have no impact on Commonwealth funds. The extension will continue to make available approximately \$5,526,000 in assessment revenues for distribution by the State Treasurer to the Philadelphia School District and the parking authority on a quarterly basis.

Article XVII-A. Special Funds

Subarticle A: Budget Stabilization Reserve Fund, Section 1702-A. Funding

Adds a subparagraph to mandate that if the Secretary of the Budget certifies a General Fund surplus for the 2018-2019 fiscal year, 100% of the surplus shall be deposited in the Budget Stabilization Reserve Fund by the end of the next succeeding quarter.

Fiscal Impact: Provides a projected deposit of \$297,593,000 to the Budget Stabilization Reserve Fund, bringing the estimated balance in the Budget Stabilization Reserve Fund to \$320,721,000.

The heading of Subarticle D (Investments) and Section 1731-A (State Workers' Insurance Board) are re-enacted to provide investment guidelines for the Board that had expired at the end of fiscal year 2017-18. Section 1732-A is also re-enacted and amended to provide that the subarticle shall expire June 30, 2021.

Fiscal Impact: The enactment of this provision will have no adverse impact on Commonwealth funds.

Subarticle H. Pennsylvania Gaming Economic Development and Tourism Fund

Section 1771-A (Definitions) - The Pennsylvania Gaming Economic Development and Tourism Fund subarticle is amended to define “water and sewer project” as a project which is for a water supply system, sewage disposal system storm water system or flood control.

Fiscal Impact: The enactment of this provision will have no adverse impact on Commonwealth funds and will clarify that storm water system projects are eligible water and sewer projects when funding is made available.

Section 1774.1-A. (Other Grants) is amended to make funding available for distribution for water and sewer projects with a cost of not less than \$30,000 and not more than \$500,000. Funding in FY 2019-2020 for water and sewer project grants includes:

- \$20,000,000 transferred from the CFA First Industries Program account,
- \$15,950,000 from the CFA Building Pennsylvania Program account,
- \$650,000 from previously unexpended funds made available for water and sewer projects, and
- \$3,400,000 for the Water Supply and Wastewater Infrastructure Program.

In determining grant amounts, the CFA shall not include the matching funds requirement in the calculation of the cost of the project.

Fiscal Impact: The enactment of these provisions will have no adverse fiscal impact on Commonwealth funds and will make available approximately \$40,000,000 for PA Small Water & Sewer Project program grants.

Subarticle I. Water and Sewer Systems Assistance Bond Fund

Section 1783-A. (Commonwealth indebtedness) is amended to specify the authorization to issue bonds and notes for purposes of the Water and Sewer Systems Assistance Act (authorized by Act 64 of 2008) shall expire on October 9, 2024.

Fiscal Impact: No adverse fiscal impact.

Article XVII-A. 1. Additional Special Funds and Restricted Accounts

Subarticle B: Tobacco Settlement Fund

The legislation adds a definition to Section 1711-A.1 to define “debt service account” as the Tobacco Revenue Bond Debt Service Account established under section 2805(a) of the Tax Reform Code of 1971.

Section 1712-A.1 is amended to add language specifying that except for deposits into the Tobacco Revenue Bond Debt Service Account all payments received by the Commonwealth pursuant to the Master Settlement Agreement shall be deposited in the Tobacco Settlement Fund. A paragraph is also added to Section 1712-A.1 to provide that by April 30, 2020, an amount equal to the annual debt service due in the 2019-2020 fiscal year, as certified by the Secretary of the Budget, shall be transferred from cigarette tax revenues to the Tobacco Settlement Fund. Deposits under the paragraph shall occur prior to the deposits and transfers required under section 1296 of the Tax Reform Code of 1971.

The bill also provides for the following FY 2019-2020 distributions from the Tobacco Settlement Fund as follows:

- 4.5% for tobacco use prevention and cessation (\$15,146,000);
- 12.6% for health and related research pursuant to Section 906 of Tobacco Settlement Act (\$42,408,000);
- 1% for health and related research for section 909 of the Tobacco Settlement Act (\$3,366,000);
- 8.18% for uncompensated care (\$27,532,000);
- 30% for the purchase of Medicaid benefits for workers with disabilities (\$100,973,000); and
- 43.72% shall remain in the fund and be separately appropriated for health-related purposes (\$147,151,000).

