



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1348

PRINTERS NO. 1932

PRIME SPONSOR: Saylor

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	\$0	See Fiscal Impact
Tobacco Settlement Fund	\$0	\$355,574,000
Tobacco Revenue Bond Debt Service Account	\$0	\$115,338,000
Race Horse Development Fund	\$0	\$29,725,000
Opioid Settlement Restricted Account	\$0	\$5,000,000
Other Special Funds	\$0	See Fiscal Impact

SUMMARY: House Bill 1348, Printer's Number 1932, amends the act of April 9, 1929 (P.L. 343, No. 176), known as The Fiscal Code, providing for fiscal year 2021-2022 budget implementation, regarding the transfer of federal funds in the Department of Human Services, and other changes.

ANALYSIS & FISCAL IMPACT:**Article I-C. Emergency COVID-19 Response****Subarticle B. COVID-19 Response Restricted Account****Section 111-C (Money in account)**

The section is amended to specify that federal money in the account, other than amounts appropriated in the General Appropriations Act of 2021, shall be transferred to the General Fund for the provision of government services for fiscal years beginning after June 30, 2022 and provides a schedule for the transfers.

Fiscal Impact: This language provides for future year transfers from the COVID-19 Response Restricted Account, therefore there is no fiscal impact for 2021-2022.

Subarticle E. Department of Education**Section 143-C (Elementary and secondary school emergency relief for school districts, charter schools and cyber charter schools)**

This section provides for the disbursement of nearly \$350 million of Elementary and Secondary School Emergency Relief (ESSER) funds for school districts, charter schools and cyber-charter schools as follows: \$249,847,658 to address learning loss, \$49,969,532 for summer enrichment programs, and \$49,969,532 for after-school programs. All these funds will be disbursed

proportionately based on the amounts the school entities received under Title I-A of the federal Elementary and Secondary Education Act of 1965 (ESEA) for 2020-21.

Fiscal Impact: Funds for these grants are provided for in the Commonwealth's share of the federal ESSER funds.

Section 144-C (Emergency relief for other educational entities)

Provides for the disbursement of the following:

- \$43.5 million for Career and Technical schools distributed proportionately based on the amount each school received from the state's area career and technical school subsidy for 2019-20.
- \$15 million for approved private schools, the chartered schools for the deaf and blind, and private residential rehabilitative institutions disbursed based upon each entity's average daily membership (ADM) for 2019-20.
- \$43.5 million for intermediate units (IUs) disbursed using a formula based upon the total ADM of each IU's constituent school districts and the IU's aid ratio.
- \$14 million for additional targeted support and improvement schools under the ESEA disbursed proportionately based upon the economically disadvantaged enrollment of each school.
- \$19,908,593 for educational programs for neglected, delinquent, and at-risk youth disbursed based upon each program's share of funds received under Title I-D of the federal ESEA for 2021-22.

Fiscal Impact: Funds for these grants are provided for in the Commonwealth's share of the federal ESSER funds.

Section 145-C (Emergency education relief to nonpublic schools)

Provides \$152,742,000 in funding set aside by federal law to assist nonpublic schools, which will be administered by the PA Department of Education (PDE).

Fiscal Impact: Uses federal funding from money appropriated for COVID Relief – ARPA – Emergency Assistance to Non-Public Schools.

Section 146-C (Funding for library services)

Provides funding to libraries using a formula that distributes the money proportionately based upon each library's state allocation for 2020-21, with a minimum grant of \$5,000.

Fiscal Impact: The sum of \$4.7 million in federal funds are provided for this purpose.

Section 147-C (Allocation from ARPA - Elementary and Secondary School Emergency Relief - Administration)

Provides funding to the Pennsylvania Department of Education for administrative costs.

Fiscal Impact: The sum of \$14 million in federal funding is available for this purpose.

Subarticle F. Department of Health

Section 150-C (Department of Health)

Extends the end date for covering COVID-19-related costs incurred by community-based health care centers receiving CARES Act funds in Act 24 of 2020 from November 30, 2020 to December 31, 2021.

Fiscal Impact: Enactment of this provision will have no adverse fiscal impact on Commonwealth funds.

