

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1300

**PRINTER NO.** 1943

**AMOUNT**

See Fiscal Impact

**FUND**

Various Funds

**DATE INTRODUCED**

May 30, 2023

**PRIME SPONSOR**

Representative Mehaffie

**DESCRIPTION**

House Bill 1300 amends the Fiscal Code to add a council member to the Long-term Care Council. This legislation would add one member from the Office of the State Long-Term Care Ombudsman within the Department of Aging to the Long-term Care Council. The new member must be appointed by the Governor in consultation with the Secretary of Aging. This provision will be effective January 1, 2025.

*Fiscal Impact: This change will have no fiscal impact on Commonwealth funds.*

Claim for Property Paid

This bill allows the State Treasurer to automatically return unclaimed property to sole owners of the property when the value of the property or proceeds is less than \$5,000 irrespective of whether a claim has been filed.

*Fiscal Impact: This is estimated to increase the amount of unclaimed property returned by \$6 million, resulting in a reduction of revenue to the General Fund in FY 2023-24.*

Oil and Gas Lease Fund Transfer

This bill stops the transfer from the Oil and Gas Lease Fund to the Marcellus Legacy Fund for distribution to the Environmental Stewardship Fund for Fiscal Year 2023-24.

*Fiscal Impact: The Oil and Gas Lease Fund will realize a reduction in expenditures of \$10,538,000 for Fiscal Year 2023-24. The Marcellus Legacy Fund and Environmental Stewardship Fund will have no fiscal impact as a result of this provision. The transfer was previously utilized to pay the debt service on the Growing Greener bonds, which will be paid out of Personal Income Tax during Fiscal Year 2023-24.*

Child Support Costs

This bill removes sunset provisions for court-imposed fees charged during child-support related hearings.

*Fiscal Impact: This will have no fiscal impact on Commonwealth funds.*

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### Hospital Assessment

This bill provides for an extension through June 30, 2028, of an assessment on all inpatient acute care and rehabilitation hospitals at a set percentage of their net inpatient revenue and net outpatient revenue.

*Fiscal Impact: The assessment will save the General Fund \$368 million in Fiscal Year 2023-24 and \$452 million in Fiscal Years 2024-25 through 2027-28. The budget assumes savings of \$68 million.*

### Tobacco Settlement Fund

This bill provides for the extension of the transfer of revenues from the Cigarette Tax to the Tobacco Settlement Fund for annual debt service for Fiscal Year 2023-24. The bill also provides for the Fiscal Year 2023-24 distribution of Tobacco Settlement Fund payments as follows:

- 4.5% for tobacco use prevention and cessation programs (\$16,210,000);
- 8.82% for Health Research - Health Priorities formula-based grants (\$31,772,000);
- 2.62% for Health Research – Pediatric Cancer (\$9,462,000);
- 0.87% for biotechnology research equipment grants (\$3,154,000);
- 0.28% for spinal cord injury research programs (\$1,000,000);
- 1% for health and related research under Section 909 of the Tobacco Settlement Act (\$3,602,000);
- 8.18% for the Uncompensated Care Payment Program (\$29,466,000);
- 30% for the purchase of Medicaid benefits for workers with disabilities (\$108,067,000); and
- 43.72% shall remain in the fund to be separately appropriated for health-related purposes (\$157,489,000).

*Fiscal Impact: The transfer from the Cigarette Tax for debt service for Fiscal Year 2023-24 is \$115,300,000. The percentage allocations result in appropriations from the Tobacco Settlement Fund for health-related programs in Fiscal Year 2023-24 of \$360,222,000.*

### Distribution from the Pennsylvania Race Horse Development Fund

This bill provides for weekly transfers to be deposited in the Race Horse Development Restricted Receipts Account. Transfers will begin on the effective date of the related clause and will be set at an amount necessary to provide a total of \$9,309,000. In addition, language is provided to require the Department of Revenue to transfer \$10,066,000 from the fund to the State Racing Fund for costs associated with the enforcement of medication rules in horse racing.

*Fiscal Impact: The enactment of these provisions will provide \$9,309,000 for agricultural-related programs and \$10,066,000 for enforcement of medication rules and regulations in FY 2023-24.*

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### Enhanced Revenue Collection Account

This bill repeals language providing for the Enhanced Revenue Collection Account (ERCA) in the Department of Revenue.

*Fiscal Impact: The elimination of ERCA will result in \$21.1 million of increased revenue to the General Fund which is offset by increased General Fund appropriations for the department.*

### Clean Streams Fund Distribution

This bill changes the allocations of new funds deposited into the fund, and requires no less than 75% of ARPA funds previously appropriated to the fund must be spent by the respective agency. The new allocations are as follows:

- 80% - Agriculture Conservation Assistance Program;
- 8% - Nutrient Management Fund;
- 8% - Clean Water Procurement Program; and
- 4% Stormwater Management Act planning.

*Fiscal Impact: This change will have no fiscal impact on Commonwealth funds.*

### Sports, Marketing and Tourism Account Transfer

This bill transfers \$25 million from the Gaming Economic Development and Tourism Fund for use by the Department of Community and Economic Development for a statewide marketing campaign and to promote tourism within the Commonwealth.