Fiscal Impact: The enactment of these provisions regarding the debt service account and payments from the account for Tobacco Revenue Bond Debt Service will have no adverse impact on Commonwealth funds. Cigarette tax revenue in the amount of \$115,336,900 will be transferred to the Tobacco Settlement Fund to offset the Tobacco Master Settlement payments that will be deposited in the new Tobacco Revenue Bond Debt Service Account.

The percentage allocations for program funding, together with prior year funds of \$17,769,000, results in appropriations from the Tobacco Settlement Fund for health related programs in FY 2019-2020 of \$354,345,000.

Subarticle C: Distributions from PA Race Horse Development Fund

The bill updates statutory citations and provides for 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 subparagraph and would be set at an amount necessary to provide \$19,659,000 by June 30, 2020. In addition, language is provided to 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 2019-2020.

Subarticle D. Miscellaneous Limitations and Transfers

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

Extends the requirement that any amount transferred from the Worker's Compensation Security Fund be repaid from July 1, 2019 to by July 1, 2024.

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, 2024 to repay funds transferred to the General Fund in 2016-2017.

Subarticle E. Natural Gas Infrastructure Development Fund

Amendments are made to the subarticle to broaden the pool of eligible grant recipients to include large residential conversion projects and combined heat and power applications. Definitions are added and the maximum grant amount is increased by \$500,000 to \$1,500,000. Authority is provided for the CFA to provide additional grant funds of not more than \$500,000 for costs related to the tapping of upstream

facilities. The CFA is directed to develop streamlined guidelines for entities submitting applications for grants of \$75,000 or less.

Fiscal Impact: No adverse fiscal impact on Commonwealth funds. As of May 2019, funding available for the Natural Gas Infrastructure Development program was approximately \$16,367,000.

(New) Subarticle G. (Enhanced Revenue Collection Account)

The bill adds a new subarticle to permanently establish the Enhanced Revenue Collection Account (ERCA) restricted account within the General Fund. Revenues collected and the amount of refunds avoided as a result of expanded tax return reviews and tax collection activities by the Department of Revenue shall be deposited into the account. The General Assembly may appropriate money in the account to the Department of Revenue to fund the costs associated with expanded tax return reviews and tax collection activities. After appropriations for the operational costs of the ERCA program, money in the ERCA restricted account shall be returned proportionately to the General Fund revenue or refund accounts that were the source of the money no later than the 28th day of each month of the fiscal year.

By June 1, 2020, 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.

Section 1730-H of the Fiscal Code (relating to the ERCA program in the 2018-2019 budget implementation section of the bill) is also amended by the bill to remove language relating to the restricted account and appropriation at the end of the 2018-19 fiscal year.

Fiscal Impact: The enactment of this provision will have no adverse impact on Commonwealth funds.

(New) Subarticle G. (Environmental Stewardship Fund)

A subarticle is added to the Fiscal Code to define the Environmental Stewardship Fund and to provide that the General Assembly may appropriate money in the fund to the Department of Environmental Protection and the Department of Conservation and Natural Resources. Money appropriated from the fund by the General Assembly shall be distributed prior to allocations under 27 Pa.C.S. § 6104(d).

Fiscal Impact: The enactment of this provision allows for the allocation of program funds after accounting for the \$16,045,000 appropriated in the 2019-2020 General Appropriations Act.

(New) Subarticle I. (Recycling Fund)

A subarticle is added to the Fiscal Code to define the Recycling Fund and to provide that the General Assembly may appropriate money in the fund to the Department of Environmental Protection. Money appropriated from the fund by the General Assembly shall be distributed prior to allocations under section 706(c) of the Municipal Waster Planning, Recycling and Waste Reduction Act.

Fiscal Impact: The enactment of this provision allows for the allocation of program funds after accounting for the \$10,000,000 appropriated in the 2019-2020 General Appropriations Act.