Subarticle G. Department of Human Services

Section 160-C (Department of Human Services)

This section is updated to direct \$282,000,000 in federal American Rescue Plan Act of 2021 (ARPA) funds appropriated for COVID-Relief Long-term Living Program as follows:

- \$247,000,000 shall be used for one-time payments to nonpublic and county nursing homes with \$198,000,000 distributed based on each facilities percentage of Medical Assistance (MA) bed days for the third quarter of calendar year 2019 and \$49,000,000 distributed based on a facilities percentage of licensed beds as of March 31, 2020.
- \$5,000,000 shall be used for grants to long-term care facilities for the implementation of best practices regarding indoor air management strategies aimed at reducing the risk of transmission of, and occupant exposure to COVID-19. Eligible entities include nursing facilities, assisted living residences and personal care homes and the maximum grant is \$15,000 per facility.
- \$30,000,000 shall be used for a one-time payment to assisted living residences (ALRs) and personal care homes (PCHs) with \$27,000,000 distributed based on the ALR's/PCH's percentage of occupancy as determined by the most recent DHS inspection on or before April 1, 2020 and \$3,000,000 distributed based on the PCH's percentage of individuals for whom the facility received a DHS Supplemental Security Income in March 2020.
- An eligible person or entity receiving a payment must be in operation as of June 1, 2021.

This section was also updated to extend the end date for covering COVID-19-related costs incurred by entities receiving CARES Act funds in Act 24 of 2020 from November 30, 2020 to December 31, 2021.

Fiscal Impact: The sum of \$282,000,000 in federal ARPA funds will be utilized for payments to nursing homes, ALRs and PCHs. Extending the end date has no fiscal impact.

Subarticle M. Pennsylvania Housing Finance Agency

Section 194-C (Pennsylvania Housing Finance Agency)

The Construction Cost Relief Program is established in accordance with the American Rescue Plan to support the production of affordable multi-family rental developments by addressing financial deficiencies attributable to the COVID-19 pandemic. The Pennsylvania Housing Finance Agency shall administer the program and provide for an application and determination procedures. The agency shall use the same closing process and terms for an award as used for the Pennsylvania Housing Affordability and Rehabilitation Enhancement Program for a low-income housing tax credit recipient development.

Fiscal Impact: The sum of \$50,000,000 in federal ARPA funds is appropriated for this program.

Article I-D. Rental and Utility Assistance Grant Program

Updates and clarifies provisions in the Rental and Utility Grant Program established by Act 1 of 2021, including matching permissible amounts under federal law for administrative costs for counties; clarifying that counties may not place additional stipulations, restrictions, or limitations in addition to federal law, federal guidance, or state law; and updating deadlines to match Congressional amendments to the Consolidated Appropriations Act, 2021 and federal guidance.

Fiscal Impact: Enactment of these provisions will have no fiscal impact on Commonwealth funds.

(New) Article I-E. American Rescue Plan Rental and Utility Assistance Grant Program

Establishes the operational language for the portion of the Rental and Utility Assistance Grant Program funded by the American Rescue Plan in accordance with federal law and to follow the program established under Article I-D.

Fiscal impact: The sum of \$450,862,000 will be proportionately allocated to all counties in the Commonwealth based on U.S. Census data. The sum of \$49,305,000 will be distributed by DHS to counties demonstrating a “high need,” in accordance with federal law and guidance. The sum of \$219,874,000 and the sum of \$42,642,000 for “high need” were allocated to several counties and a city directly from the federal government.

(New) Article I-F. Homeowners Assistance Grant Program

Establishes the Homeowners Assistance Grant Program at the Pennsylvania Housing Finance Agency in accordance with the American Rescue Plan to provide assistance to homeowners who experienced a financial hardship after January 21, 2020 and meet income guidelines. Assistance under the program includes including mortgage payment assistance, mortgage reinstatement costs to address forbearance, delinquency or default, interest rate reductions, payment assistance, and other services for housing stability.

Fiscal Impact: The sum of \$350,362,000 in federal COVID Relief - ARPA - Homeowner Assistance is appropriated from the COVID-19 Response Restricted Account for this program.

