



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2310

PRINTER'S NO. 3506

PRIME SPONSOR: Takac

SUMMARY: House Bill 2310, Printer's Number 3506, amends the Fiscal Code, providing for fiscal year 2024/25 budget implementation and other changes.

ANALYSIS & FISCAL IMPACT:

Section 141-C Emergency education relief to nonpublic schools

From the remaining money appropriated for COVID Relief-ARPA – Emergency Assistance to Non-Public Schools, up to \$3 million will be reallocated to award grants to nonpublic schools.

Fiscal Impact: Enactment of this provision would have no impact on commonwealth funds.

Article II-G State Health Insurance Exchange Affordability Program (new)

Establishes the Affordability Assistance Program under the PA Health Insurance Exchange Authority, known as Pennie. Beginning in the plan year 2025, this program will provide financial assistance to eligible individuals purchasing a health insurance policy through Pennie. Additionally, it establishes a restricted account in the state treasury, known as the Exchange Affordability Assistance Account, funds deposited into this account can include up to \$50 million from the Joint Underwriters Association funds and funds that have been appropriated by the General Assembly.

Fiscal Impact: Enactment of this provision would have no impact on commonwealth funds.

Section 301.1 Investment of Moneys

This section extends the ability of the Department of Treasury to invest or reinvest funds through December 31, 2034.

Fiscal Impact: Enactment of this section would have a fiscal impact to the extent that the commonwealth would continue to be able to receive interest from investment and reinvestment of commonwealth funds.

Section 1601.2-E. Oil and Gas Lease Fund

Eliminates the Oil and Gas Lease Fund transfer to Marcellus Legacy Fund for distribution to Environmental Stewardship Fund for fiscal year 2024/25.

Fiscal Impact: Enactment of this section would prevent the transfer of \$9.944 million for fiscal year 2024/25 from the Oil and Gas Lease Fund to the Marcellus Legacy Fund, resulting in savings of \$9.944 million to the Oil and Gas Lease Fund and a cost of \$9.944 million to the Marcellus Legacy Fund.

Section 1608-M. Operation as taxicab (new)

This section prohibits the following vehicles from operating as a taxicab:

- A vehicle that is more than 10 model years old
- An alternative fuel vehicle that is 12 model years old
- A vehicle that has been driven more than 350,000 miles

Authorizes the Philadelphia Parking Authority to allow the operation of antique vehicles.

Fiscal Impact: Enactment of this section would have no fiscal impact on commonwealth funds, as it simply provides for vehicle use prohibitions and authorization.

Section 1602-O. Intermediate care facilities for persons with an intellectual disability assessment (new)

This section re-authorizes the assessment on intermediate care facilities for persons with intellectual disabilities for an additional five (5) years to sunset on June 30, 2029. Revenue from this assessment is used by the Department of Human Services to make payments to intermediate care facilities for persons with intellectual disabilities.

Fiscal Impact: The Intermediate Care facilities for persons with intellectual disabilities assessment saves \$24.6 million

in state General Funds for 2024/25 which was already assumed in the budget. Therefore, there is no fiscal impact to the commonwealth for 2024/25, and there is an estimated savings to the commonwealth of \$34.4 million for 2025/26.

Section 1603-O. Hospital assessments (new)

This section re-authorizes the assessment on hospitals located in the City of Philadelphia for an additional five (5) years to sunset on June 30, 2029. Additionally, cancer hospitals and children's hospitals are subject to this assessment in addition to acute care general hospitals effective July 1, 2024. Revenue from this assessment is collected by the City of Philadelphia and a portion is transferred to the Department of Human Services through an intergovernmental transfer.

Fiscal Impact: The funding transferred from the City of Philadelphia to the Department of Human Services through the intergovernmental transfer saves \$268 million in state General Funds for fiscal year 2024/25. This transfer was already assumed in the budget. Therefore, there is no fiscal impact to the commonwealth for fiscal year 2024/25, and there is an estimated savings to the commonwealth of \$268 million for fiscal year 2025/26.

Section 1602-U. Cost of investigation and litigation under Unfair Trade Practices and Consumer Protection Law (new)

Language provides that a court may direct a defendant or defendants to reimburse the commonwealth for costs related to investigation and litigation under the Unfair Trade Practices and Consumer Protection Law.

Fiscal Impact: Enactment of this section may have positive fiscal impact on commonwealth funds, to the extent that the Commonwealth is reimbursed for costs associated with investigations and litigation related to the Unfair Trade Practices and Consumer Protection Law. The actual fiscal impact is indeterminate at this time, as a result of the unknown nature and amounts of such reimbursements.

Article XVI-Y. Pennsylvania Minority Business Development Authority (new)

Authorizes the Pennsylvania Minority Business Development Authority to have an indefinite term of existence. Should the authority be dissolved in accordance with state law after the effective date of this section, the commonwealth shall arrange for the payment or retirement of all bonds, debts, and obligations of the authority and all property, funds, and assets of the authority shall be vested in the commonwealth.

Fiscal Impact: The Pennsylvania Minority Business Development Authority is set to sunset in 2024. Enactment of this legislation would continue the appropriation within the Department of Community and Economic Development to the Pennsylvania Business Development Authority Fund which is currently allocated \$1,350,000 for fiscal year 2024/25.

Article XVI-Z. Agriculture Innovation Grant Program (new)

Establishes the Agricultural Innovation Grant Program within the Department of Agriculture (AGR) to be administered in consultation with the State Conservation Commission. The program would provide reimbursement grants to eligible applicants for the following costs:

- Innovations to improve energy efficiency, water quality, reduce water consumption and odors, or address waste issues
- Processing agricultural commodities that sequester carbon into durable goods
- Technologies which produce energy from agricultural sources (manure/food waste/biomass)
- Technologies that reduce the amount of CO₂ used or emitted by farms
- Equipment that provides low or no carbon energy source
- Farm management technologies
- Process/technology which makes the sorting, grading, or production of agricultural commodities more efficient
- Biosecurity and health improvement innovations