Article XVII-E: General Budget Implementation

Subarticle A. Preliminary Provisions

A new section is added (proposed as 1705-E. Block Grants) to name and describe eight federal block grants that provide funding to Commonwealth agencies.

No fiscal impact. Language had previously been included each year in the General Appropriations Act.

A second new section (proposed as 1706-E.) is added to require reports to the General Assembly no later than July 1, 2020, by the Independent Fiscal Office and the Legislative Budget and Finance

Committee on the economic and environmental impact, as well as impacts on industry partners and Commonwealth residents, resulting from any regulation impacting single-use plastics, reusable plastics, auxiliary containers, wrappings or polystyrene containers. Until such time as the required reports are submitted to the General Assembly, the General Assembly or a local governmental body or agency may not enact a law, rule, regulation or ordinance imposing a tax on or relating to the use of plastics.

Fiscal Impact – The enactment of this provision will have no adverse impact on Commonwealth funds as it is expected the required reports can be completed within current resources of the Independent Fiscal Office and the Legislative Budget and Finance Committee.

Section 1724-E. (Department of General Services)

A paragraph is added to provide for the Farm Show Complex restricted revenue account to receive annual transfers of sales tax revenues necessary for the Department of General Services to make payments due each fiscal year beginning with the 2019-2020 fiscal year for a certificates of participation contract with Municipal Real Estate Financing, LLC.

Fiscal Impact – The enactment of this provision will have no adverse impact on Commonwealth funds but will provide for more transparency of annual payments necessary to fulfill the contract terms. The 2019-2020 payment to be made is \$13,262,325.

Section 1724.1-E. (Pennsylvania Gaming Control Board - PGCB)

The amendment to Section 1724.1-E requires the PGCB to conduct up to five Category 4 slot machine license auctions between September 4, 2019 and December 31, 2019. Auctions procedures will follow the procedures set forth in Title 4 (Amusements). Auctions will take place until there are no more licenses available or there are no more bids. If an auction fails to generate a bid- no more auctions will be conducted. Additionally, a subsection is included to state that as of the effective date of the section, the PGCB may not issue any more Category 1 slot machine licenses.

Fiscal Impact –The enactment of this provision could generate additional revenue for the General Fund depending on the results of the auctions

Section 1729-E. (Department of Human Services)

The bill adds two paragraphs to allow the Department of Human Services, upon approval of the Budget Secretary, to transfer Federal money appropriated for TANFBG Child Care Assistance to the CCDFBG Child Care Services appropriation, and money appropriated for CCDFBG Child Care Assistance to the CCDFBG Child Care Services appropriation, to provide child-care services to additional low-income families if the transfer of money will not result in a deficit in the transferring appropriation. Notice must be provided to the majority and minority chairpersons of the Appropriations Committees of the Senate and House of Representatives.

No fiscal impact. Language had previously been included each year in General Appropriations Act.

Section 1738-E. (Pennsylvania Higher Education Assistance Agency)

A paragraph is added to specify that appropriations to PHEAA shall supplement other Commonwealth funds maintained by PHEAA in order to fulfill its essential State governmental function of providing Commonwealth students with access to higher education opportunities and providing essential higher education programs for the benefit of Commonwealth students.

No fiscal impact. Language had previously been included each year in General Appropriations Act.

Subarticle D. (Judicial Department)

Section 1795.1-E. (Surcharges)

The expiration date of December 31, 2020 for the \$2 increase in all court filing fees in the Commonwealth to be deposited into the Access to Justice Account is eliminated.

Fiscal Impact: The enactment of this provision would maintain the increase in court filing fees authorized by Act 44 of 2017, resulting in an annual deposit of approximately \$7,000,000 in the Access to Justice Account.

Subarticle E (Restrictions on Appropriations for Funds and Accounts)

Section 1798.3-E. (Multimodal Transportation Fund) The date has been extended to December 31, 2020, for which local match requirements for the CFA Multimodal Transportation programs may be waived for good cause. The expiration date had been December 31, 2019.