(New) Article I-G. Water Assistance Program

Establishes the Water Assistance Program to be administered by the Department of Human Services (DHS), in consultation with the Department of Environmental Protection and PENNVEST, in accordance with the requirements of the American Rescue Plan, to provide funds to owners or operators of public water systems or treatment works to reduce arrearages of, and rates charged to, low-income households.

Fiscal impact: The sum of \$36,763,000 in COVID Relief-ARPA-LIHWAP and \$6,488,000 in COVID Relief-ARPA-LIHWAP Administration is appropriated from the COVID-19 Response Restricted Account for this program.

(New) Article I-H. Child Care Stabilization Program

Establishes the Child Care Stabilization Program to be administered by the Department of Human Services (DHS) to provide child care stabilization grant payments to qualified child care providers for operational expenses, in accordance with the requirements of the American Rescue Plan.

Fiscal impact: The sum of \$728,864,000 in COVID Relief-ARPA-Child Care Stabilization Grant Program is appropriated from the COVID-19 Response Restricted Account to DHS to administer this program.

Article VII. Bonus and Tax Reports and Returns and Reports and Records Relating to Tax Collections

Section 731 (Confidential Information)

Adds language to clarify that the confidentiality requirements provided for tax returns also apply to similar tax-related documents, including reports, correspondence, claims, and certifications and for tax credits and programs relating to revenue transfers.

Fiscal Impact: Enactment of this provision will have no adverse fiscal impact on Commonwealth funds.

Article XVI-E. Oil and Gas Wells

Subarticle A. Preliminary Provisions

Section 1601.2-E (Oil and Gas Lease Fund)

The section is amended to specify that no amount shall be transferred in the 2021-2022 fiscal year from the Oil and Gas Lease Fund to the Marcellus Legacy Fund for distribution to the Environmental Stewardship Fund.

Fiscal Impact: In fiscal year 2018-19 \$20,000,000 had been transferred from the Oil and Gas Lease Fund for distribution to the Environmental Stewardship Fund. The transfer was suspended in fiscal year 2019-2020, fiscal year 2020-2021, and now fiscal year 2021-2022.

(New) Article XVI-P. Angel Investment Venture Capital Program

Establishes the Angel Investment Venture Capital Program as a grant program within the Executive Offices of the Governor to create a business environment that encourages early-stage financing for businesses with potential for high growth, increase capital investment, and encourage job creation.

Fiscal Impact: The sum of \$5,000,000 will be transferred from the Building Pennsylvania Program trust account to the Angel Investment Venture Capital Account, which shall be established as a restricted account within the General Fund.

(New) Article XVI-Q. Transportation Pilot Programs

Section 1601-Q. Electric Low-Speed Scooter Pilot Program

An electric low-speed scooter pilot program is created within a city of the second class. An executive order may be issued in a city of the second class which authorizes the use of electric low-speed scooters within the boundaries of the city. Such scooter may only be operated on a pedalcycle lane on a roadway, a roadway or a pedalcycle path.

Fiscal Impact: Enactment of this article will have no adverse fiscal impact on Commonwealth funds.

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 2020-2021 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 \$2,516,081,000 in the Budget Stabilization Reserve Fund, bringing the estimated balance in the Budget Stabilization Reserve Fund to \$2,759,643,000.

Subarticle D. Investments

Section 1732-A (Expiration)

The expiration date of the State Workers' Insurance Board is changed from June 30, 2021 to December 31, 2025.

Fiscal Impact: Enactment of this provision will have no adverse fiscal impact on Commonwealth funds.

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

Subarticle B. Tobacco Settlement Fund

The legislation amends sub-paragraph (a)(2)(ii) to provide that by April 30 following the beginning of the fiscal year, an amount equal to the annual debt service due in the 2021-2022 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 provides for the following FY 2021-2022 distributions from the Tobacco Settlement Fund as follows:

- 4.5% for tobacco use prevention and cessation (\$16,001,000);
- 12.6% for health and related research pursuant to Section 906 of the Tobacco Settlement Act, with 70% allocated for research under Section 908 of the Tobacco Settlement Act (\$31,361,000) and the remaining 30% allocated as follows: \$1,000,000 for spinal cord injury research programs under Section 909.1 of the Tobacco Settlement Act; and of the remaining amount, 75% is allocated for pediatric cancer research (\$9,331,000) and 25% is allocated for capital and equipment grants to biotechnology research entities (\$3,110,000);
- 1% for health and related research for section 909 of the Tobacco Settlement Act (\$3,556,000);
- 8.18% for uncompensated care (\$29,086,000);
- 30% for the purchase of Medicaid benefits for workers with disabilities (\$106,672,000); and
- 43.72% shall remain in the fund and be separately appropriated for health-related purposes (\$155,457,000).