Grant funds and eligibility

- *Planning Project Grants*
 - grants for projects with a focus on strategic plan development to improve agricultural practices/technologies/operations
 - grant allocation between \$7,500 - \$50,000
 - requires 30 percent match through non-state sourced funds
- *On-site Project Grants*
 - grants for projects with a focus on implementing practices / technologies / approaches on individual farm or agricultural commodity producing property
 - grant allocation between \$5,000 - \$200,000
 - requires 50 percent match through non-state sourced funds
- *Regional Project Grants*

- grants for projects designed to address challenges, promote efficiencies, or achieve specific goals for multiple eligible applicants
- grant allocation between \$100,000 - \$2,000,000
- requires 50 percent match through non-state sourced funds

Grant Restrictions

- Grant awards shall be based on actual eligible costs
- Grant funds shall not be used to reimburse in-kind contributions
- Grant funds shall not be used to pay or reimburse wages or salaries of grant recipient staff
- Grant funds may not be used to reimburse any portion of a project cost paid or reimbursed under Federal or State grant program

Other Provisions

- A single eligible grantee may not be awarded more than \$2 million in a fiscal year
- Submission of an application
- AGR may establish criteria through which it may demand return of grant funding
- Written agreement may be required

Fiscal Impact: The fiscal impact from enactment of this provision would be a function of whether funds are appropriated, within the Department of Agriculture, from the General Assembly for grant awards and administration of the program.

Section 1777-A. Pennsylvania Convention Center (new)

Extends the current operating agreement between the commonwealth, through the Office of the Budget and Department of General Services, and the City of Philadelphia for the Pennsylvania Convention Center until December 31, 2069. The current operating agreement was authorized on April 20, 2010, and is currently set to terminate on December 1, 2039.

Fiscal Impact: Enactment of this provision would have no impact on commonwealth funds.

Section 1712-A.1 Establishment of special fund and account.

From funds deposited into the Tobacco Settlement Fund in fiscal year 2024/25, an amount equal to the annual debt service due in the fiscal year pursuant to the section 2804 of the Tax Reform Code of 1971, will be transferred to the fund from the taxes collected by April 30th

Fiscal impact: There is no fiscal impact as the 2024/25 budget already considers the transfer of the taxes collected to the Tobacco Settlement Fund.

Section 1713-A.1. Use of Fund

This section directs the same transfer from Cigarette Tax revenues in the General Fund to the Tobacco Settlement Fund as fiscal year 2024/25 to cover annual debt service and makes the same distributions from the Tobacco Settlement Fund as fiscal year 2024/25. The allocations are as follows:

- 4.5%, reflecting \$15 million, for tobacco use prevention and cessation programs
- 8.82%, reflecting \$29.4 million, for health research
- \$1.0 million (0.28%) for spinal cord injury research programs
- 2.61%, reflecting \$8.7 million, for pediatric cancer research
- 0.87%, reflecting \$2.9 million, for grants for biomedical research institutions
- 1%, reflecting \$3.3 million, for health and related research
- 8.18%, reflecting \$27.3 million, for the uncompensated care payment program
- 30%, reflecting \$99.9 million, for the Medical Assistance for Workers with Disabilities Program
- 43.72%, reflecting \$145.6 million, to be separately appropriated for health-related programs

Remaining uncommitted, unencumbered or unexpended amounts from fiscal year 2021/22 and fiscal year 2022/23 will be allocated to pediatric cancer research institutions within this commonwealth.

Fiscal Impact: The transfer from the General Fund to the Tobacco Settlement Fund from Cigarette Tax revenue for debt service is \$115.3 million for fiscal year 2024/25. The overall percentage allocations for health-related programs from the Tobacco Settlement Fund will be \$333.1 million in fiscal year 2024/25.

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

Authorizes the transfer of \$5.309 million from the PA Race Horse Development Fund (RHDF) for disbursement to the Animal Health Commission, the PA Veterinary Laboratory System, PA Fairs, and the State Farm Products Show Fund

for fiscal year 2024/25.

Additionally, for fiscal year 2024/25, \$10.425 million is authorized to be transferred from the PA Racehorse Development Fund to the State Racing Fund to cover costs of enforcement of equine medication rules testing

Fiscal Impact: Enactment of these provisions will provide \$5.309 million for agricultural-related programs and \$10.425 million for enforcement of medication rules in horse racing for 2024/25.

Section 1739-A.1 Refund of 2009 assessment by Insurance Department (new)

Provides that a workers' compensation insurance carrier can claim a refund from the Department of Insurance in the amount equal to the assessment paid by the carrier, plus interest, that was collected by the department in 2009, as required by Public Notice 2010-01.

Fiscal Impact: The refunds paid to eligible workers' compensation insurance carriers will decrease the Worker's Compensation Security Fund by the assessment amount collected in 2009 plus interest which is estimated to be \$24 million.

Article XVI-Y Streamlining Permits for Economic Expansion and Development Program (new)

This article creates the Streamlining Permits for Economic Development Program and tasks the Department of Environmental Protection (DEP) to administer the program.

- DEP in consultation w/ Department of General Services will establish a process for the issuance of Request of Proposals (RFP) to utilize qualified professionals to evaluate eligible permit applications
- The Review will be:
 - Conducted under the supervision of DEP
 - Subject to all standards, technical specifications, scope of review as set by DEP
 - In accordance with a timeline set by DEP
 - In accordance with all applicable state and federal laws and regulations
 - Include a recommendation as to the permit decision, including a list of deficiencies if any
 - Subject to Final Review by DEP
- The applicant for an eligible permit pays all costs, as determined by DEP.
- Tracking system for permit applications – DEP will establish and maintain a secure tracking system for applications submitted electronically to the department.

Fiscal Impact: The fiscal impact from enactment of this article would be a function of any funds appropriated by the General Assembly to the Department of Environmental Protection to administer the program.

Section 1712-A.2. Clean Streams Fund

Changes the current allocations from the Clean Streams Fund as follows:

- 71.5 percent to the State Conservation Commission
- 12 percent to PennVEST
- 10 percent to the Nutrient Management Fund
- 4 percent to DEP
- 0.5 percent to DCNR
- 2 percent to Acid Mine Drainage Abatement and Treatment Fund

Section 1742-A.2 Deposits to Service and Infrastructure Improvement Fund

This section deposits \$68 million to the Unemployment Compensation (UC) Service and Infrastructure Improvement Fund from revenues ordinarily directed to the Unemployment Compensation Fund.