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

Section 1799. E. (State Gaming Fund)

The bill adds new subsections to provide that any funds from fiscal years ending before July 1, 2019, not committed for local law enforcement grants on September 1, 2019, shall be transferred to the General Fund. From the funds transferred to the General Fund, the sum of \$1,192,000 shall be transferred to the Video Gaming Fund to fund operational costs associated with administration of video gaming in the Commonwealth. Funds transferred under the subsection shall be a loan and shall be repaid to the General Fund from regulatory accounts established to receive assessments from terminal operator licensees.

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

NEW Section 1799.9-E. (Joint Legislative Air and Water Pollution Control and Conservation Committee)

A section is added to specify that the Joint Legislative Air and Water Pollution Control and Conservation Committee shall terminate on July 1, 2021.

Fiscal Impact: The enactment of this provision will reduce costs to the Commonwealth by at least \$582,000 annually.

Article XVII-J

2019-2020 Budget Implementation

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

Subarticle A: Preliminary Provisions

Section 1703-J. (Department of Criminal Justice)

Adds language to specify that for purposes of the General Appropriation Act of 2019, 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.

Subarticle B: Executive Departments

Section 1711-J. (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 national statistics that identify the percentage of incarcerated individuals that are in need of treatment for substance issues but 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) to provide offender information through county jails, and a residential treatment program for at-risk youth;
- 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;
- Places restrictions on funds appropriated for violence and delinquency prevention programs;
- Provides for a transfer of funds to the Department of Corrections to enhance mail safety handling and processing after the issuance of a request for proposals (RFP); and
- Provides for grants to counties to reimburse costs for indigent criminal defense in capital cases.

Section 1715-J. (Auditor General)

Funds available for special financial audits shall be used for the financial auditing of entities that receive funds through contracts with the Department of Human Services from money appropriated for Medical Assistance-Capitation, Medical Assistance-Community HealthChoices, Medical Assistance Long-term Care, Mental Health Services or Intellectual Disabilities – Community Waiver Program.

Section 1718-J. (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.
- Provides funding from the amount appropriated for agricultural preparedness and response for research on chronic wasting disease in cervids after the issuance of a RFP.
- 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.
- Provides for the expansion of hemp farming, including program development, outreach and education, from the appropriation for agriculture promotion, education and exports.
- 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.
- The Secretary of Agriculture shall provide a status report on the implementation of the PA Preferred Organic Initiative to the Agricultural and Rural Affairs Committees of the Senate and the House of Representatives.

Section 1719-J. (Department of Community and Economic Development (DCED))

- Funds appropriated for general government operations shall be used in part to support economic development initiatives related to the rehabilitation and marketing of commercial districts and to support manufacturing technology development.
- 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;
 - funds to establish a broadband expansion pilot program as a joint venture between two local development districts, as well as pilot programs to provide or expand cost effective broadband services to underserved rural areas; and

- projects supporting economic growth, community development and municipal assistance.
- Funds appropriated for local municipal 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.

Section 1721-J. (Department of Corrections)

- Funds appropriated for general government operations shall be used in part for a nonnarcotic medication assisted substance abuse treatment grant program.

Section 1722-J. (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.
- Specifies that the per-student grant award for grants to be made from the Pre-K Counts appropriation shall be increased by 2.95% over the amount paid in fiscal year 2018-2019.
- Allocates a portion of the funds appropriated for the Pennsylvania Charter Schools for the Deaf and Blind to public school employees' retirement payments, and for capital-related costs and deferred maintenance.
- Inserts language concerning funds and payments for approved private schools.
- Provides for the use of funding for regional community college services.
- Funds appropriated for trauma-informed education will be used for an educational program designed for children that teaches coping skills to assist with social, economic and environmental factors in their community.
- 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, regional charter and cyber charter schools.

Section 1724-J. (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.

Section 1725-J. (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.
- Provides funds for Type 1 diabetes awareness, education and outreach.
- Requires that funds for adult cystic fibrosis and other chronic respiratory illnesses include funds to be used for research.
- Directs a portion of funds appropriated for Lyme disease be used for free tick testing for Pennsylvania residents.
- Provides that funds appropriated for lupus will be distributed proportionately to each entity that received funding in 2018-2019.
- Provides for the use of funds for biotechnology research.
- Specifies that funds provided for leukemia and lymphoma be allocated to an organization dedicated to understanding, diagnosing, and treating blood cancer, and caring for patients diagnosed with blood cancer.

