

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO.

Senate Bill 1042

PRINTER'S NO.

1465

AMOUNT

Transfers to the General Fund (Thousands)		
Transfer	FY 2009-10	FY 2010-11
Rainy Day Fund	\$755,000	
HCPRA	\$708,000	
Tobacco Endowment Account	\$150,000	\$250,000
TSF – Prevention & Cessation	\$17,673	\$17,673
Oil & Gas Lease Fund	\$ 60,000	\$180,000
MCARE Fund Transfer	\$100,000	
Auto CAT Fund	\$44,000	\$44,000
PAHC4	\$2,300	
TOTAL	\$1,979,973	\$491,673

DATE INTRODUCED

July 19, 2009

PRIME SPONSOR

Senator Browne

HISTORY OF BILL

- Referred to FINANCE, July 19, 2009
- Reported as committed, July 20, 2009
- First consideration, July 20, 2009
- Re-referred to APPROPRIATIONS, July 27, 2009
- Re-reported as committed, July 28, 2009
- Laid on the table, Aug. 24, 2009
- Removed from table, Aug. 24, 2009
- Laid on the table, Sept. 23, 2009
- Removed from table, Sept. 23, 2009
- Amended on third consideration, Oct. 5, 2009

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DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1042 amends Act 176 of 1929, known as the Fiscal Code, to provide for implementation of the Fiscal Year 2009-10 General Appropriations Act, and for other changes.

BUDGET IMPLEMENTATION PROVISIONS

Permanent Section

- Requires the Department of Corrections to consider minimum relief factor values to determine staffing levels.
- Provides transitional funding for the Scranton School for the Deaf.
- Requires the Pennsylvania State Police to hold a public hearing before closing a barracks.
- Requires PEMA to report on certain grants.

Community & Economic Development

- Transfers \$12,000,000 from the Small Business First Fund to the Machinery and Equipment Loan Fund.

Education

- Requires funds received under ARRA to be spent in accordance with federal rules.
- Allows schools to reopen budgets to reflect passage of the state budget.
- Limits payments for sight or hearing-impaired students to \$500 per student.
- Payments to community colleges are required to be made on a pro rata basis.
- Special Education payments, including those in the Educational Assistance Program are required to be equal to last year or on a pro rata basis.
- Accountability grants will be distributed in an amount equal to last year or on a pro rata basis.
- For former employees of the Scranton and Scotland schools, SB 1042 requires the creation of a pool for each school for employees to be offered employment when there are vacancies in designated school districts. Vacancies in those districts cannot be filled unless it is first offered to the teachers in the pool. Designated districts include schools within 17 miles of the Scranton or Scotland schools or is a district with at least 8,000

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students; receives 50% or more of its funding from the state; and is within 45 miles from the administration building.

- SB 1042 requires the Department of Education to submit a report on costs to provide education services to delinquent children under the Juvenile Justice program.
- Requires school districts to maintain certified safety committees as defined under the Workers' Compensation Act.
- The bill includes the funding formula for libraries.
- Allows up to \$4,500,000 in undistributed funds to be used to assist school districts certified as "education empowerment districts."
- Provides payments for homebound children.
- Provides for the basic education spending formula for FY 2009-10.

ENVIRONMENTAL PROTECTION

- The Water Conservation subcommittee of the Statewide Water Resources Committee, in cooperation with the department, shall determine funding for the Water Resources Technical Assistance Center.
- The appropriation for the Consumer Energy Program is suspended for FY 2009-10.
- Authorizes the department to spend application fees collected from the solar program under special session HB 1, known as the Alternative Energy Investment Act. Fees are capped at \$100 for residential and \$150 for commercial.

HEALTH

- Lupus funding is to be distributed in the same proportion as FY 2008-09.
- Arthritis outreach funding is equitably distributed among the central, western, and eastern regions based on defined population ratio.
- Provides funding for bio-tech research of \$1.1 million for regenerative medicine centers and \$1.5 million for an institution for hepatitis and virus research.