Fiscal Impact: Enactment of this provision would increase the contributions from the Unemployment Compensation Contribution Fund to the Unemployment Service and Infrastructure Improvement Fund from \$65 million to \$68 million or an increase of \$3 million over fiscal year 2024/25.

Section 1712-E. Executive Offices

- Subsection (e) provides for a transfer to the Department of Corrections. The subsection states that money received by the commonwealth under the American Rescue Plan Act (ARPA) of 2021 that was deposited in and appropriated from the COVID-19 Response Restricted Account that remains unexpended, uncommitted, or unencumbered as of December 20, 2024, shall be transferred to the Department of Corrections and allocated for payroll or similar expenses.

Fiscal Impact: Enactment of this subsection will have a fiscal impact to the extent that it will allow the Department of

Corrections to utilize federal funds instead of state funds for payroll or similar expenses as allowed by the America Rescue Plan Act of 2021.

- Subsection (f) establishes the Enterprise and Technology Restricted Account, within the General Fund, and provides for the transfer of \$65 million to the account from unexpended, unencumbered, or uncommitted funds appropriated in fiscal year 2024/25. Money in the account is appropriated as follows:
 - \$38 million for Enterprise Systems Lifecycle within the Office of the Budget
 - \$21 million for Commonwealth Office of Digital Excellence (CODE) within the Office of Administration
 - \$6 million for Teacher Information Management System and Professional Education Management Records System projects within Department of Education

This Section requires the Secretary of the Budget is required to provide a list of appropriations and the amounts transferred to the chairperson and minority chairperson of the Appropriations Committees within each chamber of the General Assembly, no less than ten (10) days prior to the transfer.

Fiscal Impact: Enactment of this subsection will have a fiscal impact to the extent that it will allow the Secretary of the Budget to transfer funds from prior fiscal years that were unexpended, unencumbered, and uncommitted.

Section 1718-E. Department of Agriculture

From money allocated for avian influenza prior to fiscal year 2024/25, directs the following:

- Up to \$6 million for a new animal diagnostic and testing laboratory in Western PA
- For highly pathogenic avian influenza Rapid Response Team
- To combat foreign animal disease that could impact the commonwealth
- Money appropriated for grants shall not be used for other purposes

Fiscal Impact: Enactment of this subsection would not have a fiscal impact on commonwealth funds, as language simply articulates how appropriated funds are to be spent.

Funds appropriated for the Fresh Food Financing Initiative in fiscal year 2024/25 and any unspent funds from prior fiscal years, shall be used to provide grants to support local food systems and increase market opportunities in underserved and low- or moderate-income communities in Pennsylvania. Grants may be used to construct, rehabilitate, or expand:

- grocery stores
- farmers' markets
- retail food establishments

Fiscal Impact: Enactment of this subsection would have an impact on commonwealth funds to the extent that it would allow prior year funds to be spent.

Section 1719-E. Department of Community and Economic Development

If the governor previously designated property as a proposed improvement subzone in a township of the second class located in a county of the second class A, no later than December 31, 2020, the department may approve a substitution of one or more these parcels previously designated for other parcels to create a new subzone if the new subzone is substantially similar in acreage and is adjacent to the original subzone.

A subzone created under this subsection shall expire on December 31, 2035. A political subdivision or the political subdivision's designee may submit an application to substitute parcels under this subsection to the department no later than September 1, 2024. An application under this subsection shall be on a form specified by the department and shall be made to the department in accordance with section 302(a)(1), (2) and (5) of the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act.

The department shall certify the substitution no later than October 1, 2024. The substitution shall be deemed effective as of January 1, 2024.

Finally, this section adds language to subsection (a.3) paragraph (3) to clarify that a real property must be entirely owned by one entity or an affiliate.

Fiscal Impact: The addition of a new subzone could have a fiscal impact on commonwealth funds to the extent that zone is designated, and the tax incentives authorized under the legislation are utilized. However, the exact impact of these additional subzones is currently indeterminate.

Section 1724-E. Department of General Services

Authorizes the Department of General Services, with the approval of the Governor, to quitclaim and release to

Programs Employee People, Inc a previously conveyed property, located in the City and County of Philadelphia for a consideration of \$1. Additionally, any costs associated with the quitclaim and release of the property shall be borne by the owner of the property.

Fiscal Impact: Enactment of this section would have an impact on commonwealth funds, to the extent that deed restrictions related to the previously conveyed property are released for a consideration of \$1.

Section 1727-E. Department of Labor and Industry

Amends subsection c (Reemployment Fund) to provide that up to \$15 million of the contributions on wages paid under the Unemployment Compensation Law shall be deposited each year into the Reemployment Fund. The subsection is also amended to extend the transfer through September 30, 2028, and the applicable contributions through December 31, 2028.

Fiscal Impact: Enactment of this section will have no net fiscal impact on Commonwealth funds.

Section 1735-E. Pennsylvania Emergency Management Agency

Provide that the State Fire Commissioner may extend the grant application for fire companies for a period up to 45 additional days for a single EMS company or fire company, upon request, if that company demonstrates hardship or undue burden that prevents them from submitting an application within the specified application period. The subsection also extends the authority of the State Fire Commissioner to award grants through December 31, 2029.

Fiscal Impact: Enactment of this section will have no fiscal impact on commonwealth funds.

Section 1753.2-E Commonwealth Financing Authority

The funding rubric is removed and projects that abate or remediate environmental hazards, as well as projects approved for funding under the Solar for School Act, are added as eligible projects. Beginning in fiscal year 2024/25, a project approved by the Department of Education under the Solar for Schools grant program will be an eligible project.

From the \$100 million appropriated for fiscal year 2024/25, \$75 million shall be used to expand the pool of funds for applicants from fiscal year 23/24 funding round and \$25 million shall be used for Solar for Schools projects.

Fiscal impact: Enactment of this section will have no fiscal impact on commonwealth funds.

Section 1753.3-E Mixed-Use Revitalization Program (new)

Establishes the Mixed-Use Revitalization Program within the commonwealth Financing Authority (CFA) to:

- Increase corridor mixed-use development, including affordable housing opportunities.
- Maximize the leveraging of private and public resources.
- Foster sustainable partnerships committed to addressing community needs.
- Ensure that program resources are used to meet community needs effectively and efficiently.
- Provide grants to projects that involve the acquisition, redevelopment, and revitalization of distressed, unoccupied, and blighted properties, including existing and former malls.