*Fiscal Impact: For FY 2023-24, \$25 million will be transferred from the Gaming Economic Development and Tourism Fund to the Sports, Marketing and Tourism Account.*

### Pennsylvania State System of Higher Education Facility Transition Account

This bill establishes the Facility Transition Account as a restricted account in the General Fund to make early repayment of debt service on PASSHE owned facilities.

*Fiscal Impact: The provision will cost the Commonwealth \$65.4 million, which was appropriated in the General Appropriation Act.*

### Game Fund Transfer

This bill transfers funds generated from oil and gas rent and royalty payments from the Game Fund to the Clean Streams Fund.

*Fiscal Impact: For FY 2023-24 the Game Fund will realize a reduction of \$150 million, and the Clean Streams Fund will receive \$150 million.*

### Dirt and Gravel Road Prohibition

This bill prohibits the Game Commission from accessing funding through the Dirt and Gravel Road Program.

*Fiscal Impact: This will have no fiscal impact on Commonwealth funds.*

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### ATV Pilot Program Extension

This bill will extend access to the ATV Pilot Program area for at least the 2024 and 2025 riding seasons. The Department of Conservation and Natural Resources will be required to submit additional reports every three years after the original report is submitted.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### Drug and Alcohol Recovery High School Program

This bill allows a parent to enroll their child in the recovery high school. It also requires the Department of Education to pay the school district of residence's share of the recovery high school's tuition for a student from state subsidies due to the school district.

*Fiscal Impact: This will have no fiscal impact on Commonwealth funds.*

### State Trooper Complement Expansion

This bill will increase the legislative authorization for the number of enlisted members of the Pennsylvania State Police to 4,410 beginning in FY 2023-24.

*Fiscal Impact: This will have no fiscal impact on Commonwealth funds beyond the funding that was appropriated to the State Police through the General Appropriation Act.*

### Judicial Fees

This bill provides for a two-year extension of judicial fees, expands an \$11.25 fee on traffic citations and suspends the \$15 million transfer to the School Safety and Security Fund.

*Fiscal Impact: The fee expansion is anticipated to raise \$6 million in FY 2023-24 due to a phase in, and \$9 million thereafter.*

### Payment in Lieu of Taxes Increase

This bill increases the payment in lieu of taxes made by the Department of Conservation and Natural Resources, Fish and Boat Commission and Game Commission on lands in the Commonwealth to \$2.40 per acre. The increased costs will be incurred by the State Gaming Fund.

*Fiscal Impact: For FY 2023-24, it is anticipated that the additional cost to the State Gaming Fund will be \$8.3 million.*

### Multimodal Transportation Fund

This bill provides that the match requirements for the Commonwealth Financing Authority portion of the program are expanded to include local, regional or metropolitan transportation authorities. The provisions of this section are extended to December 31, 2024.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

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### Distillery Sales

This bill removes the volume of sales restriction placed on distilleries.

*Fiscal Impact: This will have no fiscal impact on Commonwealth funds.*

### Attorney General Restricted Accounts

This section is amended to allow the Attorney General to use up to a total of \$2 million from restricted accounts for building maintenance and renovation costs for a regional office.

*Fiscal Impact: Up to \$2 million in total may be expended from various restricted accounts under the purview of the Office of the Attorney General.*

### Basic Education Funding Commission

This bill extends the Basic Education Funding Commission's reporting deadline from November 20, 2023, to April 30, 2024, and provides for the commission to make an interim report no later than January 30, 2024.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### School Construction and Maintenance Program

This bill extends the PLANCON moratorium prohibiting the Department of Education from approving new school building construction or reconstruction applications for Fiscal Year 2023-24. It also extends the applicability date for provisions contained in Act 70 of 2019 that provide for a new program for school construction and renovation project reimbursement and grants from July 1, 2023, to July 1, 2024.

*Fiscal Impact: These provisions will have no fiscal impact on Commonwealth funds.*

### Nonpublic School Safe School Initiatives

This bill provides an additional \$11,000,000 in grants for nonpublic school safe school initiatives.

*Fiscal Impact: This provision will cost the Commonwealth \$11,000,000, which was appropriated in the General Appropriation Act.*

### Pre-K Counts Program

This bill requires Pre-K Counts Program providers to make enrollment reports to the Department of Education (department) beginning December 31, 2023, and on the last day of each month thereafter. It requires the department to recover and redirect unused grant funds to approved providers where there are students seeking services. It also requires quarterly reports to be made to the Secretary of the Budget and the chairperson and minority chairperson of the Appropriations Committee in the Senate and the chairperson and minority chairperson of the Appropriations Committee in the House of Representatives or their designees.

*Fiscal Impact: This provision is anticipated to have no fiscal impact on Commonwealth funds.*

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### Community College Funding

This bill allocates \$261,640,000 to community colleges in Fiscal Year 2023-24, an increase of \$5,130,000, or 2%. The increase is based on the community colleges' audited full-time equivalent enrollment.