Section 1727-J. (Department of Labor and Industry)

- A portion of the funds appropriated for industry partnerships will be allocated for workforce development for veterans, and current and emerging work force needs.

Section 1729-J. (Department of Human Services)

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 health and substance abuse issues, and expansion to include resources for military veterans and their families, and for a pediatric mental health hospital and an adolescent residential treatment program.

Medical assistance

- For FY 2019-2020, 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 acute care hospital, to a hospital in a city of the third class in a home rule county, to a university to expand research and treatment protocols for combating opioid addiction, to an acute care hospital for a regional breast cancer center, and an enrolled therapy service provider providing behavioral health and medical rehabilitation pediatric outpatient services.
- 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%.
- Funding is included for a 2% increase in the fee schedule rate for agency-provided personal assistance services for seniors and individuals with physical disabilities receiving home and community-based services effective January 1, 2020.
- 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 Intervention and Services

- 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.

Statewide 2-1-1 system

- Funds appropriated will provide for a statewide 2-1-1 system services 24 hours a day.

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, and an allocation to provide specialized services and the prevention of blindness services.

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.

Section 1732-J. (Department of Transportation)

Directs funds appropriated for infrastructure projects be allocated for capital equipment for a rural transit service that provides intercity line-run service with at least six different line-runs.

Section 1735-J. (Pennsylvania Emergency Management Agency)

- 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.
- Directs a portion of funds appropriated for the State Fire Commissioner to be used to fund a Statewide recruitment and retention coordinator and regional technical advisors to develop and implement recruitment and retention training programs.

Section 1738-J. (Pennsylvania Higher Education Assistance Agency)

- 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, \$1,000,000 will be allocated to a state-owned university located in Tioga County for merit scholarships.

Article XVII-K 2019-2020 Restrictions on Appropriations for Funds and Accounts

Section 1702-K (State Lottery Fund)

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

Section 1726-K. (Fund Transfers)

- Provides that from funds received under the authority of Article III of the Tax Reform Code of 1971 (relating to personal income tax), the sum of \$3,852,000 shall be transferred to the account established under section 1799.7-E (State Employees' Retirement System (SERS) restricted

account). The transfer is made to the SERS account to fund the costs associated with the implementation of the SERS Defined Contribution Plan.

- Provides that no later than September 1, 2020, a transfer of \$45,000,000 shall be made to the School Safety and Security Fund in the State Treasury from personal income tax funds.
- A transfer of personal income tax funds in the amount \$20,000,000 shall be made to the Environmental Stewardship Fund.
- Commonwealth Financing Authority (CFA) transfers
 - \$5,000,000 shall be transferred from the CFA First Industries Program account to an account established CFA for research and development, organic transition, value-added processing and marketing grants in support of Pennsylvania's dairy industry. The CFA board shall adopt guidelines for the approval of applications to ensure that grants are made available to all geographic areas of the Commonwealth.
 - \$12,000,000 shall be transferred from the CFA Building Pennsylvania Program account to an account to be established by the CFA for blight remediation, including hazard mitigation, within the Commonwealth. The CFA board shall adopt guidelines for the approval of applications to ensure that grants are made available to all geographic areas of the Commonwealth.
 - \$24,000,000 shall be transferred from the CFA New Pennsylvania Venture Capital Program account to be made available for distribution under the H2O PA Act (Act 63 of 2008).
- Provides the Secretary of the Budget with the authority to transfer amounts available in special funds under the Governor's jurisdiction, not to exceed \$45,000,000, to augment the operations of the Department of Environmental Protection or the Department of Conservation and Natural Resources. Any amount to be transferred shall be published in the Pennsylvania Bulletin and prior to being transferred notice shall be provided to the majority and minority chairpersons of Appropriations Committees of the Senate and House of Representatives.

PREPARED BY: Lisa Taglang
House Appropriations Committee (R)

DATE: June 27, 2019

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