Money appropriated for the Building Pennsylvania Program in the sum of \$10,000,000 shall be transferred to the CFA for the purposes noted above. Eligibility for the program is dependent on a developer committing matching funds of at least 20% of the total funding request. The CFA Board shall develop guidelines and rules for the program.

Grants shall not exceed more than twice the matching funds provided by the developer and the authority may provide both a loan and a grant to a developer and developers are to use best efforts to utilize American-made supplies in any development that uses money from the program.

The CFA is required to provide a report containing a list of developments funded through the program by July 1, 2026, to:

- The governor.
- The auditor general.
- The chairperson and minority chairperson of both the Urban Affairs and Housing Committee of the Senate and the Housing and Community Development Committee of the House of Representatives.
- The chairperson and minority chairperson of both the Community, Economic, and Recreational Development Committee of the Senate and the Commerce Committee of the House of Representatives.

Finally, this section provides definitions for “American-made,” “authority,” “board,” “developer,” “development,” “mixed-use development,” and “program.”

Fiscal Impact: This section would have an impact on commonwealth funds. It allocates \$10 million from the Building

Pennsylvania Program to the CFA for the purposes outlined above. This program may also require additional compliment within the CFA at an approximate cost of \$100,000 per employee to administer the program. However, without knowing the number of applications potentially received the exact fiscal impact is indeterminate.

Section 1781-E. Supreme Court

This section extends the provisions of 42 Pa.C.S. § 1725.1(f)(1) and 42 Pa.C.S. § 3571(c)(4) to January 1, 2040.

Fiscal Impact: Enactment of this section will have no fiscal impact on commonwealth funds.

Section 1798.1-E. Federal and Commonwealth Use of Forest Land

The section provides for the increase to Payment-in-Lieu-of-Taxes (PILOTS) annual charges related to real property owned by:

Department of Conservation and Natural Resources

- From \$2.40 to \$3.00 per acre for each county where the real property is located
 - \$1.20 paid by Department of Conservation and Natural Resources
 - \$1.80 paid by slot machine revenues deposited into the State Gaming Fund
- From \$2.40 to \$3.00 per acre for schools in each school district where the real property is located
 - \$1.20 paid by Department of Conservation and Natural Resources
 - \$1.80 paid by slot machine revenues deposited into the State Gaming Fund
- From \$2.40 to \$3.00 per acre for the township where the real property is located
 - \$1.20 paid by Department of Conservation and Natural Resources
 - \$1.80 paid by slot machine revenues deposited into the State Gaming Fund

Pennsylvania Game Commission or Pennsylvania Fish and Boat Commission

- From \$2.40 to \$3.00 per acre for each county where the real property is located
 - \$1.00 paid by the agency which owns the property
 - \$2.00 paid by slot machine revenues deposited into the State Gaming Fund
- From \$2.40 to \$3.00 per acre for schools in each school district where the real property is located
 - \$1.00 paid by the agency which owns the property
 - \$2.00 paid by slot machine revenues deposited into the State Gaming Fund
- From \$2.40 to \$3.00 per acre for the township where the real property is located
 - \$1.00 paid by the agency which owns the property
 - \$2.00 paid by slot machine revenues deposited into the State Gaming Fund

Fiscal Impact: The increased annual charges for the Department of Conservation and Natural Resources, Pennsylvania Game Commission, and Fish and Boat Commission are estimated to cost the State Gaming Fund an additional \$6.8 million for fiscal year 2024/25.

Section 1798.3-E. Multimodal Transportation Fund (MTF)

This section extends the existing multimodal local match waiver through December 31, 2025.

Fiscal Impact: The waiving of match funds could impact the size of grants awarded from funds dedicated for the PennDOT and CFA MTF grant programs.

Section 1798.5-E. School Safety and Security Fund

Pauses the \$15 million transfer from the Judicial Computer Augmentation Account into the School Safety and Security Fund (Section 1795.2-E) for fiscal year 2024/25 and fiscal year 2025/26.

Fiscal Impact: Enactment of this section will have no net fiscal impact on commonwealth funds.

Section 1730-F.3 Department of Human Services

From money appropriated for medical assistance fee-for-services, no less than \$1.25 million to a hospital in the City of Pittsburgh in Allegheny County that has between 500 and 530 patient beds.

Fiscal Impact: This section will have no fiscal impact on the commonwealth because it directs funds to the extent that they are appropriated.

Section 1733-F.3 Department of Transportation (new)

- From money appropriated for Transportation and Multimodal Improvement Projects, \$80.5 million shall be transferred into the Public Transportation Fund for use as follows:
 - 86.76% for 1513 Operating Program
 - 13.26% for Projects of Statewide Significance