Fiscal Impact: The enactment of the provision relating to cigarette tax revenue in the amount of \$115,300,000 will be transferred to the Tobacco Settlement Fund to offset the Tobacco Master Settlement payments that will be deposited in the Tobacco Revenue Bond Debt Service Account. The percentage allocations for program funding results in appropriations from the Tobacco Settlement Fund for health-related programs in FY 2021-2022 of \$355,574,000.

Subarticle C. (Pennsylvania Race Horse Development Fund)

Section 1723-A.1. (Distributions from Pennsylvania Race Horse Development Fund)

The bill updates statutory citations to provide 22 weekly transfers in fiscal year 2021-2022 from the PA Race Horse Development Fund to 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 a total of \$19,659,000. 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: 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 2021-2022.

(New) Subarticle J (Opioid Settlement Restricted Account)

A new Subarticle is added establishing the Opioid Settlement Restricted Account. Money received by an agency as the result of a settlement, litigation, or an enforcement action related to claims made by the Commonwealth relating to opioids shall be deemed funds of the

Commonwealth and shall be deposited into the account. Interest earned on money in the account shall remain in the account. Money in the account may only be used upon appropriation by the General Assembly.

Fiscal Impact: Enactment of this Subarticle will provide \$5,000,000 to the Department of Drug and Alcohol Programs for costs associated with opioid use disorder treatment and abatement programs in FY 2021-2022.

Article XVII-B. 2021-2022 Budget Implementation

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

Subarticle A (Preliminary Provisions)

Section 1703-B. (Department of Criminal Justice)

Adds language to specify that for purposes of the General Appropriation Act of 2021, 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 1712-B. (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.
- No less than the amounts used in the 2014-2015 fiscal year shall be used 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, in a county of the fifth class.
- From the amount appropriated, \$400,000 shall be used for an innovative police data sharing pointer index system, \$400,000 shall be used for a diversion program for first time nonviolent offenders facing prison sentences and \$250,000 must be available to carry out the duties of the Judicial Computer System Financial Audit Committee.
- No less than \$1,500,000 shall be available for a pilot program to offset costs associated with hiring additional assistant district attorneys designated as a Special United States Attorney through participation in the Project Safe Neighborhoods program and will exclusively prosecute crimes under 18 U.S.C. Section 922(g) in a city of the first class and a county of the second class that is also a home rule county.
- From money appropriated for violence and delinquency prevention programs, no less than the amount used in the 2014-2015 fiscal year shall be used for programs in a city of the second class, and for blueprint mentoring programs that address youth violence in cities of the first, second, and third class, with cities in the second and third class also receiving a proportional share of \$50,000.
- Funds appropriated for violence intervention and prevention shall be used for the School Safety and Security Grant Program specifically for programs designed to reduce community violence.

Section 1715-B. (Auditor General)

- From the money appropriated for special financial audits, \$500,000 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 Living, Mental Health Services or the Intellectual Disabilities - Community Waiver Program.

Section 1718-B. (Department of Agriculture)

The following applies to the appropriations for the Department of Agriculture:

- From funds appropriated for general government operations, no less than the amount transferred in the 2014-2015 fiscal year shall be transferred to the Dog Law Restricted Account.
- From funds appropriated for general government operations, no less than \$250,000 shall be used for the Commission of Agricultural Education Excellence to assist in development and implementation of agricultural education programs.
- From the money appropriated for agricultural research, no less than \$300,000 shall be used for an agricultural resource center, and no less than \$100,000 shall be used for agricultural law research programs, including those addressing energy development, in conjunction with a land-grant university.
- The appropriation for agriculture promotion, education, and exports includes \$250,000 for the costs related to supporting the expansion of hemp farming, including program development, outreach, and education.
- 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.
- Funds appropriated for the Animal Health and Diagnostic Commission shall be equally distributed to a land grant university and a school of veterinary medicine located within the Commonwealth.
- From the money appropriated for Livestock and Consumer Health Protection, funding shall be used for information technology projects and for equipment acquisition and maintenance in the Bureau of Animal Health and Diagnostic Services and in the Bureau of Food Safety and Laboratory Services.
- The department may use up to \$165,000 of the Agricultural Conservation Easement Purchase Fund to issue grants not to exceed \$5,000 for succession planning to ensure that agricultural operations continue on land subject to agricultural conservation easements. The department, in consultation with the State Agricultural Land Preservation Board, shall establish eligibility criteria for said grants.