LABOR & INDUSTRY

- Allocates \$2.154 million for a statewide professional provider of blind services and \$421 thousand for services in first class cities.
- Provides that amounts obligated under the federal "Reed Act" cannot exceed the Social Security Act limits.

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PUBLIC WELFARE

- TANFBTG Cash Grants are allowed to be transferred to CCDFBG child care.
- CCDFBG Cash Grants may be transferred to CCDFBG Child care services.
- Provides for no physician referral requirement for chiropractic care in MA.
- Providers who fail to supply information to facilitate a claim cannot receive MA capitation funds.
- Community Access funds are distributed under the same formula as FY 2008-09 or pro rata.
- Academic medical centers are held harmless at FY 2004-05 levels.
- Qualifying universities and affiliated plans under MA are held harmless at FY 2007-08 levels.
- Requires MA transportation assistance can only be used as a last resort.
- Prohibits the "carve out".
- MA funds not used to make payments to Level III trauma centers are distributed to Level I & II centers.
- Breast cancer screening funds are allowed to be used for noninvasive contraception supplies.
- Alternatives to abortion funds are expended until 12 months after childbirth. Prohibits abortion referral.
- Women's service programs may be used for noninvasive contraceptives.
- Federal alternatives to abortion funding must be used for women with family income below 185% of federal poverty guidelines.

PHEAA

- Requires funds to be used for matching payments to maximize receipt of federal funds. Colleges or universities receiving a direct appropriation from the state may not participate in the Institutional Assistance Grant program.

SSHE/STATE-RELATED INSTITUTIONS

- Expands Articulation Agreements for SSHE, Community Colleges and State-related Universities.

PAHC4

- Requires proceeds from the sale of data to be reported. Allows the council to utilize 25% of the proceeds. Transfers \$2.3 million in funds from the council to the General Fund.

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PENGUINS

- Provides \$5 million from the PA Gaming Economic Development & Tourism Fund for the Pittsburgh Penguins.

LOTTERY FUND

- PENNCARE funds may not be used for administrative costs.

JUDICIAL COMPUTER SYSTEM AUGMENTATION ACCOUNT

- Prohibits the judiciary from augmenting amounts in the account by billing other appropriations to the judicial branch for the computer system.

TOBACCO FUND

- Reenacts current distribution formula for prevention and cessation.
- Deposits strategic contribution payment for FY 2008-09 into the Tobacco Settlement Fund (TSF).
- \$15 million from the endowment account is deposited into the TSF.
- \$10 million from the Health Account is deposited into the TSF.
- 25% of money for prevention shall remain in the TSF.
- 33.3% of money for health investment insurance shall remain in the TSF.
- Money in the TSF is appropriated for health related purposes.
- 37.5% of money in the TSF is transferred to the General Fund.
- \$150 million is transferred from the endowment account to the General Fund.

COMMUNITY HEALTH REINVESTMENT

- Maintains the account to receive funds from the BLUES under the 2005 contract between the Commonwealth and certain BLUES entities.

GAMING FUND

- Implements the loan of operating expenses of the State Gaming Fund from the Property Tax Relief Reserve Fund. Provides for repayment of the loan when 11 gaming venues are operational.

OTHER PROVISIONS

- Provides for the Department of Revenue to require electronic filing in certain circumstances.
- Adds "little cigars" to the definition of "cigarettes".
- Establishes the Independent Fiscal Office.

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- Relieves the Treasurer of publishing unclaimed property valued at less than \$250.
- Creates a TIF-style program to fund the Allentown ice arena.
- Requires DCNR to lease adequate acres to receive \$240 million in lease revenues. Includes a \$2,500 minimum per acre lease payment.
- Includes "bond fix" language requested by the Budget Office for the H2OPA program.
- Makes \$15 million formerly reserved for flood control projects available for high hazard unsafe dams.

EFFECTIVE IMMEDIATELY