Article XVII-H 2024-25 Budget Implementation

- Pennsylvania Commission on Crime and Delinquency (Section 1712-H.1)
 - makes several earmarks to appropriations to the Pennsylvania Commission on Crime and Delinquency.
 - No less than the amount used in fiscal year 2014/15 is required to be used to support the Statewide Automated Victim Information and Notification System (SAVIN) and
 - No less than the amount used in fiscal year 2014/15 is required to be used for a residential treatment community facility for at-risk youth located in a county of the fifth class.
 - \$400,000 shall be used for an innovative police data sharing system, and \$700,000 shall be used for a diversion program for first-time nonviolent offenders.
 - \$3 million is allocated for a pilot program in Philadelphia and Delaware County to hire additional assistant district attorneys designated as Special United States Attorneys as part of Project Safe Neighborhoods to exclusively prosecute certain firearms crimes.
 - \$500,000 will support a statewide child predator unit
 - \$500,000 will be used for training and equipment for the identification, investigation and prosecution of crimes related to the sexual abuse of children
 - \$1.75 million is allocated for the nonnarcotic medication substance use disorder treatment program. This funding was allocated to the Department of Corrections in prior years in the same amount.
 - \$2 million shall be distributed to a nonprofit organization to monitor conditions in State and county correctional institutions.
 - Violence and delinquency prevention programs
 - No less than the amount used in fiscal year 2014/15 shall be used for programs in a city of the second class (Pittsburgh).
 - No less than the amount used in fiscal year 2014/15 shall be used for blueprint mentoring programs addressing youth violence in cities of the first, second, and third class. Programs in cities of the second and third class will also receive a proportional share of \$350,000.
 - Violence intervention and prevention
 - No less than \$11.5 million shall be used by the School Safety and Security Committee to provide grants for out-of-school programming for at-risk school-age youth.
 - County intermediate punishment
 - The bill includes general guidelines for county intermediate punishment funding.
- Attorney General (Section 1714-H)
 - Special Prosecutor for Mass Transit
 - \$1.2 million is included in the Attorney General's appropriation for General Government Operations for costs related to a special prosecutor for mass transit
 - Joint Local-State Firearms Task Force
 - \$13.9 million appropriated to the Attorney General for the Joint Local-State Firearms Task Force:
 - \$8.4 million shall be distributed between the Attorney General and the Philadelphia district attorney's office
 - No more than 20% shall be allocated to Philadelphia
 - \$3.1 million for costs associated with the Philadelphia task force
 - \$1.5 million for establishing and operating a task force in Pittsburgh
 - \$0.9 million to the Attorney General for operating and property costs related to the Joint Task Force
 - Use of restricted accounts by the Attorney General
 - The bill permits the Attorney General to expend funds from the following list of restricted accounts for general government operations:
 - The Criminal Enforcement Restricted Account established under section 1713-A.1.
 - The Collection Administration Account established under section 922.1 of the Administrative Code of 1922
 - The restricted account established under section 1795.1-E(c)(3)(iii)
 - The Straw Purchase Prevention Education Fund established under 18 Pa.C.S. § 6186

- The restricted account established under section 4 of the Telemarketer Registration Act
 - The restricted account known as the Public Protection Law Enforcement Restricted Account
- Department of Agriculture (1718-H)
 - From money appropriated for General Government Operations:
 - No less than \$250,000 shall be used for the commission of Agricultural Education Excellence to assist in the development and implementation of agricultural education programming
 - From money appropriated for Agricultural Preparedness and Response:
 - Up to \$25 million shall be used for grants to assist with costs associated with preparing for and responding to the avian influenza outbreak, including:
 - Income loss
 - Workforce payroll and rent/mortgage obligations
 - Utility payments
 - Depopulation and re-opening of facilities
 - Other costs, not eligible or covered by insurance or other funding sources
 - No more than \$2 million to be utilized by the highly pathogenic avian influenza Rapid Response Team
 - No less than \$6 million shall be used for costs incurred by the Animal Health and Diagnostic Laboratory System in preparing and responding to an avian influenza outbreak
 - From money appropriated for agricultural excellence, no less than \$1.4 million shall be utilized for beef excellence programs and initiatives
 - From money appropriated for agricultural research:
 - No less than \$300,000 shall be used for agricultural research center
 - No less than \$100,000 shall be used for agricultural law research in conjunction with land-grant university
 - From money appropriated for Hardwoods Research and Promotion, at least 80 percent will be equally distributed among hardwood utilization groups
 - Directs that money appropriated for the Animal Health and Diagnostic Commission to be equally distributed to between Penn State's and University of Pennsylvania's New Bolton Center labs
- Pennsylvania Department of Community and Economic Development (Section 1719-H)
 - From money appropriated for General Government Operations, no less than \$1,900,000 shall be used to support manufacturing technology development, to assist small businesses with cyber security, and to test coal ash refuse extraction of rare earth metals for domestic chip manufacturing in a county of the fourth class with a population of at least 130,000 but not more than 135,000.
 - From money appropriated for Marketing to Attract Tourists:
 - \$19,315,000 to fund activities of the tourism office within the Department
 - \$1,000,000 for an annual statewide competition for athletes with intellectual disabilities to be held in a county of the fourth class
 - The remaining money includes an allocation for a series of arts and cultural activities
 - From money appropriated for Pennsylvania First, no less than \$8,000,000 to fund the Workforce and Economic Development Network of Pennsylvania (WEDnetPA).
 - From money appropriated for Keystone Communities, money shall be used for projects supporting economic growth, community development, and municipal assistance.
 - Allows the commonwealth to use up to 3% of money from the Community Development Block Grant Entitlement Program for Nonurban Counties and Certain Other Municipalities for administrative costs.
 - Allows money appropriated for local municipal relief to provide state assistance to individuals, persons, or political subdivisions impacted by natural or manmade disasters, public safety emergencies, or other situations that pose a public safety danger.
 - Allows money appropriated for hospital and health system emergency relief to provide state assistance to hospitals and health care systems that experience unexpected financial impact situations.