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

The following applies to the appropriations for the Department of Community and Economic Development (DCED):

- From the money appropriated for general government operations, no less than \$1,200,000 shall be used to support a manufacturing technology development effort, and to assist small businesses with enhanced cyber security.

- From money appropriated for marketing to attract tourists, \$4,054,000 is to fund activities of the tourism office within the department. The remaining includes an allocation to be used to plan, market, and conduct a series of arts and cultural activities that generate regional and statewide economic impact, and \$500,000 shall be used for an annual statewide competition serving 2,000 athletes with intellectual disabilities across the Commonwealth.
- From the funds appropriated for Keystone Communities, \$6,357,000 shall be used to fund the Main Street Program, Elm Street Program, Enterprise Zone Program, and accessible housing. The program allocations shall be distributed in the same proportion as amounts allocated in the 2012-2013 fiscal year. The remaining money shall be used for projects supporting economic growth, community development, and municipal assistance throughout this Commonwealth.
- Funds appropriated for local municipal relief will be used to provide State assistance to individuals, persons, or political subdivisions directly impacted by a natural or manmade disaster, public safety emergencies, or other situations that pose a public safety danger.
- The Commonwealth may use up to 3% of funds received pursuant to the Housing and Community Development Act of 1974 for administrative costs related to Community Development Block Grant Program for Nonurban Counties and Certain Other Municipalities.
- From money appropriated for Pennsylvania First, no less than \$8,000,000 shall be used to fund the Workforce and Economic Development Network of Pennsylvania (WEDnetPA) for workforce training grants provided through an alliance of educational providers, including, but not limited to, Pennsylvania State System of Higher Education universities, the Pennsylvania College of Technology and community colleges located in this Commonwealth.
- From money appropriated for the Office of International Business Development, the department shall reopen and maintain an Office of Trade and Investment in a city which operates in an economy which is part of the Asia-Pacific Economic Cooperation international forum and in which an Office of Trade and Investment existed on July 1, 2020. An Office of Trade and Investment which is required to be reopened under this clause shall be reopened no later than March 31, 2022.

Section 1721-B. (Corrections)

The following applies to the appropriations for the Department of Corrections (DOC):

- Funds appropriated for general government operations shall be used in part for a nonnarcotic medication assisted substance abuse treatment grant program in an amount of no less than \$1,750,000.
- An eligible offender for the purposes of any program relating to the non-narcotic medication assistance substance abuse pilot program is defined.

Section 1722-B. (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 in an amount no less than the amount allocated in FY 2014-2015.

- Specifies that the per-student grant award for grants to be made from the Pre-K Counts appropriation shall be paid at the same rate as paid in FY 2019-2020.
- Allocates a portion of the funds appropriated for the Pennsylvania Charter Schools for the Deaf and Blind for capital-related costs and deferred maintenance to be divided equally among the schools. Upon distribution of the final tuition payment for FY 2021-2022, the balance of the appropriation shall be used to pay the increased contributions for the public school employees' retirement.
- Inserts language concerning funds and payments for approved private schools.
- Provides for the use of funding for regional community college services in the amount equal to the amount received for FY 2019-2020 by each entity.
- Money appropriated for community education councils shall be distributed to the same entities in an equal amount to amounts received in FY 2019-2020.
- Maintains the Commonwealth's elimination of payments for Social Security, Medicare, and required contributions for public school employees' retirement to charter, regional charter, and cyber charter schools.

Section 1724-B. (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-B. (Department of Health)

- Ensures that the department continues to coordinate donated dental care services.
- 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 FY 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.
- Funds appropriated for hemophilia services, sickle cell anemia services, diagnosis and treatment of Cooley's anemia, and services for children with special needs shall all be distributed to grantees in the same proportion as distributed in FY 2019-2020.