*Fiscal Impact: This provision will cost the Commonwealth \$261,640,000, which was appropriated in the General Appropriation Act.*

### State-Aid for Libraries

This bill distributes \$70,470,000 in state aid to public libraries. The allocation includes \$70,422,981 for general state aid to libraries and \$47,019 to ensure that all District Library Centers receive the statutorily required minimum allocation of \$200,000.

*Fiscal Impact: These provisions will cost the Commonwealth \$70,470,000, which was appropriated in the General Appropriation Act.*

### Ready-to-Learn Block Grants

This bill provides that each school entity shall receive an allocation in an amount not less than the amount received during the 2022-23 fiscal year.

*Fiscal Impact: This provision will cost the Commonwealth \$295,000,000, which was appropriated in the General Appropriation Act.*

### Special Education Funding for Intermediate Units

This bill allocates intermediate units an amount equal to 5.5% (\$76,244,000) of the Special Education Funding appropriation, the same percentage amount as in Fiscal Year 2022-23.

*Fiscal Impact: This provision will cost the Commonwealth \$76,244,000, which was appropriated in the General Appropriation Act.*

### Payments on Account of Pupils Enrolled in Career and Technical Curriculum

The bill increases the average daily membership multiplier in the career and technical education subsidy for area career and technical schools from 0.2276 to 0.2668 and for school districts and charter schools from 0.1844 to 0.2718.

*Fiscal Impact: This provision is estimated to cost the Commonwealth \$14,500,000, which was appropriated in the General Appropriation Act.*

### Use of Undistributed Funds for Distressed Schools

This bill allows the Department of Education to use up to \$7,000,000 in undistributed funds in Fiscal Year 2023-24 to assist school districts in financial distress or identified for financial watch status, the same amount as the current year.

*Fiscal Impact: This provision will cost the Commonwealth \$7,000,000 in Fiscal Year 2023-24.*

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### School Lunch and Breakfast Program Reimbursements

This bill provides for the Commonwealth to reimburse school entities that participate in the National School Lunch and School Breakfast Programs for the difference between the reimbursement rate for a free lunch and a reduced price lunch and the difference between the reimbursement rate for a free breakfast and a reduced price breakfast or paid breakfast.

*Fiscal Impact: These provisions will cost the Commonwealth \$46,500,000, which was appropriated in the General Appropriation Act.*

### Mental Health Services

This bill requires the Department of Human Services to allocate \$20 million to the counties pro-rata based on Fiscal Year 2022-23 allocations. In addition, the counties are required to spend the additional funding on mental health services.

*Fiscal Impact: This provision will cost the Commonwealth \$20,000,000, which was appropriated in the General Appropriation Act.*

### EMS Reimbursement Rates

This bill increases ambulance transportation rates by requiring the Department of Human Services (DHS) to pay for all loaded miles. In addition, DHS shall reimburse providers at the greater of Medicare or Medicaid rates for ambulance services.

*Fiscal Impact: This change will result in an increased cost of \$60.5 million of which \$20.8 million will be state funds. This funding was included in this year's General Appropriation Act.*

### Nursing Facility Case-Mix Rate

This bill requires the Department of Human Services to base each nursing facility's case-mix rate on the information that Fiscal Year 2022-23 rates were based upon.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*

### State System of Higher Education Tuition

The legislation conditions the appropriation to the State System of Higher Education (system) upon the system maintaining tuition at the 2022-2023 academic year level for the 2023-2024 and 2024-2025 academic years. It also provides the president of a system university with the discretion to waive the tuition differential for nonresident students from states contiguous to the Commonwealth.

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

### Growing Greener Debt Service Transfer

This bill authorizes the transfer of funds to the Environmental Stewardship Fund from Personal Income Tax revenue for the payment of debt service on the Growing Greener bonds.

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*Fiscal Impact: The provision results in the transfer of \$10,538,000 to the Environmental Stewardship Fund from Personal Income Tax revenue in the General Fund.*

### Medical Marijuana Program Fund Transfer

This bill authorizes a transfer from the Medical Marijuana Program Fund to the General Fund.

*Fiscal Impact: This provision results in a transfer of \$31.9 million from the Medical Marijuana Program Fund to the General Fund.*

### Surface Mining Conservation and Reclamation Fund Transfer

This bill transfers \$4 million from Personal Income Tax revenue to the Surface Mining Conservation and Reclamation Fund.

*Fiscal Impact: This provision results in a revenue loss to the General Fund for FY 2023-24 of \$4 million.*

### Higher Education Assistance Fund – PHEAA Grants

The legislation transfers \$8,551,000 within the Higher Education Assistance Fund from the SciTech and GI Bill Restricted Revenue Account to the State Grants Restricted Account to maintain PHEAA grant awards at the 2022-2023 funding level.

*Fiscal Impact: The enactment of this provision redirects \$8,551,000 in fiscal year 2023-2024*

### Prior-Year Appropriations

This Article provides technical conformity with certain prior-year appropriations contained in the General Appropriation Act of 2022.

*Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.*