- Allows money appropriated for community and economic assistance to include an allocation to provide state assistance for community and economic development, including projects in the public interest.
 - Allows money appropriated for workforce development to be distributed in the same proportion as in fiscal year 2022/23.
- Department of Conservation and Natural Resources (Section 1720-H)
 - Directs money appropriated for parks, forests and recreation projects to be used for grants by the Department.
- Department of Education (Section 1723-H)
 - From money appropriated for Pre-K counts, there is sufficient funding for a 5% increase over fiscal year 2023/24
 - Provides that the Adult and Family Literacy appropriation contains allocations for after school programs in certain counties as well as \$1.05 million to be used to develop a program to subsidize the cost of high school equivalency testing
 - Prohibits any redirection of the pupil transportation appropriation
 - Requires the balance of the Chartered Schools for the Deaf and Blind Children appropriation after all tuition payments have been made to be distributed pro rata for PSERS costs and divides \$2 million equally between the four schools for deferred maintenance costs
 - An Approved Private School will receive a payment from the Special Education Contingency Fund in the amount no less than 175% of the amount allocated in fiscal year 2015/16
 - Specifies that each entity that received funding under the Regional Community College Services and Community Education Councils appropriations in fiscal year 2022/23 will receive the same amounts in fiscal year 2024/25
 - Outlines that the new appropriation within fiscal year 2024/25 budget for Parent Pathways will be used to expand the Parent Pathways Learning Network Pilot Program. The program will support parenting students who pursue a postsecondary degree or certificate completion. PDE will provide financial and technical assistance to institutions to help remove barriers to a postsecondary degree or certificate completion
 - Specifies that funds for the job training and education programs appropriation shall be used for grants for job training, dual enrollment and educational programs
 - Specifies that funds for the mobile science and mathematics education programs appropriation shall be used for grants to support mobile science and mathematics education programs
- Department of General Services (Section 1725-H)
 - Requires money appropriated for capitol fire protection be used for by the City of Harrisburg to support the provisions of fire services to the Capitol complex
- Department of Health (Section 1726-H)
 - Directs that funds appropriated for general government operations must include funds to coordinate donated dental services.
 - Requires that from funds appropriated for primary health care practitioners:
 - No less than \$3.451 million shall be used for Primary Care Loan Repayment Grants Awards.
 - No less than \$1.5 million shall be used for the Pennsylvania Academy of Family Physicians Family Medicine Residency Expansion Program.
 - No less than \$1.3 million shall be used for the Pennsylvania Academy of Family Physicians Family Medicine Physician Recruitment and Retention Programs.
 - All other grantees that received funding in fiscal year 2022/23 must be held harmless compared to fiscal year 2022/23 funding levels.
 - Funds appropriated for services for children with special needs shall be distributed to grantees in the same proportion as in fiscal year 2019/20.
 - From funds appropriated for adult cystic fibrosis and other chronic respiratory illnesses:
 - \$212,000 shall be used for a cystic fibrosis research program in Allegheny County (same level as fiscal year 2023/24).
 - \$106,000 shall be used for childhood cystic fibrosis research in Philadelphia (same level as fiscal year 2023/24).
 - All other funds will be distributed to grantees in the same proportion as in fiscal year 2019/20.
 - Funds appropriated for diagnosis and treatment for Cooley's anemia will be distributed in the same proportions as in fiscal year 2019/20.
 - Funds appropriated for hemophilia services will be distributed to grantees in the same proportions as in fiscal year 2019/20.

- Funds appropriated for lupus programs will be distributed in the same proportions as in fiscal year 2018/19.
- From funds appropriated for sickle cell anemia services:
 - \$75,000 will be distributed to an academic medical center in Dauphin County.
 - All other funds will be distributed in the same proportions as in fiscal year 2019/20.
- From funds appropriated for Lyme disease \$1 million will go towards costs related to free tick testing and \$1 million for tick mitigation, both of which are performed in conjunction with a university that is part of the State System of Higher Education.
- From funds appropriated for biotechnology research allocations will be made toward: regenerative medicine research, regenerative medicine medical technology, hepatitis and viral research, drug research and clinical trials related to cancer, genetic and molecular research for disease identification and eradication, vaccine immune response diagnostics, nanotechnology, and commercialization of applied research.
- Department of Labor and Industry (Section 1728-H)
 - Maintains existing allocations to a workforce development program for veterans in Delaware County.
- Department of Human Services (Section 1730-H)
 - \$580,000 from funds appropriated for Mental Health Services shall be used for the operation and maintenance of a network of web portals that provide support and prevention for individuals with mental health or substance abuse conditions and for the expansion of existing web portals that identify services and resources for military veterans and their families.
 - From money appropriated for county mental health services, \$20 million will be used for county mental health services and distributed as follows:
 - 20% based on the percentage of a county's population
 - 40% based on the percentage of a county's population whose income is greater than 125% but not greater than 200% of the federal poverty level
 - 40% based on the percentage of a county's uninsured population.
 - Money received under this distribution is not included in the calculation of the county's Human Services Block Grant Program.
 - Grantees who operated a PA Workwear program in the prior fiscal year and remain in operation shall be offered a grant for fiscal year 2024/25.
 - From funds appropriated for MA – Capitation:
 - At least the same amount that was used in fiscal year 2014/15 will be used for the prevention and treatment of depression and its complications in older individuals in Allegheny County.
 - From funds appropriated for MA – Fee-for-Service:
 - Payments to hospitals for the Community Access Fund grants shall be made using the formula utilized during fiscal year 2014/15.
 - Funds allocated to the Select Plan for Women's preventative health services shall be used for women's medical services including noninvasive contraception supplies.
 - Sufficient funds are included to pay separate payments to inpatient acute care hospitals for normal newborn care and the mother's delivery.
 - No less than \$405,000 shall be used for Cleft Palate and other Craniofacial Anomalies.
 - No less than \$800,000 shall be distributed to a hospital for clinical ophthalmological services located in Philadelphia.
 - No less than \$5 million shall be distributed to a hospital in the City of Chester in Delaware County, provided that services and specialties available on the effective date of this legislation remain available until July 1, 2025.
 - No less than \$2 million shall be distributed to a university located in Philadelphia to research the impact of trauma-informed programs on community violence prevention and health disparities.
 - No less than \$3 million shall be distributed to an enrolled outpatient services provider located in the City of Pittsburgh in Allegheny County that provides behavioral health and medical rehabilitation pediatric outpatient services.
 - No less than \$1.25 million to a hospital in the City of Pittsburgh in Allegheny County that has between 500 and 530 patient beds.
 - \$10 million for one-time payments to rural hospitals.