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

A portion of the funds appropriated for industry partnerships will be allocated for workforce development for veterans at no less than the amount allocated in the 2014-2015 fiscal year.

Section 1729-B. (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

- Provides that payments for Community Access Fund grants shall be distributed under the 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's 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 headquartered in a county of the third class, an enrolled therapy service provider providing behavioral health and medical rehabilitation pediatric outpatient services, and an acute care hospital in a city of the third class in a county of the third class.
- MA Capitation includes funding for the treatment of depression in older Pennsylvanians.
- MA Capitation includes funding for a \$5-per-hour increase in the fee-for-service fee schedule for pediatric shift nursing services, effective January 1, 2022.
- Provides for distributions from long-term living to a county nursing home with more than 725 beds and a Medicaid acuity at 0.79, two nonpublic nursing homes, and to nursing facilities with a percentage of medical assistance recipient residents who require medically necessary ventilator care or tracheostomy care greater than 90%.
- 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.
- Subject to federal approval of necessary amendments to the Title XIX State Plan, \$16,000,000 of appropriated funds for long-term living is allocated to medical assistance day-one incentive payments to qualified nonpublic nursing facilities.

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 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.

PA WorkWear

- Provides that grantees who operated within the PA WorkWear program in FY 2019-2020 shall be offered a FY 2021-2022 grant to continue service delivery under similar terms as previous PA WorkWear grants unless both parties agree to alternate terms.

Quarterly Reporting

- Requires the Secretary of Human Services to report quarterly to the Secretary of the Budget, the chairperson and minority chairperson of the Appropriation Committee of the House of Representative and the chairperson and minority chairperson of the Appropriation Committee of the Senate financial information on select entitlement appropriations, including projected shortfalls and a detailed explanation of the reasons for any potential supplementals.

Gene Therapy

- Requires DHS to submit a state plan amendment authorizing outcome-based payments related to the administration of a drug to a single Medical Assistance beneficiary over a single year or multiple years.

Prohibition on Medical Assistance Service Expansion

- Prohibits DHS from adding non-medically necessary services to the Medical Assistance program without approval of the General Assembly. All proposed services must be outlined in the Governor's Executive Budget or subsequent written updates to the General Assembly.

Section 1732-B. (Department of Transportation)

The following applies to the appropriations for the Department of Transportation (PennDOT)

- 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 at an amount not less than \$1,900,000.

- PennDOT shall issue a report detailing a list of the routes between the northernmost point of I-99 in the Commonwealth and the New York state line and any remaining issues within the I-99 route which do not meet the necessary standards to designate the route as I-99.

Section 1735-B. (Pennsylvania Emergency Management Agency)

The following applies to appropriations for the Pennsylvania Emergency Management Agency (PEMA):

- Money appropriated for search and rescue programs shall 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 and provide technical assistance to local governments.

Section 1737.1-B. (State-related institutions)

Provides that funds appropriated to the State-related universities shall only be used for costs directly related to the provision of instruction for graduate and undergraduate students and costs incurred in providing student-related services and community outreach services.

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

The following applies to appropriations for the Pennsylvania Higher Education Assistance Agency (PHEAA):

- PHEAA shall 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 shall be allocated to a state-owned university located in Tioga County for merit scholarships.

Article XVII-C. (2021-2022 Restrictions on Appropriations for Funds and Accounts)

Section 1701-C. (Applicability)

Except as specifically provided within the article, this article applies to the General Appropriations Act of 2021 and all other appropriations acts of 2021.

Section 1702-C. (State Lottery Fund)

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

Section 1720-C. (Pennsylvania Race Horse Development Restricted Receipts Account)

The following apply to amounts appropriated to the Department of Agriculture for payments to Pennsylvania fairs:

- Notwithstanding any provision of the Pennsylvania Agricultural Fair Act, the Department of Agriculture shall award a grant for the calendar year beginning January 1, 2021, to a county agricultural society, an independent agricultural society or other organization which cancelled its annual agricultural fair in the calendar year beginning January 1, 2020. A county agricultural society, an independent agricultural society or other organization which receives a grant under this subparagraph shall remain eligible

to apply for and receive a grant available under Section 5(1)(ii) of the Pennsylvania Agricultural Fair Act.