- The department may adjust the premium amount paid by individuals enrolled in the Medical Assistance for Workers with Disabilities program upon federal approval.
- Qualifying Physician Practice Plans that received money for fiscal year 2017/18 shall not receive less than the same amount that was appropriated during that fiscal year.
- Funds appropriated for Trauma Centers that are not used to pay hospitals with Level III Trauma Centers shall be used to make payments to hospitals with Level I and Level II Trauma Centers.
- Qualifying Academic Medical Centers that received money for fiscal year 2017/18 shall receive the same amount that was appropriated during that fiscal year.
- Funds appropriated to Medical Assistance Transportation shall be used as the payment of last resort.
- From funds appropriated for Medical Assistance Long-Term Living:
 - No less than the amount distributed in fiscal year 2014/15 shall be distributed to county nursing homes located in Delaware County, with more than 725 beds and a Medicaid acuity at 0.79 as of August 1, 2015.
 - No less than the amount used in fiscal year 2020/21 shall be distributed to a nonpublic nursing home located in Philadelphia County with more than 395 beds and a Medicaid acuity at 1.06 as of August 1, 2022.
 - \$5 million shall be distributed to a nonpublic nursing home located in Sullivan County with more than 119 beds and a Medicaid acuity at 1.11 as of August 1, 2022.
 - An additional \$500,000 shall be paid in equal payments to nursing facilities, which remain open as of the effective date of this legislation, that qualified for supplemental ventilator care and tracheostomy care payment in fiscal year 2014/15 with a percentage of Medical Assistance recipient residents who required medically necessary ventilator care or tracheostomy care greater than 90%.
 - \$250,000 paid to a nursing facility located in township of the first class in a county of the second class A which remains open and has residents who require medically necessary ventilator care or tracheostomy care equal to or greater than 90% as of August 1, 2022.
 - \$250,000 paid to the nursing facility located in the City of Philadelphia which commenced operations after December 31, 2017, and remains open and has residents who require medically necessary ventilator care or tracheostomy care equal to or greater than 90% as of August 1, 2022.
 - \$21 million is allocated for Medical Assistance Day-One Incentive Payments to qualified nonpublic nursing facilities.
- From Funds appropriated for MA Long-term Living and MA Community HealthChoices:
 - Subject to federal approval, sufficient funds are included for a 7.04% annualized increase for MA nursing facility rates effective January 1, 2025.
- From money appropriated for MA Community HealthChoices:
 - \$1.5 million will be distributed to a nursing home located in a home rule county that was formerly a county of the second class A with more than 126 beds and a Medicaid Acuity at 0.89 as of February 1, 2023.
 - \$1.5 million will be distributed to a nonprofit skilled nursing home located in a city of the second class A in a county of the third class with a Medicaid acuity of 1.11 as of February 1, 2023.
- From money appropriated for long-term care managed care:
 - Beginning January 1, 2025, \$7.5 million is included to provide a rate increase for LIFE program providers.
- From funds appropriated for Autism Intervention and Services:
 - \$600,000 shall be allocated to behavioral health facility located in Lebanon County and shall be distributed to a health system that operates a general acute care hospital and a behavioral health facility that has a center for autism and developmental disabilities located in Lebanon County
 - \$300,000 shall be allocated to an institution of higher education that provides autism education and diagnostic curriculum located in the City of Philadelphia, that operates a center for autism in Montgomery County.
 - \$300,000 shall be allocated to an institution of higher education that provides autism

- education and diagnostic curriculum and is located in Allegheny County
 - No less than the amount distributed in the fiscal year 2014/15 shall be allocated for programs that promote the health and fitness of individuals with developmental disabilities located in City of Philadelphia
 - \$600,000 shall be allocated for an entity that provides alternative educational services to individuals with autism and developmental disabilities in Lancaster County
- Funds appropriated for breast cancer screening may be used for women’s medical services, including noninvasive contraception supplies.
- From funds appropriated for 211 communications, \$750,000 shall be allocated for the statewide 211 System Grant Program.
- From funds appropriated for services for the visually impaired:
 - \$4,084,000 is allocated to a statewide professional services provider association for the blind.
 - \$618,000 is allocated to provide specialized services and prevention of blindness services in the City of Philadelphia.
- The provisions of federal law regarding individuals that are ineligible for federal programs shall apply to payments and providers.
- The department shall not add non-medically necessary services to the MA program that would result in the need for a supplemental appropriation without the approval of the General Assembly.
- The Secretary of Human Services will report on a quarterly basis in person to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the House of Representatives.
- Pennsylvania Emergency Management Agency (Section 1735-H)
 - Funds appropriated for search and rescue programs shall be used to support programs to train working service dogs for rescue and public safety
 - Funds appropriated to the State Fire Commissioner shall fund a statewide recruitment and retention coordinator and regional technical advisors to support local governments and fire organizations
 - Funds appropriated state disaster assistance shall be used to provide individual assistance for recovery from emergencies and non-federally declared disasters, including for critical needs assistance and residential repairs not covered by insurance or other funding sources.
 - Urban Search and Rescue
 - Establishes guidelines for the \$6 million appropriated to PEMA for Urban Search and Rescue and stipulates that up to \$6 million shall be distributed to the sponsoring agency of an urban search and rescue task force established within a regional counterterrorism task force covering Allegheny County. The funding shall be used for equipment, equipment storage, and training necessary for the task force to meet or exceed the minimum requirements of a Type 3 urban search and rescue task force as defined by the Federal Emergency Management Agency.
- Pennsylvania Higher Education Assistance Agency (Section 1738-H)
 - Requires PHEAA to allocate \$500,000 from the Higher Education Assistance Fund to Cheyney University Keystone Academy
 - Allocates \$1 million funds appropriated for education assistance grants to merit scholarships at Mansfield University
 - Allows funds appropriated for Pennsylvania Internship Program grants to be used for internship and seminar programs
- Thaddeus Stevens College of Technology (Section 1739-H)
 - Imposes reporting requirements on the president of the college regarding how the funds will be used to expand student enrollment

Fiscal Impact: This section will have no fiscal impact on the commonwealth because it directs funds to the extent that they are appropriated.

Article XVII-I 2024-2025 Restrictions on Appropriations for Funds and Accounts

- Section 1703-I:
 - Provides that money appropriated to the Department of Aging shall include money for the establishment of the Alzheimer’s, Dementia and Related Disorders Office.

- States that money appropriated for PENNCARE from the State Lottery Fund may not be utilized for administrative costs by the Department of Aging.
- Section 1731-I provides for the allocation of grants from money deposited into the Pennsylvania Preferred® Trademark Licensing Fund.
- Section 1732-I provides that the Department of Agriculture may use up to \$165,000 from funds in the Agricultural Conservation Easement Purchase Fund to make grants of up to \$5,000 for succession planning, to ensure that agricultural operations continue on land subject to agricultural conservation easements.
- Section 1732.1-I appropriates \$6 million from the Gaming Economic Development and Tourism Fund to the Department of General Services to meet payment obligations related to project itemized in Section 3(2)(i)(D) of Act 53 of 2007 (PA Gaming Economic Development and Tourism Fund Capital Budget Itemization Act).
- Section 1733-I allows the Budget Secretary to create restricted receipt accounts for the purpose of administering federal grants. Restricted receipt accounts are established as follows:
 - Department of Community and Economic Development:
 - ARC Housing Revolving Loan Program
 - Brownfields Revolving Loan Fund
 - Department of Conservation and Natural Resources:
 - Federal Aid to Volunteer fire companies
 - Land and Water Conservation Fund Act of 1965
 - 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 – Inventory Programs
 - Department of Drug and Alcohol Programs:
 - Share Loan Program
 - Department of Transportation:
 - Capital Assistance Elderly and Handicapped Programs
 - Railroad Rehabilitation and Improvement Assistance
 - Ridesharing/Van Pool Program – Acquisition
 - Pennsylvania Emergency Management Agency:
 - Receipts from Federal Government – Disaster Relief – Disaster Relief Assistance to State and Political Subdivisions
 - 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-F.5 2024-25 Fund Transfers

Environmental Stewardship Fund

The section authorizes a transfer of \$9.944 million from the Personal Income Tax revenue to the Environmental Stewardship Fund.

Fiscal Impact: This provision will result in a transfer of \$9.944 million to the Environmental Stewardship Fund from Personal Income Tax revenue in the General Fund.

Well Plugging Restricted Revenue Account (new)

The section authorizes a transfer of \$5 million from the Waste Transportation Safety Account to the Well Plugging Restricted Revenue Account.

Fiscal Impact: This provision will result in a transfer of \$5 million to the Well Plugging Restricted Revenue Account from the Waste Transportation Safety Account.

Crime Victim Services and Compensation Fund (new)

The section authorizes a transfer of \$5 million from the State Gaming Fund to the Crime Victim Services and Compensation Fund.

Fiscal Impact: This provision will result in a transfer of \$5 million to the Crime Victim Services and Compensation Fund from the State Gaming Fund.

Article XVIII--A Pennsylvania Strategic Investments to Enhance Sites (PA SITES) Program

This article creates the PA Sites Program and authorizes the Department of Community and Economic Development (DCED) to provide grants and loans to eligible applicants for eligible projects by applying to the Pennsylvania Economic Development Financing Authority (PEDFA) under the Financing Law. It also authorizes the commonwealth Financing Authority (CFA) to apply to the PEDFA under the Financing Law for money to fund projects under the Multimodal Transportation Funding Program and the PA Small Water and Sewer Program.

PEDFA may issue bonds in one or more series and each series may finance loans and reimbursement grants by DCED for the PA Sites Program, grants that the CFA may make under the Multimodal Transportation Funding Program, and grants that the CFA may make under the PA Small Water and Sewer Program.

The maximum issuance of bonds is not to exceed \$500 million. Up to \$400 million shall be deposited into a subaccount for DCED to administer the PA Sites Program. Up to \$100 million shall be deposited into a subaccount for the CFA to administer the Multimodal Transportation Funding Program and the PA Small Water and Sewer Program with each program receiving \$50 million in funding.

Of the \$400 million deposited into a subaccount for DCED to administer the PA Sites Program, DCED shall not expend more than the following:

- In fiscal year 2024/25, no more than \$125 million.
- In fiscal year 2025/26, no more than \$175 million plus any unexpended money from a prior fiscal year.
- In fiscal year 2026/27, no more than \$100 million plus any unexpended money from a prior fiscal year.

Fiscal Impact: This bill will have a fiscal impact on commonwealth funds. It authorizes a maximum principal amount of bonds not to exceed \$500 million. In addition to the principal repayments, the commonwealth will incur interest on the costs of the bonds sold. The timing of principal and interest payments depends on when a bond sale is executed, and the interest rate the commonwealth achieves depends both on the fiscal condition and creditworthiness of the commonwealth at the time of sale. Interest rates can vary significantly over time.

The Department of Community and Economic Development believes the 0.2% of the bond proceeds in the aggregate over the life of the program authorized to administer the program is sufficient.

Due to the varying nature of interest rates and without knowing the total amount of bonds issued, the fiscal impact is indeterminate at this time.

Article LXXX – Fiscal Supplements to Statutory Programs

This article authorizes an eligible township of the first class to levy an annual tax not exceeding ten mills and appropriate the revenue collected from the tax for building construction, renovations, purchases, training, and salary or compensation, among other things, for fire suppression employees or a fire company within the eligible township.

It authorizes an eligible township of the first class to levy an annual tax not exceeding five mills and appropriate the revenue collected from the tax for supporting ambulance, rescue, and other emergency services or paying salaries, benefits, or compensation for employees.

It further requires the Local Government Commission to conduct a study on the impact of these taxes and the delivery and utilization of fire and emergency services no later than three years after the effective date of this section. The report shall be submitted to the General Assembly.

Furthermore, the article authorizes a township of the second class to levy an annual tax not exceeding ten mills and appropriate the revenue collected from the tax for:

- Fire apparatus
- Appropriations to fire companies
- Training
- Contracting adjacent fire companies
- Salaries/benefits and other compensation

It further requires the Local Government Commission to conduct a study on the impact of these taxes and the delivery and utilization of fire and emergency services no later than three years after the effective date of this section. The report shall be submitted to the General Assembly.

Lastly, the article authorizes boroughs to levy an annual tax not exceeding ten mills and appropriate the revenue collected from the tax for:

- Purchasing fire engines, fire apparatus and other fire equipment
- Appropriations to fire companies
- Training
- Contracting adjacent fire companies
- Salaries/benefits and other compensation

It also requires the Local Government Commission to conduct a study on the impact of these taxes and the delivery and utilization of fire and emergency services no later than three years after the effective date of this section. The report shall be submitted to the General Assembly.

Fiscal Impact: Enactment of this article would not have an impact on commonwealth funds, however it may impact townships of the first class and second class and boroughs.

Section 80041. Regulation of rodeos or rodeo-related events

- As it relates to an existing regulation or ordinance relating to barring rodeos or rodeo-related activities, a rodeo or rodeo hosting entity could request up to 12 days per calendar year to hold such activities.
- As it relates to regulation or ordinance being adopted by a municipality going forward, a rodeo or rodeo hosting entity may request up to 12 days per calendar year to hold such activities.

Fiscal Impact: Enactment of this subsection would not have an impact on commonwealth funds.

PREPARED BY: House Appropriation Committee Staff (D)

DATE: July 11, 2024

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