- The amount of a grant awarded to a county agricultural society, an independent agricultural society or other organization under this paragraph shall be the same amount that the county agricultural society, independent agricultural society or other organization received in grants under section 5(1)(i), (iii) and (iv) of the Pennsylvania Agricultural Fair Act for the calendar year beginning January 1, 2019.

Section 1725-C. (Pennsylvania Preferred Trademark Licensing Fund)

The Department of Agriculture shall use money deposited in the Pennsylvania Preferred Trademark Licensing Fund to promote funding objectives through the award of grants.

Section 1726-C. (Restricted Receipt Accounts)

The Secretary of the Budget may create restricted receipt accounts to administer federal grants only as designated in this sections as follows:

Department of Community and Economic Development

- ARC Housing Revolving Loan Program

Department of Conservation and Natural Resources

- Federal Aid to Volunteer Fire Companies
- Federal Land and Water Conservation Fund
- National Forest Reserve Allotment

Department of Education

- Education of the Disabled-Part C
- LSTA-Library Grants
- The Pennsylvania State University Federal Aid
- Emergency Immigration Education Assistance
- Education of the Disabled-Part D
- Homeless Adult Assistance Program
- Severely Handicapped
- Medical Assistance Reimbursements to Local Education Agencies

Department of Environmental Protection

- Federal Water Resources Planning Act
- Flood Control Payments
- Soil and Water Conservation Act

Department of Drug and Alcohol Programs

- Share Loan Program

Department of Transportation

- Capital Assistance Elderly and Handicapped Programs
- Railroad Rehabilitation and Improvement
- Ridesharing/Van Pool Program-Acquisition

Pennsylvania Emergency Management Agency

- Receipts from the Federal Government-Federal Disaster Relief Assistance

Pennsylvania Historical and Museum Commission

- Federal Grant-National Historic Preservation Act

Executive Offices

- Retired Employees Medicare Part D
- Justice Assistance
- Juvenile Accountability Incentive
- Early Retiree Reinsurance Program

Article XVII-E. General Budget Implementation

Section 1722-E. (Department of Education)

This section is amended to add a formula for the distribution of \$100 million to school districts, based on the weighted student counts of school districts as calculated in the Basic Education and Special Education funding formulas. It calculates the school districts current expenditures per weighted student over a five-year average and provides funding to 100 districts below the 20th percentile on this measure.

Fiscal Impact: Enactment of this provision will distribute \$100,000,000, included in the Basic Education appropriation in the 2021-2022 General Appropriations bill.

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

Provides for a waiver of fees charged by the Bureau of Occupational and Industrial Safety for an applicant that is a school entity. The Department shall provide a refund to a school entity that paid such fee after June 30, 2020 and requests a refund. Any refund shall be paid from the General Fund.

Fiscal Impact: The Department indicates that they built an IT query that estimated that approximately \$788,000 of the fees collected in FY 2019-20 came from school districts. It is presumed that a comparable amount of school district fees could be refunded for FY 2020-21 and in the years ahead.

Section 1729-E. (Department of Human Services)

Adds language that allows the Department of Human Services upon approval of the Secretary of the Budget, and in accordance with federal law, to transfer federal funds from the Temporary Assistance for Needy Families Block Grant to the Child Care and Development Fund Block Grant and the Social Services Block Grant if the transfer will not result in a deficit. The Secretary must provide notice to the chairperson and minority chairperson of Appropriation Committees of both the House of Representatives and the Senate ten days prior to a transfer.

Fiscal Impact: The enactment of this provision will have no adverse fiscal impact on Commonwealth funds. This language is included annually in the General Appropriations Act and is being moved to the Fiscal Code.

Section 1798.4-E (Public Transportation Trust Fund)

Provides that in addition to the local match requirements under 74 Pa.C.S. § 1513(d), for fiscal years 2020-2021 and 2021- 2022, funding received by a municipality through the American Rescue Plan Act of 2021 shall qualify as local matching funds.

Fiscal Impact: Enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

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House Appropriations Committee (R)

DATE: June 25, 2021

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